THE MARKETISATION OF SOCIAL JUSTICE: THE CASE OF THE SUDAN DIVESTMENT CAMPAIGN[1]

Susanne Soederberg
Department of Global Development Studies
Mackintosh-Corry Hall, E-323
Queen's University
Kingston, ON K7L 3N6
soederberg@queensu.ca

ABSTRACT

Over the last decade, socially responsible investing (SRI) has become one of the foremost, and according to some observers, the most effective, strategies for influencing corporate behaviour and policy. The Sudan divestment campaign in the United States (and elsewhere) represents one of the more popular and extreme forms of SRI. Given these characteristics, the Sudan embargo is a useful case study to understand more fully and critically the politics and limitations involved in SRI. Until now, the analyses and debates around SRI have tended to focus on either the complementarity or the contradictory relation between moral concerns and the economic objectives of investment decisions. In doing so, these largely technical and economistic analyses have failed to question the power and contradictions inherent in SRI. I argue that this uncritical embrace of SRI, exemplified in the divestment campaign, has led to the depoliticisation and discipline of struggles; the result of which has been to embed further social and political forms of resistance into market rule, or what I refer to as the processes of marketisation.

A paper prepared for the Annual Meeting of the Canadian Political Science Association. University of British Columbia, Vancouver, BC. 4-6 June 2008.

INTRODUCTION

Against the backdrop of the growing influence of institutional investors (pension and mutual funds, endowments, and so forth) on publicly listed corporations, socially responsible investing (hereafter: SRI) has risen in popularity among middle-income earners and grassroots movements in the United States. Together, they wish to challenge corporate power and wrongdoings primarily in the areas of human rights, labour standards, and environmental concerns. SRI assets, for instance, are believed to have ballooned from $40 billion in 1984 to $2.5 trillion in 2005. The term SRI refers to an investment strategy that considers the social and environmental consequences of investments within a context of rigorous financial analysis.[2] Since the anti-Apartheid movement of the 1980s, one of the most controversial and widespread examples of SRI in the United States has been the ongoing Sudan divestment campaign. The boycott is aimed at ending alleged genocidal activities perpetrated by the Sudanese government by pressuring U.S. institutional investors to sell their shares in corporations whose economic activities are believed to fund what many activists have referred to as 'Khartoum's killing machine.'[3] Given that the Sudan boycott represents the most extreme example of the most popular form of SRI, namely, negative social screening, the divestment campaign acts as a useful case to investigate the nature of SRI.

Some observers are quick to dismiss SRI as either in contradiction with fiduciary responsibilities, or as largely ineffective forms of window dressing that appeal to socially conscious investors.[4] In contrast to these views, I suggest that there are important social and political implications at stake that most debates and analyses in the SRI universe do not seek to understand. Until now, SRI in general, and the Sudan divestment campaign in particular, have been represented and analyzed in highly technical, economic terms.[5] As such, the scholarly literature and discourse of grassroots movements linked to the embargo has been overly focused on the complementarity of, or the tension between, moral (genocide) and economic concerns (risk reduction and enhancement of economic performance to created 'shareholder value'). In other words, a key question driving these debates has been: Can social investment funds bring about social justice whilst delivering not only economic benefits, but also superior financial rewards? Thus far, neither the relations of power and contradictions inherent in SRI nor their political implications have been given adequate attention. In particular, the question of *how* each of the two realms of SRI, namely, financial and social concerns, have been constructed and subsequently combined remains unaddressed. When viewed through a critical political economy lens, I question how, why, and in whose interests the two components of SRI are constructed and eventually united under the ambit of 'social responsibility.' I argue that the discourse and debates act to legitimate and thus reproduce the marketisation of social justice. The processes of marketisation are significant because not only do they distort and mask the capitalist nature of struggles, thereby reproducing the status quo of market rule over all aspects of political and social life, but also, and relatedly, they aid in co-opting, disciplining and depoliticizing the contestation of corporate power.

In terms of the Sudan divestment boycott, the marketisation of social issues may be said to occur in three interrelated ways. First, the market is represented as a rational (‘profit-seeking’ behaviour), apolitical, and autonomous space. Second, the dominance of moralistic discourse within the divestment campaign simplifies the conflict to such a degree that the political and historical complexity of the country is denied. This has resulted in the portrayal of the conflict as existing in a one-dimensional space in which the tensions between Africans and Arabs has led to human rights abuses that can be easily, painlessly (in terms of economic losses), and quickly resolved through the application of economic sanctions. Lastly, SRI reduces, redefines, and redirects investors’ and the general public’s concern with corporate complicity in abuses against humanity to the ‘scientific’ and thus sanitized language of risk analysis and concerns for the ‘bottom line,’ where ‘non-financial’ (social) issues, such as human rights, are treated as an afterthought or added feature in boosting shareholder value.

I develop this argument in seven main sections. Section two elaborates on the notion of the marketisation of social justice vis-à-vis the Sudan boycott. Section three provides a brief overview of SRI in the United States with a specific focus on negative social screens, as this is the primary strategy employed in the divestment campaign. Section four examines the debates about negative social screens in order to shed light on some of the key assumptions underpinning the marketisation of social justice. Section five shifts our attention to the discourses and policies around the divestment campaign. Section six discusses what is at stake politically and socially in terms of the depoliticizing tendencies of the marketisation of social justice by exploring the construction of economic and social features of the Sudan boycott, respectively: (1) the contradictions of divestment, and (2) the apolitical and ahistorical representation of genocide in Sudan. Section seven concludes by highlighting some of the consequences of marketisation.

KEY FEATURES OF THE MARKETISATION OF SOCIAL JUSTICE

Within the wider context of neoliberalism, marketisation has primarily referred to the privatisation of state-owned enterprises.[6] In this sense, the term marketisation captures the processes in which decisions about the allocation of resources have been shifted from the realm of the state to the sphere of the market. While SRI does not directly represent a privatisation strategy, it does embody the social and political consequences of past and ongoing neoliberal forms of capitalist restructuring. Important features of neoliberal restructuring have been the liberalisation of trade and the deregulation of finance, both of which are aimed at providing corporations with more power to 'self-regulate.'[7] In effect, the responsibility to ensure that corporations behave in a socially responsible, environmentally sustainable, and profitable manner has fallen on the shoulders of society in general and shareholders in particular. A core belief underpinning the marketisation of social justice closely mirrors a basic tenet of neoliberalism - that all social and political problems can be more efficiently solved in a self-regulating market than by the state, thus recreating the neoliberal assumption that states and citizens should be embedded further in the system of market rule.[8] Stephen Gill's concept of 'market civilization' captures the cultural and ideological expressions of these processes, which are closely intertwined with the myth of capitalist progress. This perspective tends to generate a view of the world that is, among other things, ahistorical, economistic, short-term, and individualistic.[9]

In our attempts to grasp the marketisation of social justice through the prism of the Sudan divestment campaign, it is useful to look beyond the economic dimension, which has dominated SRI policy and discourse. Ronen Shamir highlights the importance of discourse in understanding how and why 'Both state and non-state institutions in fields such as health, education, security and welfare are *transfigured* to act as if embedded in a competitive environment where the laws of economics reign.'[10] While we focus on the discourse of the grassroots movements linked to the divestment campaign, such as the coalitions of the Sudan Divestment Task Force and Save Darfur, our inquiry into 'the marketisation of the moral' requires us to keep in mind that the discourse and policy formation around marketisation shape, and are shaped by, a complex and historically unfolding of struggles within the wider structural constraints of neoliberal-led capitalism.[11] More specifically, in terms of our case study, the structural constraints refer to the uneven and exploitative nature of capital accumulation and intermittent crises, or what Marxists refer to as the crisis of overaccumulation. This crisis, which underpins neoliberalism, has led to strategies such as the reprioritizing of finance over production and, relatedly, to an increase in institutional investment in financial markets – due to not only the privatization of pension savings,[12] but also the lack of lucrative venues in which to invest.[13] According to David Harvey, the crisis of overaccumulation is one of the main thrusts for spatial expansion. The latter involves attempts to gain access to cheaper inputs (labour power, raw material, land, and so forth) and to widen markets, as exemplified by institutional investors who invest in companies that have been exposed by the divestment campaign to be complicit in human rights abuses in Sudan, e.g., PetroChina, which we discuss below.[14]

Within the wider context of SRI, the marketisation of social justice is exemplified by the following. At one level, social social issues are reduced to financial concerns. For example, the Sudan Divestment Task Force encourages U.S. institutional investors to sell their shares in 23 public corporations – all of which are presently foreign, the majority of which are domiciled in emerging market economies (such as China, India, and Malaysia), and whose businesses interests are in commodities that support the dominant oil interests in Sudan – as a key tactic to halt human rights violations.[15] On a deeper level, the act of reducing ('transfiguring') social issues to economic concerns and financial code is revealed to be a social construction. The construction of the market, for instance, as an apolitical and rational space, and the construction of social issues in moral terms devoid of politics and history serves particular material interests in society. This manufacture also allows for a hierarchical ordering of economic over social issues in the investment decision calculus. In this context, the value of social issues must therefore be measurable in terms of their ability to favourably affect the bottom-line, i.e., deliver economic benefits to investors. The very act of designating, and thus reducing the complexity of, social concerns as 'non-financial' issues in the investment industry is a case in point. Since neither the construction of social issues and economic concerns nor their hierarchical ordering are self-producing, natural characteristics of society (or, 'givens'), they must constantly be socially reproduced (or, 'transfigured') within the context of uneven and exploitative forms of capitalist accumulation. The struggles, power relations, and contradictions surrounding this reproduction in the wider context of SRI are what I attempt to capture with the term marketisation.

SOCIALLY RESPONSIBLE INVESTING: AN OVERVIEW

SRI is not a new phenomenon. Resistance to, and dissatisfaction with, the social effects of corporations' daily operations are almost as old as corporations themselves.[16] Religious investors from a variety of faiths have long shunned investments that violated their core beliefs. Quakers and Methodists, for example, frequently refused to make investments that might have benefited the slave trade, while the earliest formalized ethical investment policies avoided 'sin' stocks, or firms involved in alcohol, tobacco, or gambling. Modern SRI strategies are believed to have their roots in the social and cultural upheaval of the 1960s, during the outgrowth of the civil-rights, feminist, consumer, and environmentalist movements, and the contemporaneous protests against the Vietnam War.[17] The changing agenda and strategies in the wider SRI movement are said to be the result of shifts in public opinion and political changes linked to grassroots movements.[18] Indeed, many supporters of SRI have suggested that the industry's spectacular growth over the past several decades has not been driven by Wall Street, but by consumers. 'The vast majority of the hundreds of investment management firms in the US who now manage socially screened portfolios had no interest in the field ten years ago. Evidence strongly suggests that most of them got into the business to avoid losing clients.'[19] This trend reveals both an increasing discontent with ever-expanding forms of corporate power over all aspects of life, but also the belief by institutional investors and activists that social change can be affected effectively and profitably through the market mechanisms. This strategy of having one's cake and eating it has also been labelled as the 'feel good factor,' which we return to in the concluding section of this essay.

The most popular form of SRI in the United States is social screening. With more than $1.7 trillion in assets, social screening represents the largest segment of SRI activities in the United States. Negative screening, the main device used in the Sudan divestment campaign, involves the avoidance of companies that engage in activities contrary to investors' values and moral principles. Positive screening 'is based on the principle that investors actively seek to support companies whose social and environmental records are consistent with good corporate citizenship.[20] Divestment, or the selling off of company shares, represents the extreme form of protest in the SRI universe. A fundamental assumption underpinning the decision to divest from a company is that investors are able to affect the financial fate of the targeted firms and therefore induce a change in corporate policy and/or behaviour. The Social Investment Forum, like the Sudan divestment campaign, suggests that social investing will have a financial impact, as investors put their money to work in ways that will build 'a better, more just, and sustainable *economy*.'[21] This position is a highly contested, however.

DEBATING SOCIAL ISSUES IN MARKET RULE

A review of the SRI literature on negative social screens suggests the strengths and weaknesses of social investing are largely understood within the bounds of the market. For instance, those opposed to SRI fear that a social focus will jeopardize the economic performance of a company. Proponents argue that SRI leads to progressive forms of social change *and* financial returns that are the same, if not better, than those from traditional investment strategies.

Contesting Negative Social Screens

There are at least two main arguments that are central to the critiques of SRI. First, negative social screens, and SRI in general, are not conducive to high returns. Second, negative social screens have little or no impact on the targeted firm. In what follows, we look at each point in turn.

In a study conducted by Geczy *et al.,* the authors set out to discover the costs born by investors, if any, who choose the path of SRI. Drawing on 46 different non-SRI mutual funds from a universe of 894 equity mutual funds to construct 36 portfolios of varying allocations to reflect various decision-making models, the 'Wharton study' (as it is known to some in SRI circles) demonstrated that although the cost of social investing can range widely, generally speaking, most socially responsible investors in equity mutual funds pay a price for their willingness to 'do good deeds' via their investments.[22] According to modern portfolio theory, one of the key reasons for this underperformance is that the SRI stock universe constrains investment choice. The assumptions underlying this view are that returns on all financial assets do not move in lockstep and that risk can be managed. Thus, diversification of stock ownership is necessary to offset losses with gains.[23]

The second critique levied against SRI is that there is no observable link between negative social screening and financial performance. Munnell and Sunden (2005) argue that boycotting a stock is unlikely to have any impact on its price, because the demand for a firm's stock is almost perfectly elastic.[24] In other words, a relatively small change in quantity demanded for a stock – which has been shown to be the case with social investing since it represents an extremely small portion of total assets – does not meaningfully change the price of the stock or the success of the targeted investment. As long as some buyers are attracted to the stock, they can move in, purchase the stock, and make money. To support their argument, Munnell and Sunden cite the 1999 study by Teoh *et al*. on how equity prices reacted to sanctions and pressures for 46 firms to divest their holdings in South Africa.[25] Contrary to common wisdom, the findings of Teoh *et al*. suggest that the anti-apartheid shareholder and legislative boycotts had no negative effect on the valuation of banks or corporations with operations in South Africa or on the South African financial markets. Seen from this angle, if equity prices do not respond to the sanctions and pressures to divest, the question that emerges is how effective is SRI in building a 'better, more just, and sustainable *economy*'?

Negative Screens and Social Justice

Supporters of SRI, on the other hand, argue that whilst the above Wall Street perspective remains dominant among investors, there have been few studies to support the idea that SRI underperforms.[26] Given the limited number of studies, the methodology and conclusion of the Wharton School findings have come under heavy scrutiny from the supporters of SRI. Two specific criticisms are worth citing here. First, half of the 46 non-SRI funds comprising the portfolios, which were compared against SRI portfolios in the study, were unavailable to the average mutual fund investor, either because of the minimum investment threshold of $100,000 or because they were closed to new investors at the time of the study. The upshot of this exclusion in the study is that investors were urged 'to eschew SRI funds in favour of other funds in which they are unable to invest. Second, the Wharton Study compared the performance of broadly based SRI funds with a group of 28 mainstream equity funds, 17 of which were real estate funds. Due to the 'enormous differentials in the risk/return characteristics of these two different types of investments, this comparison is, at best, disingenuous.'[27]

Advocates of social investment practices argue that SRI not only reduces risk, but also leads to superior financial performance,[28] even beyond the bull market of the late 1990s.[29] It can be argued that by introducing social screens, social indices such as the Domini 400 Social Index, lower liability because these types of screens go beyond the traditional indicator used by Wall Street firms to compare volatility: beta. In short, it can be argued that social screens capture sources of risk better than beta as a stand-alone metric. If, for example, one index tends to move up and down more than another, the former index is considered more volatile and thus riskier. And, as standard financial theory dictates, taking that additional risk one should expect a higher return over time.[30] The beta for Domini 400 is 1.1, somewhat higher than the S&P (Standard & Poor's) 500 Index. Two points are important here. First, the comparisons between the Domini and S&P indices is not appropriate, since the former tends to include the stocks of smaller companies with lower capitalization (i.e., the amount of total capital funds of a corporation, represented by stocks, bonds, profit, and so forth), which tends to add to the volatility of the portfolio and thus results in a higher beta. Second, while the beta is a good indicator of short-term volatility, it does not measure the long-term nature of company-specific risk. SRI portfolios with higher betas could have lower risks – that is, 'a lower probability that they will run into economic problems resulting in unexpected financial decline.'[31] As Camejo explains, 'Social screens knock out companies that engage in discrimination or are in conflict with their local communities or workforce. Elimination of these companies reduces a specific kind of risk, what we can refer to as "company-specific risk."'[32] However, it should be noted that no study has been conducted to prove or disprove this point. As will become evident in the next section, the discourse around the Sudan divestment campaign reproduces the marketisation tendencies within the SRI debates.

THE CASE OF THE SUDAN DIVESTMENT CAMPAIGN

According to the mainstream discourse around the divestment campaign, the conflict in the western region of Darfur is believed to have started in 2003, when rebel groups began brutally attacking government targets. The narrative around the conflict may be summarized as follows: the government of Sudan responded to the military challenge posed by rebel movements in Darfur by arming, training and deploying Arab ethnic militias known as Janjawiid. The Janjawiid and Sudanese armed forces launched a campaign of ethnic cleansing and forced displacement by bombing and burning villages, killing civilians, and raping women. The first half of 2004 saw a dramatic increase in these atrocities. The conflict is believed to have resulted in the death of over 200,000 people in the Darfur region alone. Some were killed during armed attacks, and many others died from disease and malnutrition. Reportedly, over two million people have either fled their homes or been displaced by the conflict.[33] The war in Darfur has largely, and problematically, been depicted in terms of tensions between Black Africans (Darfurians) and Arab Africans (Sudanese government and Janjawiid).[34] We look more closely at the oversimplication of the conflict below. For now, it is useful to point out the following quote furnished by the conservative, US think-tank, the Heritage Foundation,[35] as it is quite representative of the mainstream portrayal of the conflict:

> The situation in Sudan's western province of Darfur, currently *the world's worst humanitarian disaster*, continues to deteriorate. Sudan's radical Arab dictatorship, which has been battling a popular rebellion in Darfur since early 2003, has unleashed Arab militias to murder, terrorize, and forcibly exile the predominantly non-Arab ethnic groups of that region.[36]

In 2002, the US government sought to enact the *Sudan Peace Act*.[37] This bill was in direct response to the growing concerns and pressures on the government by a grassroots movement comprised of a diverse set of organizations and individuals in the United States (and elsewhere) composed of Hollywood celebrities (featuring such luminaries as Mia Farrow and George Clooney) to state and federal politicians, student, humanitarian, and religious groups, for-profit (e.g., social funds and public pension funds), as well as non-profit organizations (e.g., Amnesty International, and, most notably, the Save Darfur Coalition, which is comprised of over 180 groups and organizations). The bill contained provisions for capital market sanctions, 'i.e., the shares of all foreign companies operating in Sudan would be de-listed from the NYSE and the NASDAQ.'[38] Although unanimously approved by the House of Representatives, the bill remained in limbo, in part, due to the fact that capital market sanctions were opposed by powerful business interests, and, in part, to Sudan's changing relationship with the U.S. government in the immediate aftermath of 9/11, when the Sudanese government became an ally in the G.W. Bush Administration's 'War on Terror.'[39]

In 2004, the United States government declared the ongoing massacre in Darfur as genocidal. In 2005, the U.S. Senate passed a milder version of the *Sudan Peace Act*: the *Darfur Accountability Act*. This legislation clearly lays out sanctions and other measures against the Government of Sudan, 'including sanctions that will affect the petroleum sector in Sudan, individual members of the Government of Sudan, and entities controlled or owned by officials of the government of Sudan or the National Congress Party in Sudan.'[40] It should be noted that this initiative was based upon the comprehensive trade and economic sanctions originally imposed by President Clinton in 1997 because of Sudan's alleged support for terrorism. This Executive Order, which in effect sought to block all American companies from doing business in Sudan, helped to transform the nature of investment in Sudan to one of portfolio holdings of foreign (public) companies, hence the importance of the divestment initiative.[41]

'Extreme SRI:' The Selective Divestment Model

In spite of the ongoing controversy surrounding genocidal activities in Darfur, the Sudanese government's revenue has increased each year since outset of the conflict. This growth has been largely sustained by large inflows of foreign direct investment (FDI) most of which is based in the oil, energy, and construction sectors, and which emanate from companies situated primarily in China and India. According to the International Monetary Fund (IMF), Sudan's economy grew by 12 percent in 2006 and the government received over $2.3 billion in FDI, up nearly 50 per cent from 2004 (SDTF). These inflows are believed to be an important source of income for a country whose debt amounted to 107 per cent of its GDP in 2005. According to the media and grassroots organizations linked to the divestment campaign, there have been numerous reports documenting the connection between government revenue, especially from oil proceeds, and the Sudanese government's ability to carry out military-backed atrocities.[42]

Seen against the above backdrop, those who favour divestment argue that since the government relies on FDI to finance its genocidal activities in Darfur, then targeting FDI through divestment seems like a logical strategy for influencing outcomes in Sudan. It is believed that this form of economic pressure will enhance political engagement and diplomacy – both of which have been widely perceived as ineffective thus far. The Sudan Divestment Task Force (hereafter: SDTF or Task Force), which was established in 2005, is organized by a national student-led group and acts as a co-ordinating source for the Sudan divestment campaign. The Task Force rationalizes its actions in the following manner:

> The urgent nature of the Darfur genocide and the role investments play in indirectly financing the atrocities, Sudan represents a unique situation and the Sudanese government has demonstrated a historical responsiveness to economic pressure. In addition, many companies operating in Sudan have already been engaged for years by numerous

> fiduciaries; while some have altered their behavior, others have explicitly expressed their unwillingness to do so…extended engagement (through traditional mechanisms such as proxy voting and coalition building) often takes years - a timeframe wholly unsuited to the urgency of ongoing genocide. While the targeted divestment model still calls for engagement, it calls for that engagement to be expedited and followed by the economic "stick" of divestment should company behaviour fail to change.[43]

The economic stick is comprised of a 'selective divestment model,' which has been designed to strike a balance between its political aims to end genocide in Darfur and the fiduciary duties of investment managers. It is thought to be capable of 'maximizing divestment's impact on the government of Sudan while minimizing unintended harmful effects on innocent Sudanese citizens and on the health of institutional investments.'[44] Unlike other divestment models, which advocate targeting all non-humanitarian business connections to Sudan, companies associated with agriculture, consumer goods, and education are usually exempted under the targeted divestment criteria of the SDTF, since they are believed to be critical to the daily life and economic well being of the population.[45] According to the Calvert Group, a social investment fund that undertakes analytical work for the Task Force on a *pro bono* basis, the distinction between non-humanitarian business connections to Sudan companies and so-called 'humanitarian' business is achieved by focusing divestment pressure on what Calvert and the SDTF understand as the 'highest offending' corporations.[46] In its 'Sudan Company Profile,' which is updated on a quarterly basis, the SDTF reviews over 800 companies with connections to Sudan. Currently, 23 publicly held corporations fall under the highest offenders category.[47] The divestment model permits fiduciaries to build a well-diversified portfolio without sacrificing returns or increasing risk exposure, as discussed above.[48] The SDTF's selective divestment strategy has proven to be quite popular among many institutional investors, especially public pension funds. Currently, over $3 billion in state assets adhere to the Task Force's targeted divestment list.[49]

THE MARKETISATION OF HUMAN RIGHTS

This section elaborates on various contradictions and relations of power that the marketisation of social issues conceals and distorts (or, transfigure) by taking the following two analytical steps. First, by exploring the politics of the divestment campaign, I hope to throw critical light on the social construction of the market as an autonomous, rational (in terms of 'profit-seeking' behaviour), and apolitical terrain. Second, by examining the moralistic discourse around the conflict, I aim to reveal the power relations and politics involved in the construction of social issues, or, in the case of the divestment campaign, genocide.

The Politics of Divestment and the Pursuit of Profit

> *'There is a growing view among investment professionals that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios.'*
> -United Nations' Principles for Responsible Investment
> (www.unpri.org)-

On one level, it appears as if the federal government, states, and municipalities have supported the divestment campaign out of moral compassion and in response to the mounting pressure from grassroots organizations. On a deeper level, however, the government has played an integral role in reproducing the status quo by, firstly, channelling, and thus depoliticizing and disciplining struggles to the realm of the market, and, secondly, by providing portfolio managers with enough wiggle-room to overcome the limitations set by the boycott. This is evident in the following examples involving the largest endowment in the United States, Harvard University, and the country's largest public pension fund in the United States, the California Public Employees' Retirement System (CalPERS).

Before beginning, it is useful to underscore the point that despite the legislative actions noted above, the US government has refused to provide investors with a comprehensive list of public companies doing business in Sudan. A proposed SEC listing of 35 public companies whose 2006 Annual Reports revealed business interests in Sudan was met with the same opposition as the Sudan Peace Act. On behalf of business interests, various representatives from both the Democratic and Republican parties urged the Securities and Exchange Commission (SEC) to withdraw such a list.[50] Rehearsing the assumptions of neutrality and separateness from the market, and thereby reproducing the assumption that the latter is an apolitical and technical realm of economic transactions, it was deemed inappropriate for the federal government, and by extension, its regulatory body, SEC, to produce such a list. The reason offered was that such a list could introduce distortion into the market, largely because it could be construed as providing investment advice. In the words of the SEC's Deputy Director, Shelley Parratt, it is 'inappropriate for us [the SEC] to publish a list of companies who securities might be deemed to involve terrorism-related investment risk without publishing corresponding lists for every other possible type of investment risk.'[51] Aside from signalling a separation from the market, this noncommittal position promotes vagueness about which U.S. corporations are actually operating in Sudan and allows the state to appear progressive and responsive to grassroots movements, whilst financial corporations continue in their ability to invest in lucrative public companies that do business in Sudan, such as PetroChina Company. In 2006, for instance, the largest mutual fund in the United States, Fidelity, was PetroChina's leading U.S. investor. Nevertheless, since no specific list existed, Fidelity stated that they did not violate 'any U.S. laws and the government should decide what foreign investments are appropriate.'[52]

Aside from the absence of an official list of public companies violating the embargo, the legislation imposed on fiduciaries is easily negotiable for those who wish to profit from corporations doing business in Sudan. Fiduciaries may channel their investments indirectly to second parties, thereby avoiding legislative restrictions and protecting their reputations, allowing them to continue profiting from highly profitable, blacklisted corporations. PetroChina's shares, for example, traded in 2007 at 55-times earnings, versus just 13-times earnings in the case of Exxon.[53] Others have reported that share prices of PetroChina, which represents a major firm in the Chinese economy, have grown by almost 500 percent between 2003 and 2008.[54]

In response to mounting pressure by student groups connected to the wider divestment campaign, and the naming of human rights abuses in Darfur as 'genocidal' by the federal government, the Harvard Corporation Committee on Shareholder Responsibility (CCSR) directed Harvard Management Company (HMC) – the oldest corporation in the United States and holder of one of the largest financial endowments of any non-profit organization in the country, next to the Bill and Melinda Gates Foundation - to divest itself of stock held by HMC in PetroChina Company Limited (PetroChina) in April 2005.[55] A year later, HMC announced plans to divest from the Sinopec Corporation (China Petroleum and Chemical Corporation) due to the company's involvement in the crisis in Sudan.[56] It was revealed in a Harvard University newspaper (*The Crimson*) that Harvard's most recent federal regulatory filing with the SEC shows that the university's endowment has remained invested in PetroChina and Sinopec. These investments are held indirectly through the iShares China fund, which is managed by the UK bank, Barclays. The iShares China fund invests according to a formula set by the Financial Times, the London Stock Exchange, and the Chinese news agency Xinhua. The fund allows investors to spread their assets across 25 of China's largest companies, which include Sinopec and PetroChina. Harvard also stated that it held further $516.2 million in shares in Barclay's iShares MSCI Emerging Markets Index Fund, which represents one of Harvard's single largest investments. Harvard University is not the only corporation that has sought to appear to conform with the demands placed on it by the divestment campaign by shifting its interests in blacklisted companies from direct to indirect holdings, including holdings of other less-visible companies whose businesses revolve around the success of blacklisted companies. For example, there exist myriad companies within PetroChina's supply chain, as well as firms whose growth depends upon PetroChina's ability to extract and process oil in Sudan, and these may not themselves be blacklisted. It is believed that Fidelity, which divested from PetroChina citing human rights concerns in Sudan, has also relied on a similar smoke and mirrors tactic, as I mentioned earlier in the essay.[57]

Harvard attempted to absolve its actions by suggesting that the University has no direct control over the distribution of assets at its Barclays iShares funds. Furthermore, since Harvard owns the PetroChina and Sinopec shares through indexed funds, the University can only divest from the companies by selling off its entire stake in each of the two iShares entities.[58] This perspective seems to strip the HMC of any agency and thus wrongdoing, as well as portray the financial market as a static and apolitical *fait accompli*. While the Sudan Divestment Task Force (SDTF) has noted Harvard's continued investment in offending companies, it does not openly admonish the corporation for its actions. Despite the fact that it notes that divestment from passive investments, such as indices, are relatively easier to achieve than active, co-mingled investments. HMC, for instance, could have requested that Barclay's reweigh the index fund and then manage it in a separate account for the investor. Alternatively, HMC could request that Barclay's introduce a Sudan-free passive fund. The fund has to be acceptable to all investors (i.e. companies excluded from the fund and how the fund is reweighed has to be acceptable to everyone who then subsequently invests in the fund.[59] Neither option was exercised, however.

A second case in which the lure of profitable, yet publicly tainted, investment sites could not be resisted is evident in CalPERS' attempt to hide its investments in PetroChina by way of a second party. Despite its self-made image as a responsible investor, which has implemented a Permissible Country Index, based on 'non-financial' (including political stability) and financial factors[60], CalPERS' Board of Directors did not initiate its strategy of 'constructive engagement' with portfolio companies doing business in Sudan until it was pressured by the California State Legislature and the wider grassroots movement of the divestment campaign. According to CalPERS, constructive engagement entails the identification of public firms that 'have a presence in Sudan, determining the impact of their business on human rights, and demanding that they respond to our concerns.'[61] Notwithstanding this position, as well as the fact that CalPERS prohibited investment in nine companies subject to legislation, which included PetroChina, CalPERS firmly supported Berkshire Hathaway Inc.'s (hereafter: Berkshire) refusal to divest from PetroChina when grassroots movements pressured it linked to the divestment campaign. Indeed, as one of Berkshire's major shareholders, CalPERS, which owns nearly 7,500 shares worth more than $800 million, has opposed such a plan. According to CalPERS spokeswoman, Pat Macht, 'Shareholders should not "tell them how to invest." '[62]

The irony of this position is that CalPERS has been a major force behind the shareholder activist movement in the United States.[63] The investment guru and head of Berkshire, Warren Buffet, has remained firm that both Sudan and the policies of the Chinese government are separate issues that neither he nor Berkshire could control. Nonetheless, Buffett dumped his remaining PetroChina shares in October 2007 citing that this decision was undertaken not out of moral conviction, but rather on 100 percent price considerations, as Buffett feared that its shares were rising too far, too quickly.[64]

Beyond the Morality Tale of Genocide

'This is blood money. . . . Fear of losing money is . . . not compared to the women who are being attacked today . . . and the children who are being thrown into bonfires.'
-Mia Farrow of Dream for Darfur (www.savedarfur.org)-

'Calvert views the situation in Darfur as the most urgent human rights and humanitarian crisis in the world.'
-' What Divestment Means for Investment Returns
The impact of constructing a "targeted" Sudan-free portfolio,' Socially Responsible Investing News, 19 October 2007, Calvert Online.

The construction of human tragedy in Sudan in moral terms, as depicted by the divestment campaign, is based on an ahistorical and apolitical understanding of the complexity of the country. Aside from concealing relations of power and history, the moralistic discourse dehumanizes the conflict. Moreover, the portrayal of the conflict in simple terms feeds into a quick fix, market-led response as divestment, which is a feature of the hierarchical ordering of financial concerns over social issues in SRI. This section attempts to re-politicize the moralistic discourse employed by the Sudan divestment campaign and other supporters of the embargo, which were discussed earlier in the essay.

The apolitical and ahistorical treatment of the conflict, especially its naming as genocide, allows for the easy packaging of the conflict as a single-issue. Casting the conflict in oversimplified terms, for instance, has had its advantages in terms of creating a single-issue that brings together a wide and diverse set of groups and organizations that would otherwise be adversaries on most issues of the day: the Christian right and the Zionist lobby; humanitarian and human rights organisations; school and university-based peace movements; and so forth.[65] At a deeper level, the act of reducing complex political and historical dimensions of the conflict to an 'Arab' versus 'African' dichotomy has led to the moralization of the violence, the depoliticization and dehumanization of struggles, as well as to the demonization of Arabs.[66] As I have argued elsewhere, the act of denying a country its individual history, culture, and politics leads to the objectification and 'othering' of complex social formations.[67] The moralistic discourse of the divestment campaign also reduces the motivations of the perpetrators to biology (race) or culture. As Mamdani observes in the mainstream discourse, 'there is nothing messy about Darfur. It is a place without history and without politics; simply a site where perpetrators clearly identifiable as 'Arabs' confront victims clearly identifiable as 'Africans.'[68] This is evident in many of the newspaper writing on Darfur, which Mamdani rightfully accuses as having sketched a 'pornography of violence' that further depoliticizes, dehumanizes, and naturalizes the conflict.

> It [the media] seems fascinated by and fixated on the gory details, describing the worst of the atrocities in gruesome detail and chronicling the rise in the number of them. The implication is that the motivation of the perpetrators lies in biology (race) and, if not that, certainly culture. This voyeuristic approach accompanies a moralistic discourse whose effect is both to obscure the politics of violence and position the reader as a virtuous, not just a concerned observer.[69]

David Campbell echoes the above claim by suggesting that these images also contribute to the construction and reconstruction of an 'imagined geography' in which the dichotomies of West/East, civilized/barbaric, North/South and developed/underdeveloped have assumed a central place in the depiction, and thus explanation, of the conflict.[70] Such an imagined geography recreates the 'missionary' zeal, prevalent throughout the history of colonialism and its current forms of economic and cultural colonialism, in which the West are morally obliged to civilize (or de-Islamize) the barbarians, or, in the case of the Sudan 'genocide', the vilified Arabs.[71] As we saw above, the rationale given by the SDTF for the efficacy of divestment mirrors tendencies toward missionary zeal, hints at overtones of infantilism and moral superiority, invokes the social power of money (investment) over the weak and historically prescribed position of Sudan as a debtor country - all aimed at compelling the 'barbaric regime' of an 'underdeveloped nation' to behave in a civilized manner.[72] It should be highlighted that despite its alleged attempts to spare civilians through its select divestment model, the Task Force, and those tied to the divestment campaign, have not problematised the fact that Sudan has been denied debt relief due to the sanctions. It is important to flag this point here, as it is symptomatic of the apolitical and ahistorical construction of 'social issues' in SRI as well as of relations of power. For instance, according to Sudan officials, in 2007, almost half of the country's debt is in the form of either accumulated interest or penalties, with 90-95 per cent of it being overdue. However, due to the sanctions imposed by the United States, and the latter's influence on the IMF and World Bank, Sudan does not qualify for debt relief.[73]

Many diplomatic representations of the conflict rehearse elements of orientalism, or, which is the same thing in the context of this discussion, a misunderstanding, whether intentional or unintentional, of the plurality, hybridity of Sudan, and even the entire African continent and its people. Plurality is reduced to a single entity marked by an iconography of despair, disaster and disease. Political leaders, as disparate as Sudan's Vice-President and the US Deputy Secretary of State, for example, refer to the conflict as a 'tribal war,' which is 'very common in Africa.'[74] Campbell highlights the relations of power within the orientalist overtones of the discursive formation around the conflict as something akin to 'Africanism,' in which the continent is homogenized, tribalized and rendered completely 'other' to its US and European counterparts.[75] Yet, as many scholars have noted, Darfur possesses complex (messy) political and historical dimensions of insurgency and counter-insurgency that go beyond the one-sided depiction of violence perpetrated by Arabs[76]. Given the spatial constraints of this paper, it is not possible to provide a full historical account of the central and critical role of colonialism, current forms of U.S.-led imperialism, and the role of oil in understanding the more recent insurgencies and counter-insurgencies which currently shape the political landscape of Sudan. Some authors trace the conflict back to the 17th century and the origins of the Fur state, imperial expansion, revolution, and annexation by Anglo-Egyptian Sudan.[77] By viewing the conflict through a lens that reincorporates the history and politics of Sudan, we are able to make sense of the intricate roots of the present-day conflict, but also the numerous actors and relations of power in Sudan that go beyond the simplistic dichotomy of 'Arabs' versus 'Africans', as depicted in the mainstream discourse of the conflict. It also reveals that the sources of the conflict are regional and global, as well as capitalist, not simply ethnic, racial and cultural.[78]

History allows us to grasp that the complexity of identity formation in Darfur transcends the battle over the meaning of 'Arab' and 'African' and also its subtext of who belonged and who does not belong to the political community of Sudan.[79] The Janjawiid, which have been described in the media as Arab militias, does not mean that all Arabs are fighting on the side of the Janjawiid. In fact, the International Commission of Inquiry on Darfur (ICID) to the UN Secretary-General (2005) found that many Arabs in Darfur are opposed to the Janjawiid, and some Arabs are fighting with the rebels.[80] The ICID also observed that, at the same time, many non-Arabs are supporting the government and serving in its army.[81] It is therefore necessary to go beyond the simplistic Arab-African dichotomy and recognize that 'Darfur's Arabs are black, indigenous, African and Muslim – just like Darfur's non-Arabs.[82] This is not to imply that the 'Arab' versus 'African' identity plays no significance in relation to Darfur. Indeed, such a dichotomy remains an important feature of any analysis. However, this dichotomy needs to be also understood as a contemporary political dimension of regional politics, which is itself an integral aspect of relations of power and construction of identities in Sudan, as opposed to an ancient and culturally or racially defined fault line.[83] 'Arabism' in Darfur, for instance, is closely linked to the wider politics of the Sahara during the early 1980s, when Libya quested for geo-political prominence in the region.[84] These identity markers of the Arab-African dichotomy also need to be understood historically as a consequence of the violence rather than a cause of the conflict.[85]

The uncritical embrace of the divestment campaign's reliance on the label genocide, as a key descriptor of the violence in Sudan, is also problematic. On one level, as Prunier argues, genocide creates a brand image that warrants a 'big story' to mobilize media attention. This is especially true in the African context, where killing, due to orientalism and its attendant features of dehumanization and depoliticization discussed above, has become boring.[86] Relatedly, the uncritical embrace by key voices of the divestment campaign, such as Save Darfur, not only further supports the predominance of morality but also constructs a false sense of consensus around the label. In contrast to the United States government's verdict on 23 July 2004, the United Nations has avoided labelling the conflict as genocidal. The UN Commission on Darfur, for instance, was more ambiguous. In its report, which was submitted in January 2005, the commission found that the Sudanese government's violence was 'deliberately and indiscriminately directed against civilians. Indeed, even where rebels may have been present in villages, the impact of attacks on civilians shows that the use of military force was manifestly disproportionate to any threat posed by rebels.'[87] The commission concluded that 'the Government of the Sudan has not pursued a policy of genocide…directly or through the militias under its control.'[88]

At a deeper level, the act of naming the conflict as genocidal glosses over the relations of power involved in the political manipulation of key identities involved in the conflict discussed above, and thereby further bolster the moralistic discourse in terms of the Arab-African dichotomy. Aside from the divestment campaign, whose success has been dependent on the support of the United States government (in all its various municipal, state, and federal levels), a chief benefactor of the genocidal label has been the United States government. As I mentioned above, the construction of the social issue in terms of the morality of genocide distorts the geo-political relations of power on the global level, especially with regard to the aforementioned issues of oil and the 'War on Terror'. For instance, the lack of consensus around the naming of genocide amounts to more than semantics; however. It highlights the power of the United

States government to name one conflict genocidal and not others. Indeed, there appears to be a close association between the chosen subject matter of the divestment campaign around Darfur and the geo-political interests of the United States government. As Mamdani points out, the violations with which the UN Commission charged the Sudanese government relate not only to Darfur but also to other situations of extreme violence such as the U.S. occupation of Iraq, the Hema-Lendu violence in eastern Congo, and the Israeli invasion of Lebanon.[89] Yet, there does not seem to be a divestment campaign in the United States aimed at human rights abuses in these three cases. The non-response of U.S. grassroots organizations and SRI campaigns to Congo is noteworthy. The numbers of the conflict in Congo, for example, are estimated in the millions rather than the hundreds of thousands. Similar to the Darfur situation, the majority of the killings, particularly in Kivu, have been undertaken by paramilitaries –many of them by child soldiers- trained, organized and armed by neighbouring governments and allies of the United States government.[90] As Mamdani argues, the depoliticization of the naming of genocide with regard to Darfur, and the subsequent mass mobilization, must be understood as an integral feature of the discourse and imagery in the moral tale of the conflict and vilification of Arabs discussed above, but also the wider War on Terror. 'Unlike Kivu, Darfur can be neatly integrated into the War on Terror, for Darfur gives the Warriors on Terror a valuable asset with which to demonise an enemy: the genocide perpetrated by Arabs.'[91]

The motivation goes beyond the vilification of Arabs, however. As I have argued elsewhere,[92] the U.S.-led War on Terror has strong historical roots in global capitalism and the geo-political concerns therein, or, more to the point, American-led imperialism and the role of oil.[93] This is apparent in a 1986 report issued by the U.S. development agency, USAID, regarding the key points of U.S.-Sudan relations: (1) mitigating threats posed from the rise of 'Arabism' in both Ethiopia and Libya; (2) protecting U.S. interests in the Horn of Africa and the Nile Valley by maintaining friendly relationships with the Sudanese government; (3) preserving access to the Persian Gulf; and (4) demonstrating and confirming the U.S. commitment to Africa through Sudan's regional neighbours.'[94] These concerns were shaped, in part, by the discovery made by Chevron - a major U.S. oil consortium - of commercially significant oil reserves in the 1970s.[95] These concerns have become further intensified in the new millennium with the War on Terror and the Sudan's status as an oil exporter (as of August 1999). The latter development, for instance, has had the effect of shifting the country's regional standing, especially in comparison with those countries to which Sudan exports its oil (such as Ethiopia, Eritrea, and Uganda). While the Sudan Peace Act was vetoed, due to pressure from business interests linked to the oil industry in Sudan (like Berkshire, CalPERS, Fidelity, and the Harvard Management Corporation) and the co-operative spirit of the Sudanese government in the 'War on Terror,' the U.S. State Department still considers Sudan "a state sponsor of terror."[96] Sudan's shift in status to oil exporter, alongside the past conflict the U.S. has had with the country, may be a more important reason why the United States government has agreed to support the divestment campaigns, alongside relatively mild economic sanctions, than its alleged moral concern for Khartoum-sponsored genocidal atrocities.[97] The moral overtones of the conflict reproduce both the construction of and separation between 'non-financial' (social) issues and economic concerns within the SRI discourse and financial theory discussed above. This facilitates the hierarchical ordering of fiduciary over moral concerns, and because the struggle is represented in apolitical and dehumanized terms, the primacy of the economic over social considerations becomes as unproblematic as the prescribed solution: divestment.

Taken together, the attempts to re-politicize the contradictions of divestment and the tale of morality surrounding the genocide have sought to go beyond the reification of the market as an efficient, coherent, objective, and apolitical space devoid of power and contradictions. Furthermore, I have suggested in this section that understanding social issues, such as human rights abuses, cannot be reduced to the overriding concern of creating shareholder value, as is evident in both the focus and goals of the Sudan divestment campaign and the key debates about negative social screens.

CONCLUSION: 'GIVING KARMA, GETTING KARMA'

I have argued that one of the largest and extreme cases of SRI in the United States, the Sudan divestment campaign, is characterised by the marketisation of social justice. The marketisation processes involve not only the construction of two major components of SRI, namely social justice issues and economic concerns, but also serve to embed social concerns, such as human rights abuses, in market rule. In the case of the Sudan divestment campaign, the marketisation of morals has led to several consequences. First, this process acts to diminish the historical and political complexity of the issues targeted by the screening initiatives, which, in the case of the Sudan boycott, not only oversimplifies the underlying causes of human rights abuses, but also leads to the objectification ('othering') of suffering. Second, and relatedly, once the objectification has taken place, its solution is also found in the market, i.e., divestment from companies. There are at least two issues that spring from this point. On the one hand, it helps to normalise the dominant understanding of social responsibility as an economic and therefore rational and objective act, as opposed to a moral and subjective activity, which could jeopardise investment returns. On the other hand, it leads to a false sense of empowerment of grassroots movements' vis-à-vis fiduciaries and corporations. Simply put, it exaggerates their ability to affect change within the realm of the market simply by entering or exiting investment sites. Larger, more difficult, and painful (economically speaking) issues linked to the campaign evade confrontation. One example is the options of boycotting Chinese exports, many of which are produced in less than 'civilized' circumstances in terms of, for example, labour standards. Third, it glosses over the politics of selection and exclusion. The marketisation of social justice issues distort the power and ability of the US government to construct, support, and in turn, capitalise from, a dominant social issue. This may, in turn, serve to divert attention away from other controversial foreign policy issues, such as the Iraq War, or the attempt by US congress to press China to speed up currency reform and rein in its trade surplus.

Recently, Amnesty International launched a new campaign using the lure of John Lennon's music and the voices of millions of concerned individuals around the globe to halt 'the horrific human rights abuses taking place in Darfur.' According to its website, concerned citizens can 'Speak out, get the music and feel the instant karma!' Three easy steps are involved in 'feeling good': (1) Sign the global petition and demand action from world leaders to stop the killing in Darfur, (2) Order the new double CD of John Lennon's music by some of today's best-known artists, and (3) Tell your friends and help build the movement for peace in Darfur.'[98] The Instant Karma campaign mimics the divestment boycott, especially its tendencies toward the marketisation of social justice issues. Both strategies feature an approach to changing or impacting complex social issues in the global South that ignore the material effects of history and politics. Imposing limits on the context within which SRI is debated allows neoliberal-led capitalism and its reproduction to escape critical analysis, obscuring the interests being served through social justice struggles. Broadening the analysis by incorporating these critical perspectives exposes the interests and assumptions that underlie SRI and provides a framework by which the process of marketisation can be better understood.

Notes

[1] This essay draws heavily on my forthcoming book – *Corporations, Power and Ownership in Contemporary Capitalism: The Politics of Governance, Activism, and Social Responsibility*, London: Routledge. The author would like to thank Erica Spink D'Souza and Ryan Foster for their excellent research assistance.

[2] Social Investment Forum, '2005 Report on Socially Responsible Investment Trends in the United States – 10 year review,' 24 January 2006, Washington, D.C.: Social Investment Forum, 2006, p. 2.

[3] The depiction of the Sudan government as a 'killing machine' is used by many human rights organisations, including the wider coalition, Save Darfur. See, for

example, www.savedarfur.org/page/content/torchrelay/ny/, accessed on 20 May 2008.

[4] See, for example, J. Entine (ed) *Pension Fund Politics: The Dangers of Socially Responsible Investing*, Washington, D.C.: AEI Press.

[5] P. Tkac, 'One Proxy at a Time: Pursuing Social Change through Shareholder Proposals,' *Economic Review – Federal Reserve Bank of Atlanta*, Third Quarter, 2006, pp. 1-20; G. L. Clark and T. Hebb, 'Why should they care? The role of institutional investors in the market for corporate global responsibility,' *Environment and Planning A*, 37(X), 2005, 2015-2031; S. Lydenberg, 'Universal Investors and Socially Responsible Investors: a tale of emerging affinities,' *Corporate Governance*, Vol. 15 (3), 2007, pp. 467-477.

[6] See, for example, J. K. Kung and Y. Lin, 'The Decline of Township-and-Village Enterprises in China's Economic Transition,' *World Development*, Vol. 35(4), 2007 pp. 569-584.

[7] I discuss this more fully in my forthcoming book, *Corporations, Power and Ownership in Contemporary Capitalism*.

[8] Da Costa, D. and P. McMichael, 'The Poverty of the Global Order" *Globalizations*, Vol. 4 (4), 2007, pp. 588-602.

[9] S. Gill, 'Globalisation, Market Civilization, and Disciplinary Neoliberalism,' *Millennium: Journal of International Studies*, Vol. 24 (3), 1995, pp. 399-423.

[10] R. Shamir, Ronen, 'The age of responsiblization: on market-embedded morality,' *Economy and Society*, Vol. 37(1), 2008, p. 1, my emphasis. For a discussion of morality in global political economy, see Jacqueline Best, 'The Politics of Moral Hegemony: Globalization and the Return of Standards of Civilization,' Paper presented at the annual meeting of the International Studies Association, Montreal, Quebec, Canada, 17 March 2004, mimeo.

[11] In the case of the United States, see, for example, R. Pollin, *Contours of Descent: U.S. Economic Fractures and the Landscape of Global* Austerity, London, Verso, 2003.

[12] R. Minns, *The Cold War in Welfare: Stock Markets versus Pension Funds*, London: Verso, 2001; R. Blackburn, *Banking and Death, or Investing in Life*, London: Verso, 2002.

[13] K. Marx, *Capital: Volume III*, London: Penguin, 1991.

[14] D. Harvey, *The New Imperialism*, Oxford: Oxford University Press, 2003.

[15] Talisman Energy of Canada held 25 per cent in the oil-producing consortium in Sudan until 2002, when, under the ambit of the Sudan Peace Act, the US government pressured the Canadian firm to sell off its shares. This was not due primarily to moral considerations, however; but rather what appears to have been economic coercion. According to its Chief Executive Officer at the time, Jim Buckee, 'the decision to pull-out had been made because of "US pressures" which threatened to exclude Talisman from US financial markets,' 'Talisman pulls out of Sudan,' BBC News, 10 March 2003, accessed on 2 April 2008, available at news.bbc.co.uk/2/hi/business/2835713.stm.

[16] P.D. Kinder and A. L. Domini, 'Social screening: Paradigms old and new,' *Journal of Investing,* Vol. 6(4), 1997, pp. 12-20.

[17] P. J. Scheuth, 'Socially Responsible Investing in the U.S.' in P. Camejo (ed) *The SRI Advantage: Why Socially Responsible Investing Has Outperformed Financially*, Gabriola Island, B.C.: New Society Publishers, 2002, pp.115-122.

[18] S.B. Graves, S. Waddock, and K. Rehbein, 'Face and Fashion in Shareholder Activism: The Landscape of Shareholder Resolutions, 1988-1998,' *Business & Society Review*, Vol. 106 (4), 2001, pp. 293-314; J. Elkington, 'Enter the Triple Bottom Line,' in A. Henriques and J. Richardson (eds), *The Triple Bottom Line: Does it All Add Up? Assessing the Sustainability of Business and CSR*. London: Earthscan, 2004, pp. 1-16.

[19] Scheuth, 2002, p. 119.

[20] Social Investment Forum, 2006, p. 4.

[21] A.H. Munnell and A. Sunden, 'Social Investing: Pension Plans Should Just Say "No" ' in J. Entine (ed) *Pension Fund Politics: The Dangers of Socially Responsible Investing*, Washington, D.C.: American Enterprise Institute, 2005, p. 20, my emphasis.

[22] C. C. Geckzy, R. F. Stambaugh, and D. L., 'Investing in Socially Responsible Mutual Funds.' Philadelphia, P.A.: Wharton Business School. Mimeo. 2003 [updated 2005], downloaded on 2 March 2008, available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=416380#PaperDownload

[23] Geczy *et al*., 2005; Munnell and Sunden, 2005.

[24] Munnell and Sunden point out that the 10 per cent figure supplied by the Social Investment Forum (2005) is not only too small to affect the financial fate of targeted firms, which is the goal of negative social screening, including the Sudan divestment campaign, but also tends to overstate the importance of social investing, due to inconsistencies in measurement, 2005, p. 21.

[25] Munnell and Sunden, 2005.

[26] P. Camejo, 'The Case for SRI Outperformance,' in P. Camejo (ed) *The SRI Advantage: Why Socially Responsible Investing Has Outperformed Financially*, Gabriola Island, B.C.: New Society Publishers, 2002, p. 5.

[27] Social Funds, 'Critics Find Study of SRI Underperformance Fundamentally Flawed,' 1 August 2003. Accessed on 2 March 2008. Available at: www.socialfunds.com/news/article.cgi/1190.html.

[28] M. L. Pava, and J. Krausz, *Corporate Responsibility and Financial Performance: The Paradox of Social Cost*, Westport, Conn.: Greenwood, 1995.

[29] D. Doane, 'Good Intentions – Bad Outcomes? The Broken Promise of CSR Reporting,' in Adrian Henriques and Julie Richardson (eds) *The Triple Bottom Line: Does it all add up?*, London: Earthscan, 2004, pp. 81-89.

[30] Camejo, 2002, p. 14.

[31] Camejo, 2002, p. 15.

[32] Ibid.

[33] See, for example, background papers on Save Darfur's website. Available at: www.savedarfur.org; I. J. Tamm, 'Dangerous Appetites: Human Rights Activism and Conflict Commodities,' *Human Rights Quarterly*, Vol. 26, 2004, pp. 687-704.

[34] M. Mamdani, 'The Politics of Naming: Genocide, Civil War, Insurgency,' *London Review of Books*, 8 March 2007, accessed on 1 April 2007, available at: www.lrb.co.uk/v29/n05/mamd01_.html.

[35] According to its website, the Heritage Foundation's 'mission is to formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense.' For more information, see www.heritage.org.

[36] J. Phillips, James (2004) 'Pressure Sudan to Halt Oppression in Darfur,' 4 October, Executive Memorandum No. 943. Washington, D.C.: Heritage Foundation, 2004, accessed on 21 January 2005, available at www.heritage.org/Research/Africa/em943.cfm; my emphasis.

[37] U.S. Department of State, Sudan Peace Act, 21 October 2002, accessed on 21 April 2008, available at www.state.gov/r/pa/prs/ps/2002/14531.htm.

[38] S. Reeves, 'Oil development in Sudan,' *Review of African Political Economy*, Vol. 29 (91), 2002, p. 169.

[39] A. S. Sidahmed and A. Sidahmed, *Sudan*. London: RoutledgeCurzon, 2005; Tamm, 2004.

[40] Library of Congress (The), 'Darfur Accountability Act of 2005,' Introduced in Senate on 2 March 2005. Washington, D.C.: Library of Congress, accessed on 1 January 2008, available at: http://thomas.loc.gov/cgi-bin/query/z?c109:S.495:

[41] Federal Register, 'Part IV: The President - Executive Order 13067—Blocking Sudanese Government Property and Prohibiting Transactions With Sudan, 5 November, Vol. 62 (214), 1997, pp. 59987-59990.

[42] Sudan Divestment Task Force (SDTF) 'Arguments for the Efficacy of Targeted Divestment from Sudan.' A Report by The Sudan Divestment Task Force. 4 April 2007. Washington, D.C.: The Sudan Divestment Task Force, 2007. Available at: www.sudandivestment.org.

[43]Ibid.

[44]Ibid. This has led to the ability of major corporations, such as Coca-Cola, to slip under the food and medicine clause in the embargo to sell its syrup to a Sudanese company, whose new $140 million dollar factory currently churns out about 100,000 bottles of soda on a daily basis ('War in Sudan? Not Where the Oil Wealth Flows,' *New York Times*, 24 October 2006). We discuss more contradictions tied to the selective divestment initiative later in the paper.

[45] Sudan Divestment Task Force, 2007.

[46] Ibid.

[47] Sudan Divestment Task Force (SDTF), *Sudan Company Profiles*. Washington, D.C.: SDTF. Updated 29 February 2008, accessed on 14 March 2008, available at: www.sudandivestment.org/docs/sudan_company_profiles.pdf

[48] For example, based on analysis performed by State Street Global Advisors for Calvert, the removal of the highest offending companies from the major indices causes a negligible deviation in their market characteristics. Only one company on the list would need to be excluded from U.S. market indices, resulting in just 3 basis points (0.03 per cent) of tracking error (a measure of the standard deviation of the difference between expected portfolio return and the index return) from the S&P 500 Index. Meanwhile, the primary MSCI indices (www.mscibarra.com/about) are affected by less than 20 basis points (0.20 per cent). This allows passive and active managers to continue to apply their strategies with little additional risk. ('What Divestment Means for Investment Returns - The impact of constructing a "targeted" Sudan-free portfolio,' *Calvert Online*, 29 October 2007).

[49] Calvert (Group) Online, 'What Divestment Means for Investment Returns The impact of constructing a "targeted" Sudan-free portfolio.' 19 October 2007, Accessed on 2 January 2008. Available at: www.calvertgroup.com/news_newsArticle.html?article=12075&image=srinews.gif&keepleftnav=Archives.

[50] 'SEC withdraws list linking companies to terrorism,' *International Herald Tribune*, 22 July 2007.

[51] Conflict Securities Advisory Group, Written Testimony of Adam M. Pener, Chief Operating Officer Conflict Securities Advisory Group, Inc. Submitted to the Alaska House State Affairs Committee on 27 February 2006, accessed on 1 January 2008, available at www.conflictsecurities.com/about/media/penerAlaska.doc.

[52] 'Buffett to face Darfur push,' *Sacramento Bee*, 2 May 2007, accessed on 1 April 2008, available at fidelityoutofsudan.googlepages.com/pressstory.

[53] 'PetroChina – Ahead of the Bell,' *Financial Post*, 6 November 2007, accessed on 12 March 2008, available at network.nationalpost.com/np/blogs/tradingdesk/archive/2007/11/06/petrochina-ahead-of-the-bell.aspx.

[54] 'Bad Council,' *Chicago Maroon*, 15 April 2008, accessed on 3 May 2008, available at maroon.uchicago.edu/online_edition/article/10176.

[55] 'Statement by Harvard Corporation Committee on Shareholder Responsibility (CCSR) Regarding Stock in PetroChina Company Limited,' *Harvard University Gazette*, 4 April 2005, accessed on 2 May 2008, available at www.hno.harvard.edu/gazette/daily/2005/04/04-sudan_release.html.

[56] 'Statement on Sinopec divestment,' *Harvard University Gazette* 26 March 2006, accessed on 2 May 2008, available at www.news.harvard.edu/gazette/daily/2006/03/23-divest.html.

[57] 'Bad Council,' *Chicago Maroon*.
[58] 'More Sudan Stock Holdings Revealed,' *The Crimson*, 8 January 2007, accessed on 4 May 2008, available at www.thecrimson.com/article.aspx?ref=516595.
[59] University of California (UC) Sudan Divestment Task Force (2006) 'Presentation and Workshop on Targeted Investment.' 27 February 2006, accessed on 12 January 2008, available at: http://inosphere.com/sudan/home.asp.
[60] See S. Soederberg, 'Socially Responsible Investing and the Remaking of the Development Agenda: Peering Behind the Progressive Veil of Non-Financial Risk Factors,' *Third World Quarterly*. Volume 28 (7), 2007, pp. 1219-1237
[61] California Public Employees' Retirement System (CalPERS) 'CalPERS Bans Investment In Nine Companies Tied To Sudan - Pension Fund Adopts Sudan Position Statement.' Press Release, 17 May 2006, accessed on 2 April 2008, available at: www.calpers.ca.gov/index.jsp?bc=/about/press/pr-2006/may/sudan.xml.
[62] 'Buffett to face Darfur push,' *Sacramento Bee.*
[63] Soederberg, 2007.
[64] 'PetroChina – Ahead of the Bell,' *Financial Post*.
[65] Mamdani, 2007.
[66] J. Boddy, *Civilizing Women: British Crusades in Colonial Sudan*. Princeton: Princeton University Press, 2007; E. Said, *Orientalism,* New York: Vintage Books, 1979.
[67] This is discussed more fully in my forthcoming book, *Corporations, Power and Ownership in Contemporary Capitalism*, see also Soederberg, 2007; Said, 1979.
[68] Mamdani, 2007.
[69] Mamdani, 2007.
[70] D. Campbell, 'Geopolitics and Visuality: Sighting the Darfur Conflict,' *Journal of Political Geography*, Vol. 26 (4), 2007, pp. 358.
[71] Boddy, 2007.
[72] For further discussion of infantilism and humiliation tactics via the global financial system, see M. K. L. Sioh, 'Pricing Race, Circulating Anxieties, and the Fate of Malaya's Currency Reserves at Independence,' *Cultural Critique*, No. 65, 2007, pp. 115-139.
[73] 'Bank of Sudan chief sees 2007 growth up to 13 percent,' *Sudan Tribune*, 7 May 2008, accessed on 15 May 2008, available at www.sudantribune.com/spip.php?article19743.
[74] Campbell, 2007, p. 365.
[75] Campbell, 2007, p. 366.
[76] G. Prunier, *Darfur*. Ithaca: Cornell University Press, 2005.
[77] M.W. Daly, *Darfur's Sorrow: A History of Destruction and Genocide*. New York: Cambridge University Press, 2007; Sidahmed and Sidahmed, 2005.

[78] Daly, 2007; Sidahmed and Sidahmed, 2005; Prunier, 2005; the central feature of the uneven and exploitative nature of capitalism and the current crisis of overaccumulation in understanding the U.S. response to the conflict is elaborated more fully in my forthcoming book.
[79] Mamdani, 2007.
[80] Campbell, 2007.
[81] Report of the International Commission of Inquiry on Darfur to the United Nations Secretary-General, Geneva, 25 January 2005, accessed on 1 May 2008, available at www.un.org/news/dh/sudan/com_inq_darfur.pdf.
[82] Ibid.
[83] Ibid.
[84] Campbell, 2007; Sidhamed and Sidhamed, 2005; Prunier, 2005.
[85] Campbell, p. 366.
[86] Prunier, 2005.
[87] Mamdani, 2007.
[88] It should be noted that the United Nations' position is also tactical. As Touko Piiparinen has argued that there has been a functional shift in the United Nations' strategy after Rwanda on 'how to deal with genocide.' Piiparinen notes that the UN's post-Rwandan position is that the application of 'humanitarian realism', which entails the avoidance of the term genocide, will lead to more effective forms of peace-keeping in Darfur (2007), as the use of genocide would jeopardize the Sudanese government's co-operation with the African Union and UN operations – a factor which is vital to a successful mission, T. Piiparinen, 'Reconsidering the silence over the ultimate crime: a functional shift in crisis management from the Rwandan genocide in Darfur,' *Journal of Genocide Research*, Vol. 9(1), 2007, pp. 71-91.
[89] Mamdani, 2007.
[90] S. Smis and W. Oyatambwe, 'Complex Political Emergencies, the International Community & the Congo Conflict,' *Review of African Political Economy*, Vol. 29 (93/94), 2002, pp. 411-430.
[91] Mamdani, 2007.
[92] S. Soederberg, *Global Governance in Question: Empire, Class, and the New Common Sense in North-South Relations*, London: Pluto, 2006.
[93] Harvey, 2003; Reeves, 2002; Tamm, 2004.
[94] USAID, 'Concepts Paper - Country Development Strategy Statement, Sudan Fiscal Year 1986.' Washington, D.C.: USAID, 1986, pp. 4-5.
[95] Reeves, 2002, p. 167.
[96] U.S. Department of State, 'Background Information: Sudan,' accessed on 1 May 2008. Available at: www.state.gov/r/pa/ei/bgn/5424.htm.
[97] Reeves, 2002.
[98] www.amnesty.ca/instantkarma/campaign.php