

# FREQUENTLY ASKED QUESTIONS

## **WHY DO UNIS INVEST IN ARMS COMPANIES?**

Universities invest in arms companies for many reasons, and this could be an interesting topic for a debate on your campus. Many arms company share prices have risen following 9/11 and the 'war on terror' universities face increasing financial pressures, and universities want to maintain good relationships with companies from whom they receive research funding. Also, without pressure from students like you, there may simply be nothing stopping them from doing so.

## **IS IT FINANCIALLY ADVISABLE OR VIABLE TO DIVEST (DIS-INVEST)?**

Divestment is financially viable; a number of universities have already set an example through divesting (e.g. St Andrews, Goldsmiths, Bangor and SOAS). The adoption of an ethical investment policy has also proved possible (e.g. Bangor).

## **SHOULD A UNIVERSITY DIVEST FROM A COMPANY LIKE ROLLS ROYCE, WHO GETS THE MAJORITY OF ITS PROFIT FROM CIVIL PROJECTS?**

Universities shouldn't invest in any companies which facilitate the devastation caused by the global arms trade. Rolls-Royce, for example, is a massive manufacturer of military aero engines, and in 2003 (CAAT's latest figures) their engines powered approximately 25 per cent of the world's military aircraft. The fact that they also have civilian projects shouldn't get these companies off the hook!

## **DOES DIVESTMENT MATTER?**

Yes! Divestment sends out a powerful message that we do not see arms companies as legitimate companies with which to do business. While universities often invest relatively small amounts of money into arms companies, the damage done to arms company reputations by divestment is bigger than the financial impact of divestment. And the more universities that divest, the more of an impact we'll have!