Banning indirect boycotts: Contentious interactions and the role of the state in marketplace activism

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Abstract
In 2019, the prime ministers of the United Kingdom and Australia both declared their intent to ban indirect, or secondary, boycotts. In the United Kingdom, the ban was directed against public bodies engaging in the “boycott, divest, and sanction” (BDS) campaign against Israel. In Australia, the proposed ban was directed against environmental action groups. Research on market-based activism to date has focused primarily on conceptualizing the use of the market by nonstate actors to achieve social change, with less attention paid to the role of the state in these dynamics. State efforts to curtail social movements’ repertoires of contention require careful scrutiny to understand the state’s role in legitimizing or delegitimizing political activism and to reveal the complex power dynamics between corporations, social movements, and the state. This article analyzes two key instances of the state declaring an intent to prevent activists from protesting through the market. By investigating how indirect boycotts were problematized by state actors, we aim to reveal the rationale behind the state’s intervention in marketplace politics. Our findings indicate that opposition to the political cause behind the boycott, rather than a problematization of the strategy itself, drives state intervention.

Keywords: political consumerism; political investorism; boycott; indirect boycott; secondary boycott; BDS; Australia; United Kingdom

Introduction
Social movements make use of broad repertoires of contention, including targeting corporate actors through market-based activism such as boycotts. These actions can be endorsed, ignored, or condemned by governments, offering significant insight into the complex power dynamics between political activists, corporations, and the state. In 2022, Western governments largely endorsed boycotts and divestment in protest of Russia’s invasion of Ukraine. Yet just a few years earlier, on opposite sides of the world, two prime ministers declared their intent to impose limits on marketplace activism by banning indirect boycotts. State efforts to support, prohibit, or curtail social movements’ repertoires of contention require careful scrutiny and reveal the power dynamics behind contentious interactions between business, social movements, and the state.

This article examines two attempts to curtail social movements’ activism in the market. In late 2019, Australian prime minister Scott Morrison promised to ban environmental groups from engaging in indirect or “secondary” boycotts against mining projects. Just a few weeks later, the Conservative Party in the United Kingdom released its election manifesto, which included a promise to ban public bodies from engaging in boycott, divestment, and sanction (BDS) campaigns against foreign countries. This ban primarily targeted the BDS campaign against Israel, which protests policies concerning Palestinian territories. The two political issues at the heart of these indirect boycott campaigns are markedly different. Yet these governments opted for a common response in seeking to impose a limit on marketplace activism.

1Morrison (2019).

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Social movements increasingly incorporate marketplace activism into their repertoires of contention, in part because of a perceived failure of the state to act on certain issues. Boycotts fit within the broad category of “political consumerism,” whereby citizens or groups align their purchasing decisions with their political values. Market-based activism also incorporates acts of “political investorism,” such as divestment, and boycotts of banks, in which shareholders, investors, and users of financial products such as bank loans and insurance use their financial stake as leverage to influence corporate behavior. Activists lobbying market actors employ insider or outsider strategies, and boycotts can be both direct or indirect. Indirect boycotts occur when the offending party is inaccessible, and thus activists target an associated party with the aim of removing support from or damaging the primary target. They can be separated into surrogate and indirect boycotts. Surrogate boycotts typically target governments indirectly, through refusal to purchase from businesses operating within or originating from a certain geographical area. Indirect boycotts target businesses trading with, or supporting, the primary target corporation to encourage them to discontinue their support for, and thus punish, the target corporation.

While there is an extensive, and growing, body of scholarship examining the effectiveness, mobilization structures, tactics, and individual activist behaviors associated with protest politics in the marketplace, relatively little attention has been given to the role of the state in either enabling or limiting political consumerism and investorism as activist strategies. Correspondingly, much of the research to date concerning the state’s “contentious interactions” with social movements is focused on states’ repression of activism directly targeting the state. To fully understand the interactions between the state and social movements, it is necessary to examine the dynamics of contention when the state is also acting to repress social movement action targeting nonstate actors.

This article assesses the way state actors in Australia and the United Kingdom problematized the use of indirect boycotts by social movements in specific contexts, to reveal the rationale behind the state’s intervention in protest politics in the marketplace. Through this research, we contribute to understandings of power dynamics between social movements, business, and the state. We begin by situating our research within existing scholarship on the state’s role in movement repression intersecting with marketplace activism and regulation. Second, we contextualize our study with a brief history of indirect boycotts in Australia and the United Kingdom, before outlining the two recent calls for indirect boycotts to be banned. We then analyze the state’s problematization of indirect boycotts in the events of November 2019 in Australia and the United Kingdom. We find that the “problem” the bans sought to solve was a conflict between the interests of the state and the interests of social movement actors in these specific cases, rather than the tactic itself. We argue that despite this case-based problematization, government efforts to restrict indirect boycotts may have wider implications for understanding the entangled relationship between corporations and the state and the repression of social movements’ activism.

**Marketplace activism and the role of the state**

The state plays a role in ascribing legitimacy to certain acts of protest while curtailing others as illegitimate. Much of the literature analyzing the relationship between the state and social movements focuses on contentious interactions in which the state is the primary target of activism. For instance, Jenkins and Klandermans’s model for examining the intersections between social movements and

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3Balsiger (2014).
4Micheletti (2003).
5O’Brien et al. (2022).
6Colli and Adriaensen (2020).
7Colli (2020).
8Friedman (1999).
9Ibid.
10Schrempf-Stirling, Bosse, and Harrison (2013).
11Copeland and Boulianne (2022); O’Brien et al. (2023).
12Tilly and Tarrow (2015, 110).
the state does not accommodate corporate actors as players in this interaction, while McAdam and Tarrow have recognized the limitations of their own state-centric examinations of contentious politics. This gap has begun to be bridged more recently, with Soule’s analysis of political and corporate (or industry) opportunity structures influencing contentious action directed against corporate targets. Other studies of social movement repression provide a useful framework to guide examinations of state responses to contention against corporate targets, despite a primary focus on contention against the state. Earl’s work on covert and overt repression and Boykoff’s typologies of action modes of repression both acknowledge the role of private actors and highlight the state’s capacity to repress social movements regardless of whether the target is the state or a corporate actor.

Political consumerism and political investorism, as forms of “sub-politics,” can sometimes be incorrectly characterized as outside the category of contentious politics. The mobilization of political consumerism and investorism by social movements is a form of “collectivized individual action” in which “monetary power is transformed into political power.” While the immediate targets of political consumerism and investorism may be corporate, and the instigators of this activism may be citizens directed by social movement organizations, the state is nevertheless intertwined in protest politics in the marketplace. Targeting of corporations by social movements utilizing both insider and outsider strategies can lead to change not only within the corporation, but also within the policy arena. Indirect targeting through partner corporations and financial institutions can also lead to policy transformation by leveraging influence in the market. Thus, it is important to develop a better understanding of the interactions between the state, corporate actors, and boycott activists.

Hysing conceptualizes the relationship of political consumerism with government as reflecting one of five propositions in which political consumerism is a substitute for government regulation; a complement to government; a competitor to government policy; a trigger for government actions; or converges with government policy. This characterization of the relationship between the state and marketplace activism focuses on political consumerism as a mode of governance. Missing from Hysing’s propositions, however, is a more antagonistic conceptualization of the relationship between market-based political activism and the state, where political consumerism and investorism is actively repressed by the state. The state can serve as an arbiter of the rules of contention by banning forms of activism favored by social movements. For instance, the state is able to introduce extraordinary laws such as bans on particular forms of protest, which can be recognized as an action mode of repression.

The role of the state in marketplace politics need not always be one of repression. The state can create opportunities to enable political consumerism and investorism. For example, both the Australian and the UK governments have actively encouraged consumers and investors to reward and punish corporations for their performance in preventing modern slavery. The state has also served to enable political consumerism through support for the implementation of certification and labeling schemes to serve a regulatory function. More recently, states have left uncritiqued significant citizen pressure on corporations to withdraw from Russian economies in sync with trade sanctions creating an impression that this kind of political action in this context is supported.

15McAdam and Tarrow (2011).
16Soule (2009).
17Earl (2011).
18Boykoff (2007).
21Monticelli and della Porta (2018), 774.
22Maks-Solomon and Drewry (2021, 147).
26McGaughey et al. (2022).
27Parker et al. (2021).
The response of the state to political activism against corporate targets offers an insight not only into the relationship between states and social movements, but also between the state and corporations. State intervention to curtail activism against corporate actors may be a reflection of the instrumental, structural, or discursive power of corporations. This dynamic of the state acting to protect corporations will be further explored through this article.

**Indirect boycotts in Australia and the United Kingdom**

Indirect boycotts are not a new phenomenon in either Australia or the United Kingdom. In this section, we provide a brief history of indirect boycotts in the two countries and existing legal frameworks governing boycotts. We then introduce the case studies examined for this research.

**Indirect boycotts in Australia**

In Australia, social movement actors have engaged in indirect boycotts to protest aggressive actions against other states, to protest apartheid, to protect workers’ rights, and to prevent human rights abuses and environmental degradation. For example, in 1938 and 1939, dockworkers engaged in surrogate boycotts by refusing orders to deposit pig iron onto ships that were thought to supply the Japanese military, which at the time was engaged in military conflict with China. In the 1940s, dockworkers refused to load and unload Dutch vessels going to suppress the Indonesian movement for independence. Between the 1960s and the 1980s, many surrogate boycott actions were taken to protest apartheid policies in South Africa.

While many of these previous actions were initiated by unions, since the early 2000s, Australia has seen more indirect boycotts instigated by nongovernment organizations such as Greenpeace, the Wilderness Society, and GetUp! For example, in 2019, Alan Jones, 2GB Sydney radio host, was targeted by Sleeping Giants (then a Twitter-based campaigning organization) in an indirect boycott that successfully pressured many companies to withdraw their sponsorship due to Jones’s misogynistic, bigoted, and racist comments made during his talk show. Indirect boycotts have also been used by environmental activist groups in Australia to protest the fossil fuel industry. Most notably, Market Forces mobilized bank and insurance company customers to pressure these financial institutions to refuse to underwrite the establishment of a new coal mine in Queensland. This action was the catalyst for the Australian government’s threatened ban on indirect boycotts and will be discussed in greater detail later.

In Australia, the first indirect boycott laws were introduced in 1977, with attempts by various governments in the following decades to amend the law to either increase market freedom and decrease interference or restore the protection of some forms of indirect boycotts. The indirect boycott laws are contained within the Competition and Consumer Act 2010. However, there are exceptions to the law. If the indirect boycott is not led by a trade union and is unrelated to an employment dispute, then it is not currently banned in Australia. The Australian government previously considered extending the indirect boycotts ban. In 2013, the conservative Liberal Party leader and then Prime Minister Tony Abbott announced a review of the legal protections afforded to environmental activists and groups when participating in indirect boycotts. The 2015 final report recommended that there was no need to amend the exemption, though it stated that the laws could be reviewed in the future, which has fueled a continuing debate about and scrutiny of the indirect boycott prohibition exceptions.

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28 Fuchs and Lederer (2007).
29 Browne (2019, 12).
31 Limb (2008).
32 Price (2020).
33 O’Brien et al. (2022).
34 Brezniak and d’Avigdor (2013).
35 Harper et al. (2015) 68.
**Indirect boycotts in the United Kingdom**

In the United Kingdom, primary boycotts have long been a part of social movements’ action repertoires, most notably through the antislavery boycotts of West Indian sugar in the 1790s and early 1800s. In more recent times, boycotts have been initiated by groups such as the Ethical Consumer Research Association, and boycotts of fairtrade products have been promoted since the 1970s. A secondary boycott has most recently been utilized by a campaign called Stop Funding Hate, which called upon advertisers in British tabloid magazines and newspapers to stop purchasing advertising space in publications such as Breitbart that featured far-right anti-migrant sentiments.

The UK government has also acted to curtail boycotts by trade unions, mirroring efforts in Australia. Most notably, in the 1920s, the UK government placed legal restrictions on trade unions supporting another organization’s strike, laws that were later repealed. In the 1980s, the UK government, led by Margaret Thatcher, introduced the Local Government Act 1988. Section 17(1) of this act made it illegal for local and other public authorities to consider “noncommercial matters” when deciding a contract for public works or supply. Noncommercial matters included the terms and conditions of employment by contractors and any “political, industrial or sectarian affiliations or interests.” This restriction was understood to be a response to boycotts by local councils of South African corporations during the South African apartheid. More recently, the government has engaged in some efforts to limit the BDS campaign against Israel, which will be outlined in more detail in the next section.

Governments in both Australia and the United Kingdom have a history of repressing boycotts through their executive arms of government using law and law-related instruments. In Australia, this repression has come in the form of a legally binding ban and consideration about whether to extend the ban to cover environmental activists. In the United Kingdom, the history of restrictions on boycotts has focused on local governments as boycotters and on a broader array of political causes for boycotts than Australia.

**Australian case study: Indirect boycotts by environmental groups**

On 1 November 2019, Australian prime minister Scott Morrison addressed the annual lunch of the Queensland Mineral Resources Council, an industry association representing mining companies. Morrison stated that indirect boycotts by environmental groups were a pressing issue and becoming an “escalating trend,” leading to an increasing number of companies refusing to provide goods and services to coal mining companies, including insurance and banking. He committed to outlawing secondary boycott practices. Prior to his speech, environmental groups were successfully pressuring banks to withdraw support and funds from mining companies, especially against the planned Adani Carmichael coal mine. This strategy of targeting corporate actors to undermine their support for pro-mining government policies conflicted with the Morrison government’s significant support of mining companies and the construction of new mines.

Various changes to the law to restrict indirect boycotts were considered. Primarily, the Morrison government could have expanded the existing ban on indirect boycotts in the Competition and Consumer Act 2010 by removing the exceptions for environmental and consumer protection, or it could have introduced a new indirect boycott offense. Other legal changes considered included a ban on third parties refusing to finance a business on the basis of the sector that business was in.

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36Feldman (2019).
37Colli (2020).
38Azarva (2016).
39Millis (1928); Sheffitz (1967).
40Barns (2016); Llewellyn and Rider (2018).
41Morrison (2019).
42Ibid.
43Ibid.
44Young and Schwarz (2014).
45Browne (2019).
and prohibitions on people using online platforms to damage a business on the basis of the sector of the business. Efforts to impose a ban stalled following the Morrison government’s loss in the federal election in 2022.

**UK case study: Conservative Party commitment to ban BDS by public bodies**

In 2019, the Conservative Party led by Boris Johnson declared an intention to ban local councils and other public agencies from participating in boycott and divestment campaigns against foreign countries or officials. While not explicitly stated in the election manifesto, the ban primarily targeted the BDS campaign against Israel. The BDS campaign is described as a Palestinian-led movement that promotes boycotts and related action against Israel, Israeli companies, and other international companies engaged in business in Israel. It focuses on the occupation of Palestinian territory by Israel and related human rights issues. While some support the BDS campaign as a movement for advancing human rights, others describe it as antisemitic and problematic against the backdrop of events that indicate growing antisemitism in Europe. For instance, the German Bundestag designated the BDS movement as antisemitic.

In 2016, the UK Crown Commercial Service released a Procurement Policy Note stating that boycotts are “inappropriate” outside the realm of the UK government’s direction:

> Public procurement should never be used as a tool to boycott tenders from suppliers based in other countries, except where formal legal sanctions, embargoes and restrictions have been put in place by the UK Government.

At the same time, the secretary of state for housing, communities, and local government published guidance on local government pension schemes, stating that local governments “should not pursue policies that are contrary to UK foreign policy or UK defence policy.”

The Procurement Policy Note and the pension scheme guidance were widely understood as a response to the BDS campaign. Several local councils in the United Kingdom had adopted resolutions or similar motions to avoid granting contracts to Israeli corporations, consistent with BDS. However, councils across the United Kingdom have also been divesting from fossil fuels, tobacco, and other harmful commodities. Ultimately, the note and the guidance have not been upheld in subsequent court challenges on various grounds. Yet the findings of these court cases would not prevent the UK government from passing laws to restrict boycotts. As will be discussed further later, after winning the 2019 election, Johnson reaffirmed the plan to introduce bans on indirect boycotts, which was again reiterated in the Queen’s Speech in 2022.

**Analyzing state actors’ problematization of indirect boycotts**

To interrogate the political rationale behind states’ decisions to impose limits on market-based activism, we analyze the representation of the problem of indirect boycotts. This method is based on Bacchi’s “what is the problem represented to be?” (WPR) approach, developed in part from Foucault’s work on problematizations. The approach begins by identifying the solution

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46Ibid.
48BDS (2016).
49Mansoor (2020).
50Nasr and Alkousaa (2019).
51UK Crown Commercial Service (2016, 2).
52R v. Secretary of State for Housing, Communities and Local Government (2018), EWCA Civ 1284, 18.
53Cooper and Herman (2020).
54Mueller (2019).
put forward in government discourse, as the proposed solution reveals what is being positioned as
the problem. In this case, the solution common to both jurisdictions is legislation restricting indi-
rect boycotts. Working back from this proposal, the research examined what set of problems was
produced by the discourse and analyzed what the problematizations reveal about the government’s
understanding of the legitimate bounds of market-based activism. By examining the problemati-
zation of indirect boycotts, this article analyses the role of the state in seeking to curtail market-
based activism.

The data examined for this research includes public statements made by government officials about
indirect boycotts in Australia and the United Kingdom from 1 November 2019 to 30 January 2020
published in media reports and official documents. The media reports were retrieved from the
Factiva database. The search involved key descriptors including secondary boycott* or indirect boy-
cott* or boycott* limited to that time period. A total of 126 articles were identified (104 in the
Australian case study, 22 in the UK case study), and then specific quotes from governments contained
in the articles were examined. The disparity in the number of media articles between the two cases is
perhaps the result of the election context of the UK case study, as a number of other issues were more
prominent in the media. In addition to these media articles, specific official documents were examined
including the Conservative Party’s election manifesto; the transcript of the Queen’s Speech opening
Parliament following the 2019 election; Prime Minister Boris Johnson’s address to Parliament; and
a transcript of the address by Prime Minister Scott Morrison to the Queensland Mineral Resources
Council.

Comments were manually coded using the WPR approach to categorize the topics that emerged in
the form of keywords and direct quotes. Two key questions were asked of the transcripts:

1. What problems is a ban on secondary/indirect boycotts expected to solve?
2. What are the causes of the problem?

Further analysis then distinguished problematizations of the tactic of indirect boycotts themselves from
the political cause behind the tactic.

The two cases chosen for study are not the only instances of marketplace activism being curtailed by
governments. While research in this area is sparse, and there is no comprehensive data indicating the
full scope of this activity in Western liberal democracies, journalistic attention has highlighted a grow-
ing trend in the United States of banning the BDS campaign against Israel or punishing those engaged
in the campaign.56

Australia and the United Kingdom were chosen as case studies because of the similarity of their
parliamentary political systems, the predominantly conservative ideology of the governing political
party at the time, and the closeness in time, as they sought to ban similar actions within weeks of
each other. However, there are significant differences between the two contexts, most notably, the
two political causes underpinning the indirect boycotts. This article neither is focused on the validity
of the causes underlying the indirect boycotts that triggered government responses, nor does it seek to
draw a moral equivalency between the movements. However, we acknowledge that we are sympathetic
to the cause of environmental activists engaging in indirect boycotts in Australia to achieve govern-
ment action on climate change, and also to the cause of those advocating for Palestinian human rights.
Equally, we are troubled by some elements of antisemitism within the BDS movement against Israel.
Our views on the value of the movements utilizing indirect boycotts, and indeed the ethics of the use of
indirect boycotts for divergent political aims are, however, not the primary focus of this article. Rather,
our focus is on how political leaders problematize the use of indirect boycotts in these cases and justify
repression of some forms of market-based activism.

56Mansoor (2020); Serwer (2023).
What is the problem with indirect boycotts?

Political leaders’ justifications for limiting indirect boycotts in Australia and the United Kingdom indicate a problematization primarily of the cause for which the tactic was used, rather than the legitimacy of the tactic itself. The problem that leaders sought to solve through these restrictions was inherently connected to the social movement utilizing the tactic. In the United Kingdom, the purported problem to be solved was the threat the BDS movement allegedly posed to community cohesion. The second asserted problem was local councils engaging in foreign policy inconsistent with the government’s foreign policy. In Australia, two main problem representations emerged. First, environmental activists themselves were problematized, alongside the effects of their activism on the economy. Second, the tactic itself was problematized to an extent, with indirect boycotts characterized as interference in corporate governance. In this section, we detail these problematizations, with particular attention paid to implications for market-based activism as a legitimate form of protest.

United Kingdom: Problematizing the threat of BDS to community cohesion and consistent foreign policy

In the case of the United Kingdom’s ban on certain kinds of indirect boycotts, the first dominant problematization was that this form of activism, when used against foreign countries, could undermine the cohesion of the community. The Conservative Party’s manifesto declared, “We will ban public bodies from imposing their own direct or indirect boycotts, disinvestment or sanctions against foreign countries. These undermine community cohesion.” Community cohesion was again invoked by statements in news reporting on the proposed ban, noting that “such local boycotts have undermined community cohesion.” Finally, in the Queen’s Speeches in 2019 and 2022, commitments were made to prevent public bodies from engaging in boycotts, with the most recent stating that legislation would be introduced to “prevent public bodies engaging in boycotts that undermine community cohesion.”

What is meant by community cohesion, and how indirect boycotts may undermine it, is lacking in the statements about banning indirect boycotts. There are, however, contextual assumptions that clearly underpin this problematization. While the manifesto statement does not explicitly name the BDS campaign against Israel, it is clear in other government statements that this campaign was the impetus for a ban on indirect boycotts by local bodies against foreign governments. The problem as represented, then, is the BDS movement as a threat to community cohesion because of antisemitic elements within the campaign. This problematization of indirect boycotts is not about the tactic itself, but the cause the tactic is being used to address.

The political context surrounding the 2019 UK election offers an additional explanation for the cause-based problematization of the BDS campaign. At that time, Opposition Leader Jeremy Corbyn was facing sustained criticism for alleged “complacency” or “connivance” with antisemitism within the Labour Party. While the Conservative Party may have been committed to banning BDS campaigns regardless of the furor surrounding Corbyn, the decision to include the ban in its election manifesto may have been intentionally timed to remind voters of the Conservative Party’s pro-Israel stance.

Despite these problematizations focused on the specific BDS campaign against Israel, the proposed solution captures all indirect boycotts against foreign countries and officials, except for those consistent with UK foreign policy. Thus, a second purported problem to be solved by restrictions on indirect boycotts was public bodies interfering with the role of the state by engaging in foreign policy. Following the Conservative Party’s election victory in late 2019 and the Queen’s Speech outlining  

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58 Diver, Bodkin, and Jones (2019).
59 Queen Elizabeth II (2022).
60 Kentish (2019); Osborne (2019); Quinn (2015); Safdar (2019).
61 Shaw (2021).
the government’s agenda, Johnson made this problematization clear in his address to the House of Commons during the parliamentary debate regarding his legislative agenda:

When it comes to standing by our friends, whether in Northern Ireland or elsewhere, one innovation that this Queen’s Speech introduces is that we will stop public bodies taking it upon themselves to boycott goods from other countries and to develop their own pseudo-foreign policy against countries that, with nauseating frequency, turn out to be Israel.62

Similarly, the minister for the Cabinet Office, Oliver Dowden, stated, “Our public institutions should focus on their day job, not try to set foreign policy by making rules on which countries they will and won’t do business with.”63 In this instance, the BDS campaign against Israel was problematized because it conflicted with the United Kingdom’s foreign policy support for Israel as an ally. This position was clearly articulated by prominent Conservative Party representative and former prime minister Theresa May, who declared, “We will stand by Israel when it is treated unfairly at the United Nations and have no truck with boycotts, divestment or sanctions that are simply unacceptable.”64

This problematization clearly indicates an issue with the tactic of indirect boycotts as they enable bodies that should not engage in foreign policy to take a de facto foreign policy stance. In analyzing this problematization, there are two implicit assumptions connected to the role and position of public bodies as the actor engaging in indirect boycotts. First, there is an inherent assumption that public bodies have no right to engage in foreign policy because they are funded by the government and have their own specific role in society. This is reflected in news reporting on the government’s position, quoting the government as saying that “taxpayers’ money should not be used to fund public organizations campaigning on foreign policy.”65 A second assumption underpinning the problematization of indirect boycotts is that public bodies cannot act contrary to the state. This was reflected in the discourse that positioned local governments and public bodies engaging in these kinds of boycotts as an issue on the grounds that their actions undermined the coherency of foreign policy and the role of the central government in deciding how to interact with foreign governments and officials.

Local councils engaging in BDS against Israel challenge the assumption that they must abide by the foreign policy position of the governing party in the House of Commons. For instance, the Leicester City Council had engaged in boycotts of products from Israeli settlements in the West Bank since 2014, arguing that it opposed the “continuing illegal occupation.”66 Cooper and Herman characterized local councils in this context as engaging in municipal activism beyond the central government and based on an assumed responsibility.67

The response from the central government has differed significantly in relation to Russia. In stark contrast with the condemnation of local councils’ engagement in the BDS campaign against Israel, the UK government has taken various steps to help councils and public bodies withdraw from contracts with Russian companies. In Procurement Policy Note 01/22, the Cabinet Office advised public bodies to “consider how they can further cut ties with companies backed by states of Russia and Belarus.”68 This is noteworthy as local governments and other public bodies are positioned as having a role in foreign policy in a manner somewhat counter to the discourse regarding the ban on indirect boycotts. The problem, then, returns to being a case-based, rather than a tactic-based, issue. Public bodies’ expression of a political view through procurement is constructed as legitimate where the UK government’s foreign policy supports the boycott action, as in the case of boycotts against Russia in 2022. Both the Russia and Israel cases demonstrate the legitimization of treating corporate actors as proxies, or surrogates, for the state. Far from delegitimizing the tactic of indirect boycotts as a form of

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63Cabinet Office (2019).
64Diver, Bodkin, and Jones (2019).
65Kentish (2019).
67Cooper and Herman (2020).
68Cabinet Office (2022, 1).

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contention, this indicates an acceptance of the practice, but only in instances that serve the interests of the state.

**Australia: Problematizing environmental activism and interference in corporate governance**

In the Australian context, indirect boycotts were problematized because of both the nature of the tactic and the cause for which the tactic was employed. The cause-based problematization focused on the threat indirect boycotts by environmental actors posed to a significant export sector of Australia and the progressive nature of the political cause. The tactic-based problematization characterized indirect boycotts as an illegitimate form of activism and an interference in corporate governance.

When Prime Minister Scott Morrison first declared his intent to ban indirect boycotts, he characterized the boycotts as a problem because environmental activists were targeting an industry of great economic importance—the mineral resources industry. Morrison described indirect boycotts by environmental activists as “a potentially more insidious threat to the Queensland economy and jobs and living standards than a street protest.”

He went on to characterize the boycotts as a threat to the Australian economy because they targeted the coal industry:

> Some of Australia’s largest businesses are now refusing to provide banking, insurance and consulting services to an increasing number of firms in the coal sector—the nation’s second largest export sector.

This problematization of the cause behind the boycotts was supported by industry. The Business Council of Australia's chief, Jennifer Westacott, characterized the boycotts as “unfairly targeting responsible businesses who are investing, creating new jobs and playing a critical role in the supply chains that underpin a strong economy.” This indicates both the structural power of the mining industry, as the prime minister invoked the importance of mining to the Australian economy, as well as the instrumental power of the industry through lobbying by trade associations. This also reflects a continuation of industries advocating for extending the existing boycott bans in Australia, which, as discussed, has been a feature of previous debates about whether to extend the ban. Additionally, it marks a difference from the United Kingdom, where the industry has not been as vocal as a key stakeholder in discussions about boycott bans.

Environmental activists’ targeting of the coal industry was not the only cause-related problem that a ban on indirect boycotts was asserted to solve. Environmental activism more broadly, and even “progressivism,” was characterized as the problem, necessitating a ban on indirect boycotts. Prime Minister Morrison said, “In Queensland and elsewhere, one variant of this new absolutist environmentalism is testing the limits of the right to protest.” He criticized “progressivism” as a “lovely word you can cuddle up to,” but ultimately problematic, describing it as threatening to both the economy and liberalism:

> I am very concerned about how this new form of progressivism, a newspeak-type term, intended to get in under the radar, but at its heart would deny the liberties of Australians, and particularly in this state, of pursuing the life that they want to live, the town they want to have, the jobs they want to pursue and the futures that they’ve decided for themselves.

The problematization of environmental activism against coal industries specifically, and environmentalism and progressivism more broadly, seems to imply that these tactics need to be banned because of the political cause behind the use of indirect boycotts. Though this problematization also indicates the

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69 Morrison (2019).
70 Ibid.
71 Crowe (2019).
72 Morrison (2019).
73 Ibid.
discursive power of corporations, as environmental progressivism is cast—as fundamentally contradictory to economic prosperity.

However, in Morrison’s criticism of environmental activists’ use of indirect boycotts, he also problematized the tactic itself. The legitimacy of indirect boycotts as an activist tactic was challenged on the basis that they moved beyond the bounds of legitimate protest. Morrison noted,

If it’s not OK to have indirect boycotts being run by unions . . . it’s not OK for environmental, well, they’re anarchist groups . . . to be able to disrupt people’s jobs, their livelihoods, to harass people as we saw down in Melbourne.74

While the action itself was problematized, this statement also positioned the cause behind the activism as a problem—that is, the fact that environmental activists were seeking stronger action on climate change and related environmental issues. This statement particularly seeks to draw a clear connection between the use of indirect boycotts by environmentalists with a street protest in Melbourne in 2019 that led to clashes between protestors and police.75

Activists engaged in indirect boycotts were further stigmatized by political leaders as “anarchists,” as “selfish and indulgent,” as “apocalyptic,” and as a “new breed of radical activism.”76 Senior government minister Simon Birmingham characterized the tactic of indirect boycotts as a form of protest that went too far:

Extreme activists should not be able to disrupt the freedom of other Australians to undertake their businesses and their lives . . . Of course people can choose to shop where they want, invest where they want—they are the rights that everybody has as Australians and they are fundamental freedoms. However, ultimately those who seek to run their own business, go about their daily lives, ought not be unnecessarily disrupted by others taking action.77

This statement is somewhat contradictory, as it describes individuals’ right to shop and invest where they want to as “fundamental freedoms,” while also characterizing those same actions by environmental activists as ultimately disruptive to those trying to run a business. The implicit assertion here is that the action itself is fine, but the mobilization of that action on a scale that would ultimately be disruptive and thus potentially effective is illegitimate. This results in a bizarre problematization of indirect boycotts as only legitimate if they are ineffective.

The use of indirect boycotts was also problematized as a tactic on the grounds that they illegitimately interfered with corporate governance. Prime Minister Morrison expressed concern that corporations might be responsive to indirect boycotts as a tactic, urging corporations to “listen to, and engage their ‘quiet shareholders,’ not just their noisy ones.”78 He sought to characterize those engaged in indirect boycotts as illegitimate due to an assertion that they were misrepresentative of the broader shareholder community, and skewing the direction of corporate governance, declaring that “the ‘quiet Australians’ are making their voice heard by not saying what the directors are doing is wrong.”79

Morrison’s concern that corporations may actually respond to indirect boycotts was validated by the fact that many banks and insurance companies in Australia refused to finance or underwrite the Adani Carmichael coal mine project.80 The government initiated a parliamentary inquiry to investigate the reasons behind this refusal and consider options to limit environmental activists’ capacity to engage in indirect boycotts. The effectiveness of indirect boycotts as an activist tactic appears to be a key factor in the government’s problematization of the tactic as illegitimate.

74Ibid.
75Taylor (2019).
76Morrison (2019).
77Crowe (2019).
78Morrison (2019).
79Tillett (2019).
80Potter (2018).
The Australian government’s move to curtail environmental activists’ indirect boycotts indicates the significant instrumental and structural power of the mining industry. The mining industry of Australia has unmatched power as a special interest, accrued through relentless lobbying, sizeable political donations to both major political parties, and a “revolving door” of political staff between government and the industry.81 This instrumental power is enhanced through the structural power of the mining industry, as a massive export industry and jobs provider in Australia.82 The Australian government’s pledge to protect mining corporations from the impact of indirect boycotts may be a result of a combination of this instrumental and structural power, but also clearly demonstrates the discursive power of this industry, through the institutionalized idea that environmental progressivism is threatening to Australia’s economic interests. The characterization of indirect boycotts against the mining industry as “radical” and “apocalyptic” indicate the deeply held belief that the role of the state is to facilitate, enable, and protect the mining industry.

In the context of Russian boycotts, the Morrison government took a different position, supporting a cultural boycott by Swimming Australia in choosing not to attend an event in Russia.83 Further, they have not condemned boycotts on Russian liquor by major liquor store chains in Australia.84 In this context, the government discourse did not problematize indirect boycotts, indicating that the state does not view the tactic itself as an illegitimate form of political engagement.

Conclusion

Government action to impose bans or limits on indirect boycotts notionally positions the tactic of market-based activism as illegitimate. In examining the rationale behind recent attempts to ban indirect boycotts in Australia and the United Kingdom, the intervention appears to be primarily case based and understood in the context of wider political interests relating to the power of the mining industry in Australia and the importance of Israel as an ally for the United Kingdom. The contrasting response to similar indirect boycotts against Russia demonstrates that governments do not condemn the tactic itself in other instances.

Despite a more case-based problematization, these interventions also serve to delegitimize the tactic of indirect boycotts more broadly. In both Australia and the United Kingdom, aspects of the problematization focused on how boycotters were taking on a role or exerting power in a domain beyond their assumed societal position. In the United Kingdom, local bodies were chastised for engaging in foreign policy, while in Australia, environmental activists were criticized for interfering with corporate governance. The implicit assumption is that social movements have no right to engage in this form of action as it oversteps the bounds of their role. Role incursion does not tell the whole story, however, as the problematization of the tactic could not be divorced from the political cause behind the use of indirect boycotts. Nevertheless, the state’s role in drawing boundaries around legitimate and illegitimate roles and actions within marketplace politics bears further scrutiny, with implications for social movements, as well as understandings of the relationship between the state and corporate actors.

Within the move to ban or limit indirect boycotts, we can observe two elements of Boykoff’s mechanisms of repression:85 resource depletion and stigmatization. Resource depletion is evident in the move to limit the tactical repertoires of these social movements by preventing them from engaging in indirect boycotts. Stigmatization is evident in the characterization of the campaigns as harmful to the broader society—undermining community cohesion in the case of the BDS movement in the United Kingdom, and threatening jobs and disrupting people’s lives in the case of environmental activists in Australia.

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81Mikler (2018).
82Bell and Hindmoor (2014).
83Colbeck (2022).
84Ransley (2022).
85Boykoff (2007).
The state’s repressive response or boundary setting in relation to market-based activism appears to be triggered primarily when political consumerism or investorism emerges as a “competitor to government policy” or against the state’s interests. In the context of a competing foreign policy interest, as in the case of the United Kingdom, or a targeting of a protected industry, as in the case of Australia, activists engaged in indirect boycotts were acting in conflict with government policy. Rather than seeing these actions as a ‘competitor’ to government policy, we suggest they are contending with government policy and interests. This is particularly clear in the UK case, when compared to the UK government’s response to boycotts and divestment against Russia. In this instance, the state’s interests are aligned with those engaging in a BDS campaign. Similarly, the Australian government’s silence on Russia boycotts indicates again that the state will act to curtail this form of activism only when it contends with state interests.

Beyond direct implications, these cases also offer an insight into the wider implications for the complex relationship between the state, corporations, and political activists. The attempt to ban indirect boycotts by environmental activists in Australia demonstrates that instrumental, structural and discursive power of an industry can push the state into a role as protector. The United Kingdom’s ban on BDS indicates the state’s legitimization of treating corporate actors as proxies, or surrogates, for the state. Both cases demonstrate the entanglement of state, corporate and social movement actors, evidencing the need for further research to conceptualize their contentious interactions.

As social movements continue to utilize wider tactical repertoires that include market-based activism, we should observe how state actors respond to these moves and how the power of corporate actors may influence these responses. Jenkins and Klandermans’s model considers the contentious interactions between social movements and the state, and Soule’s analysis of corporate opportunity structures considers the choices of social movement actors when targeting corporate actors. However, there is a need to consider the interactions of all three as entangled and influenced by corporate power. Future research should scrutinize the different contexts in which this occurs, and the manifestations of instrumental, structural and discursive power of corporations that catalyze repressive action by the state.

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86Hysing (2018).


