

GUEST ESSAYS CIVIL SOCIETY & THE PRIVATE SECTOR

CASE STUDY: THE FOSSIL FUEL DIVESTMENT CAMPAIGN

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INTRODUCTION

In this contribution to the 2017 State of Civil Society Report, we hope to outline a few aspects of the relationship between the private sector and civil society when it comes to the issue of climate change. Climate change is the sole focus of our organisation, 350.org, and in our attempt to galvanise a global social movement to address it, we have come face to face with the private sector, in the form of the coal, oil and gas companies that collectively make up what we refer to as the fossil fuel industry. Our primary means has been through a fossil fuel divestment campaign, launched in 2012, which has as its central goal the dismantling of the social licence of the fossil fuel industry.

‘Social licence’ refers to the permission granted by the public for a company to engage in its business. Most companies have it, if they sell food, say, or housing products, or light bulbs.

But the fossil fuel industry’s product is different. As Naomi Klein once said, it’s not like asking Apple to change the manufacturing of the iPhone once it was discovered there were labour abuses. The whole product, carbon dioxide, is causing climate change and therefore untold damage to people and ecosystems the world over. Therefore, the very business model of fossil fuel companies, projected deep into the future, is in contradiction to physics and a danger to human well-being. In short, these are rogue industries.

It would be much simpler if these companies would earnestly consider themselves as ‘energy companies’ by shifting their resources into producing solar or wind energy instead. But in fact, they’ve done just the opposite by dumping hundreds of billions of dollars into the exploration and development of new fossil fuels. Exxon is the most famous example because the company’s own scientists actively studied the threat of climate change, and in response the company [developed](#) taller offshore drilling rigs in anticipation of rising sea levels. Yet while they were preparing for a warmer climate, they also funded campaigns claiming that the science was uncertain. This effectively helped delay policy action for decades; crucially, the more time we wait to rein in emissions, the costlier it is to do so.

WHY DIVESTMENT?

Ordinary means of lobbying the private sector have not been effective against this rogue industry. How do you tell a company to stop production altogether? Enter divestment, which takes as its starting point that no investor should place its money on a bet that creates climate change.

Divestment is a well-worn tool in the social movement toolbox. The most notable historical example was the South African apartheid divestment movement in the USA. In the 1980s, hundreds of campaigns pushed major institutions to sell off big blue chip stocks connected with the apartheid regime, which prompted consumer boycotts, and which ultimately led to the issue being seriously addressed by the US Congress. Divestment, in the South African apartheid context, helped push a conservative, business-friendly US Senate to defy a very popular Republican president, through the systems of checks and balances, and pass a progressive civil rights bill. As scholars of divestment being used for social change, it is clear that divestment is a time-tested tactic in shifting political will, or as we say, creating political space.

THE FOSSIL FUEL DIVESTMENT CAMPAIGN

There's another aspect to the genesis of the fossil fuel divestment story that is worthy of mention. What started off this whole fight was a paper written by a London-based team, the Carbon Tracker Initiative, who looked at the numbers of how the fossil fuel industry was valued. [Carbon Tracker](#) juxtaposed the amount of carbon the world could burn within 'safe' limits of global warming and the amount of carbon embedded in the reserves of the publicly traded fossil fuel companies - the coal, oil and gas planned for future production. It provided incontrovertible evidence that the companies intended to burn all this carbon, and against the backdrop of increased caps on doing so, thereby creating a high likelihood for a massive stock devaluation: a 'carbon bubble'. This attracted the attention of more mainstream investors, who began to rank the carbon bubble as a material risk.

The financial case for fossil fuel divestment, backing up a moralistic fight waged by civil society, made this divestment movement unique. While pensioners, students and other parts of civil society are primarily energised by the moral call to divest, the financial community is rapidly analysing the question of divestment from an investment risk perspective. From Standard and Poor's to Deutsche Bank, the largest financial institutions in the world are now talking about climate risk and the carbon bubble.

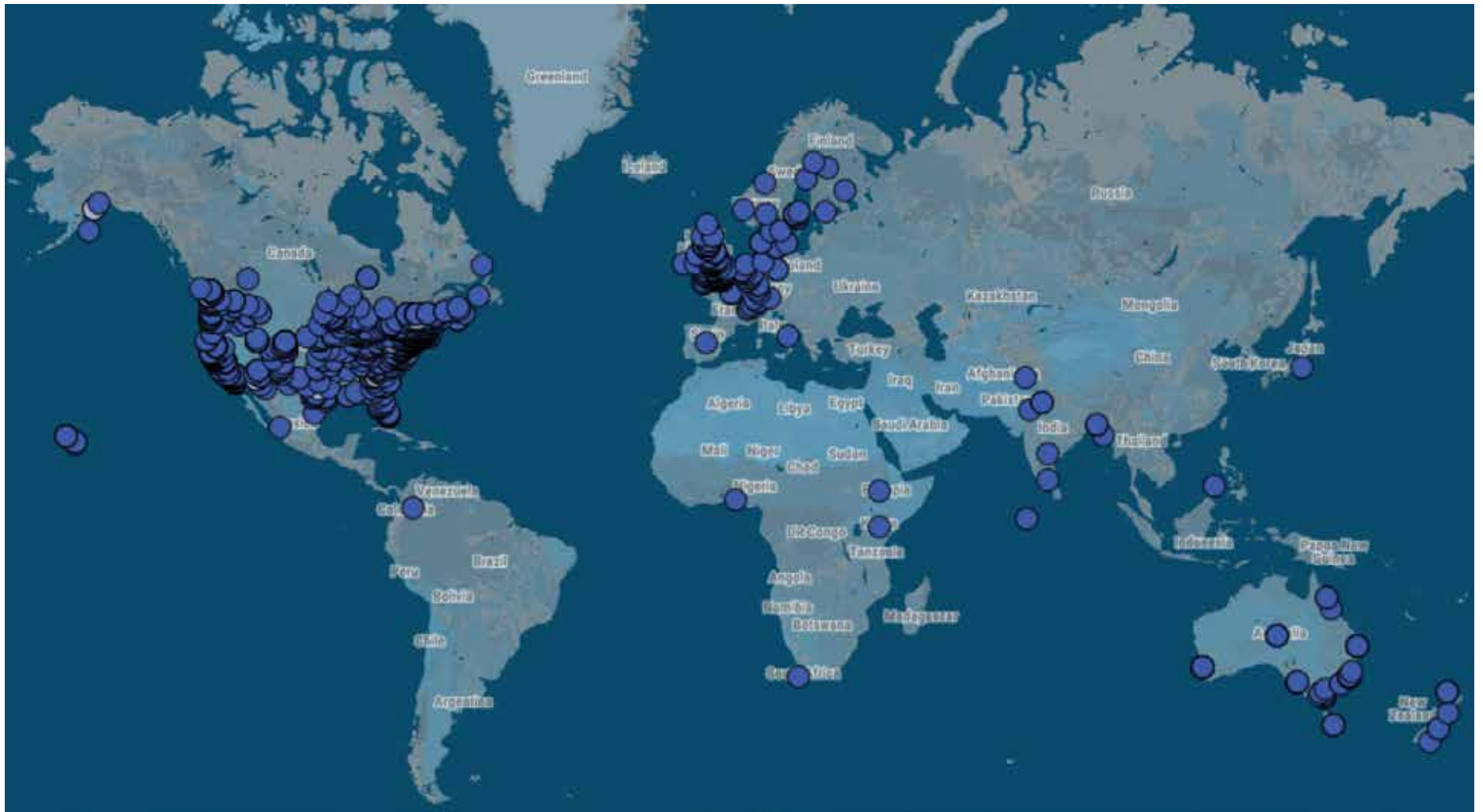
The campaign has been active in over a thousand institutions worldwide, from universities to pension funds, and churches to museums.

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A Google map of active divestment petitions worldwide. These indicate active divestment campaigns.



Each campaign is run by a group of committed volunteers who each have a stake in the institutions in question about their investments. The rallying cry has been that if it's wrong to cause climate change, it's wrong to profit from it. Stanford University, the Norwegian Sovereign Wealth Fund, the Rockefeller Brothers Fund, the Church of England, the city pension system of Washington DC and the Tate are some of the most notable institutions

to have committed to shedding their fossil fuel stock. The collective assets under management that have committed to some form of fossil fuel divestment now total just over US\$5 trillion.

According to researchers from the [University of Oxford](#), the fossil fuel divestment campaign is the fastest growing divestiture campaign in history, outstripping the growth of notable other campaigns, including divestment from private prisons, tobacco, Sudan and, of course, companies doing business with South Africa during apartheid.

CAMPAIGNING TRENDS AND TACTICS

As divestment from fossil fuels spreads throughout the globe, the campaign has evolved into different forms in order to adapt to a particular country's social norms and financial structures. For example, the divestment movement launched in Japan in 2016, and given the history and context of civil society movements in the country, organisers transformed the model into a campaign directed at banks called [My Bank, My Future](#). An additional unique feature of the Japan divestment adaptation is that they looked at support for nuclear companies as well as fossil fuel companies.

The other notable frontier for social movement tactics for fossil fuel divestment is South Africa. Since South Africa was the original inspiration for the campaign it was particularly fitting that it take root there. In South Africa the campaign's focus is on coal divestment, as [coal extraction](#) is a major source of pollution as well as a driver of corruption and violations of transparency. In addition to university campaigns, South African divestment campaigners have targeted Nedbank, South Africa's 'green bank', which, amongst others, has funded Africa's growing reliance on fossil fuels. At this point, there are student divestment campaigns at six universities across the country.

Divestment is now considered a measure of seriousness for investors and for institutions claiming sustainability as a goal, as many do. That is the magic of grassroots movements. The thousands of students and pension retirees pressuring their institutions to take the issue seriously lead to the Governor of the Bank of England proclaiming divestment rhetoric, along with other prominent financial figures.

It hasn't been just the financial community that have responded to the movement's noise. Prominent figures such as Desmond Tutu, former United Nations Framework Convention on Climate Change (UNFCCC) Executive Secretary Christiana Figueres, the French economist Thomas Piketty and celebrities such as Leonardo DiCaprio have endorsed fossil fuel divestment.

IMPACTS

Now the discourse regarding the legitimacy of a long-term fossil fuel industry has established itself in the mainstream. That is what this movement has achieved in the zeitgeist: a shift in perception and moral latitude towards a globally dominant fossil fuel industry. Of course, there is much more for this movement to gain, but it is clear that divestment has worked, to some degree, in a relatively short period of time.

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In addition to establishing a large and global coalition of institutions rejecting fossil fuels, and mainstreaming a crisis of legitimacy for fossil fuel companies, the fossil fuel divestment movement has done something else we consider monumental. When we started working on fostering campus campaigns back in 2012, we expected a dozen or so student groups to engage. As described above, the distributed campaign model caught on like wildfire as hundreds of campaigns formed almost immediately. Today, only four and a half years into the movement, there are thousands of students that have worked or are working on divesting their institutions. Some campaigns are won, many students graduate before their campaigns are won, and some campaigns are beaten back by their institution's administration. In most cases, students and alumni whose hearts were in divestment campaigns are now dedicated climate activists. The divestment movement provided an accessible launching pad to active social movement engagement.

There are now powerful networks of divestment students and divestment alumni groups organising around justice and climate justice issues. We expect to see this trend grow as the movement spreads through Europe, North America, East Asia, South Africa, Australia, New Zealand and elsewhere.

CONCLUSION

Divestment is an expression of creative resistance on the part of civil society. Faced with government and private sector intransigence on climate change, the climate movement has built tremendous power and moral clarity, and made tangible wins through this strategy. Divestment, as a movement, is fundamentally a grassroots voice manifesting through institutional structures.

The fossil fuel divestment movement has already achieved a prominent place in the halls of the history of social movements. From here, we're excited to see how the movement evolves.