

University challenge

Ledetta Asfa-Wossen explores the unstoppable force of fossil fuel divestment in higher education

Some of the most globally respected universities have thrown their hats into a fully fledged fossil fuel divestment campaign these last few months.

The University of Oxford, Solent University and the University of Manchester were joined by Cornell University, Brown University and the University of California in quick succession, while the University of Roehampton ruled out fossil fuel investment along with arms, tobacco, alcohol and gambling.

“Coupled with our research strengths, this decision will enhance our position as a leader in reducing carbon emissions and tackling the climate crisis before it is too late,” said Louise Richardson, vice-chancellor of Oxford University.

Eighty-two UK universities and two Irish institutions are now committed to divesting from fossil fuel companies, covering an endowment wealth of over £12 billion, with global divestment commitments standing at US\$9.9 trillion, according to student campaigning network People & Planet. The trend continues to accelerate, even with divestment dividing some, its most notable critic being Microsoft co-founder Bill Gates.

Speaking to the *Financial Times*, Gates stated that energy would be better spent investing in disruptive renewable technologies that slow carbon emissions and that divestment to date has had minimal impact on reducing emissions. However, the argument for divestment goes broader than that.

At an MIT lecture titled ‘From the Cold War to the Climate Crisis’, Noam Chomsky unfolded the bigger picture. “I know the counter-arguments and I think we can accept them as accurate. There is no reason to reject them. The problem is, they are irrelevant. The purpose of divestment is not to injure ExxonMobil – they’re not going to care. It’s symbolic. It’s educational.”

Rebecca D’Andrea, fossil free campaigns coordinator at People & Planet, further reasons that divestment is not a single aim and that those who see it as such are missing the point:

“The call for divestment does not exist in a vacuum. We always demand that money be re-invested in sustainable, renewable practices too. Investing in green technologies and divesting from the fossil fuel industry are not mutually exclusive. Our argument is that if you truly care about climate justice, and you’re committed to investing in green technologies, then cutting ties with the fossil fuel industry is an essential step to take. We don’t claim that divestment in itself would cause carbon emissions to drop. Divestment is, first and foremost, a political statement.”

Changing market

While divestment alone might not collapse fossil fuel demand, a combination of clean tech, stricter government policies and the Covid-19 crisis is causing a slump in the fossil fuel industry.

According to a Carbon Tracker report, falling demand and rising investment risk are predicted to cut the value of oil, gas and coal reserves by nearly two-thirds, hitting financial markets and countries reliant on exports. The International Energy Agency (IEA) predicts that the demand for oil could fall by 9% this year.

In 2018 the World Bank valued future profits from oil, gas and coal at US\$39 trillion, but the Carbon Tracker findings reveal that if demand falls by 2% a year in line with the Paris Agreement and discount rates rise in line with increased risk, future profits could sink to US\$14 trillion.

“Of course there will be someone to buy up shares that are divested, but divestment from fossil fuel sends important market signals. If a university that divests subsequently invests in



Illustrations by Patricia Lamas
for Minnesota Interfaith Power & Light
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the green economy, this will help to reduce emissions overall. As the drop in fossil fuel prices during the pandemic has highlighted, these companies are no longer safe bets,” points out David Thorpe, founder of the One Planet Centre.

Consumer power

The fossil free campaign is also beginning to transfer more power to the consumer – in this case, students.

“Students definitely care more and more about their university’s climate record. And I think that it might well become one of the parameters they will use to decide what university to attend,” notes D’Andrea.

If student-led campaigns continue at this level, universities will be forced to feel the pressure, regardless of any internal committee conflicts.

“Students want to know that more has been invested in the long-term future of the planet, that the services they are spending money on are sustainable and contribute positively,” says Thorpe. “Increasingly, universities competing for the best students are having to up the ante on their sustainability offer. Because universities are large precincts owned by a single entity, they’re in a strong position to reduce environmental impact through their operations. Not only can they teach the theory and practice, but they can also demonstrate it in everyday life. Students who in school were striking for the planet will be making their institution choices on this basis.”

But the trend towards divestment has been a long time coming. No university knows this better than Cornell – one of the few Ivy League institutions that have opted for divestment. Led by earth systems scientist Robert Howarth, staff and students have been advocating for nearly a decade.

“Arguably, the way in which Cornell and Brown have now divested is partial, not full,” explains Howarth. “We have committed to no longer buy direct investments in fossil fuels, and to not renew such investments as they come due. Within five to seven years, we will have no direct investments in fossil fuels.”

But is partial divestment effective? Yes, says Howarth.

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“It sends a strong message and moves us in the right direction. Divestment does make a financial difference to the fossil fuel industry. When a large institution such as Cornell divests, it sends a very strong signal to bankers and Wall Street that the future is not in fossil fuels, and that they too should pull out.”

Are there differences among coal, oil and gas? Howarth believes there are not. “To address climate change, we need to move away from all fossil fuels as soon as possible. My research published in 2014 and 2019 shows that the climate impact of using natural gas is actually worse than that of coal.”

Historically, economic impact has been cited as a reason to be cautious, but this is becoming less so now that many are divesting and it has begun to prove financially viable, suggests D’Andrea. “In some cases, ties with the fossil fuel industry have been a reason not to divest. Like at Imperial College London, where they have stated how much they value their relationship with Shell and BP. Sometimes it’s a lack of information on how easy it is to actually do it. As we’ve seen at the University of York, it was basically a change of vice-chancellor that made it happen,” she adds.

“The divesting process has become much easier – it’s becoming a box to tick. I think it’s because fund managers now have more and more options for portfolios to be fossil free, so they’re better prepared to comply with those requests – divestment is so popular that they almost have to. We’re hitting a critical moment in the movement.” R

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“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”

– *Buckminster Fuller*