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Authors

Rowe, James K
Dempsey, Jessica
Gibbs, Peter

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The Power of Fossil Fuel Divestment (and its Secret)

James Rowe, Jessica Dempsey, and Peter Gibbs

School of Environmental Studies

University of Victoria

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The first fossil fuel divestment campaign launched at Swarthmore College in 2010 (Farrell, 2013). Frustrated by failed UN climate negotiations in Copenhagen in 2009, and inspired by the example of the movement against apartheid in South Africa, organizers saw divestment as a tactic that allowed students to engage directly in climate politics by leveraging the financial and political power of universities. Two years later Bill McKibben (2012) popularized the case for fossil fuel divestment in his *Rolling Stone* article that went viral—“Global Warming’s Terrifying New Math.” Since then campaigns have spread like wild-fire. This spread has been facilitated by 350.org, the organization McKibben helped start, particularly their online platform “Go Fossil Free,” which provides tools for starting and conducting local campaigns. The fossil fuel divestment movement is now the centre of gravity for student activism on climate change in North America (635 campaigns), Europe (181 campaigns), and Australia and New Zealand (42 campaigns).¹ There are also calls for divestment in India, the Philippines, and South Africa. While centred on university campuses, the movement extends to foundations, cities, churches, unions, and financial managers. The campaign to divest institutional stockholders from fossil fuel companies has supporters of many political stripes from socialists like Cornel West to liberal billionaires like Tom Steyer, all joined together by growing concern over climate change and the slow pace of governmental action. The basic campaign strategy incubated by students at Swarthmore, popularized by McKibben, and since refined by the movement, is to culturally marginalize the fossil fuel industry, making it harder for them to exert political influence and gum up the gears of needed climate legislation.

Already, in three short years, approximately 2500 investors representing \$2.6 trillion in assets have divested (Arabella, 2015). High profile institutional investors to divest include the

¹ Campaign information can be found at <https://campaigns.gofossilfree.org/>

Rockefeller Brothers Fund, Stanford University, and the Canadian Medical Association. As Geoffrey Morgan (2013), managing editor of *Alberta Oil Magazine*, recently wrote about the movement: "Energy executives ignore the [divestment] campaign at their own peril; even though [divestment] targets their companies' stock price, its real intention is to erode the hydrocarbon industry's social license to operate."

The fossil fuel industry is one of the wealthiest industries to ever exist, and is a formidable foe. The divestment movement, however, knows a secret. We borrow the furtive language of secrecy from Jeremy Brecher, Tim Costello, and Brendan Smith's (2000) book *Globalization From Below*. For Brecher et al., social movements understand that elite power ultimately rests on popular consent. Even the most powerful institutions in the world are ultimately reliant on the collective consent of those subject to the powerful. When consent is withdrawn, the mighty can fall. The revolutionary and constitutive power of people acting in concert is kept hidden (hence, "secret") by a variety of forces including the mass media's focus on political and economic elites as the true masters of the universe. In other words, while the political, economic, and cultural common sense of our time reinforces the idea of a disempowered, hapless citizen who is subject to structured laws and policies of captured petro-states, Geoffrey Morgan of *Alberta Oil* reminds us that everyday people ultimately hold the reins.

Brecher et al.'s approach is indebted to the Marxist political philosopher Antonio Gramsci. One of Gramsci's (2000) crucial contributions to social movement theory was his insistence that elite power is maintained not only through coercion, but also through the everyday actions of people that confer consent upon hierarchical social orders, even though they may not benefit from them (Carroll, 2016, Intro to this book). Applying the Gramscian emphasis on consent to fossil fuel divestment helps reveal that the carboniferous capitalism of today, while

reinforced by a daunting nexus of corporate and state power, is reproduced daily by the everyday consent of popular publics.² This consent manifests itself in consumer decisions, the driving of cars, voting patterns, hands off approaches to pension and mutual fund investments, and political quiescence. The molecular reach of the fossil fuel economy, the way it reaches into the smallest nooks and crannies of our lives, is a key reason why addressing climate change has been so challenging to date (“we all use them”; “everyone is to blame”; “we are our own enemy”). How do we break the political deadlock on climate change, an impasse that is reinforced by the everyday reliance on fossil fuels? Answering this question requires attentiveness to not only political ends, like stiff carbon taxes and massive investments in public transit, but particularly to the strategies and narratives required for achieving them. How can we spark a collective withdrawal of consent from carboniferous capitalism, while we all still rely on fossil fuels?

The divestment movement is an effort to do just that, by targeting and vilifying companies that profit from fossil fuel extraction, production, and sale, and that actively lobby against government action on climate change. The identification of a climate change enemy, one that masses of people can organize against in shared moral outrage, has been key to the movement’s success. We all might rely on fossil fuels for the reproduction of our daily lives, but the vast majority of us do not lobby our governments to slow climate action (Dempsey & Rowe, 2015). Enabling the distinction between an *us* who can withdraw our consent from *them* has been a key innovation of the movement.

While the divestment movement has a tactical target in fossil fuel companies, we argue that divestment is best understood as a counter-hegemonic cultural politics that seeks to

² The term “carboniferous capitalism” belongs to Lewis Mumford, and names the centrality of ancient sunlight, in the form of fossil fuels, for powering industrial capitalism (Mumford, 2010).

transform climate change into a justice issue. Climate change is a problem marked by deeply uneven power relations: an elite few are profiting and a great majority are already weathering the effects. The divestment movement helps clarify that responsibility for climate change is uneven, even if we “all” use fossil fuels, and often benefit from them.

Climate justice is not a new concept, but divestment—at least in the Global North—is a key site where climate justice is being actualized. In the Canadian context, for example, divestment campaigns are facilitating important collective learning about the ongoing legacies of colonialism, and the centrality of a decolonization lens to achieving climate justice. At a recent national gathering hosted by Fossil Free Canada, the links between fossil fuel divestment and Indigenous struggles for control over their traditional territories, were consistently highlighted (Lameman et al., 2014).

We live on the west coast of Canada where there is a strong Indigenous nationhood movement. Due to the geopolitical specificity of this region, and national efforts on behalf of organizations like Fossil Free Canada, the settler students we work with on divestment are prioritizing a decolonizing lens in their organizing efforts. The divestment movement is a site where solidarity is being slowly constructed between largely white, middle class university students and faculty, and affected communities, especially First Nations in Canada. During her keynote address to the Fossil Free Canada convergence in 2014, Crystal Lameman from the Beaver Lake Cree Nation in Alberta told the audience: “Will divestment change everything? No, but combined with such things as Indigenous rights practices, we will make a difference...None of these things alone will stop climate change, but it is a part of the change” (qtd. in Mazurek, 2014). Divestment, then, is not simply transforming common sense on climate change, it is also part of changing the common sense vision of environmentalism into one that necessarily—

especially in settler colonial contexts like Canada—places colonial pasts and presents at its centre (See Adkin, 2016 in this volume).³

We are not claiming that all participants in the multitudinous divestment movement are anti-capitalists and decolonizers (McSorley, 2014). Part of the strength of the movement is that it has collected together a broad assemblage of participants into a dynamic and populist force (Rowe & Carroll, 2015). The common enemy of fossil fuel companies binds this assemblage together in a contingent unity. Divestment has the *potential* to serve as a “gateway campaign” that opens participants up to deeper structural critiques of not only Big Carbon, but capitalism itself. This is especially the case given that student leaders with national divestment organizations in the US and Canada have consistently emphasized a climate justice frame, acknowledging that “structural inequalities are perpetuated by the fossil fuel industry and exacerbated by climate change” (Grady-Benson and Sarathy, 2015, pp. 5-6). Yet, the word “potential” matters. As a tactic, divestment could also result in a narrow field of vision: re-affirming a liberal political stance that views climate change as an isolated market failure, one that can be addressed with modest reforms to market society. This view leaves untouched the historical and systemic injustices that climate change is rooted in, and aggravates.

Part of the secret of social movements is that they are never exactly as they appear. Always comprised of diverse participants, and often walking uneasily between liberal, radical and neither-nor politics, movements hold plural possibilities; the direction they take is rarely predetermined. A targeted withdrawal of consent can cascade into more systemic change. It was not telegraphed, for instance, that protests against water privatization in Bolivia during the early

³ While a decolonization lens is less common in the US, the Divestment Student Network (2016) – a national student organization providing leadership and resources to local American campaigns – emphasizes “building alliances with frontline communities, those most impacted by fossil fuel extraction and climate change, as they are the experts in resisting fossil fuels and building a better world.”

2000s would help launch Evo Morales's MAS party into power in 2006. Consent maintains elite power, and withdrawing that consent has unpredictable outcomes given the plurality of forces that form movements.

Being clear about the power of social movements to withdraw consent, and the profound challenges of wielding this power against one of the wealthiest industries in the world, is politically important. For the movement itself this clarity can inoculate against discouragement during what promises to be a protracted campaign. The average length of successful divestment campaigns targeting South African apartheid on Canadian campuses was five years (Connor et al., 2014). While the fossil fuel campaign is the fastest growing divestment movement in history, current students should not expect full divestment before they graduate (Ansar et al., 2013). And yet, well-designed campaigns can keep generating momentum, giving activists a growing sense of their collective power as student referendums, faculty votes, and union resolutions are pursued and won (as consent is slowly withdrawn).

For those in the broader environmental movement, being keyed into the "secret," and the profound challenges of manifesting the collective withdrawal of consent, should caution against quick dismissal of the fast-growing but fledgling campaign. Social movements are not born every day. They hold tremendous power, but rely on a rare confluence of timing, resources, opportunity, leadership, fortune, and collective enthusiasm (Brecher et al., 2000).

Understandably, the divestment movement has been pilloried by the fossil fuel industry and its servants in the political class (Cox, 2015). But it has also been subject to sustained critique from the left and liberal wings of the environmental movement. In the remainder of this chapter we unpack representative criticisms of divestment, those of journalist and professor Christian Parenti (from the left) and Harvard President Drew Faust (from the liberal centre). Instead of casting

doubt on divestment, we argue that these criticisms help clarify what the movement gets right.

Both the left-wing and liberal critics of divestment, for different reasons, miss the importance of a cultural politics that withdraws mass consent from the fossil fuel economy, while planting seeds for larger struggles against neoliberalism, capitalism, and colonization.

Christian Parenti's challenge from the Left

The key critique of divestment from the Left is articulated by Christian Parenti, whose recent work focuses on the politics of climate change (Parenti, 2012a). Parenti first shared his concerns in a November 2012 op-ed in the *Huffington Post* (Parenti, 2012b). Since then, he has developed his criticisms in the *Nation*, the *New York Times*, and on the radio programs *Democracy Now* and *Against the Grain* (Nathanson, 2012; Parenti, 2013b). We take up Parenti in depth here because: 1) he is an influential voice on the American Left; and 2) because his critiques of divestment have been circulated in influential venues. Anecdotally, we have had his critiques rehearsed to us by other Left scholars and activists. Parenti's high-profile criticisms give would-be supporters an excuse to dismiss the movement. We want to respond to his criticisms, not only as rebuttal, but because his critique can help us elaborate the power of divestment and help explain its efficacy in the current conjuncture.

Parenti's primary argument is that divestment will be unable to materially injure fossil fuel companies, slow their rate of extraction, and keep unburnable reserves in the ground. Parenti's preferred strategy is to pressure governments into action, since only governments have the coercive power to legislate massive emission reductions: "The only force on earth that can really control Exxon is the U.S. government. Moral outrage and symbolic action—like divestment—won't bring it down" (Parenti, 2012b).

Parenti (2012b) was quite right to question early messaging from 350.org implying that fossil fuel divestment could hurt company returns in the short-term. The hydrocarbon industry makes windfall profits from selling fossil fuels, not from selling stock. If the divestment movement's primary goal was to impact immediate returns, then it would indeed be resting on shaky ground. But attacking short-term profits has never been the primary aim of the movement. Since the beginning, McKibben and other divestment organizers have emphasized that the short term goal is to weaken the industry's social license by having culturally and morally powerful institutions publicly distance themselves from the new petroleum pariahs. As noted, the strategy is that this cultural marginalization will make it harder for the hydrocarbon industry to exert their political influence, making it easier for governments to take needed action. As McKibben (2012) wrote in his original *Rolling Stone* article, "Movements rarely have predictable outcomes. But any campaign that weakens the fossil-fuel industry's political standing clearly increases the chances of retiring its special breaks."

Parenti (2013b) has questioned the strategy to chisel away at political standing, noting that the hydrocarbon industry is already maligned:

Big Carbon has already lost its "social license" and with no apparent effect on its real operations. Every year Gallup asks Americans how they feel about 25 leading industries. Every year oil shows up dead last as the most disliked industry in America. Last year it had a 61 percent disapproval rating.

What Parenti's critique fails to acknowledge, however, is that inert and active disdain have different political effects. What Parenti points to is an inert disdain for fossil fuel companies, which is not the same as withdrawing consent. The divestment movement has likely spread quickly because of low-simmering popular frustration with the industry. But moving this private

grumbling to collective action required a catalyst. The divestment movement has provided a vehicle for mass disapproval. And if the strategy works, then divestment campaigns *will* materially weaken the fossil fuel industry by moving the low grumble into active withdrawal of consent.

Fossil fuel divestment is not the social movement Parenti would have started. “If we were starting from scratch, I don’t really think it’s the best” (Nathanson, 2012). His preference would be a movement directly focused on state action. “What we need to revoke,” he argued in the *New York Times*, “is Big Carbon’s actual, legal license to operate. Government grants that right. And the moral crisis generated by protest must crystallize as state action” (2013b). We agree that legislation is needed to rapidly draw down emissions. But what if Parenti is right about the longer-term goal, but wrong about the short-term strategy for getting there? What if divestment is the right strategy for the current conjuncture? Parenti’s alternative vision is of activists pressuring their “universities, churches, and towns, as well as their state and local governments to buy clean power and electric vehicles, retrofit buildings for efficiency, and pressure the federal government to allow the EPA to do its job and enforce the clean air act, very vigorously” (Parenti, 2012). All noble goals, but Parenti’s campaign alternative is missing key design elements that help explain why his preferred idea has minimal traction, while divestment is rapidly spreading.

For one, Parenti’s more positive campaign lacks a clear binding foe. The divestment movement presents the public with a compelling moral case against a clear enemy: “If it is wrong to wreck the climate, then it is wrong to profit from that wreckage” (McKibben, 2012). Emotions such as anger, hope, efficacy, and solidarity facilitate individual actions that make up the collective work of social movements (Ganz, 2011). Strategic goals for social movements need to focus on motivational issues and leverage points (Gibbs & Sinnott, 2014). Sustainable

procurement policy, while important, is not sufficiently motivational to inspire the emotional intensity needed to spark a social movement. Nor does pressuring governments for climate action offer a strong enough leverage point to inspire feelings of efficacy. Divestment campaigns target local and relatively accessible institutions that are directly invested in climate wreckage. This allows for activists to feel *proximity* to the fossil fuel pariahs in their own communities, even as corporate offices may be miles away. The divestment strategy also enables targeted local action to articulate with a wider movement to marginalize the fossil fuel industry, and to clear the path towards legislation. Local activists can gain momentum from movement wins like the United Nations Framework Convention on Climate Change's endorsement of divestment, even as they contribute to that momentum with successful student and faculty referenda (Carrington, 2015). Parenti's alternative campaign would theoretically allow for the same felt solidarity between local and more global actions, but without the motivating power of a clear enemy that is accessible at the community level (concretized in institutional investments). Simply put, while state action would be the most efficient path to solving the climate crisis, focussing on it at the outset would be ineffective at catalyzing the social movement needed to force the desired result.

In 2012, when the divestment movement launched, the US Congress' approval rating hit an all-time low of 10% (Edwards-Levy, 2012). There are multiple forces combining to produce popular disapproval of government, including forty years of neoliberal rule. For Stephen McBride and Heather Whiteside (2011), neoliberalism has played a key role in "delegitimizing and discrediting politics by favouring markets as decision making institutions" (p. 97). Parenti sees divestment as complicit in this drift away from the state:

I think it's really dangerous to fall into this anti-government sensibility—that Washington is broken, etc., etc. That's exactly what corporate America wants the left to think.

Corporate America in the age of neoliberalism wants a left opposition that can't even see or imagine what the state is or could be. And I fear that [divestment] falls into that, potentially. (Nathanson, 2012).

While we agree with Parenti's goal of valorizing the state as a central force for climate mitigation (as most divestment activists would), his analysis is out-of-step with popular ambivalence towards governments that are increasingly captured by elite interests.

In a poll taken shortly after the *Citizens United* decision in the US, which blew open the gates on campaign spending, 82% of voters agreed that Congress should limit the amount of money corporations can spend on elections (Jarvis, 2011). Parenti's preferred strategy of directly targeting the state doesn't adequately address popular worries about corporate control of the political process. Action targeting the state can appear futile when moneyed interests are clearly conditioning political outcomes. By targeting companies, and their institutional investors, divestment addresses a key driver of slow policy progress on climate change: industrial obstruction. This framing does not diminish the importance of state action, but instead emphasizes that prior cultural work is required before states can act with the force they need to draw down emissions. Parenti, along with others who view divestment as "symbolic" (Hulme, 2015), misses the importance of cultural politics, especially at a time when publics are rightfully wary of regulatory capture.

Divestment is only one of many strategies for challenging carboniferous capitalism. It has gained impressive political traction in the three years since it proliferated. But culturally marginalizing one of the wealthiest industries in the history of capitalism requires a wide base of support; this is crucial because we cannot convince the state keep fossil fuels in the ground with a magic wand. The divestment movement is beginning to build this wide base of support, alongside

growing alliances against pipelines and extraction. Given the variety of actors with sometimes competing political orientations that comprise the movement, it is not ideologically pure. But in the following section we draw out some of the radical potential of the campaign to serve as a gateway into deeper structural analyses of colonialism and capitalism. We do so by engaging with another set of critiques of the campaign—those expressed by liberals.

The liberal critique

While Parenti criticizes divestment from the Left, the movement is also the target of more centrist, or liberal critiques. Harvard President Drew Faust exemplifies liberal concerns with the strategy. Harvard is a site of active divestment campaigning; students have employed strategies and tactics emblematic of the campus divestment movement including a successful student referendum, delivering a 1,300 signature petition from Harvard faculty and alumni, and occupying the office of President Faust demanding divestment on two different occasions. In 2013, Faust penned a letter publicly responding to divestment activists, stating that divestment from fossil fuels is neither “warranted nor wise” (Faust, 2013). She has held fast to that line despite the ongoing pressure; the most recent protest (2015) shut down the building housing Faust’s office for an entire week with Cornel West (a Harvard alumnus) joining the protest, saying that Harvard risks being on the wrong side of a “planetary Selma” (Woolf, 2015).

In this final section of our chapter, we address two interlocking arguments against divestment that appear in Faust’s letter, but are representative of wider liberal criticisms of the movement. The first concern is that the tactic is too confrontational and should be replaced by more cooperative and pragmatic approaches such as shareholder engagement (see also Bocking, 2014; Hulme, 2015; Krosinsky, 2012). Secondly, liberals like Faust have argued that universities

should not use their endowments to take political stands (see also Hall Findley & Charest, 2015).

In making this argument, liberal critics have emphasized the supposed neutrality of institutional investments whose sole purpose is to maximize returns, not to forward political agendas.

The liberal critiques of divestment are not limited to the two we draw out here. Indeed there are overlaps between Parenti's criticisms of the ineffectual or symbolic nature of the campaign, and concerns raised by a number of liberal critics (Bocking, 2014; Faust, 2013; Hall Findley & Charest 2015; Hulme, 2015; Krosinsky, n.d; Welch, 2014). We draw out the above two points because they help us demonstrate what is politically powerful about a movement that is regularly dismissed for being merely symbolic. In other words, we think these two liberal counter-arguments actually help clarify the power of the divestment strategy, and its radical potential. We also think that these two arguments against divestment will become more central as the financial challenge to the divestment strategy becomes increasingly tenuous.

In her letter, Faust also warns against the economic implications of divestment: "We should also be clear-sighted about the risks that divestment could pose...Significantly constraining investment options risks significantly constraining investment returns" (Faust, 2012). But recent research undertaken by MSCI, which runs global indices used by thousands of pension and hedge funds, shows that fossil fuel divestment would have theoretically *increased* investor returns from 2010 to 2015 (Collinson, 2015). Moreover, a key economic argument in favour of divestment is that once needed climate legislation is passed, fossil fuel companies will see a major devaluation, resulting in significant losses for shareholders. This is because the current valuation of fossil fuel companies includes reserves that are unburnable if we are to avoid triggering catastrophic climate change (McKibben, 2012). According to the International Energy Agency (2012), at least 60% of known reserves are unburnable (McGlade & Elkins, 2015). When

legislation is passed to keep these fossil fuels in the ground, the industry is poised to lose trillions of dollars—what is increasingly being referred to as the “Carbon Bubble” (Leaton, 2011).

If divestment is both morally righteous and financially prudent, then why aren't all institutional investors pursuing it? One reason is that the movement's combativeness contradicts the liberal preference for dialogue among experts as the preferred problem-solving approach. What Naomi Klein (2014) calls the fetish of centrism—“of reasonableness, seriousness, splitting the difference, and generally not getting overly excited about anything”—helps explain resistance among liberals like Faust (p. 22). For Klein,

[t]his is the habit of thought that truly rules our era, far more among the liberals who concern themselves with matters of climate policy than among conservatives, many of whom simply deny the existence of the crisis. Climate change presents a profound challenge to this cautious centrism because half measures won't cut it.⁴

The existential threat that climate change poses has provided the fossil fuel divestment movement with an unsettling boldness. The confidence with which activists have swaggered into the elite arena of investment is worrying for stakeholders with a material and cultural attachment to the status quo of liberal capitalism. Divestment refuses the neutrality of institutional investment, seeking to insert moral and ecological considerations into the calculus. It is a slippery slope from criticizing the morality of fossil fuel investments, to challenging the fetishes of impartiality and maximum return that protect investments in general from moral scrutiny and democratic

⁴ Complementing Klein's analysis, Tariq Ali (2015) recently published a book called *The Extreme Centre*. While much media scrum and academic analysis focuses on the extreme Left and Right, Ali argues that the extreme centre - liberals - should receive more attention, because they are now perpetuating and concretizing neoliberal governance, propping up the extreme Right, often under the veil of neutrality, technical efficiency, and even political harmony.

intervention. Divestment prefigures a deeper withdrawal of consent from capitalist relations. We think this is partly why liberals like Faust are unsettled by it, why they find it too divisive.

“Divestment pits concerned citizens and institutions,” wrote Faust in her letter to the Harvard community, “against companies that have enormous capacity and responsibility to promote progress toward a more sustainable future” (Faust, 2013). We saw this same sentiment expressed first-hand in a debate on divestment on our campus, when an executive from tar sands giant Suncor explained to students and faculty that climate change demands that we all form a giant peloton to solve it, referring to the energy saving tricks of cyclists riding in a pack. This is an attractive image—that we can all bond together and catch a slipstream towards a fossil free future. But this vision is rooted in a fantastical reading of political change, one where the different players can find common ground through earnest dialogue (no matter how asymmetrical the power differentials are). The limits of this approach are illustrated by decades of failed climate action—from UN negotiations that consistently acknowledge scientifically determined targets while failing to meet them, to the lifestyle changes emphasized in Al Gore’s *An Inconvenient Truth*. The divestment movement, rather, places differentials of interest, benefit, and power at the core of the climate change debate. At its best, divestment draws attention to the class relations underpinning the lack of climate action: the fact that while many of us (especially in the Global North) benefit from fossil fuel combustion, *some* benefit more than others and those *some* are at times working very hard to protect their interests. In Canada, for example, oil and gas industry groups actively lobby against climate action, and it is widely known that oil and gas fund the perpetuation of climate doubt (De Souza, 2013; Linnitt, 2012, 2013; Oreskes & Conway, 2011). Divestment, we suggest, signals an environmental politics that is unafraid of referring to *interests* (movement participants may not always use the term “class,” but for us class conflict is

at the heart of divestment). Thus, divestment is powerful because it counters the “we can all work together” mantra of liberal politics, a mantra that works to obfuscate the operation of power (and its secret: that power relations change swiftly after mass withdrawals of consent).

Divestment is not only too confrontational, say liberals like Faust, but it also threatens the (supposed) neutrality of the University. The University, we are told, is a place to discuss and debate policies, to study them—but it is not a place to take political stands. For Faust,

we should...be very wary of steps intended to instrumentalize our endowment in ways that would appear to position the University as a political actor rather than an academic institution. Conceiving of the endowment not as an economic resource, but as a tool to inject the University into the political process or as a lever to exert economic pressure for social purposes, can entail serious risks to the independence of the academic enterprise. The endowment is a resource, not an instrument to impel social or political change (2013).

In this quote, Faust perpetuates the notion that status quo social relations are neutral or not political. Her response points to divestment’s radical potential, especially how it begins to peel away the notion that investments, and thus money itself, are somehow neutral. In asking for investments to be accountable to something other than profit, divestment activists are reminding everyone how power-laden and often cruel capitalist social relations are. Sound and “rational” investment decisions are not based on how socially useful an enterprise is, or how ecologically regenerative it might be, but rather on how much financial return it will yield. Fossil fuel companies can still generate decent returns, but their business model is in direct opposition to the biophysical liveability of our planet. Until the fossil fuel divestment movement arose, financial markets were largely silent on this stunning contradiction.

As former Harvard Undergraduate Council President Tara Raghuvver (2015) wrote in a recent issue of *Time*, Harvard's endowment is not simply a resource; it is a "political tool." Indeed, Raghuvver reports how it was Harvard's response to divestment, particularly claims about the neutrality of its endowment, that led her to become an activist on the issue:

These meetings showed me a side of Harvard—an institution that I love—that terrified me. Harvard the corporation seemed to represent interests that ran directly counter to those of Harvard the venue for intellectual and social transformation. For the first time, it hit me. On this issue, impartiality was a false posture, and performing it made me complicit in the university's iniquities.

Investments are not neutral, and neither is maintaining the status quo.

Harvard has already taken sides by owning shares in companies that threaten the rights of future generations by obstructing strong climate policy. Fossil fuel divestment reflects a division that already exists: multiple generations of human beings yearning for a bright future, up against an industry that wields its power to stall desperately needed government action. Student activists are refusing to let financial returns be the impartial metric that liberals like Faust claim they are.

Both the knee-jerk centrism and the insistence on investor neutrality that have been mobilized by liberal critics like Faust help hide the vast asymmetries of power that mark contemporary capitalism. They also militate against the democratic intervention into financial markets that fossil fuel divestment represents. A claim to "reasonableness," and "seriousness" typically justifies the centrist approach, but divestment puts the lie to this mythology. It is irrational and wild-eyed to assume that the fossil fuel industry will forgo short term returns (that happen to imperil planetary liveability) without collective confrontation. It is also increasingly

insane to keep assuming the neutrality of maximum returns, when profits from fossil fuel companies threaten the biophysical preconditions for our species-flourishing.

Conclusion

The fossil fuel divestment movement is spreading fast. “No tactic in the climate wars has resonated more powerfully,” notes Naomi Klein (2014) in *This Changes Everything* (p. 354). We’ve argued that this success has much to do with how the campaign transforms climate change into a justice issue. More specifically, a key to the movement’s popular traction has been the location of a climate change foe: the fossil fuel industry. The campaign allows activists to target the industry via relatively accessible, but culturally powerful institutional investors, like universities, municipalities, churches, charitable trusts, and pension funds.

Leftist critics like Christian Parenti worry that “market-based” campaigns like divestment divert needed attention away from the state. For Parenti, the state is the only institution powerful enough to force fossil fuel companies to leave unburnable reserves untouched. We agree, but argue that culturally marginalizing the fossil fuel industry, and thereby diminishing its capacity to obstruct climate legislation, is a necessary precondition for effective state action.

The divestment movement irritates Harvard President Drew Faust’s liberal preference for dialogue among experts to solve vexing challenges. But relying on polite dialogue and piecemeal incentives to keep fossil fuel companies from extracting increasingly unburnable reserves is a dream-becoming-nightmare. The polite centrism of liberals like Faust—rooted in the desire to address worldly problems without upending power hierarchies that often generate these problems in the first place—has the practical effect of shrouding the craven self-seeking of fossil fuel companies. Emphasizing the impartiality of investments has the same effect: “nothing to see here

but the smooth functioning of the market, innocently generating value-free value.” But the value Harvard receives from fossil fuel investments threatens a central precondition for all human value: a liveable planet. There is nothing innocent or impartial about privileging returns over the relative hospitality of the Holocene.

As the evidence begins to pile up supporting both the moral and financial case for divestment, the question is now becoming: why not divest? Divestment is ultimately a “pragmatic” and relatively easy democratization of capital. That Faust and other University presidents remain staunchly opposed suggests to us that the campaign has more radical potential than perhaps meets the eye. What worries liberals should excite leftists: as noted, it is a slippery slope from criticizing the morality of fossil fuel investments to challenging the supposed neutrality of maximum returns more generally.

Already, divestment—at least in Canada—is making connections between settler colonial rule, public institutions, and international capital. As Naomi Klein (2014) writes in her recent book,

[C]limate change isn’t an ‘issue’ to add to the list of things to worry about, next to health care and taxes. It is a civilizational wake-up call. A powerful message—spoken in the language of fires, floods, droughts, and extinctions—telling us that we need an entirely new economic model and a new way of sharing this planet (p. 25).

Klein’s argument that fighting climate change means fighting neoliberalism, capitalism, and colonialism has both informed the movement, but was also crafted in conversation with divesters, anti-pipeline activists, and climate justice organizers (Klein, 2014, 2015).

What could next steps that deepen this already existing intersectional analysis look like? One potential is for fossil fuel divestment campaigns to begin working in alliance with the private

prison divestment movement, and the boycott, divest, and sanctions (BDS) movement targeting apartheid Israel (Barrows-Friedman, 2015). Forging these solidarities will not be easy, and could fracture the alliances that hold up fossil fuel divestment's big tent. But as one begins to pry open the supposedly neutral world of investment, it only makes sense to continue asking questions about the moral, economic, and ecological costs of business as usual. We wonder if the movement might begin to articulate a prefigurative vision of how to more democratically control our collective public wealth like endowments, pensions, and sovereign wealth funds: it could be an exciting place to dream about new institutional forms, new systems of decision-making that are not bound to the market form. The ways that systemic challenges like neoliberalism, capitalism, and colonialism are being grappled with in the context of the movement, alongside the more immediate challenge of culturally marginalizing one of the most powerful industries in the world, makes it a crucial site for engagement and learning as we teeter on the edge of the Holocene.

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