Investing with Integrity

Philadelphia Yearly Meeting
EcoJustice Collaborative

Frequently Asked Questions on Fossil Fuel Divestment

Isn't it hypocritical to divest of investments in fossil fuel companies on one hand, but keep driving our gas powered cars on the other?

Actually, this question goes right to the heart of why many of us have decided to take the step of divestment. First, the point should be made that we do not believe that divestment by itself will change everything. Of course we will still need to demand changes in our transportation energy options. Since time is of the essence, and many of us do not have the financial means to go buy an electric car, we determined that making a public statement by divesting is a practical measure that can be taken right now. It is true that many of us will still need to use transportation that burns fossil fuels, for the time being. However, by divesting we, as Friends, also state as Friends that we can no longer in good conscience profit from an industry that produces a product which is destroying the ecosphere, while that industry has denied for at least a quarter of a century that there is any real problem created by pollution from their product, and has actively fought against any significant changes in our energy use. Many have stated correctly that there is no single "silver bullet" when it comes to addressing the issue of human induced climate disruption. There is, however, "silver buckshot", in an array of changes that we need to make. Some we have already done. Divestment is possible now. And we will continue to work toward and demand the other pieces of "silver buckshot".

Our investments in fossil fuel companies have done very well. We do not want to divest.

We are in agreement that in monetary terms, investments in oil companies have been good investments. It would be foolish to say otherwise. However, knowing what we know now about the effects of emissions from the burning of fossil fuels, and seeing no significant action on the parts of leading oil and coal companies to effect change, we can no longer, as Friends, in good conscience profit from this industry.

That said, if we see a large company such as ExxonMobil clearly making a sincere, significant business out of diversifying their energy offerings, we would want to support that. Additionally, if a company develops the technology that would prevent harmful greenhouses gasses from being sent into the atmosphere at an ever increasing rate, we would be supportive of that. However, there have been more than a quarter century's worth of discussion on this matter, and all we've heard from, say, Rex Tillerson, president and CEO of ExxonMobil, is that oil production and usage will increase on into the future. He did say he would be in favor of a carbon tax, but I am not alone in my doubts about his sincerity on that matter because surely he knows that advocating such a tax is political suicide for any candidate or office holder. Finally, in a recent statement, Tillerson acknowledged climate change as real, but then claimed that all we need to do to address it is to change the regions in which large scale agriculture takes place.

Divesting from fossil fuel companies won't have any impact.

Regarding the sale of fossil fuel company holdings having little or no impact, that is true if we are unable to get an organized, principled, public movement going. An otherwise silent divestment by a small scale investor will absolutely go unnoticed, so if the method is to have any significant effect, it must be public, and it must grow beyond a few individuals.

After the Exxon Valdez oil spill, many Exxon credit card holders began to cut up their cards and publicly boycott the company. After awhile, then president and CEO of the company, (Over)

Lawrence Rawl, got in front of national media and said, basically, "If some of our credit card holders cut up their cards and boycott us, it doesn't matter—we're too big. It won't hurt us." The media blitz was quite effective in taking the wind out of the boycott's sails. Come to find out as years of litigation around the oil spill took place, through company documents entered in various phases and other related cases, the whole point to Rawl getting in front of national media to make his defiant announcement was a strategy to try and defuse the movement. Exxon officials had in fact been very concerned that if the boycott continued to grow, it would cut into their bottom line significantly.

Shouldn't we, as Friends try to work with the decision makers at fossil fuel companies?

Working with companies as a shareholder is a good thing to try to do. However: First, within that context, only the largest of shareholders has a prayer of having any impact on a giant company's policies. We believe that only a statement made with a language that is understood by these companies, i.e., the language of money, will be understood, but even the divestment statement will only be heard if we are organized, growing, publicly vocal, and persistent.

Another question regarding the idea of "working with" fossil fuel companies is the question of whether those of us who hold or have held fossil fuel companies' stock have actually taken the initiative and lobbied the companies. Obviously I have no way of knowing what others' efforts have been, but I have had some firsthand exposure to shareholders trying to get business owners to listen. In the summer of 2006, I went to the ExxonMobil shareholders' meeting in Dallas. Even then, by far the most frequently raised topic by people at the microphone was getting the company to take the issue of climate change seriously. The new President and CEO of the company that year was Rex Tillerson. He was much more polite than former President and CEO Lee Raymond. In a way, that made the difficulty of reasoning with Tillerson all the more difficult because he politely dismissed the concerns of shareholders and fund managers, leaving them feeling as though maybe there was some hope for next year. There has been no hope. After years of attempting to talk with these companies about changes, I still see them doing nothing of any significance.

And that is where those of us who have decided to try and build a movement around divestment come in. There has been years of trying to speak the language of science, the language of environmental concerns, and the language of morality with people in high positions at fossil fuel companies. They have not taken heed, nor will they, unless it reaches a point where it pays more for them to take heed than it does to ignore us.

For many years it was possible to believe that polluting the air was a nuisance at times, but not an insurmountable problem. A filter here, an efficiency increase there, and the air quality would improve. Climate change is something different. But we have been talking about viable solutions for years, now, and to this moment we do not see these enormously powerful fossil fuel companies doing anything of any significance about the situation. Divesting, and encouraging others to join in, to grow a voice that will be heard is a practical thing that we can do now.

Tom Jackson, Dover Friends Monthly Meeting