

**NO TO FOSSIL FUELS**  
**YES TO CLIMATE JOBS**



**DIVEST TO REINVEST**



**Public and Commercial Services Union** | [pcs.org.uk](https://pcs.org.uk)

# NO TO FOSSIL FUELS

PCS believes that climate change will not be tackled unless practical steps are taken to transition from a dependency on fossil fuels to renewable energy. This includes taking back energy into public control and creating new public sector climate jobs by investing in programmes that reduce greenhouse gas emissions; building wind turbines, retrofitting and insulating homes, investing in public transport, training people in green skills.

Despite the overwhelming consensus that we urgently need to end our love affair with fossil fuels, the UK government is pursuing an energy investment policy in oil and gas including fracking. If our governments won't act then we have to build and use our collective power to defeat their fossil fuel policies. One way is to call for financial assets managed on workers behalf to stop funding climate change by divesting from fossil fuels and reinvesting in renewable energy, and climate jobs.

## What is fossil fuel divestment?

Divestment means withdrawing investment – stocks and shares, bonds or investment funds – to corporations or institutions that help finance unjust or unethical activities. It is different from a boycott which is about withdrawing from commercial or social relations by way of protest. However boycotts are often used as a way of putting pressure on corporations to divest their financial interests. This was successfully applied to Barclays bank as part of the campaign to end apartheid in South Africa.

Fossil fuel divestment is said to be the fastest growing divestment movement ever. Originating in American universities in 2010, there are now campaigns across the globe calling for universities, local authorities, pension schemes and banks to divest.

In 2014 Glasgow University was the first academic institution to divest in Europe. Other notable divestment successes include Norway's Government Pension Fund Global (GPGF) – the world's richest sovereign wealth fund and the Rockefeller Brothers Fund. RBF president Stephen Heintz said that if alive today "as an astute businessman...he (John D Rockefeller) would be moving out of fossil fuels and investing in clean, renewable energy."

## Why divest from fossil fuels?

**Moral case** – As Bill McKibben, founder of global organisation 350.org says: Do the math!

If we are to limit global warming to 2°C – or better 1.5°C – above pre-industrial levels we need to keep 80% of fossil fuels in the ground. Currently



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the amount of fossil fuels known to be held in reserves by corporations would emit five times more than we can burn. However this would exceed the 'carbon budget'.

## The carbon budget

This is the amount of greenhouse gas that can still be released into the atmosphere before exceeding the 2°C target. The UN Intergovernmental Panel on Climate Change (IPCC) calculated that the world burns around 50bn tonnes of greenhouse gases every year. If emissions continue at current levels the carbon budget will be used up within 15 to 25 years.

A business-as-usual (BAU) scenario in burning fossil fuels is putting the world on a trajectory for 4°C+ global warming by the end of the century. This level of climate change will have devastating consequences for people and ecosystems around the world. But it will particularly impact those who have done the least to contribute to the problem such as island nations, indigenous populations and vulnerable, often low income and black, communities in industrialised nations.

**Financial case** – The fossil fuel industry is the biggest industry in the world. Many of the FTSE 100 companies are linked to the extractive sector so there

are many vested interests to keep the oil and gas fields open. However if we are to meet international agreements on climate change these investments will become worthless or stranded assets. It is argued that withdrawing from fossil fuels will create a trillion dollar “carbon bubble” which if left unchecked will potentially plunge the world into another economic crisis.

The moral and financial arguments of divestment go hand in hand to both raise consciousness of the issue and cause reputational damage for organisations and institutions linked to fossil fuel companies.

## Divest to reinvest

A common question about divestment is the impact on investment returns if pulling out of fossil fuels. But fossil fuels are risky assets! When energy stocks fell by 15% in the second half of 2014 it was estimated to have hit UK pension assets by around £7bn.

Therefore divestment is an opportunity to talk about reinvestment in clean, efficient and democratically owned energy such as through community or municipal energy schemes. This is also an opportunity to take back control of pension funds from unaccountable asset managers and invest capital for social good: renewable energy, climate jobs, public transport and affordable housing.



# DIVEST TO REINVEST

## Trade unions and divestment

Trade union members have an important role to play in this campaign by calling on our employers to divest pension funds from fossil fuels. Local authorities alone invest over £14 billion or 6% of workers public sector pension funds in shares of oil, gas and coal companies. The arts and activism organisation Platform along with Trade Unions for Energy Democracy, One Million Climate Jobs, and Campaign Against Climate Change (Trade Union Group) has produced a briefing for trade unionists. This can be downloaded at: [platformlondon.org/p-publications/trade-union-divest-reinvest-briefing](http://platformlondon.org/p-publications/trade-union-divest-reinvest-briefing)

The divestment movement has the potential to be the most powerful weapon for bringing about change in energy policy that we have.

## Get involved

- **Local authority** – Support your local campaign and raise awareness amongst colleagues, friends and family. Fossil Free UK has a tool to help you find out the investment strategy of your local authority, any established campaigns and can help to set up one up where they don't yet exist: [gofossilfree.org/uk/pensions](http://gofossilfree.org/uk/pensions)
- **Workplace/branch** – Find out where your pension is invested and get members to pass a branch motion to divest from fossil fuels and reinvest in renewable energy.

- Invite speakers to branch meetings, trades council, anti-cuts groups to explain the campaign and support motions to divest to reinvest.
- One million climate jobs campaign – get involved with the Campaign against Climate Change Trade Union group.
- Sign up for PCS Green e-news updates by sending an email to [green@pcs.org.uk](mailto:green@pcs.org.uk)

## Further information

- 350.org  
<http://350.org>
- Campaign against climate change/ One Million Climate Jobs  
[climate-change-jobs.org](http://climate-change-jobs.org)
- Community Reinvest  
[communityreinvest.org.uk](http://communityreinvest.org.uk)
- Friends of the Earth  
[foe.co.uk/page/campaign-fossil-fuel-divestment](http://foe.co.uk/page/campaign-fossil-fuel-divestment)
- Global Justice Now  
[globaljustice.org.uk](http://globaljustice.org.uk)
- Go Fossil Free UK  
[gofossilfree.org/uk](http://gofossilfree.org/uk)
- People and Planet  
[peopleandplanet.org/fossil-free](http://peopleandplanet.org/fossil-free)
- Platform  
[platformlondon.org/divestinvest](http://platformlondon.org/divestinvest)
- Share Action  
[shareaction.org](http://shareaction.org)
- Trade Unions for Energy Democracy  
[unionsforenergydemocracy.org](http://unionsforenergydemocracy.org)

8144-03/16

