



Divest and Reinvest Now!
***The Religious Imperative for Fossil Fuel Divestment and
Reinvestment in a Clean Energy Future***
by the Rev. Fletcher Harper

Is it immoral for religious groups to invest in fossil fuel companies? Is there a moral imperative for these groups to invest in a clean energy future?

In a word – yes. This paper will explain why.

Ever since Bill McKibben’s July 2012 Rolling Stone article,¹ divestment campaigns have sprung up at hundreds of colleges nationwide. Leaders in a growing number of religious settings are considering divesting and, to a lesser degree, reinvesting in a clean energy future.

Given the massive impacts of the climate crisis and the fundamental significance of energy for humanity, this is an important debate. After reviewing initial reactions to divestment, we will assess the current context of the climate crisis and traditional religious criteria for divesting, and argue that fossil fuel divestment and re-investment in energy efficiency and renewable energy represent a moral imperative. We’ll also suggest three principles which religious groups can use to decide whether a fossil fuel company represents an acceptable investment, and close with a call to action.

Initial Reactions

For some, divestment has been galvanizing. For others, “divestment fatigue” is the response. In recent years, many religious groups have debated divesting from companies working in Sudan. The Presbyterian Church’s Israel divestment debate created bitter controversy.² For some, another divestment campaign is just too much. Some feel that activists now use divestment, traditionally an action of last resort, too often.

Others oppose divestment. Shareholder advocates argue that it decreases the impact religious groups have on industry by eliminating the chance to engage management. Investment managers worry about lower returns and greater risk for their clients. They note the challenge that divesting poses when portfolios contain shares of hundreds of companies and when fossil fuel companies make up approximately 10% of the global stock market.³

¹ <http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719>

² See [http://en.wikipedia.org/wiki/Presbyterian_Church_\(USA\)_disinvestment_from_Israel_controversy](http://en.wikipedia.org/wiki/Presbyterian_Church_(USA)_disinvestment_from_Israel_controversy)

³ See http://www.nytimes.com/2012/12/05/business/energy-environment/to-fight-climate-change-college-students-take-aim-at-the-endowment-portfolio.html?pagewanted=all&_r=2&

Still others argue that divestment is the wrong tactic in the fight against climate change, citing government policy, not corporations, as the proper target and noting that fossil fuel companies also invest in renewable energy projects. Others suggest that fossil fuel companies are too big to be hurt by divestment, while others argue that shareholders can't accept moral consequences related to their shares because they are too distant from the actual activities of the company to be responsible.⁴

These types of questions are always raised during divestment debates. They represent the suspicion and fear that divestment and reinvestment raise - fear about financial vulnerability and suspicion of divestment's critique of the status quo. We are all inescapably dependent on, and beneficiaries of the fossil fuel industry. Assigning a blunt label of immorality to such a large sector of the economy is perplexing and simplistic, incomprehensible and threatening at once. Such conflicting feelings are the emotional context for divestment and reinvestment, a threshold all cross when entering this debate.

The Current Context

Debates about the ethical investment of religious funds always happen within a specific context. Our situation is no different. Four aspects of our current context are most relevant:

- **Risk** - accelerating global greenhouse gas emissions, political systems unable to respond
- **Need** - the moral imperative of the developing world's growing need for clean energy
- **Opportunity** - the potential to scale up a "virtuous cycle" in response to climate change
- **Narrative Free-fall** - the lack of a master, shared narrative for solving the climate crisis

Risk: Accelerating Emissions, Unresponsive Political Systems

The world's greenhouse gas emissions are continuing to rise, rapidly. In the wake of a multi-year economic recession that slowed economic growth globally, the International Energy Agency reports that actual emissions are at the high end of previously predicted levels.⁵ Conditions are worsening faster than anticipated.

There is a growing scientific consensus that, given the absence of meaningful, rapid progress to slow emissions, Earth's climate will warm by at least three degrees Centigrade, if not more. The implications of this are severe. Such a rise will likely result in sea level rise of two to three feet by 2100 and up to 10 feet by 2300,⁶ hundreds of millions of climate refugees, and a large increase in fires in the Amazon rainforest, responsible for 10% of the entire world's oxygen supply. Increasing areas of the planet would see their rainfall drop by up to 50% and be "rendered essentially uninhabitable by drought and heat."⁷ Hurricanes will continue to increase in frequency and intensity. As the Himalayan ice sheet melts, 2 billion people across Asia will

⁴ Rabbi Lawrence Troster – private conversation

⁵ <http://www.carbonbrief.org/blog/2011/06/iea-and-ipcc-temperature-projections>

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http://climatechange.worldbank.org/sites/default/files/Turn_Down_the_heat_Why_a_4_degree_centigrade_warmer_world_must_be_avoided.pdf

⁷ <http://www.climatecodered.org/2010/09/what-would-3-degrees-mean.html>

increasingly lose access to water for drinking and farming. The UK Government's Stern Report concluded that a two to three degree temperature increase "could leave one-sixth of the world's population facing floods or droughts and reduce crop production in Africa enough to put several hundred million people at risk of starvation."⁸

The human community has never faced such certain and devastating consequences if action is not taken. Apart from nuclear war, climate change dwarfs all previous threats to humanity in its scope and extent. The magnitude of the threat in itself represents a powerful argument in favor of divestment, an act which inherently signals the need for far-reaching change.

Yet in the face of this hard data, a critical mass of society's leadership has not yet seen fit to force a large-scale legislative, economic and cultural response to the climate crisis. This failure by political and economic elites is as great a problem as the rising emissions themselves. The longer we wait to address climate change, the worse its impacts will be. Conversely, the sooner we face the crisis, the sooner we can exercise our ingenuity, learn from experience, and manage a major energy transition. This long-delayed response represents another indication that nonviolent, disruptive action like divestment is necessary. What else will wake us up?

Need: The Clean-Energy Poverty of Developing Nations

A second aspect of our current context is the developing world's need for more, cleaner energy – lots more. For the first time in modern history, escape from dire poverty in the developing world is becoming possible, due in significant part to electricity. For the extremely poor, energy is life-saving. As energy becomes more available, infant mortality drops. Life expectancy rises.⁹ As billions of people emerge from crippling poverty, they need more energy. Religious groups, which have fought poverty in developing countries for centuries, should understand this well.

Developing countries also need cleaner energy. Indoor air pollution is one of the largest causes of death in the developing world, due to the use of dirty fuels in the cook stoves of poor households, coal plants which create large public health impacts, and engines that burn dirtier fuel and generate lung-damaging emissions.¹⁰

So, we need a world with much more energy than we currently have. A no-growth energy strategy is neither possible nor acceptable for the billions afflicted by hunger, material deprivation, and energy poverty.

Opportunity: Ready for Scale

A third element of our context is that a growing number of technologies, policy tools and social science-based approaches to reducing greenhouse gas emissions are poised to grow to a far larger scale with even modest and reliable legislative and regulatory support. The US Energy Information Administration reports that renewable energy will make up nearly a third of all new

⁸ See <http://www.3degreesinc.com/about/background>; http://webarchive.nationalarchives.gov.uk/+/http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/stern_review_report.cfm

⁹ See [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(07\)61253-7/fulltext](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(07)61253-7/fulltext)

¹⁰ See [http://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(07\)61253-7/fulltext](http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(07)61253-7/fulltext)

electricity generation capacity in the US in the coming three years.¹¹ The wind power industry has grown at a rate of 25% annually during the past five years, and the solar industry by a 50% annual rate.^{12,13} While much of the clean energy sector still relies on government subsidies, the International Energy Agency writes that renewable energy “(c)osts have been decreasing and a portfolio of renewable energy technologies is becoming cost-competitive in an increasingly broad range of circumstances.”¹⁴ Two of Forbes’ Top 5 Energy Stories of 2012¹⁵ were focused on energy efficiency and renewables. And, the world’s governments spend approximately \$2 billion per day to subsidize fossil fuel use,¹⁶ more than six times the subsidies enjoyed by the renewable sector.¹⁷ It’s long been recognized that shifting these subsidies would greatly accelerate the rise of a clean energy future.

This isn’t to suggest that a single silver technology or policy bullet exists to fix climate change, or that such changes will be politically easy. Nor is it to suggest that the growth in renewables yet approaches the rate needed to stop climate change’s worst effects. But we do have real opportunities to accelerate our rate and scale of response. The quicker we get to work, the sooner we’ll climb the learning curve and reap benefits of experience and economies of scale.

Narrative Free-fall: A “Dark Interval”

From the late 1980’s through 2010, a unified narrative framed our understanding of how the climate crisis would be solved. Education and grassroots organizing would raise awareness, which would lead to legislation, regulation and financial incentives to address climate change at the domestic level. The commitment of the US to bold domestic action would then lead to an enforceable international climate change agreement.

It didn’t quite work out that way. We can be proud that an enormous amount of good education and advocacy has been accomplished, consistent with this narrative. Significant progress has been made. High-quality educational efforts took place nationally. Well-crafted legislation made its way through a then-friendly House in 2009. Success appeared to be within reach. But the opposition to change proved both culturally and politically powerful. The Tea Party movement rose to become a powerful force in American life. The aforementioned narrative was shattered by the Congressional failure to pass climate legislation in 2009-10. Given the present makeup of the House of Representatives, there is almost no chance that meaningful US climate legislation can be passed in the coming several years.

This means that we are marching into the teeth of the climate change gale with no narrative that maps a viable path to a future with a stable climate, or even to a future in which the crisis’s worst effects are avoided. To repeat - we are proceeding towards tremendous and certain danger

¹¹ See <http://www.eia.gov/oiaf/aeo/electricity.html>; <http://www.worldwatch.org/node/5855>

¹² See <http://www.iea.org/aboutus/faqs/renewableenergy/>

¹³ See also <http://www.motherjones.com/blue-marble/2013/04/charts-renewable-energy-fossil-fuels>

¹⁴ See <http://www.iea.org/aboutus/faqs/renewableenergy/>

¹⁵ <http://www.forbes.com/sites/peterdetwiler/2012/12/10/the-top-five-energy-stories-of-2012/>

¹⁶ See http://www.washingtonpost.com/blogs/wonkblog/post/why-775-billion-in-fossil-fuel-subsidies-are-hardto-scrap/2012/06/18/gJQABaQUIV_blog.html

¹⁷ See <http://blogs.marketwatch.com/thetell/2012/11/12/fossil-fuels-get-billions-more-in-subsidies-than-renewables-ica/>

without a plan and without a plausible master narrative. Ironically, this former narrative has disintegrated just as more people are experiencing climate change-related impacts such as more frequent or intense storms, droughts or wildfires.

From a narrative perspective, we have entered a “dark interval,”¹⁸ a time in which a secure sense of reality (a stable climate) and source of hope (the prior narrative) have died. During “dark intervals,” people feel forced to recognize their current hopelessness in the face of danger, and realize that they need a new, credible future vision. Dark intervals are times of insecurity, fear, and despair. They are also times when new possibilities can emerge in the psycho-spiritual space created by these challenging emotions.

These four factors – risk, need, opportunity and narrative free-fall – all cry out for a major shift in social values, policies and practices around energy. Society-wide energy transitions – from one dominant source of energy to another – customarily take multiple decades once engaged in earnest.¹⁹ The science is unequivocal that we need faster action to avoid massive suffering.

To create a tipping point for large-scale action on climate issues, a widespread, firm expression of resolve is required. Divestment and reinvestment are a uniquely effective way to signal such resolve.

Religious Institutions and Divestment

Divestment has a long history in religious communities. Over the past century, various Jewish, Christian, Hindu, Muslim and Buddhist groups have divested from industries including tobacco, alcohol, weapons manufacturing, prison construction and management, gambling, financial service firms, pharmaceuticals, adult entertainment, and more. Religious groups have also divested from companies operating in countries whose governments systematically abuse human rights – such as apartheid South Africa or Sudan in the 2000’s.

Why have religious groups divested? They consistently cite three reasons.

Reason #1: Responding to Intentional, Grave, Large-Scale Harm

Religious groups have chosen to divest if certain companies regularly and intentionally undertake activities that injure or kill large numbers of people, often groups that are vulnerable or marginalized. They’ve divested because they come to believe that investing in the offending industries violates the essence of their identity. When a company, industry or government behaves in this way, divestment has represented a refusal to profit from activities irreconcilable with a fundamental religious mission and purpose.

For example, when the Union for Reform Judaism (with other religious denominations) voted in 1985 to divest from South Africa, it cited the blight of apartheid and its devastating, systematic impact on South African blacks as central to its rationale. “In Jewish religious tradition, as well

¹⁸ See *The Dark Interval - Towards a Theology of Story*, by John Dominic Crossan.

¹⁹ Yanosek Cassia, *Policies for Financing the Energy Transition*, in *Daedalus – Journal of the American Academy of Arts and Sciences*, Spring 2012, p. 94ff.

as in Jewish historical experience, racism is an ultimate evil. ... Apartheid is a system that affronts the most profound values of humanity ... and violates the teaching of our religion.²⁰

Intentional, large-scale, systematic, grave harm is the cornerstone of divestment's moral legitimacy. Despite the benefits which fossil fuel energy creates, there is no question that fossil fuels are creating such harm.

For some religious groups, this criterion alone is enough. Many Evangelical or Conservative Christian groups, for example, have had a long-standing policy not to invest in the alcohol, tobacco or gambling industries. Guidestone, a large Evangelical investment firm, informs investors that none of its portfolios invest in the "liquor, tobacco, gambling, pornography and abortion industries."²¹ These policies are not controversial within their host communities. Such investments are simply irreconcilable with their identity. So, they divest.

Criteria #2: Responding to Intractable Resistance

Investment ethics experts agree that divestment is a last resort, to be undertaken only after multiple change efforts, including legislative, regulatory and shareholder advocacy, have failed. In the case of fossil fuels, a number of shareholder advocates oppose fossil fuel divestment. The Interfaith Center for Corporate Responsibility (ICCR), a superb leading national shareholder advocate, points out that by owning shares, religious groups can propose shareholder resolutions and seek to influence management in this way.²² This approach, in the past, has helped change many harmful corporate behaviors.

However, not all corporations are responsive to calls for change. And in the face of pressure, some companies or industries seek to discredit scientific research through disreputable means, and have lobbied against related legislation and regulation. The tobacco and fossil fuel industries have both invested substantially in such efforts, to ill effect.

Industry's sustained, intractable refusal to change is a second cornerstone of divestment's authority.²³ Clearly, the fossil fuel industry meets this criterion.²⁴

While shareholder advocates continue to call for dialogue with management on climate change, we would note that shareholder resolutions and dialogues on these topics have been underway for over twenty years.²⁵ While some modest progress has been made,²⁶ these resolutions and dialogues have not yielded substantive industry concessions. Furthermore, the actual shareholder resolutions before fossil fuel companies – resolutions that call on these companies to

²⁰ http://urj.org/about/union/governance/reso//?syspage=article&item_id=2096

²¹ <http://www.guidestonefunds.org/Promotions/~media/Funds/Articles/InvestmentNews-LipperAwardPDF.ashx>

²² See <http://www.bloomberg.com/news/2013-02-25/investors-demand-climate-risk-disclosure-in-2013-proxies.html>

²³ At times, the refusal of governments to halt oppressive policies, such as apartheid in South Africa, has led religious groups to divest from major companies doing business with the government or in its country.

²⁴ See, for example, <http://www.onlineethicalinvestor.org/eidb/wc.dll?eidbproc~reso~10279>

²⁵ See <http://www.iccr.org/issues/subpages/pdf/40YearsOfICCREnviroStewardship.pdf>

²⁶ A 2003 shareholder resolution resulted, for example, in Conoco Phillips adopting a climate change policy. See <http://www.conocophillips.com/sustainable-development/environment/climate-change/Pages/default.aspx>

analyze climate change's impacts on their profitability, assets, future business prospects and regulatory risks – all pale when one considers the magnitude of the climate crisis.

We believe that when it comes to the fossil fuel industry, it is, sadly, naïve and irresponsible to rely on dialogue and shareholder advocacy to produce meaningful concessions absent a considerable level of additional social pressure. If shareholder advocates do not favor divestment to help create such pressure, we would welcome their thoughts on tactics that will create such added pressure.

Criteria #3: Redefining Society's Moral Code

A final reason religious groups divest is that they view divestment, and the processes and public engagement it involves, as a way to redefine society's moral code. From this perspective, divestment isn't just for religious institutions to maintain their own integrity or to respond to intractable stubbornness. It is to delegitimize and de-normalize divestment's target and to demonstrate the repugnance of certain industries or governments. This is a fundamental part of the process of social change. Very few social changes of significance happen without a meaningful level of public disgust being attached to the status quo.

This aspect of divestment is a largely interpersonal process. Within religious groups, divestment involves numerous conversations between group members and leaders, an interactive process of consultation, discussion, and voting that plays out both in public and private. These discussions force leaders to go on record in regards to the issue at hand. If they speak shallowly, or fail to demonstrate concern commensurate to the problem, they may lose face, and they and their institution may, over time, suffer reputational harm. Viewed this way, divestment is a variant of traditional shaming or shunning processes as new social norms emerge. As this process is repeated numerous times in multiple institutions, a new ethos can emerge. If this new ethos gains traction, it can change society.

For example, during the South African divestment campaign in the 1980's, university and religious leaders were forced by divestment advocates to explain why it was acceptable for their institution to profit from apartheid. All acknowledged apartheid's evil, but most initially opposed divestment, saying that it would not make a difference and that protecting their portfolio was their priority. Some argued that divestment would hurt black South Africans economically. For most, it was initially possible to ignore or minimize calls for divestment without paying a reputational price.

Divestment advocates persisted. Through diligent organizing, they made apartheid and divestment a topic of conversations in homes, campuses, and faith communities. Institutions that refused to take this conversation seriously were increasingly seen as morally shallow, checked-out, or inadequate. Through this process, and in a manner difficult to measure, divestment helped undermine apartheid's legitimacy and strengthened international resolve for its abolition. Further, the scope of divestment organizing, which far exceeded the actual number of divesting institutions, shifted the cultural and political dynamics related to the issue, a change not lost on institutional and political leaders. Archbishop Desmond Tutu, a leader of the anti-apartheid movement in South Africa, wrote, "In South Africa, we could not have achieved our freedom

and just peace without the help of people around the world, who through the use of non-violent means, such as boycotts and divestment, encouraged their governments and other corporate actors to reverse decades-long support for the Apartheid regime.”²⁷

This aspect of divestment is an imprecise process whose impacts are neither cleanly measurable nor predictable. And, almost by definition, it creates disagreement between members of faith communities. But it has, at times, created a moral turning point within society by making it impossible for leaders to ignore the brutality of the status quo. And, it has emboldened or pressured political leaders to take steps to address issues which they’d previously avoided out of fear or indifference.

Fossil Fuel Divestment – Why It Is Morally Right

Fossil fuel divestment meets all three criteria listed above. The suffering and harm caused by climate change will be greater than the harm caused by the targets of all previous religious divestment campaigns combined. The fossil fuel industry’s business model ensures nothing but increasing harm.²⁸ The industry’s entrenched resistance to change, expressed through intentionally deceptive public relations and extensive lobbying against climate legislation, has been extensively documented.²⁹ A rapid shift away from a carbon-intensive future, urgently needed, won’t occur without intense, sustained public pressure.

Because of these factors, divestment is uniquely suited for our moment. Almost no other approach offers as clear an opportunity to raise awareness of the devastation embodied by the status quo. Few other steps represent as firm a repudiation of the unsustainable destructiveness of our current energy regime. Few other approaches hold the promise of creating enough new cultural and political space to make meaningful policy change possible.

Environmental and religious leaders have tried a wide range of approaches in pursuit of reduced greenhouse gas emissions for over 20 years - engaging corporate management, shareholder resolutions, advocacy, and lobbying. We have very little to show for our efforts. Given the entrenched power and stubbornness of industry, it is irresponsible to suggest that further shareholder engagement or legislative advocacy will yield results of any significance – unless they are supported by an additional, powerful call for change and a principled repudiation of the status quo.

When we first began our study of divestment, we wondered whether it represented an approach with a strong moral foundation. We were concerned that it relied on emotion and lacked a solid ethical base. Instead, we found that divestment’s moral legitimacy is strong and its strategic value invaluable. Faith-based divestment from fossil fuel companies is not only morally warranted. It is strategically irreplaceable.

²⁷ http://www.huffingtonpost.com/desmond-tutu/divesting-from-injustice_b_534994.html

²⁸ See <http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719?page=3>

²⁹ See <http://www.merchantsofdoubt.org>; <http://www.ericpooley.com/>

Don't Just Divest. Reinvest.

To maintain integrity in the face of climate change, however, religious groups cannot just divest from fossil fuel holdings. At a minimum, they must make their own facilities more energy efficient and make widespread use of renewable energy. This isn't the nineteen sixties, or even the eighties. Protest and divestment alone aren't enough. To maintain integrity, religious groups need to re-invest, to embody a sustainable future.

For religious groups, modest investments in making their own facilities energy efficient pay rapid returns, initially far greater than those earned in the stock market. There are a growing number of ways religious groups can partner with energy service companies and renewable energy developers to adopt conservation and efficiency measures and renewable energy at their facilities, and to encourage their members to do the same.

To date, religious groups have, at best, a modest track record in this regard. This needs to change. There is hope in the fact that reducing religious institutions' carbon footprints is very achievable, and also creates financial and mission-related benefits. A recent report from the Sustainable Endowments Coalition showed that colleges that had invested in energy efficient lighting and heating in their own facilities saw a median return on investment of 28%.³⁰ GreenFaith's experience conducting energy efficiency and conservation work with hundreds of religious sites has taught us that similar returns are easily within the reach of most religious institutions.

We also believe that religious groups should identify opportunities, suited to their means and risk tolerance, to invest in the development of a clean energy future – particularly in the developing world. There are a growing number of firms which can identify pools of clean energy projects suitable for the level of investment, risk tolerance and returns required by religious investors. With research, religious groups could jointly identify a pool of such investments. A multi-faith team of denominational representatives could craft such a strategy, use the positive attention it would generate to burnish their own reputations, exert more credible pressure on political and corporate leaders - while also saving lives. Such a reinvestment process could be executed over a five-year period, if religious groups pooled resources.

Just as some have questioned the concept of divestment, others will raise concerns about re-investment. They will argue that religious groups should not try to “pick winners” in the fast-changing clean energy sector, or that upgrading religious facilities is a capital expense, not an investment. We disagree on both counts. Opportunities can be created for religious groups to invest in pools of clean energy businesses. And regarding the question of capital expense versus investment, if religious groups have such a financially rewarding, ethical use for their funds, they should do so in a heartbeat.

Divestment alone is not enough. Religious groups need to re-invest in a clean energy future.

³⁰ See the Sustainable Endowments Coalition *Greening the Bottom Line 2012* - <http://greenbillion.org/wp-content/uploads/2012/11/Greening-the-Bottom-Line-2012.pdf>

Major Energy Company Investment – Under What Conditions?

Energy is a blessing from which all have benefited. This differentiates fossil fuel divestment from, for example, divestment from tobacco, an industry which creates minimal counterbalancing benefits in relation to its massive harm. Because of this, it is reasonable to establish conditions under which investing in major energy companies is morally acceptable for religious groups.

Currently, the world's largest energy companies are fossil fuel companies. As the world moves to a clean energy future, some of these companies will become clean energy leaders. If fossil fuel companies commit to making this transformation, they should remain a legitimate investment. To earn this status, major energy companies should make three commitments.

Commitment #1: Repudiate denial.

The fossil fuel industry has long sought to sow doubt about climate change, to deny sound science, and to advertise only the benefits created by fossil fuels. To remain a legitimate investment for religious groups, fossil fuel companies should repudiate scientifically disreputable climate skepticism, and commit to “truth in advertising” by cutting off funding for skeptic organizations. Further, they should agree to use peer-reviewed, widely respected scientific research in their own research, business risk assessment, communications and lobbying, such as research published under the auspices of the Intergovernmental Panel on Climate Change. Finally, all fossil fuel industry advertising should contain a warning that fossil fuel use causes climate change. For too long, industry has been able to operate with little to no acknowledgment of the crisis its products create. This needs to stop.

Commitment #2: Become part of the solution.

Fossil fuel companies should commit to reduce the greenhouse gas emissions from their products and operations 80% below 2000 levels by 2050, a widely accepted target which would prevent the earth's temperature from rising by more than two degrees centigrade.³¹ Companies should set interim targets and timelines and report publicly on their progress. Their reports should be third-party verified.

Commitment #3: Make restitution.

In response to the harm caused by climate change, fossil fuel companies should make restitution. Perhaps they might commit 1% of their gross annual revenue for a period of several decades to help the most vulnerable countries and communities adapt to a hotter, less stable world. These funds could be administered through governmental, NGO or hybrid structures, with full transparency. Restitution represents a way for these firms, which have profited from nature's bounty and society's trust and subsidy, to make up for their profit at others' expense. It is a fundamental, necessary commitment.

³¹ See, for example, http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/media/9/9/CLOSED_SHORT_executive_summary.pdf

Divestment and Sacrifice

Some divestment supporters have argued that investment managers will be able to design fossil fuel-free portfolios without sacrificing returns, often citing a recent study that found that such an approach, over the past 25 years, would have performed as well as the broader market.³²

We aren't qualified to assess these claims. But we think it's wrong to represent divestment as an approach that does not involve sacrifice and risk. Whether through potentially lower returns, greater portfolio volatility or the use of the valuable time of religious leaders and their advisors, fossil fuel divestment requires an investment of resources – human or financial, or both – for institutions which are usually stretched to their current limit. Religious advocates for divestment shouldn't deny the sacrifice or risk involved, or rationalize it away. In reality, it's the fact that divestment requires a sacrifice that gives it moral significance. Even if that sacrifice is limited to taking on an additional perceived risk.

In regards to the unmatched danger of climate change, religious groups need to sacrifice a measure of their own security for the sake of the world.

Divest and Reinvest. Now. If Not, Then What?

Clearly, we support a course of divestment and reinvestment by religious groups. And, as noted earlier, divestment and reinvestment have their critics.

Shareholder advocates, who seek to influence the behavior of the fossil fuel giants, have advocated for continued engagement with the fossil fuel industry. They have done, and will continue to do important work.

Many who manage religious funds have argued that divestment has, in the past, shown mixed results, and has at times failed to influence corporate behavior while increasing the risk profile of religious investment portfolios. Their counsel is reasonable. If nothing else, divestment creates additional work and headaches for leaders at many levels of religious institutions.

But there comes a time when a pattern of recklessly dangerous behavior reaches a critical point. The climate crisis represents such a point. The data could not be clearer about the titanic magnitude of the danger posed by climate change. To date, society's refusal to address this issue reflects an avoidance of a fundamental human responsibility. Our current path represents a cataclysmic mistake.

We have reached a time when new action is required. Action beyond legislative advocacy and shareholder advocacy. Action that reflects the gravity of the situation and the legitimate desperation of our "dark interval." Action based on the belief that integrity requires us to act firmly, sacrificing a measure of our own security on behalf of the future of our children and the planet. Action that firmly rejects the status quo and equally firmly embraces a future for life.

³² See http://www.aperiogroup.com/system/files/documents/building_a_carbon_free_portfolio.pdf

Fossil fuel divestment and reinvestment in a clean energy future are a moral, religious responsibility. Religious groups must engage this debate with a fierce loyalty to God and God's compassionate, just love for humanity and all creation. For those who agree – it is time to act.

And for those who disagree but who claim to be concerned about climate change, we have one question.

If not divestment and reinvestment, then what?

Discussion Questions

1. A significant part of the essay's foundation is that divestment and reinvestment are warranted because of the grave magnitude of the climate crisis. Do you agree that climate change poses a grave threat to human and environmental well-being? If no, why not? If yes, why do you think US society has been slow to respond?
2. The essay argues that religious groups have traditionally divested for three reasons: in response to grave harm or its threat, in response to a morally and politically intractable industry, and in the hope that religious witness will influence society.

Do you believe that these reasons are the proper criteria for religious groups to use in their decision-making about divestment? If yes, why? If not, why not?

3. Why is it important for religious institutions to discuss fossil fuel divestment and clean energy reinvestment? What can conversations and discussions within religious institutions offer to the wider society?
4. The essay offers several criteria which a fossil fuel company could meet in order to remain a morally acceptable investment. What is your opinion of these criteria? What criteria would you add, or subtract? Why?
5. What teachings from within your own religious tradition are most relevant to the discussion about fossil fuel divestment and clean energy reinvestment? How would you make the case in support of such an approach in the language and concepts of your own tradition?