

## Specific arguments against divestment as a strategy for addressing climate change

### A brief synopsis of arguments against divestment raised in Academic Senate meetings and public events during Spring 2016

Bill Johnson, Academic Senate President, 2015-2016

The following text attempts to capture some of the discussion that occurred during Spring, 2016 as a result of activities of two Academic Senate Committees. There is broad agreement about the need to reduce carbon dioxide and other greenhouse gas emissions (<http://www.ipcc.ch/>). Therefore carbon emission reduction is a critical objective for both the University as an institution and its individual employees and students. Examining and recommending paths to achieve this goal is an important function of the Academic Senate as a governing body of the University.

Two committees convened during summer 2015 explored options for the University to address climate change through its investments and to enhance socially responsible investment at the University. The two committees were:

- 1) the Academic Senate ad hoc Responsible Investment Committee chaired by Dr. Mike Cooper (<http://academic-senate.utah.edu/committees/senate-ad-hoc-committee-on-responsible-investment/>), which was charged with examining financial and other tradeoffs;
- 2) the Academic Senate ad hoc Reinvestment Dialogue Committee chaired by Librarian Joan Gregory (<http://academic-senate.utah.edu/committees/senate-ad-hoc-re-investment-dialogue-committee/>), which was charged with promoting dialogue on the topic across campus.

They were convened in response to Academic Senate acceptance in May 2015 of a report from the 2014-2015 Academic Senate ad hoc Responsible Investment Committee, chaired by Dr. Erika George.

Both committees presented their activities and their conclusions on two occasions to the Academic Senate in 2016, with an extended discussion by the Academic Senate at its April 4th meeting the same year. The Responsible Investment Committee did not recommend divestment as a strategy to address climate change, whereas the Reinvestment Dialogue Committee strongly advocated divestment (see reports at above URLs and this video <https://stream.lib.utah.edu/index.php?c=details&id=11772>).

Because the web page of the Reinvestment Dialogue Committee is heavily focused on arguments for divestment, I wish to provide a record of some of the arguments against divestment that were raised in public presentations and meetings. These include:

- A) Divestment is ineffective as a strategy to address climate change. Financial analysis by the Responsible Investment Committee indicates that the ~7% of the endowment invested in fossil fuel equities is negligible relative to capital available elsewhere, including the retirement savings of the University employees (~\$3 billion), which already can be divested according to individual choice. Furthermore, carbon emission is driven by fossil fuel use rather than investment or divestment, as demonstrated by greater rather than lesser oil consumption resulting from the recent plunge in oil and related equities prices driven by

oversupply (<https://www.iea.org/oilmarketreport/omrpublic/>). The primary benefit of divestment is therefore political, to make a statement to others regarding the need for reduction in carbon emissions. That this is the primary objective of divestment was agreed on by members of both committees during discussion.

- B) Divestment is a political stance that entails major costs. A political stance by the University will undoubtedly elicit reactions from many stakeholders of the University. While some stakeholders will view a divestiture stance favorably, the issue will entail costs, not just potentially to the endowment, but also loss of donations from alumni who have accumulated wealth in the fossil fuel industry, as well as potential loss of research funds from related corporations, and possible backlash from the state legislature. This concern was expressed by many attendees from the colleges of Engineering and Mines & Earth Sciences in the 2016-04-04 Academic Senate Meeting. It was also expressed that University training of scientists and engineers to address the problems from within industry is an important way to shape the direction of industry. School of Business faculty members also raised the point that some fossil fuel corporations support significant research in energy alternatives.
- C) Divestment as a political stance is a slippery slope. The expressed moral imperative to take a political stance regardless of costs may be valid if divestment is the most effective path toward carbon emission reduction. However, the ineffectiveness of divestment as a direct means to reduce carbon emissions, described above, is admitted even by its proponents. The degree to which such a political stance can be taken with integrity is in question given that the institution and the vast majority of its employees remain dependent on fossil fuels in both their professional and personal activities. An additional concern raised by several senators after the 2016-04-04 meeting was: if the institution is bound to a political stance regarding the fossil fuel industry, isn't it equally bound to take political stances regarding social ills related to other industries including agriculture and pharmaceuticals? Because of the many illogical extensions it is highly unlikely that it is a role of the Academic Senate or the University to take a political stance. This same conclusion was recently drawn by the President of Harvard University (<http://news.harvard.edu/gazette/story/2015/09/qa-with-harvard-president-drew-faust/>). The work of the University and the Academic Senate is to lead critical thought and action toward improved outcomes of local and global reach.
- D) Climate change is more directly addressed by positive investments. Discussions highlight the fact that reduction in carbon emissions is most directly addressed by developing and utilizing alternative energy sources as well as carbon capture and re-use, or sequestration (<https://utah.equella.college.com/items/26d9fe05-737c-442e-8949-50438c4e1f79/2/>). The University is currently engaged in these activities at various levels including infrastructure, employee options, and research. There is a great deal of room for growth in the endeavor at all of these levels, and these are steps the University can take with integrity as well as expertise. Socially responsible investment represents an activity that can also contribute to the goal of developing alternative energy sources and addressing social ills.

That the above points represent a significant contingent of voices across the University campus is demonstrated by a large number of individuals who asked during a short period (April 4<sup>th</sup> through 8<sup>th</sup>) to have their names associated with these points. I include those names here as a record for posterity of this viewpoint regarding a useful institutional approach to addressing climate change.

**The following individuals have reviewed and endorsed the above points:**

Dr. Cari L. Johnson, Professor, Geology & Geophysics

Dr. Christy Porucznik, Associate Professor, Family & Preventative Medicine

Dr. Edward Trujillo, Professor, Chemical Engineering

Dr. Rachel Hayes, Professor, Accounting

Dr. Mike Cooper, Professor, Accounting

Dr. Raymond A. Levey, Director & Research Professor, Energy and Geosciences Institute

Dr. Sudeep Kanungo, Research Assistant Professor, Energy & Geosciences Institute

Dr. John Bartley, Professor and Chair, Geology & Geophysics

Dr. Brenda Bowen, Director Global Change & Sustainability Center, Assoc. Prof., Geology & Geophysics

Dr. Robert Hitchcock, Associate Professor & Assoc. Chair, Director of Graduate Studies, Bioengineering

Dr. Milind Deo, Professor, Chemical Engineering

Dr. John McLennan, USTAR Associate Professor, Chemical Engineering

Dr. Duncan Metcalfe, Curator of Archaeology, Chief Curator & Director, Range Creek Field Station,  
Natural History Museum of Utah Associate Professor of Anthropology

Dr. Rasoul Sorkhabi, Research Professor, Energy & Geosciences Institute

Dr. Marlene Plumlee, Associate Professor, Accounting

Dr. Paul Brooks, Professor, Geology & Geophysics

Dr. Pete Lippert, Professor, Geology & Geophysics

Dr. Frank Brown, Distinguished Professor, Geology & Geophysics

Dr. D. Kip Solomon, Professor, Geology & Geophysics

Dr. Randall Irmis, Professor, Utah Museum of Natural History

Dr. Margorie Chan, Professor, Geology & Geophysics

Dr. Kevin Whitty, Professor, Chemical Engineering

Dr. Erich Petersen, Professor, Geology & Geophysics

Dr. Lowell Miyagi, Assistant Professor, Geology & Geophysics

Dr. James Pechmann, Research Professor, Geology & Geophysics

Dr. Geoff Silcox, Professor (Lecturer), Chemical Engineering

Dr. Arnis Judzis, Head of Development, Innovation, and Services, Energy & Geoscience Institute

Dr. Richardson Allen, Energy & Geoscience Institute

Dr. Richard Boakye-Yiadom, Research Professor, Energy & Geosciences Institute

Dr. Palash Panja, Research Associate, Energy & Geosciences Institute

Dr. Shu Jiang , Research Associate Professor, Energy & Geoscience Institute

Dr. Feng Pan, Research Assistant Professor, Energy & Geosciences Institute

Mr. Christopher Kesler, GIS Analyst, Energy & Geoscience Institute

Ms. Anne Barrow, Communications Specialist, Energy & Geosciences Institute

Mr. Kurt VanNess, graduate student, Geology & Geophysics

Mr. Manas Pathak, graduate student, Chemical Engineering

Mr. DhruPADraghuveer Beti, graduate student, Chemical Engineering

Mr. Daniel Hobbs, graduate student, Geology & Geophysics

Ms. Julia Mulhern, graduate student, Geology & Geophysics

Mr. Siavash Nadimi, graduate student, Chemical Engineering

Mr. Courtney Wagner, graduate student, Geology & Geophysics

Mr. Casey Meirovitz, graduate student, Geology & Geophysics

Ms. Jessica Page, undergraduate student, Geology & Geophysics

Mr. Andy Trow, undergraduate student, Geology & Geophysics