Climate Justice, Divestment and the Political Economy of the transition from Fossil Fuels

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Climate Justice and Decarbonisation of the energy system

Achievement of climate justice requires rapid decarbonisation of the energy system.

Energy transition as the flip slide of climate change.

A ‘just transition’ requires climate stabilisation, climate justice and shift away from coal, oil and gas to renewable, decentralised energy systems.

This is neither an ethical issue alone nor a technical one – changing the fuel or what I call ‘Bio-fuelling the hummer’ (Barry, 2016).

The climate/energy transition is about living in a different type of society not a low carbon version of the current one.

That is... it is a political and economic struggle.
Centrality of Fossil Fuel Energy

Name one thing in this room not made in whole or part, or transported in whole or part without the use of oil?
Current economic model does not support a viable future for the planet

Top 200 fossil fuel companies spent almost $700 billion in the last 12 months on finding and developing new fossil fuel reserves.

Known fossil fuel reserves worldwide already far exceed what can be safely burned in order to limit global warming to below 2°C.

Around 80% of known reserves cannot be burned and need to remain in the ground to avoid catastrophic climate change.

But...fossil fuel companies and institutional investors (pensions as well as speculative hedge funds etc.) are betting/planning that they will be burned.
Last year, researchers at the IMF estimated that global energy subsidies, including the social and environmental costs associated with heavily subsidised fossil fuels, are costing the world’s governments approximately $5.3 trillion per year, or 6.5% of global GDP.

Despite this, those who push for a 100% renewable energy economy or divestment are dismissed as unrealistic, romantic, polemical, and by and large, not included in mainstream policy.
UN climate chief calls on investors to pull their money out of fossil fuel funds

‘The continued and dangerous rise in greenhouse gases in the atmosphere is in large part the direct result of past investments in energy and mobility systems based on the use of fossil fuels. New investments must now assist in reversing this unsustainable trend, and quickly if the world is to have a chance of staying under a 2°C temperature rise.’

Christiana Figueres, UN climate chief
“If it’s wrong to wreck the planet, then it’s wrong to profit from that wreckage.”
- Bill McKibben, 350.org

Fossil fuel corporations have 3 times more oil, coal, and gas in known reserves than what climate scientists have determined is safe to burn. We have to keep up to 2/3 of fossil fuels underground.
Energy as a ‘socio-technical system’

Recognition of energy as a socio-technical system, embedded in a complex multi-dimensional multi-actor and multi-level arena (from global to local government to households), with dynamic properties.

“The key choices involved in energy transitions are not so much between different fuels but between different forms of social, economic, and political arrangements built in combination with new energy technologies. In other words, the challenge is not simply what fuel to use but how to organize a new energy system around that fuel”. (Miller, Iles and Jones, 2013: 139: emphasis added)
Example of universities – such as my own – doing work on energy transitions, low carbon energy research etc... this needs to be connected to the call for divestment

QUB needs to be seen to be ‘walking the talk’ as it were

Divestment should be aligned and integrated into a new energy transition leadership role for QUB

Fossil Free QUB campaign – one of a number of university divestment campaigns
Energy system transition – innovation and abandonment

Governance of the abandonment of socio-technical systems: fading out, termination, deconstruction

Governance of socio-technical systems: a matter of progress & innovation
UK and Ireland situation

Energy transition away from fossil energy sources – slow!

Climate change and energy security driving the energy transition

RoI – some positive developments

UK – Conservative govt – shift from supporting renewables to fracking and now nuclear power

Local opposition to on-shore wind – major issue

Energy costs – major factor in economic development and decisions of firms to come or leave a region – example of NI

JTI Gallaher and Michelin closing – due (in part) to high energy prices

We also need to focus on energy demand/consumption (reduce it) and not frame the energy debate solely in terms of supply
“We need to leave oil before oil leaves us” Fatid Biriol, Chief Economist, International Energy Agency

From extraction to burning/use – carbon results in social, economic and environmental problems

How to actively drive forward this transition
Delegitimising Fossil Fuels

Moving the focus future up the fossil fuel supply chain to highlight the human rights abuses and environmental devastation caused by extraction of fossil fuels

That is, it’s not just burning fossil fuels that is the problem

Stressing the geopolitical instability – wars and invasions for fossil fuels, such as Iraq in 2003 – that is the high price paid for a carbon-based, globalised energy system.

Accelerating the end of the fossil fuel era through reframing carbon as having now passed the point where their continued use is destructive, biophysically and ecologically unsustainable, and perpetuates injustice, secrecy and geopolitical tensions.

Part of the broader transition process to ‘unlock’ the energy system from fossil fuels
DON'T CONFUSE DYING FOR OIL WITH FIGHTING FOR FREEDOM
But also recognising carbon as **too valuable to burn/waste**

There are literally millions of products that are manufactured using carbon as a base.

The following is a short list of products made from Coal, Petroleum and/or Natural Gas:
refrigerants; aerosols; antifreeze; detergents; dyes; adhesives; alcohols; explosives; weed killers;
insecticides; insect repellents; synthetic fibers such as nylon, rayon, dacron, orlon; many other polymers
such as polystyrene, polyethylene and synthetic rubber; fertilizers; medicines; paints; gasoline; blending
agents; jet fuel; kerosene; light fuel oils; diesel; lubricating oils and greases; naphtha; paraffin; carbon
black; asphalt; liquefied refinery gases; petroleum solvents; waxes; petroleum coke; road oil; still gas;
benzene; toluene; xylene; microcrystalline petroleum waxes; bituminous or asphaltic concrete; roofing
asphalts and pitches; coatings and cements; saturated felts and boards for non-building use; coke oven and
blast furnace products; ammonia; fuel briquettes; petroleum pitches; plastics of all types.

**So reframing carbon as something not to be used as fuel**

**We should call them ‘fossil resources’ not ‘fossil fuels’**
“Protecting the use of increasingly valuable fossil raw materials for the future is possible by substituting these materials with renewables. Every day that this is delayed and fossil raw materials are consumed as one-time energy, creates a future usage loss of between $8.8 and $9.3 billion US Dollars. Not just the current cost of various renewable energies, but also the costs of not using them need to be taken into account.”

Matthias Kroll (2013), *The Monetary Cost of the Non-Use of Renewable Energies*
Divestment and Reinvestment as risk management

Key issue in energy transitions – financing it

Hence importance of divestment – reinvestment

It’s a risk management issue (as well as reputational) to stay ‘locked into’ carbon energy investments (‘stranded assets’ argument)

Community/citizen – state – business coalition around low carbon energy transition – German Energiewende example

Divestment as necessary element of transition – speeding it up, recognising that this transition is a political struggle not just a ‘technical’ issue

And that everyone should benefit – not just energy corporations – issue of community/citizen ownership and ‘energy democracy’
Energy transitions as political struggles

“socio-political struggles with fossil fuel companies and other incumbent firms (e.g. electric utilities, car companies) will be crucial in the case of low-carbon transitions. In fact, politically inspired regime destabilization may be necessary to create opportunities for the wider diffusion of renewables, which now face uphill struggles against resistant regimes”. (Geels, 2014: 37; emphasis added).

Political struggle against fossil fuel interests - from corporations to fossil fuel cultures such as consumerism, orthodox economic growth

The achievement of climate justice is therefore one of decarbonisation, divestment, politically motivated transition/destabilisation of the incumbent energy and economic system i.e. carbon fuelled capitalism
Political strategies for energy transformation

“Civil society and grassroots action we believe are and will continue to be central, given the political inertia, foot-dragging, and counter-resistance within state and corporate structures, institutions, and actors within the global carbon energy complex. This could range from mobilisations against the incumbent carbon energy system though divestment campaigns or parliamentary and party political activities in addition to extra-parliamentary action from initiatives like the Carbon Disclosure Project and Carbon Tracker.

This would also include non-violent civil disobedience against carbon power stations and against unconventional or ‘sub-prime’ fossil fuel extraction such as fracking. It would also include campaigns against the ‘science fiction’-like techno-optimism of carbon capture and sequestration (CCS), or geoengineering proposals for solar radiation management”

Example 1: Trades Unions for Energy Democracy and a 'Just Transition'

A global, multi-sector initiative to advance democratic direction and control of energy in a way that promotes solutions to the climate crisis, energy poverty, the degradation of both land and people, and responds to the attacks on workers' rights and protections.

Democratise energy production and ownership via transition to a 100% renewable energy economy

And trade union backed politics for a 'just transition' – eradicating energy poverty, ensuring green and decent jobs.
“The climate is a common good, belonging to all and meant for all. .. Humanity is called to recognize the need for changes of lifestyle, production and consumption, in order to combat this warming or at least the human causes which produce or aggravate it. ...The problem is aggravated by a model of development based on the intensive use of fossil fuels, which is at the heart of the worldwide energy system....

The human environment and the natural environment deteriorate together; we cannot adequately combat environmental degradation unless we attend to causes related to human and social degradation.

[Ecological citizenship now includes] a critique of the “myths” of a modernity grounded in a utilitarian mindset (individualism, unlimited progress, competition, consumerism, the unregulated market)”

Good critical analysis of the unsustainability of contemporary carbon fuelled consumer capitalism, therefore possible coalition partner for the political struggle against fossil fuel and climate change ... but what action has followed since its publication last summer?
“Let me give you a word of the philosophy of reform. The whole history of the progress of human liberty shows that all concessions yet made to her august claims have been born of earnest struggle. ...

If there is no struggle there is no progress. Those who profess to favor freedom and yet deprecate agitation are men who want crops without plowing up the ground; they want rain without thunder and lightning. They want the ocean without the awful roar of its many waters”

Frederick Douglass, freed slave and anti-slavery activist, 1857
KEEP IT IN THE GROUND