

Could May 26 be the turning point on fossil fuel production?

Your Turn

Donna Katzin
Guest columnist

May 26, 2021 was a trifecta for climate activists working for disinvestment from fossil fuels and reinvestment in renewable energy. Dissident Exxon Mobil shareholders won a stunning victory at the annual meeting, opposing four of management's proposed candidates and winning three seats on the company's board for candidates supporting transition to renewable energy.

The same day, Chevron stockholders rejected management's position and voted 61% of their shares to cut the company's "Scope 3" greenhouse gas emissions, that is, emissions including those of its suppliers and customers. Hours earlier, a Dutch court ordered Royal Dutch Shell to reduce its 2019 carbon emissions by 45% by 2030, replacing the company's current target of 20%.

These measures align with the Paris Climate Agreement commitment to limit the rise in our atmosphere's temperature to 1.5°C above preindustrial levels by 2050. And the fate of the planet may depend on whether oil and gas companies themselves join the battle for a sustainable future.

Last December, the United Nations Environment Programme warned that "countries are planning and projecting an average annual increase of 2%, which by 2030 would result in more than double the production consistent with the 1.5°C limit." To meet that limit, fossil fuel production would instead need to decrease by roughly 6% per year.

The time has come to focus not only on actions by governments but also to demand that oil and gas companies disinvest from fossil fuels and reinvest in renewable energy.

Those of us who employed shareholder activism as part of broader social justice campaigns decades ago recall the days when a 3% vote, permitting shareholders to resubmit their resolutions the following year, seemed an insurmountable hurdle. And the oil lobby appeared unshakable.

Yet, anti-apartheid activists challenged Shell, Chevron and Mobil Oil for supplying oil to apartheid South Africa — "fueling apartheid." Together we galvanized support for the international boycott of Shell Oil and launched the ImMOBILize

Apartheid Coalition to press the companies to stop supplying oil to South Africa until apartheid was no more. In April 1989, Mobil withdrew its \$400 million in assets from South Africa.

Other prolonged campaigns against giant oil companies' abuses — which disproportionately impact vulnerable communities of color — also won occasional success. The Nigerian government's execution of environmental activist Ken Saro-Wiwa in 1995 was followed by a multi-year campaign by the Ogoni people and allies around the world to win justice for the Ogoni people in the Niger Delta. In 2009, Shell agreed to pay \$15.5 million to settle a lawsuit for collaboration with the execution.

Activists targeting corporations may require many years to win significant victories. Campaigns for corporate disinvestment from South Africa began in the mid-1960s. But a key turning point only occurred in 1985, when Chase Manhattan Bank refused to roll over its maturing loans to South Africa — threatening an international "run on the banks" that the country could not afford. Nine years later, South Africa marked the end of political apartheid with its first national democratic elections.

In 1994, many of South Africa's supporters turned from disinvesting from apartheid to reinvesting in the new democracy. This included Shared Interest, which for 27 years has guaranteed South and Southern African bank loans to small businesses and cooperatives in low-income Black communities, benefiting 2.3 million people.

It is too soon to tell whether May 26 will signal a turning point for the climate. That will depend on many factors, including government actions and the pace of technology as well as continued pressure from climate activists.

What is certain is that the time has come to focus not only on actions by governments but also to demand that oil and gas companies disinvest from fossil fuels and reinvest in renewable energy.

A South African proverb reminds us, "The best time to plant a tree is 20 years ago. The next best time is now." Victories such as those on May 26 do not come often. But unless we sow the seeds now, they never will.

Donna Katzin is the founding executive director of Shared Interest, which she led for 26 years, having previously directed the South Africa and International Justice Programs of the Interfaith Center on Corporate Responsibility.

