

'No jobs on a dead planet'

Why South African unions should stop investing in fossil fuels and lobby for a just, planned transition to a green economy.

Briefing compiled by Fossil Free South Africa, February 2017. Contact: David Le Page, david@fossilfreesa.org.za / +27845220968.

More jobs: Yes, the fossil fuel industry creates jobs, but it also creates climate change, air and water pollution, substantial corruption, wars, social instability, economic crises and fuel shortages, and destroys arable land — all of which destroy jobs and human wellbeing. A greener economy will create more, better, safer jobs. According to the International Labour Organisation (<https://goo.gl/rSryng>): "...most studies show that a transition to a low-carbon economy will lead to a net increase in employment". The Australian Council of Trade Unions (ACTU) has argued for "a planned closure of coal power stations – along with both a jobs and energy plan for the country", saying it will "create a more prosperous and diversified economy". (<https://goo.gl/k4da08>). Renewable energy is now [capable of powering developing economies](#), indeed [the whole world](#), without all the terrible costs of fossil fuels.

Threatened investments: Investments in fossil fuels are losing value in many markets. Even if they do not embrace the moral arguments for divestment, unions still have a fiduciary duty to the members whose funds they manage to understand, manage, and where appropriate, divest, to avoid the multiplying threats to investments in the fossil fuel industry. [According](#) to BlackRock, the world's biggest asset manager: "Investors can no longer ignore climate change. Some may question the science behind it, but all are faced with a swelling tide of climate-related regulations and technological disruption."

Health and the right to life: Researchers at UCT's Energy Research Centre [estimate](#) that 27,000 premature deaths across South Africa annually (7.4% of all deaths) are currently due to high levels of fine PM (microscopic particles), mostly from burning fossil fuels... and often in poorer communities. Even without climate change, we would still need to shut down the fossil fuel industry.

Human and worker rights: Climate change is a profound threat to Africa. Climate change is a human rights issue, already killing hundreds of thousands of African children every year through malnutrition and disease. Climate change threatens food security. It threatens economic growth and stability, and thereby threatens workers' job and savings.

The fossil fuel industry is facing multiple, critical threats:

- Renewable energy (especially wind & solar) is now the fastest growing energy industry in the world.
- China is moving fast to phase out coal, and its coal use has already peaked.
- By some predictions, electric cars will mostly replace petrol/diesel in 20 years' time.
- The 2015 Paris agreement on climate change saw most countries agree to phase out fossil

fuels.

- Even without these changes, in 50-100 years time at the most, all accessible fossil fuel reserves will be exhausted anyway.
- Transition away from fossil fuels is inevitable, but a managed, just transition is preferable.

Solidarity and tradition: “An injury to one is an injury to all.” The global divestment movement is led by many people of colour and people of faith, constituencies which overlap strongly with the union movement. The union movement has a social and historical responsibility to stand up for social justice, human rights and good governance. The fossil fuel industry, on the other hand, is extremely corrupt, threatening good governance and worker’s rights as well as human health and the environment.

A just transition from fossil fuels to a greener economy

A ‘just transition’ would bring business, labour and government together to plan for a smooth move away from fossil fuels, as energy companies transform their business models. This transition is already beginning in other parts of the world, as, for example, offshore oil service companies move to servicing offshore wind power installations. Proposed ILO guidelines (<https://goo.gl/jdaetC>) for this just transition include re-skilling and training, social support and economic diversification.

What is the global divestment movement?

The world’s governments may have agreed collectively to phase out fossil fuels, but they are still moving far too slowly. Despite 21st century technology, we remain very much dependent on our natural environment for fresh air, water, food, energy and psychological wellbeing.

On [current emissions trends](#), we still risk exceeding scientifically suggested limits on what our global environment can withstand. Our combined global carbon emissions – from burning oil, gas and coal in particular – will, on current trends, most likely push the global climate system to [breakdown](#) through droughts, floods, natural disasters, wild fires, rising sea levels, ocean acidification, and further runaway warming amplified by natural feedbacks. These multiple stresses to infrastructure, water systems, agriculture and human resilience can quickly compound to levels beyond the sustained, collective capacity of societies, economies and governments to withstand.

Collectively, fossil fuel companies [have enough oil, gas and coal in their buried reserves](#) to exceed the internationally agreed “safe” limit of two degrees of global warming five times over. But even the governor of the Bank of England [now agrees](#): the “**vast majority of [oil, gas and coal] reserves are unburnable**”. In 2016, the average global temperature rose to 1.4 degrees celsius – very close to the 1.5 degree boundary supposedly established in the 2015 Paris climate talks.

Why are governments not acting fast enough to slow climate change, despite international agreements? One of the main reasons is the incredible power of the fossil fuel industry which has corrupted governments and undermined public understanding of climate science through well-funded covert propaganda campaigns. The industry’s power has just been further

magnified by the election of a climate change denier, with [well-documented fossil fuel industry ties](#), to the US presidency.

The global divestment movement, led by universities, NGOs, CBOs and faith-based organisations, is a global campaign to stop all investment in the fossil fuel industry, just as many did in the 1980s to bring an end to apartheid. This growing [movement of at least 640 entities](#) includes over 40 UK universities, Ireland, the cities of Oslo, Paris, San Francisco, Melbourne, the British Medical Association... numerous NGOs, churches, towns and foundations. The first union to divest that we know of is the National Tertiary Education Union of Australia. The total value of the funds that have divested now exceeds \$5.4 trillion.

The divestment campaign asks that we freeze any new investments in the [top 200 biggest publicly listed fossil fuel companies](#), and phase out existing investments over five years.

Many in the financial services industry argue that shareholder engagement is a better option than divestment. For some powerful organisations, it may be. But there are no historical examples of shareholder engagement leading to fundamental change within an industry.

On the other hand, divestment campaigns have helped end slavery and apartheid.

Quotes from the international union movement on climate change and fossil fuel divestment

“Climate change and environmental degradation pose significant challenges to economic growth and employment today, and risks will be greater in the medium-to long-term. By contrast, if properly managed, climate change action can lead to more and better jobs. Both adaptation to climate change and measures to mitigate greenhouse gas (GHG) emissions offer opportunities to create new jobs, while securing existing ones. A transition to a low-carbon, greener economy will imply the creation of new jobs in environmentally friendly production processes and outputs, whereas other jobs will be at risk, in particular in those sectors with fewer options for a transition towards a more sustainable ways of production.” – The International Labour Organisation

“Climate change poses an existential challenge to humanity. At the same time there are enormous job opportunities arising from investment in energy infrastructure, renewable energy and energy efficiency. As trade unionists we want ambitious climate and energy targets with a just transition for workers and their communities to a low-carbon economy.” – Bernadette Ségol, General Secretary, European Trade Union Confederation.

“Climate change is real, it’s here, and we need to do all we can to minimize its impact. For working men and women, this means looking at every option before us to protect the environment for our children and future generations.” – Henry Garrido, executive director DC 37 (the biggest public service union in New York).

“We’re not experts in climate change, but what’s obvious to the Australian Council of Trade Unions is [that coal power stations] are going to close. [They already](#) are closing [around us](#).” – Ged Kearney, ACTU president.

“Unions must be involved in the battle against climate change, not only to assure the creation of good, union jobs, as we transition to a clean energy economy, but also to fight for environmental justice for our members and for low income communities and communities of color everywhere.” – Jeremy Sanders, DC 37 Climate Justice Committee Chair

“The moral imperative to divest from fossil fuels is crystal clear. But for public sector workers, whose pension funds are invested in some of the world’s biggest fossil fuel producers, there is also a pressing financial argument for divestment. The energy transition that is already beginning will lead to a massive devaluation of big coal, oil, and gas stocks, with future pensioners left holding the bag. It’s time for city and state pension funds to read the writing on the wall and get out of the fossil fuel business.” – New York State Senator Liz Krueger.

