



Retirement News Highlights

Monday, February 21, 2022

Opinion: Divestment doesn't make greener energy

By Jeff Eshelman

The Washington Post

February 20, 2022

Maintaining a strong collaboration between academia and the energy industry is vital to developing climate solutions now. Simply put, divestment alienates this possibility.

Leading universities, including those mentioned in the Feb. 17 news article "Students file to compel fossil fuel divestment," are spearheading the necessary climate research to develop tangible emission reduction efforts.

Engaging with energy companies has proved to be the most effective approach for developing significant investments in climate and decarbonization solutions. Much of the innovation that the energy industry has supported and helped fund has been in conjunction with these universities' research centers.

By choosing divestment, universities remove themselves from directly influencing policy decisions as well as from being at the foreground of energy innovation. For instance, a recent Harvard report concluded that fossil fuel companies had led green patent development in volume and quality.

Divestment contradicts today's climate finance trend. Chris Ailman, chief investment officer at CalSTRS pension system, stated the obvious: "Divestment doesn't reduce greenhouse gases." He doubled down on the fund's commitment to finding the right climate solutions through working closer with the industry.

Endowment and pension fund managers have a fiduciary responsibility to make prudent investment choices, not political decisions such as divestment, which has no measurable impact on emissions reduction or environmental progress.

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