

Degrees of capture: Universities, the oil industry and climate change

This briefing looks at the cosy alliance between oil corporations and the UK's educational establishments, and shows how, via research and development in University departments, public money is being used to ensure our fossil fuel dependence whilst undermining progress towards renewable alternatives.

Oil corporations are having a devastating impact on development, conflict and climate change. UK and US foreign policy is skewed to feeding the fossil fuel addiction, reinforced by close ties between the government and the oil industry. Every year, in places such as Iraq, Nigeria, Colombia, Chechnya and Sudan, thousands of people pay the price of oil wars with their lives. State repression to secure oil exports further divides communities and prevents people from speaking out against the impacts of oil development. Climate change, caused by our use of fossil fuels, is already undermining development. Scientists agree that greenhouse gas emission reductions of at least 60%, and up to 90%, are needed to contain climate change.

Whilst the Kyoto protocol just begins to address levels of fossil fuel consumption, it fails to address the supply side of the economic equation. With just a few thousand sources of oil production (oil fields and wells) in the world, compared to many millions of points of consumption (cars, houses, factories etc), it would in fact be far easier to regulate the former. Indeed, regulation of most other environmental problems (such as overfishing or ozone-depleting substances) have for this reason focused on the production side, rather than consumption.

Yet instead of bracing themselves to help tackle the biggest challenges of our time, Britain's universities are walking hand-in-hand with the oil and gas industry. This is just one face of a British government intimately wedded to the oil industry, which also gives support through its foreign policy and development aid.

The content of this briefing (*apart from the recommendations*) is taken from the report of the same name published by PLATFORM, Corporate Watch and New Economics Foundation, 2003.



Imperial College London's Royal School of Mines, home of the centre for Petroleum Studies. Photo: Louise Sales

To achieve this 'social license to operate' is essential, which it receives through sponsorship, both of University courses and of cultural institutions, and its immense public relations machine.

“For us as a university, not to want to do everything we can to serve the [oil and gas] industry would be irresponsible”.

(Principal of Aberdeen University¹)

With funding increasingly tight, universities are finding it ever more difficult to resist tempting offers of oil industry cash. Through its sponsorship of new buildings, equipment, professorships and research posts, the oil and gas industry has 'captured' the allegiance of some of Britain's leading universities. As a result, universities are helping to lock us in to a fossil fuel future - and to ever more dangerous climate change.

Sponsorship gives companies influence over research priorities and makes their branding visible to students considering a career in the industry. In addition, course curricula have been increasingly tailored to meet the needs of industry. Areas of study are set in consultation with industry representatives; some degree courses now specialise entirely in oil and gas; and many universities provide training services to existing industry personnel.

An oil company needs people and money to:

- find new fields as cheaply as possible;
- extract oil from small or difficult fields since most big fields (eg. in the North Sea) are being exploited already;
- extract more hydrocarbons from existing reservoirs, using new recovery techniques and improved instrumentation technology;
- reduce costs of extraction through better drilling techniques and seismic mapping.

¹ Aberdeen Press & Journal, 8/9/99, 'City university committed to North Sea industry'

Research - expanding reserves

The value of research projects carried out in UK universities is estimated to be about £67 million per year, with an estimated 50 per cent of that paid for by the taxpayer². Government sponsorship of Research and Development (R&D)³ is now focused on achieving industry co-funding. This favours fossil fuels over renewable energy projects because of the relative sizes of the industries.

The oil and gas industry spends an estimated US\$2 billion per year in R&D worldwide⁴, focusing on finding new fields; extracting from existing smaller and more difficult fields; and reducing the cost of extraction. Universities can offer a wide range of expertise to help meet all these aims - ultimately helping lower production costs and increase the supply of oil or gas. BP, Shell and BG (formerly British Gas) are the biggest oil and gas sponsors of academic R&D. For example Shell alone spends £3.6 million a year in universities⁵.

Almost half of this research is geological - finding where new fields are and how to exploit them. Most of the other research focuses on the development of new technology and drilling techniques, which enable the industry to extract petroleum from ever more marginal, difficult and expensive areas - such as the deep ocean - or to get more oil and gas out of existing fields. Thus most R&D serves to expand fossil fuel reserves.

Opening up new fields

Technological advances pioneered with the help of UK academic research expertise have brought vast quantities of new oil onto the world market. According to PILOT, the joint government / industry oil and gas taskforce, from 1990 to 1997 technological advances upped UK offshore reserves by 5.8 billion barrels of oil equivalent (boe).

Good relationships with students

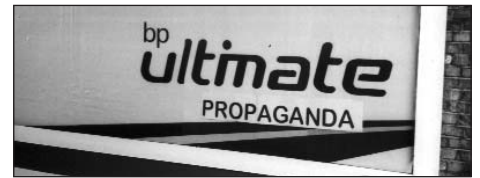
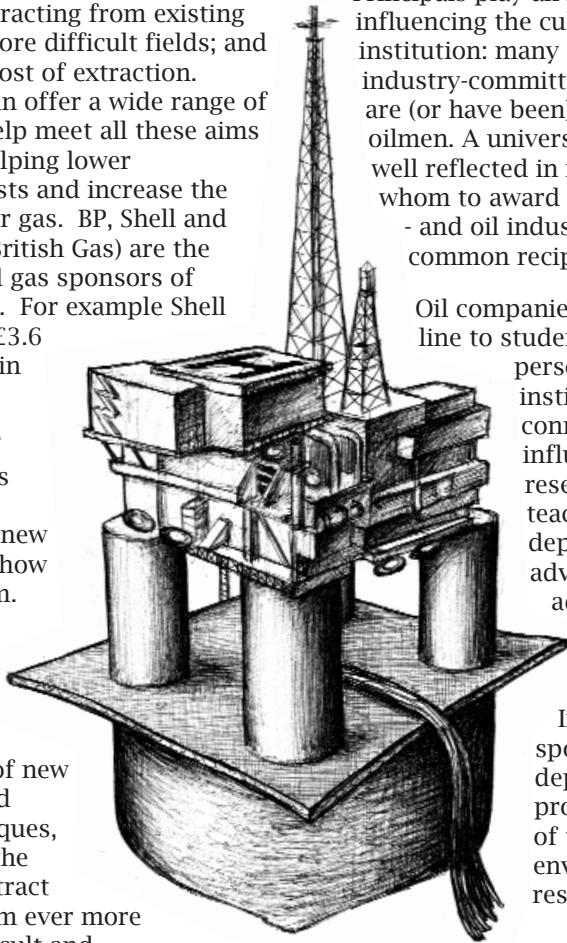
"In the new connected knowledge economy, the first war of this century will be the war for human talent"

BP's Rodney Chase ⁶

The UK is a prime recruiting ground for graduates, where it sources at least 800 of its future senior managers. Vice Chancellors and Principals play an important role in influencing the culture of the institution: many of the most oil industry-committed universities are (or have been) led by former oilmen. A university's values are well reflected in its choices of to whom to award honorary degrees - and oil industry managers are common recipients.

Oil companies have a direct line to students through personal and institutional connections, influence over research and teaching, departmental advertising, staff advice, sandwich courses, and student sponsorship.

Image matters: sponsorship in key departments can promote the image of the company as environmentally responsible.



Setting the agenda

Government policy sets the framework for higher education, and has increasingly encouraged academic bodies to work with and for the oil and gas industry. Big companies are also well-represented on the policy-making bodies, such as the Foresight Panels which dictate research priorities, and the grant awarding boards of the Research Councils EPSRC (Engineering and Physical Sciences Research Council) and NERC (Natural Environment Research Council).

The commercialisation of academia skews public debate by limiting the field of inquiry, which heavily favours subjects and approaches with commercial application or interest. The application of confidentiality agreements undermines the open, interactive culture of academia, and thus constrains the advance of knowledge. Some academic centres have even gone so far as to promote the intellectual position of their corporate paymasters - such as by downplaying the environmental impacts of oil pollution, or companies' lax attitudes to worker safety.

Within disciplines debate is further skewed by the greater fundability of academics who hold views useful to corporations. An academic may feel pressured by the knowledge that if they come up with data critical of the sponsor's operation, they will be unlikely to be sponsored by that company again. Self-censorship is not uncommon.

"Our essential role is one of criticism, of scrutiny, of testing conventional wisdom and of challenging the official version of reality. The pressures to be involved in funded research, particularly commercially sponsored research for career reasons, are enormous and the fear is that this is beginning to compromise the intellectual independence we should pursue"

Charles Woolfson, head of graduate school in the Social Sciences Faculty at the University of Glasgow

² 'Degrees of Capture', March 2003

³ The Research and Development figures are from 1997/98, as that was the last year they were published. When the report was published, industry / university sources say it definitely hasn't shrunk, and has probably grown. Research councils have admitted in correspondence that the research was accurate.

⁴ Robert Heinemann (Chief Technology Officer, Halliburton Co), January 2001, 'A brief look forward', in Journal of Petroleum Technology

⁵ Guardian, 6/5/98, 'Take the money, but check the source'

⁶ Rodney Chase, 15/5/00, 'The Value of Knowledge', speech to the FT Conference, Chicago. Rodney Chase has now retired.

Skill shift to renewables

According to Greenpeace's 'carbon logic'⁷, avoiding dangerous climate change means we can only use a quarter of known fossil fuel reserves. We need to ensure that existing energy is used to produce renewable energies, and that it is distributed equitably. The oil industry's approach of ever-increasing production is incompatible with a gradual reduction in greenhouse gas emissions.

R&D aimed at increasing the supply of fossil fuels or subsidising training in the oil and gas industry is a step in the wrong direction. The skill shift required for increased energy efficiency and the transition to renewable energy should be reflected by university research and support.

Peak Oil and oil depletion

In 1981, global oil consumption overtook the discovery of new oil fields, and the world has been eating into its reserves ever since. Although known reserves could sustain current consumption levels for the next 41 years, an increasing number of analysts are concerned that the peak of oil production will hit soon, and the rate of production will thereafter be unable to keep up with growth in consumption.

At some stage this declining rate of discovery will lead to a downturn, which will impact the global economy. Although the rate of depletion has slowed as improving technology makes previously inaccessible reserves commercially viable, there is growing evidence that the really big discoveries have all been made and that consumption is set on a collision course with production. This collision could come as early as this decade.

Case study:

Total-Disgrace

People and Planet successfully counter links with TotalFinaElf, as a student reports:

When we heard that our Director Howard Davies had been asked to take up the position of non-executive director of TotalFinaElf, we knew we had to act. We set out to demonstrate that as director of the London School of Economics (LSE), he had to take into account the views of the school and its students that would be compromised by the links with TotalFinaElf.



Since the world continues to be dependent on oil, the spectre of a supply crunch has enormous implications. Inefficient and dirty fuels like heavy oil will become increasingly attractive⁸. Violent campaigns to control governments in countries with remaining reserves will intensify. Without an effort to develop clean, renewable and locally-sourced fuels to replace oil, the ensuing scramble for energy could be disastrous for both the environment and world peace.



The LSE students union led the way in the dis-invest in Burma campaign, with a student running the campaign having been a political prisoner in Burma herself. The campus was plastered with posters highlighting the involvement of TotalFinaElf in countless human rights abuses in Myanmar and Iraq as well as the environmental degradation caused by the oil industry. A motion was passed through the students union and a petition with over 500 signatures was collected in just a couple of days. Three students went in to the court of governors meeting to hand the petition to Sir Howard, who told us that our actions had been disgraceful but that he had decided to turn the position down, not because of our actions of course.

It's not just universities...

'Go back to sleep'

the fossil fuel industry's message to children and students

The oil industry, government and complicit civil society facilitators are hard at work producing business-friendly educational resources. These are designed to ensure that children and students are hit hard with a pro-economic growth message. Oil companies are also knee deep in New Labour's sell-off of state education.

For example:

- **ExxonMobil** supports several schools, runs the ExxonMobil Growing School Links programme, and helped set up the climate-sceptical kids website www.energychest.net;
- **Shell** sponsors an Education Action Zone in Lambeth;
- **BP** sponsors 'Energy - fuelling the future' at the Science Museum, and runs a Schools Link programme and an Education Service, pumping out propaganda to primary and secondary children as well as to older students throughout the UK. 'Our educational initiatives help to extend opportunities; at the same time providing BP and other organizations with a supply of well qualified employees. Education also helps people understand the issues we face; equipping them to play a more active part in our dialogue with stakeholders⁹.'
- www.schoolscience.co.uk is a government educational site 'supported' by **British Energy** and **ExxonMobil**, among others.

In these web and other resources it is in the interests of the fossil fuel industry and its supporters to ignore the fact that the basic principle of economic growth is at the core of the climate crisis we are facing. Instead, personal consumption is emphasised above all else, and nowhere do we hear of the injustice and destruction wrought by fossil fuel projects wherever they take place.

⁷ see <http://archive.greenpeace.org/climate/science/reports/fossil.pdf>

⁸ Bitumens, oil sands and tar sands, which require greater refining and are generally more polluting to exploit.

⁹ www.bp.com/sectiongenericarticle.do?categoryId=2011517&contentId=2017012

Recommendations

1 Energy-related R&D in universities should shift away from increasing the supply of fossil fuels to looking beyond oil.

2 Public funding of academic institutions should no longer be used to subsidise the fossil fuel industry. Rather, increased public investment is needed for research into energy efficiency and the development of renewables.

3 The influence of private interests in public institutions is excessive and ethically questionable. Corporate representatives should not be permitted to sit on grant-awarding bodies, and should have no direct role in developing courses or setting research priorities.

4 Proper public investment in academic institutions is needed to avoid forcing universities to seek corporate funding, and individual academics to self-censor. Government and universities should develop joint strategies for diversifying away from dependence on oil industry support.

5 In issues of global interest, universities and public funding bodies should prioritise the solution of social and ecological problems ahead of wealth creation. A commitment to serving the public good and student interests should be written into the mission statements of these institutions.

Note: these are Rising Tide's recommendations. The recommendations from the original report can be found on: www.corporatewatch.org.uk/pages/degrees_of_capture.htm

What you can do:

The UK is a major centre of the global oil industry. With the headquarters of BP and Shell in London, we have a key opportunity, and responsibility, to push for change - change which would have a global impact.

Kick Big Oil off campus:

- Oppose the ties between the oil industry and university appointments.
- Go to oil company careers talks: hand out leaflets, ask questions, shut them down.
- Oppose oil company sponsorship of buildings, academic posts and research.

Case study: Esso stopped

Following a two year campaign by student network People & Planet, Esso (ExxonMobil) cancelled its annual recruitment tour of UK universities in 2003.



A model oil-tanker in the executive pond was part of the student protest at Esso's UK headquarters in Leatherhead, England.

Rising Tide
taking action on the root causes of climate change
Supporting the grassroots movement against climate change

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Bring on renewables:

- Promote careers in renewable energy (use People and Planet's ethical careers service) and energy efficiency in science departments, and initiate discussions and debates within departments on the issues of oil industry sponsorship.
- Demand courses and funding for research on renewable energy and energy efficiency.

For further information talks, workshops and resources:

Download or order the full briefing from the Corporate Watch website: www.corporatewatch.org.uk/pages/degrees_of_capture.htm, or order a copy (£5) from 01865 791 391

Rising Tide - grassroots action on root causes of climate change
www.risingtide.org.uk / 0845 458 8923

Beyond Oil: The oil curse and solutions for an oil-free future, and

Pumping Poverty: Britain's Department for International Development and the oil industry - report and action - download both from: www.planb.org/ / 01865 241 097

People & Planet - UK's largest student network
www.peopleandplanet.org/ / 01865 245 678

Platform - Environment and social justice organisation, unrivalled research into oil industry
www.carbonweb.org/ / 020 7403 3738

Degrees of capture exhibition: a successful exhibition on these issues was recently installed in the University of Bath, and followed up with debates on

the subject. If other universities would be interested in a similar exhibition or events, please contact Platform on 0207 403 3738 or email jane@platformlondon.org

Total Oil in Burma - report and action cards, calling for Total's withdrawal from Burma - www.burmacampaign.org.uk/ / 020 7324 4710.

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