



National Iranian American Council

Advancing the interests of the Iranian-American Community

NIAC Talking Points: Iran Divestment

Divestment takes money away from our teachers, police, and other civil servants. Public employees invest in state pensions expecting to receive the greatest possible returns, but divestment limits the options available to them, increases administrative costs, and has an inherently negative impact on investment potential. Rather than upholding the basic fiduciary responsibility to maximize shareholder benefits, proponents of divestment are trying to turn individuals' pension plans into a vehicle for political activism.

“South Africa-style” divestment simply won’t work for Iran. Divestment was an effective tool against South Africa’s apartheid government because its international reputation made it susceptible to influence. Iran is already a pariah state and feels it has nothing to lose among the international community. *Since Iran is not susceptible to the threat of isolation, divestment won’t give us any more leverage than we already have.*

As the US steps out, Russia and China will step in. Divestment will force companies that are concerned about their reputations out of Iran leaving the vacuum to be filled by unscrupulous Russian and Chinese businesses motivated by profit alone. The net financial impact on Tehran will be essentially zero, while also eliminating the potential for ethical companies to exert a positive influence on Iran.

We need to engage, not punish, our allies. Divestment will hurt our European allies at exactly the time when we are asking them to join with us in putting pressure on Iran. The US has no hope of gaining the strong support of our allies while we slap their major businesses with harsh financial penalties. *A unified, multilateral approach to Iran has a far greater chance of resolving the nuclear dispute than divesting US assets ever could.*

Divestment would make us the “Divided States of America.” Authorizing State and local divestiture is akin to creating individual, separate foreign policies for each State and municipality. This can only lead to inconsistencies and contradictions in our approach to the world. The federal government is constitutionally responsible for foreign policy and therefore is able to present one uniform message to our allies and our enemies. *Relegating foreign policy to the states means one nation under fifty policies.*