



RESOLUTION IN SUPPORT OF TARGETED DIVESTMENT FROM IRAN

Adopted by the Union for Reform Judaism Executive Committee
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BACKGROUND

The prospect of Iran developing nuclear weapons capability poses a serious concern to the United States, Canada, Israel and the international community. The continued refusal of the Iranian government to disclose to international inspectors the full nature of its nuclear program and cease efforts to develop nuclear weapons, combined with persistent antagonistic statements from President Mahmoud Ahmadinejad against the State of Israel and the West, create a threatening climate and pose a challenge to diplomatic efforts in the region. The Union has long affirmed its commitment to advocating for arms control and addressing the dangers of nuclear proliferation. Our tradition commands us to “seek peace and pursue it” (Psalms 34:15) and Jewish rules on warfare eschew weapons that would kill indiscriminately and create sustained and lasting damage to the environment. While diplomatic efforts should continue to be pursued, it is time to support targeted economic sanctions and divestment until there are credible assurances that the government of Iran has ceased all efforts to develop nuclear weapons capability.

First found to be in noncompliance with the nuclear Non-Proliferation Treaty by the International Atomic Energy Association (IAEA) in June 2003, the Iranian government has refused to cease development of its nuclear program despite demands by the United Nations. It remains unclear whether the purpose of Iran’s nuclear program is for civilian energy (as Iran claims) or for weapons.

Iran is predicted to have the capacity to develop nuclear weapons in two to eight years. Both former Iranian President Mohammad Khatami and current President Mahmoud Ahmadinejad have made clear that they intend to continue their country’s nuclear program, despite international opposition and the passing of sanctions resolutions by the United Nations Security Council in December 2006 and March 2007.

The virulent anti-Semitism and dangerous rhetoric of President Ahmadinejad provide an ominous backdrop to Iran’s potential nuclear capabilities. On October 26, 2005, President Ahmadinejad called for Israel to be “wiped off the map.”¹ He then claimed, “We shall soon experience a world without the United States and Zionism.”² In a December 2005

¹ Associated Press, “Iran Hosts “The World without Zionism,” *Jerusalem Post*, October 26, 2005.
<http://www.jpost.com/servlet/Satellite?pagename=JPost%2FJPArticle%2FShowFull&cid=1129540603434>

² CNN, “Annan: ‘Dismay’ over Iranian comments on Israel,” *cnn.com*. October 27, 2005.
<http://www.cnn.com/2005/WORLD/meast/10/27/ahmadinejad.reaction/index.html>

speech, Ahmadinejad dismissed the Holocaust as a “myth”³ and in December 2006, Iran hosted a conference in Tehran questioning the historical truth of the Holocaust. Ahmadinejad stated on June 3, 2007, that “the countdown button for the destruction of the Zionist regime has been pushed.”⁴

Iran also continues to provide financial and military support to Hezbollah and Hamas, both designated by the U.S. State Department as foreign terrorist organizations; Iran’s support is believed to have facilitated Hezbollah’s deadly attacks against Israel across the Lebanese border in the summer of 2006.⁵

Iran’s terrorist ties threaten not only Israel, but the entire Middle East and the rest of the world.⁶ The American Jewish Committee notes “Iran’s massive and longstanding support for terrorist organizations - its proxies in carrying out attacks across the globe, in undermining Arab-Israeli reconciliation, and exerting Iran’s political influence in the Middle East and beyond - suggest the havoc that a nuclear Iran, a potential nuclear proliferator to terrorists, will bring to the region and to the world.”⁷

Iran’s power and ability to destabilize the region has increased dramatically in the Middle East since the war in Iraq and the removal of Saddam Hussein.⁸ Whatever the merits of removing Hussein, he had served as a counterbalance to Iran’s aspirations for regional power in the Persian Gulf. The threat of an Iranian nuclear hegemony has the potential to cause a regional arms race, involving Saudi Arabia, Egypt, Jordan and the Gulf States. The Iranian government has the power to disrupt the flow of oil and drastically increase its price around the world because of its large supply of oil and its control of the Straits of Hormuz, through which 40 percent of the world’s oil supply passes.

The U.S. and Canada have until now focused on the use of economic sanctions and diplomatic pressure to end the Iranian nuclear proliferation threat. The possible economic tools available to encourage Iran to end its nuclear program include both government-sponsored sanctions and divestment from companies doing business in Iran. Iran is vulnerable to economic pressure, especially in its energy sector, which comprises half of its national budget and 80 percent of its hard currency. Much of Iran’s oil industry is dependent on foreign investment. In addition, despite the fact that Iran produces oil, it does not have the technology to refine it and must import the majority of the gasoline it uses. Consequently, Iran’s economy is susceptible to economic sanctions.⁹ Some argue that it is unlikely that the United States will be able to implement comprehensive

³ “Iran’s President Mahmoud Ahmadinejad in his Own Words,” Anti-Semitism International. Anti-Defamation League, June 3, 2007. http://www.adl.org/main_Anti_Semitism_International/ahmadinejad_words.htm

⁴ Ibid.

⁵ Kenneth M. Pollack, “Bringing Iran to the Bargaining Table.” The Brookings Institute, November 2006. <http://www.brookings.edu/views/articles/pollack/20061107.htm>

⁶ Kenneth M. Pollack, “The Threat from Iran.” Testimony to the Senate Armed Services Committee, September 29, 2005.

⁷ The American Jewish Committee Statement on the Iranian Threat, December 21, 2005

⁸ Bruce Riedel, “Granting Al-Qaeda’s Wish for Iran.” *The Washington Post*, March 9, 2007. www.washingtonpost.com

⁹ Editorial, “Next Step on Iran.” May 27, 2007. *The Washington Post*.

economic sanctions through the U.N. Security Council that are strong enough to actually elicit change from Iran,¹⁰ and question whether the Tehran government would give up its nuclear program in exchange for improved trade relations. Nonetheless, we believe that economic sanctions, specifically targeted in order to diminish unintended consequences to vulnerable populations, and combined with strong diplomatic efforts, may be the most viable option to effect change in Iran.

While sanctions are mechanisms imposed by governments and the United Nations, divestment is a specific economic tool that calls on individuals and institutions to take action to diminish Iran's financial capacity to continue its nuclear program by withdrawing investments of private and government funds from companies that do business in or with the government of Iran. Of the three types of divestment that have been proposed, targeted divestment, which focuses only on approximately twenty companies with at least \$20 million invested in Iran's energy sector, promises the greatest success. The other forms of divestment that have been proposed are 'terror-free' investing, which targets all countries designated as state sponsors of terror, and total divestment from Iran only. These latter alternatives are problematic in that they potentially involve hundreds of companies and call for complete divestment without clear criteria for targeting specific companies. In addition, both terror-free divestment and Iran-only total divestment campaigns could cause a backlash if cooperating countries like the European Union, Russia, Japan, and China feel their companies are being disproportionately targeted. Further, the more expansive proposals disregard the negative impact on Iranian society, particularly the most vulnerable populations, whereas the more narrowly tailored proposals to target Iran's energy sector could reduce unnecessary harm to civil society. Although we acknowledge the difficulty of divestment initiatives, especially when dealing with mutual funds, and recognize that even targeted divestment will take time to implement, the potential positive effects of targeted divestment on the Iranian government justify these efforts.

THEREFORE, the Union for Reform Judaism resolves to:

1. Divest, to the extent feasible, its investment funds from businesses that have at least \$20 million currently invested in the energy sector of the Iranian economy until such time as a credible international body confirms that Iran has ceased its ambitions to manufacture nuclear weapons;
2. Call on its affiliates and partners, including the Reform Pension Board and URJ member congregations with investment funds, to divest such funds from these same companies and under the same conditions;
3. Encourage Union regions, congregations, individuals, and affiliates at the grassroots level to support and work toward targeted divestment by states, municipalities, pension funds, universities, foundations, and other such entities;
4. Advocate for mutual fund companies to make available investment opportunities that are consistent with standards for targeted divestment from Iran;

¹⁰ Flynt Leverett, "Dealing with Tehran: Assessing U.S. Diplomatic Options Toward Iran." 2006. The Century Foundation.

5. Call upon the governments of the United States and Canada to implement economic sanctions targeting Iran, especially its energy sector, and to lead the international community (particularly the United Nations, European Union, Russia, Japan, and China) in applying similar divestment and economic sanctions policies, taking steps to minimize the harm of these actions on vulnerable populations within Iran or other countries; and
6. Encourage education of, and in, congregations on the threat of the Iranian nuclear program, including educational efforts that reach out to other Jewish and non-Jewish entities within local communities while highlighting the common danger posed by Iran.