

Effective Measures

State and local governments, public and private investors and the international community must do more to prevent Iran from acquiring nuclear weapons. Overwhelming pressure and rising economic difficulties stemming from tougher sanctions, growing divestment efforts and isolation from world financial markets may persuade Iran's leaders that the cost of persisting with their illicit nuclear program is simply too high.

"This is a country that has a clear terrorist focus," warned Texas Gov. Rick Perry, who has called for state pension funds to divest from companies doing business in Iran. Perry said that Iran "has a clear mission to wipe a friendly democracy and a very close ally of the United States off of the face of the earth."

In addition to Texas, states including California, Ohio, Illinois and North Carolina have moved toward limiting pension fund exposure to Iran—both because it's the right thing to do and to protect themselves from the increasing financial risk of investing in the outlaw regime. Florida already has enacted legislation that will divest pension funds from companies invested in Iran's energy sector.

Despite two Security Council resolutions requiring Iran to suspend its nuclear program, Tehran shows few signs of considering compliance. "We will not yield an inch on our nuclear rights," declared President Mahmoud Ahmadinejad.

Unlike the government's hard-line position, a recent poll indicated that 80 percent of Iranians would favor giving up the nuclear weapons program in return for economic incentives. While Iran has so far failed to end its enrichment of uranium—a key step in developing nuclear weapons—there are indications that sanctions are beginning to sting.

Iran has been forced to ration gasoline, and the country's crude oil output has declined significantly thanks in part to diminished foreign investment. It remains to be seen whether the regime will back down, but cooler heads in Tehran may be swayed by increasing economic hardships and Iran's deepening outcast status.

Iran's economy is heavily dependent on the oil and gas sector, which accounts for 70 percent of government revenue and 80 percent of exports. Profits from the energy industry, which is largely controlled by Iranian Revolutionary Guard Corps-affiliated companies, are used to fund the nuclear program and terror groups across the Middle East.

The international community has made clear that Iran should not obtain nuclear weapons. Stiff sanctions and economic isolation are vital and appropriate tools toward achieving that goal.