

Is Iran Out-Negotiating the Obama Administration?

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If Washington and its allies continue redrawing their redlines, they may eventually find themselves advocating military action against facilities that they previously declared legal and tolerable.

In the months before the latest round of P5+1 negotiations in Almaty, many analysts had been urging the United States to adopt what became known as a "more for more" approach. That is, offer Iran more relief from sanctions in exchange for more nuclear concessions by Tehran.

It is now evident that Washington instead adopted a "more for less" strategy. More relief from sanctions was indeed offered (according to reports -- the U.S. terms have not been made available for public scrutiny), but in exchange for fewer, not more, concessions by Iran. In particular, the P5+1 has dropped its previous demand that Iran shutter its second enrichment facility at Fordow.

Even discounting the fact that the P5+1 appears to be negotiating with itself -- Iran did not respond to the P5+1's last offer and by all accounts made no formal response to the new offer -- the group's approach to negotiating is flawed. To understand why, one must consider the underlying dynamics of negotiations (for a longer version of this analysis, see [the article I co-authored with Prof. Jim Sebenius](#) in the latest issue of *International Security*).

Success in any negotiation depends on the existence of a "zone of possible agreement" (ZOPA) -- in other words, a range of possible outcomes which both sides judge to be better than not making a deal at all. To use a simple example, if the seller of a house will accept a minimum of \$200,000, and a prospective buyer will offer at most \$250,000, the ZOPA is between those two figures -- \$200,000 to \$250,000. The existence of a ZOPA does not guarantee that a deal will be made -- there are still plenty of obstacles to reaching agreement -- but it does mean that a deal is at least possible. If there is no ZOPA, then even the most skilled negotiator will be unable to broker a deal.

In the P5+1 negotiations, analysts have frequently sought to blame the long stalemate between the parties on mistrust, miscommunication, or other tactical matters. But in fact the underlying cause of the talks' failure to produce an outcome has more likely been that no ZOPA was present -- the least Iran would accept was a far more expansive nuclear program than the U.S. and its allies could tolerate, rendering the discussions futile.

Faced with the absence of a ZOPA, there are three ways to create one. First, by exerting pressure that imposes upon the targeted side an additional cost associated with failing to reach an agreement. To return to the home-buying example above, if the seller is moving and has another house under contract for which he requires the proceeds from the sale of his current home, the costs of failing to make a deal rise. This should cause him to reconsider his bottom line, and perhaps accept a less generous offer than he would have previously. While the stakes in a nuclear negotiation are much higher, the principle behind sanctions and other forms of pressure are the same -- they raise the cost of failing to make a deal and incentivize the targeted side to reconsider its negotiating position.

The second way a ZOPA can be created is through incentives or deal sweeteners. Just as home-sellers might offer to help with financing or even to throw in a new car or a vacation to motivate prospective buyers, the P5+1 has offered Iran a range of incentives to motivate it to compromise, from assistance with civil nuclear power to science and technology cooperation. In principle, such incentives improve the value of an agreement and thus pry open a ZOPA that much more.

The P5+1 has tried both of these avenues for creating a ZOPA, though undoubtedly has recently focused far more on pressure than on incentives. These efforts, over the course of many years, have nevertheless foundered, likely because the Iranian regime values a potential nuclear weapons capability -- and the prestige and security that it could bring -- far more than even the oil exports and economic opportunity it has sacrificed to pursue it, and certainly more than Western incentives that Iranian officials have previously characterized as a pittance.

There is, however, a third way to open up a ZOPA in negotiations -- to change one's own bottom line. The temptation to do so will be familiar to anyone who has been involved in a negotiation, during which the impetus to make a deal for its own sake can override previous calculations of one's interests. This appears to have been the P5+1's approach in the Almaty round -- faced with Iranian intransigence, the group decided to accept what it had

previously declared unacceptable, namely the Fordow enrichment facility. The existence of this facility had been secret until it was revealed with much fanfare by President Obama, French President Sarkozy, and British Prime Minister Brown in a 2009 press conference, at which they described Fordow as "a direct challenge to the basic compact at the center of the non-proliferation regime."

Sometimes a negotiating party revises his bottom line because of pressures or incentives served up by the other side. Sometimes it is done unilaterally in pursuit of a deal or as a result of reconsidering whether one can really stomach the consequences of failing to reach a deal, which may now be the case with the P5+1.

There are good reasons, however, to avoid unilateral changes in one's bottom line. First and foremost, there were presumably good reasons for staking out that bottom line in the first place. This is certainly true regarding the P5+1's previous insistence that Fordow be dismantled. This facility, more than any other element of Iran's nuclear program, offers Iran a clear path to a nuclear weapons capability, as it is buried deep underground and hardened against aerial attack. Allowing Iran to maintain centrifuge cascades there -- even under IAEA seal -- means that they retain the option to make a nuclear weapon.

Second, negotiations are about perceptions, and continual, incremental shifts in one's bottom line can convey to the party across the table that your "true" bottom line has yet to be reached. In other words, Iran may be excused for thinking that if only they hold out longer against international pressure, the demand that they suspend enrichment at Fordow or that they cap enrichment at 20 percent may fall by the wayside just as the demands for shuttering Fordow, suspending enrichment altogether, and refraining from operating centrifuges have in the past.

Iran may thus misperceive the size and scope of a ZOPA, and may be willing to wait a long time to secure the best possible outcome, having taken eight years to extract the Fordow concession from Washington. In effect, this means undoing whatever progress was achieved through sanctions and incentives in opening a ZOPA by conveying a (hopefully) false impression of the P5+1's own flexibility and bottom line.

Most ominously for the P5+1, it is possible that no ZOPA will ever be opened in the Iran nuclear negotiations because the Iranian regime cannot brook the idea of any compromise with the United States, enmity or "resistance" toward which was a guiding principle of the regime's founding ideology. If this is the case, Tehran will simply pocket the concessions offered by the P5+1, and Fordow will be lent legitimacy just as the October 2009 "TRR deal" lent legitimacy to Iran's low-level uranium enrichment activities. In this case, the U.S. and its allies may find themselves in the unenviable position of advocating a military strike on facilities that they have now declared no longer outside the bounds of international law, but tolerable under the right conditions.

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