

Obama, Offer Iran a Generous Deal

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Articles & Testimony

Raising the stakes for the nuclear negotiations is the only way to test if Tehran is serious.

This piece is part of "*Obama and the Middle East: Act Two* (<http://www.washingtoninstitute.org/policy-analysis/view/the-atlantic-obama-and-the-middle-east-act-two>), " a series of policy proposals for the president's second term by Washington Institute fellows.

The main issue regarding Iran is what nuclear offer to make. While most attention has focused on how to step up pressure on Tehran, the bigger sticks should be matched with juicier carrots, in a change from the past strategy of focusing on small confidence-building measures while leaving vague the end game. Neither Iranian leaders nor public opinion -- in Iran or around the world -- has been impressed by the very modest incentives offered Iran during the 2012 Baghdad talks. The "refreshed" offer that the big powers known as the P5+1 (Britain, China, France, Germany, Russia, and the U.S.) are said to have agreed to is not much more generous. Not surprisingly, the reaction has been: Why should Iran make a deal if that is all it gets?

Iran has insisted on two benefits from a deal: sanctions relief and nuclear enrichment. An agreement is more likely if these issues are addressed with a generous offer. Surprisingly, the sanctions relief may be harder to do than nuclear enrichment. The U.S. and European practice, from Burma to Zimbabwe, has been to phase in sanctions relief, insisting on clear evidence of commitment to change before offering any rewards. That will certainly be the instinct regarding Iran, given the Islamic Republic's spotty record of implementation and quick suspension of past agreements.

On top of which, Iranian expectations about sanctions relief are entirely unrealistic. Iran's economy is in dire straits primarily because of the government's botched populist policies, such as increasing the money supply 80 percent while output grew 6 percent and then being surprised when the result was raging inflation. The public and the elite both expect that sanctions relief will be a magic formula for ending all economic problems, when in fact the impact would be modest so long as corruption is rampant, state micromanaging hampers business, and credit goes to the

politically well-connected rather than to those with good business plans. In short, Iran is not likely to get much sanctions relief early on, and Iranians are likely to feel that they have not gotten the expected benefits from any deal -- which augurs poorly for Iran sticking to a deal.

On enrichment, the U.S. position has long been more supple than realized. In 2011, Secretary of State Hillary Clinton told the House Foreign Affairs Committee: "It has been our position that under very strict conditions Iran would, sometime in the future, having responded to the international community's concerns and irreversibly shut down its nuclear weapons program, have such a right [to enrich] under IAEA [International Atomic Energy Agency] inspections." So yes, the United States could accept Iranian enrichment.

In effect, the P5+1 have adopted an old trick for reviving hung-up talks: change the question. Stopping Iran's enrichment was always the means to an end, not an end in itself; the goal is instead to push Iran farther away from a nuclear weapons capability. Ever since the 2011 proposal about the Tehran Research Reactor, the outlines of a deal have been becoming clearer: If Iran were to agree to ship out of the country any enriched uranium as soon as it was made, such a step would arguably address Western objectives almost as well as if Iran destroyed its present centrifuges but retained the knowledge and facilities to make centrifuges as it desired.

The biggest mistake that could be made in a deal with Iran is to accommodate Iran's regional ambitions. The P5+1 must make clear that an agreement with Iran does not change their firm rejection of Iran's bitter opposition to Israel's existence, as evidenced by the many billions of dollars in cash and arms Iran has provided over decades to any group prepared to kill Israeli civilians. And, to a degree that may surprise many Americans, any offer to Iran will concern the U.S.'s Arab allies as much as it does Israel. The Gulf monarchs remain wary of a possible deal that honors Iran's regional importance and restores U.S.-Iran cooperation at the expense of the Gulf states, calling to mind the American relationship with the shah -- a relationship that the monarchs feel harmed their interests profoundly.

Making a generous offer runs several risks. One is that Iran agrees in principle but then stalls while continuing its nuclear progress, which is why any offer must be contingent on quick progress at least at stopping Iran's nuclear clock. Another risk is that Iran pockets any concessions, only to demand more while failing to offer anything in return, with the result that the proposal erodes the P5+1's bargaining position while doing little if anything to make Iran more amenable to an agreement.

The biggest risk though is that Iran may refuse the offer, which in effect would be calling our bluff. If in reaction we continue without obvious progress, then in practice the United States has tacitly acquiesced to Iran's march to a nuclear weapon despite the firm pledge by President Obama, strongly backed by Congress and the Republican Party, never to accept such an outcome. To have committed the nation to a course on which we then refuse to follow through would profoundly corrode the credibility of U.S. security guarantees around the world, for instance, in northeast Asia and Eastern Europe. Plus U.S. failure to act would encourage America's Middle East allies to take matters into their own hands: for Israel, to strike Iran, and for the U.S. Arab allies, to develop their own nuclear capabilities.

Obama has frequently stated about the Iranian nuclear impasse, "there is a window of time to solve this diplomatically, but that window is closing." The United States should use a generous offer to test if Iran is willing to prop open the window or see it fall shut. If Iran is uninterested in a generous offer, then the United States -- along with as many international partners as it can mobilize -- should move to more forceful action, be it covert or overt, publicly proclaimed or deniable.

Patrick Clawson is director of research at The Washington Institute. ❖

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