Several forces have fueled this mismatch:

- A relentless (and decade-long) sense of urgency in the West that has led to overeagerness to modify negotiating positions in response to Iranian implacability;
- The asymmetry between the relatively ephemeral effect of sanctions and the relative irreversibility of Iranian nuclear accomplishments;
- The Iranian regime’s relative indifference to and insulation from the effects of those sanctions; and
- A lack of credibility and coherence in the military threat posed by the United States and its allies to Iran.

Rather than signaling a fundamental shift in strategy, Iran’s new approach under Rouhani, marked by openness to participation in nuclear negotiations and engagement with Washington, may represent a tactical response to these changing dynamics. Obduracy in the nuclear talks allowed Iran to expand its nuclear program, albeit at significant cost; a shift to flexibility may permit Iran to alleviate that cost while securing rather than sacrificing the past decade’s gains.

The resulting challenge for Washington is acute. The Obama administration must drive a hard bargain to truly put nuclear weapons out of Tehran’s reach. Accomplishing this will be complicated by far more sophisticated Iranian diplomacy than that practiced during the Ahmadinejad presidency; competing demands from allies in and out of the region; and Washington’s own aspirations for rapprochement with Tehran. To be successful, the Obama administration will need to be ecumenical regarding means—willing to embrace diplomacy with Iran even as it intensifies pressure against the regime—but passionately partisan and clear-minded with regard to ends, ensuring that the ultimate outcome requires not merely a tactical pause but a strategic shift from Iran.

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How We Got Here: Shifting Positions, Persistent Gaps

The nuclear negotiating process began in earnest in 2003, shortly after the public exposure of Iranian nuclear facilities at Natanz and Arak. These facilities, remarkably, are not only still operating a decade later but have also seen significant expansion and technical progress.

The Tehran Agreed Statement of 2003 and the Paris Accord of 2004, both negotiated between the EU-3 (France, Germany, and Britain) and Iran under the embarrassment of the regime’s having been caught red-handed at nuclear work, brought a brief and uneven suspension of enrichment- and reprocessing-related activities by Iran. The wary détente produced by these agreements collapsed, however, when Iran rejected the European Union’s August 2005 “Comprehensive Proposal,” which offered various forms of nuclear, scientific, economic, and diplomatic cooperation in exchange for limits on Iran’s nuclear program, most notably a halt to enrichment- and reprocessing-related work. Iran, for which the threat of attack had diminished considerably given U.S. troubles in Iraq and Afghanistan, rejected the deal based on its failure to recognize Iran’s claimed “right” to enrich uranium. This was accurate: while the EU-3 explicitly acknowledged Iran’s right to “develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II of the [Nuclear Nonproliferation] Treaty,” the Western negotiators were not prepared to offer the more specific, unqualified enrichment right that Iran sought, especially in light of Iran’s violations of the NPT.

From that point on, Iran dramatically expanded its nuclear activities and, in turn, the UN Security Council and individual states expanded the sanctions imposed on Iran. Yet while the P5+1 (the EU-3 plus Russia, China, and the United States) characterized the sanctions as subject to removal based upon Iranian compliance with UN requirements and the negotiation of a long-term accord governing Iran’s nuclear activities, Iran insisted that each nuclear step was irreversible and thus set a new baseline for negotiation. The P5+1 objected, hewing to the Security Council’s demand that Iran suspend all enrichment activities to avoid new sanctions. This core disagreement underlay the talks from 2005 to 2008. The P5+1 presented Iran with several proposals for comprehensive deals (such as the “incentives package” of 2006, revised in 2008), but these proposals foundered over the incompatibility of the P5+1’s insistence that Iran suspend all enrichment- and reprocessing-related activities and Tehran’s insistence that the group recognize its “right” to enrich.

Eventually, it was the P5+1 that relented, in an effort to reinvigorate diplomacy. Beginning in 2008, the P5+1 made a series of changes to its positions, partly out of urgency as Iran’s breakout time diminished and partly due to the change of administrations in Washington. The United States joined the P5+1 talks with Iran in 2008 after insisting it would not do so until Iran met the UN requirements. In October 2009, the United States (joined by France and Russia) implicitly acknowledged that Iran’s low-level (up to 5 percent) enrichment would not cease and focused instead, in the “fuel swap” proposal, on limiting Iran’s low-enriched uranium (LEU) stockpiles to block its path toward a weapons capability. Tehran not only refused, but it expanded its enrichment activities to include the production of 19.75-percent-enriched uranium, just shy of the threshold for high-enriched uranium (HEU). The U.S. offer nevertheless established a new baseline, reflected in the P5+1 proposal presented in Almaty, Kazakhstan, in February 2013, which focuses strictly on Iran’s higher-level enrichment and acquiesces to enrichment up to 5 percent. Thus, Iran realized diplomatic gains despite never accepting any P5+1 offer and never relenting in its insistence on having its right to enrich recognized.

Taking Stock of a Decade’s Worth of Diplomacy

This past decade of diplomacy failed to produce any agreement between the P5+1 and Iran, but it need not be considered fruitless—U.S. negotiators can draw lessons from Iran’s behavior to date. American negotiators should consider why Iran has resisted a nuclear compromise and continued to insist on its right to enrich uranium (perhaps to be joined soon by a claimed right to reprocess plutonium, should the Arak reactor come online as anticipated in 2014).

More specifically, Iran has refused to either cap its stockpiles of LEU or end its production of 19.75-percent-enriched uranium, even though it has more than enough of both for any possible civilian use. In upholding these stances, the regime has rejected relief from economic sanctions (including immediate relief through the suspension of certain financial sanctions), which the country desperately needs in order to address its dire economic situation. The pursuit of such relief formed a central tenet of the campaign platform of newly inaugurated Iranian president Hassan Rouhani.

Thus, Iran has rejected something it strongly needs (relief from economic pressure) for something for which it has little ostensible use (the continued production of 19.75-percent-enriched uranium and stockpiling of LEU), given that Tehran denies any desire for nuclear weapons.

Several explanations for Tehran's negotiating behavior have been suggested. The first is that Iran's obstinacy may be a matter of national pride and a desire to save face. But this suggestion fails to hold up under scrutiny, as the P5+1 has already made numerous concessions, offering an opportunity for the regime to claim a measure of diplomatic success. In return, Iran's position has only stiffened, hardly suggesting a desire for a face-saving compromise.

A second explanation holds that internal rivalry and court politics, along with the anti-Americanism that constitutes the legacy of the 1979 Islamic Revolution, may simply have prevented the Iranians from accepting a deal. This possibility is reinforced by Iran's acceptance, then rejection, of the October 2009 Tehran Research Reactor fuel-swap proposal made by the P5+1. In this narrative, hardliners were ascendant following the presidency of reformist Muhammad Khatami, preventing Iran from compromising, and moderates have once again come to the fore with Rouhani's election, reopening the possibility for compromise.

This narrative is appealingly simple, but problematic for several reasons. First, all evidence suggests that Iran's nuclear program—like its policies in Iraq, Afghanistan, and the Levant—is under the direct authority of the Supreme Leader, not elected politicians. Second, Iranian officials—Rouhani especially—do not fit neatly into the “moderate” and “hardliner” categories utilized in the West, nor have Iranian policies coincided with political cycles. For example, Iran negotiated with the United States (over Afghanistan and Iraq, respectively) under both Khatami and Ahmadinejad, and the regime's support for terrorism and the expansion of its nuclear program have proven to be independent of the vagaries of politics. Indeed, Hassan Rouhani himself has played a key role in the development of Iran's nuclear weapons capabilities. If anything, Iran has in recent decades demonstrated a ruthless but consistent pragmatism in its security policies, flexible in tactics but remarkably steadfast in objectives and strategy.

According to a third explanation, Iran may simply be awaiting a better deal. Such a waiting approach is reasonable to deduce, given that the P5+1 has sweetened its offers to Iran with almost every round of negotiations; but, if this has indeed been Iran's position, the regime has been patient to the point of self-destructive brinkmanship while at the same time reticent regarding its actual desires, making vague demands and generally failing to respond specifically to international proposals. The fourth and most ominous explanation for Iran's negotiating behavior is that Iran desires nuclear weapons and thus will resist compromises that foreclose the possibility of their development, even at significant cost to other national interests. The regime may calculate that, while a nuclear breakthrough would be practically irreversible, economic sanctions may fade after such a breakthrough—or are, in any event, an acceptable price for such an achievement.

Iran denies any such ambition and claims that the Islamic Republic's founder, Ayatollah Ruhollah Khomeini, issued a fatwa, or religious edict, against the use of nuclear weapons; instead, the regime asserts that its nuclear activities are strictly for civilian use. However, Iran's research into weaponization; the sophistication of its missile arsenal and efforts to develop intercontinental ballistic missile; and the ill-suitedness of its Fordow enrichment facility for civilian purposes suggest that Tehran seeks at least to preserve the option to produce nuclear weapons.

These weapons-related activities are difficult to square with the first three possible explanations for Iranian obstinacy just noted. Furthermore, nuclear weapons would complement Iran's broader security strategy: Iran seeks security not through cooperative economic and diplomatic ties with other states or through conventional military deterrence but by using proxies to
In order to make the most of the opportunity presented by Rouhani’s election and Iran’s apparent acknowledgment of its predicament, the Obama administration must, first, be clearheaded about its objectives. The depth of disagreement and animosity between Washington and Tehran, along with the urgency of halting Iran’s progress toward a nuclear weapon, suggests that a focus on building confidence and improving U.S.-Iran ties must be secondary to the immediate objective of sustainably, if not irreversibly, rolling back Iran’s nuclear program and requiring of Tehran a strategic, not merely tactical, shift in its security strategy.

The following sections discuss the principles Washington should bear in mind as it engages with Iran’s new administration.

**Demonstrate less eagerness for a deal.** U.S., Israeli, and other policymakers now routinely insist that “time is running short” for a nuclear agreement with Iran and that the issue is therefore urgent. In a sense, this is undoubtedly true—given its vast nuclear expansion over the last five years, Iran could produce a weapon in a year or less if it chose to do so. There is a significant catch, however—Iran understands that neither the United States nor Israel, much less their European and Asian allies, are eager for a war with Iran, and that such states will only initiate a conflict if Iran appears to be at the cusp of a nuclear breakout. Conflict, therefore, is based not on an immutable timeline but rather on events within Iran’s control. This setup allows Iran to maintain a sense of crisis and urgency that never quite comes to a head (until Tehran wants it to, presumably). The urgency, in turn, propels a Western desire to head off the looming crisis with a deal, and to soften its demands or improve its offer in order to do so.

Time may now be on Iran’s side, but it need not be so. To address the associated flaw in its negotiating behavior, the United States and its P5+1 allies should avoid perpetuating the prevailing sense of urgency or desperation for an agreement. One way to do this, for example, would be to not agree automatically to a subsequent negotiating round after one ends inconclusively. The P5+1 should also take care to stop improving its offers, to avoid giving Iran the sense that holding out will yield benefits.
**Stick to firm terms.** Rouhani’s overtures have led to optimism in the West about prospects for a deal and eagerness to engage diplomatically, as demonstrated by the historic phone call between Presidents Obama and Rouhani in September. However, what Rouhani and Zarif may prefer—likely some limits on Iran’s nuclear activities plus enhanced inspections in exchange for broad relief from sanctions and acceptance of Iran’s claimed right to enrich—is unlikely to meet with satisfaction in Washington, London, and Paris. Reaching an accord acceptable to all parties will by no means be easy, despite Rouhani’s assertion that a deal could be reached within three months. U.S. secretary of state John Kerry and his P5+1 counterparts appear to recognize this and have stressed that sanctions will be lifted only in response to concrete Iranian actions, not simply in response to Rouhani’s comparatively constructive attitude.

But Kerry’s position raises a question. What actions by Iran would, in fact, merit the lifting of sanctions? Conventional wisdom holds that Washington has no choice but to accept some uranium enrichment by Iran, despite multiple UN Security Council resolutions demanding that Iran suspend all enrichment- and reprocessing-related activities. In this view, Iran would be allowed to enrich to a low level, perhaps 5 percent, and its stockpiles of enriched uranium would be strictly limited. In addition, Iran’s nuclear activities would be subject to more frequent and intrusive inspections aimed at ensuring that Iran could not secretly exceed the limitations to which it had agreed.

However, such an agreement is unlikely to succeed beyond the short term, for three reasons:

- **First,** the accord would be built on the shaky foundation of Iran’s denial of having had a nuclear weapons program in the first place. Tehran is unlikely to answer questions about weaponization activities it denies having engaged in, and the evidence for which it insists is fabricated; nor is it likely to offer inspectors access to military sites that it denies are related to its nuclear program. It is difficult to imagine inspectors succeeding without the ability to delve into Iran’s full nuclear record or conduct snap inspections wherever they wish. The conceit that Iran has only pursued civilian nuclear applications would fatally undermine an agreement.

- **Second,** allowing Iran to continue enriching would permit it to maintain the full supply chain underlying the nuclear fuel cycle—uranium mining and conversion, centrifuge research and production, and the storage, even if in limited quantities, of enriched uranium. Because Iran is more likely—in the judgment of the 2007 National Intelligence Estimate on Iran—to use covert than declared facilities to produce a nuclear weapon, inspectors would have to verify nondiversion at each stage and, as noted earlier, enjoy the ability to conduct unannounced inspections elsewhere to have any confidence that Iran lacked a parallel, covert nuclear program. As demonstrated by inspectors’ experience with North Korea, that confidence is hard to come by when dealing with a state that has not yet decided to irreversibly abandon its nuclear weapons program.

- **Third,** even if Iran honored the terms of a limited-enrichment agreement, it could curtail inspectors’ access at any time and resume its march toward nuclear weapons. Deterring Iran from doing this would take military threats of the sort that Iran, in the upcoming negotiations, is likely to insist be discontinued; even if those threats were maintained, their value would depend on whether Iran perceived them to be credible.

To be sustainable, any nuclear agreement should require Iran to suspend fully its uranium-enrichment- and plutonium-reprocessing-related work, as called for by the UN Security Council. It should also require that Iran’s enriched-uranium stockpiles be eliminated and that the facilities at Fordow and Arak be dismantled. Further, it should require that Iran come clean regarding its past weaponization work and provide inspectors truly unfettered access to military sites like Parchin. By no means should any agreement concede to Iran a specific right to enrich uranium, especially one divorced from Iran’s obligations; it should instead reiterate the rights and obligations of all NPT signatories. Such an agreement would undoubtedly be difficult to attain, and will require the United States to maintain if not increase economic pressure on Iran until the regime is prepared to truly forgo its nuclear weapons program. Nevertheless, it would hold the best chance of defusing the nuclear crisis in the long term and providing space for a de-escalation of regional and U.S.-Iran tensions.
**Coordinate closely with allies.** While nuclear negotiations with Iran will occupy much public and media attention, in fact negotiations within the U.S.-led coalition—among members of the P5+1, with regional allies, and with allies further afield whose cooperation is vital, such as Japan and India—will consume at least as much effort by American negotiators. As the talks proceed, it will be important for the United States to keep these allies onside, particularly in three respects:

- First, those countries that have historically imported significant amounts of oil from Iran—such as China and India—may be tempted as talks proceed to ramp up those imports once again, figuring that a deal is near and the United States, in any event, would not want to endanger the nascent talks with a firm response to sanctions violations. Preventing such actions will require Washington to consult closely with these allies regarding U.S. strategy, so that they have a clear understanding and realistic expectations about sanctions relief. But it will also require Washington to warn all concerned that it is committed to enforcing sanctions unless and until they are lifted.

- Second, the United States will need to coordinate closely with Israel, not only regarding the substance of the talks but also on public messaging. American and Israeli estimates of Iran’s nuclear progress and intentions are likely quite similar, as are the general positions of policymakers in both countries: both support a negotiated resolution to the Iran nuclear issue, and both favor a military strike if no agreement can be reached. To the extent U.S. and Israeli leaders differ regarding the details, they should endeavor to resolve their differences privately and demonstrate unity publicly. The impression that the United States and Israel are at odds would hamper U.S. diplomacy by suggesting to Tehran an opportunity to drive a wedge between the two allies; this could, in turn, lead Iran to conclude either that a nuclear agreement with the United States would not forestall an attack by Israel or, worse, that an Israeli attack on Iran would actually yield a strategic victory for Tehran by splitting the United States and Israel.

- Third, the United States needs to coordinate closely with other allies in the Middle East, especially the Gulf states. Iran’s nuclear program is not only of concern to the United States and Israel; states such as the United Arab Emirates (UAE), Qatar, Jordan, and Saudi Arabia are arguably just as concerned. Some of these states, such as the UAE, have signed agreements with the United States committing themselves not to engage in enrichment and reprocessing activities; they will be understandably upset if the United States signs an agreement with Iran permitting it to engage in those very activities. Furthermore, the Gulf states’ concerns extend well beyond Iran’s nuclear program, to encompass Iran’s regional activities and aspirations. Working with these allies demands diplomatic nuance. A deal that entirely ignores Iran’s regional activities may be seen as a free pass, whereas one that deals vaguely with these activities may be seen as somehow acknowledging an elevated regional status for Iran. The only way to effectively manage such perceptions is through close and direct engagement with these allies throughout the negotiating process.

**Strengthen the U.S. military threat.** If indeed Iran regards economic sanctions as a temporary penalty well worth whatever nuclear accomplishments it achieves, then it is vital, if negotiations are to succeed, that Iran perceives the threat of a more serious consequence if it proceeds toward a nuclear weapons capability.

The prevailing sense in the Middle East is that the United States is stepping back from the region. This view is fueled primarily by observations of Western hesitation to intervene in Syria, but it is reinforced by the U.S. withdrawal from Iraq, its pending withdrawal from Afghanistan, and oft-misunderstood talk of a “rebalancing” to Asia. There can be no question of American military capabilities or resources, but doubts are surely increasing regarding the U.S. will to act, and thus U.S. military credibility. Having been eroded by a series of actions and messages, this credibility will require both actions and messages to be restored.

An extensive list of military and related levers the United States can use to increase pressure on Iran appears in Washington Institute scholar Michael Eisenstadt’s report *Not by Sanctions Alone* (July 2013). On the messaging side, the United States should
continue to make clear that it will use force if necessary to prevent Iran from achieving a nuclear breakout. But Washington should also make clear that the use of force is not an all-or-nothing proposition—force may be used not just to massive effect (which Iran may deem more of a deterrent to the United States than to itself) but also in more limited applications to set back Iran’s nuclear progress. Washington can reinforce this messaging, when the time is right, by making visible diplomatic preparations for military conflict—for example, by discussing with European allies the importance of maintaining sanctions even in the aftermath of a strike on Iran’s nuclear infrastructure.

Broaden the discussion. With prospects for a nuclear agreement seemingly increasing, it may be tempting to defer discussion of other unacceptable policies such as Iran’s activities in Syria and Lebanon, its support for terrorism, or its record on human rights. Waiting would be a mistake, however. Failing to pursue these issues—whether in discussions with Iran, in U.S. activities around the world, or in other forums—would not only send the wrong message to our allies in the region as well as the Iranian people but would also relieve pressure on Iran without justification, undermining the message that actions, not words, are required for such relief.

Likewise, the United States should be willing to discuss other matters of mutual interest with Iran, such as counternarcotics or Afghanistan. A tough U.S. approach to the nuclear issue could mean that any agreement takes longer than anticipated to conclude, and being open to discussing other matters could provide avenues for confidence building with Rouhani and his team while the nuclear issue remains unresolved. Any such discussions, however, should be carefully coordinated with allies and other interested parties, and should deal frankly with the activities of Iran’s Revolutionary Guard Corps, which often contradict the policy asserted by Iranian diplomats.

As they craft the next steps in policy toward Iran, U.S. officials must bear in mind that diplomatic engagement and pressure in its various forms—even military threats—are not mutually exclusive but mutually reinforcing. Countless historical examples reinforce this basic truth. And to underscore this concept, Washington needs to utilize all available policy tools—not in sequence, but in concert.