

# Bargaining over Proliferation

William Spaniel

[williamspaniel@gmail.com](mailto:williamspaniel@gmail.com)

[wjspaniel.wordpress.com/pscir106](http://wjspaniel.wordpress.com/pscir106)

Big question: Why do states  
develop weapons?

Big question: Why do states not  
develop weapons?

# Why Not Proliferate?

1. Threat of preventive war
2. Costs of proliferation
3. Bribes

# Modeling Proliferation

- Pre-Shift Bargaining
  - Declining state offers a bribe.
  - Rising state accepts, rejects, or builds a nuke.
- Post-Shift Bargaining
  - Declining state offers a bribe.
  - Rising state accepts or rejects.

# Post-Shift Bargaining

- Bargaining model of war: fighting is costly, so states should reach a peaceful settlement.
- But in post-shift bargaining, the rising state has nuclear weapons.
  - So the declining state needs to offer larger bribes.

# Modeling Proliferation

- Pre-Shift Bargaining
  - Declining state offers a bribe.
  - Rising state accepts, rejects, or builds a nuke.
- Post-Shift Bargaining
  - Ends peacefully with rising state receiving great concessions.

Power Shift



A blank coordinate system is shown with a vertical y-axis and a horizontal x-axis. The y-axis is labeled 'Power Shift' and the x-axis is labeled 'Cost of Nukes'. The axes are represented by white lines on a black background.

Cost of Nukes



Power Shift

“Too Hot” for Proliferation

Cost of Nukes

Power Shift

“Too Hot” for Proliferation

“Too Cold”  
for  
Proliferation

Cost of Nukes



Power Shift

“Too Hot” for Proliferation

Bargaining!

“Too Cold”  
for  
Proliferation

Cost of Nukes



# Why Bribes Work

- If rising state proliferates, declining state will have to give concessions.
- But declining state could just give most of the concessions immediately.
  - Rising state happy—it gets most of what it would get anyway and doesn't pay the proliferation cost.
  - Declining state happy—no proliferation.

# Why Bribes Work

- Works even if the rising state could freely proliferate.
  - No quid-pro-quo bargaining necessary.
  - Again, rising state is already getting what it wants.

# Why This Matters

- Iran has a nuclear program.
  - They swear it's not a weapons program. Nobody believes them.
- Much of the policy debate in the U.S. presupposes nothing will stop Iran from building a weapon—except war.

# But...

- The model shows this isn't true.
  - It is very easy to convince the other side to settle...as long as you commit to giving them large enough offers.
- Does Iran believe the U.S. will continue to give nice offers in the future?

# A Brief History of U.S.-Iranian Relations





1979

The background of the poster is a large, high-contrast, blue-toned close-up of a man's face, showing his eyes and a thick beard. A horizontal film strip runs across the middle of the image. The word "ARGO" is written in a large, white, distressed font on the left side of the film strip. The film strip itself shows a scene from the movie with several people in a room.

# ARGO

1979-1981



September 11, 2001

# Invasion of Afghanistan, October 2001

- Iran was initially supportive of the U.S. in the aftermath of 9/11.

# Invasion of Afghanistan, October 2001

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- Who was the Northern Alliance?



# Invasion of Afghanistan, October 2001

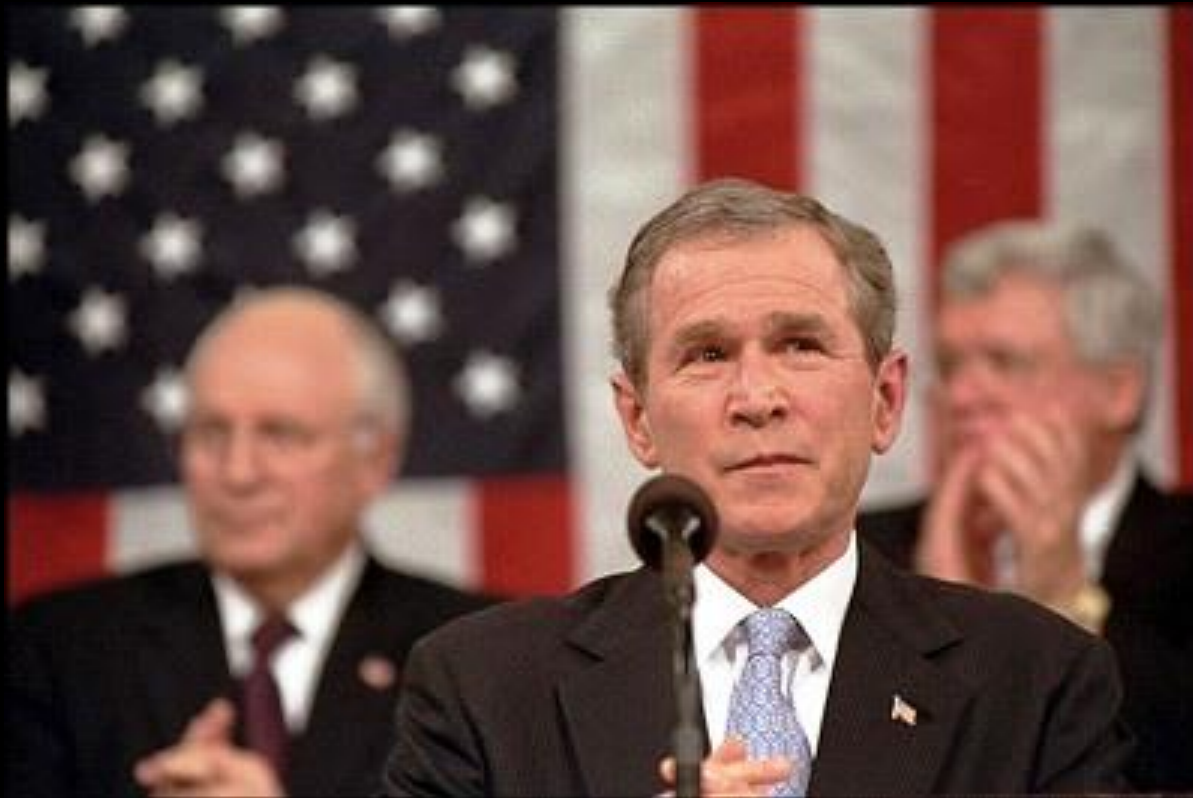
- Iran was initially supportive of the U.S. in the aftermath of 9/11.
- Who was the Northern Alliance?
  - A group of Afghan rebels—an alliance that *Iran* had built up.

# Invasion of Afghanistan, October 2001

- Iran was initially supportive of the U.S. in the aftermath of 9/11.
- Who was the Northern Alliance?
  - A group of Afghan rebels—an alliance that *Iran* had built up.
- Quiet Iran-U.S. meetings held to coordinate action in Afghanistan.







January 29, 2002

Axis of evil.



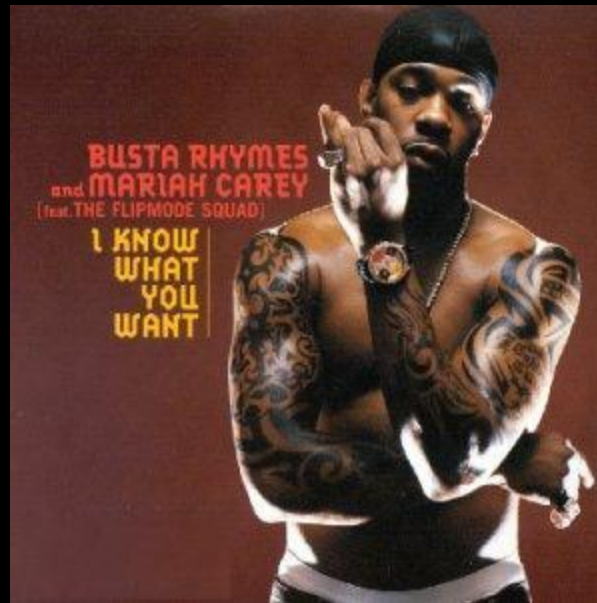
What up with that, bro?

January 29, 2002





3/20/2003



Also in 2003...





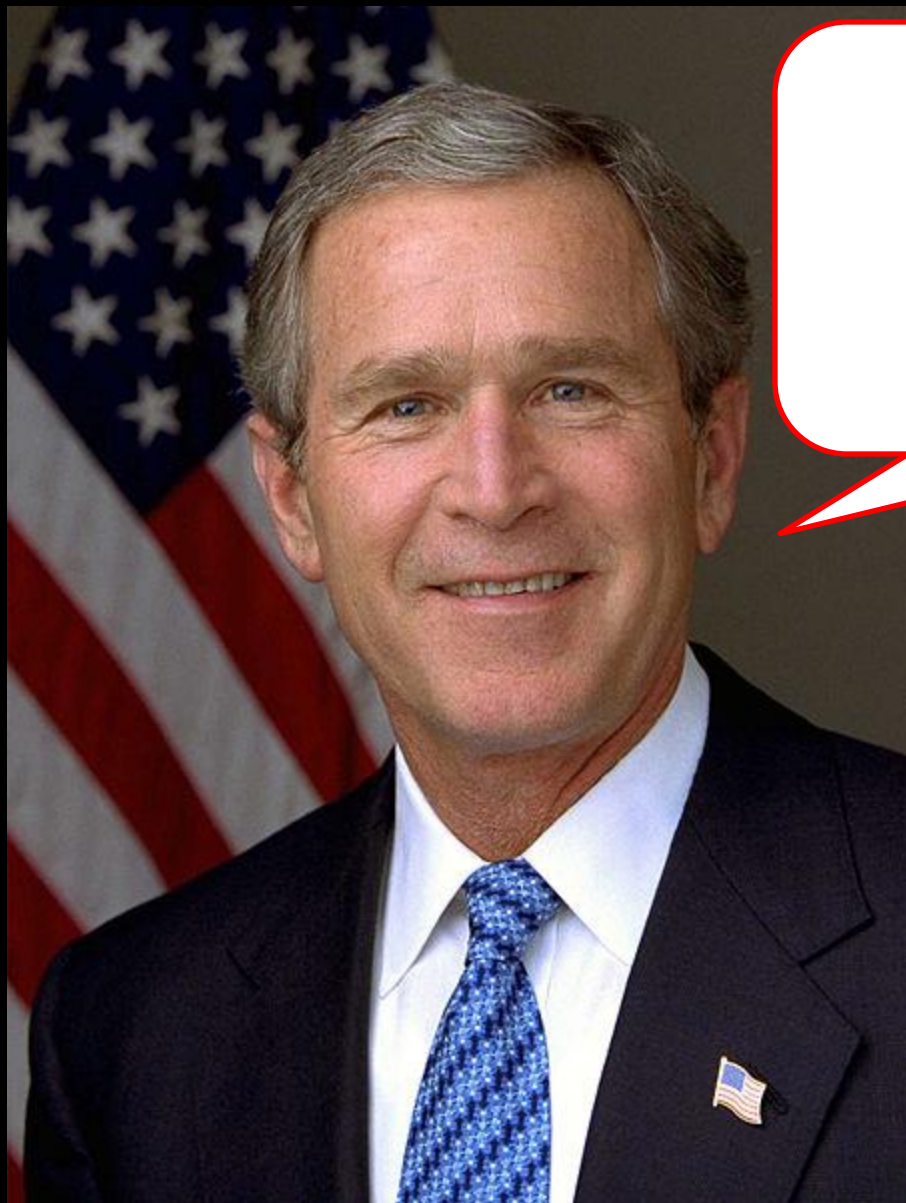
5/1/2003



Later that week...

# The Iranian Olive Branch

- 5/4/2003: Swiss Ambassador delivers a path-to-peace document from Iran.
  - Offers: End to nuclear weapons program, assistance against al-Qaeda, end to Hezbollah aid, recognition of Israel.
  - Demands: Full diplomatic recognition and a prisoner swap.



We don't  
talk to evil.





**number of votes**

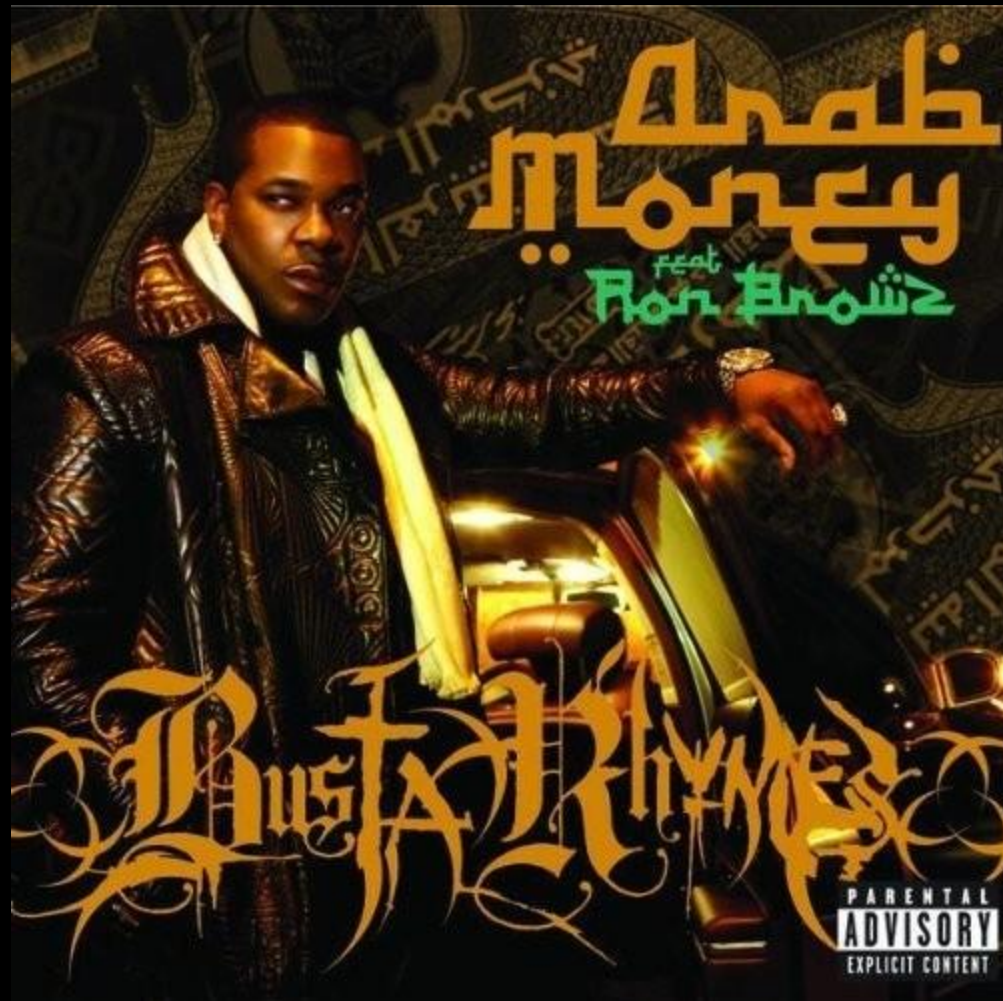
**I really got**

6/24/2005



2005-2009



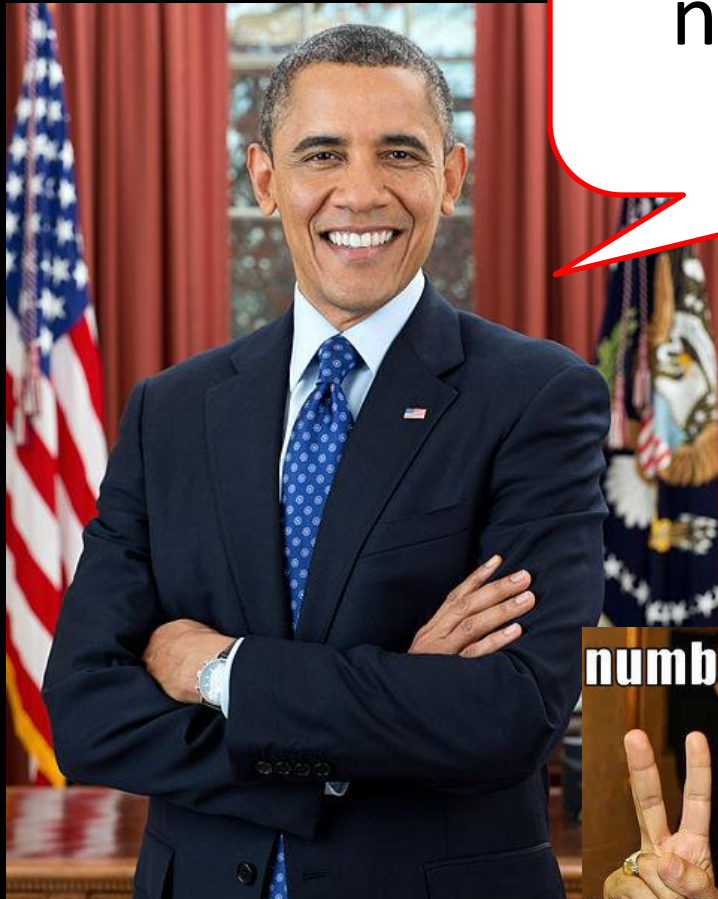


2008



Hey, this is crazy,  
but here's my  
number. So call  
me maybe?

3/20/2009



Hey, this is crazy,  
but here's my  
number. So call  
me maybe?

I'm just not  
that into  
you.



number of votes

I really got

3/20/2009

# Ayatollah's Response

- Two days later...
- “Where is the change? What has changed? ...  
This is not change. This is deceit.”

# Ayatollah's Response

- Two days later...
- “Where is the change? What has changed? ... This is not change. This is deceit.”
- “Change” repeated thirty times.
- Ayatollah interrupted twice by “death to America” chants.



In the meantime...



8/2003

Power Shift

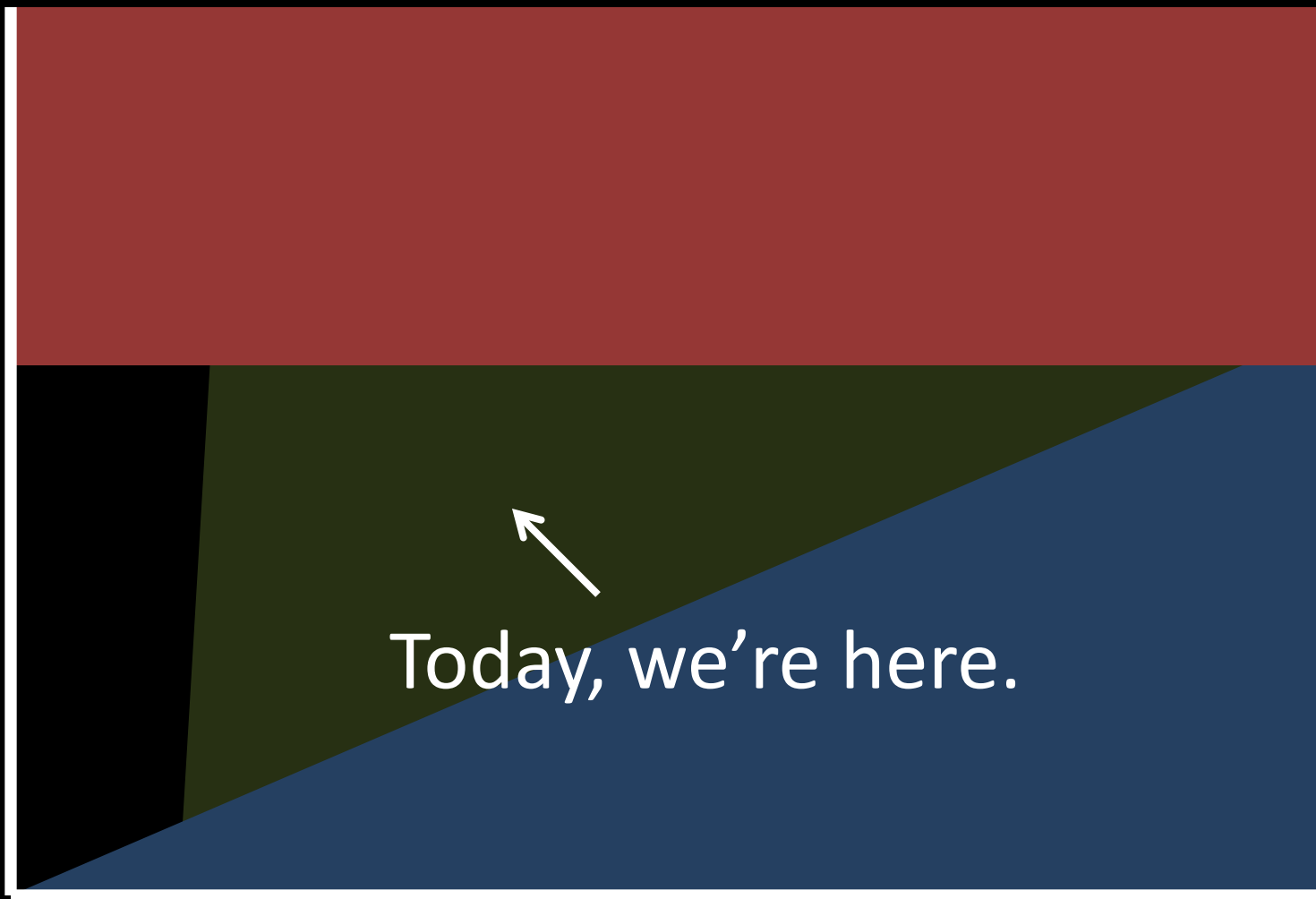
“Too Hot” for Proliferation

Bargaining!

Cost of Nukes



Power Shift



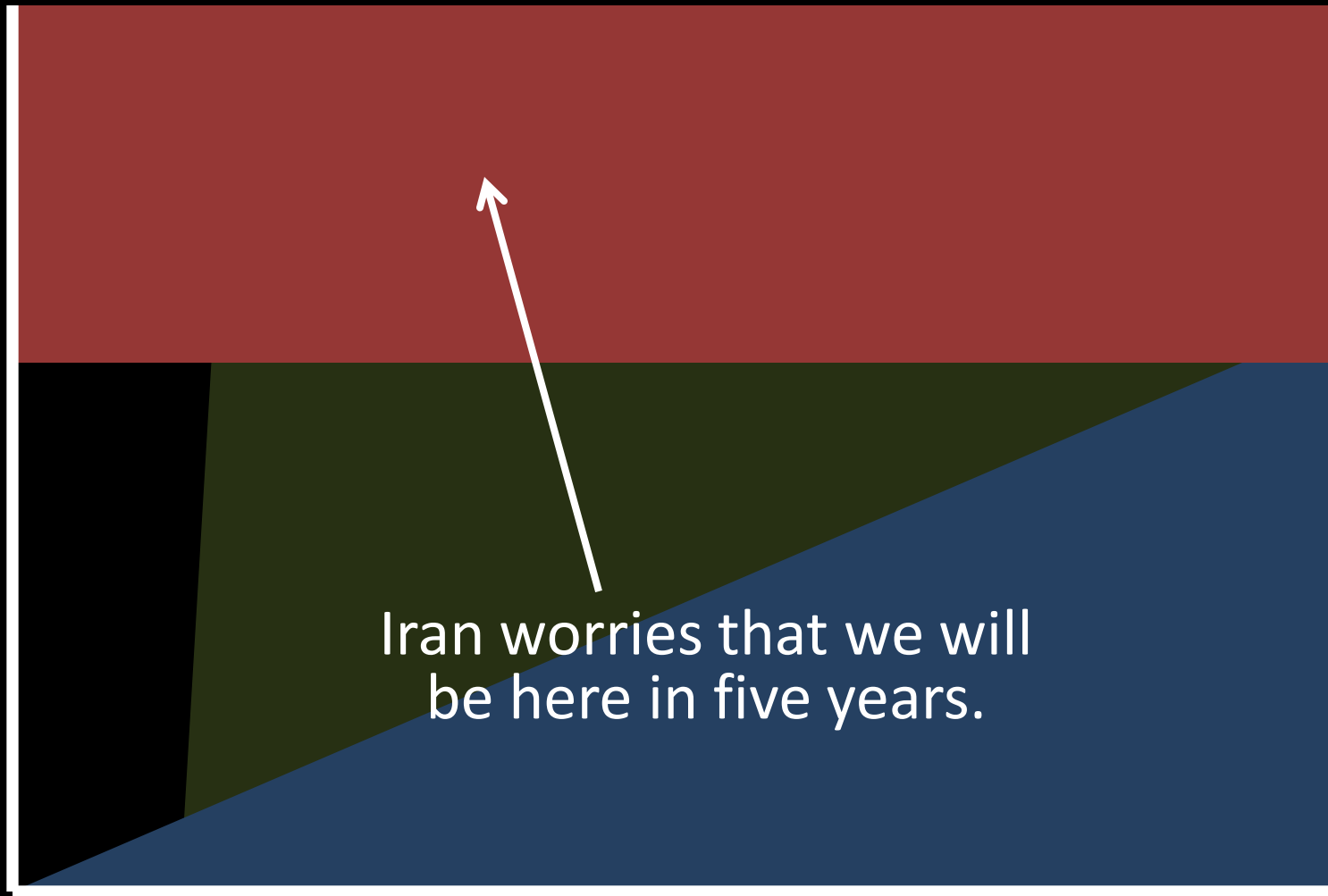
Today, we're here.

Cost of Nukes

# War Exhaustion

- As war exhaustion decreases, the U.S. finds preventive war more attractive.
  - Thus, the U.S. is willing to prevent under a wider range of circumstances.

Power Shift



Iran worries that we will  
be here in five years.

Cost of Nukes

# War Exhaustion

- As war exhaustion decreases, the U.S. finds preventive war more attractive.
  - Thus, the U.S. is willing to prevent under a wider range of circumstances.
- But if Iran already has a nuke, it is too late for this to make a difference.

# Iran's Decision

1. Accept bribes now, risk that the bribes will disappear as soon as U.S. war exhaustion disappears.
2. Build now, pay the costs, and ensure the U.S. will give concessions in the future.



# Policy Implication

- Current policy discussion in the U.S. focuses *entirely* on the credibility of Iranian commitment to a deal.
  - But commitment is easy as long as the bribes are good enough.
- U.S. should spend more time discussing the credibility of its own offers.