As the world powers gather in Berlin this week to discuss new punitive measures against Iran's nuclear programme, Europe is faced with a daunting task. On the one hand, it must remain tough and steadfast against Iran's defiance of two U.N. Security Council Resolutions. On the other hand, it must redefine suspension of enrichment in order to kick-start much needed negotiations and end the current lose-lose game being played between the West and Iran.

Back in the summer of 2006, European diplomats feared that escalation in the Security Council would aggravate the Iranian nuclear standoff and render a solution more difficult. These fears have now been realised, as Iran has defied two Chapter VII U.N. Security Council Resolutions demanding that it suspend its uranium enrichment programme and retaliate by scaling down its cooperation with the IAEA.

Thus far, the pressure from the Security Council -- or the financial sanctions imposed unilaterally by the U.S. -- has not softened Iran's position. On the contrary, both sides in the standoff have dug in their heels and limited the space for compromise. In spite of the cost of U.S. financial sanctions on the Iranian economy, Deputy Foreign Minister Abbas Araghchi declared earlier this week that Tehran was prepared to "pay the price" for continuing its nuclear programme.

"What has been the result of three (U.N.) Security Council resolutions, two introducing sanctions?" he asked. "Iran has quickened the pace of its peaceful activities and reduced its cooperation with the International Atomic Energy Agency... This can go on, but the result is an escalation of the crisis."

Washington and Brussels' difficulties have also increased since Iran has created new facts on the ground through the expansion of its nuclear programme. Every new centrifuge it installs strengthens -- at least in theory -- Tehran's negotiating position. Moreover, non-proliferation experts warn that Iran sooner or later will master the technology, after which a compromise limiting its nuclear activities may be out of reach.

Ironically, the lose-lose situation has created balanced incentives on all sides to seek a face-saving way out of the standoff. With the two key states in the equation standing so far from each other -- Iran refusing to give up enrichment and the U.S. seeing zero enrichment as the only acceptable outcome -- significant out-of-the-box thinking will be required from the Europeans in order to bridge these seemingly incompatible positions.

Lately, Europe has emboldened its diplomatic efforts. EU High Representative for the Common Foreign and Security Policy Javier Solana has publicly called for direct U.S.-Iran talks, a message the Europeans preferred to make in private only up until recently.
more, Solana has acknowledged that reform of the non-proliferation treaty is needed and that the Iranian case cannot be seen in isolation from that larger issue.

Moreover, the Europeans have floated several different ideas in order to get Iran to agree to the suspension precondition for negotiations, including an international enrichment consortium on Iranian soil.

The question is whether the promise of including such ideas in the framework of the negotiations -- but not committing to them -- is sufficient to entice Tehran to agree to a suspension. Tehran's conclusion from earlier negotiations with Europe -- where Iran suspended its enrichment activities -- is that suspension becomes a trap unless the West at the outset commits to solutions that wouldn't result in the suspension becoming permanent.

In the earlier negotiations with Europe, Iran entered the talks with the impression that the parties would identify "objective criteria" that would enable Iran to exercise its rights under the Nuclear Non-Proliferation Treaty while providing the international community with guarantees that the Iranian nuclear programme would remain strictly civilian. As the negotiations progressed, however, Europe gravitated towards the U.S. view that the only acceptable criteria would be for Iran not to engage in uranium enrichment in the first place.

As a result, Tehran felt trapped in the talks since the West at the outset commits to solutions that wouldn't result in the suspension becoming permanent.

Consequently, Tehran may continue to reject the call for suspension unless the framework for the negotiations does not just include solutions that would permit enrichment on Iranian soil, but more importantly, excludes any potential solution that would deprive Tehran of that activity.

Agreeing to such a framework will create another headache for Europe though -- Washington has thus far shown no appetite for any negotiations that would not have the explicit aim of ending all Iranian enrichment.

An alternative path may be to re-vamp an old idea that was floated around last summer in various track-II meetings. The idea, termed "freeze-for-freeze," would require both sides to freeze their activities from further advancement, but not require these activities to be halted. This would enable talks to begin while evading the suspension requirement, yet still prevent both sides from enhancing their positions by creating new facts on the ground.

Under this idea, Iran would continue its current nuclear activities, but it would be prohibited from expanding the programme or adding new centrifuges. Iran would freeze its programme, but not suspend it. The upside for the West is that a freeze would in essence delay the Iranian programme and provide the U.S. and EU with much needed time.

Western powers, on the other hand, would not have to roll back the U.N. sanctions against Iran -- a step that Washington seems to appreciate given of the difficulties it faced getting the Security Council to impose them in the first place. By keeping the sanctions intact, the U.S. would avoid a scenario in which Russia and China would resist efforts to re-impose sanctions after a failed negotiations attempt.

The "freeze for freeze" concept would, however, prohibit Washington from seeking to enhance the sanctions regime during the duration of the negotiations. Much like the Iranian programme, the Security Council track would be frozen, but not suspended.

Political support for the freeze-for-freeze concept remains weak, but as all sides start to feel the pain of the continuation of the current stalemate, the idea may pick up steam and provide the parties with a face-saving way out of the lose-lose game.

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