

Iraq between Iran and the United States: Seeking a Balance

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In the months since its establishment, the new government of Iraq, which relies heavily on the support of the pro-Iranian bloc in parliament, has sought a foreign policy that balances between Iran and the United States. In addition, the government, headed by Prime Minister Mohammed al-Sudani, hopes to improve relations with Iraq's Arab neighbors, as well as with Turkey. This diplomatic effort, which reflects the government's desire to bring some stability to Iraq and to resolve some of the country's most basic problems in the economic and security spheres, could make it easier for US troops to operate on Iraqi soil as part of the international coalition against ISIS. Of late, there has also been a noticeable decline in the number of attacks against US troops on Iraqi soil – attacks that had been blamed on the Shiite axis. At the same time, al-Sudani's government, which rests on the support of coalition partners, has provided incentives and financial payments to pro-Iranian militias in Iraq, with the appointment of senior members of these militias to lucrative positions in the institutions of power and the establishment of a company intended to provide them with income. These internal developments could improve the capabilities of the pro-Iranian militias and the ability of the Iranian regime to use them on the Iraqi front for regional military operations – as well as operations targeting Israel.

Iraqi Prime Minister Mohammed al-Sudani, who has been in office since October 2022 and leads the pro-Iranian Shiite camp, is promoting a foreign policy different from the aggressive line taken by the leaders of the pro-Iranian Shiite militias in Iraq toward the United States – especially when it comes to the involvement of US troops in Iraq. These militias have

consistently called for the removal of US troops from Iraq and even conducted attacks against them. Shortly after he assumed office, al-Sudani decided that the top priorities for his new government would be addressing the rampant corruption, the security situation (primarily the battle against ISIS terror cells), and the reconstruction of Iraq's collapsing civilian infrastructure, especially the electricity and water grids. In terms of foreign policy, al-Sudani emphasized that to turn Iraq into a stable and functioning state, it cannot afford to be a member of one of the warring camps in the region or to allow its territory to be used for proxy regional wars – or to neglect its ties with the United States.

Al-Sudani worked to implement these domestic and foreign policy goals immediately upon taking office. First, he took steps to reclaim the huge sums of money embezzled from the state coffers through institutional corruption, and he launched legal proceedings against anyone involved in corruption from the period of the previous government. On the political-security front, the Prime Minister did not hesitate to reaffirm his government's support for the presence of US troops in Iraq in a joint struggle against ISIS terror cells – even though this counters the position of those militias that are members of the ruling coalition. In interviews with the local and international media, al-Sudani sent reassuring messages to the United States, intimating that the presence of its troops is still necessary for the war on terror. When Iraqi Foreign Minister Fuad Hussein visited Washington, he sought to formulate understandings that would have the United States ease the sanctions placed on Iraqi banks, imposed in response to money smuggling to Iran and elsewhere. These understandings are intended to help Iraq deal with an economic crisis that has been severely aggravated because of the devaluation of the Iraqi dinar, given that the US sanctions harm the flow of dollars into Iraq.

After meeting with senior Iranian leaders in Tehran shortly after he assumed office, al-Sudani clearly realized that running the country would also entail stable relations with the United States, in part because of the crucial role that US currency plays in the Iraqi economy. Therefore, he has been careful to distance his government from the hawkish positions of Iran

and the pro-Iranian militias, which all oppose a US presence in Iraq. Indeed, he has even encouraged the United States to maintain troops in Iraq since they are so important to the security of the country, and has reached out to several Western nations in an effort to attract economic investment in Iraq.

In the Iranian context, al-Sudani continues the ambivalent policy of his predecessor. Alongside his desire to maintain a US military presence in Iraq, al-Sudani also enjoys warm relations with the Iranian leadership, hoping that this will persuade Tehran that his country poses no threat. The secretary-general of the Iranian Supreme National Security Council, Admiral Ali Shamkhani, visited Baghdad recently, where he signed a bilateral security agreement. Against this backdrop, it is no surprise that Iraq was quick to welcome the recent agreement between Iran and Saudi Arabia, insofar that Iraq was the principal mediator in the negotiations that led to the agreement, until the reins were handed over to China. The agreement serves Iraq's fundamental interest of preventing its territory from becoming a battleground between Iran and Saudi Arabia.

Al-Sudani's statements – as well as the steps he has taken vis-à-vis Iran, the United States, the Arab world, and Turkey – are evidence of his efforts to mitigate the negative effects of regional rivalries and conflicts on Iraq. Al-Sudani's policy is reflected in the ongoing political and security dialogues with both Iran and the United States, as well as in the tightening of economic ties with the Arab Gulf states and his efforts to reach understandings with Turkey over the division of natural water resources and the Kurdish issue.

At the same time, by focusing on bringing stability to Iraq and making it possible for economic and civilian development, the Prime Minister is trying to win the trust of the Iraqi public and of political forces that are not loyal to Iran. The Iraqi public did not vote for the current government in the most recent elections. Rather, the government was appointed by default, after Muqtada al-Sadr, the rival candidate, who had the best chances of forming a government, withdrew. It is clear to al-Sudani, therefore, that if the

economic and security situation in Iraq deteriorates, the government he heads, led by the pro-Iranian camp, could lose the credit it has enjoyed thus far from the parliamentary factions. His natural political rivals – primarily al-Sadr – could view this as an opportune moment to attack the government – if not in parliament, then in the streets. This is not merely a hypothetical scenario, given the social and economic protests that erupted in Iraq in 2019, which manifested themselves in anti-Iranian sentiments among young Shiites, and was followed by years of further social and economic decline.

That said, it appears that al-Sudani is aware of the limits of the power of the Iraqi state in the current constellation, where pro-Iranian militias under Iranian auspices have become stronger on its soil and with the governing coalition dependent on pro-Iranian forces. Therefore, al-Sudani is trying to placate them by offering them institutional benefits – appointing their representatives to key government positions or, in a move unprecedented in Iraqi history, establishing a government-owned company to be run by the militias' umbrella organization, the Popular Mobilization Forces. The company (which has been named after Abu Mahdi al-Muhandis, the legendary commander of the Popular Mobilization Forces who was killed by the United States alongside Qasem Soleimani) is supposed to manage national infrastructure projects that will provide an income to these militias – just as the Islamic Revolutionary Guard Corps owns and operates the Khatam-al Anbiya Construction Headquarters in Iran. Although for their part the militias have not expressed support for the understandings that al-Sudani has reached with the United States – some have even stated that they do not consider themselves bound by the policies of the government – there has been a noticeable decrease in the number of attacks carried out by pro-Iranian militias against US forces on Iraqi soil.

In terms of the US administration's approach to the Iraqi issue, it seems that there is nothing new under the sun. The Biden administration is focused on a wide range of issues, primarily the war in Ukraine and the growing tension with China, which means that the Middle East in general, and Iraq in particular, have been lowered on Washington's list of priorities.

Nonetheless, the meetings al-Sudani held with senior US officials, as well as the recent visit by US Secretary of Defense Lloyd Austin to Iraq, are testimony to how important it is to the administration to safeguard Iraqi stability. It appears that the administration is willing to support the al-Sudani government even though it is propped up by Shiite militias, primarily to ensure that US forces are not asked to leave the country entirely: the United States believes it is vitally important to train the Iraqi security forces to ensure that Islamic State does not regain a foothold on Iraqi soil. To this end, US officials are willing to show flexibility when it comes to easing sanctions on the Iraqi government, which would allow it to continue trading with Iran and even import oil and gas from the Islamic Republic.

Nonetheless, the most significant challenge facing the Iraqi government is the presence of Shiite militias in the country. This challenge has become increasingly acute given the rise in attacks by these Iranian-backed militias on US interests and bases in Syria, in revenge for the attacks they have sustained from various parties across Syria. The fact that the Biden administration waited so long before responding to these attacks – eventually conducting a strike on pro-Iranian encampments in Syria on March 23, 2023 – shows how concerned it is that these responses could open up a Pandora’s box, which would lead to escalation in Iraq that the US forces there would be hard-pressed to address, and which would threaten political and security stability in the country.

As far as Israel is concerned, there are pros and cons to al-Sudani’s policies. It is in Israel’s interest that the United States continue to operate militarily in Iraq and use its influence there – and al-Sudani’s policies encourage this. This is not enough, however, to limit the activities of the involved forces in the Shiite axis, including the Islamic Revolutionary Guard Corps and other pro-Iranian militias, which are growing stronger given that the Iraqi government relies on them, and they now enjoy financial dividends that formerly they did not have. Moreover, the steps taken by the al-Sudani government thus far have not restricted the freedom of operation enjoyed by these militias and by Iran in the border area between Iraq and Syria. This

is evidenced by reports in the foreign press, which accuse Israel of launching several air strikes in recent months to thwart efforts to smuggle arms through the land borders between Iraq and Syria.

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