

Study
July 2019

Strategic Study:

Gulf Arab-Iraqi Rapprochement: Causes, Regional Balance, and Challenges



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Abstract

The 2003 US-led invasion of Iraq disrupted the Middle East's regional balance of power. As the conflict wound down and the US began pulling its forces from Iraqi territories, Iran quickly filled political and security voids. Iran established a wide network of loyal politicians and proxy militias within Iraq that further Iranian interests in the country. Iraq's economy is highly dependent on Iran and the latter uses this to its advantage and to bypass international sanctions. The Arab Gulf states consider Iran's interference in Iraq destabilizing, and have pursued policies to counteract them. This led to recent efforts to re-engage Iraq in order to provide balance to the region.

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Gulf Arab-Iraqi Rapprochement: Causes, Regional Balance, and Challenges

1. Introduction

Iraq's regional role has undergone transformations since 2003. Prior to the US-led invasion, Iraq acted as a deterrent state against Iranian regional hegemonic ambitions, by limiting the Iranian Revolutionary Guard Corps' (IRGC) access to the Arab world. In the year 2003, that regional balance was disrupted as a result of the US-led invasion.

The level of US combat troop deployment in Iraq fluctuated based on the country's security situation and domestic sentiments. By the end of 2011, the US, fatigued with the surge against Iraqi extremist groups, sought to withdraw from Iraq, creating a security vacuum.

Iran, still affected by the experience of the Iran-Iraq war, sought to fill that vacuum. It mobilized political, economic and paramilitary assets in Iraq in an effort to limit the threat it could pose, and to bring Iraq within its regional orbit. The Arab Gulf states looked at the US withdrawal from Iraq and Iran's expanding influence in the country with concern, eventually leading to countermeasures.

This paper argues that the US withdrawal directly contributed to Iran's growth in influence in Iraq, but that recent government changes within Iraq provide the Arab Gulf states with an opportunity for rapprochement. This puts Iraq in an awkward position vis-à-vis the Arab Gulf states and Iran, especially as sentiments for national autonomy increase within the country. This paper concludes with some reflections regarding the options available to the Arab Gulf states.²

Withdrawal of US armed Forces from Iraq and its Implications

2.1. Background of US Armed Forces Withdrawal from Iraq

The level of US combat troops stationed in Iraq fluctuated based on Iraq's security situation. The largest contingent was realized in April 2003, where total US armed forces personnel numbered¹ 470,000 in the Middle East.² From that total,

¹ Throughout this paper, all numbers are presented to two significant figures, to maximize readability.

² Carter, Linwood B. 2005. Iraq: Summary of U.S. Forces. CRS Report for Congress, Washington DC: Congressional Research Services.

180,000 US troops entered Iraqi territories during Operation “Iraqi Freedom”.³ Within less than one month, US and coalition forces reached Baghdad and concluded Operation “Iraqi Freedom”. The military objectives were met and efforts transitioned into US democratization and stabilization efforts in Iraq, which necessitated a constant US military presence.

Following the collapse of Saddam Hussein’s government in April 2003, US forces maintained a significant presence within the country for stabilization purposes. Between May 2003 to November 2007, the total number of active US combat troops in Iraq fluctuated between 140,000 and 180,000. In September 2007, President Bush announced that the 170,000 American troops in Iraq at that time would be reduced by 5,700 by Christmas of that year. By the end of 2008, US troops in Iraq totaled 150,000.⁴ Total troop deployment is a direct reflection of the security situation in Iraq, in the sense that higher numbers of troops are a response to a deteriorating security situation.

In early 2007, the US began a military “surge” by deploying an additional 30,000 soldiers to Iraq, raising total active US troop deployment levels between 138,000 to 170,000. The “surge” sought to thwart insurgent momentum and capitalize on growing local rejection of Islamist extremist groups such as Al-Qaeda in Iraq (AQI).⁵ By its conclusion, local polls with the US and the US government itself suggested the country was fatigued from foreign military commitments.

2.2. Negotiations for the US Withdrawal from Iraq

Policies for reducing the US’ military footprint in Iraq began a year following the “surge”. In 2008, the Bush administration and Iraq negotiated a Status of Forces Agreement (SOFA) granting US troops in the country legal immunities, a necessary staple of US military bases abroad, but with the condition of a complete withdrawal by the end of 2011.⁶ The agreement stipulated that US forces should withdraw from Iraqi cities by June 30 2009, and a complete withdrawal from Iraqi territory by December 31, 2011.

By 2010 many key Americans and Iraqis thought that a US military presence beyond 2011 was advisable, for security and training purposes and at the policy level. Security aspects included training Iraqi forces, control of airspace, counterterrorism, while at the policy level would focus on continued US engagement and reassurance to regional

³ Al Arabiya English. 2018. 15 years of war in Iraq. March 20. Accessed March 10, 2019. <https://english.alarabiya.net/en/News/middle-east/2018/03/20/IN-PICTURES-15-years-of-war-in-Iraq-.html>.

⁴ Global Security. 2011. US Ground Forces End Strength. Accessed March 10, 2019. https://www.globalsecurity.org/military/ops/iraq_orbat_es.htm.

⁵ Katzman, Kenneth. 2015. Iraq: Politics, Security, and U.S. Policy. CRS Report Prepared for Members and Committees of Congress, Washington DC: Congressional Research Service.

⁶ Jeffrey, James F. 2014. Behind the U.S. Withdrawal from Iraq. November 2. Accessed March 10, 2019. <https://www.washingtoninstitute.org/policy-analysis/view/behind-the-u.s.-withdrawal-from-iraq>.

neighbors.⁷ The Pentagon began planning for a continued military presence, but an eight-month impasse on forming a new government in Iraq after the March 2010 Iraqi elections delayed final approval by authorities in the US.⁸

In January 2011, once the government of former Prime Minister Nouri Al-Maliki was formed, former US President Obama decided to prolong US military presence in Iraq. However, he was still not ready to tell Al Maliki or the American people. First, the US government had to determine the size of a residual force.⁹ Debates between the White House and the Pentagon on the size of that force persisted. The military argued for a larger contingent, while the White House preferred a force at or below 10,000 troops, due to costs and Obama's "all troops out" electoral campaign position. In June 2011, Obama decided that 5,000 troops would suffice as a residual force, and obtained Al Maliki's approval for new SOFA talks.¹⁰

Some point out that the Obama administration's decision to support the Al Maliki government, despite his controversial methods of contesting the election results, undermined Iraq's democratic process. The vast majority of Iraqis did not support Al Maliki's bid to form a government and remain prime minister. Most believed that former Iraqi Vice President Iyad Al Allawi's nationalist Iraqiya coalition should have the first chance to form a government, with Al Allawi as prime minister.¹¹ However, Obama administration officials were fixated on leaving Iraq as quickly as possible, and grew impatient after six months passed without Iraqi lawmakers forming a coalition government.¹²

The Obama administration needed a functioning Iraqi government in place to facilitate the withdrawal of US forces from Iraq in 2011. With political expediency in mind, the US government heavily lobbied the Iraqiya bloc into accepting a power sharing arrangement that some observers argued was not representative of the will of the Iraqi electorate. Somehow, despite his State Law bloc losing the election, Al Maliki consolidated power under him, after obtaining the US government's support. This helped fuel renewed domestic Iraqi grievances, which were held in check by the continuing presence of American troops.

⁷ Ibid.

⁸ Derby, Elena, and Anthony H. Cordesman. 2010. *The Uncertain Politics behind Iraq's Election: Political Controversies and the Formation of a Viable Government*. Washington DC: Center for Strategic & International Studies.

⁹ Jeffrey, 2014.

¹⁰ McKeon, Brian P. 2018. *False Comparisons: Obama's Military Withdrawal from Iraq and Trump's Syria Disengagement*. December 21. Accessed March 10, 2019. <https://www.justsecurity.org/61991/false-comparisons-obamas-military-withdrawal-iraq-trumps-syria-disengagement/>.

¹¹ National Democratic Institute. 2010. *Iraqis Discouraged by Post-Election Government Negotiations*. July 30. Accessed March 11, 2019. https://www.ndi.org/Iraqis_Discouraged_Post_Election.

¹² Mannina, Ryan N. n.d. *How the 2011 US Troop Withdrawal from Iraq Led to the Rise of ISIS*. Accessed March 11, 2019. <https://smallwarsjournal.com/jrnl/art/how-2011-us-troop-withdrawal-iraq-led-rise-isis>.

2.3. Implications of the US Military Withdrawal from Iraq

In hindsight, the withdrawal of US military forces from Iraq resulted in two clear implications that resonate in Iraq today. First, the disintegration of Iraq's political landscape fostered the rise of Daesh. Second, Iran increased its presence and influence in Iraq as the US disengaged both militarily and politically in the country. Observers agree that Iraq did not heed lessons from the systemic causes that led to the rise of AQI. Many western Iraqi tribes felt their political influence in the government abated, and in some respect, were targeted, allowing AQI to consolidate a significant presence within the country, repeating a familiar cycle of once-defeated terrorist groups reemerging in the wake of the withdrawal of US military forces.

Prior to the withdrawal, Nouri Al Maliki, who campaigned on a platform of uniting Iraq, had a unique opportunity to bring together Iraq's various identity groups in order to create a unified government. Rather than fulfill those promises, the former prime minister's decisions and policymaking became increasingly divisive, creating a political crisis within the country.¹³ Instead, Al Maliki prioritized securing his own position as leader.¹⁴ Some scholars corroborated this analysis, citing that the failure to build a sustainable and inclusive political system after 2003 and the authoritarianism of Maliki together explain the rise of Daesh.¹⁵ Even though the US made countless missteps during the occupation and democratic transition, Nouri Al Maliki's actions deepened the divides within Iraqi society and facilitated the emergence of Daesh.¹⁶ Conversely, Iraq's sensitive political scene was also susceptible to regional interference.

With the withdrawal of US troops, it became clear that US-Iranian competition in Iraq was creating an uncertain and unstable environment.¹⁷ US military presence acted as a check on Iranian influence, however, the US government's intention to reduce its military presence in Iraq essentially created a vacuum to be filled and Iran did so decisively, a development observed by the Arab Gulf states with concern.¹⁸

Iran's long historical conflicts with Iraq still resonates within Iran's government, and played a role in Iran's strategy in Iraq. It shares its longest physical border with Iraq, stretching approximately 1,500 km. In 2007, former Iranian President

¹³ Morgan, Arthur V. 2016. *The Rise of the Islamic State: How the Nouri al-Maliki government set the conditions for the resurgence of Islamic extremism in Iraq*. Master of Arts Thesis, Charlottesville: University of Virginia.

¹⁴ Ibid.

¹⁵ Toby Dodge, "Iraq doesn't have to fall apart. It can be reformed," *Guardian*, June 13, 2014, accessed March 12, 2019, <https://www.theguardian.com/commentisfree/2014/jun/13/iraq-isis-terrible-decisions-2003-new-course-state-survive>.

¹⁶ Morgan, 2016.

¹⁷ Cordesman, Anthony H., and Sam Khazai. 2012. *Iraq After US Withdrawal: US Policy and the Iraqi Search for Security and Stability*. Washington DC: Center for Strategic & International Studies.

¹⁸ Stratfor Assessments. 2010. *The U.S. Withdrawal From Iraq*. March 5. Accessed March 12, 2019. <https://worldview.stratfor.com/article/us-withdrawal-iraq>.

Mahmoud Ahmadinejad proclaimed that “Iran is prepared to fill the vacuum left by the Americans retreating from Iraq.”¹⁹ The next section examines this issue in greater detail.

3. Iranian Influence in Iraq Following US Withdrawal

3.1. Iraq’s Strategic Importance to Iran

Iraq’s geographic location is critical for Iran’s regional hegemonic goals. First, Iraq is home to important religious sites, such as Karbala and Najaf. When Daesh conquered territories proximate to those two locations, Iran felt compelled to mobilize its proxies in Iraq, also seizing the opportunity to display its capabilities and influence in the Middle East.²⁰ In this sense, Iran’s interference in Iraq can be seen as a direct rebuke to other regional actors. Furthermore, Iran’s interference in Iraq is a reminder to the international community; especially major players beyond the region, such as the United States, China, Russia and the European Union; that it is a key regional powerbroker.²¹ This feature was pivotal to Iran’s Joint Comprehensive Plan of Action negotiations and reduced the country’s international isolation.²²

Iraq still holds an important place in the psychology of Iran. Many of Iran’s current regional policies are shaped based on the Iran-Iraq war experience that followed the Iranian revolution of 1979. The war was commonly described as a “Holy Defense” by many top Iranian officials.²³ The 2003 overthrow of the Saddam Hussein government and subsequent empowerment of Iran’s political proxies in Iraq was undoubtedly considered a success by the Iranian government, and vindication from the Iran-Iraq war.²⁴

3.2. Iran’s Political Influence in Iraq

Iran began forming political ties with Iraqi individuals and groups prior to the 2003 invasion. During the Saddam Hussein era, Iran was an asylum for numerous Iraqi political opposition organizations. These ties are deep and continue

¹⁹ Greenwall, Megan. 2007. Riots at Iraqi Religious Festival Leave 28 Dead. August 29. Accessed March 12, 2019.

<https://www.washingtonpost.com/wp-dyn/content/article/2007/08/28/AR2007082800303.html>.

²⁰ Nader, Alireza. 2015. Iran's Role in Iraq: Room for U.S.-Iran Cooperation? Washington: Rand Corporation.

²¹ Ibid.

²² Ibid.

²³ Ibid.

²⁴ Ibish, Hussein. 2018. The Power of Positive Diplomacy: Saudi Outreach in Iraq since 2014. Issue Paper, Washington DC: The Arab Gulf States Institute in Washington.

to resonate in the post-Saddam political era in Iraq. Iran provided financial, logistical and organizational support to Iraqi opposition political groups and essentially created a clientilistic relationship.²⁵

Iran's political goals are straightforward. It is attempting to unite co-religionist parties into a single bloc and transform a demographic majority into political influence. It is a long-term strategy that Iran seeks to leverage through allied parties it helped support and establish decades ago.²⁶ Additionally, Iran seeks to maintain cordial relations with Iraqi Kurds, as Iran is home to sizable Kurdish population.²⁷ Iran is aware that any negative ramifications could spill over into its own borders.

Iran's most prominent Iraqi political and paramilitary clients include the Islamic Supreme Council for Iraq (ISCI), the Badr Organization, and the Islamic Dawa party. Iran exercises its influence through its embassy in Baghdad and consulates in Basra, Karbala, Irbil and Sulaymaniyah.²⁸ It is also worth noting that Iran's first two ambassadors to Iraq post-2003, served in the Quds Force of the IRGC. The unit's main responsibility is the country's foreign covert operations and underscores Iran's security services' role in formulating and executing policies in Iraq. Iran also relies on operatives from its most prominent proxy, Hezbollah, to support various Iraqi militias.²⁹

Iran's influence in Iraq's political landscape is also quite adaptive. Even though the Iranian-friendly government of Nouri Al Maliki signed the SOFA with the Bush administration, Iran was able to coerce Iraqi politicians on the timetable obligations of the withdrawal of US forces from Iraq, while obliging to comply in refraining from attacking neighboring countries from its borders.³⁰

The United States was well aware of Iranian activities in Iraq soon after the invasion. The US Army officials warned that "They (Iran) can change the election results with roadside bombs, killings, assassinations of important candidates. And they can do this so that other elements will be blamed."³¹ Iran's political influence in Iraq is closely intertwined with its Iraqi proxies, as an official buffer to deny any affiliation or involvement.³²

²⁵ Banjo, Ofra. 2005. "The Fall of the Ba'ath: The Struggles of the Iraqi Elites." In *Generational Changes in the Middle East*, by Tamar Yegnes. Tel Aviv: The Moshe Dayan Center for Middle East and Africa Studies.

²⁶ Eisenstadt, Michael, Michael Knights, and Ahmed Ali. 2011. *Iran's Influence in Iraq: Countering Tehran's Whole-of-Government Approach*. Washington: Washington Institute.

²⁷ *Ibid.*

²⁸ *Ibid.*

²⁹ *Ibid.*

³⁰ Guzansky, Yoel. 2011. *Made in Iran: The Iranian Involvement in Iraq*. Strategic Assessment, Tel Aviv: Institute for National Security Studies.

³¹ *Ibid.*

³² *Ibid.*

The March 2010 Iraqi elections exhibited the extent of Iran's political influence in the country. US military intelligence outlets relayed that there was significant evidence of Iranian efforts to undermine Iraqi election results by utilizing financial and military assistance through its various proxies in the Iraqi political scene.³³ This was echoed by former US Secretary of State, Hillary Clinton, during a hearing before the Senate Foreign Affairs Committee. The former Secretary of State noted that in 2010, the United States, was making arrangements to counteract the effects of Iranian attempts to interfere with the elections, which typically involved bribery and financial support for certain candidates.³⁴ Iraqi clients of Iran were often co-religionists aligned with Iranian regional goals.

Iran's influence in the 2010 election was made evidently clear following the results. A substantial Iraqi political delegation visited Tehran immediately following the elections, to engage in talks of forming the future government in Iraq.³⁵ Iyad Al Alawi corroborated Iran's interference in Iraq's political scene. He noted that Iran's allies in Iraq's security forces carried out arrests and imprisoned many of his political allies, and admitted that the US was wary of Iran's influence in Iraq.³⁶ The former Iraqi Vice president said in an interview with Germany media outlet, Der Spiegel, that the US was convinced that had Al Alawi come into power against Iran's will in the 2010 elections, Iran would further impede progress in Iraq, and that keeping him from coming into power was the lesser evil that the US was willing to accept.³⁷

Iraq's most recent elections reveal that Iran still has a strong grip in Iraq's domestic political scene, despite changing attitudes from Iraqi politicians towards Iran. Political candidates competed for 329 parliamentary seats. By far, Muqtada Al Sadr, prominent cleric and political leader of the Sadrist movement, saw the biggest gains in the 2018 elections. Al Sadr's non-aligned Sairoon coalition came first with 54 seats; Hadi Al Amiri's Fatah Alliance, a political bloc aligned with Iran, won the second most seats with 47 seats in parliament in May 2018; while Nouri Al Maliki's State Law Coalition came fourth with 25 seats.³⁸ Despite losing a majority to Sairoon, the Fatah Alliance offers Iran leverage to influence the most current Iraqi government. This was evident when the head of the IRGC Quds Force, Qasem Soleimani, travelled between Iran and Iraq to include the Fatah Alliance within a broad parliamentary coalition.³⁹ The move coincides with Iran's recent efforts to enrich its network of client Iraqi paramilitary forces in the country, as means to consolidate its

³³ Thom Shanker, "General Says 2 Iraqi Politicians Have Ties to Iran," New York Times, February 17, 2010.

³⁴ Guzansky, 2011.

³⁵ Nordland, Rod. 2010. Iran Plays Host to Delegations After Iraq Elections. April 1. Accessed March 24, 2019 .

<https://www.nytimes.com/2010/04/02/world/middleeast/02iraq.html>.

³⁶ Bednarz, Dieter, and Klaus Brinkbäumer. 2014. Iraqi Election Fear 'No One is Safe Anymore'. April 28. Accessed March 24, 2019.

<http://www.spiegel.de/international/world/ayad-allawi-interview-about-iraqi-election-and-american-interference-a-966568.html>.

³⁷ Bednarz and Brinkbäumer, 2014.

³⁸ MacDonald, Alex. 2018. Sadrist-Communist alliance set for victory as PM Abadi calls for cooperation. May 14. Accessed July 3, 2019.

<https://www.middleeasteye.net/news/sadrist-communist-alliance-set-victory-pm-abadi-calls-cooperation>.

³⁹ Badawi, Tamer. 2018. Iran's Economic Leverage in Iraq. May 23. Accessed March 24, 2019. <https://carnegieendowment.org/sada/76436> .

control over Iraqi economic policy, where Iran has less, but still significant, influence compared to other policy arenas such as security and national politics.

3.3. Iran's Economic Influence in Iraq

Iran is a significant player in the Iraq's economy. Trade between is characterized by a large trade surplus in Iran's favor, and years of sanctions and instability in Iraq have rendered Iraq heavily dependent on Iranian trade. Estimates indicated after the 2003, Iraqi-Iranian trade levels has grown by 30%.⁴⁰ In 2009, trade between both nations reached \$4 billion. It was during this stage that both countries sought to double trade levels.⁴¹ More recent figures corroborate these intentions, as Iranian President Hassan Rouhani, said during the UN General Assembly that bilateral trade with Iraq could reach \$20 billion in 2018 after eclipsing \$12 billion during the previous year.⁴² In fact, Iran's economic influence is deep to the point where the Iranian Rial is used for trade in Iraq's more economically prosperous Basra and southern regions.⁴³ In addition, two of Iran's largest banks operate in Iraq, and a variety of subsidized Iranian goods delivered by Iranian-made vehicles are widely available in the Iraqi market.⁴⁴

Iran continues to assume an important role in the reconstruction of Iraq, but it does so as a means to develop a state of codependence between both states. After the 2003 US-led invasion, both nations signed multiple economic agreements. Iran appointed a special committee, headed by former Iranian President Mahmoud Ahmadinejad, to further economic ties with Iraq.⁴⁵ When Ahmadinejad visited the country in March 2008, which was the first visit of an Iranian head of government in Iraq since the Iranian revolution of 1979, Iran announced an extension of \$1 billion credit for Iranian exports to Iraq. Similarly, another \$1 billion was also allotted for the construction of Najaf airport on behalf of the tens and thousands of Iranian pilgrims visiting the city on a monthly basis. In addition, both countries signed seven cooperation agreements in the fields of security, customs and tariffs, industry, education, environment, transportation and the co-development of a free trade zone near the Basra border region.⁴⁶

Initially, the United States did not oppose both states forming closer economic cooperation, as the US believed it could contribute to Iraqi stability. However the United States remained wary that such agreements could help Iran to bypass

⁴⁰ Wong, Edward. 2010. Iran is Playing a Growing Role in Iraq Economy. March 17. Accessed March 24, 2019.

⁴¹ Dagher, Sam. 2010. *Iran's Ambassador to Iraq Promises Closer Trade Ties*. August 11. Accessed March 24, 2019.

⁴² Reuters. 2018. *Rouhani sees Iran-Iraq trade rising to \$20 billion a year from \$12 billion*. November 17. Accessed March 24, 2019.

<https://www.cnbc.com/2018/11/17/rouhani-sees-iran-iraq-trade-rising-to-20-billion-a-year-from-12-billion.html>.

⁴³ Guzansky, 2011.

⁴⁴ Chon, Gina. 2009. Iran's Cheap Goods Stifle Iraq's Economy. March 18. Accessed 2019 March, 2009.

⁴⁵ Guzansky, 2011.

⁴⁶ Congressional Research Service. 2009. Iran's Activities and Influence in Iraq. Washington: Congressional Research Service

international sanctions, such as when Iraq recently established a financial “loophole” to continue purchasing gas and electricity supplies from Iran despite sanctions in July 2019.⁴⁷

Shared borders permit Iran to exert economic influence within Iraq. For instance, Iran is responsible for a significant part of Iraq’s electricity supply, where it suffers from consistent shortages.⁴⁸ Iraq has previously accused Iran of using water shortages in order to pressure Iraqi politicians to expel the Iranian opposition group Mujahedeen-e-Khalq from its territories.⁴⁹ Iran has reduced the flow of water to Iraq by creating water diversions and constructing dams, which reduced water flow from the Karun River, which is Basra’s main water source, and the Sirwan River that flows into the Shatt-Al Arab.⁵⁰

Iran continues to find avenues to increase its economic role in Iraq. Iran has learned from its experience with Hezbollah and Lebanon, and seeks to implement a similar economic-client model in Iraq. This includes establishing economic foundations, such as developing existing welfare programs linked with Iranian proxies within the Popular Mobilization Units (PMU), including Asaib Ahl Al Haq (AAH) and Harakat Hezbollah Al Nujaba.⁵¹

3.4. Iran’s Paramilitary Proxies in Iraq

After April 2003, Iran exploited the ensuing instability in Iraq for two primary strategic reasons. First, to reduce risks to its national security, especially in areas close to its borders. Second, to gain regional hegemony in the Arab Gulf region.

Within this context, the Quds Force of the IRGC played a pivotal role. After Iran established diplomatic missions throughout Iraq, the Quds Force expedited supplying local Iraqi militias with training, financing, equipment, and weaponry. Some of the training included surveillance methods of targets and improvised explosive devices (IED) handling and training. It can be said with certainty that IED and surveillance training provided by Iran to local Iraqi militias

⁴⁷ Gebeily, Maya. 2019. Iraq sets up 'loophole' in US sanctions to buy Iranian power. July 2. Accessed July 3, 2019. <https://news.yahoo.com/iraq-sets-loophole-us-sanctions-buy-iranian-power-021241585.html>.

⁴⁸ Bloomberg Business Week. 2010. *“Iran Must Build Lasting Economic Ties with Iraq, Official Says*. June 30. Accessed March 2019.

⁴⁹ Guzansky, 2011.

⁵⁰ Ibid.

⁵¹ Badawi, 2018

caused significant damage and death to Iraqi and American soldiers,⁵² and to infrastructure; as well as swaying local Iraqi elections in Iran's favor. Approximately 20% of US combat deaths were the caused by Iranian-back militias.⁵³

Early on, the United States was concerned by the tactical military assistance Iran was proving to local Iraqi proxy militias. Many US military commanders who served in southern Iraq have testified in front of the US Congress, citing major concerns that Iran deployed plain-clothed Quds Force operatives to gather intelligence and maintain constant communications with pro-Iranian proxies in the region. The primary functions of these plain clothed Quds Force units were to identify and train Iraqi militia fighters, setup safe transit routes for Iranian-allied political activists and arms between both states, and provide assistance in Iranian terrorist activities.⁵⁴ Furthermore, US intelligence outlets have repeatedly reported that Iran also cooperates with Hezbollah operations in Iraq, as they are native Arabic speakers and have accumulated vast battle experience that is transferred to Iranian-aligned paramilitary proxies in Iraq, even though in the past, Iranian senior officials pledged to put an end to such activities.⁵⁵

The Iraqi-Iranian border remains largely unmanned following the 2003 invasion. This lapse in border security allowed Iran to infiltrate southern Iraq and establish key connections to the rest of the country, which ultimately bolstered its influence in Iraq. According to migration estimates, over 1.5 million people have crossed the border;⁵⁶ a majority are Iraqi exiles who were ordered by IRGC Quds Force to migrate into Iraq. Interestingly, one of Iran's former ambassador to Iraq, Hassan Kazemi-Qomi, was an officer in the IRGC. Before his tenure in Iraq, he previously worked as a consultant in the Iranian embassy, often consulting with Hezbollah Lebanon. Another former Iranian ambassador to Iraq, Hassan Danafar, served in the IRGC Navy.⁵⁷

As of 2014, there are over 50 militias operating in Iraq,⁵⁸ which included many new groups created by Iran after 2003. Not one particular Iranian-allied militia group appears to fulfill all of Iran's needs, thus requiring a variety of groups tasked with various Iranian objectives in Iraq. For instance, the Badr Organization is heavily embedded in the Iraqi

⁵² Gordon, Michael, and Andrew Lehen. 2010. Leaked Reports Detail Iran's Aid for Iraqi Militias. October 23. Accessed March 25, 2019. <https://www.ndtv.com/world-news/leaked-reports-detail-irans-aid-for-iraqi-militias-437073>.

⁵³ Filkins, Dexter. 2013. *The Shadow Commander*. September 30. Accessed March 25, 2019. <https://www.newyorker.com/magazine/2013/09/30/the-shadow-commander>.

⁵⁴ Myers, Steven Lee, and Thom Shanker. 2010. *Attacks on Baghdad Green Zone Surge*. September 29. Accessed 25 March 2019.

⁵⁵ 2010. Unclassified Report to Congress on the Military Power of Iran - Report Released April 2010. April. Accessed March 25, 2019. <http://www.abovetopsecret.com/forum/thread581321/pg1>.

⁵⁶ Rabi, Uzi. 2008. "The Shiite Storm: The Iranian Vision and the Arab Concern." In *Iranian Time*, by Uzi Rabi. Tel Aviv: Hakibbutz Hameuhad Press.

⁵⁷ Guzansky, 2011.

⁵⁸ Smyth, Philip. 2012. *All the Ayatollah's Men*. August 22. Accessed March 25, 2019. <https://nationalinterest.org/article/all-the-ayatollahs-men-7344>.

political system, and therefore, is not a pure paramilitary force, while groups such as Kata'ib Hezbollah and Asa'ib Ahl Al Haq (AAH) are more likely to directly to pursue Iranian policies in Iraq.⁵⁹

The Badr Organization remains a fundamental component of Iran's paramilitary proxies in Iraq. By far, Badr Organization has the longest standing ties with Iran. An armed wing of the Supreme Council of Islamic Revolution in Iraq (SCIRI), initially named the Badr Corps, fought alongside the IRGC during the Iran-Iraq War. The current Badr Organization leader, Hadi Al Amiri, served with Quds Force commander, Qassim Soleimani, on the front lines of that war.⁶⁰ Al Amiri is also believed to have dual Iraqi-Iranian citizenship and is married to an Iranian woman.⁶¹ He is also known to wear a uniform resembling that of IRGC personnel more than that of a Iraqi army standard uniform.⁶²

The SCIRI became integrated into the new Iraqi government and changed its name to the ISCI after 2003. Part of this integration led to Badr Corps being dissolved in 2003 and thousands of its militants were incorporated into the Iraqi army, police and security forces.⁶³ Over a period of time, differences were becoming more apparent between the ISCI and the Badr Organization, as the once linked entity, were acting autonomously. The ISCI became somewhat independent from Iran, while the Badr Organization remained in line with Iranian policies in Iraq.⁶⁴ The Badr Organization has up to 15,000 militia fighters within its ranks and has been operating an Islamic Cultural Center, which aims to train Iraqi youth in Iran's theocratic ideology throughout Iraq.⁶⁵

The Badr Organization remains influential in Iraqi politics. In 2014, former Iraqi Prime Minister, Haider al Abadi, appointed Mohammad Al Ghabban as Interior Minister, giving him control over the country's security and intelligence services.⁶⁶ This trend continued in the more recent 2018 Iraqi government, where Qasim Mohammad Jalal Al Araj, a senior member of the Badr Organization, was appointed as the Interior Minister,⁶⁷ a likely hurdle for the Gulf-Iraqi rapprochement.

⁵⁹ Nader, 2015.

⁶⁰ Brennan, Rick, Charles Ries, Larry Hanauer, Ben Connable, Kelly Terrence, Michael McNeerney, Stephanie Young, Jason H. Campbell, and Scott McMahon. 2013. *Ending the U.S. War in Iraq: The Final Transition, Operational Maneuver, and Disestablishment of United States Forces—Iraq*.

⁶¹ Karami, Arash. 2014. Iran News Site Profiles Head of Iraq's Badr Organization. November 13. Accessed March 25, 2019.

⁶² Dehghanpisheh, Babak. 2014. *Iran's Men in Baghdad: Three Iranian-Backed Shi'ite Militias Have Together Become the Most Powerful Military Force in Iraq*. November 12. Accessed March 26 2019. <http://graphics.thomsonreuters.com/14/11/MIDDLEEAST-CRISIS:IRAN.pdf>

⁶³ Eisenstadt, Knights and Ali, Iran's Influence in Iraq 2011.

⁶⁴ Brennan et al. 2013

⁶⁵ *Velayat-e Faghih's Orders Are Foundation for Badr Fighters*. October 24. Accessed March 26, 2019. <http://www.mashreghnews.ir/fa/news/356612>.

⁶⁶ AFP, "Baghdad Shootout Points to Growing Militia Threat," Al-Monitor, October 21, 2014

⁶⁷ Brodsky, Jason M. 2017. Defeating ISIS isn't enough — US must protect Iraq from looming Iran. July 12. Accessed March 26, 2019.

<https://thehill.com/blogs/pundits-blog/foreign-policy/341640-defeating-isis-isnt-enough-us-must-protect-iraq-from-a>.

Asa'ib Ahl Al Haq was initially part of the Jaish Al Mahdi, but then splintered into its own organization in 2006. Iran chose Muqtada Al Sadr's rival, Qais Al Khazali, to lead AAH, and had senior Hezbollah operative, Ali Musa Daqduq, to provide training for its fighters.⁶⁸ The United States often refers to AAH as a "direct action" arm of the Quds Force.⁶⁹ Of all the Iranian militia proxies in Iraq, the AAH is very reminiscent of Lebanese Hezbollah, in both structure and absolute loyalty to Iran. Additionally, like Lebanese Hezbollah, AAH provides a wide range of social services that serve as means to disseminate pro-Iranian ideology.

The AAH has strong loyalty to Iran. It expresses deep devotion to Ali Khamenei and promotes the ideology of velayat-e faqih. AAH fighters are followers of ayatollahs Hashemi Shahroudi and Kzem Haeri,⁷⁰ and in return, AAH receives between \$1.5 million and \$2 million per month from Iran to fund their fighters, which number between 5,000 to 10,000 personnel.⁷¹ The Quds places a large amount of trust into AAH, allowing them more autonomy to plan their own operations compared to other Iranian militia proxies in Iraq.⁷² In 2014, AAH became involved in Iraq's political scene, competing and winning multiple seats in parliament. Nouri Al Malki believed that AAH's participation would act as a counterweight to Muqtada Al Sadr's political influence.⁷³

Since 2013, AAH's political arm has provided social services to Iraqis, including financial aid for orphans and widows. It runs a vast network of madrasas called the "Seal of the Apostles", which promote Iranian ideologies. AAH has also established a Department of Religious Schools in Najaf that is tasked with recruiting young clerics,⁷⁴ and broadcasts its political messages through Friday prayer sermons at the Sabatayn Mosque in Baghdad and the Abdulla al Radiya Mosque in Diyala,⁷⁵ with the ultimate objective of spreading vilayet-e fiqeh throughout Iraq.⁷⁶

Kata'ib Hezbollah is another group that splintered off from the Jaish Al Mahdi, which was established by the Quds Force in early 2007. Similar to AAH, the United States considers Kata'ib Hezbollah a "direct action" arm of the IRGC.⁷⁷ The group has approximately 3,000 fighters who are highly loyal to Iran.⁷⁸ Kata'ib Hezbollah is considered highly skillful

⁶⁸ Brennan et al., 2013.

⁶⁹ Ibid.

⁷⁰ Mabna-ye Razmandegaan-e Badr Amr-e Velayat-e Faghih Ast [Velayat-e Faghih's Orders Are Foundation for Badr Fighters], Mashregh News, October 24, 2014.

⁷¹ Dehghanpisheh, Iran's Men in Iraq 2014.

⁷² Ibid.

⁷³ Nader, 2015.

⁷⁴ Wyer, Sam, The Resurgence of Asa'ib Ahl Al-Haq, Washington, D.C.: Institute for the Study of War, Middle East Security Report 7, December 2012.

⁷⁵ Stanford University, "Asa'ib Ahl al-Haq," Mapping Militant Organizations, retrieved November 10, 2014

⁷⁶ Wyer, 2012.

⁷⁷ Brennan, et al., 2013.

⁷⁸ Dehghanpisheh, 2014.

and is trusted with Iran's most sensitive and advanced weaponry.⁷⁹ The Kata'ib Hezbollah also oversees a contingent found within the Popular Mobilization Unit (PMU) that was tasked with combating Daesh. The organization appears to be focused primary in paramilitary activities, unlike the AAH.

The organization is led by Jamal Al Ibrahim, also known by nom de guerre as Abu Mahdi Al Muhandis, who has a long history of affiliation with leaders from the Badr Organization and is a close advisor to Qassim Soleimani.⁸⁰ Al Ibrahim's family resides in Iran and he is known to have acted as a liaison between Soleimani and Nouri Al Malki.⁸¹

3.4.1 The Popular Mobilization Unit

The Popular Mobilization Unit was established in July 2014, during the advent of Daesh of that year. The PMU is comprised of 67 militias under one umbrella, of which 40 militias are believed to be Iranian proxies close to the Quds Force.⁸² Estimates indicated that PMU fighters number between 110,000 and 122,000.⁸³ Approximately 70,00 to 90,000 of those fighters have been deployed in the battlefield. From that total, it is estimated that 50,000 fighters under the PMU umbrella are comprised of militia proxies that are under the influence of the Quds Force, especially from the ranks of Kata'ib Hezbollah and AAH.⁸⁴

While the role of the PMU umbrella is formalized within Iraq's national security architecture, its long-term impact in Iraqi politics is still unclear.⁸⁵ The law that rendered the PMU as an official government organization states that the PMU must remain apolitical, and separate from non-governmental militia forces.⁸⁶ In reality, many of most powerful groups within the PMU are still linked to other militias that support various Iraqi political actors such as Muqtada Al Sadr, or Iranian-allied figures such as Ammar Al Hakim.

⁷⁹ Giovanni, Janine Di. 2014. *Nemesis: The Shadowy Iranian Training Shia Militias in Iraq*. November 27. Accessed March 26, 2019. <https://www.newsweek.com/2014/12/05/nemesis-shadowy-iranian-training-shia-militias-iraq-287610.html>.

⁸⁰ Dehghanpisheh, 2014.

⁸¹ Ibid.

⁸² Heras, Nicholas A. 2017. *Iraq's Fifth Column: Iran's Proxy Network*. Counterterrorism Series, Washington: Middle East Institute.

⁸³ Kalin, Stephen. 2016. *Iraq's Shi'ite militias could prove bigger test than Mosul*. December 1. Accessed March 27, 2019. <https://www.reuters.com/article/us-mideast-crisis-militias-insight-idUSKBN13Q4AJ>.

⁸⁴ Heras, 2017.

⁸⁵ Ibid.

⁸⁶ Sattar, Omar. 2016. *How Iraq's PMU law is disrupting national unity efforts*. December 14. Accessed March 27, 2019. <https://www.al-monitor.com/pulse/originals/2016/12/national-settlement-pmu-law-iraq.html>.

Iran's proxy network in Iraq was instrumental in the development of the PMU. In June 2014, Al Muhandis was appointed by Al Maliki as the deputy commissioner on the Prime Minister's Commission on the PMU.⁸⁷ Other Iranian proxies such as the AAH, Kata'ib Hezbollah and Badr Organization trained and coordinated constituent militias of the PMU.⁸⁸ The training process was a continuation of Iran's strategy to further embed its proxy network within Iraq's security architecture, including internal security forces and special operations. This will likely compound the IRGC's influence within Iraqi security decision-making circles.

Currently, the three most prominent proxy network groups in the PMU are Harakat Hezbollah al Nujaba', Saraya Al Khorasani, and Quwat Abu Fadhil Al Abbas, all of which are led by commanders who were Quds Force operative during the 1980s and 1990s.⁸⁹ Harakat Hezbollah is led by Akram Al Kaabi, and the group's fighters total 4,000 personnel. Harakat was developed from the larger Kata'ib Hezbollah organization and frequently travel to Syrian battlefields. Saraya Al Khorasani is led by Ali Al Yasseri, and their forces number 3,500. It is politically associated with Hizb Al Tal'ia Al Islamiyya, which is tasked with implementing the vilayet-e fiqeh throughout the Iraqi political process.⁹⁰

4. Gulf-Iraqi Relations and Recent Strategy of Rapprochement

4.1. History of Gulf Arab-Iraqi Relations

Historical relations between the Arab Gulf states and Iraq have undergone considerable changes. After the 1979 Iranian revolution, Gulf states formulated an intra-regional mechanism to safeguard their borders and interests against Iranian expansionism, creating a shared interest with Iraq: they both have in common Arab ethnicity and a rejection of the Iranian theocratic model. The Gulf states also saw Iraq as a regional buffer against Iran. This led to Iraq's neighboring Arab states of Saudi Arabia and Kuwait politically and financially supporting Iraq during the Iran-Iraq war.⁹¹ However, differences began to emerge following the protracted conflict.

⁸⁷ Knights, Michael. 2016. *Iraq's Popular Demobilisation*. February 26. Accessed March 27, 2019. <https://www.washingtoninstitute.org/policy-analysis/view/iraqs-popular-demobilisation>.

⁸⁸ Heras, 2017.

⁸⁹ Ibid.

⁹⁰ Heras, 2017.

⁹¹ Ibish, 2018.

Iraq emerged from the eight year-long conflict battle-hardened and heavily militarized, causing severe damage to relations with Arab Gulf states.⁹² Saddam Hussein declared Kuwait as Iraq's "19th governorate province", paving the way for its invasion on August 2, 1990. The subsequent US-led coalition to liberate Kuwait also imposed sanctions and no-fly zones to counter Saddam Hussein's regional expansion. These measures were successful in weakening the Baathist state but created a military and political barrier between the Gulf states and Iraq. This became the de facto political reality from the 1990s until 2003.

The 2003 US-led invasion, again, redefined regional dynamics. While the notion of clipping the wings of the Baathist government in Iraq was seen as potentially positive by the Arab Gulf states, there were also fears that instability in Iraq would directly benefit Iran.

These concerns grew as they saw US-initiatives to rebuild Iraq and its institutions fall under Iran's influence. Both Al Maliki administrations (from 2006 to 2010 and 2010 to 2014) reinforced these concerns as they strained relations with Iraq's Arab Gulf neighbors. Because Al Maliki and his political clients are closely aligned with Iran, his administration provided Iran significant leeway to operate within Iraq, which worked against the interests of the Arab Gulf states, as they were seeking to keep Iran's hegemonic ambitions in check.

The Al Maliki administration's past features significant support for militant groups such as the Badr Organization and Kataib Hezbollah, straining Iraq's already fragile domestic scene. During his second term, as mentioned above, Al Maliki was successful in creating a coalition government, despite his group winning two fewer seats than Iyad Al Alawi's Iraqiya bloc in Parliament, and was able to garner the United States' reluctant support.⁹³

Despite Al Maliki remaining for a successive term, his alignment with Iran and controversial domestic policies led to increased scrutiny and pressure from a wide variety of Iraqi constituencies. The decisive blow to Nouri Al Maliki came after Daesh seized over 30% of Iraqi territories, which resulted in him losing favor from United States and Iran alike, and thus caused him to resign in September 2014. Al Dawa party, the party which Al Maliki belonged to, was then then tasked to determine his successor. Haider Al Adabi, was appointed, provided the opportunity for a much needed reset of relations between the Gulf Arab states and Iraq.

Although Saudi Arabia's positive overtures to Iraq serve as a regional mechanism to balance Iran, it also serves a nother domestic purpose for the Kingdom. Saudi Arabia's engagement with Iraq will likely act as a domestic deterrent against

⁹² Ibid.

⁹³ Ibish, 2018.

Iranian interfering within the Kingdom. Saudi-Iraqi bilateral engagement also illustrates an increasing trend toward the Middle East managing its own affairs without the mediation of external powers such as the US.⁹⁴

4.2. Gulf Arab-Iraqi Rapprochement

Following Al Maliki's resignation, politics in Iraq began shifting and Saudi Arabia began laying the foundation for political and diplomatic rapprochement.⁹⁵ One of the first good-will gestures taken by the Kingdom of Saudi Arabia was by the late King Abdulla bin Abdul Aziz Al Saud, who pledged \$500 million for humanitarian aid to the Iraqi people.⁹⁶ Saudi Arabia warned Iran not to interfere directly in Iraqi affairs, which suggests that the Gulf Arab states no longer consider Iraq as a lost cause to Iranian influence, and both sides understand the strategic value of reengagement.⁹⁷

Although Haider Al Abadi is affiliated to the same party as Nouri Al Maliki, Al Dawa, he has adopted a more approachable stance vis-à-vis the Gulf states. Al Abadi took a more nationalistic stance on political issues, and positively engaged with Iraq's regional neighbor states.⁹⁸ Al Abadi's government willingness for mutual improvement of relations was well received in Arab Gulf states.⁹⁹ Following Haider Al Abadi's appointment, King Abdulla publicly congratulated him and expressed intentions on building relations, a contrasting move in both tone and political intent compared to previous years. Shortly after Al Abadi was sworn in, the Iraqi President at the time, Fuad Masum, visited Riyadh in the first official high-level visit between both states for many years.¹⁰⁰ December 2014 witnessed Saudi Arabia beginning the process of rebuilding diplomatic ties in Iraq. Six months later, in June 2015, Saudi Arabia appointed Thamer Al Sabhan as the kingdom's first resident ambassador to Iraq in almost 25 years.¹⁰¹ While in September of that year, Iraq reciprocated the move and sent its own ambassador to Riyadh. However, building relations between Iraq and the Arab Gulf states faced certain challenges to this day.

⁹⁴ Aqeedi, Rasha Al. 2018. *Saudi Arabia's New Realism in Iraq*. August 9. Accessed May 20, 2019. <https://www.fpri.org/article/2018/08/saudi-arabias-new-realism-in-iraq/>.

⁹⁵ Ibish, 2018.

⁹⁶ Middle East Eye. 2014. *Saudi Arabia pledges \$500 million to Iraq*. July 1. Accessed May 20, 2019. <https://www.middleeasteye.net/news/saudi-arabia-pledges-500-million-iraq>.

⁹⁷ Ibid.

⁹⁸ Karim, Umer. 2018. *Will Iraq realign toward Saudi Arabia in 2018?* January 14. Accessed May 21, 2019. <https://www.indrastra.com/2018/01/Will-Iraq-Realign-Toward-Saudi-Arabia-in-2018-004-01-2018-0023.html>.

⁹⁹ Ibid.

¹⁰⁰ Al Arabiya. 2014. *Saudi, Iraqi leaders hold landmark talks*. November 11. Accessed May 21, 2019. <https://english.alarabiya.net/en/News/middle-east/2014/11/11/Iraqi-president-in-landmark-visit-to-Saudi-Arabia.html>.

¹⁰¹ Mustafa, Hamza. 2015. *Saudi Arabia appoints first ambassador to Iraq in 25 years*. June 3. Accessed May 21, 2019. <https://eng-archive.aawsat.com/hamzamustafa/news-middle-east/saudi-arabia-appoints-first-ambassador-to-iraq-in-25-year>.

Regional developments undoubtedly affected the short-term status of Gulf Arab-Iraqi relations. Events in Yemen, for instance, were deemed contentious among certain groups in Iraq; while some Gulf Arab diplomats' open criticism of Iran's influence in Iraq was ill-received by some of Iraq's political elites.¹⁰² Despite these shortcomings, there are many reasons why both sides see value in continuing to develop their relations.

Iran's deepening influence within Iraq has caused concern among Iraq's diverse political spectrum, many of whom welcomed closer relations, especially with Saudi Arabia.¹⁰³ Some of Iraq's political elites realize that the Gulf Arab states can assume a positive mediatory role with Iraq's Western tribal clans, many of whom distrust politicians in Baghdad. This role could help salvage national aspirations as a means to counter Iranian influence in the country.¹⁰⁴ In other words, the Gulf Arab states provide Iraq a chance to pursue national interests while balancing relations with Iran.

Iraq's political elites in Baghdad will likely benefit from closer engagement with the Gulf Arab states on several fronts. First, it gives Iraq's political elites an opportunity to regain a political foothold within the country away from Iran. Second, relations with the Arab Gulf states can assist Iraq to return to the Arab fold. Lastly, as mentioned above, Saudi Arabia represents a possible interlocutor with Iraq's Western tribal enclaves and other constituencies, which could broaden support for Iraq's political elites and assist them in their pursuit of Iraqi national interest goals.¹⁰⁵

The year 2017 was a critical one for the Gulf Arab-Iraqi rapprochement. In February of that year, Saudi Foreign Minister, Adel Al Jubair, paid an official visit to Baghdad. The trip is significant because it was the first time a Saudi Foreign Minister visited the country since 1990.¹⁰⁶ Although the visit caught many off guard, it was a calculated trip, built upon carefully planned efforts between both sides.¹⁰⁷ High-level bilateral engagement continued a month later. In March 2017, both Al Jubair and Al Abadi met in the sidelines of a summit of foreign minister of the international coalition against Daesh. The Kingdom publicly congratulated Iraq for its victories against Daesh and pledged to support the country until all Iraqi

¹⁰² Slawson, Nicola. 2016. Execution of Shia cleric sparks international outrage — as it happened. January 2. Accessed May 21, 2019. <https://www.theguardian.com/world/live/2016/jan/02/middle-east-condemns-saudi-execution-of-shia-cleric-live?page=with:block-5687cb54e4b0741a0d9ca688>.

¹⁰³ Ibish, 2018.

¹⁰⁴ Ibid.

¹⁰⁵ Ibid.

¹⁰⁶ Khan, Taimur. 2017. *Saudi foreign minister visits Iraq in first such trip for 27 years*. February 25. Accessed May 21, 2019. <https://www.thenational.ae/world/saudi-foreign-minister-visits-iraq-in-first-such-trip-for-27-years-1.80615>.

¹⁰⁷ Ibish, The Power of Positive Diplomacy 2018.

territories are liberated from the terrorist organization.¹⁰⁸ Within the same month, Saudi and Iraqi diplomats met in Riyadh, where they vowed to develop closer bilateral relations.¹⁰⁹

During May of 2017, both Saudi Arabia and Iraq coordinated their position of favoring a production cut by OPEC members when Saudi's Minister of Energy, Khalid Al Falih, visited Baghdad, a first trip of its kind in over 30 years.¹¹⁰ In June 2017, Al Abadi officially visited Riyadh to promote reconciliatory efforts, a tour which also included Kuwait and Iran.¹¹¹ Al Abadi stated, that "We don't want to be part of any axis," and he said he hoped his visit to the Kingdom of Saudi Arabia would help promote domestic reconciliation within Iraq. These sentiments were also echoed by prominent cleric Muqtada Al Sadr.

Political rapprochement between both states will likely succeed should relations improve with Muqtada Al Sadr specifically. While the Iraqi cleric remains a divisive figure, where some of his statements infringe upon the internal affairs of some of the Gulf states, he has recently taken a hard nationalist line and publicly denounced Iran's interference in his country's affairs. Al Sadr visited Riyadh during July 2017, the first visit of its kind in over a decade, where he agreed with the Saudi leadership to achieve the goals of peaceful coexistence and pursue common interests.¹¹² Following Al Sadr's visit to Riyadh, the cleric was also invited to the UAE where he was received by State Minister for Foreign Affairs, Anwar Gargash. Both announced a new era of engagement between Iraq and Arab Gulf countries.¹¹³

In December 2017, the Iraqi city of Basra hosted a meeting which saw the signing of 18 memoranda of understanding between Iraq and Saudi Arabia within the energy sector.¹¹⁴ Rapprochement was also witnessed in sports as well. The Saudi Arabian national football team travelled to Basra to play a friendly match, a first of its kind in decades. The Kingdom promised to build a modern stadium in Iraq to commemorate the event. Additionally, Iraq has exerted much effort in trying to lift the long-standing ban on hosting home games imposed on it by FIFA, and most likely, the Saudi Arabian match held in Basra will strengthen Iraq's case to remove the ban.¹¹⁵

¹⁰⁸ Radio Free Europe Radio Liberty. 2017. *Iraq's Abadi Visits Saudis To Promote Reconciliation Between Shi'a, Sunnis*. June 20. Accessed May 21, 2019. <https://www.rferl.org/a/iraq-prime-minister-abadi-visit-saudi-arabia-promote-reconciliation-shia-sunnis-iran/28565761.html>.

¹⁰⁹ Ibish, 2018.

¹¹⁰ Rasheed, Ahmed, and Ernest Scheyder. 2017. Saudi Arabia, Iraq agree oil output cut needs nine-month extension. May 22. Accessed May 21, 2019. <https://www.reuters.com/article/us-iraq-oil-saudi-opec/saudi-arabia-iraq-agree-oil-output-cut-needs-nine-month-extension-idUSKBN18I0HA>.

¹¹¹ Radio Free Europe Radio Liberty, Iraq's Abadi Visits Saudis To Promote Reconciliation Between Shi'a, Sunnis 2017.

¹¹² Karim, 2018.

¹¹³ Maksad, Firas, and Kenneth M. Pollack. 2017. *How Saudi Arabia Is Stepping Up in Iraq*. August 21. Accessed May 22, 2019. <https://www.foreignaffairs.com/articles/middle-east/2017-08-21/how-saudi-arabia-stepping-iraq>.

¹¹⁴ Mostafa, Mohamed. 2017. Iraq, Saudi Arabia sign 18 energy memorandums in Basra. December 5. Accessed May 22, 2019. <https://www.iraqinews.com/business-iraqi-dinar/iraq-saudi-arabia-sign-18-energy-agreements/>.

¹¹⁵ Mansour, Renad. 2018. *Saudi Arabia's New Approach in Iraq*. Analysis Paper, Washington DC: Center for Strategic & International Studies.

Furthermore, Iraqi Interior Minister, Qasim Al Araji, was the head of a high-level Iraqi delegation to Riyadh, which included a meeting with Crown Prince Mohammed bin Salman.¹¹⁶ Both the Crown Prince and the Interior Minister announced the formation of a joint committee with the Saudi Arabian Interior Ministry tasked with securing borders, counter-narcotics, and intelligence and counterterrorism information sharing between both sides; as well as expediting visa requirements for Iraqis to enter Saudi Arabia for religious visits.¹¹⁷ Although high-level visits monopolized headlines in the region, lower-level engagement was responsible for actually rebuilding relations.

Ministers from both sides began laying foundations for rebuilding the main road connecting both countries, with prospects of building an international railway linking both the Kingdom and Iraq, and developing economic and investment relations.¹¹⁸ The Arar border crossing will reopen soon, as well as direct flights between both countries resuming since October 2017. Additionally, high-level military talks resumed, but the nature of such talks are still not clear.¹¹⁹ These efforts were also supported by former US Secretary of State, Rex Tillerson.¹²⁰ In November of that year, Al Abadi, again, visited Riyadh to inaugurate the first meeting of the Saudi-Iraqi Coordination Council (SICC) alongside King Salman and Rex Tillerson.¹²¹

One of the mechanisms to further Saudi-Iraqi rapprochement is the establishment of the coordination council. The SICC was established in October 2017, with hopes to bring both nations together and reintegrate Iraq within Arab relations once again. The council aims to increase strategic, investment and cultural relations between the two countries, opening a new window for Iraq to revive its economy.¹²² The SICC met for the second time on April 3 2019, during which a Saudi economic delegation visited Iraq and pledged \$1 billion line of credit to build a comprehensive sporting complex known as Sport City.¹²³ During the visit, Saudi Arabian Minister of Commerce and Investment, Dr. Majid Al Qasabi, relayed that

¹¹⁶ The National. 2017. Iraq's interior minister meets with Saudi crown prince. July 19. Accessed May 22, 2019.

<https://www.thenational.ae/world/gcc/iraq-s-interior-minister-meets-with-saudi-crown-prince-1.610401>.

¹¹⁷ Rudaw. 2017. *Joint Committees Between Iraq And Saudi To Share Intelligence, Combat Terrorism and Secure Borders*. July 18. Accessed May 22, 2019. <http://www.rudaw.net/arabic/middleeast/iraq/180720172>.

¹¹⁸ Al-Rasheed, Nayef. 2017. *Saudi Arabia Starts Repairing Crossing with Iraq*. July 25. Accessed May 22, 2019. <https://eng-archive.aawsat.com/n-al-rasheed/news-middle-east/saudi-arabia-starts-repairing-crossing-iraq>.

¹¹⁹ Al Arabiya. 2017. *Saudi-Iraqi military talks held in Riyadh*. October 19. Accessed May 22, 2019.

<https://english.alarabiya.net/en/News/gulf/2017/10/19/Crucial-Saudi-Iraqi-military-talks-held-in-Riyadh.html>.

¹²⁰ Ellyatt, Holly. 2017. *US pushes Saudi Arabia, Iraq on united front to counter Iran*. October 22. Accessed May 22, 2019.

<https://www.cnbc.com/2017/10/22/us-pushes-saudi-arabia-iraq-on-united-front-to-counter-iran.htm>

¹²¹ 2017. *King Salman hails Iraq's gains against terrorism at council launch*. October 23. Accessed May 23, 2019.

<http://www.arabnews.com/node/1181956/saudi-arabia>.

¹²² Al Arabiya. 2017. *King Salman: Saudi Arabia has historical ties to Iraq*. October 22. Accessed May 23, 2019.

<https://english.alarabiya.net/en/News/gulf/2017/10/22/King-Salman-Abadi-sign-MoU-establishing-Saudi-Iraqi-coordination-council.html>.

¹²³ Reuters. 2019. *Saudi Arabia pledges \$1 billion for Iraq at start of economic visit*. April 3. Accessed May 23, 2019. <https://uk.reuters.com/article/uk-saudi-iraq-grant/saudi-arabia-pledges-1-billion-for-iraq-at-start-of-economic-visit-idUKKCN1RF2DX>.

both countries agreed to build a free trade zone and that Iraq offered Saudi companies and investors over 186 investment opportunities in the country.¹²⁴ Iraq reciprocated the Saudi visit on April 17, when newly elected Prime Minister, Adel Abdul Mahdi, arrived in Riyadh and the two countries signed 13 political and economic agreements, including Saudi Arabia committing to open three more diplomatic missions in Iraq.¹²⁵

4.2. Iraq Reconstruction Conference in Kuwait

Following the defeat of Daesh in Iraq, the global community prioritized reconstructing areas once held by the terrorist organization. In February 2018, the Kuwaiti city of Bayan hosted the Kuwait International Conference for Reconstruction of Iraq. The event's organizers, the UN, EU and the World Bank, sought to increase the private sector's role in assisting Iraq's reconstruction.¹²⁶ The conference raised a total of \$30 billion pledges from regional actors and beyond. Turkey was the largest contributor, pledging a \$5 billion line of credit towards Iraq's post-Daesh reconstruction, while respectively, Saudi Arabia provided \$1.5 billion, Kuwait with \$2 billion and the UAE \$500 million; with an additional \$5.5 billion in Iraq's private sector investments.¹²⁷ Additionally, Kuwait showed Iraq more leniency towards its owed reparations from Saddam's invasion in 1990. However, the total amount raised fell short of Iraq's expectation of \$88.2 billion. Iraqi officials felt the requested amount would suffice in rebuilding its destroyed infrastructure in Daesh's previously-held areas such as Mosul and other territories, and housing was identified as a top priority for the government,¹²⁸ as over 150,000 houses were destroyed since 2014.¹²⁹ However, it appears Iraqi officials are realizing that their requested total may be unattainable, due to previous episodes of financial mismanagement by the Iraqi government.¹³⁰

¹²⁴ Middle East Monitor. 2019. *Minister: Iraq offered Saudi 186 investment opportunities*. April 5. Accessed May 22, 2019.

<https://www.middleeastmonitor.com/20190405-minister-iraq-offered-saudi-186-investment-opportunities/>.

¹²⁵ Aldroubi, Mina. 2019. *Iraq and Saudi sign 13 new agreements to deepen economic and political relations*. April 17. Accessed May 23, 2019.

<https://www.thenational.ae/world/mena/iraq-and-saudi-sign-13-new-agreements-to-deepen-economic-and-political-relations-1.850034>.

¹²⁶ Laipson, Ellen. 2018. *What Iraq's Reconstruction Conference Revealed About Its New Friends and Partners*. February 20. Accessed May 23, 2019.

<https://www.worldpoliticsreview.com/articles/24217/what-iraq-s-reconstruction-conference-revealed-about-its-new-friends-and-partners>.

¹²⁷ Chmaytelli, Maher, and Ahmed Hagagy. 2018. *Allies promise Iraq \$30 billion, falling short of Baghdad's appeal*. February 14. Accessed May 23, 2019. <https://www.reuters.com/article/us-mideast-crisis-iraq-reconstruction-ku/allies-promise-iraq-30-billion-falling-short-of-baghdads-appeal-idUSKCN1FY0TX>.

¹²⁸ Ibid.

¹²⁹ Ibid.

¹³⁰ Transparency International. n.d. *Iraq - Corruption Perceptions Index 2018*. Accessed May 24, 2019. <https://www.transparency.org/country/IRQ>.

4.3. Challenges to Gulf-Iraqi Rapprochement

Although Iraq is a resource rich state, it is still heavily dependent on Iranian energy import. Iran ranks as the third largest exporter to Iraq after China and Turkey, and accounts for 16% of Iraq's total imports.¹³¹ Iraq regularly faces electricity shortages and relies on imported natural gas and electricity from Iran. In 2018, Iraq's domestic electricity production amounted to 16,000 megawatts (MW) and it also imported 1,200 MW from Iran.¹³² The summer period is especially burdensome on Iraq as consumption exceeds 5,000MW.

Saudi Arabia is aware of this of difficulty and positioned itself to provide Iraq with alternative sources of energy to reduce dependence on Iran.¹³³ Energy imports from Iran have also been proven to a strategic vulnerability in the past as Iran has politicized energy exports to Iraq. In summer 2018, Iran withheld energy exports to Iraq, which led to crippling power outages in southern Iraq. The shortages led to substantial street demonstrations in Basra against the Iraqi central government and Iran.¹³⁴ Saudi Arabia and Kuwait reacted quickly to partially fill Iraq's energy shortage caused by Iran.¹³⁵

Iran defended its decision to withhold citing increased domestic consumption, but Iraqi officials criticized this reasoning and turned to Saudi Arabia as a potential alternative. In June 2018, the Iraqi Ministry of Electricity announced that Saudi Arabia agreed to launch a solar power plant with a production capacity of 3,000MW in its northern region near the Iraqi border for electricity exports to Iraq at a discounted rate.¹³⁶

In 2018, Iraqi officials scrambled to find alternative sources for electricity imports for a multitude of reasons. First, Iraq was pressured by the US to abide by economic sanctions placed on Iran and reduce its energy dependency on the country, while simultaneously maintaining its diplomatic and economic relations its neighbor. Second, Iraq sought to balance its posture towards Iran with its Arab neighbors. President Barham Salih echoed these sentiment during his interview with the Asharq Al Awsat newspaper on April 2, 2019. The Iraqi President stated that "Bolstering relations

¹³¹ Habibi, Nader, and Omid Shokri Kalehsar. 2019. *Saudi Arabia's Plan to Lure Iraq From Iran*. April 10. Accessed May 24, 2019.

<https://www.atlanticcouncil.org/blogs/iransource/saudi-arabia-s-plan-to-lure-iraq-from-iran>

¹³² Stratfor. 2018. *Iraq's Electricity Sector Is Caught in the U.S.-Iran Power Struggle*. December 11. Accessed May 24, 2019.

<https://worldview.stratfor.com/article/iraqs-electricity-sector-caught-us-iran-power-struggle>.

¹³³ Habibi and Kalehsar, 2019.

¹³⁴ Ali, Sangar. 2018. *People across Iraq protest electricity shortages during Ramadan*. May 26. Accessed May 24, 2019.

www.kurdistan24.net/en/news/167f7916-f4b4-45c1-afa5-2d43a09273bf.

¹³⁵ Wasmi, Naser Al. 2018. *Saudi and Kuwait move to support Iraq amid protests over electricity crisis*. July 22. Accessed May 24, 2019.

<https://www.thenational.ae/world/gcc/saudi-and-kuwait-move-to-support-iraq-amid-protests-over-electricity-crisis-1.752902>.

¹³⁶ [Habibi and Kalehsar, 2019](#).

with the Kingdom is an integral part of our vision for what Iraq's ties should be like." He added, "It is in our interest to enjoy good relations with Iran based on common interests."¹³⁷

Iraq represents a critical country within Saudi Arabia's regional foreign policy. It is an important challenge in diplomatic balancing. The Kingdom's more active foreign policy is a product of global inconsistencies in general, where some uneven developments in relations with the United States resulted in the Kingdom adopting a more proactive regional posture in the pursuit of its interests. This partially explains the recent outreach to Iraq.¹³⁸ Saudi Arabia's Iraq policies were built upon diplomatic efforts mitigating risks, despite Iran's deeply entrenched fingerprint in Iraq.

It would be unrealistic to expect Gulf Arab and Iraqi re-engagement will likely undo over 15 years' worth of Iranian interference within Iraq. However, it is important to note that since 2015, Iraq is attempting to recover from its over-reliance on Iran, and is increasingly seeking to reassert its policy independence.¹³⁹ Iraq realized that the economic benefit of re-engaging with the Arab Gulf states will likely trickle down within Iraqi society. However, Iraq will likely have to assuage Iran throughout the process, and will likely continue to appease Iranian concerns by convincing them that Iraq's return to the "Arab fold" will not come at its expense, and that Iraq will seek neutral positions and welcome all.¹⁴⁰

Another challenge facing Gulf countries' engagement with Iraq is Iran and its proxies' entrenchment within Iraq's economy and reconstruction efforts. The PMU established "economic offices" in many cities liberated from Daesh.¹⁴¹ These militia-run offices are gradually embedding themselves within cities' economic landscape and offer rent-seeking profits for the PMU and affiliated politicians at the expense of the cities, such as Mosul, that rely on reconstruction efforts.¹⁴² This particular situation places hurdles that could undermine the Gulf's reconstruction initiatives.

Maneuvering within the challenging Iraqi political scene will surely be a test of patience and resolve for the Arab Gulf states. Initially, the Gulf Arab states were positive about the results of Iraq's 2018 parliamentary elections after Sadr's Sairoon bloc won a slight majority of seats ahead of the Iranian-backed "Fatah" bloc, which is comprised of PMU affiliated politicians. However, due to the complicated parliamentary negotiations to formulate a coalition government,

¹³⁷ Asharq Al-Awsat. 2019. *Iraq President to Asharq Al-Awsat: Our Country Won't Be Platform to Harm its Neighbors*. April 2. Accessed May 24, 2019. <https://aawsat.com/english/home/article/1661171/iraq-president-asharq-al-awsat-our-country-won%E2%80%99t-be-platform-harm-its-neighbors>

¹³⁸ Ibish, The Power of Positive Diplomacy 2018.

¹³⁹ Kuoti, Yasir. 2017. *Shifting Gears in Iraq-Saudi Arabia Relation*. Policy Brief, Erbil: Middle East Research Institute.

¹⁴⁰ Ibid.

¹⁴¹ Gotts, Isadora. 2019. *PMU economic offices undermine fragile stability in Mosul*. May 27. Accessed May 29, 2019. <https://www.al-monitor.com/pulse/originals/2019/05/iraq-economy-mosul-pmu.html>.

¹⁴² Ibid.

the Sairoon bloc announced an alliance with Fatah on June 12 2018.¹⁴³ This particular situation exemplifies the patience and will required for the Arab Gulf states to enhance its relations with Iraq vis-à-vis Iran's influence in the country.

Saudi Arabia and other Gulf Arab states are well aware that the prospects of limiting Iranian influence in Iraq will be firstly built upon long-term political and economic engagement. Saudi Arabia and its Gulf Arab allies must act promptly when opportunities of converging interests present themselves,¹⁴⁴ such as Iraq seeking an alternative source for importing energy from Saudi Arabia. Although there is much enthusiasm for Saudi investments making their way to Iraq, the reality of the situation is different. Because Iraq witnessed prolonged periods of instability, financial mismanagement became rampant, security remains a concern, and its banking system is in need of modernization.¹⁴⁵

Recently, Muqtada Al Sadr made controversial comments towards some of the Arab Gulf states, which received substantial domestic backlash. These comments, while damaging, and while they represent interference in the internal affairs of the Arab Gulf states,¹⁴⁶ presented a public relations challenge for Gulf Arab-Iraqi rapprochement. Saudi Arabia called for both sides to deescalate tensions and hoped for strong relations between the two.¹⁴⁷ The incident is indicative of the fine line Saudi Arabia and her allies must walk when re-engaging with Iraq in order to not waste political inroads.

Previously, there have been unsuccessful attempts made by moderate Iraqi politicians to pursue political alternatives to Iran with little success. The kingdom's positive posture could give confidence for Iraqi politicians seeking to balance Iran's role and interference in their country, however, without becoming an arena of regional rivalries.¹⁴⁸ Indeed, Iranian affiliated militias situated close to the Saudi border are a serious security concern for Saudi Arabia, and this is why it was imperative that reopening and regulating the Arar border crossing became a significant policy goal for the Kingdom.

5. Conclusion

Throughout the late 20th century to the 21st century, Iraq has become a centripetal theatre within Middle East dynamics. The Iran-Iraq war solidified Saddam Hussein's government as a regional buffer against Iranian expansionism. This role

¹⁴³ Al Aqeedi, 2018.

¹⁴⁴ Karim, Will Iraq realign toward Saudi Arabia in 2018, 2018.

¹⁴⁵ Ibid.

¹⁴⁶ Bahrain News Agency. 2019. *Al Sadr's statement against Bahrain denounced*. April 28. Accessed May 29, 2019.

<https://www.bna.bh/en/AlSadrstatementagainstBahraindenounced.aspx?cms=q8FmFJgiscL2fwlzON1%2BDp85sQ5D7Pc3GGgzHY9oj04%3D>

¹⁴⁷ Arab News. 2019. Saudi Arabia refuses to be drawn into Bahrain affairs over Al-Sadr comments. April 29. Accessed May 29, 2019.

<http://www.arabnews.com/node/1489601/saudi-arabia>.

¹⁴⁸ Maksad and Pollak, 2017.

accentuated Baathist militarism in Iraq, ultimately contributing to the invasion of Kuwait in August 1990. Kuwait's liberation led to a system of sanctions and no-fly zones imposed against Iraq throughout the 1990s and early 2000s.

The US-led invasion of Iraq in 2003 disrupted the regional balance of power. Iran greatly increased its influence within Iraq when it infiltrated US efforts to rebuild the country. Institutions such as Iraq's political scene and security sector were being led by Iraqis known for their connection to the IRGC and Iran's government. Iran began cultivating loyal militias within Iraq and the Basij and Hezbollah model of creating socioeconomic links began making its way to Iraq. Iran took advantage of the ensuing chaos following the 2003 invasion to impose a significant IRGC presence within Iraq. Once the US began withdrawing its forces from Iraqi lands, Iran's influence magnified tremendously.

Iraq's political scene is heavily influenced by Iran. Iraqi politicians regularly visit Tehran for the purpose of political input from Iranian decision-makers. Iran ensured that it will be a key decision-maker in Iraq's security landscape due to the significant presence of militias loyal to Iran within Iraq. Economically, Iran makes use of its advantageous position vis-à-vis Iraq to bypass international sanctions, leverage strategic utilities, such as gas and electricity for its own goals, and to infuse Iraq's market with Iranian goods to help prop its weak economy.

Although Iran's influence runs deep within Iraq, the Iraqi government is increasingly posturing towards deepening its national autonomy. The Arab Gulf states, led by the Kingdom of Saudi Arabia, sought to thaw relations with Iraq once a cooperative administration took the reins. Iraq understood that Iran's influence is unavoidable, but can rely on regional actors to balance them with Iran. This notion also satisfies one of the Arab Gulf's objectives of deterring Iranian influence within the Middle East. However, due to Iraq's vulnerabilities to Iranian interference, the country will pursue rapprochement with the Arab Gulf states delicately, while simultaneously appeasing Iranian concerns. The Gulf Arab states understand that the complexities found within resetting ties and that it is a long-term effort that requires diplomatic guile and patience. It is an effort worth pursuing as it provides an avenue to bring Iraq back within the Arab fold and balances Iran's regional influence.