

# THE FUTURE OF US-IRAG RELATIONS





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ISBN-13: 978-1-61977-098-0

Cover photo: University students gather during ongoing anti-government protests in Baghdad, Iraq February 9, 2020. The posters read "My allegiance to Iraq". *REUTERS/Thaier al-Sudani*The Atlantic Council's Middle East programming provides a forum for informing and galvanizing the transatlantic community to work together to address the range of challenges and support opportunities for growth in the region. Through our sub-regional, country-specific, and functional initiatives, we work with allies and partners in Europe and the wider Middle East to protect US interests, build peace and security, and unlock the human potential of the region. You can read more about our programs at https://www.atlanticcouncil.org/programs/middle-east-programs/. This report is made possible by support to the Atlantic Council's Iraq Initiative from Crescent Petroleum. The views expressed in this report are those of the author and not necessarily the United States Government.

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# **EXECUTIVE SUMMARY**

ntil December 2019, US-Iraq relations seemed stuck in a rut. Iranian influence had limited military and economic cooperation to anti-Islamic State of Iraq and al-Sham (ISIS) operations, some weapon sales, and humanitarian assistance. Indeed, Iranian influence exacerbated Irag's corrupt government culture and prevented any meaningful reforms to put Iraq on a path to recovery. The strikes that killed Islamic Revolutionary Guard Quds Force Commander Qasem Soleimani, Iraqi Popular Mobilization Committee Deputy Chief Abu Mahdi al-Muhandis, and twenty-five members of Kita'ib Hezbollah (KH), however, may have created a watershed moment that will either solidify Iraq's position as an Iranian vassal or provide the United States the opening it needs to facilitate Irag's recovery. Whether the water pushes the relationship along or drowns it, however, remains to be seen. Even if Irag's government is circumspect in its response to the US air strikes, the question remains: Will its continued failure at political reconciliation and economic reform, coupled with growing Iranian influence, cause the US administration to decide the relationship is not worth it?

Failure to achieve lofty goals regarding trade, investment, governance reforms, and infrastructure development has left both Iraqis and Americans frustrated. Exacerbating the situation, the United States' and Iran's now lukewarm war overlays the Iraqi political environment, fomenting tension that undermines the stability that both the United States and Iraq want to achieve and hampering immediate prospects for cooperation.

On the US side, a sense of futility could undermine the political will necessary to commit funds and people. On the Iraqi side, a sense of abandonment could fuel resentment and increase their willingness to cooperate with US adversaries including Iran, Russia, and perhaps even China.

It does not have to be this way. Avoiding these outcomes will require transforming the relationship from its current aspirational and patronizing dynamic to one characterized by mutual interest as well as measurable and attainable objectives. Doing so, of course, will require the United States to make a continued US presence acceptable to Iran before Iraq will see the relationship as truly bilateral.

This paper clarifies US interests in Iraq and marries those objectives with measures that will create a virtuous circle to counter the vicious circle currently impeding Iraq's recovery.

The immediate goals for US policy in Iraq should be:

- contesting malign Iranian influence;
- preventing the re-emergence of ISIS and other terrorist organizations; and
- opening Iraq's economy to foreign investment to, in part, accelerate domestic economic growth and reform.

These goals can be achieved through eight measures:

- 1. Move Iraq out of the middle of US-Iran tensions:

  To remain a viable partner to Iraq, the United States needs to avoid dragging Iraq into its broader campaign against Tehran. Moreover, US policies or engagement that places the Iraqi government in a position where its cooperation would threaten Iranian security or vital interests would likely yield little cooperation and, to the extent they did, would reignite sectarian divisions and regional tensions, consequently undermining US interests.<sup>1</sup>
- 2. Play to the US comparative advantage: In addition to being a better security partner, the United States can assist Iraq with integrating into the international community and developing the economic and financial capabilities necessary to participate in the global economy in ways a politically and economically isolated Iran never could.<sup>2</sup>
- 3. Continue to insist on the integration of Iran-backed militias into Iraq's security forces: The United States can facilitate this process by continually publicizing malevolent militia activities as well as separating its complaint against Iran-backed militias from engagement with the Popular Mobilization Forces (PMF), of which the Iran-backed militias are a part.
- 4. Tell the truth about what has happened in Iraq since 2003: It is not so much the failures in Iraq's recovery, both from the 2003 US invasion and the subsequent fight with ISIS, that plague US-Iraqi relations as it is the politicized narratives that have evolved in the two nations to explain the lack of recovery. While it is important to acknowledge US mistakes, the massive amount of US assistance is often ignored in Iraq and

<sup>1</sup> C. Anthony Pfaff, "How to Counter Iran's Proxies," June 18, 2019, Atlantic Council blog, https://www.atlanticcouncil.org/blogs/menasource/how-to-counter-iran-s-proxies/.

<sup>2</sup> Pfaff. "How to Counter Iran's Proxies."

seen as futile largess in the United States. Iraq has its own problems, some of them self-induced and some of them stemming from anti-US influence operations conducted by Iran or its proxies. For the US-Iraq relationship to develop, however, both sides must see it as mutually beneficial. Getting to that point requires actively promoting the truth about US assistance as well as the various causes of Iraq's problems.

- **5. Promote reconciliation:** The United States needs to provide an alternative to Iranian mediation while at the same time avoiding advocacy for a particular outcome.
- 6. Retain the capacity to fill in security gaps: The US military should emphasize interoperability, so that in the event of an ISIS resurgence—or the emergence of a like-minded group—US forces can quickly fill in the Iraqi armed forces' capability gaps.
- 7. Provide economic assistance efforts to set conditions for foreign investment by US companies and like-minded partners: This initial step will lay the groundwork for broader reforms, including robust

- anti-corruption measures. These reforms should be sequenced so they do not lead to the creation of an oligarchy.
- Focus additional COVID-19 related assistance on economic recovery: Between the often indirect provision of aid and Iraqi distrust of the United States (that is often exacerbated by Iranian propaganda), US assistance to combat the disease is either perceived as nonexistent or unwelcome. While the United States is unlikely to change this dynamic in the near future, the focus for future US assistance over the long term should center on helping Iraqis recover from the virus's likely devastating economic impact. While the United States should continue medical support through third parties, like the World Health Organization, increased direct assistance in the short term would likely correlate with the virus's spread and be portrayed as either ineffective or as a contributor. Rather, the United States should consider measures that stimulate the Iraqi economy, especially in areas that have been hardest hit and where they have a reasonable chance of success.

U.S. President Donald Trump holds a bilateral meeting with Iraq's President Barham Salih on the sidelines of the annual United Nations General Assembly in New York City, New York, U.S., September 24, 2019. REUTERS/Jonathan Ernst



# INTRODUCTION

he US airstrikes that killed Islamic Revolutionary Guard Quds Force Commander Qasem Soleimani, Iraqi Popular Mobilization Committee Deputy Chief Abu Mahdi al-Muhandis, and twenty-five members of Kita'ib Hezbollah (KH) may have created a turning point in US-Iraq relations. Calls to expel US forces have gained traction in Iraq, despite the fact that kicking out the troops could threaten the billions in aid the United States provides. In charting a way forward, the United States needs to consider what it wants out of its relationship with Iraq and align means with ends.

It will be hard for the United States to walk away from a relationship in which it has already invested so much. Since 2003, the US government has spent over \$800 billion in security, humanitarian, and other assistance.<sup>3</sup> In fiscal year 2018-2019 alone, the US Agency for International Development (USAID) provided Iraq with more than \$700 million.<sup>4</sup> These funds are in addition to \$1.2 billion provided annually since 2014 in military and security assistance.<sup>5</sup> However, the failure of these sizable investments to achieve objectives has created a sense of fatigue in the United States that has constrained further commitment. Perceptions that the Iraqi government is controlled by Iran do not help the situation.

Since 2003, Iran has leveraged geography and social, familial, and religious connections to sway not just high-level Iraqi officials but also the public to its side. Iran and its proxies have for a long time widely engaged Iraqi citizens through cultural and educational exchanges as well as the

provision of services in a deliberate attempt to ingratiate themselves or, failing that, to intimidate the Iraqi public.<sup>6</sup> While Iran has not been terribly successful with these efforts, as evidenced by the widespread protests that began in October that included demands for Iran to cease its interference in Iraq's affairs,<sup>7</sup> it has influenced the Iraqi government, with the purpose of diminishing US influence.<sup>8</sup> This success has come, in large part, because the United States has limited avenues for expanded cooperation.

This limitation is somewhat counterintuitive. In addition to being caught in the middle of a conflict between Iran and the United States, Iraq is facing an economic crisis amid falling oil prices, a political crisis brought by widespread public dissatisfaction with political elites and gridlock over nominating a prime minister, and, perhaps worst of all, a growing health care crisis as the COVID-19 virus spreads. It would seem that at times as dire as these, Iraq would be reaching out to its most capable partners to relieve some of the stress, and that these partners would respond in kind.

However, even if Iraq tempers its response to the US air strikes and welcomes such assistance, the question remains: At what point will continued failure at political reconciliation and economic reform, coupled with growing Iranian influence, cause US decision makers to decide the relationship is not worth it? Avoiding that outcome will require transforming the relationship from its current aspirational and patronizing dynamic to one characterized by mutual interest as well as measurable and attainable objectives.

<sup>3</sup> Neta C. Crawford, "United States Budgetary Costs of the Post-9/11 Wars through FY 2019: \$5.9 Trillion Spent and Obligated," Costs of War Project website, Watson Institute for International and Public Affairs, Brown University, November 14, 2018, 5. This number includes US military operations to combat the insurgency as well as US State Department and US Agency for International Development spending on reconstruction and stabilization.

 $<sup>4 \</sup>qquad \text{``lraq-Complex Emergency: Fact Sheet 4,'' USAID, August 14, 2019, https://www.usaid.gov/sites/default/files/documents/1866/iraq\_ce_fs\_08-14-2019.pdf.}$ 

<sup>5</sup> Senator Chris Murphy, "Iraq: A Crossroads of U.S. Policy," hearing remarks, Senate Foreign Relations Committee, Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism, July 16, 2019, https://www.foreign.senate.gov/hearings/iraq-a-crossroads-of-us-policy-071619.

<sup>6 &</sup>quot;Iran in Iraq: How Much Influence?," International Crisis Group, March 21, 2005, https://d2071andvip0wj.cloudfront.net/38-iran-in-iraq-how-much-influence. pdf.

<sup>7</sup> Shelly Kittleson, "Iraqi Protesters Decry Iranian and US Interference," Al-Monitor, January 11, 2020, https://www.al-monitor.com/pulse/originals/2020/01/iraq-iran-us-protests-1.html.

Tim Arrango, "Iran Dominates in Iraq After U.S. Opened Door," New York Times, July 16, 2017, https://www.nytimes.com/2017/07/15/world/middleeast/iran-iraq-iranian-power.html. See also James Risen et al., "A Spy Complex Revealed: Leaked Intelligence Reports Expose Tehran's Vast Web of Influence in Iraq," Intercept, November 18, 2019, https://theintercept.com/2019/11/18/iran-iraq-spy-cables/.

<sup>9</sup> Alissa J. Rubin, "Oil Prices Crash, Virus Hits, Commerce Stops: Iraq Is in Trouble," New York Times, March 29, 2020, https://www.nytimes.com/2020/03/29/world/middleeast/virus-iraq-oil.html.

# **IRAQ: WHAT SHOULD US INTERESTS BE?**

ran is not to blame for all the problems associated with the US-Iraq relationship. The sense of failure that pervades US-Irag relations is at least in some part due to the lofty goals established in the 2008 Strategic Framework Agreement (SFA).10 This agreement called for a "long term relationship of cooperation and friendship" to build a democratic Iraq that can "assume full responsibility for its security, the safety of its people, and maintaining peace within Iraq and among the countries of the region."11 To get there, the agreement calls for supporting the political process, reinforcing national reconciliation, and building a diversified and advanced economy that ensures Irag's integration into the international community. It also calls for trade, investment, and infrastructure development including information and communication technologies, improving health care, cultural and educational exchanges, and assistance in building military capacity and law enforcement.<sup>12</sup>

The problem with the SFA is twofold: Its goals are aspirational, and the means to achieve them are as well. While US advisers can provide assistance and expertise necessary to create more transparent and effective institutions, Iraq so far has not been able to fully utilize that support, due to factors ranging from corruption and sectarianism to inexperience with effective governance. As a result, neither side has put much effort into keeping this treaty-level agreement alive. Moreover, US institutions are ill-suited for the comprehensive nation-building Iraq requires, and Iraq does not have the ability to absorb the assistance it is getting, much less

the assistance it needs. As long as there is a poor security situation, sectarian politics, and an economy dependent on oil and hostile to the development of a private sector, little will improve.<sup>13</sup>

If the United States can push past this current low point in relations, its first step should be to articulate more concrete goals that are in both US and Iraqi interests. While efforts at achieving more aspirational goals are certainly warranted, they will be wasted without measurable results to sustain the relationship.

There are three concrete goals that the United States and Iraq should work on together:

- contesting malign Iranian influence
- defeating ISIS and other terrorist organizations
- opening Iraq's economy to foreign investment to, in part, accelerate domestic economic growth and reform

Properly scoped, these objectives are in both the United States and Iraq's interests and are achievable without requiring significantly greater investment or the political and economic reforms Iraq has not been able to make to date. If these goals are achieved, they will usher in conditions for broader reforms, which will in turn make it possible to achieve the SFA's more aspirational goals.

<sup>10 &</sup>quot;Strategic Framework Agreement for a Relationship of Friendship and Cooperation between the United States of America and the Republic of Iraq," US Department of State, November 17, 2008, https://photos.state.gov/libraries/iraq/216651/US-IRAQ/us-iraq-sfa-en.pdf.

<sup>11 &</sup>quot;Strategic Framework," 1.

<sup>12 &</sup>quot;Strategic Framework," 2–6.

<sup>13</sup> Pfaff, "How to Counter Iran's Proxies."

# A WAY AHEAD: FOCUSING US ENGAGEMENT TO ACHIEVE MEASURABLE, SUSTAINABLE RESULTS

nfortunately, current events have diminished the United States' already meager tool kit for achieving these ends. Whatever one thinks about the wisdom of the strikes that killed Soleimani, al-Muhandis, and two dozen KH militiamen, the reality is that they drew attention away from the anti-Iran protests that were the United States' best hope—and Iraq's—for pushing back on Tehran. Moreover, those strikes catalyzed heightened sensitivity in Iraq to foreign influence in general, and most kinds of US presence or support in particular.

Getting to the point where the United States can provide the kind of support Iraq needs to effectively govern and resist malign external influences will be difficult. Contesting malign Iranian influence requires providing better alternatives to Iranian assistance—which often comes in the form of sectarian militias and cheap goods—while at the same time making space to assuage Iran's legitimate concerns that Iraq could threaten it again. Political reforms that make Iraqi governance more inclusive and thus more resilient against Iranian influence also are a necessity.

Defeating ISIS and preventing the return of it or any other terrorist group requires not only effective military and law enforcement capabilities but also political reconciliation between Iraq's various competing sects and political parties. At the same time, promoting an independent press and free and fair elections would allow proper public scrutiny and information sharing.

Critical to all these efforts is not just growing the Iraqi economy but diversifying it. Bringing in more revenue will not be sufficient. To achieve real economic resilience, Iraq must attract foreign investment across a range of industries and market sectors as well as develop a private sector capable of absorbing this cash injection in addition to making investments of its own.

Each of these political, security, and economic efforts are interrelated. As a result, Iraq often finds itself in a vicious circle, with a decline in one sector undermining improvements in others. In general, the poorer the security situation, the less opportunity for economic activity as individuals are forced to limit their range of activity, both in terms of geographic space and the number of people with which they can engage, which decreases the resources available to them and their families. This decrease in resources then forces individuals to rely on family, clan, and tribal networks for basic needs, increasing trust in the former and decreasing trust in extended networks where identity is not essential for the kind of "blind" trust necessary for good governance and economic growth in large societies.<sup>14</sup>

It will be a tough road to realign these social relationships in a way that promotes political reconciliation and, consequently, improves security and economic growth. Having said that, Iraq has made a lot of progress. The Iraqi Security Forces drove ISIS from territory it held and, as a result, the Iragi economy was improving, albeit at a modest and fragile pace prior to the dramatic oil price reduction amid the COVID-19 pandemic. In addition, its relations with neighbors including Saudi Arabia and Kuwait have improved significantly. 15 Perhaps more importantly, Iraq held what has been widely regarded as free and fair elections in 2018, where the parties that won did so by emphasizing their ability and willingness to transcend sects, albeit inconsistently.16 In fact, Iragi society as a whole seems to be embracing a "nationalist mood and rhetoric" that de-emphasizes sectarian identity and emphasizes equal citizenship.<sup>17</sup>

Whether this nationalist mood sets Iraq on a path to reform or reinforces the current impasse remains to be seen. Prime Minister-nominee Mohammed Tawfik Allawi was largely rejected by Iraqi protestors for his ties to Iran and association with the Iraqi establishment; however, it was the

<sup>14</sup> Robert E. Looney, "Reconstruction and Peacebuilding under Extreme Adversity: The Problem of Pervasive Corruption in Iraq, *International Peacekeeping* 15, no. 3 (2008), 431.

Suadad al-Salhy, "Saudi-Iraqi Relations Have Unconditionally Improved, Iraq PM Abadi Says," Arab News, December 6, 2017, https://www.arabnews.com/node/1204536/middle-east. See also Gregory Aftandilian, "The Future of Iraqi-Kuwaiti Relations: Overcoming Troubled History," Arab Center Washington DC, July 10, 2018, http://arabcenterdc.org/policy\_analyses/the-future-of-iraqi-kuwaiti-relations-overcoming-a-troubled-history/.

<sup>16 &</sup>quot;Freedom in the World 2019: Iraq," Freedom House, accessed September 10, 2019, and now available through the European Country of Origin Information Network run by the Austrian Red Cross, https://www.ecoi.net/en/document/2002613.html.

<sup>17</sup> Daniel Benaim, "The Next Phase in Iraq's Transition," Center for American Progress, July 2, 2018, https://www.americanprogress.org/issues/security/reports/2018/07/02/453034/next-phase-iraqs-transition/.

dysfunctional Iraqi Parliament that forced him to withdraw his nomination since members could not apparently agree on how to divide up government positions in an Allawi cabinet. Thus, the protests gave Parliament cover to reject what may have been a competent cabinet because they could not figure out how to divide the spoils.<sup>18</sup>

Even if the latest designated prime minister, Mustafa al-Kadhimi, manages to secure the nomination and makes a genuine effort at the kind of reforms the Iraqi public is demanding, it is not clear Iraq's political elite will, or even can, follow the public's lead. Alienating US, European, and Arab Gulf partners will only accelerate Iraq's descent to the status of a fragile Iranian vassal state and undermine the nationalist mood that had only just begun to bring Iraqis together. However, there are opportunities for the United States to take political, security, and economic measures to ensure Iraq stays on a positive trajectory that realizes the interests of both parties.

# CONTESTING MALIGN IRANIAN INFLUENCE

The United States is not in a position to eliminate Iranian influence in Iraq. More to the point, it is not in a position to fully eliminate the malign aspects of that influence, which exacerbate Iraq's gridlocked politics and poor governance. As the above discussion suggests, it is entrenched. Markets are flooded with Iranian goods, Iranian programming is ubiquitous on TV, and numerous infrastructure projects are carried out by Iranian companies. Moreover, prior to his death, Soleimani and other Quds Force members were very visible in the Iraqi press, promoting Iran's role in defeating ISIS while diminishing that of the US-led coalition. However Iraqis feel about that influence (and there are certainly differing views), Iraq will never be the kind of partner against Iran that the United States wants, which Saudi Arabia, for example, is.

However, the United States can enable the Iraqis to push back on that malign influence, especially when it interferes with Iraq's recovery and other beneficial relationships. There will be times when Iraq will want to resist Iran but will need external support to do so successfully. In fact, right now may be just such a time as Iranian proxies drag Iraq further into a regional conflict it is not prepared for or interested in fighting.

While this perception of dominating Iranian influence is a significant obstacle to strengthening US and Iraqi ties, it is not clear how much support Iran really enjoys in Iraq. A 2019 poll indicated favorable attitudes toward Iran plummeted from 86 percent in 2015 to 38 percent.<sup>21</sup>

Another recent assessment of Iraqi public opinion indicated that Iraqis were generally receptive to an enduring US military presence and also acknowledged a continued role for the United States in Iraqi government formation along with the Iranians.<sup>22</sup>

Whether these polling numbers still hold after the US air strikes is uncertain; however, the airstrikes have made it difficult for Iraqis, especially Iraqi political leaders, to publicly express pro-US sentiments or endorse a continued US military presence. Still, as the protests suggest, the US-Iraq relationship may not yet be lost and there may be space for the United States to contest malign Iranian influence. Doing so will not just require strengthening ties with Iraqis, it will also require making space for Iran to realize its more legitimate interests, which include ensuring Iraq does not become a threat to it again.

Therefore, US policy toward Iraq should follow five principles.

1. Do not put the Iraqi government in the middle: As author and retired US intelligence official Paul Pillar notes, both Iraq and Iran fought a devastating war that neither wishes to repeat.<sup>23</sup> Thus, US policies or engagement that place the Iraqi government in a position where it would threaten Iranian security or vital interests would not likely meet with much cooperation and, to the extent it did, would certainly reignite

<sup>18</sup> Alex MacDonald, " 'He Is Establishment:' Iraq's New Prime Minister, Already under Fire, Steps into Doomed Role," Middle East Eye, February 5, 2020, https://www.middleeasteye.net/news/mohammed-tawfik-allawi-Iraq-PM-protests-corruption-elections.

<sup>19</sup> It is important to note in the context that not all Iranian influence is malign. It is in both the United States' and Iraq's interest that Iraq and Iran have the kind of trade, religious, and cultural ties that encourage peaceful relations.

Daniel Pollock, "Iraq's Kurds Weigh Their Options, Balancing the United States and Iran," contribution to a Washington Institute online forum, March 20, 2019, https://www.washingtoninstitute.org/fikraforum/view/iraqs-kurds-weigh-their-options. See also Jonathan Spyer, "Iraqi Kurdistan's Post-Referendum Isolation Boosts Iran," Middle East Forum, January 20, 2018, https://www.meforum.org/7183/iraqi-kurdistan-4-months-after-the-referendum, originally published as "Iraqi Kurdistan Four Months after the Referendum" in the Jerusalem Post.

<sup>21</sup> Munqith Dagher, "IIACSS Weekly Newsletter," Independent Institute for Administration and Civil Society Studies, accessed September 10, 2019, https://iiacss.org/iiacss-weekly-newsletter/. See also Munqith Dagher, "Iraqi Public Opinion 16 Years after the Invasion," Center for Strategic and International Studies podcast featuring Dagher, the chairman of the Al Mustakilla Research Groups, April 8, 2019, https://www.csis.org/events/iraqi-public-opinion-16-years-after-invasion.

<sup>22</sup> Benaim, "The Next Phase in Irag's Transition."

<sup>23</sup> Paul Pillar, "Good Iraqi-Iranian Relations Are Not a Reason to Worry," LobeLog blog, March 15, 2019, https://lobelog.com/good-iraqi-iranian-relations-are-not-a-reason-to-worry/.

sectarian divisions and regional tensions, consequently undermining US interests.<sup>24</sup> The Iraqi reaction to the US airstrikes is a case in point. The strikes may have been warranted, but the blowback (and its costs) have set back Iraq-US cooperation in ways that should have been anticipated.

This point does not suggest that the United States should tolerate continued attacks on US forces in Iraq that have been ongoing since December.<sup>25</sup> It does mean that the United States should continue to defend itself against attacks by Iran and its proxies in Iraq. However, the United States needs to do more to make the Iraqi Security Forces part of the solution before considering unilateral action.

Doing so will of course not be easy: Iraqi police and military organizations have little capability and even less will to confront the Iran-backed militias on their own. So, the kind of operation where coalition forces supported then-Prime Minister Nuri al-Maliki's 2008 attack against Sadrist militias in Basra is unlikely today.<sup>26</sup> However, the Iraqi military and Counterterrorism Service continue to benefit from their relations with the United States, which the Iran-backed militias jeopardize. While direct confrontation may be off the table, it may still be useful to cajole the Ministry of Defense to find ways to pressure militias to cease attacks or constrain their possible courses of action. Doing so will not likely put an end to attacks, but it could make them less frequent and less deadly. More importantly, it will demonstrate that there is at least some support for continued US-Iraq security relations. In fact, if the United States cannot get support for at least some kind of response, it may be time to reconsider the security relationship.

Incentivizing the necessary cooperation will require more than just diplomatic pressure. Instead, it will require direct US support to Iraqi units confronting these militias and the promise of US unilateral action should they fail to do so. In raising these options to the Iraqi government, it will be important to remind them that while it may not be tolerable for the United States to drag Iraq into a conflict with Iran, it is equally intolerable for Iran to drag Iraq into conflict with the

United States. Whatever response the United States takes, however, it must ensure that the conditions for cooperation it imposes on the Iraqi government do not entail a threat to Iran. Iraqis, quite rightfully, will reject such cooperation.

2. Play to the US comparative advantage: As noted earlier, the United States and its partners are generally in a better position to assist Iraq in facing its current economic, political, security, and health crises than Iran. More importantly, over the longer term, the United States is in the best position to help Iraq join the global community as a constructive, contributing member. However, while the United States has much to give the Iragi government, it has little to give individual Iragis. It can help build effective government institutions; however, doing so will come at the expense of members of the political elite, who resist meaningful reforms. As a result, Iran is able to exploit individual and sectarian interests to exacerbate Iraq's corrupt political culture and limit the good that recovery and reconstruction assistance can do.27 Iranian efforts in Iraq also provide Tehran with a host of proxies and sympathizers willing to take action on its behalf. As the protests have shown, though, the Iraqi people are aware of the manipulation and apparently have had enough. Perhaps some of those Iragis whom the Iranians have managed to buy off are satisfied with the status quo, but many others clearly are not.

The United States and its partners can do a lot more for Iraq than Iran can.<sup>28</sup> The obvious example is the critical role of the US military in supporting Iraq Security Forces' defeat of ISIS. Tehran, for the most part, channeled military assistance in the form of weapons and advisers through its proxies in the Popular Mobilization Forces, which played a visible, but marginal role in its defeat, though the Iranian narrative claims much the opposite. The United States, on the other hand, provided equipment, weapons, critical intelligence capabilities as well as close air and fire support that played a much larger role in Iraq's ultimate success.<sup>29</sup>

US advantages, however, are not limited to the military. Another obvious example is the fact that US and

<sup>24</sup> Pfaff, "How to Counter Iran's Proxies."

Patrick Wintour, "Iran Hits Back after Trump Claims It Is Planning Iraq Attacks," *Guardian*, April 2, 2020, https://www.theguardian.com/world/2020/apr/02/iran-hits-back-after-trump-claims-it-is-planning-iraq-attacks; Barbara Starr et al., "2 Americans and 1 British National Killed in Rocket Attack on Base in Iraq," CNN, March 11, 2020, https://www.cnn.com/2020/03/11/politics/americans-killed-iraq-rocket-attack/index.html.

<sup>26</sup> Richard Iron, "The Charge of the Knights: The British in Basra, 2008," RUSI Journal 158, no. 1 (March 2013).

<sup>27</sup> Douglas Ollivant, "A New Source of U.S. Influence in Iraq," Lawfare blog, August 11, 2019, https://www.lawfareblog.com/new-source-us-influence-iraq.

<sup>28</sup> Pfaff, "How to Counter Iran's Proxies."

Murtaza Hussain, "Iran's Shadow War on ISIS," *Intercept*, November 18, 2019, https://theintercept.com/2019/11/18/iran-isis-iraq-kurds/. See also "Operation Inherent Resolve: Targeted Operations to Defeat ISIS," US Department of Defense website, accessed April 2, 2020, https://dod.defense.gov/OIR/.



Iraqi women gather at the scene where Iran's Quds Force top commander Qassem Soleimani and Iraqi militia commander Abu Mahdi al-Muhandis were killed in a U.S. airstrike at Baghdad airport, Iraq February 13, 2020. REUTERS/Wissam al-Okaili

European oil companies play a significant role in Iraq's oil extraction, while Iranian companies play none. Underscoring this importance, when Exxon-Mobil departed the southern oil fields in response to threats from Iran-backed militias, the Basra Provincial Council called on the Iraqi government to sue if they did not return.<sup>30</sup> The United States also can assist Iraq with integrating into the international community and developing the economic and financial capabilities necessary to participate in the global economy in ways a politically and economically isolated Iran never could.<sup>31</sup>

Developing those kinds of business opportunities outside the oil industry, however, would require the US

government to make promoting US business opportunities a higher priority and to engage, in close coordination with industry, a wider range of Iraqi partners.

The current health care crisis resulting from the spread of the COVID-19 virus should also be an opportunity for the United States to demonstrate its comparative advantage relative to Iran, which has struggled to manage the spread within its own borders and has likely contributed to the spread in Iraq.<sup>32</sup> Moreover, given that the reported lethality rate of the virus in Iraq is 13 percent, its government will need to receive more outside assistance to avoid devastating social, economic, and political consequences.<sup>33</sup> However, in providing additional assistance,

<sup>30</sup> Khalid al-Ansary, "Iraq Says Exxon Evacuation of Staff Is 'Unacceptable,' " Bloomberg, May 18, 2019, https://www.bloomberg.com/news/articles/2019-05-18/iraq-says-oil-and-gas-output-isn-t-affected-by-exxon-evacuation.

<sup>31</sup> Benaim, "The Next Phase in Iraq's Transition."

David D. Kirkpatrick, Farnaz Fassihi, and Mujib Mashal, "'Recipe for a Massive Viral Outbreak:' Iran Emerges as a World Wide Threat," New York Times, February 24, 2020, https://www.nytimes.com/2020/02/24/world/middleeast/coronavirus-iran.html?auth=login-email&login=email.

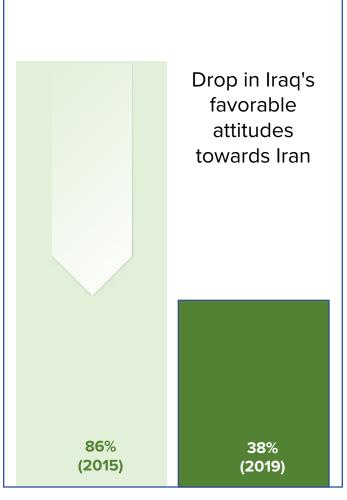
Hollie McKay, "Iraqis Protest Burying Coronavirus Dead, Defy Government and Gather for Mass Pilgrimage," Fox News, March 25, 2020, https://www.foxnews.com/world/iraqis-protest-burying-the-dead-defy-government-orders-and-gather-for-mass-pilgrimage-amid-coronavirus-outbreak.

the United States needs to exercise a degree of caution, so that well-intentioned aid does not backfire.

As of March 2020, the United States has provided \$15.5 million in assistance to Iraq to combat the spread of the COVID-19 virus. According to USAID, most of this assistance is dedicated to preparing laboratories, implementing public health emergency plans, and improving disease tracking and surveillance.34 While this assistance is precisely what Iraq needs right now, it is provided largely through third parties that distance the United States from the recipients of this aid. With influential Shia cleric Muqtada al-Sadr publicly declaring his refusal to accept US assistance, few, if any, Iraqis are aware of what the United States is providing.<sup>35</sup>

While the United States could use a public relations boost among the Iraqi people, as Sadr's comments suggest, this distance may not be a bad thing. There is likely no amount of aid that will adequately contain the virus, which will likely have a devastating impact on Iraq's prospects for recovery. Thus, should the United States try to play a more visible role, it risks getting blamed for not only the virus's spread but also the significantly higher lethality rate Iraq is experiencing. In fact, Iran's supreme leader's statement that US assistance is a source of the virus previews how Iran's supporters in Iraq will portray the effects of more direct US assistance.<sup>36</sup> So, rather than exposing itself to that kind of negative publicity, the United States should focus now on the kinds of assistance Iragis will need to recover from the virus's economic impact. Of course, there will still be areas in Iraq where such assistance will also be unwelcome or ineffective: however, a few well-placed programs could demonstrate the United States' value as a partner.

3. Continue to insist on the integration of Iran-backed militias into the Iraqi security forces: As the attacks by Iran-backed militias clearly demonstrated, their willingness to pursue their own—and often an Iranian—agenda is a significant concern for the United States. These militias serve as a lever Iran can use



Source: For poll data, see: Munqith Dagher, "IIACSS Weekly Newsletter," Independent Institute for Administration and Civil Society Studies, accessed September 10, 2019, https://iiacss.org/iiacss-weekly-newsletter/. See also Munqith Dagher, "Iraqi Public Opinion 16 Years after the Invasion," Center for Strategic and International Studies podcast featuring Dagher, the chairman of the Al Mustakilla Research Groups, April 8, 2019, https://www.csis.org/events/iraqi-public-opinion-16-years-after-invasion.

against the United States and are well poised to conduct armed attacks and information operations that keep alive the narrative of the United States as occupier.<sup>37</sup> This concern is heightened by their affiliation with the Popular Mobilization Forces (PMF), in which

<sup>34 &</sup>quot;The United States Is Leading the Humanitarian and Health Assistance Response to COVID-19," USAID website, March 30, 2020, https://www.usaid.gov/news-information/fact-sheets/mar-2020-us-leading-humanitarian-and-health-assistance-response-covid-19; Bryant Harris, "Intel: US Provides Aid to Help Iraq Fight Coronavirus," Al-Monitor, March 25, 2020, https://www.al-monitor.com/pulse/originals/2020/03/intel-us-aid-iraq-fight-coronavirus-embassy.html.

<sup>35 &</sup>quot;The Iraq Report: An Outbreak of Virus and Violence Rocks Iraq," New Arab, March 13, 2020, https://english.alaraby.co.uk/english/indepth/2020/3/13/the-iraq-report-an-outbreak-of-virus-and-violence.

<sup>36</sup> Jon Gambrell, "Iran Leader Refuses U.S. Help to Fight COVID-19, Citing Conspiracy Theory," Time, March 22, 2020, https://time.com/5807893/iran-leader-refuses-us-help-coronavirus/.

Mike Giglio, "The Flash Point Between America and Iran Could be Iraq's Militias," *Atlantic*, May 8, 2019, https://www.theatlantic.com/politics/archive/2019/05/iraq-militias-flash-point-between-united-states-and-iran/589003/?utm\_source=Sailthru&utm\_medium=email&utm\_campaign=ebb%20 05.10.19&utm\_term=Editorial%20-%20Early%20Bird%20Brief.

they occupy key leadership positions and have access to \$1.5 billion from the Iraqi budget.<sup>38</sup>

Perhaps even more concerning is their ability and willingness to resist any oversight by the Iraqi government. Former Prime Minister Adel Abdul Mahdi's decree requiring all PMF-related militias to integrate with Iraqi security services and submit to regulation was welcome, creating hope that the Iraqi Government would exert command and control over them, but resulted in no discernible changes.<sup>39</sup> However, that lever has its limits. As Douglas Ollivant and Erica Gaston point out, these militant groups are often more motivated by political survival than by orders from Tehran.<sup>40</sup> Therefore, the protests, if encouraged and allowed to continue, can at least impose some limits on what the militias can do. Thus, as the Iraqi public becomes increasingly intolerant of sectarian agendas and militias to enforce them, these groups are going to have to moderate their agendas if they want to maintain political influence. To the extent elections can remain relatively free and fair, their influence can be contested at the ballot box.

The United States can facilitate this process by continually publicizing malevolent militia activities as well as separating its complaint against the militias from larger concerns regarding the PMF, which remains popular in Iraq because of the role the forces played in defeating ISIS. The United States needs to recognize this fact as it engages on this issue. When it has in the past, it has paid dividends. In 2016, the US Consul General in Basra, Steve Walker, visited wounded PMF fighters in hospital and released a statement which included praise for the PMF. Iraqis were reportedly "extremely happy" and viewed the statement as a step forward in U.S.-Iraq relations.<sup>41</sup>

4. Construct a joint, positive narrative: Much of what plagues US-Iraq relations is rooted in the narratives that have evolved in each nation to explain the lack of Iraq's recovery from the 2003 US invasion and subsequent fight with ISIS. There are, of course, many elements, but some stand out as particularly detrimental.

A 2019 poll found that 53 percent of the Iraqi public thought the US invasion was about plundering Iraqi wealth and another 15 percent thought its purpose was to divide Iraq. Only 15 percent saw it as positive. 42 It is through this lens that Iraqis often view increased US troop presence and demands for political and economic concessions—even when such concessions are in their own interests. Iran and its supporters also exploit these themes to portray any engagement with the United States in a bad light.

On the US side, attitudes like "if you break it, you fix it" are frequently invoked to justify and motivate increased assistance. At a Senate Foreign Relations subcommittee meeting in July 2019, Senator Chris Murphy argued that there is a moral obligation to provide Iraq continued assistance because of the "leading role" the United States played in "breaking" the country. The difficulty with this narrative is that a new generation of Americans who did not break it are reaching voting age and, according to a Gallup poll, see little value in continued assistance. Moreover, the generation of Americans who did break it and have tried to fix it are more likely to have reached the point where it is easier to accept failure rather than to keep funding the same floundering efforts year after year.

It is time that the relationship transforms from apologetic patronizing to one of shared pursuit of mutually beneficial interests. This does not mean that mistakes and bad decisions by any actors should be ignored. What it entails is adopting a joint narrative that truthfully and accurately describes the US role in promoting Iraq's development, the often heroic efforts by Iraqis to overcome myriad challenges to political and economic reform, and the mutual benefits to be gained by a strong relationship. Such a narrative, of course, is not for a public relations firm to form. Rather, what is needed are good faith efforts at the highest levels on both sides to communicate the positive aspects of a continued relationship.

**5. Promote reconciliation:** Iranian influence thrives in a divided Iraq. However, it would be wrong to conclude

<sup>38 &</sup>quot;Turning a Blind Eye: The Arming of the Popular Mobilization Units," Amnesty International, 2017, 9, https://www.amnestyusa.org/files/iraq\_report\_turning\_a\_blind\_eye.pdf.

<sup>39</sup> Phillippe Atallah, "The Future of the Iraqi Popular Mobilization Forces," Foreign Policy Research Institute website, Middle East Program intern corner, August 19, 2019, https://www.fpri.org/article/2019/08/the-future-of-the-iraqi-popular-mobilization-forces/.

Douglas Ollivant and Erica Gaston, "The Problem with the Narrative of Proxy War in Iraq," War on the Rocks platform, May 31, 2019, https://warontherocks.com/2019/05/the-problem-with-the-narrative-of-proxy-war-in-iraq/. Ollivant, a former National Security Council director, is an ASU Future of War senior fellow at New America, where Gaston is a nonresident fellow.

<sup>41</sup> Norman Ricklefs, email to author, September 13, 2019.

<sup>42</sup> Dagher, "IIACSS Weekly Newsletter."

<sup>43</sup> Senator Chris Murphy, "Iraq: A Crossroads of U.S. Policy."

<sup>44 &</sup>quot;Iraq," Gallup poll, February, 2019, https://news.gallup.com/poll/1633/iraq.aspx.



that Iran's influence is dependent on the maintenance of those divisions. Sometimes that is true; however, Iranian influence could increase if it plays a role in resolving them. In the aftermath of the Kurdistan Regional Government (KRG) independence referendum, Iranian officials, including reportedly Soleimani, tried to play a role in reconciling the Kurdish parties to each other and to Baghdad.<sup>45</sup> Even in Sunnidominated areas, Iran and its proxies are reaching out to local tribes to establish patronage ties and, consequently, support for the Iranian agenda.<sup>46</sup>

The mixed results of these Iranian efforts are likely reflective of the negative feelings most Iraqis, regardless of sect, have regarding cooperating with Iran. However, these efforts also are evidence of the access and influence Iran can have if left unchallenged.

The United States needs to provide an alternative to Iranian mediation while at the same time avoiding advocacy for a particular outcome. In the zero-sum game of Iraqi politics, supporting Sunni and Kurdish aspirations could be seen by Baghdad as a threat and result in restrictions on its cooperation with the United States. Alienating Baghdad risks ceding more space to the Iranians as good relations with Baghdad are necessary to successfully contest malign Iranian influence.

#### **SECURITY COOPERATION**

The Iraqi Parliament's nonbinding resolution<sup>47</sup> to expel US forces from Iraq does not have to be the end of US-Iraq security cooperation. In the past, the Iraqi government has parsed how it describes foreign forces operating in the country, as it did in 2014, when it claimed no foreign forces were fighting ISIS but did recognize the presence of US advisers and support troops, which included forward air controllers and artillery units that supported the Iraqis in their fight.

Thus, it is important to understand the different roles members of the US military play in Iraq. Until operations were paused by the coronavirus, there were special operations forces conducting combat operations against ISIS, advisers and support personnel supporting the Iraqi Security Forces, and security cooperation personnel associated with the Office of Security Cooperation-Iraq (OSC-I). It matters which of these groups, if any, the Iraqis ask to leave. In fact, anti-ISIS cooperation between the US and Iraqi militaries resumed shortly after the Parliament voted to end it.<sup>48</sup>

Still, it is reasonable to expect military cooperation with Iraq will be constrained by the current political dynamics, and that any future US strikes in Iraq could limit the scope of potential military cooperation. Clearly, any presence of US forces capable of conducting combat operations will

<sup>45</sup> Jeremy Hodge, "Iran's—and Russia's—Influence Is Growing in Iraqi Kurdistan," *Nation*, October 25, 2017, https://www.thenation.com/article/irans-and-russias-influence-is-growing-in-iraqi-kurdistan/. See also Pollock, "Iraq's Kurds Weigh Their Options," and Spyer, "Iraqi Kurdistan's Post-Referendum Isolation Boosts Iran."

<sup>46</sup> Alissa J. Rubin, "Iran Tries to Expand Business in Iraq to Blunt U.S. Sanction," New York Times, March 11, 2019, https://www.nytimes.com/2019/03/11/world/middleeast/iran-iraq-rouhani.html.

<sup>47</sup> Jane Arraf, "Iraqi Parliament Votes to Expel U.S. Troops, Trump Threatens Sanctions," National Public Radio, January 6, 2020, https://www.npr. org/2020/01/06/793895401/iraqi-parliament-votes-to-expel-u-s-troops-trump-threatens-sanctions.

<sup>48</sup> Alissa J. Rubin and Eric Schmitt, "U.S. Military Resumes Joint Operations with Iraq," *New York Times*, January 15, 2020, https://www.nytimes.com/2020/01/15/world/middleeast/us-military-iraq.html.

continue to be something of a "red line" (if a blurry one) for Iranians and Iraqis alike. It is worth pointing out, however, that a permanent US military presence in Iraq against a third country was already precluded by the SFA, in which the United States agreed not to "seek or request permanent bases or a permanent military presence in Iraq."<sup>49</sup>

What Iraqis will tolerate at this point, however, is uncertain. Prior to the air strikes, a Center for American Progress assessment indicated Iraqis seemed largely unconcerned about a continued US troop presence. Moreover, Iraqi leaders closely associated with Iran such as Hadi al-Ameri and former Interior Minister Qasim al-Araji have expressed support for continued security cooperation with the United States. Even Qays al-Khazali, leader of the Asaib Ahl al-Haq, who has publicly stated he wants US forces to leave, concedes that "a small contingent of advisers and trainers for logistical matters could stay on."

It is important in this context to distinguish between a US presence intended to take part in operations against ISIS, even if only in a supporting role, and a presence intended to build Iraqi military capability. The former's effectiveness can be measured in terms of ISIS' (or its successors') inability to pose a threat. The latter's effectiveness, on the other hand, will not be so apparent.

Several factors impede what US security cooperation can achieve, some of which are historical and enduring. Almost since Iraq's independence in 1932, the Iraqi military has intervened in domestic political affairs with some frequency, staging coups against leaders it considered working against Iraq's interests or taking action against restive elements of the population, including Shia tribes and Kurdish Peshmerga (forces). As a result, the military has a history of politicization that is hard for both the government and the people to forget.

As a result, political leaders of every party work to place loyalists in key positions while those in charge create alternate chains of command to make it harder for the military to act against the government. This preference for loyalty and the resulting disunity of command make it difficult to build effective institutions, creating challenges for even well-meaning leaders to get a handle on a number of corrupt practices that impede military effectiveness.<sup>53</sup>

For this reason, the Iraqi Security Forces continue to lag in developing combat service support and intelligence functions as well as adequate command and control systems, which are necessary if they are to make effective use of the complex weapons systems they are acquiring from the United States, Russia, and elsewhere.<sup>54</sup>

So, while there may be some utility in providing the Iraqis M1 Tanks and F-16s, the US military should invigorate its emphasis on institution building to establish the kind of oversight and accountability required of a modern military. Progress in that regard will remain slow and largely in the hands of the Iraqis. To compensate, the US military should also emphasize interoperability so that, in the event that a group like ISIS surfaces, US forces can quickly fill in capability gaps of the Iraqi armed forces. This gap filling is what happened during the fight against ISIS. The United States must therefore ensure that the ability to "plug into" the Iraqi military systems is not just maintained but improved.<sup>55</sup>

#### **ECONOMIC COOPERATION**

Economic assistance and reform have been a significant feature of US-Iraq relations since the fall of Saddam Hussein. Economic cooperation featured prominently in the SFA, and subsequent US engagement has included efforts to deepen Iraqi trade relations with the international community, transition from a state-run to a market-driven economy, improve infrastructure and services, and increase foreign investment, all of which are in line with the SFA.<sup>56</sup>

<sup>49 &</sup>quot;Strategic Framework," 2.

<sup>50</sup> Benaim, "The Next Phase in Iraq's Transition."

Margaret Coker, "The U.S. Takes a Risk: Old Iraqi Enemies Are Now Allies," New York Times, May 11, 2018, https://www.nytimes.com/2018/05/11/world/middleeast/iraq-iran-election-enemies.html.

<sup>52</sup> Qassim Abdul-Zahra and Zeina Karam, "AP Interview: Iraqi Militia Leader Wants US Troops to Leave," Associated Press, January 28, 2019, https://www.apnews.com/109a9aabe987430cbe63e4a668711833.

<sup>53</sup> Jesse Rose Dury-Agri, Omer Kassim, and Patrick Martin, "Iraqi Security Forces and Popular Mobilization Forces: Order of Battle," Institute for the Study of War, December 2017, 31. See also C. Anthony Pfaff, *Professionalizing the Iraqi Army: US Engagement After the Islamic State* (Carlisle, Pennsylvania: US Army War College Press, Strategic Studies Institute, January 2020), 45–47.

<sup>54</sup> Pfaff, Professionalizing the Iraqi Army, 53-57.

In determining the best ways to improve interoperability, the United States will have to take into account concerns that access granted to Iraqis will eventually find its way to Iran. However, interoperability does not entail integration. It should be possible to distance sensitive details of US operations while still providing intelligence, logistics, and fire support.

<sup>&</sup>quot;U.S. Relations With Iraq: Bilateral Relations Fact Sheet," US State Department, Bureau of Near Eastern Affairs, July 31, 2018, https://www.state.gov/u-s-relations-with-iraq/. See also "Strategic Framework," 4–5, which includes fourteen measures to develop Iraq's economy as well as energy and agricultural infrastructure.

In 2018, the United States exported \$1.3 billion in goods to Iraq, while importing \$11.9 billion of Iraqi exports, mostly oil, to the United States. The Moreover, according to an April 2019 World Bank report, Iraq's economy was growing by 0.6 percent (following contractions in previous years) because of improved security and increased oil prices. Perhaps more importantly, the nonoil economy also grew at 4 percent in part due to trade agreements with neighbors including Jordan. The report does note that underinvestment, especially in water and energy infrastructure, and weak institutional capacity limit the space for growth. As a result, the Iraqi economy remains sensitive to oil prices and changes in the security situation. The report sensitive to oil prices and changes in the security situation.

This is another aspect of Iraq's recovery that depends as much, if not more, on Iraqis as it does on external assistance. To grow the economy, Iraq needs to improve its financial infrastructure, reduce corruption, and eliminate complex regulations and burdensome visa requirements in order to attract foreign investment. Moreover, it needs to diversify its economy and divest itself of state-owned enterprises in order to create space for a private sector. However, unlike in other sectors, where faster is better when it comes to reform, economic reforms need to be handled in a way that prevents shocks to the system.

For example, as Russia learned after the fall of the Soviet Union, rapid divestment of state-owned enterprises did not

give rise to a private sector as much as it did an oligarchy, which avoided market competition and, as a result, did not grow the economy. The result was widespread unemployment. In Iraq's context, such an outcome would not just have economic consequences but security ones as well.

For these reasons, the United States should focus its efforts on setting conditions for foreign investment by US companies and like-minded partners. The reasons for this approach are twofold.

First, the United States is not in a position to help the Iraqis remove the barriers mentioned above quickly and even if it were, it is not clear that doing so would cause more good than harm. Increased foreign investment, however, especially beyond the energy sector, will begin to diversify the Iraqi economy, making it less dependent on state-owned enterprises.

Second, the barriers to foreign investment, while significant, are more a function of the security and regulatory conditions. (The previous section detailed how the United States can assist with the security situation.) Current regulatory requirements discourage investment, and complex and burdensome visa requirements make it difficult and expensive to get in and out of the country. In addition, there is clear need for the development of a banking system at local levels that can move money internationally.

<sup>7 &</sup>quot;Bilateral Relations Fact Sheet: Iraq," U.S. Department of State, November 13, 2019, https://www.state.gov/u-s-relations-with-iraq/.

<sup>58 &</sup>quot;Iraq's Economic Update," World Bank, April 2019, http://pubdocs.worldbank.org/en/300251553672479193/Iraq-MEU-April-2019-Eng.pdf.

# OPTIONS FOR THE UNITED STATES IF IRAQ DOWNGRADES TIES

The United States has options should the Iraqi government choose to end all military cooperation or sever or reduce other avenues of cooperation with the United States. If that occurs, the United States should make the case that this choice will put Iraq on Iran's same path of isolation and impoverishment. Moreover, the United States should consider freezing assistance programs, with the exception of those addressing immediate humanitarian needs. Doing so would highlight not just what the Iraqi government is giving up by acceding to Iranian interests but also what the Iranians cannot replace.

To continue the fight against ISIS, the United States could consider repositioning military forces and advisers to the Iraqi Kurdistan region, where they would likely be welcomed. Baghdad would not be happy about such a move. The tension between Baghdad and Erbil has always been difficult for the United States to navigate, and the United States has typically tempered its support for Kurdish aspirations so as to not alienate Baghdad and push it closer to Tehran. However, should Baghdad choose to expel all US forces or otherwise side with Iran, that concern would

be resolved. Of course, should the United States decide to station troops in the Kurdish territory, it would have to consider access issues as Baghdad would undoubtedly close its airspace and borders, as it did after the Kurdish independence referendum in 2017.

Given Baghdad's apparent ambivalence about forcing a complete US withdrawal, ideally the two governments could reach an agreement where US forces depart non-Kurdish areas but are provided an exception that allows them to stay in Kurdistan, largely out of sight of the majority of Iraqis. If such an agreement is not possible, then the United State should seek to prevent language in relevant Iraqi declarations that would prohibit US forces from remaining in Kurdistan in order to postpone resolution of any legal issues and provide some room to maneuver should US forces again be necessary to combat ISIS. Absent an agreement or such room to maneuver, the United States would be forced to confront significant issues under international law should it unilaterally decide to remain. Such confrontation would call into question the US commitment to the international order as well as weaken its justification for continued operations in Syria.59

A view of the interior of the Iranian consulate after Iraqi demonstrators stormed and set fire to the building during ongoing anti-government protests in Najaf, Iraq December 3, 2019. Picture taken December 3, 2019. REUTERS/Alaa al-Marjani



59 William F Wechsler email to author March 27 2020

# **CONCLUSION**

S-Iraq relations are caught in a bind. Failure to achieve the lofty ambitions of the Strategic Framework Agreement has caused frustration and a sense of futility. Exacerbating the situation, the United States' and Iran's now lukewarm war overlays the Iraqi political environment, fomenting political tension that undermines the stability that both the United States and Iraq want to achieve. While US efforts at political, security, and economic cooperation are certainly worthy, it is not clear that they will produce a meaningful outcome without a transformation of the current relationship.

Iraq certainly needs the assistance the United States and its international partners provide; however, without a sense of progress and a narrative that supports and communicates it, political will on both sides for future engagement will erode.

On the US side, a sense of futility could undermine the political will necessary to commit funds and people. On the Iraqi side, a sense of abandonment could fuel resentment

and increase a willingness to cooperate with US adversaries such as Iran, Russia, and perhaps even China. This is, in effect, what happened when the United States walked away from the Arab world following World War I, setting the tone for future relations, including incentivizing Iraq's relationship with the Soviet Union during the Cold War.<sup>60</sup>

Thus, the measures argued for in this paper are not intended to replace current cooperation and assistance; rather, they are intended to catalyze a continuous process of improvement, not just in the US-lraq relationship but in conditions for Iraqis as well. Continued US participation in the fight against ISIS not only increases chances for success—it creates space for the Iraqi military to establish itself as a national, nonsectarian force capable of defending the Iraqi people.

Such perceptions in turn build support for the Iraqi government, creating the opportunities it needs to begin the long process of reform. As security and governance improve, conditions for foreign investment improve as well, as long

## 2003 **US** Investment to date in Iraq \$800 billion invested in security, humanitarian, and 2014 1.2 B/Year other assistance 2015 1.2 B/Year 2016 1.2 B/Year 2017 1.2 B/Year 2018 1.2 B/Year FY 2018-2019: + \$700 M 2019 1.2 B/Year 2019

Eugene Rogan, *The Arabs: A History,* (New York: Basic Books, 2009), 156–163. See also Michael B. Oren, *Power, Faith, and Fantasy: America in the Middle East: 1776 to the Present* (London: W.W. Norton and Company, 2007), 258–262.

as it is not choked by burdensome regulations and corruption. Increased investment would expand Iraq's economy by enlarging employment opportunities and wages. Higher levels of employment in turn would reduce opportunities for radical groups to recruit, thus making Iraq more resilient and facilitating the evolution to a virtuous circle.

Getting such a dynamic going will not be easy. An unspoken assumption in this discussion is that the United States will not contest malign Iranian influence the way the Iranians contest "malign" American influence. The United States is not going to send special operations forces to arm militias who will then intimidate, extort, or kill Iraqis on its behalf. Moreover, it is not going to pay or pressure Iraqi officials to look the other way or pay them to assist while our proxies do those sorts of things. In the end, even if the United States took those steps, Iraq simply cannot afford to alienate its powerful neighbor in favor of an unpredictable superpower six-thousand miles away. Therefore, putting Iraq in the middle of the US-Iran conflict just exacerbates anti-US sentiments and accelerates efforts to drive US troops out.

Accounting for those sentiments requires a tiered, long-term strategy that exploits US comparative advantages. That exploitation means continued, but more aggressive, engagement across the range of Iraq's developmental needs. Such engagement does not need to be as costly as military assistance can be, but it needs to present Iraq an alternative to Iran's manipulations. Moreover, it should

be designed to create opportunities for additional engagement to address the corruption and dysfunction Iran takes advantage of to maintain its proxies and extend its influence. Creating these opportunities will only be meaningful if the United States is prepared to take advantage of them when they arise. The recent protests are a case in point. The United States could have done more to shape the Iraqi government's response, at least lessening the violent aspects, to give more room for the protests to be heard and lead to positive reforms. At the very least, the United States should have better considered the effect the air strikes in December 2019 and January 2020 would have on distracting from the protests, and either found another way to retaliate or taken steps to minimize the distraction.

Finally, there needs to be a stick. This could include tying economic and military assistance to specific actions the government can take to make room for a continued US presence as well as being more transparent and effective. If that fails, the United States should consider what one might call the "nuclear" option: thinking through ways to partner directly with Kurds and Sunnis, while withdrawing US assistance (with the exception of critical humanitarian aid) from Baghdad. The Iraqi government would oppose that step, and Iran's proxies would push back. However, openly considering it would send the message that driving the United States out is not any more of an option for Iran than driving Iran out of Iraq is for the United States. If that message is not heard, then the United States has little to lose by adjusting its posture.

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