

Iraq-Gulf Relations: An Anchor for Stability and Restraining Iranian Involvement in the Region?

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The rapprochement between the Gulf states and Iraq is of economic and geostrategic importance. It allows Iraq to attract necessary investments and balance the influence of Iran, and through their involvement in Iraq, the Gulf states seek to improve their security and influence in the region. However, Iraq's political impasse following the 2021 elections, along with the foreign involvement in its affairs, makes it difficult for it to move closer to the Arab world and function as a bridge between the Persian Gulf and Arabian Gulf. Moreover, the recent rapprochement between Israel and some Gulf states could be detrimental to Iraq, which, due to its internal divisions, is not ripe for joining the normalization trend.

"To manage crises internally, we are obliged to manage crises outside."

Iraqi Foreign Minister Fuad Hussein, March 25, 2022

The upheaval in the Arab world has exacerbated the Sunni-Shiite tension in Iraq and hurt its relations with its Arab neighbors, which refrained from directing attention and resources to it. Relations deteriorated after the United States invaded Iraq in 2003 and reached a low point about a decade ago during the tenure of Prime Minister Nouri al-Maliki and with the support by the Shiite religious establishment in Iraq for Shiite demonstrations in the Gulf. Iraq's historical, geographical, and sectarian proximity to Iran has prompted Saudi Arabia above all to treat Iraq as an Iranian affiliate, which has further pushed Iraq closer to Iran, despite US pressure on Riyadh not to do so.

In recent years, however, a number of Gulf states have warmed their relations with Iraq. Prominent Iraqi leaders have helped them – led by Prime Minister Mustafa al-Kadhimi and Shiite leader Muqtada al-Sadr – who saw approaching Arab states in general and the Gulf states in particular as a means of balancing Iran's influence in Iraq and improving its economic

situation. Al-Kadhimi even leveraged Iraq's unique strategic location and ethnic composition to serve as a bridge between the Gulf states and Iran and thereby improve its regional status. The future of this trend, which has implications for regional power relations – with and without the signing of a nuclear deal between Iran and the superpowers – depends on the political impasse in Iraq.

The Internal Dynamics

Iraq is at a political crossroads following parliamentary elections, in which pro-Iranian militia representatives lost power while their rivals seeking to reduce Iranian involvement in the country reaped impressive achievements. The election drama has dragged Iraq into a political upheaval: the formation of the new governing coalition has been underway for about six months and has deepened internal rifts, particularly among Shiites and Kurds. The political tangle is accompanied by an increase in tensions between the rival camps: most Shiite politicians, loyal to the Iranian regime, including pro-Iranian militia leaders, who want to maintain positions of power despite their shrinking strength in parliament, threaten to escalate violence if there is an attempt to form a coalition without them. On the other side is a multi-ethnic coalition (Shiite-Sunni-Kurdish) led by Muqtada al-Sadr: the connecting link between these factions is the rejection of the Iranian presence in the country, which has increased in recent years. Sympathy for this sentiment, in the public and in government, was expressed in the wave of protests that erupted in 2019 and led to bloody clashes between protesters and pro-Iranian militia activists as well as assassinations of anti-Iranian political activists. Al-Kadhimi and al-Sadr – who in the last election became the deciding elements of the next governing coalition – made it clear that they will not give up the rule of law and the sovereignty of the government in Baghdad and are therefore threatened by supporters of the "Iranian order" (al-Kadhimi apparently experienced an assassination attempt shortly after the election).

In an effort to overcome the political crisis and stabilize Iraq's security and economy, those who won the election strive to form a coalition based on as broad support as possible from the various political communities and

camps, in consultation with leaders of neighboring countries who have interest in expanding their influence in Iraq. Thus, the process of forming the new government in Iraq is under pressure from internal and external forces. Al-Sadr and his associates conclude that although their ambition is to form a government that will lack an "Iranian dictate," it will also need to include Tehran-backed representatives.

The Regional Dynamics

The United Arab Emirates renewed its relations with Iraq as early as 2008 and has since expanded its economic involvement there. A development that may also facilitate the improvement of relations between Iraq and its Arab neighbors is the January 2022 completion of the repayment of the debt to Kuwait – \$52 billion – for the damages of the 1991 occupation, according to the UN resolution.

Saudi Arabia too has changed direction. After years of concentrating on preventing the spillover of chaos from Iraq into its territory by fortifying the shared border and providing assistance to Sunni or secular Shiite power figures such as Iyad Allawi, it has chosen to improve relations to influence Iraq's future. With the death of King Abdullah in 2015, a Saudi (non-resident) ambassador to Iraq was appointed for the first time in a quarter of a century, a consulate in Erbil (2016) was opened, and the border crossing between the countries in Arar opened in 2020. Qatar also reopened its embassy in Baghdad in 2015 and has deepened its investments in the country since then.

Al-Kadhimi's visits to Riyadh and Abu Dhabi in 2021 and his remarks against the Iranian militias in Iraq increased his support in the Gulf states and spurred promises of aid from the Gulf. On the one hand, the political dynamics in Iraq create an opportunity for Saudi Arabia to try to push Iran's loyalists away from the Iraqi government, while taking advantage of converging interests with the rising Shiite leader, al-Sadr. On the other hand, Riyadh must recognize local processes in Iraq as well as regional and international processes that make it difficult to curb or suppress Iranian influence.

At the economic level, Iraq's energy dependence on Iran gives Tehran significant leverage over the government in Baghdad. Despite attempts by the Gulf states to change the situation by an agreement to connect Iraq to their electricity grid, the Iranian regime still holds a strong economic card. Making do without Iranian oil and electricity will be a long-term and tedious process for Iraq. The changing international reality, especially in the Middle East, also casts a shadow over the chances of victory in the competition with Iran in Iraq. The United States is paying less attention to its traditional allies in the Middle East and is focusing on concluding negotiations on a return to the nuclear deal with Iran. This follows the trend of reducing military commitment and involvement in the region. The Gulf states fear they will find it difficult to rely on Washington for political influence in Baghdad as well, not least for the sake of balancing Iranian military involvement in Iraq with the US military help.

Alongside this, Iraq constitutes a meeting place between representatives of Iran and Saudi Arabia. The talks have been conducted in a positive atmosphere and reflect the interest of the two rivals in relieving tensions and resolving issues that cloud their relationship (in particular, the war in Yemen). However, backing rival parties in Iraq's internal strife distances Iraqis from agreement, and therefore weakens the ability of the camp seeking to shake off Iranian involvement to form a government without a compromise that would mean coming to terms with the Iranian foothold in Baghdad.

Challenges on the Agenda

There is no uniform and coherent strategy that will put the Gulf states in a position of influence in Iraq. The Gulf states are as divided on the Iraqi issue as on other issues, and the attention of some is directed to other arenas, such as Iran and Yemen. Despite the measured rapprochement with Iraq, the Gulf states have remained somewhat suspicious of the Iraqi leadership. In addition, Iraq poses a challenge to the Gulf states in a number of areas. For example, the continued recovery of Iraq's oil industry may come at the expense of Riyadh's status in the oil market; there is sensitivity to the

influence of the religious establishment in Najaf on Shiites in Bahrain and Saudi Arabia; and aside from the threat from Iran-backed militias, Iraq is gradually building its army and could pose a threat to the Gulf states.

That is why the Gulf states are returning to Iraq with hesitant steps. The prolonged rift makes it particularly difficult for Riyadh to place a counterweight to Iran in Iraq. Moreover, opposition to Iran in Iraq is not automatically translated into support of Saudi Arabia, seen by some, along with Qatar, as supporting Sunni extremists in Iraq and a source for the growth of movements such as ISIS (many of the organization's volunteers were Saudis). In addition, many Iraqi Shiites have historically opposed Saudi Arabia due to its attitude toward the Shiites in its territory and following its invasion of Bahrain in 2011 to suppress the Shiite uprising. Against this background, Iraq is also exploring other options and in recent years has also turned its attention to the Levant and sought to establish a regional system, focused on energy, with Egypt and Jordan. For now, the project remains at a vague declarative level.

Israel and the Gulf states have a clear security interest in enforcing Iraqi sovereignty over the entire territory of the country and its borders and in restraining (if not dismantling) the pro-Iranian militias in its territory, which integrate the Iraqi arena in the conflict between Iran and Israel and its neighbors. The presence of forces from the Iranian Revolutionary Guards in western Iraq (with an emphasis on surface-to-surface missiles and UAVs in their possession) could be another catalyst for Israeli-Saudi cooperation.

On the other hand, the rapprochement in recent years between Israel and some of the Gulf states could harm their status on the Iraqi street. Due to the internal polarization and Iranian influence, Iraq is not ripe for normalization with Israel. Open or covert contacts with Israel in the past or present by politicians or parties (such as the Kurds) or normalization between Israel and Bahrain and the United Arab Emirates have faced condemnation and even threats and violence, mainly from Iranian loyalists in Iraq. Muqtada al-Sadr even declared a renunciation of normalization with Israel and an intention to legislate a ban on Iraqis maintaining ties with

Israel. Therefore, in the current reality, the lack of overt normalization between Iraq and Israel can help the Gulf states harness an Iraqi coalition that will support their rapprochement with them on the basis of common interests, which overlap those of Israel.