

IRAQ AND SAUDI–ISRAELI NORMALIZATION—THE IMPACT OF DOMESTIC DYNAMICS AND RELATIONS WITH IRAN

YARON SCHNEIDER*

Unlike its Gulf neighbors, Iraq has not been ruled by a single leader since the fall of Saddam Hussein’s regime in 2003 and the establishment of a democratic system led by a government, parliament, and president. These institutions are chosen through a process that provides proportional representation to the ethnic and sectarian groups comprising Iraqi society (Shi’ites, Kurds, Sunnis, and smaller minorities), based on their relative size within the population.

As a result, the formulation of Iraq’s domestic and foreign policy is shaped by its multi-sectarian demographic makeup and by the ideologies or political currents that dominate the major communities—especially when it comes to contentious inter-sectarian issues such as relations with Israel and the prospect of regional normalization with it. A majority of Iraq’s citizens (60–70 percent) belong to the [Shi’ite sect](#), granting them a built-in advantage in determining parliamentary election outcomes and, by extension, the composition of the government, which must secure the parliament’s confidence.

The current government in Baghdad (which received parliamentary approval in October 2022) was formed by the “Coordination Framework”—a coalition of representatives from Shi’ite militias that support Iranian regime policy and operate under its patronage. Given the nature of this government, the likelihood of Iraqi–Israeli normalization—similar to the Abraham Accords—is extremely low, if not outright impossible.

On the other hand, Iraq’s sectarian diversity and the various political currents that have emerged in its democratic system also provide fertile ground for political opposition to the current pro-Iranian ruling coalition, and may even

* Dr. Yaron Schneider—Research Fellow, Institute for National Security Studies

contain the seeds of protest and disengagement from the “Iranian order” in Iraq—including expressions of support for normalization with Israel.

For example, in October 2019, a [socio-economic protest](#) erupted across Iraq against the government. In addition to demands for political and economic reform to combat corruption and the suppression of freedoms, the protests also included expressions of opposition to the Iranian regime’s interference in the country—particularly among young Shi’ites in Baghdad and the southern provinces—who led [demonstrations and clashes](#) reminiscent of the protests in Cairo’s Tahrir Square at the beginning of the Arab Spring. In their slogans and public statements, the Iraqi protesters directed their criticism not only at the government, its corruption, and its failure to address fundamental economic issues (such as rising unemployment), but also at Iranian interference in state governance—especially regarding the Shi’ite militias, who receive weapons and funding from Iran and constrain the democratic institutions of the Iraqi state.

While this social protest was primarily concerned with Iraq’s internal situation, its focus on the issue of relations with Iran also sparked a broader discussion on a critical regional matter that deeply affects Iraq: its involvement in the Iranian-led Shi’ite axis. Questions arose as to whether Iraq should remain part of this axis under Iranian influence and pay the price for it—or, as reflected in [some protesters’ chants](#) (“Iran out”), whether it should disengage from the Iranian-Shi’ite camp, prioritize Iraq’s national interests, and maintain balanced relations with its neighbors—especially Saudi Arabia, Iran’s chief rival in the Gulf—on regional issues such as the conflict with Israel, so that Iraq does not come to share the fate of Lebanon.

Against this background, and as a continuation of the discussion on Iraq’s social and political diversity in the current era, there have been signs in recent years of support in Iraq for normalization with Israel. This has included [unofficial delegations](#) of “Sunni, Shi’ite, and local leaders” from Iraq visiting Israel in 2018, with the help of the Israeli Ministry of Foreign Affairs, as well

as attempts to generate a broader and more open public discussion about normalization.

The most notable example of this was the “Conference for Peace and Recovery,” held in Erbil in September 2021 under the auspices of the Center for Peace Communications, a New York-based American organization. However, this was a unique event that does not reflect the full spectrum of political opinion in Iraq today. The uniqueness of the conference lies, first, in its location—Erbil, the capital of the Kurdish region, whose status as an autonomous administrative entity is enshrined in Iraq’s constitution, reflecting the Kurds’ desire to maintain their identity as a distinct ethnic group. Regarding Israel, there are clear gaps between Iraq’s official foreign policy—which does not recognize or maintain relations with Israel—and the policy of the [Kurdish region](#), which in recent years has shown support for Israel, including reports of business ties, especially in the oil trade.

Second, the event was held under the external sponsorship of an American organization promoting dialogue between Arab citizens and Israelis to advance normalization, and was not initiated by the Iraqi government or any official body. According to the Center for Peace Communications, the conference was [attended](#) by about 300 Iraqis, including establishment representatives and tribal leaders from across Iraq. The conference centered on a call for peace and partnership with Israel and the Israeli people. The speakers, including a retired Iraqi general, expressed a willingness to recognize Israel and establish peaceful relations. [Sahar Karim al-Ta’i](#), a senior official in the Iraqi Ministry of Culture, was quoted in an interview with the Israeli news site *Times of Israel* as saying: “We will push for peace with Israel until our leaders take action.” Naturally, the conference and the pro-normalization statements made during it were harshly condemned by the pro-Iranian militias, and participants were even threatened. The [Iraqi government](#) issued arrest warrants for several participants.

Even earlier, pro-Iranian militia activists in Iraq had strongly opposed the Trump administration's push for regional normalization with Israel in 2019–2020, directing their violence in this context against Gulf states. For example, [members of the “Hezbollah Brigades” militia](#) stormed the Bahraini embassy in Baghdad following Bahrain's hosting of the economic peace conference in June 2019.

Therefore, during the process of normalization between Israel and the Arab world, following the signing of the Abraham Accords with the United Arab Emirates and Bahrain in September 2020, the issue of relations with Israel became a volatile and contentious topic in Iraq. On the one hand, there were signs of support for normalization—mainly among the Kurds or under their auspices, as seen in the Erbil conference of 2021. On the other hand, reactions to normalization efforts by pro-Iranian militias and Shi'ite politicians—some of whom represent those militias, and others, such as Shi'ite leader Muqtada al-Sadr, who in recent years has distanced himself from the pro-Iranian camp—reflected firm opposition among leaders of Iraq's Shi'ite majority to any prospect of normalization with Israel. Additionally, pro-Iranian militias and other opponents of normalization have in recent years accused the Kurdish minority in northern Iraq of maintaining secret ties with Israel (and even with the Mossad). In May 2022, against the backdrop of these internal tensions, Iraq's parliament [passed a law](#) that significantly toughened penalties for any engagement with Israel.

Iraq's Relations with the United States, Saudi Arabia, and the Gulf States, and the Impact of Saudi-Israeli Normalization

At the regional level, over the past decade Iraq has worked to strengthen its ties with the Arab world, particularly with Saudi Arabia, including an improvement in diplomatic relations and a reduction of tensions between the two countries, which have seen decades of ups and downs. For the central government in Baghdad, increasing integration with the Arab sphere—through

cooperation in economic, commercial, and even security fields (as in the fight against ISIS)—is intended to balance Iraq’s heavy dependence on Iran, bolster Baghdad’s independence, and enhance governmental stability. This occurs in the context of ongoing disagreements among Iraqi leaders and sectarian-political figures over the country’s current geopolitical orientation: whether to move eastward—integrating into the Iranian-led Shi’ite axis, as many (though not all) Shi’ite leaders prefer—or westward, as signaled in recent years by several prime ministers and other high-ranking officials (especially Kurds and Sunnis), with the goal of asserting Iraq’s independence from the Iranian orbit and improving its international standing. This includes the possibility of participating in the [US-led regional coalition](#), given that Iraq hosts US military forces.

In this regard, the recent rapprochement between Iran and Saudi Arabia has had a positive effect from Iraq’s perspective. The Iraqi government even served as a mediator between the two neighbors in the run-up to their 2023 agreement to restore relations. Easing tensions between Iraq’s two bordering powers has also helped de-escalate domestic political and sectarian conflicts and reduced the burden on Iraqi decision-makers—as long as Iran and Saudi Arabia can align on a regional agenda based on [diplomacy](#) rather than threats or military moves.

However, when the issue of normalization with Israel arises—particularly the possibility of Saudi Arabia taking such a step in the spirit of the Abraham Accords, as part of a security deal in which the United States would boost military support to Riyadh and thereby strengthen the Saudi-led Arab coalition—Iraq is likely to face another dilemma. Given the past reactions of Shi’ite militias and others to expressions of support for normalization in Iraq or the Gulf, it is unlikely that the Iraqi government will publicly support Saudi or any other Arab normalization with Israel.

Conversely, based on public statements from senior Saudi and American officials, a Saudi-Israeli normalization agreement would likely be part of a

multidimensional deal offering Saudi Arabia significant advantages within the US-backed regional coalition, including military, security, and possibly nuclear-related benefits. If realized, such a deal could strengthen the US military presence in the region—even if Washington ends its counter-ISIS mission in Iraq and Syria within the next two years, as outlined in a September 2024 agreement. In this sense, bolstering the security architecture of the Saudi-led regional coalition in exchange for normalization with Israel could garner support from key power centers in Iraq, including the prime minister, cabinet ministers, and political leaders—particularly Kurds and Sunnis—who have a vested interest in maintaining strong ties with the US, Saudi Arabia, and the Gulf states. This would also serve as a counterbalance to Iran’s influence in Baghdad—especially if these ties are not conditional on Iraq itself joining the normalization process with Israel.

Moreover, commercial relations between Saudi Arabia and Iraq have gained momentum in recent years due to the thaw in diplomatic ties. In 2020, the Arar land border crossing was reopened after nearly 30 years, and trade volume between the two countries [has since grown](#) to over \$1.3 billion annually (compared to about \$800 million in 2019). In 2023, the Iraqi government [signed an agreement](#) with Saudi Aramco to develop the Akkas gas field and another deal to [connect Iraq](#) to the Gulf Cooperation Council’s electricity grid via a transmission network stretching from northern Saudi Arabia to central Iraq. This deepening economic relationship, along with the potential for expanded regional trade facilitated by Saudi-Israeli normalization—which could open new markets and trade routes for both countries—may encourage the Iraqi central government to support the normalization process indirectly, especially if it leads to economic benefits for Iraq and offsets its dependency on Iran.

Analysis and Summary: Trends Influencing Iraq's Potential Support for Saudi-Israeli Normalization

Iraq's democratic character plays an important role in analyzing its potential responses to Saudi-Israeli normalization. As in any democracy, a uniform reaction cannot be expected. Iraq hosts a range of views on Israel and normalization—shaped by ideology and group identity (e.g., Shi'ites vs. Kurds). While it may be assumed that Shi'ite leaders will reject normalization outright, and Kurdish and other leaders will support it or are willing to express support for regional normalization (as in the Erbil conference), the numerical strength of the Shi'ite majority and the inclusion of pro-Iranian militias in the government in recent years tilt Iraq's official position against normalization.

However, this does not mean that the central government—namely, the prime minister, president, and moderate actors such as the Kurds—will publicly object to Saudi-Israeli normalization, especially if it is part of a broader regional arrangement involving the United States, through which Saudi Arabia receives military and security assistance, or even a defense pact. Such a development could signal to Iran that the US remains committed to its regional allies under the umbrella of an official agreement. This would significantly strengthen Saudi Arabia's security and improve its defense posture against threats posed by the Iranian-led axis, especially if the US is planning to reduce its military footprint in Iraq and reposition itself in the region.

Additionally, regional and international trade or development agreements under the auspices of Saudi-Israeli normalization could enhance Iraq-Saudi economic ties and pave the way for joint regional initiatives—such as trade corridors or shared electricity networks. For Iraq, these are compelling incentives, particularly if they reduce its suffocating economic dependence on Iran.

From Iraq's perspective, the expected regional changes associated with Saudi-Israeli normalization (conditional on a US-Saudi security agreement) may improve Iraq's ability to balance Iranian influence with closer ties to

Saudi Arabia and the broader US-backed Arab coalition. This balance is seen as a strategic interest by domestic actors—chiefly the military and security establishment, along with civilian leaders such as the president, speaker of parliament, and prime minister—who are concerned about the growing power of pro-Iranian militias and Iran’s entrenchment through them. Therefore, the security and economic benefits embedded in a Saudi–Israeli normalization agreement, viewed against the backdrop of Iran’s drive for regional hegemony, may prompt Iraqi leaders to support such an agreement behind the scenes—even if it does not bring Iraq itself closer to normalization with Israel.