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## Containing Iranian Proxies in Iraq

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Chairman Poe, Ranking Member Keating, and distinguished committee members, thank you for the opportunity to appear before this committee to offer my perspective on a new variant of an old challenge for the United States in Iraq, and some suggestions to consider for how we might proceed in the period ahead as Iraqi politicians form a new government.

Perhaps no issue has so confounded U.S. policymakers across three administrations in their approach to Iraq as that of countering the role of Iran and the proxy forces it established on the terrain of its onetime foe. Whether with political, economic, or military tools, Washington has repeatedly felt frustrated in its ability to blunt Iran's predatory and destabilizing approach to Iraq.

Iran achieved its overriding strategic goal in Iraq over the course of the past decade and a half: ensuring that Iraq could not pose a national security threat to Iran. Tehran used a varied set of tools: proliferation of well-resourced, equipped and trained Shia militia proxies, some of which morphed into political actors; suborning and intimidating Iraqi politicians; directly intervening to attempt to shape a compliant (or at least non-hostile) government in Baghdad; and infiltrating Iraqi security forces. But I would argue that much of Iran's earlier success was a product of exploiting three factors: the internal circumstances in Iraq; U.S. mistakes in both policies and activities; and the external environment in Iraq's immediate neighborhood and the wider region. In other words, it is worth reflecting thoroughly on the changes wrought in all three—which, perhaps counter-intuitively, do not wholly favor Iran—as a way of crafting a refreshed and integrated policy approach to Iraq.

In that regard, as the Senate follows action by the House to consider draft legislation—the “Iranian Proxies Terrorist Sanctions Act” which calls for imposing U.S. sanctions on two Iranian-controlled Iraqi militias, Asaib Ahl al-Haq (AAH) and Harakat Hezbollah al-Nujaba (HHN)—I would urge the Administration to assess the how and when of using such a tool. I would recommend the Administration deploy it as part of a larger integrated and re-energized strategy; that the United States do so carefully weighing timing and sequencing, so as to minimize Iran's manipulation of the issue at this delicate stage of Iraq's government formation process; and that it consult with Iraq's new government in proceedings.

Factors internal and external to Iraq present significant new challenges to Iran in using its tried-and-true playbook there. The Iraq of 2018 also offers opportunities to the United States if Washington is willing and able to invest the requisite energy in the bilateral relationship. It is more urgent than ever that Washington do so. A progressive sense of drift of U.S. attention, coupled with an excessive focus on

picking “our guy” at each phase of government formation, risks ceding the advantage to Iran. Unlike Washington, Tehran has an unblinking focus on its neighbor, which it views as part and parcel of its efforts in Syria.

The United States must also do what it does best—what Iran cannot do—mobilize other regional and European partners, as well as international financial institutions, to the effort of bringing stability and security to this vital country.

## **THE SOURCES OF IRANIAN INFLUENCE**

There has long been a tendency among some analysts and policymakers (including in the Gulf) to view Iran’s principal inroad in Iraq as sectarian in nature, given Iraq’s Shia majority. A review of the multiple tools Tehran has deployed over time underscores that this is both an outdated and overly simplistic perspective.

### *Shared History with Some, Willingness to Work with All*

In the immediate days of post-Saddam Iraq, Iran could and did draw on a set of deep relationships and shared history with the spectrum of major Shia political figures who re-entered Iraqi politics, many of whom had spent years in exile or in hiding in Iran; others, like Badr chief Hadi al-Ameri and members of the Dawa Party and Islamic Supreme Council of Iraq (ISCI), had a deeper kinship, forged in fighting alongside Iranian forces against Iraq in the 1980-1988 war. But Tehran had never neglected relations with Iraqi Kurdish leaders, who have made the trek to consult with Tehran with as much regularity as Baghdad’s Shia political class. Even Sunni leaders have been wooed.

### *Familiar Playbook*

From the opening days of the 2003 invasion of Iraq, U.S. forces faced the phenomenon of Iranian-backed Iraqi militias, which grew in number, strength, and lethality over the course of the ensuing eight years of the American troop presence there. Indeed, Iranian-backed militias pulled off two of their most notorious and lethal attacks, in Karbala and Baghdad, against American and British personnel, at the high-water mark of the U.S. combat presence in Iraq in 2007, when U.S. forces numbered approximately 166,000, alongside an additional 12,000 coalition troops. Iran methodically proliferated these militias, peeling off elements from Muqtada al-Sadr’s movement and Hadi al-Ameri’s Badr Organization to form groups like Asaib Ahl al-Haq and Kataib Hezbollah.

### *Promising Internal Environment*

Iraq’s descent into turmoil, sectarian violence, and a full-blown Sunni insurgency played havoc with U.S. efforts to stabilize the country, but provided a permissive operating environment for Iranian lethal-aid efforts. Over the course of each national election, IRGC–Qods Force commander Qasem Soleimani became a powerful kingmaker and broker behind Baghdad’s closed doors.

### *Promising External Environment*

A pariah state under Saddam, isolated politically and economically under UN sanctions, estranged from its Sunni neighbors following its 1990 invasion of Kuwait, Iraq from 2003 on had little prospect of reintegration into the regional family of nations. Indeed, its internal turmoil ensured Iraqi leaders were focused inward; the U.S. troop presence, even after the signing of the 2008 Security Agreement between Baghdad and Washington, offered a convenient excuse for regional states to shun Iraq as “occupied”; and demographics in a democratic Iraq, in which a Shia majority perpetually viewed by Iraq’s neighbors as

“in Tehran’s pocket” would dominate the national government, gave Tehran the ultimate advantage in deepening and exploiting Iraq’s isolation.

### **THE UNITED STATES: PLAYING THE SHORT TERM, ON IRAN’S TERMS**

Set side by side, U.S. investment of resources in Iraq from 2003 to 2018 would seem to dwarf Iran’s (albeit exact figures on Tehran’s spending are elusive). Washington’s spending in Iraq—combining defense, reconstruction, stabilization, and assistance expenditures—totaled well over \$2 trillion. Borrowing from a model used in Afghanistan, the United States also moved in 2005 to establish an eventual sixteen Provincial Reconstruction Teams (PRTs) across Iraq (with a smaller number embedded with U.S. military units around Baghdad), led by U.S. diplomats and staffed by civilian subject matter experts to bring development assistance, technical and administrative capacity-building, and rule-of-law training directly to the provincial level of the country.

I led such a team in Basrah from 2010 to 2011, in a highly kinetic environment fostered by the full spectrum of Iranian-backed militias in the country, which regularly directed mortar and rocket attacks at the base where we were co-located with U.S. division headquarters. My staff and I, like U.S. forces, were regularly targeted by these militias with IEDs and EFPs.

There was no question that then, as now, U.S. personnel were at a severe disadvantage to Iranian “diplomats” and agents, who moved freely in an environment that Tehran and its proxies had methodically made inhospitable and insecure for us and Westerners in general. The development of these Iraqi militias by Iran thus had multiple purposes: fighting an asymmetrical war against U.S. and coalition forces; providing Tehran leverage on and against an ostensibly friendly government in Baghdad; keeping Iraq perpetually unstable and Iraqi security services intimidated by and incapable of constraining the militias; fostering a forbidding and insecure environment for Western governments, businesses, or other agents of outside influence; intimidating Iraqi politicians and the public; and ultimately, ensuring Iraq’s continuing estrangement from its Sunni neighbors.

Washington’s preoccupation over successive elections (encouraged by Iraq’s own politicians) with picking “the right man” to push as prime minister as a means of achieving U.S. strategic goals was ultimately a game that carried risks and—most notably in the case of Nouri al-Maliki—backfired. Ironically, Maliki was also “Soleimani’s man.” But he is forever after termed “Washington’s man,” as a result of a bitterly contested, drawn-out government formation process in 2010. It was the sectarian policies he pursued after the U.S. troop withdrawal, and as Washington’s hands-on approach to Iraq disappeared, that contributed devastatingly to both the emergence of ISIS and the collapse of Iraq’s security forces in the spring of 2014 as ISIS overran Ramadi and Mosul.

### **IRAQI ELECTIONS: ACUTE VOTER ALIENATION AND BAGHDAD-CENTRIC DEALMAKING**

Iraq has just completed the first act of a three-act play, forming a national government following elections on May 12. These elections were distinguished by exceptionally low voter turnout (a claimed 44 percent that was more likely closer to 25 percent, the lowest by far since the first parliamentary elections in 2006); widely perceived corruption, including in the follow-on recount; no commanding lead for any of the Shia parties; and splintered ranks among the Sunnis and Kurds, the latter heretofore the kingmakers in government formation. In addition to the poor showing of Prime Minister Abadi—despite presiding over the victory against ISIS—another surprise was the jump in seats for Asaib Ahl al-Haq, from 1 in 2014 to 15 in this year’s run.

In the race to build a coalition that would form the next government, the two front-runners, Muqtada al-Sadr and Hadi al-Ameri, competed against each other to woo many of the same allies. Policy agendas played no role. This was strictly transactional deal-making, quite unplugged from the country's enormous problems.

The United States, by all accounts, has focused single-mindedly on a second term for Abadi; awkwardly, he was an early candidate for inclusion in the coalition being shaped by Sadr, whose militia battled U.S. troops from 2003 to 2011, and who foreswore any contact with U.S. officials even after the 2011 troop withdrawal. Iran initially backed the efforts of two allies, Hadi al-Ameri and Nouri al-Maliki, who worked closely with two successive administrations.

### **AND TREND LINES: NATIONALISM PERCOLATING, FRUSTRATION WITH POOR GOVERNANCE BOILING**

The Baghdad-centric government formation game ensued side by side with—and apparently impervious to—an eruption in July of public protests in Basrah, Iraq's second-largest city and heart of the country's energy resources. Chronic electricity and clean water shortages, the former made worse by Iran's diversion of the first for its own domestic needs and the latter by the catastrophic failure of Basrah's water-treatment plant, sparked protests that took a spectacular and violent turn in September.

The ultimate loser in the domestic tumult that ensued was “Washington's man,” Prime Minister Abadi, as Grand Ayatollah Ali al-Sistani publicly enjoined Baghdad's politicians to put to the side those leaders who had already been “tried” (and found wanting). Former PM Nouri al-Maliki was the other casualty, and two former competitors, Sadr and Ameri, pushed by Qasem Soleimani, joined efforts to build out the first elements of government formation, a Sunni speaker of the Parliament and two deputy speakers. Iran's agility and willingness to drop one favored coalition element (Maliki) and work with another (Sadr)—despite a long history of difficult relations with the latter—led the Baghdad political class to deem Tehran the winner/Washington the loser in this episode of the Iraqi political game.

But the spectacle of enraged Iraqi protesters in September sacking and burning not just the symbols of the state, but for the first time the offices of Iranian-backed militias and parties, as well as Iran's consulate, was extraordinary. The events—in Iraq's Shia heartland—offered potent evidence of two factors which do not augur well for Iranian interests in the long-term: percolating Iraqi nationalism (with a not-so-latent anti-Iranian character) and seething public grievances with poor governance, poor service delivery, and Iraq's economic weakness, despite its status as the fourth largest oil producer globally and the prospective wealth it holds in the world's fifth largest oil reserves, two-thirds of which are in Basrah.

### **BACK TO BASICS FOR THE LONG GAME: U.S. INFLUENCE AND POWER**

Against such a turbulent backdrop, one seemingly navigated adroitly by Iran's chief of Iraq policy, Qods Force Commander Qasem Soleimani, it is tempting to conclude that the United States will always be severely disadvantaged—by Iran's proximity, its coercive tools and infiltration of Iraqi parties and institutions, its years of effort and commitment to the project.

But while the operating environment in Iraq for America's diplomats and military remains as challenging as ever, the United States has a coherent and—most importantly—positive set of national security goals that align well with those of Iraq, including its next government, and the security, economic and political tools to pursue them. Those goals, across three very different U.S. administrations—a stable, sovereign, secure Iraq, reintegrated into its neighborhood—remain as vital as ever, and in conflict with Tehran's own zero-sum proposition for Iraq. They also speak well to that 60 percent of Iraq's nearly 40 million citizens

who are twenty-five or younger, whose aspirations—for jobs, decent public services, security—depend on the country breaking out of the isolation that has plagued it for forty years.

Iran's isolation and straitened financial resources have sharpened its coercive approach to Iraqi politicians in this latest period of government formation. The proliferation of its proxies in post-ISIS Iraq has provided Tehran with a greater power to intimidate Iraq's political party chieftains than ever before. Credible stories of not-so-veiled death threats in the mix of discussions over the speaker election abound. But Iran is isolated in the wider region—with only Bashar al-Assad's Syria, Lebanon's Hezbollah, and Yemen's Houthis to call its allies—and internationally, Tehran fares little better beyond highly transactional relationships with Russia and China.

Ultimately, Tehran relies on isolating and weakening its neighbor—and playing divide-and-rule within Iraq's three major communities—to address its own national security goals. Iran's economic policies are similarly predatory. Those goals and policies are wearing thin on significant parts of the Iraqi public, to judge by September's riots.

## **POLICY RECOMMENDATIONS**

Sanctioning AAH and HHN, while eminently justifiable in legal terms, is a tool which should be levied with an eye to timing and sequencing to maximize the desired effects and minimize Tehran's ability to exploit domestic Iraqi backlash.

- Don't interrupt Iran while it is making mistakes. Tehran is suffering some of its most public and dramatic setbacks in Iraq since 2003, with protestors chanting "Iran out," burning images of the Supreme Leader, and looting the Basrah consulate. Wading in right now with comprehensive U.S. sanctions on AAH and HHN would give Tehran a welcome distraction and a chance to change the narrative, whip up Iraqi nationalism, and put pressure on Iraqi politicians to defend the two groups.
- Designate HHN first as a warning shot. Placing sanctions on HHN offers little prospect of significant blowback in Iraq. Like Kataib Hezbollah, HHN does not take part in the political process; its leader was previously designated for "threatening the peace and stability of Iraq." HHN remains active in Syria, and targeting it would serve the dual purpose of highlighting U.S. resolve on that front. Notably, the group can be designated by executive order at any time; the administration need not be tied to Congress's timeline.
- Issue AAH sanctions at the right moment. For now, Washington should quietly signal key Iraqi interlocutors that AAH leader Qais al-Khazali and AAH will be designated eventually. This must be done carefully so that the issue does not land like a bomb in the middle of government formation talks, which would likely force all Shia militia leaders—even Sadr—to close ranks. Washington should therefore be prepared to wait on announcing formal designations and sanctions. As with HHN, the president can sanction AAH by executive order at any time.
- Sanction Khazali before AAH. Iraqi leaders appear readier to swallow sanctions on Khazali than sanctions on AAH writ large, apparently viewing the group's leaders as more nefarious than its rank-and-file fighters. Washington has precedent for such a move in designating HHN leader Akram Kaabi years before seeking sanctions on his group. This approach may split Khazali and other AAH leaders away from the group's foot soldiers, many of whom joined after 2014 specifically to fight the Islamic State, not to further a pro-Iranian agenda. Designating AAH as a whole could follow later; in fact, the prospect of such sanctions could incentivize the Iraqi government to demobilize AAH soldiers more urgently.

- Coordinate with the new Iraqi government. The final complexion of the government that emerges—and the future prime minister—may make this challenging, but an effort to communicate the intent and the context for the decision, privately and ahead of the public announcement in Washington, is both a gesture of common “no surprises” respect for the government of a friendly country, and may help us—and the new PM—manage the internal reaction productively.

### *The Iraq of 2018 Is Not the Iraq of 2005 or 2011*

Iraqi nationalism is percolating just beneath the surface of the body politic—with a corresponding antipathy towards Iran—as is a boiling sense of public anger about poor governance and public services.

### *Washington, Likewise, Is Different*

The Trump Administration appears fixed on “fixing” Iran’s undermining of regional partners in a way that the two preceding administrations were not; whether the strategy as such amounts to more than heated rhetoric and reimposition of crushing sanctions is less clear. Certainly, if the Administration is serious about containing Iran’s efforts in the region, there is no place (aside from Syria) more important to set to that effort with seriousness, method, and energy; unlike Syria, Iraq offers a cleaner playing field. The Administration’s latest efforts in calling back to service Ambassador Jim Jeffrey as envoy on Syria, and the evidence emerging of a more coherent policy on Syria—retaining a blocking/constraining U.S. troop presence, engaging Turkey, Israel, Jordan, and key European allies—is quite encouraging in that regard.

A similar multipronged effort is needed on Iraq, with visible participation by senior officials in Washington. This is no suggestion to go back to the era of weekly video conferences by the President or Vice President with the Iraqi PM. But it must be clear to Iraq’s public, its political class, and to Iran that Washington has an enduring commitment to a strategic relationship with Iraq. An early trip to Baghdad and Erbil by Secretaries Pompeo and Mattis will provide a clear signal of intent. Discussion about a long-term training mission for Iraq’s security forces, including the Counter-Terrorism Service, should be high on the agenda. But the issue of a U.S. force presence should not swamp discussion of all other aspects of the bilateral relationship. Likewise, an early invitation to Washington to the new PM and key members of the cabinet should be a priority, with a proposal for a structured approach to meeting annually.

### *Finally, Iraq’s Isolation of Earlier Years Has Ebbed*

Saddam’s legacy, as well as the by-product of Iran’s “ownership” of a Shia-dominated Baghdad, poisonous relations between Saudi King Abdullah and former PM Nouri al-Maliki, and the regional politics over U.S. “occupation of Iraq,” has been replaced by a warming of ties with Jordan and at least the beginning of the same trend with its Gulf neighbors. The United States must engage with those partners to push for deepening of their engagement with Baghdad.

The contest for influence in Iraq for too many years has been a lonely game for the United States against Iran. It need not be. Washington’s Arab allies have proximity, common language, and history (not all of it unpleasant), some of them deep pockets, and all of them sound national security reasons to pull Iraq firmly back into the community of states. The United States should do what it does best—lead the way.