

A U.S.-Iraq Strategic Dialogue: A Question of Interests and Expectations

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Brief Analysis

On April 7, [U.S. Secretary of State Mike Pompeo called for a “Strategic Dialogue”](#) (<https://www.state.gov/secretary-michael-r-pompeo-remarks-to-the-press-8/>) between the United States and Iraq on the future of the bilateral relationship. The dialogue, meant to be a series of meetings between high-level U.S. and Iraqi officials, is intended to put all aspects of the U.S.-Iraqi relationship on the table.

In order to understand what said strategic dialogue may entail, and what results it might produce, it is crucial to understand what the United States and Iraq—as well as Iran, as the other major interested party—see as their interests as Iraq and the United States look to restructure their relationship.

It is also necessary in defining the dialogue’s goals to look beyond the United States’ past focus on ISIS and the present challenge from Iran that have characterized the U.S.-Iraqi relationship over the past few years. Both parties should use the opportunity of a serious dialogue on the state of bilateral relations to consider how the United States and Iraq can shape a lasting strategic relationship—one that serves both their strategic interests and helps bring peace and stability to the region.

U.S. Interests in Iraq

Before addressing what the United States may ask of Iraq in the strategic dialogue, it is important to understand why Iraq matters to the United States. Some have argued that the United States should simply cut its losses and pull out. But the response to this suggestion is simple: the stability of and relationship with Iraq is of major strategic

importance to the United States in ensuring the stability of the Gulf, the flow of petroleum to the global economy, and limiting the risk of a major war with Iran.

Withdrawal from Iraq would empower both Iran's hardline regime and regional terrorism and extremism—carrying serious repercussions for U.S. national security. Just as the U.S. withdrawal from Iraq in 2011 proved to be a costly and, in hindsight, grave mistake, a future U.S. withdrawal of its forces and support for the Iraqi government—particularly support for Iraqi security forces—would have a major impact on U.S. interests in the Middle East.

The importance of a continued U.S. relationship with Iraq can be distilled further into threats from four broad categories: those posed by Iran, extremist groups such as ISIS, the regional and domestic impact of a divided Iraq, and great power competition. The United States must keep focused on all four interests, or Iraq will become a major source of concern for the United States into the future.

Iraq is central to the U.S. strategy of containing the expansion and power of Iran's current regime. No country in the Gulf region is currently more important to the United States in trying to check the designs of Iran's Supreme Leader, hardline revolutionaries, and the IRGC. If the United States can help Iraq's leaders build up a stable and strong Iraq, this would be a critical addition to deterring Iranian ambitions and Iranian military pressure on the Gulf region.

Iraq is now facing a period of governance dysfunction, deep internal divisions, and serious economic problems. However, it has a tremendous amount of oil resources and a large and educated population. If Iran is able to exploit Iraq's problems to exert control, this would be a tremendous force multiplier for Iran. But such an effort to divide or completely dominate Iraqi politics will face significant opposition from many Shia Arabs, Sunni Arabs, and Kurdish Iraqis. The pressure will in heighten sectarian, ethnic, and regional tensions—very possibly leading to another Iraqi civil war.

Such a civil conflict would in turn foster serious regional challenges and encourage terrorism and extremism. An unstable Iraq would help foster both Sunni and Shia extremism throughout the region, in particular aiding in the resurgence of ISIS and already hinted at with the groups increasing activating inside of Iraq. Moreover, were a highly sectarian, Shia Iraqi government pressed by Iran to exclude Sunnis from a political voice, Sunni Arabs might well find ISIS the lesser of two evils—repeating what happened following the U.S. withdrawal in 2011. The United States would be hard pressed to ignore such a scenario, suggesting that the deterioration of Iraqi sovereignty would likely lead to a new U.S. military commitment.

The United States should actually refocus its concerns on ISIS in the short-term as well. Making a political declaration that ISIS is destroyed because it no longer holds territory ignores the facts on the ground. ISIS is still very much alive and active in Iraq. In fact, it is engaged in an active guerilla campaign in Iraq's Sunni-dominated areas, **which has recently intensified (<https://www.cnn.com/2020/05/07/politics/isis-coronavirus-iraq-syria/index.html>)**. ISIS is currently much stronger in Iraq than Al Qaeda was when the United States left Iraq in 2011.

Moreover, the Iraqi army is still relatively weak after the triple punch to its capabilities that came when Iraq's politics pushed the United States to withdraw in 2011. In the subsequent period, **Nouri al Maliki gutted Iraqi forces of competent officers and replaced them with compliant political lackeys (<https://slate.com/news-and-politics/2014/06/how-maliki-s-paranoia-created-iraq-s-dysfunctional-military.html>)**. This atrocity in leadership helped lead to the mass desertions and units destroyed in the war against ISIS.

U.S. training and support for the Iraqi army is now the key to keeping Iraqi security forces on the path to regeneration. Iraq's official military remains weaker than the Popular Mobilization Forces, where many of the Shia units are aligned with Iran. Allowing Shia militias to dominate the Iraqi security sphere will help ISIS to regain

strength, not defeat it.

Finally, the U.S. has a strategic interest in Iraq to counter efforts by Russia and China to gain economic and political influence there (<https://oilprice.com/Geopolitics/Middle-East/Russia-And-China-Are-Battling-For-Influence-In-Oil-Rich-Iraq.html>). Both countries have already made significant efforts to increase their influence in Iraq at the expense of the United States. On the private side, U.S. financial investments in Iraq could be cut short if Chinese or Russian firms come to replace U.S. firms. The appearance of the United States abandoning Iraq to the Russians and Chinese would also have regional implications, signaling to other countries that the United States is a fair-weather and ultimately unreliable partner.

The bottom line when it comes to U.S. interests in Iraq is that America has a strong and compelling interest in a stable, prosperous, and politically balanced Iraq, especially given the downsides of the alternative. If the United States withdraws from Iraq before those objectives are achieved, the U.S. will ultimately face a catastrophe in Iraq that is likely to be more costly than its current investments in the country.

At the same time, staying in Iraq requires major changes in Iraqi politics, governance, and development. Iraq's problems scarcely started with the U.S. invasion in 2003. Some date back to its creation as a state, others to its development since the fall of the monarchy, and many are the product of Saddam Hussein. Today's problems are also all too much the result of its present leaders. The United States can only help an Iraq that helps itself.

Iranian Interests in Iraq

Iran often acts as a central counterpoint to U.S. interests in Iraq, with its central aims boiling down to making sure that Iraq never again poses a security threat to its eastern neighbor. Iran also looks to use Iraq as a way to add to the former's strategic power in the region while maintaining and growing Iraq as a market for Iranian goods and services. Iran's current security elites, whether reformist, hardliner, or otherwise, will not abandon Iraq as long as it remains weak and divided. Iran's rulers know that they do not have that luxury.

After a years-long war in the 1980s against Saddam Hussein, Iran has decided that the best way to neutralize a potential grave national security threat to Iran's present regime is to have "their people" running the show in Baghdad. Iran's leaders do not think this is easily accomplished; they assume that foreign powers, particularly the United States, will seek to weaken the hand of the pro-Iranian Shia blocs in Iran, and that many Iraqis—Sunni Arabs, Kurds, and nationalist Shia Arabs—do not want to see pro-Iranian parties dominating Iraqi politics.

Control of Iraq also serves a broader regional purpose, part of a land bridge between Iran and Lebanon—with its de-facto control by Hezbollah. Thus, controlling Iraq is a means to expand Iranian power and influence in the Middle East, while also securing their position against potential regional competitors.

Finally, Iraq is central to Iran because it is an important market for Iran's goods and services (<https://financialtribune.com/articles/domestic-economy/101090/iran-holds-25-of-iraqi-market>). This has never been more the case than now, with Iran reeling under the impact of sanctions on its economy. Iraq is a market for distressed Iranian goods—goods that can find no other markets. Pro-Iranian Shia politicians have facilitated this dumping despite the toll it has taken on Iraq's own producers and consumers. However, Iranian imports into Iraqi markets have resulted in unemployment and inflation in Iraq and have deeply angered the Iraqi street.

Iraqi Interests in the Future of the Country

The most difficult issue to address in shaping both a meaningful strategic dialogue and a lasting Iraq-U.S. strategic relationship is what Iraqis want for their own country. Iraq is now a deeply divided country with unstable politics, governance, and economics. Aside from the obvious divisions of Iraq into Shia, Sunni, and Kurdish populations, those populations themselves are riven by cleavages. Iraqi political institutions, set up in the wake of the U.S.

invasion in 2003, have amplified these divisions and are a major factor in Iraq's political paralysis.

There are two large, over-arching, issues in Iraqi politics that dominate all others: the balance between the United States and Iran in terms of foreign policy and, on a domestic level, how to create a sustainable governance system that brings Iraq prosperity, increases government legitimacy, and leads to Iraqi politicians serving the people as the source of political power. These two issues now sharply limit Iraq's ability to move out of its current political crisis; both also have the potential to destroy Iraq as a functioning country.

The balance between the United States and Iran is such a thorny issue for Iraqi politics because the two issues are interconnected—Iraq's political camps in Iraq depend on the patronage or balancing function performed by the two countries. Some major Iraqi Shia parties look to Iran as a political model as well as a source of funds and expertise to help them gain political advantage in Iraq. Other, nationalist, Shia Iraqis seek to either balance Iran and the United States, or to have both powers leave Iraqi politics. In contrast, Sunni Arabs and Kurdish Iraqis look to the United States to balance the power of Iran in Iraq. They fear that without the presence of the United States, pro-Iranian sectarian parties would seek to do what they did in 2011: marginalize and subjugate Sunni and Kurdish Iraqis.

Right now, Iraq has a policy-making system that involves bringing representatives of various Iraqi communities into representative bodies. These bodies give each factional leader a degree of political power, which they often use to serve their own interests. These bodies have fostered the creation of a patron-client based political system where political parties are more interested in dividing the spoils of power than on moving the country forward on important political issues.

Iraq desperately needs for the United States and Iran to not exacerbate these aspects of Iraq's current crises. The country needs a stable foundation for moving forward and creating a future, for itself and the region, that does not involve conflict and constant inter-communal competition.

What the U.S.-Iraq Strategic Dialogue May Entail

Aside from all of the major considerations discussed above, the timing of the call for strategic dialogue, which came after a series of attacks on U.S. forces in Iraq by Shia militias allied with Iran, suggests that the most immediate reason for such intergovernmental discussions is to deal with the security of U.S. forces in Iraq. It is also very likely, given the Trump administration's waning patience with Iran's significant influence and power inside Iraq, that the meetings will be used as an opportunity to pose a very significant set of questions and demands to the Baghdad government.

Likely U.S. demands and questions for the Iraqi government include:

- A demand that the Iraqi government guarantee the security of U.S. forces, the U.S. embassy in Iraq, and U.S. civilians and firms working in Iraq
- When and how will Baghdad commit to reigning in the power of Iran-aligned Shia militias and truly put them under central government authority?
- What credible steps will Iraq take to gain energy independence from Iran?
- What credible steps will the Iraqi government take to reduce the sectarian nature of Iraqi politics, particularly the dominance of pro-Iranian Shia political forces in the country?
- What steps will the Iraqi government take toward curtailing rampant corruption and providing basic services to the population?
- What level of U.S. forces along with civil and military aid does Iraq want, and what will Iraq do to show it can unite, govern, and organize to use that aid effectively?

While it is one thing to know what questions or demands the U.S. side may pose to the Iraqis, it is another thing to consider what the United States may offer—or threaten—depending on the answers or actions it gets in response to these points. If Iraq is unprepared to give the United States a suitable response and define a suitable strategic relationship, it is possible that the balance of carrots and sticks may end up weighted toward the stick—U.S. withdrawal. Especially given the staggering cost of the COVID-19 pandemic to the U.S. economy, Iraq must already expect that U.S. aid will be less generous than it has been in the past.

Yet there are plenty of reasons to engage. The worst possible result for both Iraq and the region would be a strategic dialogue between the United States and Iraq that results in a failure to create a stable relationship. Such a result could entail withdrawing U.S. troops from Iraq, cutting off all U.S. aid, or even imposing U.S. sanctions against Iraq.

The Iraqi economy is reeling from decades of chronic mismanagement, record low oil prices, and the COVID-19 pandemic. A U.S. decision to end aid completely or an imposition of U.S. sanctions against Iraq could push the Iraqi state into outright destitution and the inability to provide the most basic functions.

On the other hand, a failure to reach a functional strategic relationship could also result in a set of counter-productive consequences for the United States. Such an outcome could result in an increase in Iranian power. Moreover, Iranian resource and manpower expenditure to press its influence in Iraq may be seen as unnecessary if the U.S. presence were gone from Iraq, allowing those resources to be redirected in order to bolster the regime at home or divert to other pro-Iranian allies in the region.

The Importance of Realistic Expectations

While the outcomes of a failed strategic dialogue outlined above seem like the worst cases scenario, these outcomes are very much a possibility unless the U.S. government and Iraq's divergent political forces each maintain realistic expectations of each other.

Iraqi political elites must realize that the status quo in Iraq is not tenable over the long run. At a minimum, these elites must be able to promise and deliver security for U.S. military forces and civilians in Iraq. Iraqi political elites must also work to move toward a political model that is not based primarily on communal identities in zero-sum competition. This is easier said than done, but it is clear that Iraq is heading toward economic and political failure if its political model is not changed to one that prioritizes Iraqi identity and interests over sub-national agendas.

At the same time, the U.S. government must develop realistic expectations of what the Iraqis can actually deliver. It is reasonable and correct to expect that the Iraqi government will protect U.S. forces and civilians in the country. It is also reasonable to expect that U.S. aid to Iraq does not disappear into a rabbit hole of corruption. But both expectations will need time to fulfill, as its leadership works to get Iraq on a path toward effective and clean government.

Here, the United States can play an important role in nurturing effective government in Iraq by staying on its present course in calling out corruption, helping with infrastructure development, good policing, and other endeavors that can help build Iraq's future. Training and educating Iraq's next generation of politicians, security forces, and bureaucrats is a critical U.S. function.

Most importantly, the United States cannot expect Iraq to make a clear choice between Iran and the United States. The reality is that a democratic Iraq cannot definitively choose in a way that that would not fundamentally destabilize Iraq. The demographics and geography of Iraq are such that asking Iraq to expunge Iranian influence from the country is unrealistic. The U.S. government must accept an Iraq that has good relations with both the United States and Iran.

Despite the challenges, Iraq and the United States do have a viable framework for a strategic dialogue that they can

build upon existing agreements. The [joint U.S.-Iraq Status of Forces Agreement](https://fas.org/sgp/crs/natsec/R40011.pdf) (<https://fas.org/sgp/crs/natsec/R40011.pdf>) and the [Strategic Framework Agreement](https://georgewbush-whitehouse.archives.gov/news/releases/2008/12/20081204-6.html) (<https://georgewbush-whitehouse.archives.gov/news/releases/2008/12/20081204-6.html>) signed in December 2008 and implemented in January 2009 cover nearly all fields of possible cooperation between the two countries and address many of these issues. These agreements would be a good place to re-start a dialogue between the two countries as to respective expectations and commitments. Iraq needs a United States committed to its security and the United States needs an Iraq that views the United States as a partner and friend. In any case, a strategic dialogue is the place to start and both sides have every reason to define a new relationship that can lead to a lasting strategic partnership. ❖

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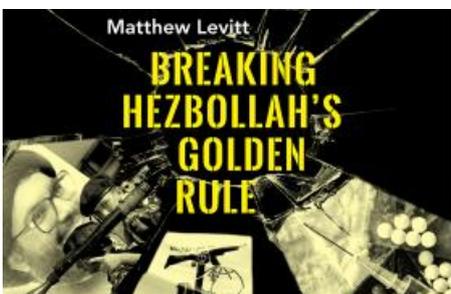
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