The Challenge of Sovereignty: The PMF and Iranian Entrenchment in Iraq

by Haitham Numan
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A s tensions continue to escalate between the United States and Iran, Iraq finds itself struggling to maintain a balancing act. In an attempt to curb Iranian influence and respond to U.S. pressure, Prime Minister Adel Abdul-Mahdi has moved to integrate the Popular Mobilization Forces (PMF), or Hash al Shaabi, into the Iraqi Armed Forces. However, although some steps have been taken to integrate the PMF, Al-Mahdi has already walked back his ambitious deadline of July 31 for full integration. And as a result of both historical context and present realities, the prospect of success seems unlikely.

The U.S.-led invasion of Iraq and subsequent post-war administrative decisions created fertile ground for increased Iranian influence not only in Iraq but throughout the region. Today, the presence of Iranian-backed militia groups and proxies within the PMF represent a growing threat to the viability of the Iraqi government and U.S. regional interests. These proxies forcefully manipulate demographics and religious identities of entire provinces, seek to spread expansionist ideology throughout the region, and create terrorist organizations which threaten international peace and security. Iranian proxies have additionally worked to take control of various organs of the Iraqi state, including intelligence services, corruption-monitoring bodies, key parts of the Central Bank, gas and oil exportation, and large parts of the judiciary.

This 'deep state' of Iranian agents increases chaos within the Iraqi state, works to prioritize Iranian over Iraqi interests, and helps perpetuate feelings in the U.S. administration that Iraq is under Iranian control. On its end, Iran has made strides to empower and support its men throughout the state, and has exploited its media holdings within Iraq to demonize any voices that oppose its and liquidate its opponents under the pretext of fighting terrorism.

Iranian proxies in Iraq have gained power principally through their military efforts. After the decision to dissolve the Iraqi army in 2003, its personnel divided itself into two groups roughly along religious lines: some Sunni members, many of whom had been generals, became ISIS members and adopted an extremist ideology and the rest seek refuge in other countries and kept low-profiled. Many rank-and-file Shi’ite soldiers joined Iranian client militias and who
appointed leaders sympathetic to Iran, and the Islamic Revolutionary Guard Corps (IRGC) in place of the former Sunni generals. During this early period, Iran supported the Badr Corps of the Islamic Supreme Council of Iraq, later extending its support to Muqtada al-Sadr’s Mahdi Army. Subsequently, new subgroups emerged, such as Asa’ib Ahl al-Haq and Kata’ib Hezbollah, merging into the umbrella of the PMF after ISIS took control of Mosul. Although these militias technically have been subject to Baghdad since 2016, in reality many groups follow the wishes of their backers in Tehran, leaving Iraq susceptible to pro-Iranian military pressures throughout the country.

Politically, sections of the PMF were able to translate a newly acquired popularity after their victory over ISIS into political gains in the parliamentary elections of May 2018, campaigning under the Al-Fatah al-Mubin bloc (Fatah Alliance). There were two main winners in these elections: the Saairun coalition, comprised of working class Sadrist elements influenced by the al-Sadr family, which gained 54 seats, followed by the Fatah Alliance—led by Hadi al-Amiri and composed of Popular Mobilization Forces—with 47 seats. These seats represented a major political success for Iran’s proxies in Iraq—the alliance is comprised of beneficiaries, members of these militias, and their families. Therefore, proxies have a major influence on the administration, and are supporting the interests of Iran rather than those of the majority of Iraqi society.

Iran’s proxies also exert considerable economic influence in Iraq to control the Iraqi state and ease U.S. sanctions imposed upon Iran. After the second phase of U.S. sanctions, Iran adopted a new economic approach in Iraq based on the expansion of economic relationships between the two countries. In fact, Iraq was one of the first countries to be affected by U.S. sanctions—including the halt to Iran’s oil and energy exports—as Iraq imports gas and electricity from Iran in large quantities to meet its needs. In 2017, 80 percent of Iraq’s technical and engineering services came from Iranian companies. Iranian proxies also founded several banks and real estate companies to transfer funds and purchase properties from displaced persons at the cheapest prices, using threats and forced relocation.

This process is typified by the transfer of funds between Iraq and Iran after Kata’ib Hezbollah (KH) and Iranian proxies entered the city of Jurf Al Sakhar, north of Babel, during the fight against ISIS. These forces have converted the city to an economic hub for the IRGC. Iranian proxies seized a 35 percent-built oil refinery for investment in coordination with the Iraqi Ministry of Oil, converted both banks of the Euphrates river into fish farming sites, and confiscated 100,000 dunums of horticultural land from the Al-Janabeen tribes, turning them into agricultural projects funded by Iranian agents. These proxies imported cattle, an Iranian dairy factory, and a poultry project to finance these militias—turning the city of Jurf Al Sakhar into a city whose economy is utterly reliant on Iran. It is important to note that in Jurf al-Sakhr, the Iranian-proxies that have capitalized the most on these gains have been the KH groups. These forces run a network of prisons and have the largest amount of influence in the area. This is particularly damaging to the United States given the KH is on the U.S. Foreign Terrorist Organization list and among the most directly-Iranian controlled groups.

Iran’s financial and political hold on large segments of the Iraqi population is too great. Because of this reality, efforts to integrate Iranian-backed militias into the Iraqi military will ultimately prove ineffective. It is unlikely that Iraq will be able to rein in many of the militias due to the conflicting loyalties of its leadership and followers.

Ultimately, weakening Iran’s proxies in Iraq, as well as throughout the region, depends on regional factors rather than the role of the state. Here, the United States can help. Washington, if it wishes to counterbalance the strong influence of Iran in Iraq and elsewhere, must create a roadmap for establishing relationships with local communities and their political leaders, especially those cities liberated from ISIS and seen as a point of military and geographic contact between Syria and Iraq. In addition, the United States must build a relationship with the various elements of the Iraqi elite, given that this elite is playing a key role in filling the political vacuum which came as a result of the latest parliamentary elections. Likewise, the U.S. administration must continue to impose sanctions on Iran and cut Iran’s supply routes in Syria—this is an effective means of weakening its proxies, as well as the state itself.
However, a mishandling of this opportunity could result in Iraq becoming a ‘failed state’ and may open the door for de-facto Iranian rule. The downsides of this future are many: increasing the risk of war, contributing to the growth of terror organizations, and strengthening extremist parties throughout the region. Thus, the United States, if it wishes to see the decrease in Iranian influence, cannot believe that al-Mahdi’s recent efforts are enough to reduce Iranian influence through its proxies inside Iraq.
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