

Tempering U.S. Expectations About Iraq's New Government

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May 28, 2026

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Brief Analysis

Tehran seems just as enthusiastic about the new prime minister as Washington—a telling sign that the militia-dominated status quo in Baghdad will be difficult and slow to change, if it changes at all.

On May 14, U.S. special envoy Tom Barrack [congratulated](https://x.com/USAMBTurkiye/status/2054976832156442882) [Iraq's new prime minister Ali al-Zaidi](https://x.com/USAMBTurkiye/status/2054976832156442882) on the seating of his government, noting that the Trump administration was “encouraged” by the premier’s “fresh leadership” and was looking forward to working with him on “shared goals” like fighting terrorism and building an Iraq “at peace with its neighbors.” Barrack’s praise echoed President Trump’s [April declaration](https://www.nbcnews.com/world/middle-east/trump-gives-blessing-iraqs-new-pick-prime-minister-invites-al-zaidi-wa-rcna342977) [that Zaidi’s appointment marked “the beginning of a tremendous new chapter between our Nations.”](https://www.nbcnews.com/world/middle-east/trump-gives-blessing-iraqs-new-pick-prime-minister-invites-al-zaidi-wa-rcna342977) On May 17, however, Iraqi militia elements launched drone salvos at Saudi Arabia and the United Arab Emirates, scoring a hit on the latter’s Barakah nuclear power site.

The targeting of Gulf states by Iran-backed factions of Iraq’s Popular Mobilization Forces (PMF) is not new. These U.S.-designated terrorist organizations have been firing missiles and drones into the Arabian Peninsula since the start of the Iran war, and have also routinely targeted U.S. military and diplomatic personnel in Iraq for years, later broadening these attacks to U.S. facilities elsewhere in the region.

Coming at the start of his premiership, the Gulf attacks pose a challenging first test for Zaidi. Baghdad’s evolving response will provide an early indication of whether his government plans to chart a new, sovereign future for Iraq or continue with business as usual by kowtowing to pro-Iranian factions.

U.S., Iran Both Enthusiastic About Zaidi

Five months after the parliamentary election, Iraq’s leading parties finally reached consensus on a new prime

minister and most of his cabinet. Zaidi was a surprise choice. A prominent young businessman with no political experience, he made his fortune from supplying commodities included in Iraq's government-subsidized food baskets—a Saddam-era program that continues to provide monthly staples to millions. He also owned Al Janoob Islamic Bank, an institution that the Central Bank of Iraq prohibited (<https://www.reuters.com/business/finance/iraq-bans-8-local-banks-us-dollar-transactions-2024-02-04/>) from conducting dollar transactions in 2024 amid pressure from the U.S. Treasury Department and allegations of terrorist links.

While Washington is bullish on Zaidi's new government, Tehran seems equally enthusiastic. Several senior Iranian officials offered congratulations to the new premier, with President Masoud Pezeshkian expressing hope that Zaidi's government would “usher in a new phase of strategic cooperation” with the Islamic Republic. Zaidi also secured unanimous support from the Coordination Framework, the Shia parliamentary bloc that supports and includes representatives from the Iran-backed U.S.-designated terrorist organizations Asaib Ahl al-Haq (<https://www.washingtoninstitute.org/policy-analysis/profile-asaib-ahl-al-haq-0>), Harakat Hezbollah al-Nujaba (<https://www.washingtoninstitute.org/policy-analysis/profile-harakat-hezbollah-al-nujaba>), and Kataib Hezbollah (<https://www.washingtoninstitute.org/policy-analysis/profile-kataib-hezbollah>).

Rounding Up the Usual Suspects?

On May 21, Zaidi stated that his government would be launching an investigation into the “criminal” drone attacks on Saudi Arabia and the UAE. Yet he also noted (<https://thenewregion.com/posts/5433>) that the decision to form an “elite investigative committee” was made at his first meeting with the Ministerial Council for National Security—the same Shia-dominated body that authorized Iran-backed PMF factions to respond forcefully (<https://english.alarabiya.net/News/middle-east/2026/03/24/iraq-allows-iranbacked-militia-umbrella-group-to-respond-to-attacks-on-their-positions->) to U.S. strikes when some of their facilities and personnel were targeted in the early days of the Iran war.

Zaidi's investigation will join the dozens of other Iraqi government inquiries into drone and missile attacks launched against Kurds, U.S. facilities, and Arab states during the war. At least some of these attacks have been claimed by the “Islamic Resistance in Iraq (<https://www.washingtoninstitute.org/policy-analysis/profile-islamic-resistance-iraq>),” a front for several of the Iran-backed PMF factions named above. Despite seemingly promising leads, however, none of Baghdad's official inquiries has been concluded to date.

That is no doubt because Iraq's security apparatus and government continue to be dominated by officials who are friendly to Iran and the militias, making accountability exceedingly rare. Zaidi has pledged to “take all security and legal measures against those involved”—and with good reason given that Iraq's relations with the targeted Gulf states may lie in the balance. Yet even if his intentions are sincere, he is unlikely to make much progress toward apprehending any suspects, let alone prosecuting them. After all, the organizations behind these attacks are members of his governing coalition.

Iran Doubling Down on Iraq

So far, Zaidi has only filled fourteen of twenty-three positions on his cabinet, with key ministries such as defense and interior still vacant due to their importance and sensitivity. Washington and Tehran are keeping a close eye on these appointments given the potential policy implications.

Most notably, the Trump administration is pushing Iraq to prioritize disarmament of Iran-backed militias, but Tehran is pushing back. During one of his routine visits to Baghdad earlier this month, Brig. Gen. Esmail Qaani, the head of Iran's Islamic Revolutionary Guard Corps-Qods Force, reportedly warned (<https://www.thenationalnews.com/news/mena/2026/05/12/iranian-commander-qaani-makes-unannounced->

visit-to-baghdad-as-iraqi-government-takes-shape/ Coordination Framework groups “not to make concessions to the United States about disarming the militias in order to take government posts.” So far, only one of Zaidi’s cabinet members appears to be militia-adjacent: Minister of Telecommunications Mustafa Sanad, who is reportedly **linked (<https://www.washingtoninstitute.org/policy-analysis/terrorist-wing-iraqi-government-opposes-sharaa-visit>)** to Kataib Hezbollah.

Iraqi PMF factions have become an even more important element of the Iranian regime’s Middle East support network after Israeli military operations greatly degraded the regime’s top proxy, Lebanese Hezbollah. Tehran is keen on ensuring that the new government remains Iran-friendly and militia-friendly. Even before the current war, Tehran sought to scuttle major Arab financial investments in Iraq out of concern they might limit Iranian influence and presence, especially in Sunni Arab-majority regions of the state. In September 2025, Coordination Framework representatives in parliament **blocked (<https://thearabweekly.com/iranian-influence-impedes-saudi-led-development-western-iraq>)** up to \$100 billion worth of Saudi investments, many of them intended for Iraqi Sunni regions along their shared border. Riyadh had hoped to secure the frontier against Shia militias and cement ties with Iraqi Sunnis through investment.

Meanwhile, Shia militias and Iranian forces have collectively **targeted (<https://www.kurdistan24.net/en/story/910211/kurdistan-region-hit-by-809-drone-and-missile-attacks-government-says>)** the Kurdistan Region of Iraq with over 800 missiles and drones during the war, but this did not stop the Erbil-based Patriotic Union of Kurdistan (PUK) and the Sulaymaniyah-centered Kurdistan Democratic Party (KDP) from joining Zaidi’s Iran-backed government. Iraq’s leading Sunni political grouping—Mohamed al-Halbousi’s Taqaddum alliance—joined as well, even though his home province of Anbar was one of the regions that lost out on billions in Saudi investments due to Iran’s interference. Apparently, neither the Kurds nor the Sunni Arabs felt they could afford to be outside the tent of the new Iraqi government.

Policy Recommendations

Less than a month into his mandate, the jury is still out on Ali al-Zaidi. The deep state exists in Iraq and is largely controlled by Iran, so a political novice like Zaidi will have a hard time trying to steer the ship in a new direction even if he is so inclined.

For one thing, he almost certainly came to power based on support from Supreme Judicial Council chief Faeq Zaidan, an **Iran-backed judge (<https://www.washingtoninstitute.org/policy-analysis/profile-iraqi-federal-supreme-court>)** who has served as Baghdad’s kingmaker in recent years. Zaidan will almost certainly play a pivotal role in key appointments and policy debates going forward, especially concerning Iraq’s balance between Washington and Tehran. In addition, Iraqi prime ministers tend not to serve more than one term nowadays—presumably because the factions who dominate Baghdad worry that a longer-serving leader might develop independent ideas and try to reform a bureaucracy that they have deliberately kept unwieldy in order to maintain the status quo.

Whatever his longer-term prospects, Washington should give Prime Minister Zaidi a few months’ grace period to gain his footing before pressing him too hard on disarming terrorist PMF factions. Once the honeymoon is over, however, the Trump administration should not hesitate to implement tough measures, including sanctions against the state and senior government officials for continuing to fund U.S.-designated terrorist organizations. Until Baghdad takes steps to disarm these groups, U.S. security assistance to the Iraqi government should remain frozen. Washington should also urge Gulf states to increase their own diplomatic pressure on Baghdad regarding action against the Iranian militia proxies who have attacked them. While disarmament is a long-term project, at minimum Zaidi must prevent these groups from launching further strikes on Arab states, U.S. personnel, Iraqi Kurds, or Israel.

To be sure, Zaidi's predecessor, Prime Minister Mohammed Shia al-Sudani, did little to actually limit the writ of Iran-backed militias. In fact, some of his actions facilitated their deeper institutionalization—particularly the capitalization of the **Muhandis General Company** (<https://www.washingtoninstitute.org/policy-analysis/profile-muhandis-general-company>), which enabled them to self-finance. Yet toward the end of his term, with U.S. encouragement, Iraqi politicians and citizens alike started to talk publicly about promoting state sovereignty and disarming the militias.

Only time will tell whether Zaidi will continue that momentum. As his term begins, the Iraqi state is a long way off from establishing sole discretion over matters of war and peace; much like Lebanon, it remains dominated by Iran-backed militias. Moreover, the end of the Iran war could mean the release of billions in frozen assets to Tehran, potentially strengthening these militias even further and adding to the difficulty of dislodging them. Yet if Zaidi fails to take at least the minimal step of curbing their attacks abroad, these groups will inevitably undermine Baghdad's relations with Washington and Arab states, impede Iraq's economic development, and precipitate additional foreign military strikes on Iraqi soil.

David Schenker is the Taube Senior Fellow at The Washington Institute and director of its Rubin Program on Arab Politics. ❖

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