n February 28, 2018, Iraqis from all over the country traveled to the southern city of Basra to watch the first home international soccer match since 1990. Their opponent was Saudi Arabia, which had traveled to Iraq to play soccer for the first time since 1979. This event was more than just a game. To many Iraqis, it signaled a potential rapprochement with their neighbor Saudi Arabia, which had cut off ties in 1990. As a bonus, Iraqis celebrated a commanding 4-1 victory.

Many commentators have portrayed Saudi Arabia’s recent foreign policy under Crown Prince Mohammed bin Salman as a departure from Saudi norms. For decades, Saudi foreign policy stressed “patience and pragmatism” and relied heavily on using national wealth to win allies. Yet in recent years, Saudi Arabia has pursued a multi-year war in Yemen that has no clear end in sight, entered an intra-GCC spat with Qatar that seems even more enduring, and staged the kidnapping of Lebanese Prime Minister Saad al-Hariri. Loosely connecting all of these initiatives is an effort to counter Iranian influence in the region and consolidate Saudi power. To date, none of these approaches have yielded their intended results.

Iraq is an exception. There, Saudi Arabia has pursued a seemingly pragmatic diplomacy much more typical of traditional Saudi foreign policy, which aims to build ties across the sectarian landscape. After more than 25 years of disengagement from Baghdad, Riyadh is now attempting to repair relations in order to build greater influence and counter Iran’s presence. Saudi Arabia’s regional strategy emphasizes curbing Iran’s influence, and it has recently embraced a series of bold foreign policy moves with Yemen, Qatar, and Lebanon. By contrast, the strategy in Iraq is largely consonant with the approach of gradual co-optation that Saudi Arabia has often adopted in the past.

Saudi Arabia has a number of political and economic tools to use in Iraq. Politically, it has sought to limit the influence of pro-Iranian groups by exploiting a growing intra-Shi’a rift, as many Shi’ite leaders and citizens are growing weary of Tehran’s overreach. Economically, it seeks to strengthen integration and build interdependencies with Baghdad, as well as benefit from the potential export market and trade that has been dominated by Iran and Turkey.

While headlines focus on Sunni-Shi’a tensions in the Middle East, Saudi Arabia is seeking accommodation with a Shi’a-led government in Iraq in order to push back against Iran. The opportunities that Baghdad presents to Riyadh could be mutually beneficial, but from the perspective of many Iraqis, Saudi Arabia’s eagerness to weaken Iran is insufficient to make them an ally. Saudis must also prove that they are a reliable partner in other arenas, especially in the economic realm. Ultimately, Riyadh will have to tread carefully in its attempt to build trust. If it cannot manage to do so, Renad Mansour argues, it risks becoming yet another external power that fails to re-build the post-Saddam Iraqi state. ■

**SUMMARY**

Saudi Arabia appears to be pursuing a policy of pragmatic diplomacy with Iraq by aiming to build ties across the sectarian landscape. After more than 25 years of disengagement from Baghdad, Riyadh is now attempting to repair relations in order to build greater influence and counter Iran’s presence. Saudi Arabia’s regional strategy emphasizes curbing Iran’s influence, and it has recently embraced a series of bold foreign policy moves with Yemen, Qatar, and Lebanon. By contrast, the strategy in Iraq is largely consonant with the approach of gradual co-optation that Saudi Arabia has often adopted in the past.

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of the establishment. The fragmentation of the Shi`ite political bloc in Iraq has led to the emergence of a political class critical of Iran, including Shi`ite cleric Muqtada al-Sadr.

Saudi Arabia perceives Iraq through the lens of its own domestic environment. The potential threats are not only military but also political.

To pursue its goal of countering Iranian influence, Riyadh employs both political and economic tools to build trust with the government in Baghdad. Politically, it seeks to limit the influence of pro-Iranian groups by playing into a growing intra-Shi`a rift in Iraq, where many Shi`ite leaders and citizens are growing weary of Tehran's overreach. Economically, it seeks to strengthen integration and build interdependencies with Iraq, as well as benefit from the potential export market and trade that has been dominated by Iran and Turkey. For Iraqi leaders, including former prime minister Haider al-Abadi, relations with Saudi Arabia represent a move away from Iranian dominance and a chance to build a more independent foreign policy.

THE OLD GAME: SECTARIAN POLITICS (2003-2014)

Saudi Arabia perceives Iraq through the lens of its own domestic environment. The potential threats are not only military but also political. Beyond sharing a border over 500 miles long, Saudi Arabia and Iraq have historically competed for political influence in the region. Riyadh remains sensitive to the prospect of any Shi`a-led governments in the region inciting Saudi Arabia's own Shi`ite population in the eastern province.

Iraq and Saudi Arabia have not shared normal relations since 1990 when Saudi Arabia cut off ties following Saddam Hussein's invasion of Kuwait. The row worsened after 2003 when the U.S.-led invasion dismantled the Iraqi state structure and created a power vacuum. Stepping into this vacuum under the so-called Sunni-Shi`a regional contest, Tehran and Riyadh sparred in Iraq. And for most of this period, the seemingly better-prepared Tehran was able to increase its influence.

Part of the reason for the uneven competition was the very structure of the fledgling post-2003 Iraqi state. Defined along an identity-based system known as muhassasa (or “quota”), the new Iraq facilitated the rise of existing Shi`ite Islamist parties that enjoyed strong historical relations with Tehran. Many of Iraq’s new leaders had spent long periods in exile in Iran. Iran also had strong Kurdish allies, who represented the second major force in rebuilding Iraq. As such, the new Iraq was built by a Shi`ite and Kurdish elite who enjoyed historic and strong relations with Iran.

The Sunni-led governments in the Gulf Cooperation Council (GCC) and Turkey primarily supported Iraqi groups with an explicitly Sunni orientation. Seeking to curb Iranian influence, Saudi Arabia poured money into sympathetic Sunni clerics and tribes, such as the Shammar with substantial memberships in both Saudi Arabia and Iraq. The Iraq Study Group concluded that senior elites from Saudi Arabia funded Sunni insurgents, and an Iraqi official argued that some $25 million from Saudi Arabia went to a top Sunni cleric who used the funding to purchase weapons, such as Russian anti-aircraft missiles. During his tenure as prime minister, Nouri al-Maliki often made public claims that Saudi Arabia supported terrorism and jihadi-salafist groups in Iraq.

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Relying exclusively on Sunni Iraqis was a problematic approach for Saudi Arabia. First, its Sunni allies had failed to become major stakeholders in the crucial state re-building years (2003-2005) and largely boycotted Iraq’s political process. Second, whereas the Shi`a and Kurds presented
largely unified fronts during this period, the Sunnis were divided. To the present day, Saudi Arabia and its Gulf allies have been unable to unify the fragmented Iraqi Sunni community. A number of conferences aimed at unifying the Sunnis over the past years have failed to reach any agreement.

In Iraq, Saudi Arabia’s policy of heavily financing Sunni Islamist and secular individuals and political movements did not achieve the desired outcome.

Riyadh’s weakness in mainstream Iraqi politics was evident in 2010 when it heavily invested in Ayad Allawi’s al-Iraqiya list—a coalition of secular Shi’ite and Sunni officials. Although Allawi won the most seats, he and his foreign supporters struggled to maneuver against Iran’s strong coalition-building tactics, which united Shi’ite parties with Kurdish endorsement to head the government. Ultimately, during the post-2003 period, Riyadh was unsuccessful in meeting its primary objective of curbing Iranian influence. As a senior Saudi diplomat told the International Crisis Group recently, “Iran outmaneuvered us everywhere.” In Iraq, Saudi Arabia’s policy of heavily financing Sunni Islamist and secular individuals and political movements did not achieve the desired outcome. What became obvious, in the words of a Sunni Iraqi political leader, was that “Saudi Arabia knows very little about Iraq.” This history of antagonism between the leadership in Baghdad and Riyadh complicates today’s efforts at rapprochement.

THE INTRA-SHI’A CONTEST IN IRAQ

On the political front, the main shift that affected the Saudi-Iraqi relationship was the fragmentation of the Shi’ite camp, which had been united for a decade under the United Iraqi Alliance, which Grand Ayatollah Ali al-Sistani endorsed. Over the years, this bloc gradually splintered. By the 2014 election, the Da’wa Party, the Sadrists, and Hakim’s Islamic Supreme Council of Iraq (ISCI) were all competing on different ballots, making it increasingly difficult to forge a united Shi’ite front. The growing intra-Shi’a split provided Riyadh with an opportunity to engage in a different manner by playing into the divisions.

Then, in the summer of 2014, Sistani issued a letter asking Prime Minister Nouri al-Maliki to step down. In his place, the new prime minister, Haider al-Abadi, although from the same Da’wa Party, promised a change from his predecessor. Part of this change included lessening Iraq’s dependence on Iran. Abadi began reaching out to Washington and its allies, including Riyadh.

At the grassroots level, an emerging protest movement in Basra in the summer of 2015 further exemplified the Shi’ite rift. Citizens began protesting against their own Shi’ite leaders, challenging the identity-based logic that governed the Iraqi state after 2003. Rather than calling for a change of individuals, this movement continues demanding systematic changes to the state. The movement also calls for the end of foreign interference, which now primarily refers to Iran. As a result, protesters commonly chant, “Iran, out, out!”

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A major debate among Shi`a has become the role of Iran in Iraq, which Saudi Arabia has sought to capitalize on. Under this changing dynamic, Riyadh altered its strategy: rather than focusing on Sunnis and secular groups that have failed to take power since 2003, it started working with Shi’ite groups that expressed similar grievances against Iran. Iran’s appeal to Iraqi Shi`a is neither automatic nor iron-clad. A majority of Iranians are Persian while Iraqi Shi`a are Arab, and Iraqi Shi’ite troops did plenty of fighting and dying against Iran in the Iran-Iraq war of the 1980s. More critically, years of Iranian influence in Iraq’s governance have taken their toll on Iraqi citizens, many of whom now blame Tehran for the problems associated with the post-2003 period. This emerging trend
presents an opportunity for other regional actors, such as Saudi Arabia, to move into the fold and rebuild trust with their neighbors.

**CHANGES SINCE 2015**

For several years prior to the 2015 Iraqi-Saudi rapprochement, the United States and its allies tried to convince Riyadh to re-engage with Baghdad as a way to curtail Iranian dominance. The Kingdom largely ignored these calls. It refused to work with a government it felt was an Iranian proxy sowing sectarian discrimination against Sunnis. Riyadh also resented the dominant Islamic Da’wa Party, and Maliki in particular. As a U.S. diplomat based in Riyadh lamented, “Saudi Arabia continues to drag its feet on engagement with the al-Maliki government, forgiving Iraqi debts, and sending an ambassador to Baghdad.”

Prior to 2015, Saudi Arabia relied on a loose network of informal channels to understand Iraq and to act there. At a distance, Riyadh was hard-pressed to understand Iraq’s changing dynamics or to pursue its primary goal of limiting Iran’s influence. Iran, with a direct presence, maintained strong formal and informal channels with decision-makers throughout Iraq and consequently enjoyed the upper hand.

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In 2015, Saudi Arabia changed its policy. The Kingdom returned an ambassador to Iraq after an almost 25-year absence. Diplomatic visits began taking place between the neighboring countries. That summer, Shi’ite cleric Muqtada al-Sadr—once described as the most dangerous man in Iraq for his role as head of the Mehdi Army—visited Saudi Crown Prince Mohammed bin Salman in Riyadh. Not only had his militia been responsible for sanctioning violence and war crimes against Sunnis in Iraq, but Sadr himself had also over the years criticized Saudi Arabia’s domestic and foreign policies, including its anti-Shi’ite stance. He even threatened to invade Saudi Arabia after Riyadh had insulted a Shi’ite cleric in Bahrain. In the same year, Saudi Arabia’s foreign minister, Adel al-Jubeir, visited Baghdad. Months before, Abadi had also visited Riyadh for the first time. During this period, Iraqi interior minister Qasim al-Araji, a senior member of the Badr Organization—a paramilitary group backed by Iran—made several visits to Riyadh.

In part, the reversal in Saudi policy was a consequence of its alarm at the rise of the Islamic State group (ISG). The group represented an ideological and security threat to the Kingdom that was becoming embedded in the Sunni community. While the ISG was able to protect Sunni communities from Shi’ite threats, the group itself represented a threat to Saudi clients and to the region that was unacceptable to Saudi Arabia. The threat of the ISG, and Iran’s role in countering the group, created another impetus for greater Saudi engagement in Iraq.

**ECONOMIC TOOLS: BUILDING TRUST**

As a way to build trust and curb Iranian influence, Saudi Arabia is attempting to employ a range of economic tools. These are a necessary part of the longer-term planned political re-alignment. They include increasing cross-border trade, developing infrastructure in recently liberated areas, injecting capital into the private sector, creating jobs, and introducing high-quality products to counter the Iranian-Turkish market duopoly. Complicating any economic outreach from Riyadh is the acute financial crisis in Iraq. The fragile state is marred by rampant corruption, outdated infrastructure, an antiquated commercial code, and a lack of essential services and skilled labor. Iraq requires both foreign investment and technical assistance to redevelop its economy. As such, many Iraqi leaders look to Saudi Arabia to provide macroeconomic support as a show of good faith.
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Trade is one arena in which the Kingdom can limit Iranian influence. Iran has dominated Iraq’s market for imported goods since 2003. In 2017, Iran exported $12 billion of goods to Iraq. While Iran seeks to double bilateral trade by 2025, Saudi Arabia seeks to curb Iranian economic influence. To highlight the priority of increasing economic integration and trade links between the neighbors, Riyadh re-opened the al-Arar border crossing with Iraq in August 2017. Moreover, the Kingdom is encouraging its private-sector companies to engage in Iraq. Riyadh’s next step includes developing cross-border roads and infrastructure, with an eye for establishing complementary interdependencies between the two neighbors. Building infrastructure and roads into Iraq, as Iran has been doing since 2003, will increase trade ties and could eventually strengthen relations.

Given its geographic proximity, Riyadh has focused on the market in southern Iraq and in particular the resource-rich yet destitute province of Basra. Here, too, Saudi Arabia directly competes with Iran with an aim to limit Tehran’s influence. This area represents the heart of the protest movement in Iraq, as its residents do not feel the post-2003 Iraqi state represents their interests. As such, Basra has become a hub for growing anti-Iranian sentiment, creating an opportunity for change. Recognizing this emerging trend, Riyadh has invested in construction projects, such as the city’s new Sheraton Hotel and a petrochemical plant. Iraqis in Basra now look to reopen a connecting pipeline that allows Iraq to send oil through Saudi Arabia to the Red Sea.

Another priority area where Saudi Arabia can signal its intent for improved relations and enhanced integration is in areas recently liberated from the Islamic State group.

CHALLENGES TO THE POLITICAL RAPPROCHEMENT

Despite recent opportunities, Riyadh must tread with caution as it strengthens its ties to Iraq. An increasingly anti-Iranian sentiment does not necessarily equate to growing support for Saudi Arabia. Most Iraqis view Riyadh’s endeavors in post-2003 Iraq negatively, and memories of Saudi policy have undermined trust. In a 2015 poll of 2,500 Iraqis from across the country, two-thirds (1,672) of Iraqis expressed a “very unfavorable” attitude and another 16 percent (400) expressed an “unfavorable” attitude toward Saudi Arabia. Although the number of Iraqis polled who have unfavorable attitudes toward Saudi Arabia has dropped to 51 percent since the rapprochement, according to the latest poll conducted in 2018, a majority of Iraqis remain skeptical of Saudi Arabia. Riyadh’s rapprochement will not come easily.
Iraqi political figures at the local and national levels often criticize Saudi Arabia’s role in the rise of jihadi-salafi groups like the Islamic State group. They claim that Saudis funded the group, and many of its citizens came to Iraq to fight for the group. For instance, Maliki’s senior adviser, Sami al-Askari, once told al-Iraqiya that “we know that half of, or more than half, of the foreign terrorists that entered Iraq and carried out acts of killing are Saudi nationals. Meanwhile, Saudi security forces did not arrest any Iraqis involved in terrorism in the Kingdom...We still hear fatwas [issued by Saudi scholars] that harm the political situation in Iraq, stir up terrorism, and sanction the killing of Iraqis.”

Many of Iraq’s Shi’ite citizens take issue with Saudi Arabia’s historic persecution of its own Shi’ite population, guided by the Kingdom’s historic refusal to recognize Shi’ite religious practice and its endorsement of clerics who espouse anti-Shi’a rhetoric. Riyadh’s foreign policy in Bahrain and Yemen is also seen as problematic by many Iraqis, who consider the aggressions as part of a wider fight against Shi’ite populations and a more general violation of human rights.

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Many Iraqis also remain suspicious of Riyadh’s regional policies, especially its overt hostility to Iran and the resultant Sunni-Shi’a cold war. Tehran still has the historic upper hand in Iraq and many groups there recognize that Iranian support to Iraq remains crucial. Even more critical political groups acknowledge Iran’s importance. For instance, the Kurdistan Democratic Party’s (KDP) Masoud Barzani, whose party has been wary of Iranian overreach, admitted in 2014 that Iran was the first partner to support the Kurdistan region when the Islamic State group threatened its border. Such sentiments are felt across the country. As a result, Saudi Arabia’s overtures should not directly antagonize Iran but must instead support the bottom-up changes that are emerging. Many Iraqis fear Saudi-led sectarianism will once again divide Iraq. Moreover, the warming ties between Saudi Arabia and Israel are problematic for much of the Iraqi populace, which criticizes Israel’s policies vis-à-vis Palestinians and Arabs more generally.

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CONCLUSION

Saudi Arabia’s new and measured approach to Iraq is a departure from its approach in the region in recent years and a return to the pragmatic diplomacy that has defined its foreign policy in the past. The opportunities that Baghdad presents to Riyadh could be mutually beneficial. One can see this new approach as a consequence of Saudi Arabia learning from its mistakes in Iraq. More than a decade of investing in various Sunni groups has not prevented Sunnis from being marginalized, nor has it allowed Saudi Arabia to gain more leverage. Saudi Arabia’s new approach represents a new strategy in Iraq, which is more consistent with its past diplomacy, even while it differs starkly from much of its current regional policy.

While headlines focus on Sunni-Shi’a tensions in the Middle East, Saudi Arabia’s policy in Iraq seeks to accommodate Shi’ism in order to combat the Islamic Republic of Iran. From the perspective of many Iraqis, Saudi Arabia’s willingness to weaken Iran is not sufficient to make them an ally. Saudis must also prove that they are a reliable partner in other arenas, especially in the economic realm.

Iraq presents Saudi Arabia with a rare opportunity to gain regional influence at Iran’s expense. However, Riyadh will have to tread carefully in its attempt to build trust. If it fails to do so, it risks becoming yet another external power that fails to re-build the post-Saddam Iraqi state.
ENDNOTES


10. Ibid.


12. Author’s interview with Sunni leader, Baghdad, February 2018.


18. The Badr Organization was formed by the Iranian leadership in the 1980s to fight against Iraq and until today remains a close ally with the regime in Tehran.


lend-iraq-1-billion-commit-further-1-billion-of-investment-idUSKCN1FY0TX.


24. Author’s interview with Munqith Dagher, who presented exclusive polling data, August 2018.

25. Author’s interviews with various Iraqi political elite, Baghdad, Najaf, Mosul, January-May 2016.
