Is Mustafa al-Kadhimi Good News for Iran?
Munqith Dagher

The Burke Chair at CSIS is co-authoring a commentary with an Iraqi expert Dr. Munqith Dagher, whose biography is summarized below.

The consensus among Iraqi political elites to choose Mustafa al-Kadhimi as Prime Minister has raised many questions, particularly among those who are well aware of the importance of Iranian acceptance – or opposition – of appointments to this position in previous Iraqi governments since 2006. Many have interpreted Iran’s agreement (or to be more precise – Iran’s lack of objection) to this choice as an endorsement of Kadhimi.

A careful scrutiny of developments in the Iranian domestic political scene on one hand, as well as developments in the Iraqi political arena on the other, can give us a clearer understanding of the rationale behind choosing Kadhimi.

Developments in the Iraqi Domestic Political Scene

For the last three years, and since the liberation of Iraq from the scourge of ISIS, Iran has been suffering from a severe drop in its “soft power” in Iraq, which relies on support from the Shia street. The percentage of Shias who think favourably of Iran has plummeted from around 70% in 2016 to a mere 15% by the end of 2019. In addition, the percentage of Shias who regard Iran as a trusted ally has also plummeted from 85% to 40% during the same period. This has occurred due to a number of factors, including:

1. **The negative impact of the Iranian economy, which relies heavily on the Iraqi market, especially following U.S. sanctions.** This has negatively affected many small and medium-sized companies as well as farmers in Iraq, who were unable to compete against Iranian products sold below market price due to the open-door policy that Iraqi governments have applied towards all products from Iran.

2. **The increase in illegal drugs coming into Iraq via Iran, creating a drug problem that has become a major social concern.**

3. **The utter failure of successive Iraqi governments to combat corruption and improve the citizens’ quality of life.** This has resulted in the Iraqi citizen viewing Iran and the Iraqi political parties and militias loyal to Tehran as the reason for creating and supporting these failing governments. This outlook has manifested itself into a total rejection of the political establishment and a turning away from participation in the 2018 elections, which witnessed even less participation in the southern Shia governorates than in the Sunni governorates.

The October 2019 revolution was a result of all of this, not only as an embodiment of the anger in the Iraqi street towards the Iraqi political regime, but also as an expression of Iraqi rejection of all forms of foreign interference in Iraqi affairs, including Iranian interference.

Developments in the Iranian Domestic Situation

Iran invested all of its political, economic and religious power that it had accumulated after the end of the war against Iraq in 1988 to establish a wide network of influence within Iraq, which competed with and even exceeded American influence after 2003. The main players in this power base in Iraq have been the Islamic Revolutionary Guard Corps and the Quds Force under the leadership of Qasem Soleimani. However, many observers are unaware that Iranian policies in Iraq and the region in general have harboured a hidden yet strong conflict between the institutionalized Iranian State and the Revolutionary Guards.
Despite this conflict and difference in views sometimes floating to the surface – as when Javad Zarif resigned in February 2019, in protest against Soleimani’s interference in Iran’s foreign policy – the source of this conflict was much larger and more complex than it appeared. It was Soleimani’s charisma and the absolute support he had from the Supreme Leader Khamenei that allowed him to be the main controller of Iranian relations with Iraq and countries of the region. This irritated Iranian state institutions (the Presidency, the Ministry of Foreign Affairs, and even the Ministry of Intelligence) and there was a great deal of disagreement and turmoil within the Iranian regime.

The Revolutionary Guards were blamed after the October protests in Iraq that resulted in the torching of the Iranian Consulate and protestors with slogans demanding the curtailment of Iranian influence and the armed forces supporting Iran. However, the presence of Soleimani at the top of the Revolutionary Guards always meant that the voices of the Iranian state institutions that opposed the policies carried out by the Islamic Revolutionary Guard Corps in Iraq had no influence on the final decisions. But the absence of Soleimani from the Iranian decision-making process since January 2020, as well as the lack of Soleimani’s successor, Esmail Ghaani, enjoying the same leadership qualities he possessed, meant a return of power to the conventional state decision-making institutions in Iran, giving their opinions more weight on matters concerning Iraq.

The other factor – which in itself is related to the first, and which largely affected the Iranian internal decision-making process regarding Iraq – is the economic factor. The Iranian economy has suffered greatly as a consequence of the U.S. sanctions that deprived Iran from its main sources of funding (oil and major industries). Many expert predictions point towards the possible collapse of the Iranian economy in the beginning of next year, as a result of these harsh sanctions. These sanctions have limited the ability of Iran and its Revolutionary Guards to fund their allies in the region, turning these allies into a heavy burden on the Iranian economy.

All this has caused the more rational voices in Iran to wonder about the effectiveness of the Revolutionary Guards’ policies in Iraq and the region. It has also presented difficult choices for the Iranian leadership to consider, mainly the importance of meeting with the United States to negotiate a new deal.

Then came the Coronavirus pandemic to add yet another burden to the Iranian ship struggling to stay afloat. The incompetent manner by which the Iranian government dealt with the pandemic resulted in destructive social and economic effects that have improved the standing of the technocrats and diminished the authority of the ideological revolutionaries that have led the country in the previous period.

The fear of a popular revolution in Iran is a real one, especially after the end of the pandemic and with a collapsing economy, particularly taking into consideration the strong popular protests that took place a few months ago.

In light of all these internal variables in Iran, its allies in Iraq have suffered greatly especially with the absence of the Soleimani and al-Muhandis duo from the Iraqi scene. And yet again, conflict in the Shia political establishment surfaced, shedding light on their inability to align even on their most basic commonalities. This became evident when they grappled on how to face the popular uprising in Iraq and their inability to deal with the political situation following former Prime Minister Adel Abdul-Mahdi’s resignation as a response to the protests.

The powers in the Iranian state are aware that Iran is not only at risk of losing its soft power and the Iraqi Shia support for its project in Iraq, but it also risks losing its already seriously corroded political influence on the Iraqi regime. While Iran can learn to live with hostility from
the United States and the West, or even China and Russia, it cannot at all accept the idea of losing Iraq.

Iraq represents the cornerstone for Iran’s geo-strategic and economic security. The growing popular animosity towards Iran in Iraq, in addition to the growing weakness and fragmentation of its allies (which became clear in their inability to choose a candidate for the position of Prime Minister) could all lead to severe strategic consequences in both the short and medium-term future.

In view of the above stated reasons and despite Kadhimi’s inclinations that are unaffected by Iranian influence, Mustafa al-Kadhimi still presents an opportunity for Iran more so than a threat. Powers in the Iranian state believe that with Kadhimi’s background as an intelligence officer, he would be well-experienced in the game of balance of power, and he would be able to maintain a good relationship with Iran without returning to the politics of dependence that led the relationship between the two countries to its strained current state.

Kadhimi would also be able to ease the Iranian-U.S. competition and rivalry in Iraq, which has contributed to the perpetuation of tension between the United States and Iran. He could actually even be qualified to play a positive role in resolving the crisis with the United States.

Iran is currently facing similar conditions to those before its decision to accept the ceasefire with Iraq in 1988: its economy is exhausted due to the sanctions, and it is suffering from deep domestic, social, and political issues that require a truce and a break to enable Iran to gather its strength to continue building the pillars of its strategic power.

That is why I believe that Iran’s acceptance of Kadhimi came with reluctance and will probably be temporary; for when the hand of ideological extremism regains its grasp on the regime, it will once again reassess its stance. The on-going threats by the ideologues and revolutionary powers allied with the Islamic Revolutionary Guards continue every now and then to criticize the choice of Kadhimi, and those voices will become louder when their leaders in Iran see that it is time to reassert Soleimani’s legacy.

This commentary entitled, Is Mustafa al-Kadhimi Good News for Iran?, is available for download at ?????

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