

The U.S. Role in Iraq's Political Crisis: Guidelines for More Effective Engagement

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Brief Analysis

Disengaging after last year's election was a costly miscalculation, but Washington can still meet its goals in Iraq by diving into the fray and prioritizing the system over individual political preferences.

Ahead of his recent meeting with Prime Minister Mustafa al-Kadhimi at the Jeddah Security and Development Summit, President Biden **hailed Iraq (<https://www.washingtonpost.com/opinions/2022/07/09/joe-biden-saudi-arabia-israel-visit/>)** as a “platform for diplomacy” despite its ongoing “political gridlock.” The president is right on both counts—Baghdad has been hosting talks between Iran and Saudi Arabia even as it continues to struggle with forming a government nearly a year after the October 2021 election. Yet this characterization omits Washington’s own role in the political crisis, namely, its failure to actively foster a cross-sectarian, multiethnic government that protects Iraq’s sovereignty, steers the country away from Iran’s orbit, and preserves core energy and security interests.

From Election Optimism to Disengagement

The Biden administration’s previous achievements in Iraq should not be discounted. For one, Iraq is no longer a major theater to vent out U.S.-Iran tensions (though Tehran may regard this as only a tactical pause). Moreover, the administration worked with various partners and an empowered UN Assistance Mission for Iraq (UNAMI) to help Baghdad fulfill its promise to move forward with an early election—a pledge that Kadhimi’s caretaker government made in the wake of the 2019 protests that forced the resignation of his predecessor’s militia-infested government. Last October’s vote compounded the defeat of Iran-backed militias operating under a thin veneer of party structure. Yet instead of advancing this welcome course correction, the Biden administration disengaged post-election. Today, Iraqi parties have yet to form a new government, and current trendlines are running against U.S. goals. Cross-sectarian governance persists but is increasingly overshadowed by deep divisions within and between Shia, Kurdish,

and Sunni parties. And as the politicians jockey for power, the Iraqi people continue to suffer the consequences of persistent corruption and poor services.

The lead jockey since October has been the mercurial Shia leader Muqtada al-Sadr, who was able to win a plurality due to a combination of voter apathy sapping turnout and more liberal factions splitting their votes by challenging each other's candidates in the same districts. Lacking the requisite magnanimity in victory, he quickly spooked his rivals and gave them a reason to unite against him. The resultant "Coordination Framework" led by former prime minister Nouri al-Maliki became an umbrella group for Shia parties that opposed Sadr's dominance. Even so, many U.S. observers believed that with the right [Kurdish and Sunni partners](https://www.washingtoninstitute.org/policy-analysis/new-chance-kingmaking-iraqi-kurds) (<https://www.washingtoninstitute.org/policy-analysis/new-chance-kingmaking-iraqi-kurds>) moderating his populist impulses, Sadr could still give Iraqis a serious shot at a new government more accountable to them than to Tehran.

To get there, however, more nudging and directing was needed from Washington, which had put aside past bad blood with Sadr to quietly welcome his victory. Yet the Biden administration feared being seen as intervening in the government formation process and therefore counted on the agency of Iraqi actors, many of whom quickly reverted to myopic, self-serving politics. Long gone were the days when Washington would micromanage the horse trading that followed Iraqi elections. Yet in leaving them behind, the Biden administration repeated a common U.S. error in Iraq: underestimating its leverage and leaving the playing field open to actors who do not share its vision. A look back at the past year of U.S. neglect shows where things went off the rails and how Washington's friends in Iraq became part of the problem.

Political Impasse

One of the White House's main miscalculations was putting too little pressure on Kadhimi to weed out corruption and reverse unsustainable policies that inflate the public sector and stymie economic diversity. Once his ambition for a second term was whetted, he sought to maintain the status quo in order to avoid antagonizing malign political blocs whose support he needed. As a result, the militias who killed and maimed thousands of protesters are even stronger today and continue to attack government and energy infrastructure. Direct attacks by Iran and Turkey [have ramped up](https://www.washingtoninstitute.org/policy-analysis/turkeys-war-northern-iraq-numbers) (<https://www.washingtoninstitute.org/policy-analysis/turkeys-war-northern-iraq-numbers>) as well. Unable to stand up to the militias or deliver reforms, the Iraqi state has further weakened under Kadhimi's watch.

Sunni Arab parties have faltered as well. They got their act together early with help from Turkey and successfully lobbied for Mohammed al-Halbousi to become speaker of parliament. Once secure in that post, however, Halbousi saw little incentive to push Shia and Kurdish factions on choosing the next president and prime minister.

The president is traditionally a Kurd, but the two main Kurdish parties have yet to agree on a candidate. Instead of uniting to maximize their leverage over national energy rights, revenues, and security, they split across the two opposing Shia camps—Kurdistan Democratic Party leader Masoud Barzani sided with Sadr in the hope of stripping the presidency from his rival Barham Salih. Although reuniting the Kurds would not be sufficient to bridge the deep divisions in Baghdad, their discord has made them the face of the political gridlock. Yet Washington has failed to use its [significant leverage](https://www.washingtoninstitute.org/policy-analysis/krq-turns-thirty-future-us-kurdish-relations-iraq) (<https://www.washingtoninstitute.org/policy-analysis/krq-turns-thirty-future-us-kurdish-relations-iraq>) with them, including \$240 million in annual direct aid.

While Sadr stalled after the election, his rivals regrouped and refocused. Deploying their influence network inside the state, they began shifting the locus of power, jolting the long-dormant Federal Supreme Court into a series of crucial rulings—most notably, giving parliamentary minorities veto power over the choice of president and upending the legal foundation of [Kurdistan's oil and gas sector](https://www.washingtoninstitute.org/policy-) (<https://www.washingtoninstitute.org/policy->

analysis/death-oil-federalism-implications-new-iraqi-court-ruling). They also blocked Kadhimi's caretaker government from passing new budgets, enabling militias in the Popular Mobilization Forces (PMF) to maintain their current annual windfall of \$2.7 billion.

In response, Sadr withdrew his parliamentary bloc and abandoned his Sunni and Kurdish political partners. On July 27, he had his supporters storm and occupy parliament and call for a revolution, warning that he can play spoiler as well.

Policy Implications

Due in part to U.S. inaction, the losers of last year's election have managed to methodically undo the results. Sadr's ongoing power play in the halls of parliament could either prolong the impasse or backfire, enabling the rival Coalition Framework to march ahead on forming its own government with help from Sadr's abandoned partners, Barzani and Halbousi.

It is therefore past time for Washington to engage more directly rather than relying exclusively on its capable ambassador in Baghdad. In addition to leaning harder on U.S. partners and potentially opening communications with Sadr, the Biden administration should reach out to other actors. Most any engagement is worth considering so long as it does not bestow legitimacy on unaccountable militias.

For instance, in nominating a candidate for prime minister, the Coordination Framework did not field someone clearly unacceptable to Washington (e.g., Maliki or Hadi al-Ameri), but instead chose Mohammed Shia al-Sudani, a former minister close to Maliki but not known for corruption or thuggery. If the Framework is poised to form the next government, U.S. officials may be able to affect its behavior by leveraging its need for international legitimacy.

Relatedly, Washington should support Kurdistan Regional Government president Nechirvan Barzani's proposal to host rival Shia factions for dialogue in Erbil. With buy-in from Salih—as president of the federal government, a post that can prove pivotal in times of crisis when all other institutions are tainted by mistrust and partisanship—the Kurds could present a united face and play a potent moderating role in Baghdad.

These possibilities point to a broader realization about U.S. policy in Iraq: prioritizing any individual politician over the system **is doomed to failure (<https://www.washingtoninstitute.org/policy-analysis/promoting-sovereignty-and-accountability-iraq-guidelines-biden-administration>)**. The country has suffered equally under ruthless and toothless prime ministers, and many of its top players are now stepping away from the accountability of public office in favor of offstage puppet mastery. Not so long ago, the militias were bombing Kadhimi's residence, but since the election they have been able to coopt him without firing a shot at him. Washington would be wise to focus more on the game, even as it keeps an eye on the players.

This approach is especially advisable today because the grievances of the protesters who erupted in 2019 have not disappeared. Various Iraqi factions are attempting to distract them with measures such as anti-normalization laws against Israel or nationalistic militia attacks on Turkish forces and foreign oil firms, but this will not dispel the underlying discontent. Should their frustration with the country's economic and environmental problems boil over again, they may target the entire system this time, not just the prime minister.

Accordingly, Washington must not be bashful in voicing support for the Iraqi people. A more activist approach starts with pushing politicians to form a clean, capable government that is accountable to its citizens and focused on ending the country's isolation. In particular, efforts to connect Iraq with the Gulf Cooperation Council states should be expedited, from electricity grid links to banking relationships that help reduce money laundering and capital flight. If Iraq is to become a **reliable oil exporter (<https://www.washingtoninstitute.org/policy-analysis/necessary-us-role-fixing-baghdad-kurdistan-energy-dispute>)** and develop its own natural gas supplies rather than import them from Iran, it will need to start attracting rather than repelling investors. Iraqis still count on

the United States to nudge their nascent democracy toward jobs, prosperity, and services. They have already spoken at the ballot box, and it is high time the United States heeds their call.

Bilal Wahab is the Wagner Fellow at The Washington Institute. ❖

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