



CRS Report for Congress

Iran's Influence in Iraq

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Summary

Iran's influence over the post-Saddam government in Iraq is substantial because the dominant parties in that government have long-standing ties to Tehran. A key concern is that Iran is extending support for related militias in Iraq that are now responsible for much of the sectarian violence in Iraq. The December 6, 2006, report of the Iraq Study Group recommends U.S. engagement with Iran to enlist its help in calming Iraq, a move not endorsed by the Bush Administration, to date. This report will be updated. See CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.

Background

The significance of the issue of Iranian influence in Iraq derives not only from the U.S. interest in stabilizing Iraq but also from tensions between the United States and Iran over Iran's nuclear and regional ambitions. Now that the conventional military and weapons of mass destruction (WMD) threat from Saddam Hussein has been removed, the thrust of Iran's strategy in Iraq has been to perpetuate domination of Iraq's government by pro-Iranian Shiite Islamist leaders, as well as to obtain leverage against the United States to forestall a potential confrontation. Iran sees control of Iraq by friendly Shiite parties as providing Iran with "strategic depth" and ensuring that Iraq remains pliable and attentive to Iran's interests. At the same time, Iran's aid to Iraqi Shiite parties and their militias is contributing to sectarian violence that, in addition to causing about 3,000 Iraqi civilian casualties per month, is threatening the U.S. stabilization effort.

For the first two years after the fall of Saddam Hussein, Iran's leaders and diplomats have sought to persuade all Iraqi Shiite Islamist factions in Iraq to work together through the U.S.-orchestrated political process, because the number of Shiites in Iraq (about 60% of the population) virtually ensures Shiite predominance of government. To this extent, Iran's goals in Iraq differed little from the main emphasis of U.S. policy in Iraq, which has been to set up a democratic process that reflects majority preferences. Iran's strategy bore fruit with victory by a Shiite Islamist bloc ("United Iraqi Alliance") in the two National Assembly elections in 2005. The UIA bloc, won 128 of the 275 Assembly seats

in the December 15, 2005, election. The UIA includes Iran's primary Shiite Islamist protégés in Iraq — the Supreme Council for the Islamic Revolution in Iraq (SCIRI), the most pro-Iranian of the groups, and the Da'wa (Islamic Call) party. Also in the UIA bloc is the faction of Moqtada Al Sadr, whose ties to Iran are nascent. Like his predecessor as Prime Minister, Ibrahim al-Jafari, Nuri al-Maliki is from the Da'wa Party, although Maliki spent most of his exile in Syria, not Iran. Most SCIRI leaders spent their years of exile in Iran.

Iran's closest and most powerful ally in Iraq is SCIRI's leader, Abdul Aziz al-Hakim. In October 2006, he successfully pushed for legislation that would allow an early federation of Shiite provinces in southern Iraq into a large, relatively autonomous region. Iran supports that concept because a Shiite region would presumably integrate economically and politically with Iran. However, that initiative alarmed Iraq's Sunni Arabs, who fear that the Shiites will use their new region to control Iraq's large oil resources, much of which are concentrated in southern Iraq.

Of much greater concern to U.S. officials is the continuing fielding of militias by the major Shiite groupings. The militias are widely accused of the sectarian violence against Sunnis that is gripping Iraq, although Iraqi Shiites say they are retaliating for Sunni violence against Shiites. U.S. officials say that sectarian violence is now the leading security problem in Iraq, and many experts believe Iraq is now in a state of at least low-level civil war. SCIRI controls a militia called the "Badr Brigades" (now renamed the "Badr Organization"), which numbers about 20,000. The Badr Brigades were formed, trained, and equipped by Iran's Revolutionary Guard, politically aligned with Iran's hardliners, during the Iran-Iraq war. During that war, Badr guerrillas conducted forays from Iran into southern Iraq to attack Baath Party officials, but the Badr forays did not spark broad popular unrest against Saddam Hussein's regime. Badr fighters are playing unofficial policing roles in Basra and other Shiite cities, and those Badr members that have joined the national Iraqi police and military forces are widely said to retain their loyalties to Badr and SCIRI.

The Badr fighters have purportedly been involved in sectarian killings, although to perhaps a lesser extent than the other major Shiite militia, the "Mahdi Army" of Moqtada Al Sadr. The December 6, 2006, Iraq Study Group report says the Mahdi Army might now number about 60,000 fighters, and the November 2006 "Measuring Stability and Security in Iraq" report by the Defense Department says the Mahdi Army has replaced Al Qaeda-Iraq as "the most dangerous accelerant of potentially self-sustaining sectarian violence in Iraq." The Mahdi Army was formed in mid-2003 when the 32-year-old Moqtada Al Sadr, whose base is more anti-U.S. than are the supporters of SCIRI, Da'wa, and Sistani, sought to forcibly oppose U.S. forces in Iraq. U.S. military operations put down Mahdi Army uprisings in April 2004 and August 2004 in Sadr City (a Shiite-inhabited slum area of Baghdad), Najaf, and other Shiite cities. In each case, fighting was ended with compromises under which Mahdi forces stopped fighting in exchange for amnesty for Sadr himself. From August 2004 until mid-2006, Mahdi fighters patrolled Sadr's Baghdad political base of "Sadr City" and parts of other Shiite cities, particularly in Basra, enforcing conformity with Islamic and traditional behavior norms. Since mid-2006, however, Mahdi forces have clashed with U.S. forces in Baghdad and elsewhere on a few occasions, and there have been several U.S. military deaths by bombings in Sadr City. Mahdi (and Badr Brigade) assertiveness in Basra has partly accounted for a sharp deterioration of relations since July 2005 between Iraqi officials in Basra and the British

forces that conduct peacekeeping in the city. Mahdi attacks on a British base near Amara in southern Iraq in July 2006 contributed to a British decision to abandon the base.

Moqtada is a scion of the revered Sadr clan; his great uncle, Mohammad Baqr Al Sadr, was a contemporary and ally of Iran's Ayatollah Ruhollah Khomeini and was hung by Saddam Hussein in 1980. Unlike SCIRI and Da'wa leaders, Sadr and his clan remained in Iraq during Saddam's rule, and Sadr has generally been seen as a rival to SCIRI and Da'wa. These factors might explain why Iran's relations with Sadr are not as close as are Iran's relations with Da'wa and SCIRI. However, Iran appears to see him, with his large and dedicated following particularly among lower-class Iraqi Shiites, as a growing force in Iraqi politics, and his support has been crucial to the political fortunes of Prime Minister Maliki. Iran's strategy thus far apparently has been to build ties to Sadr and coax him into cooperating with SCIRI and the Da'wa groups, while indulging his requests for material assistance for his Mahdi Army. On the other hand, recent reports say that Sadr does not necessarily control hardline commanders in the Mahdi Army, who have been strengthened by popular Shiite sentiment to exact revenge against Sunnis, and that some of these extreme Mahdi elements might be behind the extensive sectarian killings in Baghdad, Diyala, and elsewhere.

Iranian leaders have also cultivated ties to Grand Ayatollah Ali al-Sistani, the 75-year-old Iranian-born Shiite cleric who is de-facto leader of mainstream Shiite Islamists. However, Sistani has differed with Iran's doctrine of direct clerical involvement, and he has resisted political direction from Iran. Iran's interest in Sistani might be declining as Sistani's influence over Iraqi Shiites has waned. Sistani has called on Shiites not to be drawn into civil conflict with the Sunnis, but many Iraqi Shiites turning to hard-line Shiites such as Sadr who are willing to combat Sunnis by any means available.

Assertions of Iranian Support to Armed Groups

As U.S.-Iran tensions have increased over Iran's nuclear program and regional ambitions, such as its aid to Lebanese Hezbollah during the July-August 2006 conflict with Israel, U.S. officials have become more alarmed about Iranian goals in Iraq. U.S. and allied officials assert that Iran is providing financial and materiel support to the Shiite militias discussed above, although a few reports say Iran might also be aiding Sunni insurgents who are fighting U.S. forces. In providing support to armed groups, Iran might be seeking to develop a broad range of options in Iraq that include sponsoring violence to pressure U.S. and British forces to leave Iraq or to bog down the United States militarily and thereby deter it from action against Iran to curb its purported nuclear ambitions. On the other hand, Iran might not necessarily want attacks on U.S. forces because a U.S. departure from Iraq, if that were the result, might leave pro-Iranian factions vulnerable to attacks by Sunni insurgents who are well-organized, well-financed by Sunnis throughout the Middle East, and, in some cases, well-trained. Those who take this view tend to believe that Iran is aiding Shiite militias not to instigate attacks on the United States but instead as a means of increasing its influence over the Shiite factions that field these forces.

On several occasions over the past year, former Secretary of Defense Rumsfeld and senior U.S. and allied military officials and policymakers have asserted that U.S. forces

have found Iranian-supplied explosives (reportedly including highly lethal shaped explosives) in Iraq.¹ In addition:

- In March 2006, Defense Secretary Rumsfeld, Joint Chiefs of Staff Chairman Peter Pace, and Commander of U.S. Central Command (CENTCOM) Gen. John Abizaid asserted that Iran's Revolutionary Guard — particularly its "Qods (Jerusalem) Forces" that conduct activities outside Iran in support of Shiite movements — is assisting armed factions in Iraq with explosives and weapons. These officials did not specify whether the weapons shipments had formal Iranian government approval or for which Iraqi faction(s) the bombs were intended.
- On August 23, 2006, Brig. Gen. Michael Barbero, deputy chief of operations of the Joint Staff, said the Iranian government is training, funding, and equipping Shiite militiamen in Iraq. On September 28, 2006, Maj. Gen. Richard Zahner, deputy chief of staff for intelligence of the Multinational Force-Iraq (MNF-I), said that the labels on C-4 explosives found with Shiite militiamen in Iraq prove that the explosives came from Iran. He added that the Iranian government provided the explosives because the Iranian military apparatus controls access to such military-grade explosives.²
- On September 19, 2006, Gen. Abizaid said that U.S. forces had found weaponry in Iraq that likely came from Iran, including a dual-warhead rocket-propelled-grenade RPG-29, as well as Chinese-made rockets. He added that Lebanese Hezbollah members were conducting training in Iran and that they could also be training Iraqi Shiite militiamen but that "[these linkages are] very, very hard to pin down with precision."³
- There is no firm information on how many representatives of the Iranian government or its institutions might be in Iraq. However, two major articles, one in *U.S. News and World Report* and one in *Time* magazine, as well as other press reports,⁴ have asserted that Iran's Revolutionary Guard has set up a network of smuggling routes to ferry men and equipment for attacks on U.S. and allied troops in Iraq.⁵

¹ Scarborough, Rowan. "Rumsfeld Says Iran 'Allowing' Weapons Into Iraq." *Washington Times*, Aug. 10, 2005.

²"Iranian Government Behind Shipping Weapons to Iraq." *American Forces Press Service*, Sept. 28, 2006.

³ "New Weapons From Iran Turning Up on Mideast Battlefields: Abizaid." *Agence France Presse*, Sept. 19, 2006.

⁴ See Ware, Michael. "Inside Iran's Secret War for Iraq." *Time*, Aug. 22, 2005; and "The Iran Connection." *U.S. News and World Report*, Nov. 22, 2004.

⁵ Coughlin, Con. "Smuggling Route Opened to Supply Iraqi Insurgents." *London Sunday Telegraph*, Oct. 30, 2005.

Iranian Influence Over Iraqi Political Leaders

Since the fall of Saddam Hussein, Iran has exercised substantial political and economic influence over and mentorship of the Iraqi government. During exchanges of high-level visits in the summer of 2005, including a large Iraqi delegation led by interim Prime Minister Ibrahim al-Jafari in July 2005, Iraqi officials essentially took responsibility for starting the 1980-1988 Iran-Iraq war, and indirectly blamed Saddam Hussein for ordering the use of chemical weapons against Iranian forces during that conflict. During a defense ministerial exchange that same month, the two countries signed military cooperation agreements, as well as agreements to open diplomatic facilities in Basra and Karbala (two major cities in Iraq's mostly Shiite south) and agreements on new transportation and energy links, including oil swaps and future oil pipeline connections. Iran offered Iraq a \$1 billion credit line as well, some of which is being used to build a new airport near Najaf, a key entry point for Iranian pilgrims visiting the Imam Ali Shrine there. The two have developed a free trade zone around Basra, and bilateral trade has burgeoned to an estimated \$3 billion per year, as of mid-2006. Iraq denies that the military agreements signed include commitments by Iran to train Iraqi forces, saying the cooperation is limited to border security, landmine removal, remaining POW/MIA issues from the Iran-Iraq war, and information sharing.

Some observers say that Iran is moving to exert influence over the new, permanent government, even though the government now incorporates major Sunni figures who have traditionally been suspicious of Iran. Shortly after the government of Nuri Kamal al-Maliki took office on May 20, 2006, Iran's Foreign Minister Manuchehr Mottaki led a high-profile visit to Iraq. During that visit, Iraq supported Iran's right to pursue nuclear technology "for peaceful purposes," while also stating that Iraq does not want "any of [its] neighbors to have weapons of mass destruction."⁶ The two countries also reaffirmed the agreement to mutually secure their common border. Also in May 2006, Iran upgraded its representation in Iraq to that of Ambassador. Maliki visited Iran during September 13-14, 2006, meeting all major Iranian leaders and signing three memoranda of understanding: (1) to facilitate cross border immigration; (2) to exchange intelligence and cooperate on security issues; and (3) to expand commercial ties. During the visit, Maliki also said that members of the Iranian opposition group People's Mojahedin Organization of Iran (PMOI), who were based in Iraq during Saddam's rule and are now confined by U.S.-led forces to a camp near the Iranian border, would have six months to leave Iraq. In November 2006, Iraq's President Jalal Talabani, a Kurdish leader, visited Iran and met with senior Iranian leaders.

At the same time, some believe Iran's influence will fade over the long term. Iraq's post-Saddam constitution does not establish an Iranian-style theocratic government. Some experts maintain that rivalry between Iraq's Shiite clerics and those of Iran might increase if Najaf re-emerges as a key center of Shiite Islamic scholarship to rival Qom in Iran. Other experts note that most Iraqi Shiites generally stayed loyal to the Iraqi regime during the 1980-1988 Iran-Iraq war, which took nearly one million Iranian lives and about half that many Iraqi battlefield deaths. Although exchanges of prisoners and remains from the Iran-Iraq war are mostly completed, Iran has not returned the 153 military and civilian aircraft flown to Iran at the start of the 1991 Gulf war, although it has

⁶ "Clarification Statement" issued by Iraqi Foreign Minister Hoshyar Zebari. May 29, 2006.

allowed an Iraqi technical team to assess the condition of the aircraft (August 2005). On the other hand, territorial issues are mostly resolved as a result of an October 2000 agreement to abide by the waterway-sharing and other provisions of their 1975 Algiers Accords. (Iraq abrogated that agreement prior to its September 1980 invasion of Iran.)

U.S. Responses and Prospects

The Iraq Study Group final report's first recommendation is that the United States include Iran (and Syria) in multilateral efforts to stabilize Iraq. Regional countries, under the proposed initiative, would be enlisted to encourage factional reconciliation within Iraq, to secure its borders, to end any interventions in Iraq, and promote trade and commerce with Iraq. Even before the Study Group report, U.S. officials, eager to try to stabilize Iraq, had tried to engage Iran on the issue. In December 5, 2005, U.S. Ambassador to Iraq Zalmay Khalilzad stated that he had received President Bush's approval to undertake negotiations with Iranian counterparts in an effort to enlist Iranian cooperation in Iraq. The United States and Iran confirmed in March 2006 that they would conduct direct talks on the issue of stabilizing Iraq. However, differences began to appear when Iranian officials intimated that they would want to expand such discussions to bilateral U.S.-Iran issues, including Iran's nuclear ambitions. The Administration opposed doing so, insisting the talks would take place in Baghdad and would be limited to Iraq issues. In addition, some Sunni groups criticized the United States for seeking the talks, maintaining that the United States and Iran might reach an arrangement to stabilize Iraq that neglects the views of Iraq's Sunnis. In May 2006, Iranian President Mahmoud Ahmadinejad said the talks were no longer needed because an Iraqi unity government had been formed, and no U.S.-Iran talks were held.

The issue of U.S.-Iran talks on Iraq re-emerged as the release of the Iraq Study Group report approached. On November 6, 2006, an Iranian Foreign Ministry spokesman said that Iran might consider such talks with the United States on Iraq. On November 15, 2006, in testimony before the Senate Armed Services Committee, State Department coordinator for Iraq policy David Satterfield said that the United States is "prepared, in principle, for a direct dialogue with Iran" [on Iraq] but that "the timing of that dialogue is one we are considering." However, the Bush Administration has not endorsed the Iraq Study Group recommendation on engaging Iran as part of a solution to the difficulties in Iraq. In an interview with journalists on December 14, 2006, Secretary of State Rice appeared to reject the Study Group recommendation by saying that the United States would not likely bargain with Iran — such as electing not to try to sanction Iran for its nuclear program advancement — to obtain its assistance in stabilizing Iraq.⁷ That statement might reflect agreement with some outside experts that Iran is neither willing nor necessarily able to assist U.S. policy in Iraq.⁸

⁷ Kessler, Glenn. "Rice Rejects Overture to Iran and Syria," *Washington Post*, Dec. 15, 2006.

⁸ Pollack, Kenneth. Don't Count on Iran to Pick Up the Pieces. *New York Times*, Dec. 8, 2006.