

Conflict Studies Research Centre



**A Shi'i Enclave?
Iranian Policy Towards Iraq**

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Key Points

- * Iraq is the centrepiece of Iran's regional strategy and the leadership believes that it provides Iran with a source of leverage over UK and US policies.
- * No Iranian government is likely to favour the break-up of Iraq because of its implications for Iran's Kurdish population and other ethnic groups. At the same time, Iranian officials seem to have concluded that centrifugal tendencies in Iraqi politics were so strong that Iraq might break up into warring states.
- * The current government is acutely aware of Iran's ethnic problems and President Ahmadinezhad has vowed to allocate greater resources to various provinces. He is particularly concerned about oil-rich Khuzestan Province, which the regime believes is being destabilized by UK backed separatist groups.
- * Ahmadinezhad's recent statements during a tour of areas bordering Iraq make it clear that he believes that offence is the best defence against the UK. The regime increasingly views US presence in southern Iraq as a threat to its security and it has already taken action to undermine the UK's position in southern Iraq. Ayatollah Khamene'i and the government believe that Iran's influence over Iraqi political groups will enable them to pressure the US and UK to make major concessions to Iran regarding Iraq, Iran's nuclear programme and regional security arrangements. The main goal of this grand strategy is to establish Iran as the dominant power in the Persian Gulf and sharply reduce US influence there and in Southwest Asia.
- * Abd al-Aziz al-Hakim, the leader of Iran's main ally in Iraq, the Supreme Council for Islamic Revolution in Iraq, has indicated that his objective is to create a federal Iraq. He has also asked the US to support a no-holds barred counter insurgency campaign. Iranian Foreign Minister Manuchehr Mottaki has also indicated that Iran might consider favourably the creation of a federal state in Iraq.

* By March 2006, it had become increasingly clear that Iran's policy towards Iraq was influenced by the rivalry among advocates of vastly different grand strategies. As the political pressure on Iran increased after the referral of Iran's nuclear dossier to the UN Security Council, opponents of President Ahmadinezhad, such as former President Mohammad Khatami, began to suggest that only the formation of a grand coalition would stabilize Iraq. This proposal is diametrically opposite to the policy choices of Ayatollah Khamene'i and President Ahmadinezhad.

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Context

There is a linkage between Iranian policy towards Iraq and Iran's nuclear policy. Under president Khatami and during Hasan Rowhani's tenure as the secretary of Iran's Supreme National Security Council, Iran sought to cooperate with the US on Iraq and Afghanistan in order to persuade the EU and the Bush administration to recognize Iran's "inalienable right" to engage in limited uranium enrichment. The Khatami government was prepared to tacitly accept the US military presence in the region as long as there was a policy trade-off. After 9/11 Iran's supreme leader Ayatollah Ali Khamene'i supported this policy for the most part because he believed that Iran had no choice. However, the deteriorating situation in Iraq and the growing opposition to the Bush administration's foreign policy seem to have convinced him that Iran can challenge US regional strategy. The new Iranian government, which is strongly supported by Khamene'i, is highly committed to industrial-scale uranium enrichment and it sees Iran's nuclear programme as a key component of its regional strategy.

Those who have raised the question of making a deal with the Iranian regime over Iraq believe that it can be persuaded to change its security and foreign policies by offering economic and technological, including nuclear, assistance.¹ However, this neglects the voluminous evidence indicating that the contours of Iranian grand strategy are defined by Ayatollah Khamene'i, who has repeatedly indicated that he considers the US to be an "enemy" of Iran. Moreover, he believes that in order to defeat US strategy the Iranian regime must compel the US to accept it as a regional power. This assumption has been accepted at the highest levels of the Iranian state.

Over the last two years, the Iranian regime has demonstrated that it is highly committed to achieving this goal at the level of grand strategy. The main difference of opinion among Iranian officials is over the choice of strategy and policy: whether Iran can ensure its regional dominance and inflict strategic defeat on the US by cooperating on regional issues such Iraq and Afghanistan or whether it should form alliances with other great and regional powers.

Under Ahmadinezhad, Iranian officials sought to further their country's influence in Iraq because they assumed that strengthening the Iraqi state apparatus would enable the Iraqis to call for the withdrawal of US and UK forces. In that respect, the Iranian policy is diametrically opposed to that of Sunni insurgents such as Abu Musab al-Zarqawi, who seeks to destroy the Iraqi state apparatus in order to bring the issue of the governance of Iraq to a head. Zarqawi's strategy is based on the assumption that the strengthening of the Iraqi state apparatus would prevent Al-Qa'idah from expanding its regional and global influence. Indeed, the conflict between these Shi'i and Sunni tendencies had intensified even before the advent of the Ahmadinezhad government.²

The Iranian government has sought to exert direct and indirect pressure on the US in the region. In Iraq, it has applied direct pressure by strengthening the position of its Shi'a allies; in the wider Middle East, it has sharply increased the political pressure on Israel by repeatedly questioning the very legitimacy of Israel and the holocaust. The assumption on which Iranian policy is based seems to be that an Israeli attack on Iranian nuclear installations will be limited and that it would provide Iran with the necessary pretext to walk out of the nuclear negotiations and possibly leave the nuclear Non-Proliferation Treaty to pursue an industrial-scale nuclear programme with impunity.

There is a direct connection between Iran's nuclear programme and its regional ambitions. Indeed, even the Khatami-Rowhani-Rafsanjani triumvirate which favoured cooperation with the EU on the nuclear issue believed that only by becoming a regional power could Iran deal with the US from a position of strength. In Iraq, Iranian strategy is aimed at consolidating Iran's position to prepare for the possible break-up of Iraq. Moreover, some of Ahmadinezhad's strong supporters have been increasingly concerned about Israeli activities in Iraq and have accused the UK of cooperating with Israel to eavesdrop on Iran.³ Israel is Iran's main regional opponent and it has been improving its ties with key countries in Iran's neighbourhood such as India, Pakistan, Afghanistan and Saudi Arabia. Close relations between Israel and Iraqi Kurds will presumably contribute to the further encirclement of Iran.

The regime is deeply concerned about the security situation in Iran's oil rich Khuzestan province. It is coming to the conclusion that the UK is likely to play an increasingly important role in influencing the nuclear negotiations because of its close association with the US. Iranian officials seem to believe that southern Iraq is the ideal place to challenge the UK because of Iranian influence over Iraqi Shi'i groups and the escalating insurgency in other parts of the country. There was a spate of bombings prior to the Iranian presidential elections and the regime blamed "foreign agents". Later, Iranian officials blamed the UK for training Iranian separatists in Iraq to carry out the bombings in Iran, arguing that the UK is destabilizing Khuzestan to put pressure on Iran regarding the nuclear issue.

Iraq has come to play an increasingly important role in Iranian regional strategy because of the collapse of the Ahmadinezhad government's grand strategy. There were good reasons why Iranian strategists concentrated on Iraq. The escalating insurgency in that country provided the Iranian regime with a good opportunity to use its influence to further its regional objectives. To be sure, policy towards Iraq was based on the assumption that Iraqi Shi'is, particularly the Supreme Council for Islamic Revolution, would be able to win the elections in December 2005. However, the decision to concentrate on supporting the creation of a federal Iraq was closely intertwined with the decision not to accept Russian proposals on uranium enrichment.

The most important objective of Iranian policy towards Iraq was to generate sufficient political pressure on the US to compel it to either set a firm time-table for the withdrawal of US forces, thereby discrediting US policy, or to force the US to remain in Iraq, thereby escalating the insurgency and preparing the ground for its Shi'i allies to consolidate their position within a new federal zone. This second objective was also aimed at countering the expected formation of a Kurdish federal government in the north which was expected to maintain close relations with the US. As on previous occasions, when Iranian policy was faced with a choice between directly confronting the US through its Iraqi allies or negotiating with the US, Iranian officials decided to use the Ja'fari government and Grand Ayatollah Sistani,

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who was widely considered to be a voice of moderation, to put political pressure on the US. Ja'fari's visit to Iran which took place during the interregnum between the Khatami and Ahmadinezhad governments set the stage for the expansion of relations between the two countries.

In early July, Iraqi Defence Minister Sa'dun al-Dulaymi visited Iran and held talks with Iranian officials, including president Khatami. Dulaymi declared: "I have come to Iran to ask for forgiveness and apologize for what Saddam did."⁴ At the same time, Dulaymi made it clear that members of Mojahedin-e Khalq would not be extradited to Iran. Speaking at a news conference during his visit, he stated: "As political refugees, they may stay in Iraq. But there is no room for terrorist activities in Iraq. Iraq is no longer a place for terrorism."⁵ Dulaymi also made it clear that his country was not interested in paying reparations to Iran for the damages Saddam Husayn had caused, declaring that "no reference has been made to factors that may adversely affect cooperation between the two countries."⁶ Dulaymi also condemned the behaviour of those "who have issued fatwas saying that the American forces must leave Iraq."⁷ Addressing those who had issued "fatwas", Dulaymi said that first Iraqi security forces had to be formed and only then could US troops withdraw from his country. He also said that neither the US nor any other country could "dictate" to Iraq and to tell it to change its policy towards Iran, or any other country for that matter.⁸ Dulaymi also pledged that his country "will never become a threat to the countries in the region again".⁹

Dulaymi's Iranian counterpart, the then Iranian Defence Minister Vice-Admiral Ali Shamkhani, said that the two countries had reached "certain agreements concerning the hypocrites [pejorative reference to members of Mojahedin-e Khalq] and we have agreed to set up a joint committee to fight terrorism".¹⁰ President Khatami went so far as to suggest that Iran would support Iraq's re-emergence as a regional power, albeit one that very close ties with Iran: "That great nation which is on the path to defining its own destiny deserves an appropriate and distinguished position in the region and the world." He declared: "With its massive capital, if the Iraqi nation moves in the right path, it can become an influential weight in the region and the world."¹¹ Khatami also called for close cooperation among all Iraqi ethnic groups, arguing: "All ethnic groups and religions must know that they have a share in the country's destiny and have the same rights as others."¹² However, as far as Khatami was concerned, Iraq had to seek its destiny in close cooperation with Iran. "Powerful, wealthy and progressive Iran and Iraq can together secure their interests in the region and the world."¹³

In July, Iran and Iraq signed a preliminary deal for a double pipeline project, which expected to begin production after a year. A 40-kilometre pipeline would send 150,000 barrels a day of Iraqi crude oil from Basra to Iran's refinery in Abadan. A second pipeline would transfer approximately 50 million litres per day of oil products, such as kerosene, gasoline and gas oil from the Iranian refinery to Basra.¹⁴ Iranian Oil Minister Bizhan Namdar-Zangeneh said that if the project were completed, Iraq would be able to supply 370,000 to 380,000 barrels per day to Iran and that Iran would pump the same volume of oil from its Kharg island terminal. However, he also made it clear that the "implementation of the project initially calls for more stability in Iraq".¹⁵

Iran also agreed to provide Iraq with one billion dollars of economic assistance for its reconstruction,¹⁶ though Iranian commentators were scathing in their criticism of Iranian policy towards Iraq. Some reformists went so far as to argue that the Iraqis were pocketing Iranian concessions without giving anything back in return.

Iran also agreed to contribute to the reconstruction and modernization of the Iraqi petrochemical industry.¹⁷ However, the expansion of relations between the two countries was taking place against a background of escalating sectarian warfare in Iraq. Even the relatively pro-reform daily, *Iran*, accused the US of taking advantage of Abu Musab al-Zarqawi's and Al-Qa'idah's activities to ensconce itself in Iraq. It contended: "The destructive terrorist campaign of Al-Zarqawi and the units and organizations he commands in Iraq are paving the way and providing the necessary pretext and justification for the presence of the American military forces in that country, giving the impression that their presence is inevitable and unavoidable."¹⁸ It was against this background of escalating sectarian violence that the Supreme Council for Islamic Revolution in Iraq sought to prepare the ground for creating an official Shi'i sphere of influence in southern Iraq.

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SCIRI's Call For Shi'i Federalism

Since November 2005, Iranian policy towards Iraq has been increasingly geared to creating a federal Iraq. This policy has not been officially enunciated. However, a number of statements and measures taken by Iran or its allies, particularly, the Supreme Council for Islamic Revolution in Iraq (SCIRI), indicate that they believe that a federal Iraq in which Shi'is enjoy a powerful status is the best possible solution to the regime's security problems. SCIRI leader Abd al-Aziz al-Hakim raised the issue of federalism twice at particularly sensitive junctures in the recent past, just before the deadline for constitutional discussions was due to expire and just before the elections. The timing of Hakim's statements indicate that he was determined to bring the issue to a head, provoke the Sunnis who would respond by launching terrorist and sectarian attacks, unify the Shi'is on the issue of federalism and proceed with the creation of a Shi'i zone in southern Iraq.

The timing of Hakim's first major statement on federalism could not have been worse, had his intention been to maintain the political and constitutional process in Iraq. Shi'i, Sunnis and Kurdish politicians were trying to hammer out an agreement on the constitution before the 15 August 2005 deadline. US ambassador Zalmay Khalilzad had told reporters that while the Kurds wanted autonomy, they would not be pushing for independence.²⁰ Indeed so contentious had the issue of federalism become that there were reports that the Sunni Arab bloc which supported the political process was thinking of formally proposing to delay a decision on the issue until the new parliament took office.²¹ A leading Sunni politician involved in drafting the new constitution, Salih al-Mutlaq, declared: "I think they will accept it because there is no alternative. We will not accept federalism in these circumstances." At the same time, Mutlaq called on more Sunni groups to enter the constitutional negotiations because "the future of Iraq is at stake".²²

After the elections, there was speculation that the Accordance Front, which was made up of the three largest Sunni groups, might be prepared to accept federalism in return for guarantees regarding the territorial integrity of the state and the sharing of natural resource revenues.²³ Indeed, as far as the Sunnis were concerned, the key issue in any discussion about federalism was oil. Most of Iraq's 11.5 billion barrels of proven reserves was located in Shi'i and Kurdish zones of the country. If the Shi'is moved to set up their own federal system the Sunnis would have to run their governorates independently or form a regional government where they had the majority of the population: Al-Anbar Salah-al-Din and Diyala.²⁴ However, there had already been indications that SCIRI was thinking in terms of creating a federal zone which would gradually establish a theocracy in southern

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and central Iraq. In July, a conference of southern supporters of federalism was held. Abd al-Aziz al-Hakim's son, Ammar al-Hakim, was reportedly involved. During the conference, statements were issued in support of creating an autonomous region covering the nine governorates of south and central Iraq.²⁵

Speaking in Najaf on 11 August and at a time of intensifying debate about the Iraqi constitution, Hakim declared: "It is essential to establish one province for the central and southern parts of Iraq, given the common denominators between the residents of these areas..."²⁶ Speaking in an interview with Al-Arabiya TV on 18 July, Hakim referred to "several governorates" saying that this was consistent with the Transitional Administrative Law for any federal region. "We want one region with several governorates, [with] the same concerns and geographical conditions."²⁷ Hakim's declaration confirmed media reports on SCIRI's position on the issue of federalism. By summer 2005 Sunni groups which supported the political process had acquiesced in the formation of a Kurdish federal region. However, as far as the Sunnis were concerned, SCIRI's support for federalism raised the spectre of the disintegration of Iraq.²⁸ Sunni clerics vehemently opposed Hakim's call and urged their followers to register and vote against the constitution if it contained clauses which led to the division of the country.²⁹ Iraq's largest Sunni political party, the Islamic Party, also rejected Hakim's call for Shi'i federalism.³⁰ The leader of the National Dialogue Council, Salih al-Mutlaq said: "We are shocked and scared by the demand".³¹ A deputy of the Transitional National Assembly, Mish'an al-Juburi declared that "this call for federalism threatens the unity of Iraq and the whole Arab region".³² The Sunnis were also infuriated by a proposal by a Shi'i member of the constitutional drafting committee to give regional governments in oil-producing areas 5 per cent of the revenue, with the rest being allocated by the central government to the most populous regions.³³

Across the Arab world, many commentators sharply criticized Hakim's call for federalism. Writing in Iraq's *Al-Sharq al-Awsat*, Ahmad al-Rub'i wrote: "We do fear for the future of Iraq now that suicidal blueprints for dismembering the country have come to be proclaimed so loudly and clearly. We wish Sayyid Al-Hakim, as well as other politicians of sectarian persuasions would hasten to retract such dangerous calls."³⁴ Qatar's *Al-Rayah* contended that Hakim had hampered the political process: "By saying Iraq should be established on a federal basis so that the Shias have their province, the leader of the Supreme Council for Islamic Revolution in Iraq has triggered a political time bomb, which makes the situation in Iraq more confused than ever."³⁵ There were similar reactions elsewhere.³⁶

However, Hakim and his supporters denied that the Shi'i region would be based on sectarianism. Ammar al-Hakim claimed: "I am against these sectarian names. We are only interested in the welfare of Iraq and Iraqis."³⁷ He argued: "The majority Shia are all over Iraq and so are the minority Sunnis. We are astonished that the Kurdish region in the north is seen as part of a united Iraq, but a mostly Shia one in mid and southern Iraq is seen as a division in the country. That makes me think there is a political hidden agenda behind this thinking."³⁸ Another SCIRI official, Rida Jawad, declared that a decentralized government would "guarantee the rights of all citizens, sects and ethnic nationalities, each according to its location and demography".³⁹

SCIRI leaders are still likely to reach agreement with the Kurds on the issue of federalism. Indeed they have been talking to them since before the dissolution of the Coalition Provisional Authority. However, there is a major obstacle to SCIRI's efforts to create a federal Iraq. Both the Da'wah Party of Prime Minister Ibrahim al-

Ja'fari and Muqtada al-Sadr have vehemently opposed it. Ammar al-Hakim admitted that the Da'wah Party opposed federalism. "The Dawa people refuse regions built on ethnicity, but this region we are hoping for is not based on ethnicity. It is based on geography."⁴⁰

Hadi al-Amiri, the head of SCIRI's powerful militia, the Badr Corps, addressing thousands of Shi'is in Najaf declared: "Federalism has to be in all of Iraq. They are trying to prevent the Shia from enjoying their own federalism."⁴¹ Amiri also lambasted the Ja'fari government, saying: "We have to persist in forming one region in the south or else we will regret it. What have we got from the central government except death?"⁴² Iraq's national security adviser, Muwaffaq al-Ruba'i, warned of the outbreak of "civil war" in the country if federalism was not accepted: "Without federalism it means that no community interest has been addressed or fulfilled and therefore different communities will try to find and defend and fight for their rights". Ruba'i claimed that "Federalism is very good for the Sunnis as well. Just imagine we have three provinces in the (Sunni region) triangle coming together in one region and that region enjoys all the rights of Kurdistan for example... "It is a federal system we are after and I think this is the only insurance policy for the unity of Iraq."⁴³

Pro-Khamenei circles in Iran seriously misrepresented the political situation in Iraq, contending that most Iraqi Shi'is supported federalism. For example, Mehr News Agency stated: "Self-government for southern Iraq is a point on which most leaders of Iraqi political and religious parties are in consensus, because they believe that the Shias of the south have been deprived of the inalienable rights of citizenship for eight decades."⁴⁴

SCIRI's Call For a Theocracy

Sadr's emergence as an influential populist leader in southern Iraq represents a sea change in Iraqi Shi'i politics. His ability to build a social network in the country and to exploit the shortage of basic amenities in the country such as electricity and clean drinking water enabled him to establish himself as an important Shi'i political leader.⁴⁵ Sadr has argued that federalism will lead to the break-up of the country and on this issue he has been closely allied with Sunni opponents of federalism. In August, however, there were signs that Sadr might be amenable to making concessions to SCIRI. Abd al-Hadi Darraj, who was associated with the Sadr movement argued for "No federal state in the presence of occupation". At the same time, he argued that "if the occupation leaves, then brothers can resolve this matter through discussions".⁴⁶ Any Iranian effort to contribute to the formation of a Shi'i enclave in southern Iraq within the framework of a federal system will have to take account of Sadr's political interests.

Iranian support for Shi'i federalism in Iraq was closely intertwined with its decision to push for the establishment of a theocracy in Iraq. The strongly pro-Khamene'i Mehr News Agency sharply criticized the US for "directly" interfering in the process of drafting the new constitution to ensure that it would not be based on Islamic law. Mehr also criticized US ambassador Zalmay Khalilzad for supporting "a Western-style constitution" and for trying to "exclude certain Iraqi leaders from the political life of the country".⁴⁷ Mehr's commentary made it clear that pro-Khamene'i circles in Iran wanted a federal and Islamist Iraq. According to the commentary:

However, Iraqi political and religious leaders' decision to assign a key role to the Shias is a decision made by the Iraqi majority. If it is not

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implemented, Iraq will face some new challenges, which could result in the dismemberment of the country and the emergence of three mini states. Federalism is a legitimate demand, and all Iraqi Shias are in consensus on this point. Therefore, the committee drafting the new constitution should give precedence to national demands over their tribal and individual interests and respect the rights of the majority.⁴⁸

After the fall of Saddam Husayn SCIRI had declared that it was not interested in establishing a theocracy in Iraq. Muqtada al-Sadr, however, had called for one. In August 2005, Ammar al-Hakim stated that his party supported the idea of changing Iraq's name to the Islamic Republic of Iraq. Hakim said: "Ninety-five percent of Iraqis are Muslims," adding, "This is a special thing for Iraq. We could include this specialty in the country's name."⁴⁹ Hakim also criticized Americans for trying to apply the concept of the division of church and state to the situation in Iraq, arguing that Americans had "unrealistic goals" in Iraq. According to Hakim: "We think that religion in our country takes a large part in society, a lot of views regarding economic and social affairs and so on".⁵⁰

Hakim's call might have been an attempt to appeal to supporters of Muqtada al-Sadr. It is also interesting to note that SCIRI tried to accommodate Sadr once the decision to push for a federal Iraq had been made. The evidence suggests that SCIRI has decided to co-opt Sadr on the issue of federalism by promising to establish a theocracy in Iraq.

The Collapse of The Centre Ground in Iraqi Politics

These two were among the most important factors that caused the collapse of the centre ground in Iraqi politics. The other major factor, of course, was the Sunni insurgency and the activities of the Iraqi branch of Al-Qa'idah led by Abu Musab al-Zarqawi. In 2004, a de facto alliance emerged between Sadr and Sunni extremist groups. Sadr's recalcitrance was also endangering Shi'is in southern Iraq. That was why the Iranian regime, as well as SCIRI and Ayatollah Ali Sistani, were reluctant to support Sadr. The decision to support a federal Iraq was made at a time of increasing polarization of Iraqi politics. SCIRI's change of position on an Islamic Republic seems to have convinced Sadr that he could work with SCIRI.

By autumn 2005, if not earlier, the centre ground in Iraqi politics represented by such politicians as Iyad Allawi and Ahmad Chalabi had collapsed. Significantly, this was the direct result of a decision by the United Iraqi Alliance (UIA) to cultivate Sadr. However, no sooner had Sadr entered the UIA than there were reports that he remained "aloof". Moreover, Sadr's involvement with the alliance reduced secularist participation in it.⁵¹ At the same time, his decision to join forces with the UIA caused a split in his movement's ranks. One of its most prominent members in the National Assembly, Fattah al-Shaykh, declared that he would "suspend his membership" in the movement until Sadr made a decision on the matter.⁵²

The UIA's deal with Sadr seems to have led to Deputy Prime Minister Ahmad Chalabi's decision to leave the alliance. According to a "source close to Chalabi", one of Sadr's "most important terms" in the negotiations with the UIA was "Chalabi's removal from the UIA list".⁵³ A senior UIA official, Taqi al-Mudarrisi, claimed that the UIA had not removed Chalabi on purpose, but admitted that the alliance "had devoted more time to the Al-Sadr negotiations than to Al-Chalabi".⁵⁴ According to Mudarrisi: "We know that Al-Chalabi adds a number [of votes] to the

list, but we gained the Al-Sadr trend, which represents an extremely important number.”⁵⁵

Chalabi formed a new group called the National Congress Coalition. Its list included both Shi'i and Sunni figures and was more secular than the UIA. In an interview with *Al-Jazeera* on 30 October, Chalabi declared: “Now that the constitution has been approved... it is obvious that there is a need to have a list that represents a large segment of the Iraqi people who are faithful Muslims [and] who also believe in a democratic, pluralistic, and a federal system of government. They respect the religious authority but they do not recognize the political Islamic ideology.”⁵⁶ Chalabi's statement suggests that federalism may have been an important issue as well. Sadr's opposition to federalism was well known. However, Sadr did not move against proponents of federalism within the UIA until after the elections.

Basically, Chalabi sought to challenge the more theocratic Shi'i parties, SICRI and the Da'wah Party by promising federalism, but within a more secular context. The Da'wah Party was opposed to federalism. Therefore, Chalabi was mainly challenging SCIRI. However, if Chalabi thought that he could undermine SCIRI by forming a new coalition he was mistaken. Firstly, despite their stated opposition to sectarianism and theocracy other secular politicians pursued their own political interests. For example, former Prime Minister Iyad Allawi, who had been trying to cultivate Sunni politicians, formed the Iraqi National List, which included such weak groups as the Independent Democrats Grouping led by Adnan Pachachi which had failed to gain any seats in the previous parliamentary election.⁵⁷

Moreover, Sunni parties which supported the political process formed a broad coalition to increase their share of the votes in the parliamentary elections in December. On 26 October, three major Sunni Arab groups, the Iraqi National Dialogue Council, the Iraqi People's Conference and the Iraqi Islamic Party announced that they would participate in the 15 December elections as a bloc called the Iraqi Accordance Front.⁵⁸ The bloc was expected to do well and to gain majorities in the provinces of Anbar, Nineveh and Salahuddin, where the insurgents were strongest. The new bloc was dominated by the Iraqi Islamic Party which was trying to achieve two objectives: (i) legitimizing the insurgency in government circles; (ii) gaining the support of other Arab governments for “Iraqi democracy” and convincing them that it was safe for the rest of the Arab world.⁵⁹ Moreover, given the fact that the Arab League had sponsored a conference to reconcile Iraqi political groups, the bloc would have also enabled Arab Sunnis to prevent Shi'is and Kurds from dominating the reconciliation talks. However, Iranian radicals saw the Cairo conference as “a conspiracy” to deny them the opportunity to establish a theocracy in Iraq.

Setting a Timetable For The Withdrawal of US Troops

Sadr's modus vivendi with the UIA profoundly influenced Shi'i politics in Iraq. Sadr had always vehemently opposed the coalition's presence in Iraq, whereas SCIRI had taken advantage of that presence to advance its own political agenda. The most immediate impact of the UIA's deal with Sadr was on Grand Ayatollah Sistani's position on the coalition's presence in Iraq. Sistani called for setting a time-table for their withdrawal. This also served Iranian interests and Iranian commentators praised Sistani for his decision to eschew violence and oppose sectarianism. Iranian commentaries, particularly at the radical and conservative end of the spectrum, described “the occupiers” and “the terrorists” as the major threats to Iraq's

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existence and described Sistani as a shield which had prevented them from furthering their political interests. The following commentary by the strongly conservative Iranian daily, *Resalat*, best summed up the Iranian approach to Sistani:

Even though during this time the occupiers and terrorists have made much effort to cause disruption in these relationships and to escalate tribal and religious warfare, particularly between the Shi'is and Sunnis, Ayatollah Sistani's role and wise leadership during Iraqi developments and his insistence on the importance of national unity and solidarity have meant that, so far, the enemies of the Iraqi people have not achieved anything from the policy of spreading differences and disputes between the religions and this policy is facing a crisis of effectiveness in Iraq.⁶⁰

Resalat argued that "with the holding of the referendum on the constitution, the holding of parliamentary elections on time and the establishment of a legitimate and democratic government in Iraq, the Americans will have no more excuses for their presence in that country".⁶¹ Even reformist Iranian commentators contended that the US was trying to undermine the alliance between Prime Minister Ja'fari and SCIRI leader Abd al-Aziz al-Hakim and to ensure that "pro-US figures" would come to power. For example, according to the English-language, *Iran Daily*, "The main aim of this scenario is to bring the secular former premier, Iyad Allawi, back to replace the Ja'fari-Hakim alliance, both of whom favour amicable ties with neighbouring Iran".⁶² The reformist daily, *E'temad*, argued that the US was backing Ahmad Chalabi for the leadership of the Iraqi cabinet because it feared the Shi'i-led United Iraqi Alliance. Chalabi, however, had made it clear that he would not seek to form an Islamist government.⁶³

At the time, Saudi daily *Al-Watan* reported that during his visit to Iran in November, Chalabi was carrying a message from the US to Iran warning it against interfering in the internal affairs of Iraq. Reportedly, Chalabi gave Iranian officials a file on Iranian intervention in Iraq. The file was based on the material collected from the headquarters of Baqiatollah and Sarallah groups in Iraq.⁶⁴

However, according to other Arab press reports, the Iranian leadership had decided to throw its weight behind Chalabi in the power struggle between him and former Prime Minister Iyad Allawi. Quoting a "high-level source in the office of Iranian Guide Ali Khamene'i" *Al-Sharq al-Awsat* reported that during his discussions with President Ahmadinezhad, Chalabi succeeded in convincing the Iranian president he was the only one capable of ensuring that the US would set a time-table for withdrawal.⁶⁵

In any case, Khamene'i made it clear that he held the US responsible for the conflict in Iraq. Speaking at a meeting with the visiting Iraqi President Jalal Talabani, Khamene'i tried to pressure the Iraqi president to distance his country from the US. Khamene'i "expressed deep grief and sorrow over recent tragic incidents in Iraq caused by violent and blind acts of terrorism, and the massacre of innocent people at the hands of terrorists".⁶⁶ Moreover, Khamene'i "emphasized that the Islamic Republic of Iran holds the United States accountable for the crimes and acts of terrorism being perpetrated in Iraq and the great suffering and hardship that is being inflicted on the Iraqi people".⁶⁷ Khamene'i also complained about US "attempts at marring Iraq's relations" with its "major" neighbours, "including the Islamic Republic of Iran". Khamene'i declared: "If the Iraqi nation and government do not adopt a firm stance, US demands and pressures will never come to an end.

Besides, the efforts made by certain individuals in Iraq to please the United States will bear no fruit, since Iraq and its neighbours will remain in the region forever but US presence is temporary".⁶⁸ The centrepiece of Khamene'i's remarks at his meeting with Talabani was his demand for the withdrawal of coalition troops from Iraq.

The presence of aliens in Iraq is harmful and destructive to the Iraqi people. The Iraqi government and nation are able to set a timetable for the occupiers' withdrawal from their country. However, it is quite clear that the United States and Britain will ultimately be forced to pull out of Iraq with a bitter experience.⁶⁹

Khamene'i's and Ahmadinezhad's key supporters in the Islamic Revolution Guards Corps, such as the commander-in-chief, Major-General Yahya Rahim-Safavi, believed that the US was bogged down in Iraq. He argued that although the Bush administration had set a six-month timetable it had been involved in a regional conflict for three years. Moreover, Rahim-Safavi expected the Iraq conflict to provide an opportunity to lead an Islamic bloc of nations. He declared:

The Islamic revolution has increasingly led to an Islamic awakening. Iran is the political pole of the Islamic world. The Iraqi issue is the most important issue facing the region. America has created a pretext to attack other countries. The US was trying to establish a Western-style democracy in Iraq. However, that country's recent constitutional referendum was something of a defeat for America. The fate awaiting the US in Iraq is either fleeing from Iraq or withdrawal from that country after sustaining a large number of casualties.⁷⁰

The Iranian Regional Strategy

The Arab League had come to the conclusion that the conflict in Iraq had become a major regional problem, and organized in Cairo a reconciliation conference of Iraqi political groups aimed at accommodating Sunnis who supported the political process, against a background of an escalating counter-insurgency campaign. Sunni Arabs accused the US of carrying out an "ethnic cleansing" campaign against the Sunnis. Prime Minister Ibrahim al-Ja'fari expressed the hope that the Arab League would ensure that no armed groups would be present at the talks.⁷¹ Its Secretary General Amr Musa, however, declared that the Iraqi Ba'th Party would be able to attend the conference, but that no armed groups could take part "because the meeting is about dialogue". However, Musa was widely expected to push for the participation of armed groups at an expanded conference planned for Baghdad after the December parliamentary elections.⁷²

Iranian radicals saw the Cairo conference as a "conspiracy" to reduce the power and influence of Iranian-backed Shi'i groups. Iranian radical daily *Kayhan* argued that Amr Musa had sought to bring together "two Salafi, Al-Qa'idah and the Arab leaders" together. The main objective of the conference, according to *Kayhan*, was to "neutralize the unity of the fundamentalists in Iraq". However, in *Kayhan's* view, the conference failed to achieve its objectives because Abd al-Aziz al-Hakim, the leader of "the most powerful Iraqi group", SCIRI decided to stay away from the conference and also because Shi'i strongly opposed the presence of the Ba'th Party in the Iraqi police.⁷³ *Kayhan* contended that the US had started working closely with Egypt and Saudi Arabia to form a regional coalition against Iran and its Iraqi allies, as a means of bringing pressure to bear on Iran to agree to talks with the US and persuade the Shi'is to accept a "secular administration".⁷⁴

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By December, there were indeed indications that the Bush administration was thinking in these terms. Iran figured prominently in such approaches. One solution proposed by former US Secretary of State Henry Kissinger was based upon the assumption that all of Iraq's neighbours had a stake in the conflict and that they could be members of a contact group which would take part in negotiations aimed at ensuring US political success in Iraq.⁷⁵

However, Iranian officials denied that they were interested in any such solutions, despite reports that Zalmay Khalilzad had offered to participate in negotiations with Iran. Indeed, at the next such regional conference, the Organization of the Islamic Conference summit held in Mecca, President Ahmadinezhad sought to derail the regional approach to Iraq and significantly raise the stakes in the Iranian nuclear crisis.

Like its predecessor, the Ahmadinezhad government embraced the foot-in-the-door policy in Iraq which aimed at ensuring Shi'i paramountcy in Iraqi politics with de facto Sunni and Kurdish support. However by October there were rumours in Tehran that Ahmadinezhad was getting angry telephone calls from Khamene'i. Moreover, the Tehran stock market had collapsed and by October its index was 20 per cent lower than in May 2005. Executives were no longer keen on investing in the Iranian oil sector and Iranians were moving their money to Dubai.⁷⁶ Iranian officials also feared Israeli activities in Iraq. Thus Iraq was both a threat and an opportunity, because if the allies managed to bring the insurgency to an end, it would be easier for the US to challenge the Iranian regime head on.

However, Ahmadinezhad's allies also believed that the insurgency was an excellent opportunity to ensure that the US would be mired down in Iraq. Indeed, *Kayhan*, which broadly reflects Ahmadinezhad's view of international relations, argued that the US had proposed that in return for setting a time-table for withdrawal from Iraq Iran should support a government led by "secular" Shi'i politicians such as Iyad Allawi or Ahmad Chalabi. According to *Kayhan*, the US was prepared to change the expression "secular Shi'i" to "moderate Shi'i" to make the proposal more acceptable to the Iranian regime. However, according to *Kayhan*, Iran did not accept the proposal because it had come to the conclusion that the US had no choice but to leave Iraq.⁷⁷ In an editorial on 19 December, *Kayhan* wrote:

If America was not trapped in Iraq, its ambassador to that country wouldn't have asked for Iran's help in putting an end to the disorder in the country prior to the election. If America was considered to be a saviour in the eyes of the Iraqi people, then Allawi's list would have been supported by the people, but the list of Shi'is who are close to Shi'i religious leaders has gained some seats.⁷⁸

The assumption on which Iranian regional strategy was based was that the Iraqi insurgency would make it difficult for the US to attack Iran. At the same time, the government did not directly seek to contribute to the escalation of the insurgency as a means of putting pressure on the US. However, there was a major change in the Iranian position after the Cairo conference. Prior to the conference, the Iranians did not recognize that there was any such thing as an "Iraqi resistance". After the conference and the debate about "legitimate resistance", SCIRI seemed to be searching for a quid pro quo, if Sunni insurgents refrained from attacking Iraq's infrastructure and its security apparatus. Indeed, the head of the Badr

organization, Hadi al-Ameri, drew a distinction between “terrorism” and “resistance” for the first time.⁷⁹

For the Ahmadinezhad government, Israel represented the best possible pressure point. Israel was vehemently opposed to the Iranian nuclear programme and Prime Minister Ariel Sharon, as well as other officials, had indicated that they might take military action to retard it. Iran adopted an extremely aggressive posture towards Israel during the Iraqi elections, which took place against a background of strained relations between the EU-3 and Iran over the issue of nuclear enrichment. Ahmadinezhad continued his vitriolic speeches about Israel and to express doubts about the Holocaust, supported by other Iranian officials, most notably Foreign Minister Manuchehr Mottaki and Foreign Ministry spokesman Hamid Reza Asefi. An editorial in the daily *Jomhuri-ye Eslami*, which usually reflects the views of Iran's supreme leader, Ayatollah Khamene'i, summed up the Iranian radicals' approach and their efforts to reach out to right and left wing extremists in Europe:

In recent years, many figures from Europe, America and Australia have expressed opinions regarding the Zionist myth of the HOLOCAUST although this was forbidden. And they have paid for this. Last month, a group of European, American and Australian intellectuals and thinkers talked about these realities and they paid for what they did. A few days ago, some 10 American and European historians issued a statement supporting Ahmadinezhad's stances.⁸⁰

Iranian Foreign Ministry spokesman Hamid Reza Asefi declared that Ahmadinezhad's remarks about the holocaust were "scientific". At the same time, he said that Iran was opposed to religious warfare. Asefi blamed the Europeans for their "emotive" and "illogical" reaction to Ahmadinezhad's remarks, contending that the Europeans were merely interested in a "monologue".⁸¹ The Foreign Ministry's response suggested that it supported the president's policy of significantly raising regional tensions in pursuit of his policy of provoking Israel.

The Kurdish Issue

The Kurdish issue was also closely intertwined with Iran's regional strategy and nuclear policy. A number of German and Turkish reports on the visit to Ankara by CIA Director Porter Goss certainly saw a link between the two. For example, German news agency DPP reported that Goss had asked Turkish Prime Minister Recep Tayyip Erdogan to support a US aerial attack on Iran's nuclear power plants in return for US permission to attack PKK camps in Iran.⁸² According to DDP, Goss had asked Turkish intelligence for assistance to monitor the operation and also presented dossiers to Erdogan and his security advisers on the latest status of the Iranian nuclear programme and “new links” between Iran and Al-Qa'idah.⁸³ According to *Der Tagesspiegel*, “NATO intelligence sources” had claimed that NATO states had been informed that the US was looking at “all possibilities” of bringing the Iranian regime “into line”, including the use of military force.⁸⁴

Der Spiegel argued: “What is new here is that Washington appears to be dispatching high-level officials to prepare its allies for a possible attack rather than merely implying the possibility as it has repeatedly done during the past year.”⁸⁵ Reportedly such discussions were taking place against a background of improving US-Turkish military relations. Significantly, the commander of the Turkish army, Yasar Buyukanit, was no longer critical of US and Iraqi Kurds' policies towards the PKK.⁸⁶ Turkish Foreign Minister Abdullah Gul denied that any third countries, including

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Iran and Syria, had been discussed during Goss's visit: "Those claims are pure imagination".⁸⁷

In early January, President Ahmadinezhad called for cooperation between Iran and Turkey in an effort to repair relations. Speaking to the outgoing Turkish ambassador, Halit Bozkurt Aran, Ahmadinezhad said that "Iran and Turkey are in [a] position to strengthen [the] bonds between the east and West in economic, political and security fields."⁸⁸ However, the nuclear crisis has escalated since then and Iran has sought to exert economic pressure on Turkey. In January, it was reported that Iran had reduced the supply of gas to Turkey without warning. According to *Sabah* daily, Iranian officials had said that this was not their fault. However, according to bilateral agreements, Turkey could end its agreement with Iran if the latter reduced or cut off the supply of gas. The situation for Turkey was further complicated because it did not want to rely solely on Russia, which it also found an unreliable partner.⁸⁹

In February, US Assistant Secretary of State for Arms Control, Robert Joseph, asked Turkey to deliver a warning to Iran that its possession of nuclear weapons would not be tolerated.⁹⁰ The escalation of the nuclear crisis, among other factors, particularly the likelihood of the further escalation of sectarian warfare in Iraq, probably led President Ahmadinezhad to try, once again, to improve relations between the two countries. Speaking to the new Turkish ambassador to Iran, Gulcan Turkoglu, Ahmadinezhad said that the two countries had to cooperate in the fields of "energy, transportation, trade and sports". More importantly, he said that Iran and Turkey had to ensure "peace, tranquillity and prosperity in the region". Referring to the issue of Turkish membership in the EU, he said that this would be "a privilege for the EU".⁹¹ Clearly, Ahmadinezhad is anxious to alleviate Turkish concerns about Iranian policy. However, Ankara is unlikely to find his government's nuclear policies, not to mention a whole host of other policies such as calls for the destruction of Israel, reassuring.

The Resumption of The Insurgency And Asymmetric Threats From Iran

Terrorist attacks in Iraq resumed almost immediately after the elections. The main targets were areas near Shi'i shrines, to provoke the Shi'is to retaliate and to derail the political process. Prior to the elections, Sunni political groups, such as the Iraqi Islamic Party, which had maintained a dialogue with Iran, had used their ties to the insurgency to gain support for their campaigns. The resumption of terrorist attacks meant that they had to balance their, at times, contradictory interests in pursuit of their larger political objectives, namely gaining control of key state institutions.⁹² A suicide bombing in the Shi'i holy city of Karbala killed at least 50 people and wounded another 69. Another 30 Shi'is attending a funeral were killed in another attack. In Ramadi, at least 70 people were killed in another suicide attack.⁹³ The reaction of a SCIRI official to the attack in Karbala summed up the Shi'is scepticism about the political process involving Sunni groups: "We don't want to deal with someone who in the day is with the political process but at night is with the terrorists."⁹⁴

There were also a number of deadly attacks on police officers. Moreover, even those who reported on such attacks were afraid to reveal their identity for fear of reprisal attacks.⁹⁵ The Sunnis were particularly critical of Interior Minister Bayan Jabr whom they accused of being responsible for Shi'i forces' killing of Sunni clerics and lay people. Jabr, however, denied the allegations.⁹⁶ One of the most prominent Sunnis who supported the political process, the leader of the Iraqi Islamic Party,

Tariq al-Hashimi, declared: "We have red lines on some figures who harmed our people and we will not allow anyone who participated in human rights violation to take any ministerial posts."⁹⁷

As Iraqi politicians tried to negotiate a compromise agreement on the formation of a new government, the activities of the militias was one of the main issues on the agenda. One Sunni politician, Husayn al-Falluji declared: "This will be one of the hottest issues. We will address this in the negotiations, and if the Shiites are not flexible on this it will be a problem".⁹⁸

US ambassador Zalmay Khalilzad had been holding talks with the Iraqi groups on the formation of a National Security Council which would establish a consensus of opinion among Iraqi leaders. Some observers believed that the US had shifted tactics and was now supporting the Sunnis in order to split the insurgents and ensure that the Sunnis would be part of a coalition government. Moreover, the Bush administration was becoming increasingly concerned about Iran's increasing influence on Shi'i groups.⁹⁹ However, Shi'i politicians' popularity had been declining due to a three-fold increase in gas prices which led to a sharp increase in the price of most goods.¹⁰⁰ One member of the Shi'i alliance bloc observed: "We've been talking a lot about this. The Americans are so focused on Sunni interests that their motivation goes beyond just promoting national unity."¹⁰¹ According to one European diplomat: "The increased tension between Iran and the US on the nuclear issue is affecting relations between Washington and the Shiites here...They are trying to find someone else, some other allies who will not turn against them (in Iraq) if things heat up with Iran."¹⁰²

However, Speaking at Id al-Adha sermons at SCIRI's headquarters in Baghdad, Abd al-Aziz al-Hakim declared: "We [Shi'a] have a group of constants that we will never relinquish; they became constants after long, immense suffering... Any party seeking alliance with us in order to participate in the government, should abide by these constants."¹⁰³ Hakim refused to make any concessions regarding the Sunnis' key demands, namely, modifying the constitution, opposition to federalism, banning key members of the Ba'th Party seeking government jobs.

The key issue in any discussion of federalism was oil. The Iraqi oil industry had been rocked by scandal; there had been insurgent attacks on oil pipelines and since the fall of the Saddam Husayn regime the country has had to rely on oil imports.¹⁰⁴ Sectarianism in general, and attacks on pipelines in particular, continued to pose a major threat to the Iraqi oil industry. On 5 February it was announced that the Public Integrity Commission had filed criminal charges against Mish'an al-Juburi who had been nominated as the Speaker of Parliament. A government investigation had revealed that he and his son had embezzled government funds to pay paramilitary forces to protect pipelines running from Bayji to the Salah-al Din Governorate to Baghdad.¹⁰⁵

Iran will also benefit from the disarray in the Iraqi oil industry. Indeed, Iranian Oil Minister Kazem Vaziri-Hamaneh asked the Organization of Petroleum Exporting Countries (OPEC) to reduce its current production ceiling of 28 million barrels per day by one million barrels per day from April.¹⁰⁶

While the political negotiations were under way, sectarianism was intensifying in Iraq. In southern Iraq, particularly Basra, the escalation of militia activity led to a deterioration of relations with the British military. Many policemen in southern Iraq and Basra supported militias such as the Badr Organization and the Mahdi

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Army.¹⁰⁷ Badr officials, for example, claimed that they were a political group. However, they were observed riding police trucks in Baghdad wearing green military uniforms and carrying AK-47 rifles.¹⁰⁸ The Iraqi Interior Ministry wanted “rogue elements of the police force to be reined in”.¹⁰⁹ Iraqi militias had been linked in a number of kidnappings and killings of local people, as well as foreigners.¹¹⁰ According to Joe Stork of Human Rights Watch, the militias “have been responsible for serious crimes like illegal detentions, torture and killings, and they appear to be operating with complete impunity”.¹¹¹

In February, it was reported that the Pentagon was tripling its spending to combat home-made bombs that had become the most important cause of American troops' death. According to a *New York Times* report, US intelligence officials had said that the most powerful such bombs had been produced in Iran and shipped to Iraq.¹¹²

From the very beginning of the Iranian nuclear crisis there had been fears that political and military pressure on Iran might lead the regime to resort to asymmetric warfare against countries which favoured the use of force or imposition of sanctions. Moreover, since the fall of Saddam Husayn, opponents of the Iranian regime, particularly in the Arab world, had been deeply concerned about the possibility of the creation of a Shi'i crescent stretching from Iran to Lebanon. However, by January 2006, if not earlier, the Ahmadinezhad government had come to the conclusion that it faced more threats than opportunities in the region. What particularly perturbed the regime was that the escalation of the nuclear crisis coincided with US attempts to co-opt the Sunnis in Iraq and the UN's diplomatic pressure on President Bashar al-Asad of Syria to cooperate with officials investigating the assassination of former Lebanese Prime Minister Rafiq Hariri.

The situation in Syria was particularly complex. By the summer of 2005, if not earlier, Syrian policy towards Iraq posed a direct threat to Iran's policy of establishing a Shi'i majority state within a federal framework. Syria had been tacitly supporting the insurgency in western Iraq and allowing insurgents to establish camps and infiltrate into the country. Ammar al-Hakim criticized Syria for its “lack of seriousness” in preventing insurgent activities. Hakim accused Syria of allowing insurgents to infiltrate into Iraq, establish training camps and propagate their views by using various media outlets.¹¹³

On the other hand, President Asad's removal could pose a serious threat to Iranian regional strategy. In a document addressed to Iranian leaders, the Islamic Revolution Guards Corps (IRGC) warned that the pressure on the Asad regime had jeopardized Iranian interests. Titled “Recent occurrences in Syria and their effects on the region”, the report warned: “From a strategic point of view, any change in, or destabilisation of, Syria will reduce or eliminate the calculations and reach of the Islamic Republic of Iran to counter the threats posed by the Zionist regime”. IRGC officials were particularly worried about diplomatic pressures on Syria to disarm Hizballah which, in effect, served as Iran's deterrent against Israel.¹¹⁴ Arab leaders' desire to stay in power was the main obstacle to the advancement of Iran's interests:

Altogether, in all the regions mentioned from Syria to Iraq, and Lebanon to Palestine, the desire of Arab leaders to remain in power in return for cooperating with America brings with it active and potential threats which directly threaten Iran's interests and national security, while at the same time progressively and quietly limiting the areas that are within our reach and weakening our regional tools and assets.¹¹⁵

The report warned that Iran's nuclear programme would be the "next target" of the international community and contended that its continuation would be essential to the survival of the regime.¹¹⁶ The report concluded: "Vigilance, wisdom, and well-planned and comprehensive measures are required to deal with these threats".¹¹⁷

The evidence suggests that President Ahmadinezhad took the report very seriously indeed. In fact, Iranian political figures, including prominent "reformists" and even "dissidents" such as former acting Foreign Minister and the leader of the Iran Freedom Movement, Ebrahim Yazdi, were alarmed at the pressure being exerted on Syria and Abdolhalim Khaddam's opposition to President Asad. The first step that Ahmadinezhad took was to consolidate Iran's ties with Syria and organizations which could participate in asymmetric attacks against Western and Israeli targets at the regional level. Speaking at a news conference during his visit to Syria, the Iranian president and President Asad declared that "the world arrogance and Zionism should not be given the chance to fulfil their plots in Lebanon and turn the country back to the stage of civil and ethnic wars of 25 years ago."¹¹⁸

Nuclear Policy and Asymmetric Options

French President Jacques Chirac's threat to use nuclear weapons¹¹⁹ in response to a terrorist attack led to sharp condemnations of his statement by Iranian officials.¹²⁰ Moreover, during this period, it was reported that Iran was moving its foreign currency reserves out of Europe.¹²¹ However, shortly afterwards the secretary of Iran's Supreme National Security Council, Ali Larijani, declared that Iran was ready to continue the talks with the EU-3 and with Russia. However, the government sought to use its relations with Iraqi Shi'i groups as a source of leverage in the negotiations. On 22 January, Muqtada al-Sadr visited Iran and held talks with Larijani and Foreign Minister Manuchehr Mottaki. Sadr also spoke to reporters after his talks, declaring that his Mahdi Army would attack anyone who attacked Iran, Syria or Saudi Arabia.¹²² This was a milestone in the Iranian regime's relations with Sadr.

Shortly after the Sadr visit, eight people were killed in bombings in the city of Ahvaz in Iran's Khuzestan Province. The explosions occurred at a state environmental agency and a private bank. The Arab Struggle Movement of the Liberation of Ahwaz claimed responsibility for the bombing, declaring: "Our heroes... in the military wing... attacked and destroyed the dens of the occupying enemy".¹²³ Almost immediately after the bombing, Iranian Foreign Minister Manuchehr Mottaki declared: "It is clear for our officials and intelligence centres that the United Kingdom co-operated and had a hand in these bombings either in London or Basra". A UK Foreign Office spokesman denied the allegations, declaring that Britain condemned terrorism.¹²⁴

Mottaki also sought to increase the diplomatic pressure on the UK on the issue of the Holocaust. On 23 January, Prime Minister Blair had reacted to the Iranian Foreign Ministry plan to stage a conference raising questions about the Holocaust by describing it as "shocking, ridiculous, stupid".¹²⁵ An Iranian Foreign Ministry spokesman declared that Iran was contemplating a major change of policy on the issue. Clearly, this was aimed at significantly raising political tensions in the Middle East. Foreign Ministry spokesman Hamid Reza Asefi declared: "For half a century, the defenders of the Holocaust have used every tribune to defend their position, and now have to listen to others".¹²⁶ At the same news conference during which he accused the UK of involvement in the explosions in Ahvaz and "regretted the

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inappropriate language” used by Blair, he said: “We welcome the proposal by British Prime Minister Tony Blair to visit the Holocaust sites”, declaring: “We are ready to send teams of independent investigators to the places Mr Blair speaks of”. Mottaki added that members of the team will be people “Who are not sympathetic to those who committed the crimes and who are not sympathetic to the Zionist regime”.¹²⁷

Iran’s Interior Minister Mostafa Purmohammadi tried to increase the political pressure on the UK by accusing it of involvement in explosions in Ahvaz and cooperating with the US and Israel to bring down a Falcon aircraft carrying IRGC commanders. However, a few days later, government spokesman Gholamhoseyn Elham declared that Purmohammadi was merely talking about his own “hypothesis”. Nevertheless, it is important to note that despite the contradictory statements, the trend in Iranian policy is towards increasing the geopolitical pressure on the UK, the US and Israel. Moreover, during his speech on the occasion of the 27th anniversary of the victory of the Iranian revolution, President Mahmud Ahmadinezhad indicated that if the diplomatic pressure on Iran continued over its nuclear programme, the programme might no longer remain “peaceful”. Ahmadinezhad’s speech also summed up the prevailing view within the Iranian regime. Having described the Holocaust as “a myth”, he went on to declare that “the real Holocaust” was occurring in Iraq and Palestine.¹²⁸

Paradoxically, the decision to cultivate Sadr and the latter’s statement on launching retaliatory attacks in the event of an attack on Iran might not help Iran in terms of its long-term geopolitical interests, namely the creation of a Shi’i federal zone in southern and central Iraq. Sadr’s modus vivendi with SCIRI and the Iranian regime is unlikely to lead to an enduring alliance as long as there are serious differences over key issues such as federalism and Syrian support for the insurgents. Sadr’s support ensured the re-appointment of Ibrahim al-Ja’fari as Iraq’s prime minister. However, factional infighting between Hakim and Ja’fari contributed to further Shi’i disunity. There was an increase in sectarian violence in Iraq in the aftermath of the bombing of a Shi’i shrine in Samarra.

US ambassador to Iraq, Zalmay Khalilzad, informed Iraqi officials that his country would cut off economic assistance to Iraq unless they abandoned sectarian policies. “Sectarian and ethnic conflict is the fundamental problem in Iraq.. American taxpayers expect their money to be spent properly. We are not going to invest the resources of the American people into forces run by people who are sectarian”.¹²⁹ He sought to broker an agreement among Iraqi groups, which would have led to the formation of a grand coalition.¹³⁰ Not surprisingly, the leader of the Supreme Council for Islamic Revolution in Iraq, Abd al-Aziz al-Hakim, sought Iran’s help in an effort to negotiate with his domestic opponents from a position of strength. In March, Iran agreed to hold talks with the US on Iraq. It is important to note that the decision was made following the collapse of Iran’s nuclear policy and the referral of the nuclear case to the UN Security Council. The author will address this issue in other CSRC papers. Suffice it to say that the decision by the secretary of Iran’s Supreme National Security Council Ali Larijani to support a dialogue with the US on Iraq further polarized the policy debate in Iran.

Talks with the US

The talks with the US would probably have been kept secret by the Iranian side had there not been such a serious dispute over the choice of strategy. The Iranian regime took advantage of an offer by the leader of the Supreme Council for Islamic

Revolution in Iraq, Abd al-Aziz al-Hakim, to engage in a dialogue with the US on Iraq. The offer was revealed by the pro-Rafsanjani and pro-Khatami daily *Sharq*.¹³¹ Iranian Foreign Ministry spokesman Hamid Reza Asefi, declared that the talks would be conditional upon America's decision to "make its position clear".¹³² What Asefi meant, as it would shortly become clear, was that the Iranian regime wanted the Bush administration to refrain from supporting regime change in Iran.

In order to build support for his policy, Larijani attended an unofficial meeting with the Majlis. However, he faced serious opposition there. Two MPs, Kazem Jalali from the majority faction and Nureddin Pirmo'azzen from the "reformist" minority faction sharply criticized him. Majlis Speaker Haddad-Adel interrupted Pirmo'azzen after only one minute, declaring: "Such remarks are beginning to be tiresome and our reformist friends are, as usual, politicizing the issue."¹³³ The deputies sought to bring the issue to a head by arguing that Larijani could not accept the proposal, arguing that such talks could not be held unless the supreme leader, Ayatollah Ali Khamene'i, explicitly approved of them and the Majlis deputies ratified the decision.¹³⁴

Clearly, the deputies involved realized that Khamene'i would have difficulty approving of such talks at a time when he was publicly backing Ahmadinezhad's radical policies. When Larijani spoke of Iran's acceptance of Hakim's offer, a group of deputies began to chant: "Death to America".¹³⁵ Larijani responded by warning that the nuclear crisis had endangered the very existence of the regime and that that was what Khamene'i was mainly concerned about. He called on the deputies to pay attention to the point that "Protecting the state is more important everything else. As far as the nuclear issue is concerned, the leader has put this at the top of the agenda of Iranian foreign policy strategy [sic]".¹³⁶ At this point, Haddad-Adel said that Khamene'i's remarks the day before had "clarified the situation" and made clear everyone's "duty".¹³⁷

The deputies were undoubtedly aware of the dispute over the choice of strategy at the highest echelons of the state. Two prominent deputies from the majority faction, Emad Afrugh and Hamid Reza Haji-Baba'i sharply criticized the government's foreign policy. Haji-Baba'i's remarks spoke volumes about the disarray in Iran's Supreme National Security Council. While, tacitly endorsing the change of strategy and the acceptance of negotiations with the US on Iraq, he called on Larijani to ensure that the Supreme National Security Council would "take measures to ensure that if there were further U-turns in foreign policy, the country - either officials or political factions - would not speak with multiple voices to the outside world."¹³⁸

Larijani, however, was not dissuaded by the deputies. Speaking to reporters after the Majlis session, he declared:

"The fact of the matter is that Mr Hakim made this request to resolve Iraq's problems and to ensure that a stable government would be established in this way and not as the result of the pressure exerted by the occupiers. So we will accept this request and we shall identify individuals who will conduct such negotiations with regard to Iraq."¹³⁹

Khamene'i had almost certainly approved of the talks with the US because of his fear of the Bush administration's support for regime change in Iran. Larijani raised the issue in his appearance before the Majlis. After the Majlis session, Hamid Reza Haji-Baba'i, who had tacitly supported the talks but criticized the disarray in the

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decision-making process, observed: "The pre-condition for holding talks with America is that that country must not interfere in Iran's internal affairs."¹⁴⁰

After the publication of reports on the forthcoming US-Iran talks, US Secretary of State Condoleezza Rice and National Security Adviser Stephen Hadley said that the talks would be limited to the issue of Iraq. Iranian officials sought to exploit such remarks for their own domestic political purposes, if only because they were coming under attack from Ahmadinezhad's supporters. Both Larijani and Foreign Minister Manuchehr Mottaki also declared that the talks would be limited to Iraq. Addressing Friday-prayer worshippers before the Friday-prayer sermons, Mottaki declared that the talks with the US were the continuation of the effort to "provide assistance to Iraq".¹⁴¹

In defending his policy, Larijani declared that Iran had agreed to the talks after a request by the leader of the SCIRI, Abd al-Aziz al-Hakim. Larijani declared that Iran did not trust the US, arguing: "The Americans have been making such requests for a long time. The American ambassador has declared several times that there are problems in Iraq that some of Iraq's problems can only be resolved through negotiations with Iran. However, we do not believe what they are saying. They say such things whenever they need Iran. But, later on, they say other things."¹⁴² Larijani added: "Iraqi leaders and Ayatollah Hakim repeatedly said that they relied upon us and that they needed to talk to Iran to ensure that Iraq will be able to consolidate itself. They raised this issue several times during private meetings."¹⁴³

Hakim's call for dialogue was met with strong opposition from both secular and Islamist parties in Iraq. former Prime Minister Iyad Allawi's Iraqi National Accord Party announced that it was sceptical about such a dialogue, contending that "it is against the interests of the people if the (Iraqi) government and the representatives of the political parties are not involved".¹⁴⁴ Some influential Iraqi Sunni groups vehemently opposed Hakim's proposal. The Association of Sunni Scholars declared: "We are indignant over the request made to Iran by (Iraqi) political parties to open a dialogue with the Americans on their differences regarding Iraq".¹⁴⁵ The statement said: "The interference of Iran in Iraqi affairs is nothing new", adding that the proposal "does nothing more than legitimate this interference and give it an international cover".¹⁴⁶ The largest Sunni Islamist party, the Iraqi Islamic Party, issued a statement, condemning such a dialogue in "strongest terms", describing it as "unjustified and egregious interference in Iraqi affairs".¹⁴⁷

There was strong opposition to the dialogue in Iran as well. However, Khamene'i's refusal to be drawn into the dispute between Larijani and Ahmadinezhad led Ahmadinezhad's supporters to continue their attacks against Larijani in an effort to prepare the ground for his removal. President Ahmadinezhad's supporters in the press, such as Hoseyn Shari'atmadari, the managing-editor of the radical daily, *Kayhan*, virtually accused Larijani of committing treason. *Kayhan* described the decision to negotiate with the US as "a gift to America".¹⁴⁸ Shari'atmadari wrote:

Mr Larijani's explanation that the request has been made by Ayatollah Hakim and that Iran had, until now, not paid attention to similar requests made by the US ambassador to Iraq is more like a joke than a serious and logical explanation. That is because, in any case, the point at issue is holding talks with the US and it makes no difference whether the mediator is Mr Hakim or an official from the US! Why are we deceiving ourselves?¹⁴⁹

Shari'atmadari contended that as far as the US was concerned, "the purpose of the negotiations was to ensure that the Islamic Republic of Iran would make an announcement on its own defeat".¹⁵⁰ Shari'atmadari argued that the US was trying to bring Iran to the negotiating table to ensure that the Iranian revolution would no longer serve as a model for Islamic movements throughout the world.

Twenty-seven years of the Islamic Republic of Iran's resistance in the face of America and its allies' blackmail and bullying has established Islamic Iran as the standard-bearer of the struggle against global hegemony, as well as a successful model for various liberation and independence movements. In fact, today, Islamic movements in the Islamic world are continuing their activities because they have been inspired by 27 years of Islamic Iran's steadfastness and resistance. They consider the Islamic Republic of Iran to be their source of attaining strategic depth and they believe that it is a successful model and a pioneer which should be emulated by resistance movements. The Palestinian intifadah has been rooted in Iran's 27 year resistance to American blackmail and bullying. The Lebanese Hizballah, the Islamic movement of Bahrain, the victory of Islamists in Turkey, Algeria and... [ellipsis as published] have backed America and its allies into a corner.¹⁵¹

Shari'atmadari contended that Larijani's "regrettable statements" could not have been made without coordinating with other government officials. He warned: "Be vigilant. You must make a statement as soon as possible, saying that you will not enter into any kind of negotiations with America. That way, you will be able to extricate yourself from this horrible vortex and this devastating trap set for Islamic Iran."¹⁵²

Hoseyn Allahkaram, one of the leaders of Iran's largest vigilante group, Ansar-e Hezbollah, was even blunter. Describing negotiations with the US as being tantamount to "attacking the very heart of the Islamic revolution", Allahkaram likened the decision to negotiate to Khomeyni's decision to take "the poisoned chalice" and end the Iran-Iraq war.¹⁵³ In a thinly veiled reference to Larijani, Allahkaram declared: "Today, acting within the framework of negotiations with occupier America, certain pseudo-fundamentalists are trying to poison the supreme leader not by giving him a chalice, but by injecting poison into grapes."¹⁵⁴

However, a Saudi daily, *Abha Al-Watan*, reported on 26 March that, "last week", the US and Iran had already held secret talks at "the embassy of a European state allied with the United States".¹⁵⁵ According to the report, the agenda of the talks included US and Iranian "clarification" of the "progression" of the political process in Iraq and the formation of an Iraqi government. It also included discussion of the activities of armed militias associated with the Iranian regime and US plans regarding its troop presence, as well as the possibility of establishing military bases on Iraqi territory.¹⁵⁶ Moreover, according to the same daily, the agenda also included a discussion of the role of Iranian intelligence networks, which had Iraqi members. The daily also quoted unnamed "US sources" as having said that the US and Iran will seek to issue a "clarification" of their positions on federalism and the position of those factions in southern Iraq which had called for self-rule.¹⁵⁷ However, the daily's "sources in Washington" denied that the talks would be extended to cover other issues because of US concerns that "Tehran might exploit these talks to buy time for its nuclear issue and slow down international moves against it".¹⁵⁸ The daily's "US sources" said that the talks were not aimed at

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reaching agreement at an early stage, but at clarifying the two parties' policy positions so as "to rule out inaccurate assumptions".¹⁵⁹

Iran's supreme leader, Ayatollah Ali Khamene'i declared that the main contours of Iranian strategy had not changed. Khamene'i declared that "American, British and Israeli espionage services had been involved in causing unrest in Iraq", adding: "Our view on Iraq is clear; namely that the American government must leave that country alone and it must stop provoking various ethnic groups and stop causing insecurity in Iraq. That way, that country will be able to rest easy and have security. Then the Iraqi people will be able to run their own country."¹⁶⁰ Khamene'i accused US officials of pursuing "hegemonic policies" and "telling lies" about Iranian officials' desire to negotiate with the US "on various issues". He said that despite the decision to hold talks with the US on Iraq, the Iranians involved would not be supplicants. He declared: "In the recent affair, American officials demonstrated their hegemonic nature and claimed that the negotiations were tantamount to summoning Iranian officials. We tell them it's not your business to summon Iranian officials."¹⁶¹ Then he made a statement which suggested that holding talks with the US was permissible provided that there were no policy changes. "There is nothing wrong with talking about this issue. However, if that means opening the way for those crafty Americans and enables them to continue their bullying tactics, then talking to America on the Iraqi situation will be banned just like it has been banned with regard to other matters."¹⁶²

Iranian leaders also remained conscious of the deteriorating political situation in Khuzestan Province, particularly Ahvaz, and sought to mollify the people of the area. During his "surprise visit" to Khuzestan Province, Khamene'i did not go to Ahvaz first and chose to visit a Dehlaviyeh, a small village in the province which borders Iraq. Significantly, former Iranian Defence Minister Mostafa Chamran was killed there on 21 June 1981 during the Iran-Iraq war.¹⁶³

During his visit to the province, Khamene'i also addressed the people of the province in Arabic, sharply criticizing British policy towards Iran and Iraq:

The close presence in Basra and Al Amarah provinces of Iraq of the English occupiers who openly stated their animosity and wickedness through two centuries towards the Iranian people, paves the way for a conspiracy by the aggressors. However, Iran's government and its people, especially the brave people of Khuzestan, will defeat this conspiracy, all these conspiracies, and will repel the deceit of the aggressors with God's help.¹⁶⁴

Addressing members of the Basij Resistance Force, Khamene'i declared:

Today, the main enemies of the Iranian nation are America and the Zionists. Of course, Britain is acting as a provocateur. They are the ones who are an obstacle in the way of the Iranian nation's furthering its interests. They call it international consensus. There is no international consensus. There is an international consensus against American imperialism. It is against American interventionism and occupation. It is against American bellicosity and American attempts to foment sedition throughout the world. That is the international consensus.¹⁶⁵

After Khamene'i's intervention in the policy debate, Ahmadinezhad also declared that he did not object to holding talks with the US on Iraq. He declared: "We

essentially do not trust the Americans but we will conditionally negotiate with them about Iraq while taking into account the interests of Iraqis and the world of Islam".¹⁶⁶

Significantly, former President Mohammad Khatami made a statement suggesting that at least those close to him might not be hostile to the idea of the formation of a grand coalition in Iraq. Khatami declared: "Following the example of Grand Ayatollah Ali Sistani, we believe that Iraq has no choice but to form a democratic government representative of all the factions."¹⁶⁷ In a thinly veiled remark, which seemed to be aimed at SCIRI and its Iranian supporters, who favoured Shi'i federalism, Khatami declared: "A Sunni, Shia or Kurdish government would not have any measure of success in ruling Iraq."¹⁶⁸ This was probably due to heightened Arab fears of a Shi'i dominated Iraq. The Arab League summit in Khartoum was expected to call for a greater Arab role in Iraq.¹⁶⁹ At the same time, Khatami blamed the US for all the instability in Iraq, contending: "We believe the occupation is responsible for these events". He argued that the US "struggle against terrorism", had had a "contrary effect, with the occupation attracting extremists".¹⁷⁰ US ambassador to Iraq, Zalmay Khalilzad had already criticized the Iranian regime for its duplicitous policies. According to Khalilzad, the regime was supporting Iraqi insurgents and militias, while claiming to support the political process. Khalilzad declared: "Our judgment is that training and supplying, direct or indirect, takes place, and that there is also provision of financial resources to people, to militias, and that there is presence of people associated with Revolutionary Guard and with MOIS [Ministry of Intelligence and Security]".¹⁷¹ Khalilzad also ruled out negotiations with Muqtada al-Sadr.¹⁷² In fact, there were clashes between Iraqi forces and Sadr's followers and Sadr accused the US of attacking his forces.

The Iranian regime's decision to establish a dialogue with the US on Iraq was undoubtedly the result of the failure of the prevailing Iranian regional strategy under Khamene'i and Ahmadinezhad, namely seeking the US' expulsion from the region. The referral of the Iranian nuclear case to the UN Security Council was perceived as a major threat to the regime by officials such as Larijani, whereas Ahmadinezhad and his supporters saw it as an opportunity to implement their own radical policies. The Security Council's relatively unanimous position on the issue is likely to further intensify the debate over the choice of strategy in Iran and accentuate political and leadership rivalries.

Conclusion

Since late 2005, the Iranian regime has been increasingly inclined to support a federal Iraq because it fears US and Israeli influence in northern Iraq and Kurdistan. Moreover, they see a federal Iraq and a Shi'i enclave within it as a mechanism for preventing UK and US political and military pressure on Iran. Despite recent statements by Western and Iranian commentators that the election result is a major victory for Iran, a number of factors will make it difficult for Iran to stamp its authority on Iraq, including Shi'i Iraqis. Even if all Iraqi Shi'i groups support Iranian aspirations in Iraq, the key factor in Iranian strategy will be the position of the Sunni groups which have agreed to participate in the political process. Since late 2004, Iranian policy has been aimed at reaching a modus vivendi with Sunni groups that support the political process in an attempt to strengthen the position of SCIRI and pro-Iranian elements in the Da'wah Party. The policy was also aimed at preventing Iran's potential regional rivals, Saudi Arabia

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and Jordan, from exploiting their ties with Muslim Brotherhood affiliates such as the Iraqi Islamic Party to undermine Iranian influence in Iraq.

Another major factor is Ayatollah Sistani and Muqtada al-Sadr's potential opposition to Ayatollah Khamene'i's diktats. Sistani does not approve of the Iranian system of the guardianship of the supreme jurisconsult and Sadr, basically, dislikes Iranians. However, both have been prepared to work with Iranians at various junctures. Iranian officials, under both Khatami and Ahmadinezhad, have been prepared to work with both of them, because they know that the Shi'is are not united and that they need to cultivate Sistani despite his opposition to the Iranian system of government.

The Iranian regime is not likely to find the regional situation easy to manage either. Syria's position will be critical in view of some of that country's intelligence service's relationship with Zarqawi and insurgents in western Iraq. The continuation of the insurgency in western Iraq will undermine the Shi'i-dominated government. Despite the emergence of "identity politics" in Iraq, pan-Islamists such as Abu Musab al-Zarqawi have encountered growing Sunni opposition to their political project for Iraq, which has increasingly alienated Sunni Iraqis who see themselves as Iraqis first and foremost. Attacks on Zarqawi's group by Sunni groups have demonstrated that Zarqawi has been rapidly losing popularity among them. This will make it easier for Shi'i groups, including SCIRI, to reach agreement with Sunni groups on the future of Iraq. However, external factors are likely to lead to increasing Iranian involvement in Iraq to put geopolitical pressure on the US and the EU. This could lead members of the Gulf Cooperation Council and Turkey which see the Iranian nuclear programme as a potential threat to intervene on the side of the opponents of Iran in Iraq. All of these factors make Iran see Iraq as the centre of gravity of the Middle East.

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