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Iraqi-Iranian Relations After 2003
A Study of the Economic and Security Dimensions

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Abstract:

Iraqi-Iranian relations underwent a radical transformation after 2003, shifting from hostility to strategic cooperation. This shift was driven by the collapse of the previous regime and the filling of the political vacuum. The security partnership deepened to address shared challenges, while Iran became a major economic partner through substantial trade and its direct influence on Iraqi political and security institutions.

key words: Iraq, Iran, relations, both parties.

Introduction

Iraqi-Iranian relations have gone through multiple phases in Iraq, taking different paths and being influenced by local, regional, and international conditions, which have compelled transitions from one stage to another according to the interests of the two countries, the objectives of their foreign policies, and their capacities for influence and mutual interaction.

The period after 2003 is considered the most positive phase in Iraqi-Iranian relations. From this perspective, we will address Iraqi-Iranian relations after 2003 as a new political phase that witnessed significant growth and interaction between the two countries, and the impact of the economic and security dimensions on this relationship.

First: Iran's Position on the U.S. War on Iraq in 2003

Iran's stance on the Third Gulf War in 2003 was often characterized by ambiguity, fluctuation, and a lack of clarity. However, it moved to achieve the greatest possible strategic gains, secure its national security, and assert its regional role in the Gulf region by seriously considering how to leverage this significant event.

With the onset of the war on Iraq, Iran's official position was evident through its condemnation of the war and calls for its prevention. This was due to its fear of U.S. control over this critical geopolitical area, as well as its consolidation of control over oil resources, supply routes, and exports—especially following the U.S. occupation of Afghanistan in 2001 and parts of Central Asia near the Caspian Sea[1].

Moreover, there is no doubt that Iran realized that such a war would cause humanitarian catastrophes, leading to chaos that might result in civil wars within Iraq and eventually lead to its division.

Even more dangerous was the growing Iranian awareness that U.S. control over Iraq, accompanied by calls for regime changes in the region under the banner of promoting democracy and human rights, would ultimately target Iran in the future.

Iran was also concerned that the division of Iraq and the emergence of a Kurdish state might encourage Iranian Kurds to seek independence, then secession, and subsequently alignment with such a state. Additionally, there was a fear of the establishment of a U.S.-aligned Iraqi government, contrary to Iran's aspirations for the formation of a Shia-led Iraqi government[2].

Iran believes that the United States operates in the region based on the principle of creating a facade that compels everyone to fear it and obey its directives, while attempting to draw neighboring countries into isolating Iraq in one way or another.

Iran has, on multiple occasions, expressed its opposition to the war through statements made by various political figures. Additionally, Iran supported the implementation of United Nations resolutions aimed at resolving the conflict through peaceful means and avoiding war. It also participated in a series of conferences and meetings with Iraq's neighboring countries to find a solution to the ongoing crisis[3].

Naturally, this policy does not mean that Iran decisively sided with Iraq in its war against the United States.

Rather, Iran was concerned about the negative repercussions of the war. At the same time, the circumstances of the war did not prevent the Iranian leadership from contemplating how to leverage the event and achieve the greatest possible political gains.

Second: The Economic Dimension in Iraqi-Iranian Relations After 2003

The economic dimension represents a fundamental pillar in shaping the bilateral relations between the two countries due to its influential and decisive strategic power. It extends beyond trade, investment, and finance to also impact the balance of relations (political, military, security, cultural, etc.). It acts as the bridge that connects and strengthens these bonds.

Perhaps the most prominent expression of the Iraqi-Iranian relationship lies in the multiple economic dimensions that have linked these two neighboring countries. After 2003, economic relations between the two countries experienced significant developments in terms of trade exchange. Both parties signed dozens of economic and trade agreements after 2003, including agreements for the export of electricity and Iranian gas to Iraq, among others.(4).

It is also essential to highlight the issue of the "trade imbalance" between Iraq and Iran, which has granted the eastern neighbor greater influence and dominance within Iraq.

This imbalance has placed some of Iraq's most critical service-related sectors under Iran's control, most notably the electricity sector. This is especially evident in the central and southern provinces of Iraq, which have a predominantly Shia population. Furthermore, these regions possess significant oil and gas fields and other natural resources that are vital both regionally and globally(5). As is well known, Iraq ranks fifth globally in confirmed oil reserves and fourth in oil production(6). Thus, the economic dimensions play a significant and influential role in shaping the development of bilateral relations between the two countries. Based on this, we can categorize the volume and nature of Iraqi-Iranian trade exchange into two branches as follows:

First Branch: Contraction and Slow Growth in Trade Exchange

The Iraqi-Iranian trade exchange is described as economically contracted before 2003 during the era of the former Iraqi regime. This was due to several political reasons previously discussed in this study, the most prominent being the series of sanctions imposed on Iraq, its subjugation to Chapter VII of the United Nations Charter, and the comprehensive economic blockade.

Therefore, it can be said that there were no clear or official economic indicators to prove any mutual economic or trade activities between the two sides, except for the operation of weekly tourist trips for Iranian delegations. These trips involved approximately 30,000 visitors per week, transported through the Al-Mundhiriyah border crossing by two Iraqi intelligence-affiliated companies, Al-Zilal and Al-Huda, for visits to holy sites in Najaf, Karbala, Kadhimiyah, and Samarra.

This arrangement represented a form of political neutrality adopted by Iraqi President Saddam Hussein toward the Iranian regime, which had undergone a slight shift in its foreign policy approach toward Iraq during President Mohammad Khatami's tenure(7).

After 2003, trade exchange between Iraq and Iran witnessed a significant increase. From its lowest levels before the occupation of Iraq, trade reached one billion USD annually in 2004 and 2005 in favor of Iran, while Iraq recorded only 95 million USD. Most of Iraq's revenue came from the private tourism sectors, including hotels, restaurants, and commercial markets, rather than from the government sector, which only collected fees for issuing visas and residency permits for the increasingly large number of Iranian tourist delegations between the two countries(8), Subsequently, trade decreased to 800 million USD in favor of Iran in 2006

This decline was due to the escalation of terrorist operations and Iraq's descent into sectarian conflict, which targeted numerous Iranian delegations. Meanwhile, Iraq's trade revenues did not exceed 100 million USD.

By 2007, trade rebounded, reaching 1.5 billion USD in favor of Iran, compared to only 150 million USD in favor of Iraq(9).

Second Branch: Steady Growth and Trade Imbalance in Favor of Iran

With Iraq entering 2008, overcoming its security crisis, and opening up more significantly to the global market, coupled with holding oil licensing rounds that boosted Iraq's national income nearly fivefold, Iraqi-Iranian trade witnessed a major shift.

Trade between the two countries doubled approximately two and a half times, reaching 4 billion USD(10), In 2009, trade exchanges continued to rise, reaching approximately 6 billion USD,

with expectations that they would surpass the 8 billion USD mark by 2010. These exchanges included imports of construction materials, petrochemicals, industrial and medical equipment, and foodstuffs. Additionally, Iran exported 40,000 cars to Iraq in 2009.

Moreover, Iranians undertook several reconstruction projects in Iraq, including building schools, hotels, and power plants. This created a stark imbalance in the trade relationship, heavily favoring Iran, as Iraq's exports did not exceed 200 million USD(11).

This situation has led most economic observers to believe that Iraq has effectively become an economic lung for Iran, enabling it to resist U.S. pressures amidst sanctions that the U.S. administration threatens to renew.

This dynamic indicates that Iraq is becoming a battleground for Iranian-American influence struggles. Iraqi-Iranian trade exchanges significantly increased in 2013, reaching approximately 12 billion USD. This growth was attributed to the strong relationship between Baghdad and Tehran on the one hand and the rise in Iraq's oil imports in recent years on the other.

Interestingly, according to some experts, trade volume between the two countries continued to grow despite the sharp decline in oil prices to record lows and the substantial deficit in Iraq's state budget during this period. These financial challenges were compounded by warnings from international institutions and organizations about the possibility of Iraq's treasury going bankrupt before the end of 2017, following ISIS's occupation of one-third of Iraq's territory, including northern oil production areas in Kirkuk and Kurdistan, accompanied by widespread smuggling operations.

In 2013, an Iranian official announced that Iran's ambition was to increase trade exchanges with Iraq to approximately 20 billion USD by the end of 2017. This

goal would provide significant economic resources for Iran at the expense of Iraq's economy, according to experts.

The trade balance was heavily skewed in favor of Iran, with a ratio of 10:1, meaning that for every ten dollars exported by Iran to Iraq, Iraq exported only one dollar in return. Economic experts attribute this imbalance to Iraq's dependence on Iran for many goods and services, including agricultural products, consumer goods, and private sector services. In the public sector, this includes importing petroleum derivatives and electricity, which are critical sectors, in addition to cars, machinery, and various other commodities(12).

On the other hand, the Iranian President's Assistant for International Affairs stated that the Iranian government has formed a committee to enhance economic cooperation between the two countries, named (The Committee for Economic Development Between Iraq and Iran).

He noted that Iran seeks to contribute to the reconstruction of Iraq's infrastructure. He also pointed out the signing of an agreement to develop economic and trade relations, with the participation of a representative from the Kurdistan Region(13).

Iranian Oil Minister Rostam Qasemi signed an agreement with Iraq's Deputy Prime Minister for Energy Affairs, Hussein al-Shahristani, in Baghdad on July 11, 2013.

Under this agreement, Iran would export 25 million cubic meters of gas to Iraq daily. Additionally, Javad Owji, the CEO of the Iranian National Gas Company, stated that his country's revenue from gas exports to Iraq would amount to 10 million USD per day(14).

In 2017, the volume of trade exchange between Iraq and Iran witnessed its highest increase since 2003, reaching 13 billion USD.

Iran's exports to Iraq had increased 17-fold over the past decade. The Iranian Commercial Attaché in Iraq, Mohammad Reza Zadeh, announced that the trade exchange between the two countries amounts to 13 billion USD annually, including approximately 6.2 billion USD in Iranian non-oil exports to Iraq(15).

Iranian President Hassan Rouhani told Iraqi President Barham Salih, following the latter's visit to Iran on November 17, 2018,

that the volume of bilateral trade between the two countries could rise to 20 billion USD annually, despite concerns about the economic impact of renewed U.S. sanctions targeting Iranian oil, the banking sector, and transportation(16). The above economic indicators clearly point to a severe imbalance in the Iraqi-Iranian trade balance, heavily favoring the Islamic Republic of Iran.

This trend was reinforced by Iraq's political system and successive governments, particularly the second government of Nouri al-Maliki (2010–2014), which

promoted this direction by increasing trade exchange, doubling it, and signing agreements on electricity and gas(17).

At times, this is because some Iraqi political forces believe in the necessity of maintaining Iranian influence in Iraq, viewing it as a strategic depth that protects and preserves Iraq's unity and the continuity of its current political system.

At other times, it is because Iran has been the only country in the region to offer unconditional assistance and full openness to Iraq under a new Iraqi political system seeking support to bolster its internal stability.

Ultimately, the result reflects the Iranian perception's ingenuity in transforming Iraq into an "economic lung" through which it breathes amidst its escalating nuclear conflict with the Western bloc and the growing pressure of economic sanctions imposed on it. Iran seized the opportunity and filled the Arab and international void in Iraq with its military, political, and economic capabilities.

Third: The Geopolitical Security Dimension in Iraqi-Iranian Relations After 2003

Iraqi-Iranian relations possess unique characteristics, shaped by geopolitical doctrines, political geography, and land and water borders that have historically been unprotected from external influences and currents.

This reality has created significant interaction between the two countries since ancient times until the present day. This interaction has been marked by invasions, wars, conflicts, and empires that extended across these borders, leaving behind a complex and shared security legacy(18).

Thus, the geopolitical security dimension has been a key factor in shaping Iraqi-Iranian relations over the past four decades.

The strategic weight of the two neighbors has been reflected in intense competition and conflict within the region, particularly following two pivotal events in 1979: the political coup by Iraqi President Saddam Hussein against the regime of Ahmed Hassan al-Bakr and the success of the Islamic Revolution in Iran, led by Ayatollah Khomeini.

These events clearly highlighted the importance of this strategic dimension. Within just one year of the establishment of the two neighboring regimes, they entered into a direct war that became known as the longest war of the 20th century(19), Subsequently, the two parties entered a new strategic balance based on mutual distrust and skepticism.

This persisted until the political regime change in 2003, which was accompanied by a significant shift in Iran's perception of Iraq and a strategic push by the Islamic Republic toward its most critical and dangerous Arab neighbor in the region.

Iran views Iraq as an economic lung through which it can alleviate sanctions and counter the Western economic embargo(20), And as a geopolitical and security

buffer to confront U.S. ambitions aimed at bringing about fundamental changes in the region,
as well as a battleground for regional power struggles and the settling of scores with its historical rival, the Kingdom of Saudi Arabia, which has become actively engaged in Iraq's internal security dynamics(21).
Iraq has always been a significant factor in Iran's relations with its neighbors, perhaps even its closest and most accessible connection, given its intermediary geopolitical position between Iran and Saudi Arabia.
This is similarly true for the environment of the Arabian Gulf, the Iraq-Turkey-Iran geostrategic triangle, and the Levant region, where Iraq serves as a vital bridge linking Iran to these areas.
Adding to this is the long and complex border between the two countries, spanning approximately 1,250 kilometers. This border has consistently posed a threat since its theoretical delineation under the Treaty of Zuhab in 1555. Thus, Iraq's location holds exceptional importance for Iran's national security(22), Based on these significant considerations, we present key geopolitical and security milestones that have shaped Iraqi-Iranian relations in two branches as follows:

First Branch: Iran Confronts the U.S. Occupation of Iraq and Supports Resistance Movements While Forming Armed Factions Parallel to Iraqi Institutions

Following the success of the U.S. plan to change Iraq's political regime and establish a transitional political process tasked with building the new Iraqi state, drafting a constitution, and conducting free elections in a democratic and fair atmosphere, Iran's approach shifted.
Iran moved from positive neutrality and non-intervention in Iraqi affairs to a strategic push aimed at protecting its national security, which had become directly adjacent to the U.S. invading forces. It worked tirelessly to destabilize the position of those forces by supporting armed Iraqi groups to resist them and push for their early withdrawal.
However, this Iranian approach quickly collided with the position of the Shia religious authority in Najaf, Grand Ayatollah Ali al-Sistani, known for his doctrinal differences with the Iranian concept of Wilayat al-Faqih (Guardianship of the Jurist). At the time, al-Sistani issued a fatwa against resisting the U.S. occupation, believing that it had enabled Iraq's Shia population to attain power by overthrowing the political regime. He urged his followers, supporters, and Iraqi political forces to engage diplomatically with the United States and pressure them to withdraw coalition forces from Iraq as quickly as possible through non-violent methods(23).

In general, Iran sought to encourage Shia dominance over the reins of power in Iraq while keeping the United States preoccupied with Iraqi tensions away from its borders.

At the same time, Iran aimed to preserve Iraq's territorial integrity and avoid complete instability to prevent the spillover of unrest into its own territory. This explains Iran's stance against supporting the referendum for the independence of the Kurdistan Region of Iraq. Iran does not seek to fragment Iraq's geography, nor does it wish to allow U.S. geopolitical maneuvers to threaten its national security.

This effort gave rise to a complex Iranian strategy based on supporting a democracy that ensures Shia majority rule and backing various Shia factions and forces. As a logical result of this strategy, Iran became stronger and more influential within Iraq(24). Iran seeks to develop a wide range of options in Iraq, including supporting the resistance to pressure U.S. and British forces to leave Iraq or to hinder their military operations(25). The escalating Iraqi resistance posed another challenge to U.S. policy in the Middle East.

The United States had claimed that Iraq would become a democratic model for the region, but this did not materialize. Instead, a state of chaos and unrest prevailed as the occupying forces failed to achieve stability in Iraq.

The resistance became a strategic challenge to U.S. security in the region, while Iran imposed a geopolitical siege on U.S. bases and areas of influence. This included regions such as Yemen, the Gulf of Oman, and the Bab al-Mandab Strait, as well as establishing control over the Horn of Africa through the Ansar Allah movement. It extended to Shia presences in Bahrain and Saudi Arabia's Eastern Province, along with military factions spread from southern to northern Iraq. This presence culminated in Iranian military extensions in Syria and Hezbollah's influence on Israel's national security in southern Lebanon.

The United States had not anticipated that resistance against its presence in Iraq could escalate to such a level, especially after violent confrontations with the Mahdi Army faction led by Muqtada al-Sadr. Amid this American disarray, Iran managed to achieve several gains, particularly as the resistance's performance intensified and the Shia entered the confrontation as a key player.

This dynamic compelled the United States to request Iran's intervention to persuade Muqtada al-Sadr to halt the resistance. This provided Iran with a significant opportunity to strengthen its position in Iraq(26).

Reports issued by coalition forces indicate that Iran has used funds, weapons, training, and other forms of support to assist its Shia and non-Shia allies within Iraq to disrupt the operations of U.S. and coalition forces.

According to memos and reports from the U.S. State Department, obtained by WikiLeaks, Iran provides a total of 100 to 200 million dollars annually to fuel resistance activities in Iraq(27).

Iran also seeks to prevent any threat or attack that the United States might launch against it and to create a geographical security buffer zone in Iraq to counter any potential invasion from the western front.

Additionally, it aims to build a partnership with these factions to confront any potential Sunni Arab extremism(28).

The most serious challenge Iran faced during the U.S. military presence in Iraq was the proximity of these forces to Iran's national security borders.

Iranian perception holds that the doctrine of preemptive strikes and the utilization of Iraq's geopolitics by the U.S. military remain a constant threat under all circumstances and opportunities. This naturally reflected a state of instability that Iran endured under this persistent threat. To counter it, Iran developed its security and military strategies to establish a robust network of relationships with armed groups to extend its influence further.

Second Branch: Iran's Role in Combating ISIS

When examining the geopolitical-security dimension and its impact on shaping Iraqi-Iranian relations post-2003, it becomes evident that Iran sought to foster entrenched chaos in Iraq to achieve two priorities:

1. Creating military-security pressure to escalate and target the U.S. presence in Iraq through a network of armed factions.
2. Expanding control and influence by establishing and utilizing human and military tools within Iraq to solidify its dominance over its western neighbor.

This strategy reflects Iran's use of geopolitical changes and geographic proximity with Iraq to advance its political interests(29).

Based on these two priorities, the invasion of Iraq's northern and western provinces by the terrorist organization ISIS in June 2014 posed an imminent threat to Iran's national security.

This necessitated a swift and robust intervention to support its Iraqi allies, whether through official political positions or military and logistical aid. This included providing weapons and training, carried out by the Quds Force and Hezbollah of Lebanon, to volunteers who responded to the fatwa of Ayatollah Ali al-Sistani to defend and combat this terrorist organization(30).

To thoroughly examine this period, it is essential to highlight the key stages and security developments that marked Iraqi-Iranian relations during the ISIS invasion of Iraq. These include:

1. The Shift in the Role of the Quds Force and Hezbollah in Iraq: From Covert to Overt Operations

The ISIS invasion of Iraq marked a significant shift in the behavior of the Iranian Revolutionary Guard Corps (IRGC) in Iraq. From 2003 to 2013, the IRGC primarily operated covertly. However, in 2014 and the subsequent events, its operations became openly visible and direct, particularly those of the Quds Force.

This change was epitomized by its commander, General Qassem Soleimani, who appeared in video footage and photographs documenting his movements and presence on various Iraqi battlefronts. He operated as a military advisor to the Iraqi government(31).

According to some Iraqi and Western sources, including a report by the British newspaper The Sunday Times, Iran deployed approximately 1,500 members of the Quds Force, part of the Iranian Revolutionary Guard Corps (IRGC), to Iraq.

Three units of the Quds Force entered Iraq via the border between the two countries, specifically through Khanaqin in Diyala Province, heading toward central Iraq. Additionally, 500 other members entered the areas of Badra and Jassan in Wasit Province.

This deployment occurred amid the collapse and retreat of Iraqi security forces in the face of ISIS fighters. Media sources also reported that Qassem Soleimani arrived in Baghdad accompanied by around 150 military commanders and security experts from the IRGC to provide logistical, intelligence, and military support to the Iraqi side(32).

As for the leaders and fighters of Hezbollah in Lebanon, their Secretary-General publicly stated that Qassem Soleimani urgently requested him to send 120 field military commanders to Iraq.

The purpose was to train and prepare Iraqi fighters who had mobilized following the fatwa of Ayatollah Ali al-Sistani(33). The duo later played a strategically significant role in decisively winning military battles against the ISIS terrorist organization.

These included the battle for Amerli in northern Salah al-Din Province in October 2014 and the battle for Jurf al-Sakhar in northern Babylon. Iraqi and Iranian news agencies, along with other media outlets, documented scenes and images that highlighted the field role of Iranian Revolutionary Guard Corps (IRGC) commanders and Lebanese Hezbollah alongside Iraqi security forces and Popular Mobilization Forces (PMF) volunteers(34), At the time, an Iraqi military commander from the Badr Organization stated,

“Without Iranian support, the direct supervision, and field management of military commander Qassem Soleimani, victory in the Battle of Jurf al-Sakhar would not have been achieved(35).

2. Iran’s Role in Supporting the Iraqi Popular Mobilization Forces (PMF):

The formation of the PMF brought a strategic shift in countering the plans of terrorist organizations in Iraq. It also played a pivotal role in altering the balance of power in favor of the Iraqi security and military forces.

The PMF's entry into the battlefield marked a turning point, bridging two phases of awareness and strong response that enabled the Iraqi army to achieve significant victories. Additionally, it became an important model for mobilizing Shia youth, who rallied in response to the fatwa issued by the religious authority(36).

This marked a shift in Iran's perception of the necessity for rapid action to mobilize, train, prepare, and integrate this military-security body, which had entered into direct confrontation with the ISIS terrorist organization.

This strategy was effectively implemented just 48 hours after the issuance of the fatwa. Iran played a significant and strategic role following ISIS's seizure of Iraqi territory by training the PMF, which succeeded in reclaiming most of the areas captured by the group. Iran also provided military advisors, financial support, and weapons to Iraqi fighters.

Additionally, Iran encouraged former military leaders from the Badr Corps to join the ranks of volunteers, contributing to their organization and training. This approach enhanced Iran's influence in Iraq, demonstrating its ability to establish itself as a key player.

Iran also proved to be a primary protector of Iraqis, particularly as Arab powers in the region, especially Saudi Arabia, abstained from intervening to safeguard Iraq. Similarly, the Western bloc exhibited reluctance to take decisive action in defense of Iraq(37).

In conclusion, it appears that the Shia in Iraq, in the aftermath of ISIS's invasion of northern and western provinces and the collapse of official security forces such as the army and police, turned fully to their strategic depth represented by the Islamic Republic of Iran.

This shift was driven by the existential threat posed by ISIS to their security and presence in Iraq, as expressed by the group's leader, Abu Bakr al-Baghdadi, who, in his first sermon at the al-Nuri Mosque in Mosul, vowed to kill and displace them.

Iran provided support, protection, funding, and training to the PMF factions, which assumed the responsibilities and roles of Iraq's security forces(38).

It seems that Iran's contributions to Iraq during the war against the ISIS terrorist organization can be understood within two interpretations:

First: The Iranian government, through this support, seeks to reassure its Shia allies and friends that it will not abandon them in the face of the grave threat posed by the organization.

Second: The strategic military and security push toward Iraq aims to solidify Iran's influence across the entire region, a role it began pursuing directly and officially during the Arab Spring and the accompanying threats to the Assad regime in Syria since 2011.

Fourth: Conclusion

In conclusion, it can be said that enhancing Iraqi-Iranian relations and Iraq's ability to act as a successful and acceptable mediator between Iran and other regional powers on one hand, and Iran and global powers on the other, would transform Iraq into a capable state, a custodian of regional and international balances and interests. It would thus become a focal point and stabilizer of regional interactions, as well as an economic hub linking the interests of all parties.

Naturally, this requires the establishment of a new political and social contract within Iraq that lays the foundation for a political phase distinct from the one formed over the past decade and a half. This can only be achieved through political consensus that understands the nature of the current phase and Iraqi-Iranian relations, as well as the necessity of transforming Iraq's geographic centrality in the region into a political mediation tool to resolve regional crises. In principle, nothing is impossible in politics, and no conflict or war between two or more parties has ever ended without reaching agreements that lead to peace.

Based on this premise, Iraq possesses geostrategic assets that enable it to resolve its internal political issues. These assets can be utilized to reach strategic agreements that ensure the interests of all parties while contributing to building a capable Iraqi state. These points can be summarized as follows:

1. Geographic Centrality as a Factor in Political Mediation and Economic Connectivity:

The hypothesis of geographic centrality as a facilitator of political mediation between disputing states is not an innovation but rather an investment in geographical assets and an informed understanding of borders. This represents a form of preventive diplomacy to avert threats and dangers by managing geographic positioning, in addition to the promising economic opportunities it offers to the involved parties.

2. Iraq as an Economic Market, Not a Battleground for Regional Disputes:

This concept stems from Iraq's desire to transform its territory into an economic market instead of a battleground for political conflicts. Naturally, this requires creating favorable conditions and preparing an environment conducive to playing this promising economic role.

Overall, the economy is a good entry point for building strategic understandings among rival parties, as it represents a critical interest and priority for states. This is

especially true after a series of economic crises that have hit the Middle East and the world due to falling oil prices caused by ISIS's invasion of Iraq and Syria, as well as the economic fallout from the COVID-19 pandemic. These factors have caused significant economic setbacks, particularly for Iran, Saudi Arabia, and Iraq. Given Iraq's acute economic problems due to its heavy dependence on oil, it is imperative for it to leverage all available circumstances to create economic pathways that transform its geography into a shared investment market rather than a backyard for Iranian-Saudi political disputes.

3. Military-Security Balance and the War on Terrorism:

Security challenges in the early 21st century posed a shared concern for neighboring states in the troubled Middle Eastern region, particularly Iraq and Iran. Both countries faced political, security, and economic challenges resulting from the emergence of al-Qaeda and its actions on September 11, 2001.

The subsequent massive strategic shifts in the region and the world saw fierce competition among these extremist organizations, culminating in the devastating impacts of ISIS on collective security in these three states. Iraq was the most affected country, enduring a violent surge that threatened its national security from 2004 onward, culminating a decade later with the group occupying one-third of its territory and taking control of approximately four provinces, declaring Mosul the capital of its so-called Islamic State.

Consequently, in the face of these security threats, Iraq's strategic perception can capitalize on several variables to establish a shared security hypothesis. This would involve creating alliances, understandings, or military-security coordination to counter extremism and combat terrorism, formulated based on Iran's willingness to participate in anti-terrorism efforts.

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