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Challenges to Iran's Role in Iraq in the Post-Soleimani Era

Complex Rivalries, Fragmented Alliances, Declining Soft Power Hamidreza Azizi

On January 3, 2020, the Iranian Quds Force commander, Maj. Gen. Qassem Soleimani, was assassinated by the United States in Iraq. He was considered the mastermind behind Iran's regional strategy, especially in Syria and Iraq. A year and a half later, the Islamic Republic continues to wield considerable influence in Iraq, and Iran-backed militias continue to violently pressure US forces to leave Iraq. However, Iran now faces a series of serious challenges that are directly and indirectly related to Soleimani's death. In the geopolitical and economic spheres, the influence of Iran's rivals in Iraq has increased, while Tehran's room for maneuver has become increasingly limited. In the political arena, divisions among Iran-backed forces in Iraq have increased, while Iran's direct influence over the Iraqi government has been declining. At the same time, rising anti-Iranian sentiments among the Iraqi people have reduced Iran's social capital in the neighboring country. The combination of these factors seems to be limiting Iran's influence in Iraq. The EU should build upon this opportunity to support a strong Iraqi government that pursues a multi-vector foreign policy.

The US military invasion of Iraq in 2003 presented a dilemma for Iran. On the one hand, the fall of Iraqi dictator Saddam Hussein, who had waged an eight-year war on Iran in the 1980s, was good news for Iranians. On the other hand, there were concerns that after Afghanistan and Iraq, Iran might be the next target of US military interventions. This was one of the main reasons for Iran's support for Shiite militias in their fight against American forces. Among the militias supported by Iran was Jaish al-Mahdi (the Mahdi Army), which started the anti-US insurgency in April

2004. From 2006 onwards, two other powerful Iran-backed militias — Kata'ib Hezbollah and Asaib Ahl al-Haq — also came to prominence as active members of the anti-US front. When the US government officially announced the withdrawal of American troops from Iraq in 2011, Iran's influence in Iraq reached its highest level in recent history.

The rise of the so-called Islamic State (IS/ISIS) in 2014 and its occupation of parts of Iraq (and Syria) provided a new opportunity for Iran to expand its influence. On the one hand, Iran-backed armed groups



were organized within the framework of the Popular Mobilization Forces (PMF) and, along with the Iraqi army, became one of the main pillars of Baghdad's anti-terrorist campaign. The PMF was formed in response to a call from the Iraqi government as well as the influential Iraqi Shiite cleric Grand Ayatollah Ali al-Sistani for a popular mobilization against ISIS. Some of the PMF factions, such as the Badr Organization, Kata'ib Hezbollah, and Asaib Ahl al-Haq, existed before its official formation and were included in the PMF, while other, smaller groups were established in 2014. On the other hand, units of the Quds Force of the Islamic Revolutionary Guard Corps (IRGC) were invited by the Iraqi government to help it fight ISIS. By the end of 2017, ISIS' self-proclaimed Caliphate had fallen, but the influence of Iran and its allied groups continued to grow in Iraq. In 2018, a number of those groups formed a political coalition called Fatah (triumph [of Islam]) and achieved a significant victory in the parliamentary elections, becoming the second-largest faction in the parliament.

But challenges to Iran's role in Iraq also began in 2018. In May, the Trump administration launched its "maximum pressure" campaign against the Islamic Republic. Countering Iran's "malign influence" in the region was announced as one of the campaign's goals. Washington also imposed sanctions on Iran-backed militia leaders in Iraq. By the end of 2019, tensions between US troops stationed in Iraq and Iran-backed militias reached their peak.

In December 2019, a US strike on the positions of Iran-backed militias caused those groups to mobilize their supporters to storm the US embassy in Baghdad. Less than 10 days later, Iran launched a massive missile strike on a US military base in Iraq in response to Soleimani's assassination. The chain of events raised concerns that Iraq might become a battleground between Iran and the US.

Donald Trump's departure from power in January 2021 reduced the risk of a direct confrontation between Tehran and Washington, but Iraq remains a scene of rivalry between the two hostile states. In this vein, attacks on US bases and military convoys continue on an almost daily basis. Meanwhile, frequent extrajudicial or illegal activities of some Iran-backed groups have made the Iraqi people increasingly sensitive to Iranian influence in their country. During Iraq's mass protests that began in October 2019, one of the protesters' demands was to reduce Iran's influence. Protesters even attacked the Iranian consulate in the city of Karbala. As such, Soleimani's assassination in January 2020 was the culmination of a trend that had begun in mid-2018 and marked the emergence of a new spectrum of challenges for Iran.

Iran's Interests in Iraq

From the Ba'ath Party's coup in 1968 until the US-led invasion of Iraq in 2003, relations between Tehran and Baghdad were never good-neighborly or normal. In 1980, just one year after the victory of the Islamic Revolution in Iran, the decade-long rivalry for regional dominance between the two countries gave way to full-blown war, which started with the Iraqi invasion of Iranian territory.

Three decades on, lessons learned by Iranian leaders from eight years of war and decades of rivalry with Iraq continue to shape Tehran's perception of its strategic interests in the neighboring country. According to this perception, a strong Iraqi state, dominated by nationalist or pan-Arab forces, is a potential threat to Iran. Therefore, Tehran has always sought to ensure that such forces would not regain power in Baghdad. Instead, Iran has supported Shiite groups in line with the Islamic Republic's ideology to present them as an effective alternative to Sunni, nationalist, or pan-Arab factions, which traditionally do not hold a favorable view of Iran. From this perspective, even if Shiite groups are unable to fully and sustainably dominate the Iraqi government, their strong presence is seen as necessary to maintain a balance of power in Iraq, given that they share Iran's

negative view toward the presence of the US and its allies in the country. In the same vein, Iran has always tried to maintain unity among various Shiite factions in Iraq and position them against anti-Iranian currents.

In addition, Iraq is of great geopolitical importance in Iran's regional strategy. As a western neighbor to Iran and an eastern neighbor to Syria, Iraq allows the Islamic Republic to secure a land connection to its allies in Syria and Lebanon. Especially since the start of the Syrian war in 2011 and the rise of ISIS in 2014, this land connection has allowed Iran-backed militias to move easily between the three countries to counter perceived threats against the Iran-led axis in the region. At the same time, this geopolitical importance makes Tehran very sensitive to the presence and activities of rival powers in Iraq. This was the main reason why, in the post-2003 period, Iran tried, through its allied militias, to prevent Iraq from becoming a permanent zone of influence for Washington and its allies, an approach that continues to be at the heart of Iran's strategy in Iraq. Iran has had similar, albeit relatively less, sensitivity to the influence of regional rivals, such as Turkey and Saudi Arabia, in Iraq.

Economically, Tehran sees Iraq as a potential market for Iranian goods as well as electricity and gas exports. At the same time, Iran tends to take advantage of Iraq's geographical location to establish transit routes to Syria, the Mediterranean, and eventually Europe. Finally, in the social sphere, the Islamic Republic has sought to provide a social and ideological ground for expanding its influence in the neighboring country by gaining the support of the Iraqi people, especially the Shiites.

Among these interests and priorities, Iran's desire for exclusive influence in Iraq has been at odds with the interests of Western countries. Although Iran's domestic economic problems have never allowed it to become an unrivaled actor in the Iraqi market, in the political and security spheres, Iran's influence has effectively prevented successive Iraqi governments from developing any serious pro-Western approach. At the same time, the continued activities of Iran-backed groups have been at odds with the European desire to regain stability through inclusive rule and good governance in Iraq. Similarly, Iranian influence has limited the possibility of forming a strong and genuinely independent government in Iraq. In fact, so far, the only serious area of common interest between Iran and the EU in Iraq has been the fight against jihadi terrorism, especially ISIS.

As for the role of Soleimani, he was long considered to be the main architect of Iran's regional strategy. Under his command, the IRGC's elite Quds Force, which used to act mainly as a secretive and clandestine force, gradually came out of the shadows and became Tehran's main instrument to advance its regional interests. In fact, Soleimani was in charge of commanding or coordinating a vast network of Iranbacked militias from Iraq to Syria and Yemen. He also enjoyed close ties with a number of regional politicians, such as Syrian President Bashar al-Assad and prominent Shiite figures in Iraq. Therefore, by giving the green light for his assassination, Trump actually wanted to deal a severe blow to Iran's influence in the region, including in Iraq. And indeed, Iran has since been faced with increasing challenges in realizing its interests.

Geopolitical Challenges

Among these challenges, geopolitical challenges are key. This refers to the role of Iran's rival powers in Iraq and Iran's efforts to contain their influence. In this context, Iran sees the US, the Arab states of the Persian Gulf, and Turkey as its main rivals in the competition for more influence in Iraq. Immediately after Soleimani's assassination, Iranian officials, including Supreme Leader Ayatollah Seyyed Ali Khamenei, promised "severe revenge" against the US. A few days later, the IRGC launched a largescale missile attack on US airbase Ain al-Assad in Anbar province. Following the

attack, Khamenei declared that "the expulsion of American troops from the region" had become a strategic goal for Iran. At the same time, the Shiite-dominated Iraqi parliament passed a resolution calling on the government to end the presence of all foreign troops in Iraq, pointing specifically to the US-led coalition fighting ISIS.

In practice, however, things did not go exactly as Iran had hoped. On the same day, Trump said, "At some point, we want to get out [of Iraq]," but he emphasized that "this is not the right point." Two months later, the US began handing over some military bases under its control to the Iraqi government. By the end of August 2020, US forces had evacuated eight bases. However, it soon became clear that the evacuation of these bases was not a prelude to a complete US withdrawal from Iraq, but instead was part of a redeployment plan to strengthen critical positions. In April, the US installed Patriot missile defense systems at Ain al-Assad airbase. A few months later, in February 2021, it was announced that Washington was developing Al-Harir base in the Iraqi Kurdistan region. In addition, some US troops leaving Iraq were dispatched to US bases in Syria. The redeployment of American forces from Iraq to Syria did not solve Iran's problem but simply moved it to another arena. After all, Iran is pursuing a similar goal in Syria, which is to reduce US influence and expand its own. At the same time, Washington's focus on strengthening its bases in Iraq's Sunni and Kurdish areas has raised concerns in Iran that the Americans may consider the partitioning of Iraq as a serious plan B.

In this context, Iran-backed militias doubled down on their attacks against US positions in Iraq in order to put more pressure on Washington. From the first half of 2020 onwards, a range of new armed groups, believed to be backed by Iran and the PMF, began routine attacks on US positions in Iraq to increase pressure on the Americans. By April 2021, at least 15 new militias had been formed in Iraq to counter the US presence. The attacks, however, increased the risk of a direct confrontation between Tehran and Washington, leading to Khamenei reportedly calling for an end to the attacks in October 2020. The attacks intensified once again after Trump handed over the presidency to Joe Biden. Yet, the Biden administration has shown no less of a commitment in countering Iranian influence. In this vein, in February 2021, Biden ordered a strike on the positions of Kata'ib Hezbollah, one of the major Iran-backed militias in Iraq. In late June, the US launched a similar attack on the positions of Iranbacked groups on Iraq's border with Syria.

In June 2020, a US-Iraqi strategic dialogue began, one of the goals of which, according to Iraqi officials, was to discuss the withdrawal of US troops. By January 2021, the number of American troops in Iraq had already dropped from more than 5,000 to about 2,500. However, when Iran seemed to be finally achieving its goal, NATO announced that it would increase its forces in Iraq from 500 to 4,000 at the request of the Iraqi government. Although the task of those forces is said to be to carry out training and advisory missions, Iran believes that the US wants to continue its presence in Iraq under the cover of NATO. What is more, given the international composition of NATO forces and its non-combat nature, Iran-backed militias will have a more challenging time justifying possible attacks against them. In sum, as far as the presence of the US and its NATO allies in Iraq is concerned, Iran has not only failed to achieve its primary goal but is actually facing a more complex situation.

Regional Rivals

What complicates the situation even further is the growing influence of Turkey and Saudi Arabia in Iraq. Since early 2020, Turkey has increased its activities in northern Iraq with the primary aim of fighting insurgents of the Kurdistan Workers' Party (PKK). From the point of view of Iran and its allied groups in Iraq, Turkey's ultimate goal is to dominate the Iraq-Turkey border zone. Disputes over Turkey's plans for Iraq

prompted Iran-backed forces to go to the brink of armed conflict with Turkey in March 2021. It soon became apparent that Iran's concerns were not unfounded. In April 2021, Turkish Interior Minister Süleyman Soylu announced that Turkey intended to build a military base in northern Iraq to strengthen control over its southern border, as it had done in Syria. Some observers interpreted the move as a step by Ankara toward dominating northern Iraq.

Saudi Arabia has also expanded its relations with the Iraqi government. It seems that Riyadh is trying to contain Iranian influence in Iraq's political, security, and economic spheres by establishing close ties with Baghdad. Iraqi Prime Minister Mustafa al-Kadhimi's apparent intention to establish a balance in his country's foreign relations by strengthening ties with Riyadh could help the Saudis achieve this goal. Overall, Iran thus faces a more complex scene in Iraq that challenges Tehran's so-far overwhelming influence.

Political Challenges

Political challenges to Iran's role in Iraq are more directly related to the loss of Soleimani as a central actor. Soleimani's role in Iraq was not limited to commanding Iranian forces and Iran-backed groups. He was also a charismatic and consensusbuilding figure who served Iran's interests in Iraq in at least two ways: first, by making sure that the Iraqi government would not act against Tehran's interests, and second, by mediating between different Shiite factions and preventing divisions among them. To fulfill those delicate tasks, he maintained personal relations with subsequent Iraqi prime ministers, as well as militia and political figures.

When Soleimani was assassinated, Iranbacked Prime Minister Adil Abdul-Mahdi had already resigned due to the 2019 widespread protests but was still in office as a caretaker. Although Mohammed Tawfiq Allawi, the first nominee to succeed Abdul-Mahdi, was a favorable option for Iran, the lack of consensus among Shiite factions prevented Iran from publicly supporting him. The second nominee, Adnan al-Zurfi, was seen as a pro-US figure by Iran and the Iraqi Shiite groups, whose prime ministership could jeopardize their interests. That was why, despite strong opposition from some Shiite factions such as Kata'ib Hezbollah, Iran eventually agreed to support Mustafa al-Kadhimi to become the new prime minister.

Ever since, however, Kadhimi's attempts to balance Iraq's foreign relations, especially between Iran and the Arab states of the Persian Gulf, have caused irritation with the Islamic Republic. He also openly calls for maintaining Iraq's close relationship with the US. Kadhimi has also taken several measures to limit the PMF's power, which is also a challenge for Tehran and its allies.

Iran-backed Militia

The dispute over Kadhimi becoming prime minister was the first sign of a split among Iran-backed Shiite groups in the post-Soleimani era, but it was not the last one. Generally speaking, since the beginning of 2020, disagreements within the PMF have been on the rise. The PMF's political leadership, including its chairman Falih Al-Fayyadh, has tried to present itself as committed to the law and obedient to the prime minister. For example, when it comes to the calls for US troops to leave Iraq, Fayyadh often refers to the parliament's decision and adopts a less confrontational tone. He has also fired some PMF commanders accused of corruption and other illegal activities.

In contrast, two powerful PMF factions, Kata'ib Hezbollah and Asa'ib Ahl al-Haq, have taken a hardline stance on government decisions, emphasizing armed resistance against US forces. Tehran's efforts to mediate between the leaders of the two factions and the Iraqi government have yielded few result. Meanwhile, in December 2020, internal disagreements caused four PMF brigades to split off and form a new structure called Hashd al-Atabat, or the Shrine Units. This was another blow to

Iran's efforts to maintain the unity of Shiite groups in Iraq.

Influential Figures

What complicates matters even further for Iran is that some Iraqi politicians who were traditionally known as being close to Iran have also been diverging from Tehran. At the top of the list is influential Shiite cleric Muqtada al-Sadr. In the aftermath of the US-led invasion of Iraq in 2003, Sadrist militias (known as Jaish al-Mahdi) were among the most active Iran-backed groups fighting American forces. For the past decade, however, Sadr has sought to present himself as a pragmatic and nationalist political figure. Since Soleimani's death, he has not hesitated to openly criticize Iran's actions in Iraq from time to time. This change of behavior can be attributed to Sadr's attempt to catch up with the changes in the Iraqi people's attitude toward Iran, who are demanding less Iranian intervention in their country. He may also be trying to profit from the leadership gap among the Iraqi Shiite factions after Soleimani's death to position himself as an alternative local leader.

Former Iraqi Prime Minister Nouri al-Maliki also appears to be gradually distancing himself from Iran. This comes amid his efforts to win over public support to run for the prime ministry once again. Supporting Kadhimi's efforts to curb the militias, Maliki argues that "opposition to the US-Israeli–Saudi axis does not permit Iran to interfere in Iraq." Overall, Iran's political influence in Iraq faces increasing challenges, both at the level of government and politicians. Indeed, apart from the absence of Soleimani, changing public sentiment in Iraq toward seeking a stronger and more independent government has also contributed to this new political situation.

Economic Challenges

As part of his maximum pressure campaign, Trump imposed severe sanctions on Iran, called by his Secretary of State, Mike Pom-

peo, "the strongest sanctions in history." The sanctions had an undeniable impact on Iran's economic situation and, consequently, on the level of its foreign trade and investment. This was while in 2016, after the signing of the Joint Comprehensive Plan of Action (JCPOA), Iran was experiencing a considerable 12.5 percent increase in economic growth. Iran's economy shrunk by about 4.99 percent from 2017 to the end of 2020. Also, Iran's exports to Iraq decreased from \$8.9 billion (March 2018 to March 2019) to \$7.4 billion (March 2020 to March 2021). The Covid-19 crisis, which led to the closure of Iran's borders for several months and the interruption of trade with neighboring countries, also contributed to the downturn.

This came against the backdrop of Iran's plans to counter the negative impacts of US sanctions by expanding economic ties with Iraq and other neighboring countries within the framework of the so-called neighbors policy. However, alongside sanctions and the Covid-19 crisis, ironically, Soleimani's assassination marginalized the economic approach in Iran's policy toward Iraq in favor of a more security-oriented view. Immediately after Soleimani's assassination, the Iranian parliament passed a bill to increase the Quds Force's budget by €200 million. At the beginning of 2021, MPs once again called for an increase in the force's budget. Iran's frozen funds in Iraq have been another economic issue. By the end of 2020. Iran was not able to access an estimated \$3.5 billion due to US sanctions. Tehran hopes that progress in the ongoing talks to revive the JCPOA will eventually convince the US to release the funds.

All this has happened while Iran's rivals have been increasing their economic influence in Iraq. For example, the UAE's exports to Iraq increased from about \$11 billion in 2017 to \$13.7 in 2019. During the same period, Turkey's exports to Iraq also increased from about \$9 billion to \$10.2 billion. At the same time, Iraq's dependence on gas and electricity imports from Iran has led some Arab countries to consider reducing Iran's influence by offering alternatives to Baghdad. In November 2020,

it was announced that Iraq would join a Gulf Cooperation Council electricity network linked to Saudi Arabia. Qatar has also expressed readiness to export gas (used in gas-fired power plants to produce electricity) to Iraq to resolve the country's electricity crisis. Some estimates suggest that Iraq will have almost no need to import gas from Iran in the next five years and may even become a gas exporter in the region.

On the other hand, although Iran's plan to build a railway from the Shalamcheh border area to Basra - which could facilitate Iran's land access to Syria and the Mediterranean - has not yet been realized, Ankara intends to build a railway from Basra to the Turkish border. The railway could provide Ankara with easier access to the Iraqi market while derailing Tehran's long-term plans to be at the center of East-West transit networks. If Iran's rivals manage to consolidate their economic influence in Iraq, Iran will not be able to reclaim its share of the Iraqi market, even if the domestic economic situation improves and sanctions are lifted.

Social Challenges

Iran and Iraq, two neighboring Shiitemajority countries, have significant historical and cultural ties. The Ba'athist rule in Iraq, however, had for decades limited the possibility of close social ties between the Iranian and Iraqi people. After the fall of Saddam in 2003, Iran began its efforts to reach out to Iraqi Shiites (around 61.7 percent of Iraq's population) and develop its soft power in the country. The more the prolonged presence of American troops in Iraq caused dissatisfaction among many Iraqis, the more Iran was successful in this field.

After the rise of ISIS in 2014, Iranian assistance to the Iraqi government in fighting the jihadis increased Iran's popularity. According to the Independent Institute for Administration and Civil Society Studies, in 2017, about 70 percent of Iraqis had a positive view of Iran. However, in mid2020, the same institute published another poll showing that Iran's popularity had dropped to a mere 15 percent.

The reason for this decline in popularity should be sought more than anything regarding the activities of Iran-backed militias, which are active arbitrarily and outside government control in the political, economic, and security spheres in various parts of the country. Some Iran-backed militias are involved in opaque or illegal economic activities. They levy taxes at checkpoints, extend control over engineering and construction companies, and interfere in the functioning of seaports. The groups have also been accused of cracking down on antigovernment protests in late 2019 and assassinating opposition figures thereafter. PMF groups and commanders categorically deny the allegations. Nevertheless, those issues have contributed to the Iraqi people's negative attitude toward Iran.

But even before these developments, the inefficiency and weakness of the Iranbacked government made the Iraqi people sensitive to Iran's role in their country. During the 2019 protests, Iraqi demonstrators attacked Iranian consulates in Najaf and Karbala - two Shiite-majority cities. The Iranian Centre for Strategic Research, which is affiliated with Iran's Expediency Discernment Council, writes in a report that "the reaction to the 2019 protests has damaged the Islamic Republic's image among the Iraqi elite and the public," warning that "this could weaken Iran's role in shaping Iraq's future governments." The report also notes that public dissatisfaction and criticism of Iran-backed PMF groups have increased in the aftermath of the protests. Generally speaking, criticism of Iran seems to have become a regular part of popular and anti-government protests in Iraq. Those protests were the main reason behind the Iran-backed Abdul-Mahdi government's resignation in November 2019.

In early May 2021, after an activist was assassinated in Karbala, the Iranian consulate in the city was attacked by protesters, and its outer wall was set on fire. In fact, regardless of the extent of Iran's support

or even knowledge of the activities of the Iraqi militias, the close ties between Iran and those groups have led a large segment of the Iraqi people to see Iran's hand in every unfortunate event and to seek to limit Tehran's influence in their country.

Conclusions and Recommendations for German and European Policies

Contrary to President Trump's intention, Soleimani's assassination did not significantly change Iran's role in Iraq in the short term, nor could it deter Iran-backed militias from targeting US interests. On the contrary, threats against US positions and troops in Iraq have since significantly increased. That said, in the post-Soleimani era, Iran faces growing challenges to its role in Iraq. On the one hand, Iran has failed to achieve its ultimate goal of rooting out the US presence in Iraq, with Washington and Baghdad actively working on maintaining their strategic relationship. At the same time, Tehran's obsession with confronting the US has come at the expense of Iran's economic and social influence in Iraq. Under these circumstances, regional rivals in particular Turkey and Arab monarchies of the Persian Gulf – have found fertile ground to expand their influence in Iraq, and the Iraqi government welcomes them to balance Iran's role. To make things even more challenging for Tehran, Shiite political and militant groups are also increasingly showing signs of divergence from, or at least non-compliance with, Iran's approaches and priorities.

These trends could lead to more instability in Iraq as a result of foreign rivalries (between Iran and its adversaries) and domestic competitions (within various militias, as well as between them and the government). Yet, Kadhimi's apparent desire to establish a balance in Iraq's foreign relations and consolidate the central government's authority at home is a promising sign for the stabilization of Iraq. Accordingly, Germany and its European partners should support Kadhimi's initiatives in areas such as diversifying Iraq's foreign partners, maintaining a strategic relationship with NATO, as well as establishing a state monopoly over violence by curbing militias.

The Kadhimi government has also indicated that it wants Iraq not to be a scene for foreign rivalries but a venue for resolving them. Iraqi-mediated talks between Iran and Saudi Arabia that started in the spring of 2021 illustrate that endeavor. This aspect of the Iraqi government's policy should also be encouraged and supported by European states. As a matter of principle, Europe's Iraq policy should be based on supporting a strong government that pursues a multivector foreign policy. Such a government could contribute to the realization of Europe's interest in a more stable Middle East.

Finally, it is important to note that although attacks by Iran-backed groups have been so far mostly limited to American interests, they also pose a potential threat to European soldiers in Iraq, who are tasked with training Iraqi security forces in the fight against ISIS. As such, establishing an indirect channel of communication through the Iraqi government or Tehran with those groups appears necessary to guaranty the safety of European soldiers and personnel.

Dr. Hamidreza Azizi is a Visiting Fellow in the Middle East and Africa Division at SWP. This paper is part of a research project titled "Iran's Foreign Policy-Making in the Middle East: A Comparative Study of Iraq and Syria," funded by the Alexander von Humboldt Foundation.

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