Managing Iran's Proxies: A Path to De-escalation

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EXECUTIVE SUMMARY

The United States faces the threat of rocket and IED attacks by Iran-backed militias in Iraq. Rather than double down on failed deterrence strategies, the United States should withdraw all military forces from Iraq. With fewer potential targets, there are fewer chances for attacks targeting American personnel. Current U.S. strategy has proven counterproductive at protecting American lives and has increased the belligerence of Iran's proxy network, with attacks continuing long after the killing of Iranian General Qassem Soleimani. The risk of war is not worth the limited U.S. interests in Iraq.

In responding to proxy attacks, confronting Iran with either military strikes or sanctions is likely to increase malign behavior without furthering U.S. interests. It also misunderstands the extent of Iran's control over its proxies and increases the potential for a regional war. Likewise, confronting proxies with military force and sanctions have not proven effective in deterring further attacks. Instead, the United States should publicly announce a timetable for a full military withdrawal from Iraq and follow through on this plan.

In the transition period until withdrawal, the United States should define clear redlines which Iran's proxies are not to cross. The United States should explicitly state that the killing of U.S. personnel will result in military retaliation. Likewise, the United States should explicitly state that attacks on the U.S. embassy will result in significant retaliation. In the short term, the United States should leverage the current pro-American government of Prime Minister Mustafa al-Kadhimi to crack down on any attacks by Iranian proxies until the withdrawal is complete. During this period, the United States should also engage Iran diplomatically to incentivize restraint by its proxy network. Future U.S. policy towards Iraq should emphasize diplomacy and economic engagement.

Introduction

How should the United States respond to Iran's proxy strategy? Conventional deterrence has been increasingly eroded by nonstate actors operating at the behest of Iran, their state sponsor. U.S. strategy has thus far attempted to circumvent the problem by using military action against these proxies and ultimately against Iran. The proponents of this strategy maintain that this establishes deterrence by increasing the risk of escalation for proxy attacks. In actuality, the problem remains unresolved and U.S. policy has only increased the risk of war while failing to protect U.S. personnel. The U.S. strategy and its posture in the Middle East therefore needs to be reevaluatued in Washington.

In this paper, I will first chronicle the recent U.S.-Iran tensions and show how coercive policies have fomented belligerence by Iran's proxy network. I will then show that the way the United States is engaged with Iraq is misaligned with U.S. interests. I will provide an overview of policy options for dealing with proxies and show the downsides of each. Finally, I endorse withdrawing U.S. troops and explain what the future U.S. policy towards Iraq could look like.

Recent U.S.-Iran Tensions: Why Coercion has Failed

The relationship between Iran and the United States has been tenuous in recent years following a divergence in diplomatic strategy between the Obama and Trump administrations. In President Obama's second term, there seemed to be a chance for a diplomatic reset between Iran and the United States, with Obama and Rouhani sharing the first phone call between the countries' leaders since 1979.[1] Following this, though with much reluctance by factions in both Iran and the United States, came the agreement of the Joint Comprehensive Plan of Action (JCPOA), better known as the Iran deal.[2]

Rather than resulting in a transformation of Iran-U.S. relations, however, the Trump administration withdrew from the deal in May 2018. In the JCPOA's place came the "Twelve Demands" issued by the U.S. Secretary of State Mike Pompeo.[3] These demands included additional concessions on Iran's nuclear activities, an end to Iran's sponsorship of proxies, an end to its ballistic missile program, and a withdrawal of Iranian forces from Syria. With these demands came the imposition of sanctions which came to be called the "Maximum Pressure" campaign.[4] From August 2018 to the present, the United States has been continuously imposing new sanctions on Iran, with over 962 designations in place as of July 2020.[5] This number has only grown as new sanctions have been enacted both in the leadup to and aftermath of the U.S. presidential election.[6]

Tensions mounted as Iranian leaders reacted to sanctions by pressuring oil exporters in the Gulf. In retaliation for U.S. sanctions and the British seizure of an Iranian oil tanker, Iran began a series of escalations in the Persian Gulf in June 2019. First, Iran began seizing oil tankers.[7] Tensions continued through this period as Iran shot down an unmanned U.S. drone flying in the Persian Gulf.[8] After Trump called off an imminent attack on Iranian facilities, the United States instead retaliated with a cyber-attack.[9] The culmination of the Gulf tensions was the 2019 Iranian missile and drone attack on the Saudi oil facilities at Abqaiq.[10]

Yet the closest the United States and Iran came to war was not in the Gulf, but in Iraq. In 2014, Iraqi cleric Ayatollah Sistani issued a call for Iraqi militias to form to fight ISIS.[11] Hundreds of thousands of predominantly Shi'a fighters heeded the call. The umbrella organization for these militias, the Hashd al-Sha'bi, was later formally subsumed into the Iraqi government in 2019.[12] Consequently, the Iraqi response to ISIS provided the infrastructure for Iran to integrate loyalists into the Iraqi government and military. This allowed Iran to bolster its proxy arm in Iraq in an asymmetric strategy known as grayzone operations. Grayzone operations are strategies meant to allow a state to engage an opponent with a decreased risk of retaliation.

In the Iranian context, this is done by supporting nonstate actors to act on Iran's behest. These include its longest-standing ally Hezbollah in Lebanon, the Ansar Allah/Houthi movement in Yemen, and a myriad of groups in Syria and Iraq. One pro-Iran group within Hashd, Kata'ib Hezbollah, began attacking U.S. contractors. Other pro-Iran groups in Iraq, such as the Badr Organization and Asa'ib Ahl al-Haq, were more cautious and issued threats in lieu of conducting attacks.

In late December 2019, a rocket attack by Kata'ib Hezbollah killed a U.S. contractor and wounded several U.S. military personnel.[13] A cycle of escalation ensued, with the United States targeting Kata'ib Hezbollah members with airstrikes, and protestors attacking the U.S. embassy in response.[14] The United States ultimately responded by killing Iranian General Qassem Soleimani and the leader of Kata'ib Hezbollah, Abu Mahdi al Muhandis, at Baghdad International Airport.[15] Iran vowed a "painful revenge" in response to the killing, and struck Ayn al-Asad Airbase in Iraq just a few days later, injuring over 100 U.S. military personnel.[16]

The specter of war has not subsided since the Iranian missile attack. In the months following the attack, Iranian-aligned militias have not stopped attacks on U.S. personnel or the Green Zone, the area in which the U.S. embassy is located.[17] This renders U.S. Central Command's assertion that "we have re-established a rough form of deterrence" a tenuous proposition.[18] And in a particularly mixed message, U.S. Secretary of State Pompeo threatened to close the U.S. embassy in Iraq while "kill[ing] every Kata'ib Hezbollah" member unless the Iraqi state put an end to these attacks.[19] In the latest of the continuing developments in these grayzone operations in Iraq, Kata'ib Hezbollah and other Iran-aligned militias issued a statement pledging not to attack U.S. personnel provided that the United States provide a timetable for withdrawal.[20] Given the potential for war between the United States and Iran, U.S. policy needs a decisive reorientation for responding to the grayzone challenge.

Current Strategy Undermines U.S. Interests

Iran's proxy arm is not going to be coerced away. Because Iran is conventionally weak, it relies on asymmetric capabilities for its defense.[21] This includes speedboats in lieu of a conventional navy, ballistic missiles in lieu of aircraft, and proxies in lieu of conventional ground forces. Iran is not likely to abandon a pillar of its national defense apparatus, particularly one that gives it regional sway and the added benefit of plausible deniability. If an incoming Biden administration wants to engage Iran, it's unlikely that it will be able to do so without having a realistic approach to dealing with Iran's proxy network.

Lack of U.S. Interests in Iraq

First and foremost, U.S. policy should be guided by the interests it holds in the region. The immediate reason for the U.S. presence in Iraq is to defeat ISIS. This mission, Operation Inherent Resolve, has largely been accomplished in the aftermath of ISIS leader Abu Bakr al-Baghdadi's death, and ISIS's complete loss of territory within Iraq. U.S. air support played a critical role in helping local forces retake ISIS-controlled territory,[22] but the conditions on the ground have changed. With no overt territorial control, ISIS can't be countered conventionally. Just as the original mission for Operation Inherent Resolve entailed,[23] the responsibility for countering the remaining vestiges of ISIS falls to Iraqi partner forces. As stated by the head of U.S. Central Command, General Kenneth McKenzie, "Local security forces are the key to preventing a resurgence of ISIS in Iraq and Syria. The underlying conditions that allowed for the rise of ISIS remain."[24] The new task of preventing an ISIS resurgence is best left to Iraqis, who are better equipped to address these local grievances.[25]

The Costs of Staying in Iraq Outweigh the Benefits

Just as U.S. interests should guide regional policy, the costs of action should be commensurate with the benefits the U.S. incurs. Military presence in Iraq carries financial costs, diplomatic costs with Iraqi partners, feeds into Iranian narratives of U.S. imperialism, and most importantly, carries the risk of dragging the United States into war. From 2018-2019, despite ISIS being largely defeated territorially, U.S. spending per month increased to $1.0 billion. This uptick occurred despite the decreased utility of conventional weapons against ISIS remnants.[26]

Beyond the financial toll, the U.S. troop presence undermines the voice of pro-American Iraqis, who incur a political cost to side with the United States. This is best exemplified by Iraq's parliamentary vote to withdraw U.S. troops following the U.S. assassination of Soleimani and al-Muhandis and by the mass demonstrations that accompanied it.[27] The U.S. presence gives fodder to anti-American elements, which will only make a working diplomatic relationship more difficult to maintain in the future. Moreover, it lends credence to Iran's rhetoric that the United States is an imperial power. The greatest cost, however, is the potential for being dragged into a war. U.S. troops in Iraq are a target for various nonstate actors, and the greater the presence, the more likely it

is for American troops to be killed. This would force American retaliation, and a cycle of escalation could ensue much like it did after the Soleimani killing.

The United States Needs to Transition to Diplomacy in Iraq

In the long-term, the United States needs to transition out of a military role in the region. The lasting role needs to be played by diplomats at the State Department. Consequently, the role for ensuring security within Iraq is primarily a responsibility for the Iraqi security forces. A sizable U.S. military presence enables the Iraqis to free ride rather than take charge of their own security. A withdrawal of troops from the region would cut wasteful spending, legitimize the position of pro-American Iraqis, undermine Iran's narrative of American imperialism, and keep the United States out of a war by protecting American personnel. During this transition period from a military to a diplomatic actor, the United States needs a framework where it can respond to the grayzone challenges posed by nonstate actors.

Current U.S. policy has been insufficient to address this challenge. Whether considering proxy attacks in Iraq or the recent alleged plot to assassinate a U.S. ambassador,[28] Iran's behavior does not reflect a country that has been deterred. U.S. policy needs a redirect to address solutions for averting war, keeping U.S. personnel in Iraq safe, handing over security responsibility to the Iraqi government, and building a path towards improved diplomacy with Iraq and Iran.

Conventional Policy Options & Their Problems

Military Strikes Against Iran

This policy option would involve a military strike against Iran or against Iranian personnel in the event of a proxy attack on American personnel. This is the most aggressive response and would invite a countervailing response by Iran.

Cyclical Escalation

Just as Qassem Soleimani's killing prompted an Iranian missile retaliation, this would be the sharpest escalation against Iran. With this would run the risk of a direct war between the United States and Iran. Effectively, such a strike would take a grayzone

operation which Iran chose to avert escalation and transform it into a conventional cycle of escalation with state-on-state retaliation. Given the U.S. interests in Iraq are limited to preventing ISIS from reemerging, the United States should not run the risk of a regional conflict. War was only averted by the fortuitous outcome that no U.S. personnel were killed at Ayn al-Asad, which some have speculated was Iran's intent in trying to assuage audience costs while deescalating.[29] The United States should not count on a second fortuitous set of circumstances, though, and avoid hitting Iranian targets directly.

One objection on this point is that retaliating against Iran directly establishes a more concrete deterrence, necessitating less U.S. action to maintain. The chief problem with this notion is that this transforms a grayzone conflict, which has little chance of escalation, into a conventional one between states. This would only make sense if the costs of inadequate deterrence were more than the costs of escalation. Kata'ib Hezbollah, the chief instigator of these proxy attacks, has conducted scores of attacks this year, yet almost none produced casualties.[30] Comparatively, Iran's retaliatory strike on the U.S. caused over 100 casualties (but no fatalities).[31] Consequently, trading a situation which has very limited costs for one which has decisively higher costs is not in the interest of U.S. policy. Deterrence has not been reestablished by striking Iran directly, as evidenced by the continuation of these attacks. Withdrawing forces on the other hand, both reduces the likelihood of U.S. personnel being struck and allows the United States to redeploy forces to other areas of strategic importance. Deterrence is unnecessary if the new U.S. policy relies on soft-power and minimal personnel.

Strikes Require More Commitment

Another problem is the United States would be required to sustain a greater commitment to the Middle East. Two reasons underpin this: First, the United States would need to commit more personnel to the region to gather intelligence, manage logistics, and conduct attacks on Iranian personnel. Second, in the aftermath of an American attack, Iran would retaliate, and this may require more troops to deploy to the region as tensions escalate. Moreover, with the latest National Security Strategy emphasizing a return to great power competition, any increased deployment to the Middle East needs to be viewed through its opportunity costs in countering China and Russia.[32]

Command-and-Control?

The final problem with punishing Iran for the actions of its problems is the attributability problem. Iran's proxies, including Kata'ib Hezbollah, have their own distinct command-and-control networks.[33] To be sure, there is a strong ideological affinity between Tehran and its proxies.[34] More importantly, Iran supplies cash, training, and weapons to its Iraqi proxies. But this does not translate into a direct command-and-control relationship. The command-and-control which Iran exerts likewise varies across both the group in question and the specific operation conducted.[35] This is not a trivial distinction. The kidnapping of Israeli soldiers which set off

Demonstrations in Iran over the death of Qasem Soleimani during the US attack on the Baghdad airport in Iraq. Fars News Agency, CC BY 4.0 <https://creativecommons.org/licenses/by/4.0>, via Wikimedia Commons. No changes were made to this photo.

the 2006 Lebanon war was ordered not by Iran, but by Hezbollah's own Secretary General.[36] The command-and-control relationship is of importance when determining the correct retaliatory measure. In cases where intelligence is clear and unambiguous in who orchestrated an attack, this point becomes less important. If attribution is in doubt, however, misattributing and retaliating against Iran based on material support may not actually discourage or deter the group itself from operating on its own prerogative.

Nonmilitary Actions Against Iran

This involves sanctioning Iran, or other nonmilitary mechanisms, to discourage further attacks by proxies. This is likely ineffective and even counterproductive to U.S. goals.

Maximum Pressure Has Already Maxed-out Pressure

Iran already has extensive sanctions covering its banks, its oil exports, and its arms imports and

exports.[37] Additional sanctions target specific individuals associated with the Iranian government.[38] There are few tools in the sanctions arsenal left that haven't already been deployed. Diplomatically, the United States has already been isolated from its European allies over the American withdrawal from the JCPOA.[39] Consequently, the United States has few new tools to tip the scales and deter Iran via soft power in the first place.

Iranians Are Adversely Affected

The second problem resulting from a new round of sanctions on Iran would be the target of these effects: the Iranian people. Whereas the Iranian military weathers the costs of sanctions,[40] the Iranian people are adversely affected. This effect extends both to the economic situation in the country, which has experienced severe inflation,[41] as well as the difficulty in administering humanitarian aid and goods. Though proponents of Maximum Pressure maintain that humanitarian goods are unaffected, there have been shortages of insulin and other medical supplies resulting from import restrictions.[42] Any sanction measures need to carefully consider both the humanitarian impact and the potential propaganda value of U.S. sanctions, which in the past have benefited Iranian hardliners in elections.[43] The best way to ensure these externalities don't occur is to refrain from sanctions as a tool altogether.

Sanctions Haven't Changed Iran's Behavior for the Better

It is still worth reevaluating if Iran would be induced to stop its operations even if it was responsible and was subsequently targeted with sanctions. Empirical studies suggest that states don't typically change their behavior in response to economic punishment.[44] Iran has only turned more bellicose as a result of sanctions, and its proxies are in better positions than before Maximum Pressure.[45] As described in the introduction, the worst wave of proxy escalations occurred in 2019 following the start of Maximum Pressure. On the nuclear front, Iran has begun enriching Uranium past the levels agreed to in the JCPOA following the beginning of Maximum Pressure.[46] Consequently sanctions will not achieve their desired ends and may even be counterproductive at changing Iran's behavior.

Few Hard Targets for Nonstate Actors

A problem with targeting Iranian proxies with military strikes is that as nonstate actors, they don't control many hard targets for the United States to retaliate against. There are notable exceptions. During tensions in 2019, the U.S. was able to strike multiple facilities linked to Kata'ib Hezbollah.[47] The Iraqi Security Forces were able to raid Kata'ib Hezbollah's headquarters.[48] But Kata'ib Hezbollah has nearly 10,000 personnel and has a decentralized system of command.[49] The ability to carry out strikes is also dependent on gathering reliable intelligence. While this option is viable under the correct circumstances, it has limitations which should not render it the first option for U.S. retaliation.

Military Action may Cause Fallout with Iraqi Government

The previous U.S. strike which killed Abu Mahdi al-Muhandis at Baghdad International Airport animated an anti-American sentiment within Iraq. And though the Iraqi parliament's vote to remove U.S. troops was largely symbolic, it reflected a response to U.S. actions that brought together both pro and anti-Iran politicians. Muqtada al-Sadr, who has been both an ally and an adversary to Iranian ambition, went as far as to demand the expulsion of diplomatic personnel.[50] The United States should take care to avoid sparking outrage that endangers normal diplomatic engagement with Iraq for the sake of short-term military expediency.

Nonmilitary Actions Against Proxies

This approach would involve both sanctions-listings against individuals and groups, as well as putting pressure on the Iraqi state to ensure proxies don't target Americans.
The Iraqi state has proved cooperative at targeting these groups in the past, though this could be a function of the current faction in power.[51]

Iran-aligned Groups are Already Sanctioned

The United States has already instituted sanctions on the main Iranian proxies in Iraq. This extends not just to Kata'ib Hezbollah but also to other Iran-aligned Hashd factions.[52] This includes leader-ship figures, such as Abu Mahdi al-Muhandis prior to his death.[53] But as demonstrated by recent seizures of Kata'ib Hezbollah internet domains, there are still both personnel and individuals at the peripheries of these groups that can be targeted following the initial listings.[54] Furthermore, the financial activities of these groups can be interdicted, which presents opportunities to find additional sanction retaliation.[55]

Many Iran-aligned Groups Are Part of the Iraqi Government

The Iraqi government formally integrated Hashd into its armed forces in 2019 after initial groundwork laid down by Iraqi PM Haider al-Abadi in 2018.[56] Consequently, with many Iran-aligned groups formally occupying positions in the Iraqi government, U.S. soft-power measures must be tailored to avoid targeting the Iraqi state. However, this also presents an opening for the U.S. to leverage its relationship with Iraq to counter these proxy threats. The Iraqi Security Forces have the means, the legitimacy, and the authority to counter these militias directly. Consequently, the best avenue for protecting U.S. military and diplomatic personnel is by operating in conjunction with the Iraqi military.

A Way Forward: Winning Through Withdrawal

The Short-term: Redlines and Timetables

In the short term, the United States needs to leverage the Iraqi government of Kadhimi, which is more pro-American in its orientation than previous prime ministers, to crack down on proxies who continue to conduct attacks. One lever which could ensure the safety of U.S. personnel is conditioning Iraqi military aid on the Iraqi Security Forces cracking down on groups which conduct attacks on American troops. This aid amounted to $350 million in 2020, which means the U.S. has considerable bargaining power considering the Iraqi military budget is only $7.6 billion.[57]

Additionally, the U.S. should publicly announce a withdrawal timetable. This serves two functions. The first is to give Iraqi partners time to plan for a transition so that they can assume full responsibility for the anti-ISIS mission. The second is to communicate to pro-Iran militias that they do not gain from

further attacks on American personnel. The stated goal of these groups is to force a U.S. withdrawal. The recent ceasefires indicate that these groups are willing to abstain from attacks provided that a withdrawal is planned. U.S. troops not being attacked is preferable to the current strategy which maintains that a "low level of proxy attacks in the region" will persist and is unavoidable.[58]

This must be paired with clear redlines. The U.S. should also communicate that targeted sanctions will be enforced on both individuals and groups which attack the Green Zone, where the U.S. embassy is located. A second redline must be established which indicates that the loss of life of any U.S. personnel will be met with military retaliation against those nonstate actors. This redline approach is distinct from the strategy which led to the previous round of hostilities in December 2019 and January 2020. Whereas the tit-for-tat cycle stemmed from a desire to perpetuate the U.S. presence in Iraq and to maintain pressure on Iran, this is a strategy meant to last only a few months as the U.S. transitions out of Iraq altogether. If proxy groups strike the U.S. for not withdrawing, then a U.S. withdrawal should elicit restraint by these actors. If this condition is not met, then it merits U.S. retaliation.

The Long-term: Diplomacy and Intelligence Sharing

Withdrawal is not abandonment. The United States will still play a role in engaging Iraq. The key difference is that in addition to military involvement, the United States can rely on economic and diplomatic maneuvers to advance its interests. This means USAID should continue to provide economic aid to Iraq and both countries can continue to trade with one another. This normalized relationship is likely where American leaders will derive more leverage going forward, as the U.S. trade relationship with Iraq is more than $3.0 billion annually, and USAID provides $466 million in development funds to Iraq.[59]

In the military sphere, the U.S. can still provide intelligence to Iraq. The United States should also continue conducting strikes on behalf of and with the approval of the Iraqi government.[60] This is not a radical departure from the current mission. Operation Inherent Resolve envisioned an "advise and assist" role for the U.S. following ISIS's military defeat.[61] ISIS now has nearly no territory, no oil fields, and

its main leader is dead along with the overwhelming majority of its fighters.[62] At what point, if not now, would the military conditions be satisfied to hand the reins over to our regional partners? The role the U.S. should only play the role which the Iraqi Security Forces can't. This means intelligence sharing on targets and conducting airstrikes with the consent of the Iraqi government. None of this is new or an upheaval of current strategy. It simply removes the most dangerous and counterproductive component of the campaign: the boots on the ground strategy.

Iraq is the Natural Counterweight to Iran

The first and most credible counter to my proposal is that Iran would dominate Iraq absent U.S. presence. On the surface, this is a reasonable proposition. Iran was widely considered by U.S. military analysts to have benefited from the U.S. invasion of Iraq, and as a Shi'i power bordering the Shi'a-majority Iraq, it has natural influence in the country.[63] Additionally, the Hashd al-Sha'bi is dominated by groups loyal to Iran.[64]

More recently, however, local conditions in Iraq have changed to reflect an internal balance of power among Hashd units. Units loyal to Ayatollah Sistani make up the bulk of Hashd and answer directly to the Prime Minister. Populist Iraqi power-broker Muqtada al-Sadr also holds sway over at least one Hashd unit.[65] Furthermore, the pro-Iran factions of Hashd need the legitimacy conveyed by the pro-Sistani factions, and consequently are naturally prevented from dominating the organization. This reflects an important homogeneity within these units that is too often overlooked.

Moreover, Iraqi Prime Minister Kadhimi is already moving to contain Kata'ib Hezbollah, most recently moving to arrest 14 members of the group. While this led to tensions between Kata'ib Hezbollah and the Iraqi Counter Terrorism Service, the move signaled that the Iraqi Prime Minister could make pro-Iran militias comply.[66] What should also be noted is that Prime Minister Adil Abdul-Mahdi was regarded as an Iranian asset.[67] Yet this seemingly pro-Iran PM initiated the 2019 reforms which forced pro-Iran militias to begin answering to the Iraqi state, which undercuts the idea that Iraq will be an Iranian vassal even if pro-Iran politicians take power. In addition to the Iraqi PM's influence, Hashd is also checked by its formal leadership structure. When Hashd supporters

attacked the headquarters of the Kurdish Democratic Party (KDP) in Baghdad, they were subsequently denounced by the head of Hashd al-Sha'bi, Falih Al-Fayyadh.[68]

Marine Corps withdraw from Al-Taqaddum, Iraq on March 24th, 2020. No changes were made to this photo.

Conclusion

Current U.S. policy has not proven fruitful. In response to attacks by Iran-backed militias, the United States escalated its conflict with Iran and ultimately produced a situation more unstable and dangerous to American personnel than the situation it sought to remedy. The grayzone challenge will endure because Iran's security concerns will not be alleviated in the face of American coercion. Consequently, to protect American personnel and advance U.S. counterterrorism interests in Iraq, U.S. policy needs a reorientation to adequately respond to these proxy attacks. Foremost, the U.S. needs to withdraw militarily from Iraq.

The U.S. stakes in Iraq are limited. With the mission against ISIS completed in the conventional arena, there is little purpose to maintaining a presence in Iraq. Consequently, the United States should withdraw from the country militarily. This is not a call for abandonment, but rather to shift U.S. strategy towards soft-power and relying on diplomatic engagement with the Iraqi government. Intelligence sharing and airstrikes can still be employed to advance the anti-ISIS mission without necessitating boots on the ground in Iraq.

For the limited duration that the United States stays in Iraq, it should pursue only limited means of retaliation against Iranian proxies after communicating clear redlines and publicly announcing timetables for withdrawal. These redlines should state the killing of U.S. personnel will result in military retaliation and that attacks on the U.S. embassy will likewise see retaliation. Military retaliation should only be employed if proxies cross the redline by killing U.S. personnel. Nonmilitary retaliation should be employed in the case of non-lethal attacks in the Green Zone. Nonmilitary retaliation should leverage the Iraqi Security Forces as partners in cracking down on proxy attacks. Any sanctioning of proxy groups or individuals should ensure that the Iraqi government is not indirectly targeted.

This shift in U.S. policy would resonate with the opinion of the American public. 77% of Americans surveyed supported bringing U.S. troops home from Iraq.[69] 78% favored diplomacy over military action in dealing with Iran.[70] 60% opposed a preemptive strike on Iranian military targets.[71] Not only would a transition out of Iraq be strategically prudent, it would be politically popular with U.S. citizens.

Though this paper has explored U.S. policy options in Iraq exclusively, the framework can orient U.S. policy when encountering grayzone operations throughout the Middle East, including Lebanon, Syria, and Yemen. The U.S. can better advance its interests by withdrawing and pursuing de-escalation. U.S. personnel would be safer outside of Iraq and the likelihood of a war would decrease substantially. When it comes to the U.S. presence in Iraq, the only path to victory is through withdrawal.

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