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Economic Dependence: An Analysis of Cooperation Between Iraq and Iran in the Energy Sector 2003-2022

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Abstract:
Dependency is a topic that still requires in-depth study. It should be understood that the study of dependency is an important factor not only in relation to a country's economic growth but also in shaping the political direction between one country and another. This research aims to examine specifically the factors that drive Iraq to collaborate with Iran in the energy sector, using foreign policy decision-making theory as the analytical framework. The method applied in this research is qualitative. Data collection was conducted through a triangulation technique involving literature and document studies, followed by analysis to establish the validity of the data. The research findings concluded that the cooperation agreement between Iraq and Iran in the energy sector resulted from two main reasons: (1) the rise of the Arab Syiah group, which dominates politics in Iraq alongside the expansion of Iran's influence and regional proximity; and (2) the gap between electricity supply and domestic demand.

Keywords: Dependency; Energy; Iraq; Iran

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INTRODUCTION

After the fall of Saddam Hussein's regime in 2003, Iraq entered a new phase in its political life, social order, and economic conditions. Opposing political groups (opposition) that had been suppressed during Saddam Hussein's reign surfaced to take advantage of the situation with the aim of gaining power (Khaleel et al., 2024). During the transitional period and the early years of the new Iraqi government after the Saddam era, Iraq was confronted with various domestic political and security problems, including sectarian conflict and the emergence of the ISIS group, which succeeded in controlling a third of Iraq's territory between 2014 and 2017 (Hamasaeed & Nada, 2020).

Political unrest and unfavorable domestic security placed Iraq in a difficult situation, as the country experienced a downturn in several sectors, one of which was the electrical energy sector (Saymour, 2022). Rolling blackouts hit Iraq every summer and often lasted up to 10 hours a day (dw.com, 2023). Power generation capacity was reduced due to Iraq's aging power grid, wartime damage to generating facilities, and sabotage by military groups, while the generating capacity of existing facilities did not increase (Krishnan, Olivieri, & Ramadan, 2019). To address domestic electricity needs, Iraq began negotiating with Iran in 2010 to import natural gas (Al-Musawi & Farnoosh, 2022). An initial agreement to supply natural gas from Iran to a power plant in Baghdad was reached in 2013 (Joybari & Khoee, 2019).

Two years later, in 2015, another agreement was made for a power plant in Basra to receive Iranian gas supplies. After long delays, Iran began exporting natural gas for power plants in Baghdad in 2017 and in Basra in 2018 (Khajehpour, 2023). In midsummer, on July 4,

2023, the Iraqi Ministry of Electricity announced that Iraq's power grid had lost 5,000 megawatts of generating capacity due to insufficient natural gas supplies from Iran. In 2023, Iraq's power plants produced 24,000 megawatts, while domestic demand reached 34,000 megawatts (IRIS, 2023). Power outages persisted across much of Iraq, causing widespread public protests over poor electricity services, particularly during the summer months when air conditioning demand peaked (Selly & Sumiyatun, 2022).

In 2021, Iraq spent $2.78 billion importing natural gas from Iran, and in 2022 that figure doubled, while in the same year Iraq also imported approximately $1 billion worth of electricity (The Washington Institute, 2023). Iraq's inability to produce sufficient electrical energy domestically has left it dependent on gas imports from Iran. Conversely, Iran has exploited this dependency to increase its political influence in Iraq. Despite Iraq's vast oil and gas reserves, which could otherwise support self-sufficiency or even enable it to become a regional energy hub, this potential remains underdeveloped due to domestic political constraints and instability. According to the U.S. Energy Information Administration (2022), Iraq holds the world's fifth-largest crude oil reserves, at 145 billion barrels—representing 17% of proven reserves in the Middle East and 8% globally. However, these resources have not been successfully optimized, and after decades of electricity shortages, Iraq continues to import natural gas from Iran.

Throughout 2023, Iraq imported around 9 billion cubic meters of natural gas from Iran, averaging 25 million cubic meters per day to meet its electricity needs. Energy trade cooperation between Iraq and Iran has also been complicated by U.S. sanctions against Iran. This research is therefore significant because Iraq possesses sufficient natural resource potential to meet its energy needs domestically, yet its economic cooperation with Iran is influenced not only by resource dependency but also by the geopolitics of U.S. sanctions. Despite these challenges, Iraq continues to increase its imports of natural gas from Iran. This study specifically investigates the driving factors behind Iraq's decision to collaborate with Iran in the energy sector (Bekheet, Al-Sudany, & Najm, 2023).

Dependency is a subject that requires comprehensive study. The study of dependency is an important factor not only for a country's economic growth but also for shaping political policies and relations between states. In Iraq's case, as a post-conflict state, the context of dependency influences both its economic growth trajectory and the shaping of policies in response to its domestic conditions. This situation has led Iraq to decide on policies that render it reliant on energy cooperation with other states. Previous studies on Iraq's dependency can be broadly categorized into two areas: International-Economics and Domestic-Politics.

In terms of Iraq's energy dependency, earlier research has taken different perspectives. For example, Hanna, Hammoud, and Russo-Converso (2014) examined foreign direct investment in Iraq's post-conflict oil and electricity sectors, emphasizing how political instability and security challenges obstructed infrastructure development and foreign capital inflows. While insightful, their study did not specifically address Iraq's bilateral energy dependency on Iran. Similarly, Haider and Vahdati (2023) explored Iraq's economy and energy sector in the post-invasion era, documenting its electricity crisis and reliance on energy imports, though their focus was broader, examining reconstruction challenges rather than bilateral dependency. Joybari and Shakeri Khoee (2019) analyzed Iraq's identity crisis and Iran's

foreign policy orientation, discussing sectarian politics and regional dynamics, but without a comprehensive analysis of energy dependency through a foreign policy decision-making approach.

The international-economic perspective suggests that Iraq's pursuit of economic growth drives government policies, particularly regarding foreign direct investment and renewable energy. These studies also show that international economic conditions (such as trade and financial markets) strongly influence Iraq's domestic economy. Meanwhile, the domestic-political perspective emphasizes reconstruction and reform efforts as solutions for economic recovery. Based on previous research, international-economic dynamics influence Iraq's domestic politics, and conversely, domestic politics shape its international strategies.

However, there remain gaps in the literature, as few studies specifically investigate energy dependency and the decision-making factors that explain why states adopt such policies. The novelty of this research lies in its comprehensive use of William D. Coplin's Foreign Policy Decision-Making theory to analyze Iraq's energy dependency on Iran during 2003–2022. Unlike earlier studies that treated Iraq's energy shortages, foreign investment dilemmas, or sectarian politics separately, this study integrates all three dimensions—domestic political conditions, economic and military capacities, and international context—offering a holistic explanation for Iraq's energy dependency on Iran, despite its substantial reserves. This integrated framework, applied here for the first time to Iraqi-Iranian relations, highlights the multidimensional factors driving energy dependency choices in post-conflict states.

The specific study of energy dependency—in this case, Iraq's dependency on Iran—is critical, considering Iraq's abundant natural resources that could enable energy independence. Achieving such independence could promote domestic economic growth and enhance Iraq's political influence in the region. Therefore, this research adopts a foreign policy decision-making perspective to analyze the drivers behind Iraq's dependence on Iranian gas imports.

William D. Coplin explains that a country's foreign policy consists of a set of activities classified into three categories: general policies, administrative decisions, and critical decisions (Coplin, 2003). Foreign policy is essentially a series of interrelated decisions that reflect the reasoning of policymakers rather than arbitrary actions. According to Coplin (2003), certain political choices stem from three core considerations: (1) domestic political conditions, (2) economic and military capabilities, and (3) the international context—namely, the country's position in its relations with other states.

Coplin emphasizes that these three indicators each exert only partial influence, meaning no single indicator fully determines policy outcomes. Other contextual factors also play roles in shaping foreign policy (Coplin, 2003). To better illustrate this framework, Coplin explains the three indicators through a conceptual diagram.

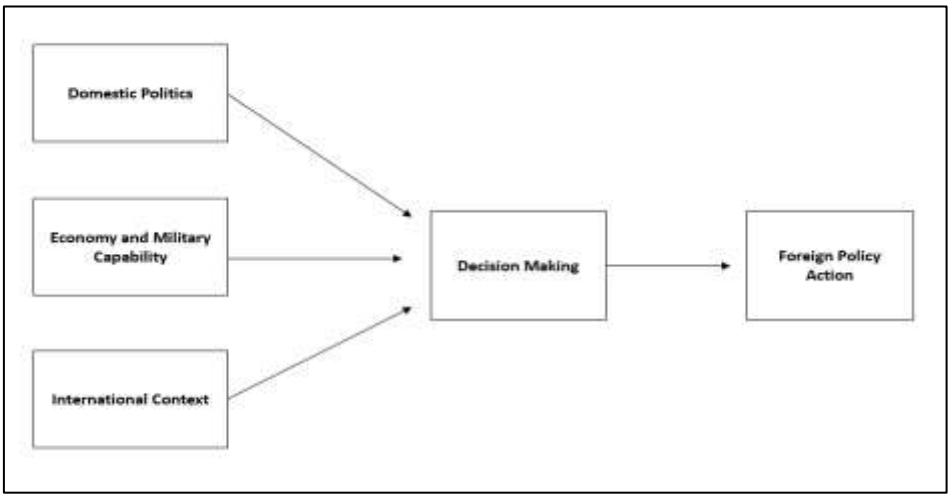

Figure 1. Visualization of Theory *Foreign Policy Decision-Making*
Source: processed by the author, from Coplin (2003)

From the picture above, decision-making considers domestic political indicators, economic and military conditions, as well as the international context in shaping foreign policy. Thus, the foreign policy a country adopts is not solely based on the personal interests of the decision maker. However, decision makers still play the most important role because they hold the authority to approve foreign policy. Domestic political indicators, economic and military conditions, and the international context all play a role in this process.

Domestic politics has a major influence on a country's foreign policy. The differences in government systems adopted by countries—such as democracy, autocracy, open, or closed systems—constitute domestic factors that are considered in decision-making. The stability of the country and broader domestic conditions is also considered. Nevertheless, it is important to note that domestic politics is not the only factor influencing the formulation of a country's foreign policy.

Coplin focuses his analysis of domestic politics on the relationship between foreign policy decision makers and domestic actors who seek to influence foreign policy behavior. Coplin terms these actors as policy influencers for decision makers and those who shape policy outcomes. He categorizes policy influencers into four groups, namely: Bureaucratic influencers, Partisan influencers, Interest influencers, and Mass influencers (Coplin, 2003).
Bureaucratic influencers consist of individuals and organizations within government executive agencies who assist decision makers in formulating and implementing policies. Certain groups of bureaucrats are especially influential when they are part of the decision-making body itself. Second, Partisan influencers aim to transform community demands into political demands addressed to decision makers concerning government policies.

Third, Interest influencers include groups of individuals who unite around common interests which may not be broad enough to form a political party but still provide key resources that support decision makers. Fourth, Mass influencers refer to the general climate of opinion held by the population, which decision makers take into consideration when shaping foreign policy. The degree of influence of Mass influencers varies depending on the country's political system.

Decision makers must also consider economic and military conditions when formulating foreign policy. It is necessary to account for a country's economic and military strengths and weaknesses to produce decisions balanced between political commitments and realistic national capabilities, while considering the limitations imposed by these factors. The economy and the military represent a state's primary domestic strengths. Economic strength or weakness can be assessed through measures such as GNP per capita and a state's balance of payments. Military strength or weakness, in turn, can be judged through the country's capacity to project force, its level of dependence on other countries, and internal stability (Coplin, 2003).

Regarding the international context, Coplin highlights three important elements that influence a state's foreign policy: geographical, economic, and political factors. In the international environment, each country occupies a particular territorial space, which affects how it relates to other countries within the international system. This, in turn, shapes the outcomes of cooperation and relations in both economic and political aspects (Coplin, 2003).

METHODOLOGY

This research used a qualitative method (Lamont, 2015). It did not rely on statistical data or quantitative parameters but instead focused on selected documents and information considered capable of answering the research questions. The aim was to provide understanding and rationalization of phenomena occurring within the scope of the international political economy, particularly in relation to the reasons behind specific events.

The data were processed by first grouping them according to predetermined categories based on William D. Coplin's *Foreign Policy Decision-Making* framework. This categorization helped determine which data were to be collected and how they were to be organized according to the aspects under study. The data were then synthesized to form a coherent line of analysis (Bryman, 2004).

The research focused on the dynamics of Iraq's domestic politics during the period 2003–2022. Following the American invasion in 2003, Iraq experienced a shortage of domestic energy supplies, which prompted it to import energy from Iran. Selecting this time span was crucial in order to understand the context and sequence of events and to analyze both the processes and causal relationships involved (Neuman, 2014).

The type of data used in this research was secondary data, obtained from literature reviews of books, accredited journals, official documents, reports, and news sources. The data were triangulated across multiple sources, including literature and previous studies, to conduct cross-reference checks and reduce potential bias (Bryman, 2004; Lamont, 2015).

RESULTS AND DISCUSSION

The Rise of Arab Syiah Groups Affiliated with Iran

Saddam Hussein was a politician from the Ba'ath Party who led and ruled Iraq for approximately 25 years, from 1979 to 2003. As leader, Saddam Hussein was considered a dictator by some of his people and political opposing groups because he was authoritarian and suppressed groups that were at odds with him. Saddam Hussein. The political groups that were opposed to Saddam mostly came from groups that were statistically quite large in Iraq, namely the Shiite Arab Community at 55-60% and the Kurdish Ethnicity at 15-20%. Meanwhile,

Saddam Hussein came from a Sunni Arab family, which in percentage terms was 24% (*International Religious Freedom Report for 2020, Department of State, US*).

With his background coming from a Sunni Arab family, Saddam was also considered discriminatory because of his siding with the Sunni Arab group. This then gave rise to inequality because Saddam seemed to only care about the Sunni Arab group. This condition then encouraged the emergence of sectarian political issues that developed in Iraqi domestic politics. In 2003, the US invaded Iraq and caused Saddam's fall from leadership of Iraq. After the fall of Saddam's regime, the domestic political constellation in Iraq changed. The Ba'ath Party, which previously ruled Iraq for a long time, was then declared a banned party. Figures from political groups opposed to Saddam emerged and demonstrated their existence. Even Saddam's political opponents who had previously been abroad in exile returned to Iraq and saw the power vacuum as an opportunity to take a share of power.

After the Saddam era, groups that previously did not have "space", now have wide space to play politics in Iraq. Some have established organizational groups, not only political ones, but also religious and paramilitary groups such as militia groups which are also affiliated with political and/or religious groups. As the majority group in Iraq, the Shiite Arab Group occupies an important and strategic position, namely the position of Prime Minister. Three years after the US invasion, Nouri Al-Maliki, who was one of Saddam's political opponents, became the first full prime minister after the Saddam era. Nouri Al-Maliki is a politician from the Islamic Dawa Party with a political background from the Shia Arab group.

Nouri Al-Maliki served as prime minister of Iraq for two periods, namely 2006-2010 and 2010-2014. Iraq, which had previously been at war with Iran for 8 years, under the leadership of Nouri Al-Maliki, Iraq maintained quite close relations with Iranian officials and military. His closeness to Iran has been building since Nouri Al-Maliki was in exile abroad. The historical connection between Nouri Al-Maliki and Iran dates back to his exile period during Saddam's regime. Al-Maliki spent years in Iran and Syria, where he developed strong ties with Iranian political and religious figures. This personal relationship became a crucial foundation for bilateral cooperation when he assumed power. According to Coplin's framework, this represents a clear example of how partisan influencers within domestic politics shape foreign policy decisions. The Islamic Dawa Party, to which Al-Maliki belongs, has historically maintained ideological and organizational links with Iran's Islamic Revolutionary Guard Corps (IRGC) and other Iranian political entities. These partisan connections created a conducive environment for energy cooperation negotiations.

The closeness between Iraq and Iran was also built because of the same sect, namely Shia Islam. This similarity of sects is a variant of cross-border identity politics which is the link for building cooperation between the two countries because of the similarity of the identities of these sects. Sectarian affinity functions as both a cultural bridge and a political instrument in Iraqi-Iranian relations. From Coplin's domestic politics perspective, the Shiite identity shared by both countries' leadership creates a natural alignment of interests that transcends traditional state boundaries. This sectarian connection operates through multiple channels: religious institutions, clerical networks, pilgrimage routes, and shared historical narratives. The Shiite majority in Iraq views Iran not merely as a neighboring state but as a

center of religious authority and cultural solidarity. This perception influences mass influencers in Iraq, particularly among the Shiite population who constitute the electoral base for pro-Iranian political parties. Consequently, energy cooperation with Iran gains legitimacy not only at the governmental level but also among significant segments of Iraqi society, reducing potential domestic opposition to such agreements.

Even though Iraq has a permanent government, tensions between Sunni, Shiite and Kurdish groups continue to threaten Iraq's domestic political stability. Furthermore, sectarian issues developed into horizontal conflicts that gave rise to divisions and fragmentation in Iraqi politics and internal security. Iraq's domestic political stability continues to experience turmoil and ups and downs which hamper the reconstruction process after war and conflict. One sector that has quite an impact on the daily lives of Iraqi people is the electrical energy sector. After the war and prolonged conflict, Iraq experienced an electrical energy crisis (Sadabadi et al., 2025; Shahveran & Yousefi, 2025; Zarei, 2020).

One of the efforts made to overcome the electricity crisis, in 2010 Iraq began negotiating with Iran to import Iranian natural gas to supply power generation facilities in Iraq. Three years later, on July 17 2013, Iraq signed an agreement with Iran for cooperation in exporting and importing gas supplied from Iran to a power plant in the Bismaya area, Baghdad city. The agreement was signed in Baghdad and lasted for 4 years. Two years later, in 2015 Iraq and Iran increased cooperation by expanding an agreement to supply gas to a power plant in the city of Basra, southern Iraq.

Iraqi-Iranian cooperation in the field of gas imports and exports cannot be separated from the domestic political conditions in Iraq after the Saddam era, which was led by the Shiite Arab group. The initiation of negotiations until the agreement was reached occurred during the leadership of Nouri Maliki, an Iraqi politician who has affiliations with Iran. Saddam, who when leading Iraq tried to stem Iran's influence, now under the new leadership tends to move closer to Iran. This dramatic policy reversal from Saddam's era to the post-2003 period demonstrates how domestic political transformations fundamentally reshape foreign policy orientations. Under Saddam, Iraq engaged in an eight-year war with Iran (1980-1988) and maintained hostile relations throughout his rule. However, the replacement of Saddam's Sunni-dominated Ba'athist regime with a Shiite-led democratic system created entirely new political dynamics. The bureaucratic influencers who once championed Arab nationalism and anti-Iranian policies were replaced by officials with pro-Iranian sympathies and personal ties to Tehran. This bureaucratic restructuring extended to key ministries involved in energy policy, including the Ministry of Oil and Ministry of Electricity, where technocrats with Iranian connections or training often occupied strategic positions. Such bureaucratic reorientation facilitated smoother negotiations and implementation of energy cooperation agreements with Iran. In cooperation in the field of electrical energy, Iraq buys around 850 million cubic feet of Iranian natural gas per day at international prices to supply two power plants on the northeastern outskirts of Baghdad to produce 2,500 megawatts.

The Iraqi Government's Limitations Caused a Gap

The Iraqi government's inability to meet the basic needs of the community regarding electricity services has led to electrical energy problems in Iraq, the existing electricity generation facilities in Iraq are not commensurate with electricity demand which has increased significantly after 2003. This condition has then created a gap between availability of existing electrical energy according to community needs. The electricity crisis in Iraq is deeply rooted in the country's economic and military conditions, which constitute the second pillar of Coplin's theoretical framework. Economically, Iraq faces severe constraints that limit its capacity to invest in domestic energy infrastructure. Despite being an oil-rich nation, Iraq's economy suffers from structural weaknesses including corruption, mismanagement, and the lingering effects of decades of war and sanctions. The government budget is heavily dependent on volatile oil revenues, which leaves little fiscal space for the massive capital investments required to modernize the electrical grid and develop domestic gas extraction and processing facilities. According to World Bank estimates, Iraq would need to invest approximately $20-30 billion to achieve energy self-sufficiency, an amount that remains beyond the government's current financial capabilities given competing priorities such as security, public sector salaries, and reconstruction of war-damaged infrastructure.

The economic limitations currently occurring in Iraq are caused by the government not yet fully recovering from the conflict. The Iraqi government's income is highly dependent on the results of its oil wealth, but the price of Iraqi oil on the international market is quite volatile. The volatility of oil prices creates a boom-and-bust cycle in Iraq's fiscal capacity. When oil prices are high, the government has more resources but often fails to allocate them efficiently toward long-term infrastructure development. Conversely, when prices decline, urgent infrastructure projects are postponed or cancelled. This cyclical pattern has prevented Iraq from accumulating the sustained investment necessary to develop its domestic gas industry. Furthermore, Iraq's oil-dependent economy lacks diversification, meaning that economic shocks in the energy sector ripple throughout the entire economy, making it difficult to maintain stable funding streams for power sector development.

The impact of economic limitations caused the Iraqi government to implement electricity blackouts which affected the activities and lives of millions of Iraqis. As a result of the blackouts that occurred, people had to endure hardships, for a total of 12 hours per day, causing many business and industrial sectors to suffer losses until they finally closed, this caused limited local production and worsened unemployment, especially among youth. This condition then also slowed down economic development in Iraq (World Bank Group, 2020). The electricity crisis creates a vicious cycle where power shortages undermine economic productivity, which in turn reduces government revenues available for infrastructure investment. This economic trap reinforces Iraq's dependence on quick-fix solutions like importing energy from Iran rather than pursuing the longer-term but more complex path of developing domestic energy production capacity. The gap between the supply of electrical energy, while demand continues to increase, means that Iraqis experience severe power outages every day, especially in the summer (June-January) when temperatures rise to around 50 degrees Celsius.

Efforts to overcome this, the role of the non-state private sector (both individuals and groups) as a provider of facilities (electricity generators) provides or backs up electricity for society and industry in Iraq, but the price of electricity from the private sector is more expensive than from the government (Istepanian & Raydan, 2022).

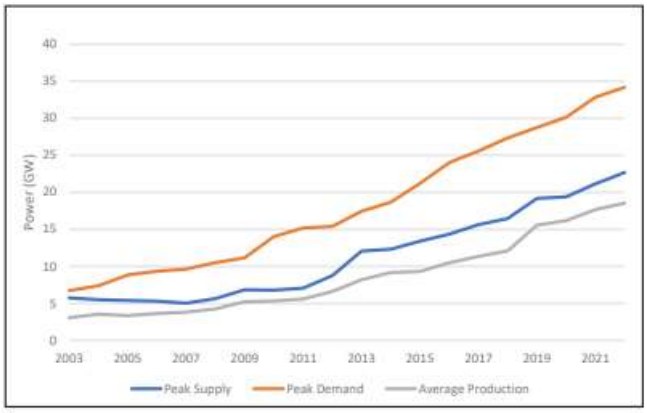

Figure 2. Electricity Supply and Demand Gap in Iraq 2003-2021
Source: Istepanian & Raydan (2022)

The uneven distribution of electricity supply among urban communities and slum areas has attracted a lot of criticism. A total of 3,633,932 households in slum areas do not receive basic services including reliable electricity from the Iraqi government. Rising operational costs (including fuel costs) are one of several reasons for the high cost of electricity production in Iraq. In 2018, the average price of fossil fuel power plants in Iraq was 7.40 US¢/kWh, which is above the global average operational cost for the power generation category of 3.4 US¢/kWh (Istepanian & Raydan, 2022).

Cost Type	Cost (US¢/kWh)
Fuel	2.23
Operation and Maintenance	4.72
Salaries	0.45
Total	**7.40**

Figure 3. Average Costs for Thermal and Gas Turbine Power Plants
Source: Istepanian & Raydan (2022)

The poor economic situation in Iraq is characterized by exchange rate volatility against the Iraqi dinar and inadequate foreign investment inflows (*foreign direct investment*) to Iraq. The economic constraints that occurred then made the Iraqi government choose the option of importing electrical energy from Iran. Oil revenues are an important support in Iraq where the results of these oil revenues contribute to the majority of government revenues, GDP (GDP), the export sector, and the electrical energy sector in Iraq (Haider & Vahdati, 2023). But Iraq's poor economic environment with a high corruption index, lack of adequate infrastructure, and a weak justice system contributes to the country's dangerous and unpredictable environment. So what then happens is that conditions are less supportive of the investment climate.

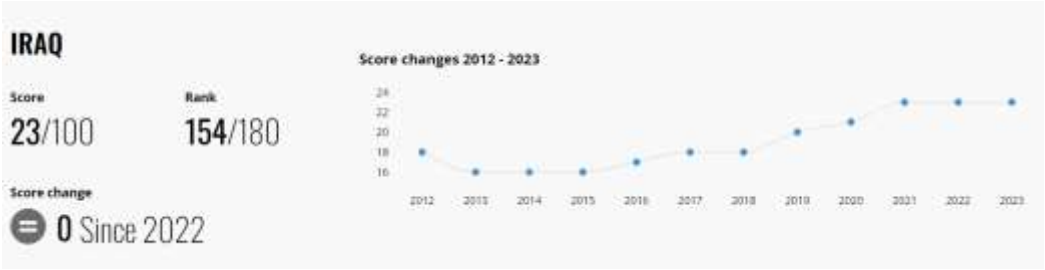

Figure 4. Corruption Index in Iraq
Source: Transparancy International (2024)

The high corruption index in Iraq, consistently ranking below 30 points on Transparency International's Corruption Perceptions Index, represents a critical economic constraint that perpetuates energy dependency. Corruption affects the energy sector through multiple mechanisms: misallocation of funds designated for infrastructure projects, inflated procurement costs, nepotistic appointments of incompetent officials to key technical positions, and theft of resources including fuel and equipment. This systemic corruption deters foreign investors who might otherwise develop Iraq's domestic gas fields. International energy companies view Iraq as a high-risk environment where contract sanctity cannot be guaranteed and where arbitrary rule changes or disputes resolution remains unpredictable. The corruption also means that even when funds are allocated for energy projects, a significant portion is siphoned off through kickbacks and fraudulent contracts, resulting in substandard infrastructure that fails to meet technical specifications or timeline commitments.

On the other hand, related to the security context, Iraq has experienced severe infrastructure damage over the last few decades due to war and internal conflict factors by militia groups. From a military conditions perspective in Coplin's framework, Iraq's security situation directly impacts its energy sector capabilities. The country's military and security forces have been preoccupied with combating ISIS and managing internal sectarian conflicts, leaving insufficient resources and attention for protecting energy infrastructure. Power plants, transmission lines, and gas pipelines have repeatedly been targets of sabotage by insurgent groups, terrorist organizations, and even rival political factions seeking leverage. This security vulnerability makes it extremely difficult to maintain consistent domestic energy production even from existing facilities.

The military's limited capacity to secure energy infrastructure across Iraq's vast territory means that any new domestic gas development projects would face similar security threats, increasing project costs and risks to unsustainable levels. In contrast, importing gas from Iran through a limited number of border crossing points is easier to secure militarily, making it a pragmatically attractive option despite the political complications of Iranian dependence. So what also happens is that the gap between the supply of electrical energy and demand by society continues to widen as the technical and commercial losses experienced by the Iraqi government continue. As stated by the Iraqi Minister of Finance, Ali Allawi (The Washington Institute, 2023) that "*If the energy (electricity) sector is not immediately reformed in the next 3 to 5 years, this will automatically destroy the government budget*". Political support from the Iraqi government is very necessary so that a solution to this problem can be realized immediately.

Improving energy (electricity) network infrastructure and security from rampant theft will reduce losses for the government and make it easier for projects to be agreed between countries in the future.

Expansion of Iranian Influence in the Region

Geographically, Iraq is in the middle of countries that have strong influence in the region, including Turkey, Saudi and Iran. Apart from that, the United States has also been present in asserting its influence since invading Iraq in 2003. These countries have an interest in spreading their influence in the region, including Iraq. Iraq seems to be a battleground for the struggle for influence among countries in the region. Within Coplin's international context framework, Iraq's geographical position places it at the intersection of competing regional powers, creating a complex environment for foreign policy decision-making. The country shares borders with six nations: Iran, Turkey, Syria, Jordan, Saudi Arabia, and Kuwait, each with distinct and often conflicting strategic interests in Iraq. This geographic reality means that Iraq cannot pursue an isolated or fully independent foreign policy; its decisions inevitably affect and are affected by regional power dynamics. The country's location also makes it a natural corridor for trade, energy transit, and cultural exchange, which can be leveraged for economic benefit but also creates vulnerabilities to external manipulation and interference.

In the context of foreign policy, post-Saddam Iraq tends to be closer to Iran. Iraq and Iran now have quite strong ties based on shared sectarianism. Both are countries with a Shiite Muslim majority. This similarity in identity is a connecting factor in the closeness of the two countries. Iran also finds it easier to spread its influence in Iraq because it has a direct border. Every year, many Iranian pilgrims visit the holy sites of Karbala and Najaf, the most revered places in Shiite Islam. Long before that, Iran received hundreds of thousands of Iraqis who fled Saddam's dictatorship, many of whom returned to Iraq after Saddam's regime was overthrown. The bond of shared identity across countries and historical background is a factor that connects the closeness of the two countries.

Figure 5. Sharing Direct Borders Between Iraq and Iran
Source: World Bank (2022)

For Iran, Iraq can be a strategic buffer against various direct threats to Iran's security, especially from potential military aggression or political pressure from western groups or the international coalition led by the US. Iraq can also be used as a barrier to the influence of other

regional countries, such as Turkey and Saudi, which have historically been rivals in the region. Through Iraq, Iran can also spread its influence to Syria and Lebanon. Geopolitically, Iran sees Iraq as a strategic country, so Iran has an interest in expanding its influence in the Iraqi region.

Iraqi-Iranian cooperation in the field of electrical energy is one way for Iran to expand its influence in Iraq. Economically, Iraq is also a valuable partner for Iran's export market. Considering the geographical proximity of the region and the direct border with Iran makes it easier in terms of distribution of the natural gas needed by Iraq to supply the energy needs of power plants in Iraq.

CONCLUSIONS

This research, based on Coplin's *Foreign Policy Decision-Making Theory*, concluded that Iraq's cooperation with Iran in the energy sector during 2003–2022 was driven by two main factors: the rise of the Arab *Syiah* group that came to dominate Iraqi politics alongside Iran's expanding influence through shared identity and geographical proximity, and Iraq's domestic limitations in meeting electricity demand, which created a strong need to import natural gas from Iran. Future research could further explore the long-term sustainability of this dependency, particularly how shifting regional politics, energy diversification strategies, or global energy transitions might alter the Iraq-Iran energy relationship.

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