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Beyond Proxy Warfare: The Iraq Model of Institutionalized Irregular Competition

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For much of the last two decades, irregular warfare in the Middle East has been viewed primarily through the lens of insurgencies, terrorism, and armed proxy conflicts. Yet Iraq's evolving political and security landscape suggests that irregular warfare has become far more sophisticated than traditional models assume. The modern battlefield is no longer confined to remote terrain or clandestine militant cells. Increasingly, the most effective form of irregular competition operates from within the very state institutions it once sought to challenge.

Iran's long-term strategy in Iraq offers one of the clearest examples of this transformation. Rather than pursuing the collapse of the Iraqi state,

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an outcome that would be costly, unpredictable, and potentially destabilizing for Tehran, Iran has gradually embedded its influence within Iraq's official political, security, and economic architecture. Militias evolved into political blocs, and those blocs expanded into vast patronage and financial networks. Today, Iran-aligned actors exert influence across ministries, security institutions, border crossings, and even segments of the judiciary. The result is a parallel power structure that operates through the Iraqi state rather than against it. This "Iraq model" marks a shift from external pressure to internal penetration of the state itself, fundamentally redefining the challenge of regional stability.

Redefining the Irregular Threat

Traditional military doctrine often focuses on guerrilla warfare, sabotage, and insurgent activity when describing irregular threats. While those threats remain relevant, modern strategic competition increasingly centers on control over governance, economic systems, and political legitimacy. In Iraq, Iran largely avoided the risks associated with direct military occupation by cultivating relationships with local elites, armed factions, and ideological networks capable of shaping Baghdad's decision-making from within. This form of institutional penetration can be understood as an insider threat, whereby external actors achieve strategic objectives not through direct military control but by embedding influence within the political, security, and economic structures of the state.

The [Popular Mobilization Forces \(PMF\)](#) became the centerpiece of this strategy. What began as a decentralized mobilization against the Islamic State in 2014 evolved into a state-funded institution with deep political and economic influence. As documented in security tracking assessments by the U.S. Department of War and regional policy research from The Washington Institute for Near East Policy, their reach now extends far beyond the battlefield, touching border security, procurement systems, reconstruction contracts, and electoral politics. Iraq demonstrates a critical lesson for 21st-century conflict: an adversary no longer needs to overthrow a government to dominate it. It only needs to integrate itself into the foundations of the state. By becoming part of the system, these networks gain access to sovereign legitimacy, public funding, and protection from external pressure.

The Rise of Institutional Lawfare

A critical yet often overlooked component of this strat-

egy is lawfare, the manipulation of legal frameworks to achieve strategic political and military objectives. By exerting influence over judicial and regulatory institutions, these networks create a veneer of legality around irregular activities and political coercion.

The [2016 PMF Law](#) represented a major turning point. By formally integrating these armed groups into Iraq's national security structure while allowing them to maintain independent command dynamics, the Iraqi state effectively institutionalized competing centers of power within its own system. As analyzed in comprehensive legal reviews by the Council on Foreign Relations, influence over key judicial bodies, including the [Federal Supreme Court](#), has further enabled political factions to sideline rivals and legitimize shifts in power through legal rulings rather than overt force.

When political influence is exercised through courtrooms rather than battlefields, traditional counterinsurgency tools lose much of their effectiveness. This form of institutional capture creates a self-sustaining cycle in which efforts to restore state sovereignty can themselves be portrayed as violations of the law or threats to stability.

Economic Leverage as Warfare

This influence is reinforced through a carefully constructed system of economic dependency. Control over border crossings, fuel distribution, customs networks, and multi-million-dollar reconstruction contracts has provided these groups with durable patronage systems that military alliances alone could never sustain. These structures function as "below-the-threshold" instruments of warfare. They rarely trigger direct military escalation, yet they steadily shape a country's political and strategic trajectory over time.

In Iraq, captured ministries effectively function as financial engines for irregular networks. Procurement contracts are often steered toward politically connected front companies, while state budgets are leveraged to sustain patronage systems, ghost employees, and loyalist networks. This [economic capture](#) does more than fund militias; it weakens the state's ability to provide basic services to its citizens, increasing public dependency on the same networks contributing to institutional decay.

According to international index data compiled by [Transparency International](#), Iraq continues to rank among the world's most corruption-affected states,

illustrating how deeply entrenched patronage and political capture have become within state institutions.

Implications for Great Power Competition

The Iraq model also carries major implications for broader great power competition. As the United States shifts its strategic focus toward long-term competition with rivals such as China and Russia, Iraq provides a blueprint for how regional actors can erode American influence without direct military confrontation. A state shaped by irregular networks becomes fertile ground for geopolitical competitors. For China, this model creates low-friction entry points for Belt and Road Initiative (BRI) projects, a trend documented extensively in economic trade trackers by Reuters. When politically connected networks dominate key ministries such as oil, transportation, or electricity, they can bypass transparency standards and anti-corruption safeguards that often accompany Western investment. This creates favorable conditions for long-term infrastructure and energy agreements that gradually lock out competing Western influence.

Russia, meanwhile, benefits from sustained instability and fragmented governance structures. By maintaining relationships with politically connected armed actors, Moscow helps ensure that Iraq remains a contested strategic environment where U.S. influence faces constant limitations. This allows Russia to preserve regional leverage at a relatively low cost while benefiting from the institutional weaknesses of the host state.

Strategic Recommendations: Beyond Kinetic Deterrence

If the threat has moved inside the state itself, the response must move beyond traditional containment strategies. The United States and its partners should adopt a hybrid approach that combines kinetic deterrence with institutional resilience and strategic governance. While military pressure remains necessary to deter hostile actors, it must be complemented by efforts to strengthen institutions, improve governance, and reduce opportunities for irregular networks to capture state structures.

Prioritize Financial Intelligence and Targeted Economic Disruption

Traditional sanctions often focus on individuals, but

modern irregular networks operate through complex procurement systems, front companies, and state-linked financial structures. The U.S. Treasury Department and intelligence community should focus on mapping the financial infrastructure that sustains these networks and restricting their access to international banking systems and illicit revenue streams

Support Institutional Resilience

Countering irregular warfare in the modern era requires more than military assistance. It requires strengthening oversight bodies, supporting judicial independence, and helping protect anti-corruption institutions from political intimidation. Grand corruption should be viewed not merely as a governance problem, but as a strategic national security challenge.

Invest in Integrated Information Operations

Strategic communication should be aimed at exposing the gap between public promises and institutional reality. Highlighting how corruption, patronage, and political capture contribute to failing public services such as electricity, healthcare, and infrastructure can weaken the legitimacy these networks attempt to cultivate through social welfare narratives.

Conclusion

Iraq demonstrates that modern conflict is no longer defined solely by militias, insurgencies, or territorial control. Increasingly, power belongs to those who can shape institutions from within while maintaining the appearance of state legitimacy. The Iraq model offers a blueprint for how adversaries can weaken governments without openly overthrowing them.

For the United States and its allies, military deterrence alone is no longer sufficient. The next phase of strategic competition will be fought **in an irregular manner through** courts, ministries, procurement systems, financial networks, and political institutions, just as much as on conventional battlefields. Success in this environment will require a new strategic toolkit, one that treats institutional integrity, economic transparency, and legal resilience as central pillars of national security.