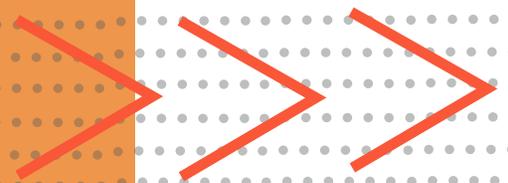
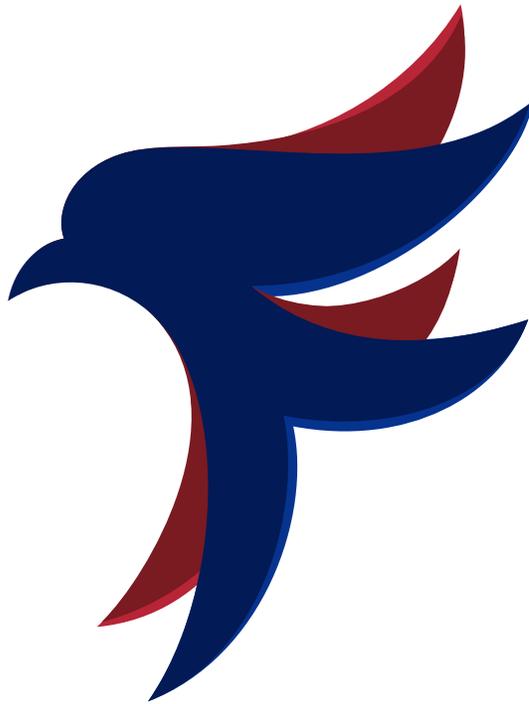


# THE FUTURE OF THE KURDISTAN REGION AFTER THE DEFEAT OF ISIS AND THE FAILURE OF THE 2017 INDEPENDENCE REFERENDUM

Pishko Shamsi





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# THE FUTURE OF THE KURDISTAN REGION AFTER THE DEFEAT OF ISIS AND THE FAILURE OF THE 2017 INDEPENDENCE REFERENDUM

## ABOUT THE AUTHOR



**Pishko Shamsi** is an international lawyer and policy analyst, previously serving in diplomatic and governmental capacity on Iraq, Syria, and the Middle East region. In 2017-2018, he was based in Baghdad, Iraq, with the European Union. He has been an advisor to international mediation initiatives focused on Baghdad-Erbil relations. From 2016, he was part of enhancing the Swedish War Crimes Department universal jurisdiction cases on Middle East and North Africa, and related European coordination. Prior to that, in 2014-2016, he co-led the United Nations genocide investigation on ISIS crimes against the Yazidis at the UN Commission of Inquiry on Syria.

## ABSTRACT

In 2017, the Kurdistan Region of Iraq held an independence referendum, which triggered severe backlash, including the loss of control over the oil-rich city of Kirkuk. The backlash from the independence referendum prompted the regional government (Kurdistan Regional Government) to urgently shift policy and re-engage with Baghdad. Since then, the region has recovered politically and has implemented a pragmatic strategy to revitalize the economy and internal affairs. The KRG also launched diplomatic initiatives to restore relations with Iran and Turkey, and has pursued a policy of neutrality to manage the Region's myriad of crises. Moreover, the KRG has pursued tactical alliances with Iraqi political parties to secure short-term gains, including the resumption of budget transfers from Baghdad.

The KRG's deal-making with Baghdad, however, has fallen short of translating into a sustainable policy, and many of the gains are fragile and dependent on Baghdad's changing political scene. Without a long-term strategy, the KRG's new leadership is unlikely to be able to deliver much needed institutional reforms to help curb corruption, improve governance, and enhance transparency in public affairs. And while the KRG has committed to reform politically, it remains unclear if it will bring about meaningful change and address structural challenges, such as entrenched crony networks, rentier economics, and partisan control over the public sector and security forces.

# TURMOIL ABOUNDS

The territorial rise and fall (2014-2017) of the Islamic State in Syria and Iraq (ISIS) had vast impact on the political, military, and socio-economic situation in the Kurdistan Region of Iraq. As ISIS swept through and seized control over one-third of Iraqi territory, Kurdish security forces (Peshmerga) consolidated *de facto* control over the totality of the Disputed Territories, including the oil-rich region of Kirkuk.<sup>1</sup>

Relations between the Kurdistan Regional Government (KRG) and the central government in Baghdad deteriorated when former Prime Minister Nouri al-Maliki (2006-2014) was in power and slightly improved after his successor, Haider al-Abadi, assumed power in September 2014. The KRG gained considerable international attention at the diplomatic and military level as a result of the war against ISIS. The U.S. and Global Coalition support to the Peshmerga's efforts in fighting ISIS emboldened Kurdish officials' perception of the events of 2014 as being a historic turn that could lead to the ultimate collapse of the Iraqi state and the possible dawn of an independent Kurdish

state.<sup>2</sup> In July 2014, a month after the fall of Mosul to ISIS, KRG President Masoud Barzani assigned a Kurdish parliamentary commission to prepare an independence referendum, which was held on September 24, 2017.<sup>3</sup> This call had strong popular appeal among Kurds in Iraq as it was rooted in a familiar narrative on Kurdish national aspirations for an independent state—a long-held dream for many Kurds.<sup>4</sup> Barzani's political rivals and opponents, however, challenged the referendum as nothing more than a populist plea for Kurdish nationalism to divert attention from widespread grievances in Kurdish society related to corruption, nepotism, and poor governance.<sup>5</sup>

As expected, the independence referendum had a high turnout of 72%, with approximately 93% of votes cast in favor of independence.<sup>6</sup> The aftermath of the vote, however, resulted in a major political and security failure for the KRG, including loss of control of Kirkuk and other Disputed Territories.<sup>7</sup> Furthermore, as the Iraqi government imposed a flight ban and the Republic of Turkey and Islamic Republic of Iran closed down their

1 The Disputed Territories, according to article 140 in the Iraqi constitution, are three regions in Nineveh, Kirkuk, and Diyala governorates, bordering the Kurdistan Region, where the Ba'ath regime altered the demographic composition and administrative boundaries for political ends. The article charts a resolution procedure to reach a political and administrative settlement in the post-Ba'ath era between the Kurdistan Regional Government and the central government in Baghdad.

2 "Arming Iraq's Kurds: Fighting ISIS, Inviting Conflict," International Crisis Group, May 12, 2015, p. 4 <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/arming-iraq-s-kurds-fighting-inviting-conflict>.

3 "Iraq: Kurdish president proposes independence referendum," *Guardian*, July 3 2014, <https://www.theguardian.com/world/2014/jul/03/iraq-kurdish-president-barzani-proposes-independence-referendum>.

4 Adam Taylor, "What Iraq's Kurds Want, and Why it may Get Complicated: A Referendum on Independence may be Coming within Months, but that Won't Solve Everything," *Washington Post*, July 2, 2014.

5 Dylan O'Driscoll and Bahar Baser, "Independence referendums and nationalist rhetoric: the Kurdistan Region of Iraq," *Third World Quarterly*, vol. 40, no. 11 (May 2019): pp. 2016-2034.

6 Bethan McKernan, "Kurdistan referendum results: 93% of Iraqi Kurds vote for independence, say reports," *Independent*, September 27, 2017, <https://www.independent.co.uk/news/world/middle-east/kurdistan-referendum-results-vote-yes-iraqi-kurds-independence-iran-syria-a7970241.html>.

7 In 2010, a combined security mechanism between the Iraqi army and Peshmerga Forces had been established with U.S. support, which involved joint checkpoints, patrols, and coordination centers. Both groups had to remain outside the city. Iraqi local police and Kurdish police force (Asayish) remain in charge of internal security in the city. In 2012, Prime Minister Nouri al-Maliki established the Tigris Operations Command based in Kirkuk, overseeing security for Kirkuk, Salahuddin, and Diyala. Kurdish leaders responded by moving additional forces into the Disputed Territories to confront the Tigris Operations Command, and demanded its disbandment. Despite the tension, and several reports of military stand-offs between the two sides, they co-existed without further escalation until the ISIS surge in 2014 when KRG established full security control in Kirkuk and other Disputed Territories. See, Maria Fantappie, "Contested Consolidation of Power in Iraq," Carnegie Endowment for International Peace, February 2013, pp. 11-12, [https://carnegieendowment.org/files/contested\\_consolidation.pdf](https://carnegieendowment.org/files/contested_consolidation.pdf); and "Iraq and The Kurds: Confronting Withdrawal Fears," International Crisis Group, March 28, 2011, pp. 14-15, <https://d2071andvip0wj.cloudfront.net/103-iraq-and-the-kurds-confronting-withdrawal-fears.pdf>.



exit short of *mea culpa*. KRG leaders had to find a new path, and promptly embarked on efforts aimed at “national dialogue between Erbil and Baghdad to resolve all disputes.”<sup>11</sup>

This chapter will focus on how decision makers in the KRG reshaped their post-ISIS policies and how it translated regionally and vis-à-vis Baghdad. Moreover, it will examine the prospects and challenges of the new KRG policy for its intra-Kurdish and geopolitical relations. In doing so, it will closely examine its emerging strategy to restore political and economic relations with Baghdad and neighboring countries, along with ongoing efforts to maintain neutrality as broader intra-state tensions have marred stability in the Middle East.

border points to the KRG, blocking trade and flow of goods, the landlocked region faced the prospect of economic strangulation.

Relations between the two top political parties, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), hit rock bottom as they traded accusations and blame for the fiasco.<sup>8</sup> The failure was unmistakable to both sides, but the liability was quarreled over. Yet, the urgency of the situation escaped neither of them; as their credibility plummeted, it forced a chaotic turn away from the referendum policy.

Only two weeks after the debacle in Kirkuk and the Disputed Territories, President Barzani announced his resignation.<sup>9</sup> It was described as an “act of statesmanship during a difficult period” by the United States, and characterized as a first step towards a rapprochement between Erbil and Baghdad.<sup>10</sup> The referendum result was retracted when the KRG formally respected the ruling of the Iraqi Supreme Court on the unconstitutionality of the independence referendum. This measure was face-saving, meant to offer KRG leaders an

8 Jamie Dettmer, “Rival Parties Trade Blame Over Kirkuk Amid Fears of Kurdish Split,” *Voice of America*, October 19, 2017, <https://www.voanews.com/middle-east/rival-parties-trade-blame-over-kirkuk-amid-fears-kurdish-split>.

9 The KRG’s president stated he would not “extend the term of his presidency under any conditions,” but the announcement was reported as an effective resignation. See, Isabel Coles and Ali Nabhan, “Iraqi Kurdish President Steps Down After Independence Push Backfires” *Wall Street Journal*, October 29, 2017, <https://www.wsj.com/articles/iraqi-kurd-leader-to-step-down-as-president-following-independence-vote-1509279415>.

10 “Political Transition in Iraqi Kurdistan Region,” Office of the Spokesperson of the U.S. Department of State, October 30, 2017, <https://www.state.gov/political-transition-in-iraqi-kurdistan-region>.

11 “KRG Statement on the Iraqi Federal Supreme Court’s Interpretation of the Article 1 of the Constitution,” November 14, 2019, <http://previous.cabinet.gov.krd/a/d.aspx?s=040000&l=12&a=56019>.

# REGIONAL RECALIBRATION: GENERATIONAL SHIFT AND ELECTIONS

The aftermath of the 2017 independence referendum began a new chapter in the Kurdistan Region's politics, characterized by a change in the power balance between the two leading Kurdish parties and generational shift in both parties' leadership.

Since its creation, the KRG has been led by two main parties, well-known for their guerrilla war against multiple Iraqi regimes in the 20<sup>th</sup> century: the KDP, which controls the Erbil and Duhok governorates; and the PUK, which is dominant in the Suleymaniya governorate. In 2007, the KDP and PUK concluded a "strategic agreement" splitting control over the region's financial revenue, security forces, and governance posts. The Gorran Movement emerged in 2009 as a splinter from the PUK as a criticism of the duopoly over the political system. Other opposition parties are the Kurdish Islamic Union (KIU), Islamic Group of Kurdistan (Komal), and the New Generation Movement; these three parties are represented in the KRG's regional parliament.

As the founders of both parties got older or passed away, younger figures who hailed from the same families replaced them at the helm of the parties' leadership. During this period of turbulent transition, the KDP presented itself as the strongest actor that could preserve Kurdish interests—having the ability to maintain internal coherence, succession of leaders, and manage intra-party rivalries (between its top figures Masrour Barzani and his cousin Nechirvan Barzani). The PUK and the Gorran Movement, in contrast, were in a state of internal disarray, having recently lost their founders, Jalal Talabani



Peshmerga soldiers prepare to conduct a combined arms live-fire exercise near Erbil, Iraq, Oct. 11, 2016. (Sgt. Lisa Soy/Wikimedia Commons)

and Nawshirwan Mustafa.<sup>12</sup> In February 2020, Bafel Talabani and his cousin Lahur Sheikh Jangi were elected as new co-presidents of the PUK.<sup>13</sup> If the concept of family-based political parties had been clear to the public in the Kurdistan Region, then it was cemented during the generational shift in leadership over the past two years.<sup>14</sup>

The KDP quickly consolidated its political power on September 30, 2018 when it won 45 seats in the parliamentary elections. The PUK and Gorran won 21 and 12 seats, respectively. The election results were eventually accepted by all of the political parties, despite widespread allegations of election fraud.<sup>15</sup> The government formation process took more than eight months and resulted in a KDP-led cabinet with Masrour Barzani leading the ministerial cabinet as prime minister

12 Mark McDonald, "Jalal Talabani, Kurdish Leader and Iraq's First Postwar President, Is Dead at 83," *New York Times*, October 3, 2017, <https://www.nytimes.com/2017/10/03/obituaries/jalal-talabani-kurdish-dead.html>; and Histyar Qader, "Death Of Kurdish Leader Further Disturbs Shaky Political Equilibrium," *Niqash*, May 25, 2017, <https://www.niqash.org/en/articles/politics/5583>.

13 "PUK elects Lahur Sheikh Jangi, Bafel Talabani as its co-leaders," *PUK Media*, February 18, 2020, [https://www.pukmedia.com/EN/EN\\_Direje.aspx?Jimare=58387](https://www.pukmedia.com/EN/EN_Direje.aspx?Jimare=58387).

14 Maria Fantappie and Cale Salih, "Kurdish Nationalism at an Impasse," Century Foundation, April 29, 2019, <https://tcf.org/content/report/iraqi-kurdistan-losing-place-center-kurdayeti>.

15 "World Report 2019 – Iraq," Freedom House, <https://freedomhouse.org/report/freedom-world/2019/iraq>.



Raising the Iraqi flag (Masterworld224/Wikimedia Commons)

and Nechirvan Barzani serving as Kurdistan's president, a largely ceremonial post.<sup>16</sup> The PUK kept its long-standing secondary role, securing the position of deputy prime minister and eventually speaker of parliament. While its traditional dominance in the Sulaymaniyah governorate was contested by Gorran and New Generation, the party nonetheless maintained control over the security forces, local economy, and influence in Baghdad through the Iraqi presidency.<sup>17</sup> Instead, Gorran, which had represented the cornerstone of political opposition against the KDP, allied with its former opponent to counter the PUK in Sulaymaniyah and secure ministerial positions in the new cabinet, at the price of losing much of its initial platform.<sup>18</sup>

The formation of the new Cabinet inaugurated a new phase in the KDP-PUK power balance. The

days of "50-50 shares" were palpably over, and the two parties moved away from the strategic agreement.<sup>19</sup> A new political power-sharing formula was signed between the two sides, which would serve as a "compass and guideline" for future cooperation while reflecting the stronger position of the KDP vis-à-vis the PUK, its now clearly inferior partner.

16 Bilal Wahab, "Iraqi Kurdistan's New Government," Washington Institute for Near East Policy, July 11, 2019, <https://www.washingtoninstitute.org/policy-analysis/view/iraqi-kurdistans-new-government>.

17 Since 2006, the Iraqi presidency has been allocated to a Kurdish candidate, particularly from the PUK; Jalal Talabani (2006-2014), Fuad Mahsoum (2014-2018), and Barham Salih (2018-present) have served in the position.

18 Mera Jaseem Bakr, "Gorran and the End of Populism in the Kurdistan Region of Iraq," Washington Institute for Near East Policy, July 8, 2019, <https://www.washingtoninstitute.org/fikraforum/view/gorran-and-the-end-of-populism-in-the-kurdistan-region-of-iraq>.

19 "KDP-PUK deal paves way for new regional government," *Rudaw*, March 4, 2019, <https://www.rudaw.net/english/kurdistan/040320191>.

# POST-REFERENDUM, A 180° SHIFT IN POLICY

The independence referendum prompted severe backlash, pitting the KDP against the PUK and challenging local perceptions of the United States in the KRG. Generally labelled as pro-Western and secular, the Kurds are often viewed as being “among America’s best friends in the Middle East,” despite having often been “sacrificed” in favor of U.S. interests with the region’s central governments in the 1970s and 1990s.<sup>20</sup> In 2014, the United States reinvigorated its partnership with Erbil when Kurdish forces joined the U.S.-led Global Coalition’s operations against ISIS. However, this did not insulate the Kurds from Washington siding with Baghdad over their broader interest in independence.

During the run-up to the independence vote, the United States condemned the referendum, predicting it would undermine the gains in the fight against ISIS and encouraging the Kurds to refocus on the stabilization of the disputed areas. The U.S. rejection was also in line with its long-standing policy of supporting the territorial integrity of Iraq as well settlement of constitutional disputes between the KRG and Baghdad through peaceful dialogue.<sup>21</sup> Turkey and Iran expressed strong opposition to the referendum.<sup>22</sup> These tensions eventually led to political disaster when the Iraqi army launched a military attack on Peshmerga positions in oil-rich Kirkuk. The

Peshmerga forces withdrew immediately under chaotic circumstances, with KDP and PUK commanders blaming each other for the failure and making accusations of “treason.”<sup>23</sup> As a result of these operations, the KRG now controls less territory than before the vote. In the aftermath of the vote, Iraqi Kurdistan was under embargo from all sides. Baghdad imposed an international flight ban, and Iran and Turkey closed their borders crossings stopping all exports to the region. This forced the KRG to shift from a policy of confrontation to re-engagement with Baghdad and resume balanced relations with Tehran and Ankara as the only way to survive economic and political strangulation. The KDP was eventually able to recover during the national and regional elections in 2018.

Beginning in 2009, rival political movements, based mostly in PUK strongholds, have emerged. These parties, for example the Gorran Movement and Coalition for Democracy and Justice (CDJ), were run by ex-PUK officials and promoted a different vision for Kurdistan’s future. Notably, Barham Salih, the founder of CDJ, rejoined the PUK shortly after the May 2018 national elections before becoming the President of Iraq. These political differences were shunted aside during the ISIS war because of the existential threat that the terror group presented to the region.<sup>24</sup> However, once the war against ISIS ended, the

20 Jon Schwarz, “The U.S. is now betraying the Kurds for the eighth time,” *The Intercept*, October 7, 2019, <https://theintercept.com/2019/10/07/kurds-syria-turkey-trump-betrayal/>; and Rick Noack, “The long, winding history of American dealings with Iraq’s Kurds,” *Washington Post*, August 7, 2014, <https://www.washingtonpost.com/news/worldviews/wp/2017/10/17/the-long-winding-history-of-american-dealings-with-iraqs-kurds-2/>.

21 Eli Lake, “Tillerson Letters Show U.S. Nearly Averted Kurdish Referendum,” *Bloomberg*, October 13, 2017, <https://www.bloomberg.com/opinion/articles/2017-10-13/tillerson-letters-show-u-s-nearly-averted-kurdish-referendum>. See, also, full text of Tillerson’s letter, <https://assets.bwbx.io/documents/users/iqjWHBFdfxIU/rsJkyXsgEaig/v0>.

22 Barin Kayaoglu, “Ankara hardens opposition to KRG referendum,” *Al-Monitor*, September 14, 2017, <https://www.al-monitor.com/pulse/originals/2017/09/turkey-supports-iraqi-parliament-reject-krq-referendum.html>; and “Iran: KRG referendum, Israel’s conspiracy to partition Iraq,” *Iran Daily*, September 26, 2017, <http://www.iran-daily.com/News/201330.html>.

23 Paul Iddon, “‘Treasonous elements colluded to surrender Kirkuk,’ says deposed Kurdish governor,” *The New Arab*, November 13, 2017, <https://www.alaraby.co.uk/english/indepth/2017/11/13/treasonous-elements-colluded-over-kirkuk-says-deposed-kurdish-governor>; and Sangar Ali, “PUK Peshmerga Commander: ‘traitors’ planned to bring Iraqi forces, Shia militias into Kurdistan,” *Kurdistan24*, December 27, 2017, <https://www.kurdistan24.net/en/news/8bdcaf5f-fcf3-452e-b7f3-d249d8e5e5aa>.

24 Omer Taspinar, “ISIS and the false dawn of Kurdish statehood,” Brookings Institution, December 13, 2019, <https://www.brookings.edu/blog/order-from-chaos/2019/12/13/isis-and-the-false-dawn-of-kurdish-statehood>.

schisms within Kurdish society re-emerged.

Regional support for the KDP and PUK has dropped sharply in recent years, and the credibility of the parties was undermined by the botched referendum. Critics of the referendum, such as Bafel Talabani, son of the PUK founder Jalal Talabani, lambasted it as a colossal, strategic mistake and unrealistic policy.<sup>25</sup> Fierce opponents referred to it as “political gambling,” with the narrow aim of advancing a populist KDP agenda, camouflaged under the banner of Kurdish nationalism. KDP officials responded to such criticism by underlining that an overwhelming majority of Kurdish political leaders, including in the PUK, lent public support for the referendum during the campaign. The PUK had hesitantly supported the referendum bid, despite divisions within its leadership over the timing of the vote and divergent positions on whether it should be held in Kirkuk, the city that both Baghdad and Erbil claimed as falling under their political control before the referendum. Gorran “did not support the referendum until the last day when it stated that its followers were ‘free to vote how they choose.’”<sup>26</sup>

The public debate in the aftermath of the independence referendum extended to all segments of the Kurdish public. The idea of independence is culturally rooted in Kurdish communities, not as a political objective per se, but as a ubiquitous allegory and reference to historic injustice of being a nation without a state.<sup>27</sup> No Kurdish political movement in Iraq has

defined independence as a political objective since the 1940s. The KDP and PUK are no different and the goal of independence is not listed in either of their party programs and is not used in official discourse. The political and armed struggle has predominantly been centered on self-administration or federalism. Kurdish leaders often describe independence as unrealistic or impossible, and associated with considerable geopolitical risks. Nevertheless, most politicians also admit that “every Kurd dreams of independence.”<sup>28</sup> Kurdish politicians, therefore, balance the popular desire for independence with realistic policymaking, grappling “with what their heart tells them and what their head tells them.”<sup>29</sup>

Consequently, for fears of backlash against criticism, even critics reasserted caveats on the natural right of the Kurdish people to exercise self-determination, at least in principle. The military clashes in Kirkuk and other disputed territories between Kurdish and Iraqi forces further reinforced a sense of vulnerability as a minority and a propensity for self-preservation amid fears that the security situation could further deteriorate.<sup>30</sup>

KRG leadership viewed the U.S. and Coalition forces inaction in allowing the Iraqi forces to attack their positions in Kirkuk as a form of betrayal.<sup>31</sup> This perception ultimately led the KRG to counterbalance its partnership with the United States by strengthening relations

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25 Marc Perelman, “Kurdish referendum a ‘colossal mistake’, says son of late president Talabani,” *France24*, October 20, 2017, <https://www.france24.com/en/20171020-interview-bafel-talabani-kirkuk-barzani-sulaymaniyah-puk-abadi-baghdad-referendum-turkey>.

26 Christine Van den Toorn, “Internal Divides Behind the Kurdistan Referendum,” Carnegie Endowment for International Peace, October 11, 2017, <https://carnegieendowment.org/sada/73359>.

27 Bafel Talabani, son of PUK founder Jalal Talabani, and a key PUK figure in the Kirkuk crisis, while being highly critical of the referendum, stated: “It is the dream of every Kurd, an independent Kurdistan, but an independent Kurdistan need to be worked for, we need to be in a position of strength for our negotiations, we have to be realistic with the expectations of our allies.” Perelman, “Kurdish referendum a ‘colossal mistake’, says son of late president Talabani,” *France24*.

28 Tim Arango, “Iraq’s Factional Chaos Threatens to Disrupt a Kurdish Haven,” *New York Times*, January 3, 2012, <https://www.nytimes.com/2012/01/04/world/middleeast/anxious-turning-point-for-kurds-in-iraq.html>.

29 Jane Araf, “Iraq’s unity tested by rising tensions over oil-rich Kurdish region,” *CSDMonitor*, May 4, 2012, <https://www.csmonitor.com/World/Middle-East/2012/0504/Iraq-s-unity-tested-by-rising-tensions-over-oil-rich-Kurdish-region>.

30 For a discussion on the KRG leadership’s misreading of U.S. foreign policy, which also has a historical record, see, Behnam Ben Taleblu and Merve Tahiroglu, “Kurd Your Enthusiasm The U.S. Needs to Talk About Its Favorite Allies,” *Foreign Affairs*, November 8, 2017, <https://www.foreignaffairs.com/articles/syria/2017-11-08/kurd-your-enthusiasm>; Bruce Riedel, “Masoud Barzani and the roots of Kurdish distrust of the United States,” Brookings Institution, November 2, 2017, <https://www.brookings.edu/blog/markaz/2017/11/02/masoud-barzani-and-the-roots-of-kurdish-distrust-of-the-united-states>; and Joost Hilterman, “The Kurds Are Right Back Where They Started,” *Atlantic*, October 31, 2017, <https://www.theatlantic.com/international/archive/2017/10/history-of-the-kurds/544316>.

31 Jane Arraf, “After Iraqi Kurdish Independence Vote Backfires, ‘I Do Not Regret It,’ Says Barzani,” *National Public Radio*, November 7, 2017, <https://www.npr.org/sections/parallels/2017/11/07/562514981/after-iraqi-kurdish-independence-vote-backfires-i-do-not-regret-it-says-barzani>.



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with the Russian Federation. Following this decision, the KRG expanded on a cooperation agreement (from February 2017) with Russian oil company Rosneft on hydrocarbon resources and infrastructure in the Kurdistan Region, reaching a production agreement on five oil blocks.<sup>32</sup> The reaction from the Iraqi oil ministry was strong, stating that any foreign deals in the energy sector must go through Baghdad first.<sup>33</sup> This tension was gradually resolved.<sup>34</sup> In mid-2018, KRG Minister of Natural Resources Ashti Hawrami extended the cooperation to gas development by signing additional deals with Rosneft and in mid-2019, the oil giant reported that implementation proceeded according to existing agreements, including exports through the Iraq-Turkey pipeline.<sup>35</sup>

KRG leadership justified its 180-degree political turn to negotiate with Baghdad after the independence referendum prompted violence in Kirkuk. Underscoring that the Kurdish people (again) had suffered historic injustice, it argued that new efforts had to be made to continue the struggle through a different strategy. A sense of fear and vulnerability was reinforced, as many Kurds self identify as a minority group that has suffered persecution from multiple Iraqi governments in the 20<sup>th</sup> century.<sup>36</sup> Despite the excessive and bitter blame game over the referendum failure, the KDP and PUK swiftly agreed on the necessity to find rapprochement with Baghdad as the central government provides the main part of the KRG's financial budget and airport access. Even the more hawkish supporters of the referendum bid concurred since this was

the only existing option. The re-engagement was dictated by a desperate need for a political “reset,” particularly after violent clashes between Iraqi and Kurdish forces for control over Kirkuk in October 2017. Among all Kurdish officials, Prime Minister Nechirvan Barzani was the best suited Kurdish official to lead the negotiations due to his reputation for pragmatism; he was also eager to compromise with Baghdad and was not outspoken during the run-up to the referendum.

Adopting a conciliatory posture, the KRG made its first attempts to re-engage with the government in Baghdad. The negotiating priorities were set on the most pressing issues, such as de-escalating military clashes south of Erbil, re-opening border crossings for trade with Turkey and Iran, lifting international flight bans at Erbil and Sulaymaniyah airports and ensuring transfer of the KRG's budget share for payment of public sector salaries.<sup>37</sup> The United Nations and influential Western states offered to facilitate new dialogue between the two sides. There was, however, little maneuvering space for the KRG—as Baghdad conditioned the start of negotiations on the nullification of the referendum's results.<sup>38</sup> A senior Iraqi government official described the first KRG delegation in Baghdad in November 2017 as “very amenable.”<sup>39</sup> In the period leading up to the May 2018 Iraqi national elections, a new Kurdish discourse emerged which centered on respect and implementation of the Iraqi constitution, including article 140 on the Disputed Territories.

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32 Ahmed Tabaqchali, “Rosneft in the Kurdish Region: Moscow's Balancing Act,” *Iraq in Context*, November 3, 2017, <https://www.iraqincontext.com/single-post/2017/11/03/Rosneft-in-the-Kurdish-Region-Moscows-Balancing-Act>; “Rosneft and the Kurdistan Regional Government of Iraq Signed an Offtake Contract,” Rosneft, February 21, 2017, <https://www.rosneft.com/press/releases/item/185769>; and “Rosneft and The Kurdistan Regional Government of Iraq signed Gas Business Development Agreement for Kurdish Region of Iraq,” Rosneft, May 25, 2018, <https://www.rosneft.com/press/releases/item/191055>.

33 “Baghdad slams oil deal between Russia's Rosneft and Kurds,” *France24*, October 19, 2017, <https://www.france24.com/en/20171019-baghdad-slams-oil-deal-between-russias-rosneft-kurds>.

34 “Issue of agreements between Rosneft and Iraqi Kurdistan resolved, says deputy minister,” *TASS*, September 10, 2019, <https://tass.com/economy/1077496>.

35 “Rosneft: Operating Results for Q1 2019,” Rosneft, May 13, 2019, <https://www.rosneft.com/press/releases/item/194935>.

36 Balint Szlanko and Philip Issa, “Iraqi forces push into disputed Kirkuk as Kurds withdraw,” *Associated Press*, October 17, 2017, <https://apnews.com/0b3b6bf13cce47ada980c2170d7b36ac/Kurds-withdraw-as-Iraqi-forces-push-into-disputed-Kirkuk>; and Maher Chmaytelli and Mustafa Mahmoud, “Iraqi forces seize oil city Kirkuk from Kurds in bold advance,” *Reuters*, October 16, 2017, <https://www.reuters.com/article/us-mideast-crisis-iraq-kurds-kirkuk/iraqi-forces-seize-oil-city-kirkuk-from-kurds-in-bold-advance-idUSKBN1CK0XL>.

37 “UNAMI Acknowledges Kurdistan Region's Government Statement Announcing Respect for the Federal Court Ruling on unity of Iraq,” United Nations, November 15, 2017, <https://reliefweb.int/report/iraq/unami-acknowledges-kurdistan-region-s-government-statement-announcing-respect-federal>.

38 “Kurds ‘reject’ Baghdad's demand to nullify referendum results,” *Deutsche Welle*, October 15, 2017, <https://www.dw.com/en/kurds-reject-baghdads-demand-to-nullify-referendum-results/a-40956560>.

39 Interview with advisor of senior Iraqi government official, Baghdad, Iraq, 29 July 2018.

# DEAL-MAKING OR POLICY?

As a landlocked entity, the KRG is dependent on external trade to supplement oil revenues. The KRG has sought to maintain cordial ties with Turkey and Iran. Both countries resisted the independence referendum because of how it may affect nationalist sentiments among their own Kurdish populations as well as their commitment to the territorial integrity of Iraq. Following the loss of Kirkuk, the KRG faced an economic blockade from its neighbors. Turkey had closed its border but had continued its policy of facilitating the independent export of oil pumped in Kurdistan outside of the control of the central government. Iran, which assisted the Peshmerga in the fight against ISIS, played a role in Baghdad's retaking of Kirkuk. The KRG sought to balance ties with Turkey and Iran, returning to previous relations and strong economic ties and restoring credibility with the United States diplomatically and as a partner in the war against ISIS. Turning a new page in relations with Baghdad was also essential for the KRG to address urgent financial challenges. This strategy proved largely successful in quickly setting the KRG on a new political track.

## **Regional Relations: Iran and Turkey**

The KRG returned to balanced relations with Iran and Turkey to resume trade and alleviate economic pressure after both took action to punish the KRG for its independence referendum. The KDP and PUK, moreover, reduced any engagement that expanded beyond KRG borders, including in neighboring Syria, where

the Democratic Union Party (PYD) was fighting with U.S. support against the ISIS. The PYD is the Syrian branch of the Kurdistan Workers' Party (PKK), an insurgent group active in Turkey, which also has a branch in Iran. As a result, Tehran and Ankara have sought to militarily defeat the group and share an interest in putting military pressure on the PKK inside Iraq. To appease Tehran, the KRG ensured that no Kurdish insurgent activity by Iranian-Kurdish opposition groups would be allowed on its borders with Iran, and it would deny the group safe haven.<sup>40</sup> The KDP also silently accommodated increased Turkish military activity in the Kurdistan Region against the PKK, including allowing new Turkish military bases in the region, stepping up intelligence cooperation and tolerating targeted airstrikes against PKK leaders and bases.<sup>41</sup>

Moreover, the KRG has attempted a delicate balancing act between the United States and Iran as their coexistence in Iraq became tense. The KDP and PUK shared a vision that Iran was key to their political recalibration in Baghdad.<sup>42</sup> In the aftermath of the referendum backlash, the KRG aligned with Iranian interests as a way to ensure progress on key issues in its negotiations with Baghdad.<sup>43</sup> In January 2018, Prime Minister Barzani led a delegation to Tehran and met with Iranian officials to explain his efforts in readjusting the KRG's policy, with the aim of correcting previous mistakes related to overreliance on the United States, Europe, and Turkey. As a European diplomat explained, "The Kirkuk debacle and setbacks suffered by the KRG at the hands of, among others, Iran-backed parts of the Popular Mobilization Forces (PMF), did not push them away from Iran. On the contrary, it pulled them closer."<sup>44</sup>

40 Fazel Hawramy, "Iraqi Kurds maneuver to get closer to Iran," *Al-Monitor*, February 6, 2018, <https://www.al-monitor.com/pulse/originals/2018/02/iran-krq-relations-barzani-tehran-visit-opposition-groups.html#ixzz64sqdTSqM>.

41 Interview with senior PKK leader Duran Kalkan on Turkish military activities in Iraqi Kurdistan, *Firatnews*, July 6, 2019

42 Entessar, "Uneasy Neighbors: Iran and the Kurdish Regional Government." *Journal of South Asian and Middle Eastern Studies*, vol. 41, no. 2, (2018), pp. 73–84.

43 Hawramy, "Iraqi Kurds maneuver to get closer to Iran," *Al-Monitor*.

44 Interview with European diplomat in Iraq, Baghdad, February 10, 2019.

## New Engagement in Baghdad

The aftermath of the referendum saw an unprecedented effort from the KRG to re-engage with Baghdad. The KRG tried to create conducive conditions to start real dialogue with Baghdad by making reconciliatory statements and sending technical and parliamentary delegations to the capital. Moreover, internal consultations among all Kurdish political parties were launched with the aim to speak with a unified voice and avoid partisan or unilateral negotiations.<sup>45</sup>

The United States and Iran supported a fast-track normalization of Baghdad-Erbil relations to fix pressing economic issues.<sup>46</sup> It was debatable how this could be achieved prior to the 2018 Iraqi national elections, as both sides pressed the Kurdish parties to support their preferred Shiite bloc. Some argued that Prime Minister Abadi was merely interested in accommodating an initial deal and leave incentives for the Kurdish leadership to support his candidacy to complete the deal in a post-election phase.<sup>47</sup> Nevertheless, by March 2018, less than six months after the stand-off in Kirkuk, agreements had been reached on lifting the flight ban and paying KRG employees. The political rapprochement had yielded results, and a new policy vis-à-vis Baghdad was consolidating.

The Iraqi Kurds had something to offer the political parties vying for power in Baghdad. As the campaign for the 2018 national election began, the dominant parties in Iraq sought to win over Kurdish support for their parliamentary blocs. For example, Prime Minister Abadi's Nasr bloc discussed potential Kurdish support, and United States applied diplomatic pressure to try



Poster for the elections of the Parliament of the Iraqi Kurdistan general election, 2018. (Hamaredha/Wikimedia Commons)

to make that happen. Yet, the KDP and PUK had incentives to align their interest with the Iran-backed Fatah bloc as this would enable them to reach a quick deal on partial withdrawal of the PMF from parts of the Disputed Territories in Nineveh.<sup>48</sup>

With eyes set on gaining a partial kingmaker role in the formation of the new government, the KDP and PUK refrained from siding with any of the main blocs prior to the national elections in May 2018.<sup>49</sup> Their representatives discussed post-election scenarios with all political actors in Baghdad to prepare grounds for their active participation in the new government, regardless of who led it. This included an open attitude towards politicians previously viewed as staunchly hostile to the KRG, like former Prime Minister Maliki.<sup>50</sup>

45 "Nechirvan Barzani: Kurdistan Region is going through tough times," *PUK Media*, November 21, 2017, [https://www.pukmedia.com/en/EN\\_Direje.aspx?Jimare=42222](https://www.pukmedia.com/en/EN_Direje.aspx?Jimare=42222).

46 Fazel Hawramy, "Iran willing to normalize ties with KRG, but not without change," *Al-Monitor*, December 21, 2017, <https://www.al-monitor.com/pulse/fa/originals/2017/12/iran-kr-normalization-trade-referendum-leadership-change.html>.

47 Andrew Snow, "Iraq's Impasse with Kurds Puts Post-ISIS Stabilization at Risk," U.S. Institute of Peace, January 11, 2018, <https://www.usip.org/index.php/publications/2018/01/iraqs-impasse-kurds-puts-post-isis-stabilization-risk>.

48 "After Iraqi Kurdistan's Thwarted Independence Bid," International Crisis Group, March 27, 2019, p. 15.

49 "Iraq PM Abadi orders reopening of Kurdish airports for international flights," *Reuters*, March 15, 2018 <https://www.reuters.com/article/mideast-crisis-iraq-kurds-airports/iraq-pm-abadi-orders-reopening-of-kurdish-airports-for-international-flights-idUSL8N1QX3Z8>; and "Baghdad to Pay Salaries of Peshmerga, Civil Servants in Kurdistan," *Asharq al-Awsat*, March 18, 2018, <https://aawsat.com/english/home/article/1209981/baghdad-pay-salaries-peshmerga-civil-servants-kurdistan>.

50 "VP Maliki says Iraq has to help Kurdistan before it's too late," *Rudaw*, December 23, 2017, <https://www.rudaw.net/english/interview/23122017>.



Prime Minister Masrour Barzani and Deputy Prime Minister Qubad Talabani discuss the latest developments in the Kurdistan Region, Iraq, and the Middle East, January 2020. (gov.krd)

After the national elections, KRG leadership made shaping a new partnership with Baghdad a key priority. The election results gave the Kurdish parties a solid negotiation position, despite widespread reports of election fraud and irregularities in the new electronic voting system.<sup>51</sup> The KDP won 25 seats, the PUK 19, Gorran 5, and Young Generation 4, with the smaller parties winning a few seats as well.<sup>52</sup> In response to the election, a KDP member of parliament—paraphrasing Niccolò Machiavelli—emphasized a return to «pragmatism» saying, “Kurds should take steps that can yield direct results for them, not think of how things ought to be, or how they are ideally. We need to reach agreements with those with real power in Baghdad.”<sup>53</sup>

During the government formation process, the KDP and PUK, even if rivals in Iraqi Kurdistan and

no longer part of a unified parliamentary bloc in Baghdad, still pursued their interests together in negotiations with the largest groups in the Iraqi Parliament, Fatah and Sairoun. Based on behind-the-scene-deals, KRG leadership secured the key position of finance minister in the new cabinet and carefully traded political support for specific demands for allocations from the 2019 federal budget to support KRG finances and to increase payments to support Peshmerga and public sector salaries. After securing these concessions, Kurdish officials welcomed the nomination Adel Abdul Mahdi as prime minister, whom they viewed as promising for future Erbil-Baghdad relations, given his good relations with the Kurdish leadership.<sup>54</sup>

51 “World Report 2019 – Iraq,” Freedom House, <https://freedomhouse.org/report/freedom-world/2019/iraq>.

52 Toon Mansour, “The 2018 Iraqi Federal Elections a Population in Transition?,” LSE Middle East Centre, July 2018, [http://eprints.lse.ac.uk/89698/7/MEC\\_Iraqi-elections\\_Report\\_2018.pdf](http://eprints.lse.ac.uk/89698/7/MEC_Iraqi-elections_Report_2018.pdf).

53 Interview with KDP member of Council of Representatives of Iraq, August 15, 2018, Baghdad, Iraq.

54 Interview with KDP member of Council of Representatives of Iraq, August 15, 2018, Baghdad, Iraq.

# DÉJÀ VU?

The Iraqi Kurds now find themselves pursuing political accommodation with political leaders in Iraq by sharing influence, positions, and financial interests. This pattern is like KDP and PUK actions in every election since the 2003 U.S. invasion.<sup>55</sup> Ostensibly, forging tactical alliances in Baghdad helped realize some Kurdish priorities in 2018, with the exception of a settlement on Kirkuk and the Disputed Territories. Yet, such deal-making renders short-lived results and is by itself an insufficient step towards building a sustainable policy. A sudden change in domestic politics or escalation between the United States and Iran could break the fragile deals between Kurdish and Shiite parties and reverse the KRG's political gains.

The tactical alliance with the major blocs that make up the Adel Abdul Mahdi government has held up but is at risk of collapsing as Mahdi resigned following the outbreak of mass protests in October 2019. As protests erupted, KRG leaders stressed that instability in Baghdad will have negative consequences for the Kurdistan Region and that the situation presents a challenge for both the KRG and Iraq's federal government.<sup>56</sup> As a result, KRG leaders reiterated their commitment to the Mahdi government, but have sought to appease the protesters by signaling support for political changes that they are demanding.<sup>57</sup> KRG leadership emphasized that Mahdi deserved

more time to address the grievances, which include corruption, unemployment, and urgently needed reforms. Yet, Mahdi's resignation has encouraged some Shiite political parties, previously in convenient alliance with the Kurds, to leverage threats to change the constitution's provisions on the Disputed Territories and budget transfers to pressure the KRG into supporting their preferred candidate.

Similarly, during the peak of the U.S.-Iranian escalation over rocket attacks and the killing of Qasem Soleimani, a major general in the Islamic Revolutionary Guard Corps and commander of its Quds Force, the KRG sought to remain neutral, owing to its strong relations with Washington and Tehran.<sup>58</sup> When Shiite political blocs convened parliament to vote on a bill calling for the withdrawal of U.S. forces from Iraq, Kurdish lawmakers in Baghdad boycotted the session on the grounds that it lacked necessary consultations and that ISIS still posed a security threat to Iraq and Kurdistan region.<sup>59</sup> Top KRG officials stressed that their priority in the crisis was the safety of the people in the Kurdistan Region and that all Kurdish parties stood united in supporting de-escalation and exercised efforts to not be entangled in the instability.<sup>60</sup> This prudent approach allowed the KRG to balance relations with two states.<sup>61</sup> Former KRG President Barzani described this approach as the "path of reason and wisdom,"

55 "After Iraqi Kurdistan's Thwarted Independence Bid," International Crisis Group, p. 9.

56 "Interview with Masrour Barzani, KRG prime minister," MERI Forum, November 6, 2019, <https://bit.ly/32N8qiQ>.

57 Dana Taib Menmy, "Iraqi Kurdistan authorities decry protest suppression," *Al-Monitor*, February 12, 2020, <https://www.al-monitor.com/pulse/originals/2020/02/iraq-protest-kurdistan-allawi.html>.

58 Lauren Williams, "The Kurds are again caught in the crossfire, now between U.S. and Iran," Lowy Institute, January 22, 2020, <https://www.lowyinstitute.org/the-interpreter/curds-are-caught-crossfire-between-us-and-iran>.

59 Hamza Mustafa, "Kurdish-Shiite Dispute over US Troops Ends their 'Historic Alliance' in Iraq," *Asharq Al-Awsa*, January 18, 2020, <https://aawsat.com/english/home/article/2088461/kurdish-shiite-dispute-over-us-troops-ends-their-%E2%80%99historic-alliance%E2%80%99-iraq>.

60 KRG presidency, press conference read-out, January 8, 2020, <https://president.gov.krd/it-is-not-in-iraqs-interest-to-fall-into-the-problems-of-the-region>; and KRG prime minister press statement, 8 January 2020, <https://gov.krd/english/news-and-announcements/posts/2020/january/kr-g-discusses-the-latest-developments-in-iraq-and-the-middle-east>.

61 Amberin Zaman, "Iraq's Kurds weigh opportunities, risks in wake of Soleimani killing," *Al-Monitor*, January 7, 2020, <https://www.al-monitor.com/pulse/originals/2020/01/iraq-kurds-opportunity-risk-soleimani-killing-iraq-tensions.html#ixzz6AqHDLBbG>.



Prime Minister Barzani speaks to the Kurdistan Parliament after his inauguration, 2019. (gov.krd)

which would not allow the Kurds to get involved in any proxy war.<sup>62</sup> However, maintaining perfect neutrality may not be possible, especially as the Kurds measure which potential political party offers them the best options for Kurdish interests during negotiations.

The tactical alliances in Baghdad allowed the KRG leadership to focus political attention and resources on internal affairs, following tumultuous years of war, economic and humanitarian crisis, and policy setbacks. The downside of this approach is the lack of longer-term strategic engagement, as a result of individual leaders' maneuvering to maintain influence and positions in KRG and Iraqi politics. A PUK parliamentarian stated, "In our Middle East neighborhood, there is currently nothing 'long-term,' we have to live and survive this turbulent period. If we manage to do that, we will gradually focus our efforts on longer projects and strategies. Today, that is not possible; not only for us, but everyone, look at the entire region."<sup>63</sup>

For the past year, KRG officials have expressed a serious commitment to resume playing an active role in Baghdad at federal institutions following the disastrous outcome of the independence referendum.<sup>64</sup> There is no clear outline for this "active role" even though it draws on experiences from the 2003-2006 period when the KDP and PUK sincerely participated in creating the constitutional and governmental framework of post-Saddam Iraq. Their role is instead shaped gradually through interaction at the parliament, presidency, and various ministries. It remains to be seen how, or if, it can consolidate outcomes.

The KRG has repeatedly faced challenges in forming a long-term and comprehensive policy for governance in the KRG and for relations with Baghdad. It is essential for the KRG to identify mid-term goals for its Baghdad policy beyond its main focus on resolving the Disputed Territories, revenue sharing agreements, and oil and gas legislation. While these disputes have existed for a long time, the KRG should identify and develop a strategy that could ensure the region leverage

62 Masoud Barzani, Twitter, January 7, 2020, [https://twitter.com/masoud\\_barzani/status/1214602424062816258](https://twitter.com/masoud_barzani/status/1214602424062816258).

63 Interview with PUK MP in Kurdistan Parliament, Erbil, Iraq, August 22, 2018.

64 Interview with senior Kurdish official in KRG, Erbil, Iraq, September 28, 2018.



Prime Minister Masrour Barzani with President Barham Salih in Baghdad, July 2019 (gov.krd)

in the central government's decision-making despite recurrent cycles of instability.

Building long-term commitment and capacity to engage in broader policy issues in Baghdad is key for the KRG. Its active engagement in federal institutions should not be limited to ministerial positions, but also comprise mid and senior levels. The KRG's protectionist rationale during the war against ISIS had failed to see Kurdish interests beyond its immediate demographic borders, banking on misinterpreted promises of Western support. The KRG is in the process of broadening and conceptualizing a new vision for its role in Baghdad and regionally, which requires leadership and strategy—as the past offers limited guidance.

An important resource in this regard, beyond members of parliament, is the remaining Kurdish civil servants and diplomats in Baghdad, who started their careers in 2005-2006 working in different Iraqi ministries and who have developed relevant competencies for engaging in governmental and parliamentary processes in Baghdad. A Kurdish senior official in an Iraqi ministry stated:

*As Kurds, we should have invested more at national level in Baghdad, it is easier to preserve and advocate Kurdish rights and self-rule in Baghdad, admittedly, than in Ankara or Tehran. At a point, we shifted our attention to external actors. There have unquestionably been grave failures in Baghdad's policies in the past ten years, indeed part of it against the KRG, we know this well and do not make illusions about the challenges here, but we can consolidate and advance Kurdish affairs here. This potential should not be lost.<sup>65</sup>*

In Baghdad, however, dynamics in governmental institutions are not what they were in the formative years of 2004-2008 when the new Iraqi political system was created. How the KRG's leadership can navigate in Baghdad at a time when street protests have challenged the government and the entire political establishment remains to be seen. In February 2020, the KRG was still diligently pursuing negotiations with Prime Minister-designate Mohammed Tawfik Allawi on budget, security, and appointing new ministers.<sup>66</sup>

<sup>65</sup> Interview with senior Kurdish civil servant in the Iraqi government, Baghdad, Iraq, August 23, 2018.

<sup>66</sup> Mohammad Rwanzy, "Iraq's Allawi is committed to Kurdish share of federal budget: MP," *Rudaw*, February 20, 2020, <https://www.rudaw.net/english/middleeast/iraq/200220201>.

# REGIONAL POLICY: STABILITY AND REFORM

The new KRG government is focused on securing regional consensus by offering Kurdish residents economic recovery, security, and political stability. Prime Minister Masrour Barzani's official discourse is focused on developing a "strong and prosperous Kurdistan region" through committed and effective leadership to reduce corruption and bureaucratic dysfunctions.<sup>67</sup>

Barzani appointed predominantly new faces to ministerial positions, with the objective to advance social and economic life. A large part of the KRG's ambitious agenda is focused on financial and administrative reform aimed at improving governance.<sup>68</sup> This focus is believed to have wide public appeal and has long been a key demand of the younger generation. There are no indicators that the main structural problems in KRG, such as cronyism, rentier economy, and partisan control over public sector and security forces, will be uprooted or even significantly tackled through the reform package.<sup>69</sup>

The new government, nevertheless, intended to present a reform bill before parliament within 100 days.<sup>70</sup> Two reform committees have been

established for negotiations with Baghdad on budget and oil revenues, and on security in the Disputed Territories.<sup>71</sup> A prominent Gorran parliamentarian stated, "There are two ways to address the need for reform in the KRG, first is to criticize and condemn corruption, theft, mafia rule, you name it, and in the end you gain nothing, or second, is to lobby for the reform law, to enrich it, and extend it to the budget, custom revenues, energy resources, etc."<sup>72</sup> It is unclear to what extent Prime Minister Barzani can deliver on the proclaimed reform program and how his leadership will distinguish itself from his predecessors. In a speech marking his first 100 days in office, Barzani publicly announced achievements in improving relations with the federal government of Baghdad, fighting corruption, restoring transparency in public affairs, strengthening e-governance, and ending excessive bureaucratic procedures across government offices.<sup>73</sup> Opposition figures claimed that it was too early to assess efficiency, and that it ultimately was the "people who should evaluate the government's performance."<sup>74</sup>

67 "KRG Convenes to Discuss the Latest Developments in Iraq," Kurdistan Regional Government, October 30, 2019 <https://gov.krd/english/news-and-announcements/posts/2019/october/krg-convenes-to-discuss-the-latest-developments-in-iraq>.

68 "KRG Outlines of New Cabinet Agenda," Kurdistan Regional Government, <https://gov.krd/english/government/agenda>.

69 Robert Smith, "Reading Polanyi in Erbil: understanding socio-political factors in the development of Iraqi Kurdistan," *Globalizations*, vol. 15, no. 7 (August 2018), pp. 1045-1057, <https://www.tandfonline.com/doi/abs/10.1080/14747731.2018.1498178>; "The Kurdistan Region of Iraq—Reforming the Economy for Shared Prosperity and Protecting the Vulnerable," World Bank, May 30, 2016, <http://documents.worldbank.org/curated/en/672671468196766598>; Kawa Hassan, "Kurdistan's Politicized Society Confronts a Sultanistic System," Carnegie Endowment for International Peace, August 2015, [https://carnegieendowment.org/files/CMEC\\_54\\_Hassan\\_11.pdf](https://carnegieendowment.org/files/CMEC_54_Hassan_11.pdf); and Triska Hamid, "Corruption and Cronyism Hinder Kurdistan," *Financial Times*, September 5, 2012, <http://www.ft.com/cms/s/0/ea716668-f759-11e1-8c9d-00144feabdc0.html>.

70 "Draft reform law to be sent to the Kurdistan parliament soon: KRG," *NRT*, November 4, 2019, <http://www.nrtagency.com/En/News.aspx?id=16452&MapID=1>.

71 Qubad Talabani, Deputy KRG PM, Interview with GKSAT, November 19, 2019, <https://www.facebook.com/watch/?v=424184954940322>.

72 Ali Hama Saleh, MP Gorran, Interview with Rudaw, November 25, 2019, <https://bit.ly/2sheGTj>.

73 "KRG Prime Minister Masrour Barzani's Speech Marking Cabinet's First 100 Days in Office," Kurdistan Regional Government, January 7, 2020, <https://gov.krd/english/government/the-prime-minister/activities/posts/2019/december/prime-minister-masrour-barzani-s-speech-marking-cabinets-first-100-days-in-office>.

74 Zhelwan Z. Wali, "Parties divided on KRG's first 100 day track record," *Rudaw*, December 10, 2019, <https://www.rudaw.net/english/kurdistan/101220191>.

The KRG's defense sector reform effort is a useful case study for comparative purposes. The defense reform effort has been guided by an "enhance and professionalize" rationale, combining capacity building with institutional reform.<sup>75</sup> Its objectives were set on increasing capabilities, ensuring efficient administrative procedures, modernizing training and equipment, and most challengingly, restructuring and unifying command lines. Also known as the "Peshmerga reform," the program was jointly developed by the KRG with the United States, United Kingdom, and Germany. The reform outlined a 31-point implementation plan covering legislation, ministerial re-organization, regional strategy, and federal cooperation.

Progress has been slow, according to international advisors working on the defense reform effort. The main challenges are related to well-known structural problems, such as "party politics and on-going vested interests of KDP and PUK political elites," along with the continued focus on short-term objectives.<sup>76</sup> Partisan control over security forces is an essential part of the parties' economic and political power, which is held tightly by the political elite. Over-estimating new equipment and technology in transforming overall performance and strategy has been among the clearest signs of short-sightedness. Institutional reform programs are ultimately political processes that require strong commitment from the KRG leadership; it cannot be resolved through technical expertise and capacity building only. Bringing party-controlled forces under the sole authority of the Peshmerga ministry has not yet occurred, despite continued technical support and pledges by KRG officials.<sup>77</sup>

Other parts of the reform plans—for example, reforms related to digitizing systems and electronic governance, or modernizing administrative

procedures, which are more technical in nature—may nonetheless be implementable and successful.<sup>78</sup> Several international experts working in previous reform programs within the KRG—for example in defense, crisis management, and law enforcement—have underlined this point. One such official noted:

*There is a clear understanding and openness at ministerial and general director level in the KRG on the need for reform and change. My colleagues and I feel this on a daily and weekly basis: they want to improve, even when they don't exactly know how at a technical level. We see gradual change, even if slow. And this makes our engagement meaningful, yet again, the political 'firewalls' are the real problems, they need to be resolved.<sup>79</sup>*

Such sector reforms and the willingness to implement them effectively have been easier to address at the technocratic level, but political buy-in remains elusive. For example, since 2014, the KRG has enhanced its crisis management capacity through the development of the Joint Crisis Coordination (JCC) center in the Ministry of Interior. The center reshaped administrative management through bureaucratic and technical reforms, which changed coordination and emergency response mechanisms in humanitarian or natural disasters.<sup>80</sup>

More broadly, critics have warned that this government, like the previous ones, will fail in advancing reforms related to reinforcing independent institutions, impartial oversight mechanisms, civil society engagement, or

75 William Davies, "Peshmerga Reform Building an Accountable, Affordable, Capable Force for KRI and Iraq," Geneva Centre for Security Sector Governance - International Security Sector Advisory Team (ISSAT), March 11, 2019, <https://issat.dcaf.ch/file/download/141717/2903611/Peshmerga%20Reform%20Overview%20%28ISSAT%29.pdf>.

76 Davies, "Peshmerga Reform Building an Accountable, Affordable, Capable Force for KRI and Iraq," p. 3.

77 "KRG President reiterates support for Peshmerga Ministry reform," Kurdistan Regional Government, October 15, 2019, <https://president.gov.krd/kmr/kurdistan-region-president-meets-top-uk-military-advisor/>.

78 "KRG Ministry of Labour and Social Affairs Launches Portal for Job Seekers," *NRT*, November 6, 2019, <http://www.nrtv.com/en/News.aspx?id=16521&MapID=1>.

79 Interview with international advisor on crisis management capacity in the KRG, October 20, 2018; and Interview with international advisor on security sector reform, October 21, 2018.

80 "First ever crisis coordination and disaster preparedness centre in Kurdistan," *UNDP Iraq*, May 17, 2015, <https://www.iq.undp.org/content/iraq/en/home/presscenter/pressreleases/2015/05/17/first-ever-crisis-coordination-and-disaster-preparedness-centre-in-kurdistan.html>.



For the new generation in the Kurdistan Region—the millennials—the reforms should elevate government performance and ease the dependency of the youth and middle class on party networks. Like elsewhere in the Middle East and North Africa region, historical legacies—such as the Kurdish struggle against Saddam Hussein’s Ba’ath regime—fail to conceal social injustice and regression in democratic norms.

reducing nepotism.<sup>81</sup> Independent media and journalists have continued to face threats and remain vulnerable in the KRG. International human rights and press advocacy organizations have repeatedly called on the KRG to protect press freedom and freedom of expression more broadly.<sup>82</sup> Impunity in cases of violence against journalists is still of grave concern, and the lack of a truly independent judiciary and press regulation body has entrenched the structural problems.<sup>83</sup> One approach to dissent has also been to co-opt journalists through expansive partisan media platforms. A worrying trend in this context is that local fiefdoms have emerged in which party figures with far-reaching influence and control over security elements crackdown on journalists and dissidents.<sup>84</sup> The reference to fiefdom is to further contextualize the conduct of certain political branches or local leaders, rather than only portraying an overarching repressive apparatus per se. Leading political figures in the KRG have, during internal feuds, made such allegations publicly.<sup>85</sup>

Compared to the rest of Iraq, the Kurdistan Region has enjoyed relative stability and not faced mass protests akin to those in Basra in 2018 and the recent protests in Baghdad. Some of the root causes that have driven the protests in south and central Iraq, including corruption and lack of youth employment, are largely prevalent in the KRG. However, disappointment in previous waves of mass protest, tightened security control, crackdown on dissidents, and fear of political instability have discouraged similar levels of street mobilization in the Kurdistan Region.<sup>86</sup>

For the new generation in the Kurdistan Region—the millennials—the reforms should elevate government performance and ease the dependency of the youth and middle class on

party networks. Like elsewhere in the Middle East and North Africa region, historical legacies—such as the Kurdish struggle against Saddam Hussein’s Ba’ath regime—fail to conceal social injustice and regression in democratic norms.<sup>87</sup> Geopolitical reverberations, in particular the disarray of the United States’ announced withdrawal from Syria’s Kurdish-populated areas and the subsequent Turkish invasion, shocked many Iraqi Kurds and may reinforce the impression that with all its shortcomings, the KRG remains the most stable and successful political experience of Kurdish autonomy. KRG officials regularly refer to this belief, stating that people want to return to normal life and that their top priorities are security, social peace, economic stability, and growth.

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# KRG AT A CROSSROADS

This chapter discussed how the KRG recalibrated its regional and external policy vis-à-vis the central government in Baghdad. It showed how new engagement with Baghdad emerged after the independence referendum controversy and military stand-off in Kirkuk and the Disputed Territories, which had resulted in a major failure with devastating political and economic consequences for the KRG.

By adopting a highly pragmatic strategy, KDP and PUK leadership managed to recover and consolidate their political stature in national and regional elections, despite serious reports of fraud and vote-rigging in several locations. The PUK also concluded its generational shift by electing Bafel Talabani. The elections brought forward new faces and a younger generation of politicians, who assumed ministerial and parliamentary seats.

But the new faces have not masked the old structures and might be set to maintain the status quo: partisan control over public institutions and security forces; oversized public sector; rentier economy; and high import dependency.

At a crossroads, KRG is in urgent need for reforms and improved governance. These are among the most critical demands of its young population—a generation that has no memory of the armed struggle against the Ba’th regime of Saddam Hussein. The KRG’s top leadership has committed—at least rhetorically—to a policy that addresses public grievances. It is unclear if it can turn the tide, which in part depends on how well it can deliver on promised reform programs, and partly how it can change old patterns cemented by the old guard in the KDP and PUK, the traditional centers of power. 

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