

# An Independent Iraqi Kurdistan? On the Prospects and Viability of a Future State

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In February 2016, Masoud Barzani, President of the Iraqi Kurdistan Region, announced his desire to hold a referendum among Iraqi Kurds on the issue of independence. While he did not promise that the results would dictate an immediate declaration of independence, he did state that such a referendum will reveal the wish of the people, and will be realized “at the appropriate time and circumstances.”<sup>1</sup> An informal referendum already took place in 2005, in which 99 percent of those who voted supported independence, and the idea for a formal referendum surfaced in 2014. A referendum is likely to result in a sweeping majority of Kurds favoring an independent state. As Mustafa and Aziz note, “The idea of having a sovereign Kurdistan is so popular that it is hard to find a single Kurd who would oppose it.”<sup>2</sup> Hence the question arises, what will be Barzani’s steps following such a vote. Opposition elements inside the Kurdish Region have charged that Barzani will use the referendum to bolster his own legitimacy as president. Yet irrespective of his political ambitions, the Iraqi Kurds’ aspiration for independence is strong.

This article examines how far the Iraqi Kurds have moved toward gaining independence and establishing a Kurdish independent state in northern Iraq, and will assess the likelihood of Barzani declaring independence. Beyond the issue of the Iraqi Kurds’ demands for self-determination, these questions bear on the fear of Kurdish independence that has been a long time concern for countries with a significant Kurdish minority in the region; many have invested much effort in quelling such ambitions.

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With the weakening of Baghdad's central authority and the prominent role of the Kurds in the struggle against the Islamic State, never has Iraqi Kurdish independence been discussed so much. As to political orientation, a Kurdish independent state in northern Iraq will likely be a pro-Western state with a favorable attitude toward Israel.<sup>3</sup>

The article will address the issues of political unity and institution building, economy and energy dimensions, the situation of the security forces, and the level of international support for the idea of independence, in order to assess the viability of an independent entity, if indeed the Iraqi Kurds move toward it. A unilateral declaration of independence is a possible but not likely prospect for the Kurdish Region. Another way for the region to gain independence is by agreement with Baghdad (a type of "South Sudan" model), or if Iraq as a state completely disintegrates.<sup>4</sup> Indeed, in March 2017 President Barzani said, "Czechoslovakia and Yugoslavia have faded away, as happens today to the legacy of Sykes-Picot."<sup>5</sup> There is also the possibility of the Kurdish Region gaining independence and trying to form a greater Kurdistan, but this seems to be a very unlikely scenario and hence will not be discussed.

### **Political Unity and Institution Building**

Of the many challenges to political unity that have long confronted Iraqi Kurdistan, most still exist. In 2005, the new Iraqi federal constitution granted the Kurdish region a legal autonomous status. It stipulated that "Kurdistan's institutions exercise legislative and executive authority in many areas, including allocating the Regional budget, policing and security, education and health policies, natural resources management and infrastructure development."<sup>6</sup> This power extends over four governorates (Erbil, Sulaymaniyah, Dohuk, and Halabja) of Iraqi Kurdistan. The parliamentary regime of the region gives powers to the President, elected by universal suffrage, and to the Prime Minister, who is appointed by the elected Parliament.

Despite this relative institutional emancipation, however, the Kurdistan Region has never been fully able to gather together the different Kurdish parties and reach fundamental agreement on many issues. These difficulties, regularly exploited by external powers, are partly related to the tribal division in Kurdish society. It has proven difficult to deepen political unity because of some clan differences, and the lack of political unity is also linked to the various spoken dialects; the two main dialects are Sorani (Arabic script)

and Kurmanji (Latin script). At the same time, most Kurds understand both dialects,<sup>7</sup> and in any case, tribal divisions and dialect differences, while hindering unity, have not prevented other states from forming or from basic performance. In addition, from 2014, the advances of the Islamic State have acted to some degree as a unifying element, although as the organization has weakened, its unifying effect has decreased.

These divisions were one of the main reasons behind the civil war among the Kurds in the 1990s, bringing into conflict the KDP (Kurdistan Democratic Party) and the PUK (Patriotic Union of Kurdistan). The memory of this civil war resonates in the region, the scars are still palpable, and the Iraqi Kurds want to avoid a return to domestic conflict. The KDP was established in 1946, thanks to Soviet-backing against the Iraqi and Iranian monarchies. Now based in Erbil, capital of the Kurdish Region, it is considered the most influential party within the region, thanks to the role of both President Barzani and Prime Minister Nechirvan Barzani. The PUK was born out of a split in the KDP in 1975 and since its creation has been based in Sulaymaniyah. Its formation was inspired by Ibrahim Ahmad, former member and intellectual of the KDP-I (the Iranian branch of the KDP), and the Talabani family influence in it is very strong.<sup>8</sup>

Today, the main differences between these two parties are fanned by recent political developments. Beyond the inheritance of divisions and conflicts, the PUK accuses Barzani of not respecting the democratic game, and denounces the illegality of Barzani's continuing role as President.<sup>9</sup> This division has caused the blocking of any presidential election since 2013 (postponed to 2015, then to 2017). Moreover, the 2013 parliamentary election gave rise to a new political party. The Gorran ("Change") party, which defines itself as opposed to the ruling two-party coalition (PUK-KDP), came second (after the KDP and before the PUK), highlighting a possible evolution of Kurdish society vis-à-vis this inner crisis. Others, however, claim that the rise of Gorran mostly reflects a division within the PUK.<sup>10</sup> These elections also gave 12 parliamentary seats (out of the 100 seats that were open)<sup>11</sup> to three Islamist parties, thereby indicating the growing importance of the Sunni identity.

The regional positioning of the Kurdish Region, between various spheres of influence and within a country at war for almost 15 years, makes achieving political stability difficult. This instability and intra-societal differences complicate the task of strengthening democratic institutions. In the various fields where the Kurdistan Regional Government (KRG) has the freedom to

act, the government has had difficulties in finding a political consensus and in legitimizing newly founded domestic institutions. These difficulties are also related to problems of corruption and nepotism in the Kurdish Region. The KRG has planned a deep restructuring of the current institutions and their operations for 2017, and it remains to be seen if it succeeds in this goal.

### Energy and Economy

In the post-Saddam period, many international oil companies arrived in the Kurdish region,<sup>12</sup> perceived as “the last big onshore ‘easy’ oil province.”<sup>13</sup> Still, while oil revenues have facilitated the economic development of the region, the previous estimations regarding the Kurdistan Region’s oil and gas reserves have overstated the amount of exploitable resources.<sup>14</sup> If the Kurdistan Region declares independence without a prior agreement with Baghdad and issues concerning the legality of the region’s oil exports remain unresolved, it is likely that uncertainty will continue to deter major international companies from investing further in the region. There has already been disappointment with the real returns on prior investments of these companies. However, should the region reach understandings with Baghdad, it will be able to sell its oil at a higher price, as the current price reflects a discount the KRG must give to compensate for the legal risks the buyers are taking on themselves.<sup>15</sup> As the Kurdistan Region is landlocked, it relies on Turkey to export its oil. There are calls (especially among the PUK) for the need to diversify the possible outlets for the Kurdistan Region’s oil and to use Iran as well as a possible future outlet.

In 2015, the KRG began facing difficulties paying salaries to the 1.3 million employees on its payroll. Note that the total workforce in the Kurdistan region is around 2 million, which testifies to a problem of an inflated public sector. There are several reasons for the economic problems. Since 2014, because of the Kurdish Region independent sale of oil, Baghdad has reacted with a halt on budget payments from the central government. The declining energy prices have also been one of the major causes of the growing debt of the Kurdistan Region. Another issue has been the resources needed to pay for the handling of over 1.8 million Iraqi displaced people and Syrian refugees arriving in the Kurdish Region after the major advances of the Islamic State (marking some 30 percent of the region’s population). In addition, the price of the military struggle with the Islamic State has put pressure on the KRG budget.<sup>16</sup> Not being a state entity has also made it harder for the region to obtain international loans, although

the struggle against the Islamic State has brought about a first direct loan from the United States to the KRG to pay the salaries of the Peshmerga armed forces. Opposition sources, however, claim that the crisis mainly results from the uncertain destination of the oil revenues, which in turn raises charges of corruption.<sup>17</sup>

The KRG has made some efforts to carry out economic reforms in the region. While not cutting the number of employees in the public sector, salaries have been reduced. Also, the low oil prices have been used to begin removing subsidies on gasoline and, with World Bank funding, a much needed overhaul of the electrical infrastructure is planned.<sup>18</sup>

### Security Forces Dimension

Related to the political consensus necessary for the construction of common public institutions is the organization and the efficiency of security forces. Within the region, several agencies are supposed to control public order and ensure homeland security, including Peshmerga army forces, Zeravani forces (a type of gendarmerie), police, Asayish (intelligence agency), emergency, and anti-terror forces.<sup>19</sup>

The two veteran political parties (KDP and PUK), formerly militias, are known for keeping powerful security forces. Although all Peshmerga forces are officially subordinated to the KRG Presidency Council (the cabinet) and its Peshmerga Ministry, and article 121 of the Iraqi Constitution and Kurdistan Region's laws allow only one single and unified force as the regional guard force (the Peshmerga army), the two forces remain subordinate to separate PUK and KDP commands. Moreover, many civilians possess weapons in their home, adding to the lack of full control of the KRG over the security dimension. One estimate in 2009 put the number of PUK Peshmergas at 42,500 soldiers and KDP Peshmergas at 54,700, plus 30,000 former KDP Peshmergas transferred to Zeravani militarized police, officially under the Iraqi Interior Ministry orders.<sup>20</sup> Today, and with its reservists, the Peshmerga army is estimated to have between 150,000 and 200,000 fighters.<sup>21</sup> Legally financed by both KRG and Baghdad, the Peshmerga army's budget is a matter of dispute between these two sources, and payments of the soldiers' salaries constitute a source of negotiating leverage for Baghdad.

The war against the Islamic State revealed some of the weaknesses of the Peshmergas.<sup>22</sup> Their equipment and effectiveness depend in many respects on Western countries' support allocated since the war against the Islamic State began, as weapons originating from the former USSR

and Yugoslavia are beginning to be sorely lacking in effectiveness.<sup>23</sup> On the other hand, the war against the Islamic State has made the Peshmergas important allies for the international coalition against the Islamic State.

The Peshmerga's effectiveness is questioned by many experts. The prevailing picture in the media of a very effective Kurdish army is the result of real achievements against the Islamic State but also of a successful public relations campaign and the excessive glorification of the female combatants. However, many of these successes occurred in Syria and were registered by the Syrian offshoot of the PKK (YPG), not by the Iraqi Peshmergas. The armed forces of the KRG remain very much dependent on Western support, without which the Peshmergas will find it difficult to impose their will on the ground.

### **International Legitimacy and Support**

The independence of the Kurdish Region is closely linked to foreign support and to international legitimacy, and thus to the interest of global and regional powers not to block Kurdish independence and even to assist it. Located in a war-torn country and in a region of economic and geopolitical significance, the fate of Iraqi Kurdistan is very important for Turkey and Iran, for major Arab states such as Saudi Arabia, and for the world superpowers as well. There are currently 34 foreign consulates in Erbil, including representatives from all the major powers.<sup>24</sup>

The regional powers have exploited divisions within the Kurdish Region. While the PUK has been backed by Iran for many years, the KDP is pulling the KRG towards a strong relationship with Turkey. As an important ally for Turkish President Recep Tayyip Erdogan, both in his struggle against the PKK and as part of Turkey's attempt to counter Iran's sphere of influence in Iraq, Barzani has held multiple meetings with Turkish leaders over the years. Aside from the economic aspect of this relationship, the backing it receives from Turkey in the regional context is essential for the KRG. For Erdogan, beyond achieving more diversification of Turkey's energy supplies, this alliance represents a way to show that he is not against the Kurds in general but rather only against the PKK. In 2010, Ankara opened a consulate in Erbil, and there have been negotiations about the opening of a KRG representation in Ankara.<sup>25</sup> In February 2017, during Barzani's visit to Turkey, the Kurdistan flag was hoisted next to the Turkish and Iraqi flags on several occasions, a move that was criticized by the Nationalist Movement Party (MHP), but defended by the ruling party.<sup>26</sup> This relationship

remains very much unbalanced, vital for Erbil but of secondary importance for Ankara.<sup>27</sup> Moreover, the intensification of the conflict with the Kurdish minority in Turkey also puts a strain on the relations with the KRG.

The Iranian neighbor is positioning itself to oppose Kurdish independence, much more so than Ankara. Indeed, Iran is afraid of the spreading and strengthening of the drive for independence among its own Kurdish and other minorities. In December 2016, accusations surfaced that the Iranian Revolutionary Guards were responsible for double bomb attacks against KDP-I's offices in Erbil.<sup>28</sup> Tehran is also afraid of an instrumentalization of the Kurdish cause by its rivals, such as Saudi Arabia. Several Iranian officials asked Saudi Arabia to remove its diplomatic representation from Erbil, which opened in February 2016.<sup>29</sup> That was somewhat ironic, since Iran has two consulates in the Kurdistan Region (in Erbil and in Sulaymaniyah). Nevertheless, a top Iranian commander has called on Saudi Arabia to leave Erbil because its presence is destabilizing.<sup>30</sup> Iranians are also wary of a loss of their interests in favor of the Turks within the Kurdish Region. With that in mind, they have increased their backing of the PUK.<sup>31</sup> Iran seems clearly opposed to the independence of the KDP-led Kurdish Region, which represents a red line for Tehran. Still, it is not clear whether Iran will use its military power to halt a Kurdish drive for independence (especially if such a state earns US backing), although they will certainly invest much effort in weakening such an entity.<sup>32</sup>

The US has opposed Kurdish independence, especially since the 2003 War, because it saw it necessary to keep Iraqi borders intact. However, as Iraq's instability persists and even worsens, there are calls inside Washington to rethink its policies. It is quite clear that the Kurdish state will be a friendly actor to the US and that if the US chooses to give such a state security guarantees, this might well deter the Iranians from acting militarily against it.<sup>33</sup> The US already has small deployments of forces in the region.<sup>34</sup> Russia's position toward the Kurds is complex. Traditionally, Russia has had friendly relations with the Kurds and was one of the first countries to open a consulate in Erbil.<sup>35</sup> Moscow, however, opposes a unilateral decision by Erbil to declare independence and will support an independent Kurdish state only if that emerges with the consent of

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Baghdad. There is also a linkage between the situation in Syria and Iraq, and an Iraqi Kurdish precedent of seceding from the Iraqi state would not be received well in Damascus and in Tehran, whose position on the matter may affect that of Russia. It is likewise unclear that a Kurdish state, which will be pro-Western, is in the best interest of Russia.

While Israeli support is not expected to significantly change the Kurdish calculations, it is clear that Jerusalem will be fully in favor of such an independent state. In June 2014, Israeli Prime Minister Benjamin Netanyahu pronounced his support for the establishment of an independent Kurdish state in Northern Iraq, stating that “they deserve it.”<sup>36</sup> That same month, then-President Shimon Peres met President Barack Obama and also spoke in favor of a Kurdish state in light of the situation in Iraq.<sup>37</sup> While some of the reports on the Israeli purchase of oil from the Kurdistan Region have been exaggerated, Israeli companies did facilitate the export of oil from the region and were not afraid to bypass Baghdad, since Israel doesn’t have diplomatic relations with Iraq.<sup>38</sup> In January 2016, Israeli Justice Minister Ayelet Shaked also voiced her positive sentiments towards the Kurds, and

stated, “It is time to help them” and the “Kurdish people are a partner for the Israeli people.”<sup>39</sup>

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Thus it appears that the rise of the Islamic State and the struggle for its defeat have created a situation in which the Kurds have gained growing international attention and wider acknowledgment of their achievements and rights, thereby creating an overall positive feeling (at least in public opinion in Western states) toward possible Kurdish independence. Moreover, as time passes and with the election of President Donald Trump, who does not see himself committed to continue the policy of its predecessors, American insistence on keeping Iraq as a unified state will perhaps diminish. Turkey’s alliance with Barzani has been sustained for quite a while, and Turkey’s growing troubles in the Middle East seem to imply that it will not endanger this alliance as long

as it continues to view it as bearing fruit both in the energy realm and in its struggle against the PKK.

## Conclusion

As with many new states, it seems that the Kurdistan Region will not obtain the blessing of some of the actors in the region if it declares independence, and its birth as a state may be accompanied by war. Hence, courageous and strong leadership is an imperative for the Kurdistan Region. A new state in the making also requires a minimum of international legitimacy to become independent and, as Anaid argues, what is surprising nowadays is the lack of a strong reaction to announcements regarding possible Kurdish independence and the sense that “both the region and the world are becoming gradually more receptive to an independent Kurdistan.”<sup>40</sup>

The political divide is a lingering problem in the Kurdistan Region, and of all the issues discussed in this article, it is probably the most difficult to solve. While the initial euphoria following independence might somewhat mitigate the intensity of this challenge in the first few months, it will likely resurface again early on. The issue of unifying the Peshmerga forces has been on the Iraqi Kurds’ agenda for almost three decades, and clearly some major steps have been taken in this respect, albeit not enough. Acquiring a state status would probably serve as a catalyst for advancing this aim further. Some of the economic problems the KRG is now encountering will accompany it if it achieves independence (for example, the inflated number of employees in the public sector and the economic price of absorbing the IDPs and refugees in the region). However, some of the economic difficulties will be more easily handled once the Kurdish Region gains independence and is able to issue its own currency, control the exchange rate, and obtain the necessary loans for building the state. Foreign support for independence will likely be rather muted. It is not expected that either Turkey or the US will give the KRG a green light, but it will be an achievement if these actors don’t present Barzani with a red light. Iran will presumably continue to be a staunch opponent of Kurdish independence, but while the possibility that it would attack this new entity exists, it is more likely to try and further strengthen its relations with the PUK and act in a subversive manner from within the new state. An independent Kurdish state will thus have many problems to deal with and will be highly dependent on Turkey and the US to deter Iran. Given all this, however, the balance sheet seems to tilt cautiously in favor of independence.

## Notes

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