Politics, Economy, and Ideology in Iraqi Kurdistan since 2003: Enduring Trends and Novel Challenges

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In the months preceding the 2003 US-led war against Iraq, area specialists and humanitarian agencies issued dire warnings and predictions, especially concerning the Kurdish-controlled region. Humanitarian organizations feared a new chemical strike by the Iraqi army against the local civilian population, which would provoke a refugee crisis similar to the one that occurred in the aftermath of the 1991 Gulf War. Others argued that a Kurdish move against, and perhaps conquest of, the oil-rich city of Kirkuk would automatically draw Turkey into the war, with wholly unforeseeable consequences. For the longer run, some commentators voiced fears that the Kurds risked losing everything they had achieved. Others argued that regime change would inevitably lead to Kurdish secession from Iraq. More than ten years after the war, however, none of the above scenarios has played out, and

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none of them is very likely to do so in the foreseeable future. Instead, the Kurdistan region has on the whole remained remarkably stable politically, and even flourished economically. It has largely been spared the economic and political instability and the horrendous violence that the rest of Iraq has suffered under and after the US occupation—at least until the meteoric rise of the Islamic State (IS) in 2014. Although, obviously, one should not trivialize or underestimate the potentially disruptive character of major economic and other changes, this relatively stable and peaceful character of the Kurdistan region calls for explanation, and requires us to nuance generalizations about post-war Iraq’s instability.¹

In the present contribution, I will sketch some of the main political, economic, and ideological developments the region has witnessed since 2003, and point out some of the continuities with the more remote past. Economically, I will argue, the region remains characterized by, and dependent on, oil extraction and export. Politically, or more precisely organizationally, it displays a continuing Leninist tradition, in the sense of a persistent attempt to have a single party dominate political life as well as civil society (or, put differently, by pervasive and tenacious forms of party patronage). Ideologically, secular Kurdish nationalism continues to flourish. The first of these continuities is not very surprising. The second is rather more unexpected, especially in light of the various uprisings and protests against the nepotism of ruling elites that occurred throughout the Arab world in 2011. The third continuity is perhaps most remarkable of all. Until 2003, Iraqi Kurdish nationalism primarily positioned itself against Ba'thist Arab nationalism. However, Arab nationalism has ceded a lot of ground over the past decades. For a long time, even progressive and otherwise critical Western-based thinkers, like Edward Said, continued to see Iraq as a self-evidently Arab state.² Since then, in Iraq at large, secular Arab nationalism, though by no means dead, appears to have largely been superseded by territorial Iraqi nationalism, Islamist discourse, and sectarian identity politics. In the Kurdish region, however, secular nationalism is alive and kicking. Although there are several Islamist parties, and although Kurdish society is visibly more Islamic than it was two decades earlier, political Islam and sectarian identity politics are nowhere near as influential as in central and southern Iraq, not to mention neighboring states. Again, the main challenge is to explain this distinct trajectory.
Below, after a brief account of the crucial years following the 1991 uprising and establishment of a de facto (though unrecognized) Kurdish statelet, I will trace the main political, economic, and ideological developments of the decade following the 2003 US-led war. Two caveats are in order: first, given this focus on political, economic, and ideological factors, this article will hardly address social and cultural developments. Thus, I will have little to say concerning ethnic relations and minorities, the development of civil society, changes in gender identities and relations, and the dramatic shift to nearly universal Kurdish-language education. Second, given its focus on the domestic and regional dynamics, this article will not address the region’s foreign relations, especially with powerful neighbors like Turkey and Iran, and with more remote powers like the United States. International relations are certainly important, but an emphasis on such macrofactors tends to distract attention from equally if not more important local forces.


Iraqi Kurdistan’s post-2003 history cannot be understood without taking into account its distinct trajectory since the 1991 Gulf War. In the spring of 1991, in the wake of Iraq’s defeat in the war, the population of Iraq’s Kurdish provinces, as of most other parts of Iraq, rose up against the regime. The regime quickly—and mercilessly—crushed these uprisings. However, in the Kurdish north, the situation remained sufficiently unstable for the government to eventually withdraw its personnel from most of the region in October 1991. Overnight, the oppositional parties united in the Iraqi Kurdistan Front (IKF) gained control over a large area that included major cities, like Erbil, Sulaymaniyah, and Duhok. The Kurdish political parties, in particular the Kurdistan Democratic Party (KDP) led by Mas’ud Barzani and the Patriotic Union of Kurdistan (PUK) headed by Jalal Talabani, had a distinct status among the Iraqi opposition. With the exception of the years between 1988 and early 1991, they had always maintained a presence on Iraqi territory. As a result, they could quickly consolidate their newly dominant position even in the face of local initiatives of self-rule. This consolidation was exceptional. Generally, other Iraqi opposition groups, like the Supreme Council of the Islamic Revolution in Iraq (SCIRI), the Da’wa, and the Iraqi National Congress (INC), could only operate from abroad, especially prior
to the 1991 uprising and after the Iraqi army invasion of Erbil in August 1996. Likewise, throughout the 1990s, Iraq’s Communist Party, which had been a major force in the 1970s, and had maintained a guerrilla presence in the more remote areas of Iraqi Kurdistan in the 1980s, witnessed a steady decline in appeal and membership.

In the 1991 uprising, local security archives revealed written and visual documentary evidence of the Ba’th regime’s torture, executions, and other crimes. Now, for the first time, it became possible to openly discuss the horrors of Saddam Hussein’s rule, and especially to grasp the full, genocidal extent of the so-called Anfal operations it had conducted in Kurdistan in 1987 and 1988. Thus, video footage of executions circulated freely, and was even broadcast on local television. The net effect of the public display of these horrors, long known privately, was a quick and complete de-legitimization of Ba’thist rule. To boost its own legitimacy, and to fill the administrative vacuum, the IKF organized elections for the regional parliament in May 1992. Despite a number of serious claims about irregularities, the elections were declared free and fair by foreign observers. The KDP and PUK both won some forty-nine percent of the vote, and hence gained fifty seats each in parliament; five additional seats had been reserved for Christians. No other party met the seven percent electoral threshold. In early June, parliament convened for the first time; soon after, the KDP and PUK formed a regional government, with ministers and deputy ministers divided evenly between the two parties. This equal division of personnel and resources between the KDP and PUK came to be jokingly called “fifty-fifty” among locals.

In the difficult circumstances, the relatively free character, indeed the peaceful conduct, of the elections was an achievement in itself. The outcome, however, was not immediately made public, but first negotiated by the two biggest (and richest) Kurdish parties, the KDP and the PUK. Eventually, the high committee canceled the results at one polling station because of alleged irregularities, with the result that the KDP and PUK ended up with an equal number of seats. In other words, the outcome of the elections was the result of party politburo negotiations rather than ballot box votes. Moreover, the leaders of both parties stayed outside the elected structures: the simultaneous elections of a regional leader (rehber) had failed to yield decisive results in the first round, and there was no runoff. As a result, it was the party leaders and politburos, rather than the
elected parliament and the civilian government, who wielded real power. Thus, hardly a year after he was sworn in, the first prime minister, Fuad Massum, was replaced by Kosrat Rasul, a former military commander of the PUK who had a more solid personal power base. Frictions between the two main parties steadily escalated, and in May 1994, major infighting broke out between the KDP and PUK, and in the Halabja region between PUK troops and local Islamists. Despite peace efforts by various local and international actors (not least the regional parliament), clashes continued, gradually zooming in on major cities, especially the regional capital Erbil, and increasingly claiming civilian casualties. Initially, the PUK seemed to be the stronger force militarily. Thus, in the summer of 1995, PUK troops ousted the KDP from Erbil, and proceeded to demolish the local KDP headquarters. In August 1996, however, KDP troops recaptured the capital, aided by the Iraqi army, which used the opportunity to wipe out the forces of the Iraqi opposition embedded there. Thus, in particular, it destroyed Ahmad Chalabi’s Iraqi National Congress as a major player. Fighting between PUK and KDP intermittently continued, until in 1998, the US brokered a peace agreement between the two parties, at which both agreed to reunite their administrations and to hold new elections within a year. Although from then on, the two parties held weekly “peace talks,” they did not honor these pledges. Instead, both sides continued to consolidate their position as de facto sole rulers in the respective territories under their control. They would not hold new regional elections until well after the 2003 war.

The rupture with Ba’thist Iraq was dramatic, but not complete or final. Despite their public anti-Ba’th rhetoric, both PUK and KDP maintained regular if generally discreet contacts with Baghdad during this period, in the expectation that they would eventually have to reach some kind of accommodation with the Ba’thist regime. It was not until around 2002, when the George W. Bush administration affirmed its intention of removing Hussein from power, that both parties unambiguously sided with the Iraqi opposition and with US plans for regime change. In short, since 1991, Iraqi Kurdistan has seen the establishment, and subsequently the consolidation, of new party-backed elites and new systems of patronage. These systems were well entrenched by the time of the 2003 war and did not meet with any serious parliamentary challenge until 2010. With some oversimplification, one may call this attempt to establish one-party rule and to dominate
society through patronage an enduring Leninist feature of Iraqi Kurdish political tradition.

Iraqi Kurdistan’s post-1991 trajectory was as distinct economically as it was politically. Like the rest of Iraq, the region suffered under the UN sanctions imposed on Iraq after the latter invaded Kuwait in August 1990. However, the region was also subject to an internal blockade imposed by Baghdad after the withdrawal of its personnel from the region. In particular the central government’s cessation of civil servants’ salaries and its halting of the supply of petrol and subsidized foodstuffs caused immediate and severe hardship for the local population, which had become overwhelmingly dependent on the state for its income, energy needs, and foodstuffs. The region maintained a measure of monetary autonomy from the rest of Iraq by retaining the old “Swiss print” banknotes that in government-held territory was replaced by new, locally printed banknotes. Although the latter could be used in the region under Kurdish control (and were used by the central government to pay whatever salaries it continued to pay to government personnel in the north), they were valued at only some ten percent of the Swiss print notes. As a result, Iraqi Kurdistan did not face the same level of hyperinflation that the rest of Iraq witnessed in the 1990s.

One relatively underinvestigated aspect of post-Gulf War Iraq is the drastic economic reforms of the late 1980s and early 1990s. After the end of the Iran-Iraq war, Hussein’s regime had carried out a radical privatization drive that fell little short of economic shock treatment. The effects of these market reforms remained largely hidden behind those of the UN sanctions regime. The reforms, however, created not so much a liberalized market economy as a kind of crony capitalism, which primarily benefited those close to the power elites. They also involved a criminalization of the economy, which was increasingly characterized by the looting or siphoning off of public goods for private profit, an economic activity described as “predation.” Similar developments occurred in post-1991 Iraqi Kurdistan. Smuggling had long been a central aspect of the border economy. However, it gained new importance after the imposition of UN sanctions against Iraq as well as the Baghdad regime’s internal blockade. A brisk cross-border and cross-frontline trade in petrol developed in the 1990s, primarily but not exclusively between government-held Iraq and Turkey and passing through Kurdish-held territory. In a sense, this was a privatized form of trade, with
Barzani's nephew Nechirwan Barzani in charge on the Kurdish side and Hussein's eldest son Uday Hussein on the Iraqi side. Moreover, it was at best semi-clandestine: although it enjoyed the tacit approval if not the active support of local authorities, it violated both the UN sanctions regime and domestic laws on oil export. Apart from petrol products, cross-border trade also included the smuggling of foodstuffs and luxury items like cigarettes and alcohol. Further, in the dire economic and political circumstances, human trafficking became an increasingly lucrative business enterprise. Individuals and families wishing to leave had to pay extortionate amounts of money for fake passports and exit visas.

This flourishing of a criminalized and privatized trading economy stands in sharp contrast to the demise of the region's agricultural sector. The 1990s witnessed the further decline, not to say the virtual disappearance, of agriculture as a viable sector of the regional economy. In Iraq as a whole, the agricultural sector suffered from the dramatic shifts in, and contradictory effects of, Ba'thist policies. The Soviet-style nationalization and collectivization of agriculture of the 1970s was followed by a rapid privatization drive (infitah) that started in 1983. In the Kurdish region, these policies overlapped with an increasingly violent and destructive counterinsurgency. The regime evacuated large numbers of villages, and declared large parts of arable land no-go zones. As part of these measures, it uprooted hundreds of thousands of villagers from their homes and resettled them in so-called mujamma'a homes or relocation camps, in which they grew completely dependent on government handouts.

This dependence did not end with either the establishment of Kurdish self-rule or the imposition of an internal blockade by Baghdad. Following an initial phase of short-term relief, humanitarian aid efforts of the 1990s were primarily aimed at rebuilding the villages and rehabilitating the rural agrarian economy. However, they faced a combination of structural factors. Due to the continuing political insecurity, many villagers preferred to stay in their new mujamma'a homes. Moreover, with petrol prices skyrocketing as a result of the internal blockade, transporting local agricultural products to the regional urban markets had become prohibitively expensive. It was actually cheaper to import foodstuffs from neighboring countries like Iran, Syria, and especially Turkey, than to grow them locally.

International political developments further undermined humanitarian attempts to rehabilitate local agriculture. In 1997, after lengthy negotiations,
the UN and the Iraqi government signed the Oil For Food (OFF) agreement. In retrospect, this agreement marked a watershed in the economic and political development of Iraqi Kurdistan, as it did for Iraq as a whole, with both positive and negative effects. On the positive side, it helped to end the armed conflict between the KDP and the PUK, as both parties realized they stood to gain much more from participating in food distribution. Undoubtedly, US pressure was a major factor in the success of the 1998 peace talks; however, the potential profits of the OFF program were also a strong incentive. Most importantly, the Kurdish-held north earmarked thirteen percent of the OFF budget. Even if much of this amount was not actually spent, the earmarking set a precedent for post-2003 arrangements. On the negative side, the OFF led to the effective suspension of whatever democratization process the region had witnessed since the removal of Hussein’s troops. The 1998 peace agreement between the party politburos came at the expense of the elected political bodies. Worse, no elections had been held since 1992, and none would be held until 2005, although the Kurdish region remained relatively stable and peaceful, and grew increasingly prosperous, after 1997. Economically, the implementation of OFF dealt a death blow to the already severely hampered efforts to rehabilitate the regional agricultural sector, reinstating as it did the import of subsidized foodstuffs. Moreover, it involved the distribution of these imported goods through government-held territory rather than buying crops produced locally.

Finally, post-1991 Iraqi Kurdistan followed a distinct ideological trajectory. The Kurdish-held region suffered as much under the UN sanctions as the rest of Iraq. However, the local population, which also faced an internal embargo, tended to blame Hussein’s regime rather than the United States, the UN, or the international community for their hardships. Moreover, Iraq’s Kurds have no strong tradition of anti-Americanism or anti-Zionism, and have shown relatively little support for the Palestinian cause. The most important distinct ideological development in the region was undoubtedly the rise and subsequent decline of political Islam. Locals explain the relative indifference among Kurds to salafism as resulting from a long-standing attachment to Naqshbandi Sufism.

Although such explanations contain a grain of truth, they are certainly an oversimplification. Iraqi Kurdistan did in fact witness a significant rise of militant political Islam of salafi inspiration during the 1990s. Initially, the strongest Islamist group was the Islamic Movement of Iraqi Kurdistan.
(IMIK), headed by Shaykh Othman ‘Abd al-Aziz. Although founded in 1979 and rooted in Shaykh Othman’s hometown of Halabja, the IMIK also had a significant number of veterans from the jihad in 1980s Afghanistan among its cadre. It was ideologically close to the so-called salafi-jihadi groups that had emerged during the 1980s. Organizationally, it had links with the Muslim Brotherhood, which Othman had reportedly joined while studying at the al-Azhar University in Cairo. In later years, he maintained contacts with Burhanuddin Rabbani in Afghanistan, and to the Jama‘at-i Islami in Pakistan. In the 1992 elections, the IMIK gained five percent of the vote, the largest percentage of any of the smaller parties. For much of the remainder of the decade, it was locked in an enduring rivalry with the PUK, especially in the Halabja area. Following the death of its leader in 1999, the IMIK split into several factions, the most important of which were Ali Bapir’s Komala and Mullah Krekar’s splinter group, which subsequently merged with Abu Abdallah al-Shafi’i’s Jund al-Islam to form Ansar al-Islam. In the run-up to the 2003 war, PUK propagandists and US warmongers accused the latter group of maintaining close ties both with, and in fact forming the missing link between, Osama bin Laden’s al-Qaeda network and Hussein’s regime. Between 2001 and 2003, Ansar al-Islam was engaged in a protracted and violent confrontation with PUK forces; then, in the 2003 war, the PUK persuaded US troops to attack these groups and arrest their leaders because of their alleged links to the al-Qaeda network. In short, for Iraqi Kurdistan, unlike the rest of Iraq, the 2003 war effectively marks the end of militant Islam as a major political factor.

However, there is another important Islamist player in the region. In the later 1990s, the Kurdistan Islamic Union (Yekgirtuy Islami Kurdistan), led by Salaheddin Bahaeddin, which used civilian activism rather than armed struggle, emerged as the third largest force in civilian politics. Although it had its roots in the Iraqi branch of the Muslim Brotherhood, it largely followed its own course since its establishment in 1994, and primarily reacted to local conditions and developments. It became especially influential in the late 1990s as the main and most effective opposition group. However, by 2003, its growth appears to have stagnated, apparently due to a widespread perception that it had not been able to deliver on its electoral promises.

In short, the Kurdistan Region underwent a number of dramatic political, economic, and ideological developments from 1991 onward. Most
of these had more or less settled by 2003. This trend continued in the decade following the 2003 war without major interruption or challenge. It was only towards the end of the decade that new and more serious challenges to the status quo started emerging.

**Politics in Iraqi Kurdistan since 2003: Challenging Leninism**

Since the 2003 war, Iraqi Kurdistan has generally witnessed the consolidation, or acceleration, of existing trends, rather than any dramatic ruptures. Politically, the two governing parties became well entrenched by 2003, and subsequently attempted to further solidify their rule. The sudden rise in oil income from Baghdad dramatically increased their possibilities to do so; it was only toward the end of the decade that new formations started seriously challenging the hegemony of the two main parties. Such challenges, however, occurred primarily through the ballot box rather than through peaceful extraparliamentary action, let alone violent insurgency. On this point, the Kurdish region differs significantly from the rest of Iraq. Most importantly, it has been spared the infrastructural devastation, the economic upheaval, and the intercommunal conflict that turned post-2003 Iraq into such a violent laboratory for externally imposed regime change and neoliberal reform. In fact, one might argue that the Kurdish region had already experienced, and digested, similar upheavals, including, as discussed above, a violent power struggle, the reconfiguration of local elites, the rise of militant Islam, and economic dislocation caused by outside forces, in the decade preceding the war. At present, the region boasts, with some justification, of its stability, pluralism, and protection and official recognition of minorities.13

In national politics, the Kurds could claim a number of significant successes. They not only negotiated a new constitution that enshrined the region's status, but also emerged, by deft maneuvering between the Sunni and Shi'i Arab blocs, as virtual kingmakers in the Iraqi parliament. Especially after the incorporation of the Sunni Arabs into the civilian political process, no governing party in Baghdad could do without Kurdish support. In return, the Kurds secured a legally recognized federal status for their own region as well as the election of PUK leader Talabani as Iraqi president in April 2005.

Unlike elsewhere in Iraq, civilian electoral politics, whatever its shortcomings, has largely replaced armed conflict in Iraqi Kurdistan. Locally,
the 2005 national elections, which Sunni Arabs boycotted, were conducted in an atmosphere of euphoria: The local population saw them as implying the national—and even international—political recognition of the Kurdish gains of the previous decade. The major Kurdish parties entered both the nationwide and the regional elections in 2005 on a joint list. Likewise, the KDP and PUK formed an alliance for the subsequent 2009 regional elections, the “Kurdistani list.” This joining of forces made a great deal of sense on the national stage, as it arguably increased Kurdish leverage in Baghdad and thus furthered common interests of all Kurdish parties. At the same time, it further hollowed out the electoral process at the regional level, turning the regional parliament into a rubber-stamp agency for party decisions rather than an arena for policy debates and accountability. It was only in the run-up to the 2009 elections that a major new oppositional force emerged, primarily in the Sulaymaniyya region, in the form of the Goran (Change) Party. This party ran on a ticket of protest against deeply entrenched corruption and nepotism, and lack of transparency surrounding the KRG budget and allocation of funds, as well as its handling of contracts in the lucrative oil sector. A number of independent intellectuals of the post-1970s generation, primarily associated with the Rahand cultural magazine, drove Goran ideologically. However, the party’s political leadership was in the hands of a veteran of the 1970s, Noshirwan Mustafa Amin, who had long been the second man in the PUK. Hence, one may ask to what extent the appearance of Goran introduced a genuinely new political dynamic rather than just the fragmentation of the existing party-political system.

A similar pattern emerged in the region’s presidential elections. Predictably, KDP leader Barzani was elected regional president both in 2005 and 2009. This electoral triumph was partly a result of the power sharing arrangement with the PUK that led to Talabani’s position as national president. In the 2009 regional elections, however, independent opposition candidate Kamal Mirawdeli did surprisingly well, gaining some thirty percent of the vote. This was despite the fact that he was hardly backed by any party machinery, if at all, and so lacked the concomitant opportunities for patronage and media coverage. Then, in the summer of 2013, just prior to the September regional elections, the regional parliament (still dominated by the KDP-PUK bloc) voted to extend Barzani’s presidency by two years, even though such an extension was neither provided for
in the region’s constitution nor called for by the political circumstances. The 21 September 2013 elections clearly showed the electorate’s growing discontent with KDP-PUK hegemony. The KDP remained the strongest party at 37.8 percent of the vote, due especially to its overwhelming support in Duhok governorate, where it captured over seventy percent of the vote. In Erbil, where it had been the effectively ruling party since 1996, it gained only 48.2 percent. Opposition sources accused the KDP of achieving even these relatively meager results only with the aid of massive intimidation, patronage, and outright vote fraud. One particularly telling incident was the large number of “dead voters” that a parliamentary committee discovered. Of some 178,000 registered voters who had died since 2001, only 440 had been removed from the electoral lists. This manipulation of deceased individuals not registered as such may remind one of Pavel Chichikov’s similar machinations in Gogol’s famous satirical novel, Dead Souls. Clearly, it created possibilities for substantial double voting with the use of fake IDs of the deceased.

Most remarkably, Goran roundly defeated the PUK from which it had broken off, especially in the latter’s traditional stronghold of Sulaymaniyya. Overall, it gained 24.2 percent of the vote. The mass defection of its supporters to Goran, as well as the ongoing absence of a leader, weakened the PUK. Despite being hospitalized and remaining incommunicado since December 2012, Talabani nominally remained in charge, without any deputy, interim leader, or successor emerging until today. Also remarkable is the poor performance of the region’s Islamist parties, like the Kurdistan Islamic Union and Ali Bapir’s Komala. Together, these parties and alliances received 15.4 percent of the vote, losing over four percent compared with the 2009 elections. Clearly, the KDP-PUK governing machine faced stronger challenges than ever before. It took a long time before a coalition government was formed; it remains to be seen whether Goran’s presence will lead to more transparency, or merely to a reshuffling of the existing patronage system.

But beneath the apparently pluralistic electoral process, and beneath all talk treating the Kurdistan region as if it were a unitary entity, the region’s division into two separate fiefdoms persists, as does the Leninist penchant for patronage. It was not until January 2006 that Talabani and Barzani signed a unification agreement as intended to re-unify their respective administrations and to achieve a genuine power sharing. Both parties retained substantial
influence in the territory they considered theirs. Moreover, despite the new arrangement that rendered Talabani national and Barzani regional president, the long-standing rivalry between the two leaders persisted. Increasingly, this rivalry expressed itself not just regionally, but also on the Iraqi, and the international, stage. Generally, Barzani aligned himself with Turkey, whereas Talabani tended to side with Maliki’s government in Baghdad, and with Iran and Syria. Further, according to local sources, when the Kurds in Syria became more active in the revolt against Asad’s regime from the spring of 2011 onward, Talabani supported the PYD (a Syrian franchise of the PKK). Barzani for his part continued to sponsor the non-PKK affiliates that united in the Kurdistan National Congress (KNC). At the same time, and according to the same sources, however, Talabani repeatedly mediated between Maliki and Barzani, thus preventing the ever-present tensions between the latter two from escalating, until he suffered a stroke in December 2012, effectively leaving Iraq without a president, and the PUK without a leader.19

In Iraqi Kurdistan, as in other regions that the Arab uprisings affected, there were increasing signs of disaffection with an enduring Leninist tradition in which ideological commitment was gradually replaced by entrenched nepotism, patronage, and corruption. As noted, it is too early to say whether the incorporation of Goran into the regional government will lead to any significant changes. The government has suppressed extra-parliamentary protests effectively, if at a high human cost. An early sign of popular discontent was the attack against the Halabja memorial in March 2006. Angered by the parties’ neglect of Halabja as well as their monopolization of the memories of the attack, a crowd of some 7,000 locals stormed the commemorative ceremonies, eventually burning down the monument. Police opened fire on the demonstrators and killed a fourteen-year old boy. A new, and much larger, wave of protests, both in the Kurdistan region and in Iraq at large, occurred in February 2011, inspired by the successes of Arab uprisings in Tunisia and Egypt. In February 2011, the Goran movement staged a number of protests against government corruption, especially in the city of Sulaymaniyya. When protestors gathered in front of the KDP headquarters on Salim Street, Sulaymaniyya’s main thoroughfare, KDP forces opened fire from inside the building, reportedly killing two and wounding forty-seven protestors. After an emergency meeting between Barzani and
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Talabani, KDP and PUK forces jointly cracked down on further signs of protest. Despite earlier pledges, those responsible for the killings never faced trial. In all, the KRG crackdown on these protests left ten persons dead and some 500 wounded.20

Clearly, the Kurdish powers were less than eager to give up their Leninist habits, crushing the “Kurdish spring” in its earliest stage. More generally, the protection of human rights, although obviously vastly improved since the days of Hussein, made little if any progress after 2003. In February 2013, Human Rights Watch denounced the KRG’s increasingly severe onslaught against free speech. It claimed that dozens of reporters critical of government figures had been harassed or arrested and held for up to a year, often without charges ever being brought. Likewise, Amnesty International voiced concerns about the KRG’s continued targeting of those speaking out against official corruption.21 Against such and similar criticisms, KRG officials habitually argue that Iraqi Kurdistan is a fledgling democracy that still has much to learn, and that democratization cannot be achieved overnight. Such pleas are rather disingenuous, given that the regional authorities have in fact had over two decades of government experience. In fact, since 1992, the two governing parties have displayed a steady movement away from, rather than toward, governmental accountability and transparency. Generally, it was opposition parties rather than the entrenched party elites who pushed for further democratization.

Economic Developments since 2003: Struggle for Transparency

Although the differences with the rest of the country with regard to political stability, economic prosperity and security climate are obvious even to the most casual observer, the economy of the Kurdistan region has remained largely invisible. There are several reasons for this invisibility. First, reports by agencies like the IMF and the World Bank only provide statistics for Iraq as a whole, without differentiating among regions. Second, statistical data for both Iraq and the Kurdistan region are scanty and unreliable. Hence, there is an astonishing scarcity of in-depth economic knowledge of Iraq as a whole, and of Iraqi Kurdistan in particular. Moreover, much of the available work focuses on the oil sector, at the expense of other sectors (most
importantly, agriculture), and on state agency at the expense of private actors, let alone the informal economy. One may, however, try to sketch the broad outlines of post-2003 economic developments in Iraq and their consequences for the Kurdistan region.

In late 2003, the UN lifted its sanctions against Iraq. The Oil For Food program was de jure brought to an end, although de facto it continued to operate until 2010. As is well known, the Coalition Provisional Authority that governed Iraq from May 2003 to June 2004 introduced shock therapy, which aimed at the quick dismantling of state industries and, even more disruptively, virtually the entire security apparatus. This privatization drive, however, was only partly implemented. Oil production and the awarding of oil contracts remained a state prerogative, despite the United States' best efforts to privatize the sector. Moreover, the state remained by far the largest employer. Bassam Yousif estimates that an astounding sixty percent of full-time workers in Iraq as a whole were employed in the public sector. In the Kurdistan region, this percentage was even higher. An ISAID report estimates the number of state-employed people at some 1.5 million, or some seventy-six percent of the labor force. Yousif argues that the murderous sectarian violence that scourged Iraq in the years after the 2003 invasion was neither the natural result of allegedly timeless Sunni-Shi'i antagonisms nor the inevitable consequence of a lack of US post-war planning. Rather, he sees it as the direct result of a "thorough and purposeful economic strategy," in particular L. Paul Bremer's ideologically driven shock therapy that was administered without taking local circumstances into consideration. Yousif's argument concerns Iraq at large. It is not clear, however, exactly what effects these nationwide policies had in the Kurdistan region, which had already witnessed privatization, demobilization, and de-Ba'athification in the preceding decade. After 2003, the Kurdistan region saw little if any of the violence that scourged regions further south.

Obviously, Iraqi Kurdistan is considerably more prosperous than the rest of the country. However, it is difficult if not impossible to capture this impression in quantitative terms. There are few if any concrete, let alone reliable, economic data available for the Kurdish region. This reality speaks volumes about the character of the local economy and the level of governmental transparency. In many respects, however, the region appears better integrated into the national economy than ever before. Thus, unlike in the
1990s, the Kurds at present have a full monetary unity with the rest of the country. There is also a budgetary integration of sorts, with the Kurdistan region being entitled to seventeen percent of Baghdad’s oil revenues. As a result, the regional budget has increased sharply in the decade since the war. Initially, only a minor part of the eighteen billion dollars that the US government budgeted for the reconstruction of postwar Iraq was allocated to the Kurdistan region, which suffered little if any damage during the war. On the other hand, the KRG received steadily increasing resources from Baghdad, including unspent OFF funds earmarked for the region. Thus, the PUK-dominated Sulaymaniyya administration saw its budget rise from 200 million US dollars to one billion US dollars between March and November 2003 alone.28 As a result, whatever economic development the region experienced was generally due to investments by the state, especially in the form of contracting.29 Turkey appears to have become Iraq’s (and the Kurdistan region’s) biggest trading partner, Iran coming in a distant second. Thus, Natali reports that in 2007, Turkish exports to Iraq were estimated at 2.8 to 3.5 billion US dollars that primarily pass through the KRG border crossing at Ibrahim Khalil and are mostly destined for Iraqi Kurdistan. During the same time, cross-border trade with Iran in Sulaymaniyya province alone was estimated at one billion dollars.30

Iraq’s steps toward debt reduction appear not to have affected the Kurdistan region. By 2003, Hussein’s Iraq had amassed a staggering 120 billion dollars in debts resulting from the Iran-Iraq war and the 1991 Gulf War. After the ouster of the Ba’th regime, however, this debt was substantially reduced, due in part to cancellation or rescheduling and repayment. In 2004, the so-called Paris Club wrote off some eighty percent of the forty-two billion US dollars Iraq owed. Other countries—most importantly, China—followed suit. Thus, Iraq’s total foreign debt had been reduced to sixty billion US dollars, or twenty-seven percent of GDP, by the end of 2012.31 There are no indications that the KRG shares in any of the central government’s responsibilities concerning debt servicing or rescheduling. There are no figures concerning inflation in the Kurdistan region. Clearly, costs of living have risen sharply in comparison with 2003, let alone the early 1990s. In particular house rents and real estate prices have skyrocketed, partly due to the regional construction boom. Likewise, there are indications that economic inequality in the region is growing rapidly. By

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2006, there were over one thousand millionaires in Sulaymaniyya governorate, and another thousand in Erbil. Despite the region’s affluence, there is still considerable poverty. At the same time, the region has a substantial expatriate work force, ranging from Turkish and Chinese construction workers, and Indian, Nepalese, and Bangladeshi hotel and airport personnel, to African street cleaners and garbage collectors. On street corners in the major cities, one also encounters itinerant workers from Mosul and other parts of Iraq, waiting for whatever employment opportunity appears.

For a long time, the regional government was largely successful in providing for the population’s welfare, for example by absorbing the large numbers of university graduates into the government bureaucracy. It is unclear, however, whether and for how long it can continue to do so in the longer run, let alone whether it should want to. Civil service jobs have come to function primarily as a way of co-opting potentially restive layers of the population. However, the accommodation of ever-increasing numbers of people into the civil service required a steady rise in the budget for salaries. When in January 2014, due to an ongoing oil dispute, the prime minister at the time, Maliki, cut off payments of the seventeen percent agreement to Erbil, the KRG stopped paying salaries with immediate effect.

The most important, and the most directly visible, aspect of the Kurdistan region’s economic changes has been the construction boom. Prior to the 2003 war, an eventual return of the Ba’thist government, or at the very least some form of accommodation between the Kurdish region and Baghdad, remained a real, if increasingly remote, possibility. As a result, many expatriates were hesitant to return permanently to the region or to invest in the local economy. This hesitancy disappeared after the 2003 war. As a result, land prices, especially in the urban areas, rose steeply between 2003 and 2010. Moreover, from 2005 onward, many Iraqis sought refuge from the escalating sectarian violence in central and southern Iraq by temporarily moving to the relatively safe and stable Kurdistan region. As a result, housing rents in the major Kurdish cities, like Erbil and Sulaymaniyya, skyrocketed.

As noted above, Ba’thist policies, the OFF program, and international market developments have seriously if not permanently damaged the agricultural sector. The 2011 Investment Guide, a glossy KRG-sponsored brochure written almost exclusively by foreign advisers, praised the region’s potential for agriculture. The sad reality, however, is that agriculture has virtually
disappeared from Iraqi Kurdistan, leaving the region entirely dependent on neighboring countries for even its most basic food supplies. The KRG’s post-2003 affluence enabled it to import its foodstuffs from neighboring countries or even from further abroad. For example, a substantial part of locally sold poultry is flown in from places as far afield as Brazil.

The all-important economic sector, of course, is that of oil production. Attention to this sector should not blind us to developments in other sectors. The KRG has formulated, and in part realized, the construction of several new oil pipelines, clearly anticipating an increase in oil production, and hence in the government budget. However, these plans were vulnerable to legal disputes with Baghdad, to the international political context, and to fluctuating oil prices. The region has great potential but its actual production thus far has been surprisingly small. According to the IMF, Iraq produced 2.95 to three million barrels per day (mbpd) in 2012, with an expected rise to three mbpd in 2013. The same report estimates production in the Kurdistan region at a mere 0.23-0.25 million barrels per day in 2012, including an estimated 0.061 mbpd as contributions to the central government. This amounts to no more than 8.5 percent of Iraq’s total oil output. Moreover, regional oil production is well below output capacity, and it is unclear whether it will increase anytime soon. Thus, the Kirkuk-Ceyhan pipeline is claimed to have a 1.6 mbpd capacity, but its average regional flow in 2012 was only 0.3 mbpd. Moreover, Iraq’s domestic production of refined oil products, like gasoline and LPG, is not sufficient to cover even local demand. As a result, Iraq imports some twenty percent of its refined product needs from neighboring countries, primarily Turkey. The same holds, by extension, for the Kurdistan Region, which has only one local oil refinery.

Iraq expected a steady increase in oil production, and hence income, with estimated projections as high as twelve mbpd for 2017, although more realistic estimates vary between eight and nine mbpd. The KRG provided similarly optimistic projections. For several years, recent developments on the international oil market justified this optimism. Thus, due to a sharp rise in oil prices, Iraq’s oil revenues doubled between 2007 and 2011, despite only a minor increase, or according to some observers, stagnation in production and export. The sudden fall in oil prices in 2014, however, abruptly put an end to these expectations. For the foreseeable future, the
bulk of the Kurdistan region's income will continue to come from Baghdad rather than from its own exports. Any major attempt to change this will probably be challenged in court. For its own future exports, the region will continue to depend on the good will of Turkey. Yet, it seems unlikely that Ankara will put its relations with Baghdad at risk over Kurdish oil exports.

What is missing in reports like the IMF's, of course, is the economic activities usually labeled "informal," which in Iraqi Kurdistan include the smuggling of petrol products, tea, cigarettes, alcohol, and luxury consumption goods, not to mention various forms of bribery, nepotism, and corruption. Effectively, the semi-clandestine cross-border petrol trade amounts to a continuation, or resumption, of the oil smuggling activities of the 1990s. It involves unknown quantities of oil, some of which is sold at prices substantially below the international market level. There are also indications that this informal economy is seriously affecting the formal economy. For example, on paper, the KRG's 2006 investment law is even more liberal than the one adopted in post-Hussein Iraq at large, promising tax exemptions for foreign companies and the free transfer of profits abroad. In practice, however, the informal, but allegedly pervasive, practice of mediation, or "protection," by local, generally party-affiliated, middlemen has hampered foreign investment in the region. Unconfirmed reports claim that foreign companies have had to hand over up to fifty percent of their profits to local go-betweens.40 It is, of course, impossible to gather any reliable quantitative data on this informal economy almost as a matter of definition. However, it should be kept in mind that even the formal, legal economy is difficult if not impossible to gauge, and that the boundaries between formal and informal, and between legal and illegal, have been blurred since the 1991 uprising if not earlier.

The lack of transparency paired with an extreme blurring of the lines between formal and informal and between legal and illegal, appears to be a structural feature of the regional economy. At present, the Kurdistan region is characterized by a near-total lack of transparency regarding budget and contract allocations. Until quite recently, senior government officials were not willing or able to give precise information on the regional government's annual budget, or even to say exactly how much it had actually been receiving from the Baghdad government.41 A recent investment fact sheet issued by the Kurdistan Investment Board states the KRG's public budget

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for 2012 as 12.5 billion US dollars. However, the sources for these claims are impossible to verify.\footnote{Given that Baghdad’s oil revenue varied between forty and forty-six billion US dollars per year between 2010 and 2013, the amount to which the region was nominally entitled may be estimated at between 6.8 and 7.8 billion US dollars annually.} The amount earmarked for the region (let alone reaching the north) may have been rather lower.

This lack of transparency is not unique to the Kurdistan region, of course. On Transparency International’s 2012 corruption perceptions index, Iraq ranked 169 out of 174 countries.\footnote{There are no separate estimates for the Kurdish region, but given the equally pervasive lack of accountability pertaining there, there is little reason to expect the region to perform significantly better than the Baghdad-controlled regions in this respect. Thus, according to Revenue Watch, in Iraqi Kurdistan there is no more legislative oversight of Kurdistan’s regional oil industry than elsewhere in Iraq.} The regional government has taken some important if hitherto small steps to improve transparency, however. In 2010, the Kurdistan Region joined the Iraqi Extractive Industries Transparency Initiative (IEITI), which attempts to render the procedures surrounding the awarding of oil contracts more accessible to democratic control. Yet not even this development has thus far led to any substantially greater transparency concerning the region’s oil deals. At a July 2012 meeting in Paris, representatives of EITI, together with representatives of the World Bank, and Iraq’s federal and Kurdish regional oil ministries, signed a memorandum of understanding to mandate greater transparency. Significantly, only lower-ranking officials from the KRG were in attendance. As emerges from various EITI reports, however, this process of monitoring clearly took time to develop adequately.\footnote{Thus, in a disclaimer preceding the section on the Kurdistan region, the May 2013 EITI report includes over 2010 complains about the “weak communication channels” with the KRG. The late submission of the needed data by the latter, it continues, left the EITI no time for verification and auditing by “unbiased parties.” Hence, the EITI stakeholders’ council considers that the region’s data “lack the minimum required level of accuracy and credibility,” while acknowledging that transparency is a learning process.} Clearly, this process is still in its early stages; it remains to be seen how quickly and how much future EITI reports will show any progress.
Ideology since 2003: Rearticulating Kurdish Nationalism

Since the 2003 war, Iraq has witnessed new, and escalating, forms of sectarian violence between Sunnis and Shi’a in Arab-majority areas, but far less between Kurds and Arabs. There are indications that Arab nationalism is no longer as dominant an ideology as it was in earlier decades. In central and southern Iraq, political discourse gradually shifted away from socialism and secular Arab nationalism, and acquired an increasingly religious and sectarian character. Even leading politicians in Baghdad, including Prime Minister Maliki, increasingly resorted to a sectarian rhetoric that both exploited and exacerbated Sunni-Shi’i antagonisms.48 In the Kurdistan region, by contrast, politicized Islam and sectarianism occupied only a minor place in public discourse, at least until the 2014 rise of IS (known by its Arabic acronym Da’ish).

More than in the Arabic-speaking parts of Iraq, secular forms of nationalism have remained predominant in the Kurdish region. There are indications, however, that this nationalism has undergone significant changes in character since the early 1990s. Although Yekgirtu and other Islamist movements very much remain part of the Iraqi Kurdish political landscape, and although Islamist demands concerning public morality have become increasingly visible in Iraqi Kurdish society, political Islam did not come to dominate public discourse as much as elsewhere in Iraq, and more generally the Arab world, Turkey, and Iran.49 Secular forms of Kurdish nationalism continued to constitute the main frame of reference both domestically and internationally, even if in practice, the Kurdish leadership based its policies on expediency and on intra-Kurdish rivalries rather than on any coherent nationalist agenda either for Iraqi Kurdistan or for a Greater Kurdistan. Thus, despite oft-repeated irredentist claims concerning oil-rich Kirkuk, most succinctly captured in the widespread slogan Kerkuk Qudsi Kurdistan e (“Kirkuk is Kurdistan’s Jerusalem”), the KRG took few if any concrete steps toward the legal realization of this claim. According to article 140 of the 2005 constitution, a referendum concerning the eventual status of Kirkuk was to be held by 2007. No such referendum ever took place, and neither Baghdad nor the KRG seemed intent on actually convening one, until the KRG occupied the remaining disputed territories in the summer of 2014. Contesting claims on Sinjar and the Ninawa plain...
similarly remained unresolved. It seems, then, that the KRG’s uncompro-
mising rhetoric concerning Kirkuk and the Ninawa plain reflects attempts
to maintain legitimacy among the Kurdish population rather than a policy
toward a diplomatic and legal settlement of these outstanding questions.

Secular Kurdish nationalism persists not only despite Islamic
alternatives or challenges, but also despite, or perhaps because of, the
rise of a new transnational public sphere. New globalized media like the
Internet and satellite television appear to have only reinforced nationalist
sentiments among Iraqi and other Kurds, both locally and in diaspora.
Kurdish has largely replaced Arabic as the main language of public com-
munication and education. Although the Ba’thist regime had, in theory,
recognized Kurdish as an official language, Arabic had very much remained
the dominant language in practice. Since the establishment of Kurdish rule,
however, broadcasting, written publications, and, perhaps most importantly,
education have increasingly, and in some cases almost exclusively, been in
Kurdish. In the schools of the region, Arabic is no longer even the second
language, having largely been replaced by English.

Yet, there are indications that Kurdish nationalism has undergone
a change in character. To some extent, these changes result from demo-
graphic causes. Since 1991, for an entire generation of Iraqi Kurds, the
horrors of Hussein’s rule are no more than a distant memory told by older
relatives. Kurdish self-rule has gone from a heroic dream to an everyday
reality. Hence, traditional nationalist narratives of guerrilla struggle and
martyrdom, which also served to legitimize the Kurdish parties’ attempts
to dominate and monopolize public life, no longer appeal to the younger
generation as self-evidently as they did to earlier ones. Since 2003, Iraqi
Kurdish society has become markedly more consumerist. At the same time,
there are rising demands for greater freedom and governmental transpar-
ency, and for greater women’s rights. Demonstrations have on occasion
turned violent. More often, they have been violently repressed. At present,
however, there are few signs of any major oppositional movement outside
the electoral process. Although there is a widespread discontent with the
ruling parties’ Leninist style of government, it remains to be seen whether
this disaffection can be transformed into substantial reforms.
New Arenas: Rojava and the Islamic State

Due both to domestic tensions and to spillover from the civil war in neighboring Syria, Iraq's fragile balance was seriously disrupted in the course of 2014. In particular the meteoric rise of IS, made possible in part by the power vacuum in large parts of Syria and Iraq and by the disaffection of large parts of the Sunni Arab population in both countries, opened up entirely new dimensions of conflict.

In spring 2014, Barzani stated his intention of holding a referendum on the independence of the region. This announcement was clearly a move in the then ongoing confrontation with Baghdad concerning oil sales and revenues, in which Maliki had cut off all funding to the KRG. There was little doubt as to its outcome, a similar referendum having yielded a ninety-five percent vote in favor in 2005. The KRG also tried selling its oil directly on the international market. These attempts met with serious legal and political obstacles. Against the background of this standoff between Baghdad and Erbil, IS gained control of Falluja in January 2014. Then, to everyone's surprise, IS troops joined with other local forces to conquer Mosul in June. Overnight, it seemed, the Iraqi army simply dissolved. In the wake of its collapse, KRG troops quickly moved into the disputed areas of Kirkuk. Maliki protested vehemently, but was in no position to take effective action against the KRG, let alone launch a counteroffensive against IS. For a while, it seemed IS would leave the Kurdistan region in quiet. Then, in August, it launched an offensive targeting Sinjar, the Mosul plain, Makhmur, and Jalawla further south. In Sinjar, Kurdish defense lines collapsed almost immediately, triggering an enormous and widely publicized refugee exodus.

The IS offensive had major social and political consequences for the Kurds. First, the region, which was already awash with refugees from Syria, saw a new influx of internally displaced persons of various ethnic and sectarian backgrounds. It seems no accident that the August IS offensive targeted regions mostly inhabited by Yazidis, Christians, Shabak, and other small ethnic groups. IS may well have been testing the KRG's resolve to protect the minorities in the area under Kurdish control. Second, Maliki was forced out of office, and replaced by Haydar al-Abadi, who not only faced the challenge of mending ties with both Kurds and Sunni Arabs, but also of tackling the rampant corruption that was arguably among the root
causes of the conflict. Third, Kurdish media, already vocal in their criticisms of Baghdad, now became increasingly anti-Arab as well.

Initially less noted in the international press, but potentially as dramatic, was the emergence of Syrian Kurdistan, or Rojava, as a new arena for Kurdish activism and for intra-Kurdish rivalry. The fate of the Syrian Kurds had never gained much attention abroad, but this changed after the start of popular protests against President Bashar al-Asad in early 2011. Soon, the Syrian civil war directly affected the Kurds in Iraq. Its most immediately visible effect was the influx of large numbers of Syrian refugees but, it also affected the region politically. Initially, Syria’s Kurds had taken a wait-and-see attitude to the uprising, siding neither with a regime that had been repressing them for decades nor with a Syrian opposition that showed little if any inclination to grant the Kurds basic rights, let alone an autonomous or federal status. Then, in July 2012, the Syrian government withdrew its forces from the predominantly Kurdish regions along the Turkish-Syrian border, with the notable exception of Qamishli. This withdrawal occurred without any fighting, and left all kinds of arms and supplies in the hands of the Kurdish Partiya Yekitiya Demokrati (Democratic Union Party, henceforth PYD). The PYD, aided by its military wing, the Yekitiyên Parastina Gel (YPG, Popular Protection Units), quickly took control and set up its own administration. Although nominally an independent party, the PYD was not only closely aligned to the PKK, but also stood under the effective control of the PKK’s military commander, Cemil Bayık, who himself remained in the Qandil mountains. The official PYD leader, Saleh Muslim, mostly resides in Europe. Local observers claim that some 5,000 PKK guerrillas had been transferred from the remote Qandil mountains in Iraqi Kurdistan to Rojava for this purpose, reportedly with the active support of Iran. 50

Domestically, the Syrian withdrawal allowed Asad to focus his attention on other parts of the country. Internationally, it appeared to be an act of retaliation against Turkey’s support for the armed Syrian opposition. On any account, it dramatically changed the entire balance of power between the Kurdish parties in Syria overnight, and with it the whole dynamic of the Kurdish question in the wider region. In particular, the sudden emergence, or rather reemergence, of a major PKK presence among the Syrian Kurds proved a major obstacle to Barzani’s wider regional ambitions.51 The PYD and the KNC signed several agreements, all of them brokered by the KDP,
but these remained a dead letter. Thus, Rojava has become a new arena for the long-standing competition for regional supremacy among the Kurds between a PKK led by Abdullah Öcalan, who remained imprisoned in Turkey, and a KDP headed by Barzani, who remained KRG president.

The IS offensive against Sinjar in Iraq, and its subsequent siege of Kobani (‘Ayn al-‘Arab) in Rojava, reflected not only the clash between secular Kurdish nationalism and militant Islam, but also these KDP-PKK rivalries. After the sudden withdrawal of KRG troops, which left the local population exposed to the IS onslaught, it was PKK guerrillas rather than Iraqi Kurdish peshmergas who provided protection and safe passage for trapped Sinjari civilians, the bulk of them Yazidis. In the process, they also established a bridgehead between Iraq and Syria for themselves, something the KRG had been at pains to prevent. PKK resistance in Sinjar, and even more the successful PYD resistance in Kobani, turned out to be a major propaganda victory for pro-PKK forces.

**Conclusion: Iraqi Kurdistan - A Quasi-State?**

Several authors have characterized the Kurdistan region as a “quasi-state,” that is as either a de facto independent, or an “internally sovereign,” polity or entity slowly creeping toward full independence, rather than further integration in a federal Iraqi state. But one may well ask to what extent the region is self-sufficient, or even coherent, economically or politically. Politically, although in many respects unified, the region remains divided into territory the KDP and PUK each consider theirs. Although new opposition parties like Goran have increasingly challenged this local hegemony, and the PUK is substantially weakened at the local level, the patronage machinery of both parties remains solidly in place. Both the KDP and PUK are unwilling to put their strength to the test in long overdue municipal elections, in which both parties are likely to lose control over many municipalities. Economically, the region is far from autarkic. Virtually all of its foodstuffs are imported rather than produced locally, and for its oil exports, it remains dependent on the consent and good will of both Baghdad and Ankara. Moreover, given the fact that a substantial part, if not most, of local oil production is used for domestic consumption, one may well ask when the region’s own productive capacity will have risen to a level where it could support the
present living standard. This economic integration, or dependence, is not
reflected, however, in local political rhetoric, which is highly critical of the
central government and increasingly anti-Arab.

Intra-Kurdish relations have undergone equally significant shifts in
the last few years. Domestically, the KDP, which effectively has become
the predominant Kurdish party in Iraqi Kurdistan, has been edging closer
to Goran. Internationally, its rivalry with the PKK is becoming more and
more visible, especially on Syrian territory, but also increasingly in Turkey.
Since the PUK’s electoral weakening, and especially since Talabani’s dis-
appearance from the political scene in late 2012, Barzani is increasingly
asserting himself on the international stage, and more specifically among
the Kurds in Syria and Turkey. In Syria, he is the main sponsor of the KNC,
an alliance of parties held together by little more than an anti-PKK outlook.
In Turkey, he has aligned himself politically with Turkish Prime Minister
Erdogan, even attending the latter’s AK Party general congress in October
2012, and paying an official visit to Erdogan in Diyarbakir in November
2013. Clearly, this meeting had a primarily symbolic if not propagandistic
character. Pro-PKK observers denounced it as merely Erdogan’s electoral
stunt intended to weaken the PKK and especially the civilian Peace and
Democracy Party (BDP). It is doubtful, however, that Barzani is developing
into a decisive actor on the Turkish Kurdish stage, as opposed to merely
allowing himself to be used in Erdogan’s domestic and regional power tactics.
It is equally doubtful that this visit reflects a shift in Turkish preferences from
Baghdad to the KRG. Both politically and economically, Iraqi Kurdistan
is far more dependent on Turkey than vice versa. Turkey does not actually
need Iraqi Kurdish oil for its petrol, while the latter crucially depends on
the former not only for refined petrol products, but also for the bulk of its
food supplies. Given this enduring economic dependency, the Iraqi Kurds
are likely to remain subordinate to the major national players in the region,
in particular Turkey, Syria, and Iran, for the foreseeable future, rather than
becoming autonomous—let alone independent—actors in their own right.
1 For example, the Kurdish experience contradicts Toby Dodge's claim that "there is a direct link between the suffering imposed on the Iraqi people by the [post-1990] sanctions regime and the explosion of violence after 2003." See his Iraq from War to a New Authoritarianism (London: Routledge, 2012), 32. More generally, various authors speak sweepingly of Iraq as if it were a single monolithic whole, downplaying or ignoring the particular nature of the Kurdistan region's experience.

2 Famously, in 2003, Edward Said ridiculed Kanan Makiya's admittedly sketchy proposal that "territoriality" rather than ethnicity should serve as a basis for a future Iraq that was not beholden to Arab nationalism. In fact, Makiya's suggestion that each region receive its share of Iraq's natural resources according to the relative size of its population was explicitly modeled on the experience of Iraqi Kurdistan under the Oil For Food program ("After Saddam 1," Prospect Magazine, 20 November 2002). Said's summary dismissal of Makiya's "magical de-Arabizing solution" rests on the tacit assumption that Iraq simply was, and could not be anything other than, an Arab state. See Edward Said, "Misinformation About Iraq," reprinted in From Oslo to Iraq and the Road Map (New York: Pantheon Books 2004), 232-38.

3 For an account of the uprisings and the failure of international support to materialize, see Faleh Abdul Jabar, "Why the Uprisings Failed," Middle East Report 176 (May/June 1992): 44-58.

4 Not all authors on Iraq sufficiently appreciate the distinct experience and position of the Iraqi Kurdish parties. Thus, Dodge (Iraq, 42-43) counts the KDP and the PUK among the six "formerly exiled" parties that dominated the Iraqi Governing Council formed in 2003, adding that these parties lack a local electoral basis and only "gained prominence in exile by aligning themselves with the United States." In fact, however, the Kurdish parties had never been completely absent from Iraqi territory, had effectively been in power locally since late 1991, and could even claim a measure of legitimacy on the basis of the May 1992 regional elections.

5 Presented by the government as a counterinsurgency operation, the Anfal in fact amounted to a full-fledged extermination campaign against the population groups in the regions outside government control, which involved the systematic use of chemical weapons against civilians. According to different estimates, Iraqi government forces killed between a hundred thousand and 182,000 non-combatants. For a detailed description of the operations, see Human Rights Watch, Iraq's Crime of Genocide: The Anfal Campaign Against the Kurds (New Haven: Yale University Press, 1995).

6 For a more detailed account of the 1992 elections, see Ruud Hoff, Michiel Leezenberg, and Piet Muller, Elections in Iraqi Kurdistan: An Experiment in Democracy (Amsterdam: SNK/ Pax Christi, 1992).

7 In July 2014, Massum would become president of Iraq, succeeding Jalal Talabani.


9 For Iraq's market reforms, see in particular Kiren Aziz Chaudhry, "On the Way to Market: Economic Liberalization and Iraq's Invasion of Kuwait," Middle East Report 170 (May-June 1991): 14-23; on Iraqi Kurdistan as a "civil war economy" marked by predation, see Hamit
Michiel Leezenberg


For the failure to spend earmarked OFF funds in full, see Natali, 58-74; for a brief analysis of the corruption surrounding the OFF program in Iraqi Kurdistan, see Stafford Clarry, "Iraqi Kurdistan: The Humanitarian Program," in Kurdish Identity: Human Rights and Political Status, eds. Ch. MacDonald and C. O'Leary (Gainesville: University of Florida Press, 2007), 149-54.


In the regional parliament, eleven out of 111 seats were reserved for the region's minorities: five for Christians, five for Turcomans, and one for Armenians. Minorities like the Yazidis, Kakais, and Shabaks are not considered distinct ethnic groups by the KRG and hence do not have any earmarked seats. The 1992 elections for a 105-seat parliament reserved only five seats for Christians, and none for Turcomans; the then-influential Iraqi National Turcoman Party (IMTP) refused to run in them.

Noshirwan had originally led the Maoist Komala before joining the PUK in 1975. In the 1980s, he developed a reputation as a fierce guerrilla leader, not only against the Iraqi regime, but also against rival opposition groups. Throughout the 1990s, there were recurrent rumors that he had temporarily withdrawn, or was about to secede for good, from the PUK. It was not until 2008 that he finally broke away from the party.

For a more detailed discussion of the results of the September 2013 elections, see Inside Iraqi Politics 71 (14 November 2013): 4-9.

Effectively, the party split into three factions, headed by Talabani's wife Hero, Kosrat Rasul Ali, and former regional PM Barham Salih.

Interviews with Iraqi Kurdish opposition figures, Erbil, April 2013 and Amsterdam, spring 2013.


For an analysis of the effects of the CPA's shock therapy on Iraq as a whole, see in particular Bassam Yousif, "Economic Restructuring in Iraq: Intended and Unintended Consequences," *Journal of Economic Issues* 41 (2007): 43-60. Natali (ch. 4-5), the most detailed English-language account of Iraqi Kurdistan's post-2003 economic development, does not address the local effects of the CPA's privatization drive.

Thus, the US-influenced February 2007 oil law put no limits on the profits of foreign oil companies, and excluded the Iraqi parliament from any control over the contracting process. As Naomi Klein argues, "The law called for Iraq's publicly owned oil reserves... to be exempted from democratic control." *The Shock Doctrine: The Rise of Disaster Capitalism* (London: Allen Lane, 2007), 376-379. It should be added that Klein, in her exclusive focus on US-imposed "disaster capitalism," tends to overstate US hegemony and to downplay or ignore the role of local actors.

Yousif, "Economic Restructuring."

ISAID/IRAQ 208: 15, quoted in Natali, 91.


Natali, 82.

Ibid., 88.

Ibid., 94-95.


Natali, 100.


Interview with former KRG adviser, Sulaymaniyya, summer 2010.

For more detailed information on Iraq's oil production and the Kurdish region's share in it, see especially the International Monetary Fund country reports available through the IMF website, most recently, the July 2013 *Selected Issues Country Report* 13/218 (http://www.imf.org/external/pubs/ft/sur/2013/cr13218.pdf) (henceforth IMF 2013a) and the more elaborate report 13/217 on the 2013 Article IV consultation (http://www.imf.org/external/pubs/ft/sur/2013/cr13217.pdf) (henceforth IMF 2013b). See also Revenue Watch's economic overview for Iraq, which includes some references to the Kurdish region, although here as elsewhere it is not entirely clear whether the data provided hold for Iraq as a whole or only for the part of the country under the direct control of Baghdad: http://www.revenuwatch.org/countries/middle-east-and-north-africa/iraq/overview. Cf. also Peter D. Cameron, "Contracts and Constitutions: The Kurdish Factor in the Development of Oil in Iraq," *International Journal of Contemporary Iraqi Studies* 5, no. 1 (2010): 81-98.

IMF (2013a), 4, 8.

Ibid., 6-7.

Ibid., 4.

Yousif (2013), 11.

Interview with anonymous foreign business representative, Erbil, July 2010.

Interview with senior KRG representative, Erbil, May 2009. Due to consistent pressuring by Goran, the regional budget came to be discussed in parliament after 2010, though it was not published for the population at large. A weekly television program by a Goran financial specialist discussed and criticized various aspects of the budget.

Available at http://www.kurdistaninvestment.org/docs/Investment%20Factsheet%20English.
pdf. All links given in this fact sheet, however, including that to the regional Ministry of Finance’s website, are either empty or nonexistent.

43 IMF Public Information Notice 13/58, 21 May 2013.
45 Ibid.
46 EITI final report over 2010, published 15 May 2013; see in particular 66-87, which focus on the Kurdistan region; available at http://eiti.org/files/EITI%202010%20English%20Final%20Report%20%2815%20May%202013%29.pdf.
47 EITI (2013), 66.
49 A number of foreign-based Islamist movements, most importantly the Gюlen movement, are also active in the region, but they appear to have relatively little local support. I will not discuss their activities here.
50 Interviews with anonymous Syrian Kurdish sources, Beirut, November 2013.
51 During the 1980s and 1990s, the PKK had maintained an officially tolerated presence in the Kurdish-inhabited parts of northern Syria and had been able to recruit local Kurdish youths unhampered by the Syrian regime, even though its activities were focused entirely on Turkey, and to a lesser extent Iraqi Kurdistan, and involved little if any concrete effort to improve the situation of the Syrian Kurds; after Öcalan’s departure and subsequent capture in 1998-99, relations between the PKK and the Syrian government deteriorated substantially.
52 Ofra Bengio, “Will the Kurds Get Their Way?” The American Interest (November/December 2012); cf. Natali (103), who emphasizes the region’s increasing internal sovereignty since 2003, but adds that the same factors that helped create this quasi-state (in particular, international aid and the federal distribution of income) have impeded economic self-sustainability and independence of the region.