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BACKGROUNDER

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RELATIONS WITH IRAQ'S KURDS: TOWARD A WORKING PARTNERSHIP

Kurdistan Regional Government (KRG) President Massoud Barzani will be visiting the White House on April 4 and meeting with President Barack Obama. Discussions are likely to involve Kurdish concerns about Iraq's prime minister, but may largely focus on defining what Vice President Joseph Biden termed as a "special relationship" between the U.S. and Kurds during his visit to Arbil last December.[1] Relations between the governments of the United States and Kurdish Region have grown and deepened considerably since the 2003 U.S.-led military invasion of Iraq. The Kurds continued to be staunch proponents of the American presence and ongoing engagement in Iraq.

Since the withdrawal of U.S. troops in December 2011, however, the Kurdish leadership has grown uncertain about both U.S. commitment and the current status of their bilateral relationship. The authoritarian actions Prime Minister Nouri al-Maliki took against his political rivals in December 2011 have compounded their doubts. The U.S. needs to regain the KRG's confidence and obtain its active support for the stability and unity of Iraq. Barzani's visit gives the Obama administration an opportunity to help secure these interests.

This paper provides historical and strategic context of U.S.-KRG relations, explains the status of the current relationship, and provides recommendations for utilizing a partnership with Arbil to secure and advance U.S. interests in Baghdad.

U.S. INTERESTS AND THE KURDISH REGION

The core interest for U.S. foreign policy in Iraq is to maintain a unified and representative country. The fragmentation of Iraq could jeopardize the territorial integrity of neighboring states. As a result, keeping the Kurds integrated into Iraqi politics should be the primary goal of U.S. engagement with the KRG. But the United States cannot guarantee Iraq's unity and build confidence for the Kurds to remain part of Iraq without also pressuring Maliki to abide by the constitution and commit to genuine power-sharing arrangements.

Kurdish leaders have promised U.S. counterparts that they would remain part of both a federal and a democratic Iraq. The Kurds feel Iraq is on an unstable, non-democratic, and dictatorial path. Maliki's continuing authoritarian behavior, the lack of genuine power-sharing in Baghdad, and the unwillingness of the central government to compromise, resolve disputes, and abide by agreements brokered are a problem for the Kurds and other Sunni and Shi'a groups outside Maliki's coalition. These sentiments fuel movement towards establishing semi-autonomous federal regions and further risk fragmentation of a still-fragile country. The U.S. needs the assistance of the Kurds in Baghdad to resolve current and future disputes that are essential to Iraq's long-term stability, including the passage of a hydrocarbons law, new appointments for the electoral board, the passage of a new elections law, the establishment of a fair and independent Supreme Federal Council, the implementation of a census, and the resolution of "disputed territories" between Baghdad and Arbil.

NORTHERN IRAQ IN STRATEGIC CONTEXT

As a state with immense oil and gas reserves situated along the Persian Gulf, Iraq's energy markets are a prize coveted by neighboring and international actors looking to reshape the regional landscape. Nevertheless, while U.S. policymakers have been preoccupied with stabilizing Iraq internally, they have struggled to situate the country in the strategic picture of American foreign policy.

The U.S. continues to view the Kurdish Region through the prism and context of engagement toward Iraq, but the U.S. must recognize that realities are evolving on the ground and the political and social divisions between Arbil and Baghdad are hardening. The generation of Kurds that grew up under the 1991 No-Fly-Zone, and more recently without the memory of Saddam, identify themselves as Kurds and are more outward-looking than their parents. The Kurds are also teaching a unique collective history in their schools apart from Arab Iraq. If U.S. policies do not help strengthen Kurdish ties to Baghdad, the Kurdish Region

will increasingly become a distinctive entity from Baghdad with a different set of foreign policy, as well as cultural, behaviors.

In some ways the Kurdish Region already behaves as an independent strategic actor in the region. Despite demonstrations in February 2011, the Arab Spring's upheavals have come to benefit Arbil's strategic position in the region. For example, given the crisis in Syria, the KRG is serving as the intermediary to Syria's Kurdish community. Reportedly, there is now competition between the KRG and the Kurdistan Workers Party (PKK) regarding the loyalty of Syria's Kurds. Today, the Kurdish Region hosts dozens of foreign countries through consulates and offices.[2] As Arbil continues to build its state institutions, developing and strengthening foreign relations will be a critical focus of KRG policy.

A SHAKY FOUNDATION: A BRIEF HISTORY OF RELATIONS

In order to strengthen Washington-Arbil relations, U.S. policymakers must understand the psychological the Kurds have toward America. Today, the Kurds seek to retain a bilateral relationship with the United States because of their Kurdish fears of abandonment and a lack of trust, not from mutual interests and partnership. These sentiments are ingrained in the thinking of the KRG's leaders, who lived through a time when Kurds were a casualty of the Cold War's great game in the Middle East.

In the early 1970s, as a result of border disputes along the *Shatt al-Arab* waterway, tensions between the shah of Iran and neighboring Iraq were rising. The shah represented America's bulwark against Soviet client states Iraq, Syria, and Egypt. The shah was "an island of stability in an otherwise unstable area," wrote U.S. Secretary of State Henry Kissinger to President Richard Nixon.[3] The United States endorsed an Iranian plan to encourage a Kurdish armed uprising in Iraq. The Kurds believed they were fighting for their independence as dissidents re-united around Kurdish leader Mustafa Barzani, Massoud's father. "We are ready to act according to U.S. policy if the U.S. will protect us from the wolves," the elder Barzani stated to a group of visiting journalists, while expressing his desires for Kurdistan to become America's fifty-first state.[4]

However, in 1974, as Baghdad gained the upper hand in the struggle, the shah looked to strike a deal with Iraq in defining and resolving the border dispute. Weighing his options, then-Vice President Saddam Hussein offered an agreement for Kurdish autonomy in March 1974.[5] Not realizing that his Iranian backers were looking to use the Kurds as a bargaining chip, Barzani rejected Baghdad's proposal and doubled down on the rebellion. The Kurds believed the U.S. would not allow its Iranian allies to abandon them as Kissinger continued to praise the bravery of the Kurdish people. Massoud would recall that his father admitted he should have been more "dubious" of the shah. "But he didn't think the Americans would cheat us," he said.[6]

Iran and Iraq resolved their disputes at an OPEC summit in Algiers in 1975, but no one warned Barzani. Consequently, in response to the Algiers accord, the shah immediately cut off military aid and support to the Kurdish rebels in Iraq and effectively left the land-locked region at Baghdad's mercy. Barzani pleaded for more aid in a letter to Kissinger, but Kissinger did not reply.[7] The harsh offensive led by the Iraqi military against northern Iraq would shatter Barzani's dreams of delivering an independent state and force him to exit political life and seek refuge.

Following what has become known to Iraqi Kurds as the "betrayal of 1975," Baghdad razed thousands of Kurdish villages. An ongoing "Arabization" campaign intensified, relocating and displacing hundreds of thousands of Kurds while subjugating symbols of Kurdish identity and culture.[8] The Kurds, however, would still experience the worst of what they term as America's "abandonment." During the late 1980s, with Saddam's systematic Anfal campaign against the Kurds, the world witnessed the first chemical attack against noncombatants.[9] More than 180,000 Iraqi Kurds reportedly died in the campaign, and Kurds haven't forgotten that the U.S. and the international community didn't defend them.

Today, despite cordial and personal relationships between senior U.S. and KRG officials, Kurdish leaders deeply distrust Washington's rhetoric and actions regarding policy toward Iraq. As the U.S. began to signal intentions to disengage American armed forces from Iraq, senior Kurdish politicians began to criticize Washington more vocally. "Obama has said more than once that they will withdraw in a responsible manner from Iraq," said Nechirvan Barzani, the KRG Prime Minister and nephew of Massoud Barzani, in February 2009. "What we understand by a responsible withdrawal is that the United States will resolve the problems outstanding in Iraq and help the Iraqis confront these problems."[10]

Kurds became more suspicious during the 2010 government formation crisis. Some of the policies the White House adopted, which involved subordinating the Kurdish role in order to integrate other political actors and governing configurations that centered on an alliance between the Shi'a and Sunni Arabs, shocked the Kurds.[11] From the viewpoint of Arbil, these actions ushered in deep qualms that reverberated past experiences of Washington indifference and apathy.

By the summer of 2011, senior figures in the KRG were questioning whether it was in interests of the U.S. for there to be

a strong and prosperous Iraqi Kurdistan.[12] U.S. officials did not seem to be fulfilling their promises with strong actions. Kurdish politicians began to seriously doubt the U.S. had any intention in pushing for the implementation of Article 140, a constitutional provision that sought to resolve "disputed territories" between Arbil and Baghdad.[13] The withdrawal of U.S. forces from Iraq left the Kurds doubtful about American commitment in Iraq and uncertain about the current status of relations and their future engagement.

DANGERS OF NEWFOUND CONFIDENCE

The Kurdish delegation visiting the White House this week will have high expectations and a list of initiatives that the United States will likely find undoable or too risky for maintaining its relationship with Baghdad. In part due to an improving strategic role in the region, capacity to develop their oil fields, and their deepening relations with Turkey, Kurds are more optimistic than they have been before about the prospect of statehood.

The Kurds have been a major beneficiary of the fall of the former Ba'athist regime. The 2004 Transition Administrative Law (TAL), which served as an interim constitution before the permanent constitution was adopted in 2005, established federalism as the governmental framework for a divided Iraq, effectively institutionalizing a de facto Kurdish state.[14] Helping to secure the autonomous benefits gained through the 1991 No-Fly-Zone, the TAL recognized Kurdish as one of Iraq's two official languages, promised a share of Iraq's oil revenues proportional to the Kurdish population, and maintained control of Kurdish *peshmerga* forces in Arbil.[15]

The Kurdish leadership gained newfound confidence as it successfully pushed back against unfavorable U.S. efforts during the 2010 government formation process. "The typical scenario is that the Kurds are adamant about a certain issue, and the U.S. steps in with either a visit, [an] invitation, or a phone call," explained Hiwa Osman, a former advisor to Iraqi President Jalal Talabani. "The Kurdish stance softens soon afterwards."[16] But in a defining moment in U.S.-KRG relations, the Kurds decided to take stands in direct opposition to U.S. policy and denied Washington help with its efforts to shape government formation in ways Arbil perceived as unfavorable to their position.[17] Today, the "Kurds devise their policies based on their own agenda and interests," said Fuad Hussein, Barzani's chief of staff. "The U.S. won't create Kurdish policies."[18]

When thinking about the Kurdish Region's future, Arbil is increasingly looking toward Ankara rather than Washington. Iraq's Kurds are hoping Turkey will represent the economic and diplomatic venue in which statehood is eventually realized. Maliki's allies have criticized Kurdish leaders' recent expressions suggesting moves toward independence. On March 21, 2012, during his speech on the Kurdish New Year holiday *Newruz*, Barzani talked about independence and criticized the central government's growing authoritarianism.[19] A week after Barzani's remarks, Kosrat Rasul, the new KRG vice president, reiterated claims of self-determination. "As the Kurdistan Region, it's our right, by benefiting from the current situations in the region, to determine ourselves," he said.[20]

The Kurds are likely mistaking the advancement of relations with their powerful northern neighbor as a change in Turkish policy regarding Kurdish statehood. Today oil pipelines are being independently built on the Turkish and Kurdish sides of the border to meet in the middle, allowing Arbil to bypass the Iraq-Turkey strategic pipeline that Baghdad controls. However, construction is being commercially driven, and the Turkish government has not made a decision regarding the pipeline's activity.[21] Nor has Ankara made the decision to import Kurdish oil without Baghdad's authorization. The Iraq Constitution explicitly states that exports are under the authority of the central government, and annual levels of Kurdish exports have been negotiated in the Iraq budget.

Despite deepening relations with Turkey and cooperation confronting the PKK threat, the fundamentals of Turkish foreign policy toward the Kurdish Region as it relates to a unified Iraq have not changed. Some Turkish officials may be beginning to view an independent Kurdish state confined to northern Iraq as a possibility.[22] The top echelons of Turkish policymakers, however, do not view the development as congruent with Ankara's strategic interests, for several reasons.[23]

1. Once the territorial integrity of Iraq is compromised by Kurdish statehood, the risk of Iraq further fragmenting dramatically increases and undermines regional stability.

2. Ankara's economic and energy interests are better secured in a federal and unified Iraq. Despite tense personal relations between Maliki and Turkish Prime Minister Recep Tayyip Erdogan, the importance of Ankara's political relations with Baghdad and economic interests in southern Iraq should not be underestimated.

3. Given Iran's nuclear program, the crisis in Syria, and the Arab Spring upheavals across the Middle East, a move toward Kurdish statehood in Iraq would only intensify instability around Turkey.

4. Because Turkey's "Kurdish problem" has not been resolved, the Kurdish Region's secession from Iraq would negatively alter calculations within Turkey's Kurdish community and complicate negotiations to resolve the problem.

Moreover, despite the perception of a "booming" Kurdish economy and one that could sustain statehood, the reality is less impressive. More than seventy percent of Turkey's $12 billion in annual trade with Iraq is with the Kurdish Region.[24] However, almost all this trade with the KRG is accounted for in Turkish exports. Notwithstanding relative security and stability, the Kurds have yet to produce commodities to export other than oil, and they have not moved away from a rentier system. Reinvesting in human capital and fostering a private sector have not been a priority. Moreover, the lack of transparency and a modern banking sector, high level of corruption, and unfavorable profit margins have discouraged international private companies from investing in northern Iraq.[25]

The KRG states that it is producing from four oil fields (Tawke, Taq Taq, Khormor, and the Khurmala Dome) and exporting on average 90,000 to 100,000 barrels per day, although the Ministry of Oil in Baghdad says the actual figure is much lower.[26] Since the KRG does not publish its production statistics or allow for an independent auditor, it is impossible to resolve the discrepancy. The Kurds are confident that they will reach 2 million barrels per day by 2019.[27] Despite the KRG's many pronouncements regarding its potential oil output, however, the geology and ability to translate resources to market value remain in question. For example, most discoveries of fields in the Kurdish Region are described as total resources, which include both producible and non-producible oil. Not much information is provided about what percentage is realistically producible. Several factors, such as crude density and level of sweetness, play a major role in determining how much investment is required to properly develop the oil fields and in determining which international markets would favor Kurdish crude oil.

Given these uncertainties and potential barriers, it is in the best interests of the KRG to remain in a unified Iraq and continue to be allocated seventeen percent of national oil revenues in Iraq's annual budget. Kurdish officials, however, may simply be miscalculating and truly expect to seek independence. Alternatively, the Kurds may be seeking leverage in negotiations with Washington, since the major U.S. interest is to safeguard the territorial integrity of Iraq as a unified state. Nevertheless, whether the Kurds are overplaying their hand or strategically posturing for negotiations, the U.S. should not underestimate the extent to which Kurdish fears, aspirations, and emotive ambitions play in Kurdish thinking regarding statehood.

TOWARD A WORKING PARTNERSHIP

Since U.S. troops withdrew from Iraq in December, the United States has lost influence in Baghdad and is less able to effectively resolve disputes and advance its interests in Iraq. The underlying structural issues that sparked December's political crisis have not been resolved. Therefore, Baghdad will witness recurring political crises in the future, whether over election laws, the elections themselves, or other contentious issues. Without the presence of military forces, the United States will need the active participation and stabilizing third-party role the Kurds have played in the past to supplement mediation efforts. Yet, despite personal friendships between U.S. and Kurdish officials, by all indications, U.S. influence among its Kurdish allies is waning.

The Kurds have a clear vision and prioritization of Kurdish interests. Without the presence of U.S. troops, general assurances the U.S. makes will no longer suffice in influencing Kurdish decision-making going forward. With dramatic regional changes and instability, as well as an increasing authoritarianism and a disregard for abiding by agreements on the part of Maliki, the Kurds are increasingly looking inward toward state-building and northward toward Turkey. In order to effectively signal commitment and maintain practical influence with their Kurdish allies, the U.S. should offer a more tangible relationship that is structured on incentives and mutual benefits.

Relations with the Kurdish Region should aim to achieve the following U.S. interests in Iraq:

- **Safeguard Iraq's territorial integrity as a unified state that is both representative and committed to genuine power-sharing with all major political blocs.**
- **Encourage active Kurdish participation at the national level to supplement and reinforce U.S. mediation efforts to resolve disputes in Baghdad that are important for Iraq's stability and unity.**

To advance these interests, U.S. policymakers should offer a framework based on mechanisms and quid pro quo measures that promote a "working partnership" on security, cooperation, and reform. In determining how to proceed, the Obama administration could offer the following recommendations:

- **Establish a joint commission staffed by U.S. and KRG officials that aims to supervise and help implement advisory and training programs that strengthen the working partnership.** The Kurds are likely to argue that because the KRG is not represented in the U.S.-Iraq Higher Coordinating Committee, a separate joint commission between Arbil and Washington is necessary to advance relations under the provisions of the 2008 U.S.-Iraq Strategic Framework Agreement.

➤ **Through joint working groups, the U.S. can offer the KRG assistance, advice, and training to better foster an institutional environment conducive to foreign and American investment.**

- Expand technical assistance given to Baghdad to help Kurds develop their energy sector and basic infrastructure.
- Offer advice on the creation of a modern banking sector dominated by privately owned banks.
- Discuss and implement initiatives to best establish anti-corruption institutions, effective transparency measures, and favorable regulatory reforms.
- Assist and provide technical expertise in developing economic sectors in order to help diversify the Kurdish Region's economy (e.g. agriculture, construction, industry, trade, and information technology).
- Provide assistance to encourage a market-based educational system that meets development demands.

➤ **Promise to protect against another offensive and systematic campaign of mass violence against Iraq's Kurds.** An Anfal-like campaign is the most basic of Kurdish fears and interests.

➤ **Condition U.S. support for Maliki.** Both the United States and Turkey would like to see Arbil remain engaged and enhance involvement in Baghdad and national politics. However, to reassure and incentivize the Kurds, the U.S. must also condition support for Maliki on genuine power-sharing and abiding by the Iraqi Constitution's limits on executive authority. The United States could condition some of its continued military support to Iraq, such as the provision of F-16s, on Maliki's willingness to share power and accept real limitations on his authority. This can also reassure the Kurds that an authoritarian government in Baghdad does not gain the type of capability to threaten another Anfal-like campaign.

In return, as a basis for maintaining a reciprocal working partnership and building confidence and trust, the U.S. should require the following Kurdish actions:

➤ **Support for a strong and prosperous Kurdish Region that remains part of a unified Iraq.** It is important that Kurdish leaders understand that a healthy and cooperative relationship with the United States is best achieved by continuing to safeguard Iraq's unity, stability, and constitution.

➤ **Remain highly engaged in Baghdad politics and supplement and reinforce the U.S. embassy in mediation efforts in resolving outstanding and future political disputes, including:**

- The passage of a hydrocarbons law.
- New appointments for the electoral board.
- The passage of a new elections law.
- The establishment of a fair and independent Supreme Federal Council.
- The execution of a census.
- The resolution of "disputed territories" between Arbil and Baghdad.

➤ **Refrain from actions and rhetoric that suggest movement towards declaring statehood and independence.**

➤ **Demonstrate institutional reforms, including:**

- Developing anti-corruption practices at all levels of political and economic institutions, including discontinuing smuggling oil with Iran.
- Advancing the transparency of process, practices, and institutions.
- Adhering to freedom of press, individual rights, and the rule of law.
- Adopting a gradual and phased road map for devolving party and government control over the Kurdish economy and the fostering of a private sector.

In determining foreign policy with regards to the Kurdish Region, the U.S. should also recognize the following:

➤ **The growing strategic value of the Kurdish Region as an actor on the regional stage.** Given the KRG's relationship with Kurdish minorities in the region, U.S. policymakers ought to situate the Kurdish Region into the overall purview of U.S. foreign policy in the Middle East as opposed to only recognizing its function within Iraq's borders. Supporting a one-Iraq policy should not be conflated with operating under a Baghdad-only policy.

➤ **The need for clear communication in a relationship. The U.S. is partly to blame for Kurdish overconfidence because Washington has inflated its rhetoric.** For example, the suggestion that the U.S. and Iraq's Kurds have achieved a "special relationship" is not accurate and sends the wrong signal about U.S. intentions toward Kurdish participation in a unified Iraq. The vagueness of U.S. assurances undercuts American influence.

Deepening relations with the Kurdish Region could complicate relations with Baghdad, and the U.S. should approach the situation delicately. Iraq's prime minister is suspicious of government-to-government relations between Arbil and Washington and expresses reservations about U.S. engagement with political blocs outside his own.[28] Nevertheless, if the relationship with the Kurds is built into a proscribed framework, some uncertainty and doubts in Baghdad can be assuaged.

CONCLUSION

As Kurdish President Barzani makes his second visit to the White House since President Obama took office, both leaders are interested in intensifying current levels of engagement in Baghdad.

The Kurds are looking to Washington to assuage some of their doubts and uncertainty by codifying their relationship on paper. The U.S. must succeed in convincing the Kurdish delegation that the U.S. is committed to an Iraq policy that advances genuine power-sharing among all major blocs and safeguards the country from reverting to a dictatorial polity.

Despite their newfound sense of confidence, the Kurds still need a pro-active U.S. policy, and vice versa. In building upon this mutual recognition and signaling commitment to Barzani, Obama should insist on a "working partnership" that is based on quid pro quo mechanisms to maintain U.S. flexibility and the capacity to influence and reinforce the direction and depth of the relationship. However, without effectively convincing the Kurds that the U.S. is serious about pressuring Maliki to abide by the constraints provided by a power-sharing and representative government, the U.S. will be unable to influence the direction the Kurds will adopt going forward. With the U.S. military having exited Iraq, Barzani's visit allows the Obama administration an opportunity to reset relations on a realistic and stable path and regain influence with an important actor on the Iraqi political scene.

NOTES

[1] Author's interview with KRG official, March 2012.

[2] See "Current International Offices in the Kurdistan Region," Department of Foreign Relations, Kurdistan Regional Government, last updated April 3, 2012.

[3] Quoted in Quil Lawrence, *Invisible Nation: How the Kurds' Quest for Statehood is Shaping Iraq and the Middle East,* (New York: Walker & Company, 2008).

[4] David McDowall, *A Modern History of the Kurds, 3rd edition,* (London: I.B. Tauris, 2004), pg. 333.

[5] Lawrence, pg. 26

[6] Quoted in Lawrence, pg. 27.

[7] William Safire, "Classic immorality of Kurdish betrayal," *The Spokesman Review*, February 12, 1976.

[8] David McDowall, *A Modern History of the Kurds*, (London: I.B. Tauris, 2000), p. 339.

[9] Lawrence, pg. 34.

[10] "US must resolve Kurdish issues before pullout: Barzani," AFP, February 17, 2009.

[11] Author's interview with multiple KRG officials and Iraq officials, June-July 2011, March 2012.

[12] Author's interview with KRG official, June 2011.

[13] Author's interview with multiple KRG officials, July 2011 and March 2012.

[14] Joshua R. Itzkowitz Shifrinson, "The Kurds and Regional Security: An Evaluation of Developments since the Iraq War," *Middle East Brief*, Crown Center for Middle East Studies – Brandeis University, December 2006.

[15] See "Law of Administration for the State of Iraq for the Transitional Period," Coalition Provincial Authority, March 8, 2004.

[16] Hiwa Osman, "U.S.-Kurdish Relations, short term venture or a long term partnership," Kurd Net, September 8, 2010.

[17] Author's interview with multiple KRG officials, June 2011.

[18] Hevidar Ahmed, "Kurdistan president's chief of staff: Maliki believes a plot is brewing against him," *Rudaw*, January 2, 2012.

[19] "On eve of Kurdish New Year, President Barzani delivers key address," KRG.org, March 21, 2012.

[20] Rebin Hasan, "Kurdistan vice president: Kurds have right to self-determination," AK News, March 29, 2012.

[21] Author's interview with Turkish official, March 2012.

[22] Abdullah Bozkurt, "Turkey prepares for partition of Iraq," *Today's Zaman*, March 26, 2012.

[23] Author's interviews with multiple former and current Turkish officials, March 2012.

[24] Fryad Mohammed, "Most of Turkey-Iraq US $12 billion trade exchange in Kurdistan: minister," AK News, January 19, 2012.

[25]"Kurdistan Region Economic Development Assessment," USAID, December 2008.

[26] "Major Discrepancy in Kurdistan Oil Figures," *Iraq Business News*, March 16, 2012; also see "Iraq Energy Data, Statistics and Analysis – Oil, Gas, Electricity, Coal," U.S. Energy Information Administration.

[27] Author's interview with KRG official, March 2012.

[28] Author's interview with Maliki, July 2011.