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KURDISTAN'S POLITICIZED SOCIETY CONFRONTS A SULTANISTIC SYSTEM

Kawa Hassan

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About the Author

Kawa Hassan is a visiting scholar at the Carnegie Middle East Center, where his research focuses on Kurdish and Iraqi politics, civil society and democratization, donor assistance, and transition processes, especially in the Middle East. Hassan is director of the Middle East and North Africa Program at the EastWest Institute's Brussels office. He coordinated the Knowledge Program Civil Society in West Asia, at Hivos, in the Netherlands. Prior to that, he was a senior policy officer for the South Asia and Southeast Asia program at Simavi. Earlier, he served as program manager in eastern Sri Lanka for FORUT and as field coordinator for the United Nations Development Program, where he led post-tsunami and post-conflict recovery programs. Hassan is the author and co-editor of a number of policy papers, including *Transition Debates in a Transforming Middle East* (Hivos, 2014), *Strategic Implications of Dignity Revolutions for Western Donors* (Human Rights Funding News, 2013), and *Building the Future Today: Engendering Syria's Transition* (Hivos, 2013). Hassan is a regular commentator on Dutch television and radio and to international media about Iraq and Middle East affairs.

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Summary

The Kurdistan region of Iraq enjoys more stability, economic development, and political pluralism than the rest of the country. And public opinion under the Kurdistan Regional Government (KRG) demands rule-of-law-based governance. But power is concentrated in the hands of the ruling parties and families, who perpetuate a nondemocratic, sultanistic system. These dynamics could foster instability in Kurdistan and its neighborhood, but could also provide a rare window of opportunity for democratization.

The Dynamics in the KRG

- The Kurdistan Democratic Party (KDP), led by current KRG President Masoud Barzani and the Patriotic Union of Kurdistan (PUK), led by former president of Iraq Jalal Talabani, dominate the system along with two ruling families, the Barzanis and Talabanis.
- The KRG's security sector, intelligence services, and leading military units are divided between the KDP and the PUK.
- The KRG experienced an economic boom between 2003 and 2013 based on oil revenues and foreign investment. The economic windfall fueled the region's development but also enriched and empowered investors and the ruling elite.
- As of mid-2015, due to corruption, mismanagement, disputes with Baghdad, and the fight against the self-proclaimed Islamic State, the KRG faces a severe economic crisis.
- Kurdish society is increasingly voicing its opposition to aspects of the sultanistic system. Social movements have brought about incremental and piecemeal but nonetheless critical changes.
- Parties once in opposition, including the strong Gorran, are now part of the government.

Capitalizing on the Window of Opportunity

Gorran and other former opposition parties face the challenge of producing an alternative model of politics and politicians that is not corrupted or co-opted by the sultanistic system. The former opposition's leaders and grass roots should hold their officials accountable and, if necessary, replace corrupt ones with trustworthy and credible officials.

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- The KDP and the PUK have promised to reform the system. If that does not happen, Gorran and other former opposition parties should be realistic about the chances of reforming the system from within and explore alternative peaceful and civilian strategies to pressure the two parties to make good on their promises.
- Western governments can help spur change in the Kurdistan region by insisting on the establishment of national and nonpartisan military, police, and security services. They should also put pressure on the federal government in Baghdad to reach a final agreement with the KRG on the status of the region, with clearly demarcated borders, and to find a solution to outstanding political and economic issues between Erbil and Baghdad.

Introduction

The Kurdistan region of Iraq is at times described by the Kurdistan Regional Government (KRG) and outside observers as the “Other Iraq,” that is, a place that enjoys relative stability, security, economic development, political pluralism, and a margin of freedom for civil society. This may be true, but this assessment fails to recognize key parts of the story. The region is dominated by two main parties, the Kurdistan Democratic Party (KDP) led by current president of the region Masoud Barzani and the Patriotic Union of Kurdistan (PUK) led by former president of Iraq Jalal Talabani. It is also dominated by the two ruling families, the Barzanis and the Talabanis, that have established what is known as a sultanistic system and have tried over several decades to consolidate their rule.

Between 2003 and 2013, the KRG witnessed a remarkable economic boom that was based on oil revenues and an influx of international investment. The boom may have benefited the region, but it mainly enriched and empowered ruling elites and foreign investors, especially in Turkey. And it led to quick profits for influential leaders and their cronies in the Kurdistan region. Politically and economically, the boom enhanced the KDP’s, and to a lesser extent the PUK’s, hold on power, particularly in the strategic oil sector.

This process was strengthened by the establishment of the so-called strategic agreement in 2007 between both parties. Through this agreement, which was more a deal between leaders than parties, the KDP and the PUK agreed to share power and wealth. Under the terms of agreement, Barzani supported Talabani in his bid to become president of Iraq. In turn, Talabani gave Barzani and the KDP carte blanche to dominate government, politics, security, the economy—in particular the crucial oil sector—and the external relations of the KRG. The KDP became the senior partner and the PUK became the junior partner in Kurdish politics.

There is a paradox of sorts playing out in the Kurdistan region in the discrepancy between this system and the development of society. Society in the KRG is increasingly politicized, and more than ever people are aware of and strive for their rights. Yet, at the same time, the KDP and the PUK are becoming more sultanistic. Sultanism is a particular form of rule that is based on cronyism, clientelism, nepotism, personalism, and dynasticism. While both ruling parties and families attempt to consolidate a nondemocratic sultanistic system, members of society seek more democracy and thus by definition a

Between 2003 and 2013, Kurdistan witnessed a remarkable economic boom that was based on oil revenues and an influx of international investment.

nonsultanistic system that is based on rule of law, merit, transparency, and accountability. There are regular protests against the lack of rule of law, impunity, and rampant corruption at the highest levels.

It is unclear how the balance between these two forces will evolve, but it is important, with implications not just for Kurdistan but also for Iraq and its allies. The KRG plays a crucial role in the fight against the self-proclaimed Islamic State jihadist group. The region has enormous oil and gas resources, and some large Western oil companies and regional powers such as Turkey have invested heavily in the KRG's energy sector. Moreover, the by-and-large secular and moderate Islamic Kurdish society is a crucial long-term social ally in the battle against religious extremism.

For all these reasons, the evolution of the dynamics between the sultanistic system and the politicized society will have an impact beyond Kurdistan.

An Evolving Kurdistan

The KDP and the PUK have fought for decades for Kurdish rights in Iraq. The KDP, a conservative party, has been led by the Barzani family since its establishment in 1946. Due to ideological and personal conflicts, Talabani and other senior members left the KDP in the 1960s and formed the more leftist and progressive PUK in 1976. Both parties waged an armed revolutionary struggle against Iraq's then leader, Saddam Hussein.

In March 1991, the PUK and the KDP initiated armed attacks against the Iraqi army and security services, and popular uprisings against Saddam Hussein spread across Kurdistan. In late 1991, the Iraqi army and Kurdish forces signed a ceasefire agreement after which the Iraqi central government withdrew its administration, army, and security services from the region. The Kurds then established the de facto autonomous KRG under the protection of the United States, the UK, and France.

Kurdish authorities held elections in 1992. Both the KDP and the PUK disputed the election results and agreed to a 50-50 formula to rule the region. Under this agreement, each institution had a minister from one party and a deputy from the other. This formula was applied to various levels of official bodies, like local governments, security services, and police forces. In 1994, a civil war erupted between the parties due to local disputes over land rights and conflict over customs revenues. According to an article in the *International Review of the Red Cross*, 3,000 fighters and civilians were killed and tens of thousands were displaced.¹ In 1998, the United States brokered a deal to end the hostilities, and the KDP and the PUK set up two rival governments.

The fall of Saddam Hussein in 2003 marked a milestone in the region's history. It heralded the end of two sanctions regimes—one imposed by the United Nations against Iraq and the other imposed by Iraq against the

KRG—as well as the gradual end of the separate administrations and the formation of a unified government.

In the ten years that followed, the KRG experienced an economic boom. The rapid growth was based on oil revenues and foreign investments, especially from Turkey, and it was facilitated by business-friendly laws and a secure environment. From August 2006 to March 2014, more than \$38 billion was invested in the KRG.² More than two-thirds of that went into the construction sector, reflecting a desire to make quick and large profits, while the area's agriculture and manufacturing sectors were neglected.

To help develop the region's oil and gas resources, which pay for almost 94 percent of the region's budget, the regional parliament passed the Kurdistan Oil and Gas Law in August 2007.³ Thirty-nine oil companies from nineteen countries now operate in the region, and the KRG has signed 60 contracts with them. The region has proven oil reserves of 45 billion barrels and proven natural gas reserves of 100–200 trillion cubic feet⁴; as of 2014, its production capacity was at 400,000 barrels per day (bpd).⁵ The Ministry of Natural Resources has an ambitious plan to raise production capacity to 1 million bpd by the end of 2015 and 2 million bpd by the end of 2019. And the KRG has started to bypass Baghdad and export oil independently through Turkey.⁶

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There are other signs that the region has broken out of its historic isolation. By mid-2015, 31 diplomatic missions had been established in Kurdistan, including a Chinese consulate general, which opened in Erbil on December 31, 2014.⁷ Worldwide, the KRG has representative offices in fourteen countries.⁸ And the Erbil Stock Exchange, the first stock market in the region, is being established.⁹

This boom transformed state-society relations. It provided the KDP and the PUK with the cash to cement patronage politics and nepotistic networks, consolidating the foundations of a sultanistic system. The region's major political and social shifts have transformed former revolutionaries into businessmen, blurring the lines between the political and economic classes. The Barzani and Talabani families hold the most powerful positions in government and in their respective parties. The two major parties and their leaders monopolize the economy, the security services, the police, and the peshmerga (army), and they control and co-opt considerable parts of the media.

While these shifts have helped develop the region, the economic boom and diplomatic developments have not translated into a redistribution of economic and political power. Instead, the construction boom led to extreme social inequalities, rampant corruption at the highest levels, increased social and political protests, a distorted market, and price inflation, among other effects. To make ends meet, most people have to work more than one job.¹⁰

At the other end of the spectrum, residential towers and luxurious gated communities worth billions of dollars mushroomed. They have names completely alien to the local culture: German Village, Italian Village, American Village, Royal City, and Dream City. An apartment in one of these “villages” costs somewhere between \$300,000 and \$1 million.¹¹ The overwhelming majority of those who live in these communities are influential party figures and their cronies, as well as social groups who benefited from and are tied to the KDP and the PUK.

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Turkey has also played a crucial role in the boom. It is the biggest investor in the region. In 2012, Turkey’s exports to Iraq were worth \$11 billion, of which 70 percent went to the Kurdistan region. As of mid-2013, there were 2,656 registered foreign firms from 80 countries in the region; Turkey had 1,226 companies in the region.¹² While this relationship generated growth, it also increased the region’s dependency on Turkey. About 85 percent of Kurdish-Turkish trade, believed to be \$7 billion in 2013, was composed of food and luxury items that are consumed in the KRG, rather than re-exported as value-added products.¹³ These investments and imports may have helped develop the region, but they have mainly benefited Turkey, the KDP, and the PUK.

Politically, the relationship has strengthened the KDP’s hold on power and, to a lesser extent, that of the PUK. For Turkey, the aim was not only to earn economic benefits but also to achieve political gains by introducing and marketing the KDP and Barzani as an alternative political model to the Turkey-based Kurdistan Workers’ Party and its leader, Abdullah Ocalan.

The Political Economy of Sultanism

The sultanism that dominates today’s Kurdistan is a form of authoritarianism. It is based on four pillars: crony capitalism that is the result of blurred boundaries between the ruling party and the state, and between the public treasury and private wealth; personalism and dynasticism, even though the regime is not necessarily a monarchy; a kind of hypocrisy in which the constitution and laws are manipulated in the interests of ruling parties; and a narrow social base that means the ruling elite can exert its will independent of society.¹⁴

The oil revenues and investments that came into the region after 2003 helped the ruling families to enrich themselves. Other factors were also at play. Thirteen years of sanctions and fuel-smuggling operations that flourished between 1991 and 2003 provided the ruling parties and businessmen tied to them with the revenues to make investments. However, corruption and patronage practices have deeper roots in Iraq. They go back to the establishment of the modern Iraqi state, which was marked by the absence of institutions, rule of law, and contract sanctity.¹⁵

The political economy of Kurdish sultanism relies on economic monopolies and nepotistic networks, which are used to enrich the region's ruling elites, co-opt segments of society, and contain dissent. While a lack of transparency and accountability make it difficult to get accurate and credible data, some former opposition groups that are now in the government, local and international media outlets, and WikiLeaks have managed to shed light on these practices.

A 2006 U.S. State Department cable made public by WikiLeaks, for example, called corruption “Kurdistan’s biggest economic problem” and provided fascinating details about cronyism in the region. According to the document, titled “Corruption in the Kurdish North,” entrepreneurs seeking government contracts pay 10–30 percent of a contract’s value to a “partner” company that belongs to a party patron and another 10 percent to the director of the government department issuing the contract.¹⁶ The cable mentions several conglomerates by name, including Diyar Group, Eagle Group, Falcon Group, KAR Group, Nasri Group, Sandi Group, and Silver Star Group, all of which cover multiple sectors—and hence monopolize the market in an integrated manner—and are linked to local ruling parties and families.¹⁷

The long-term destructive impact of corruption on the Kurdish economy and society was illustrated by a 2008 BBC report, in which a businessman openly tells a reporter that relatives of political leaders “may be given a government job with a budget or a contract worth, for example \$2m or \$3m to rebuild a road.” According to the reporter, “it was immaterial whether the relative could actually build a road. The contract would be sold on, repeatedly, until it reached a real construction company. By that time, there might only be half of the money left.” The businessman likened corruption to a virus, saying “it is killing Kurdistan.”¹⁸

Kurdish leaders have also used their power to pay themselves large salaries, and, to help establish their nepotistic networks and ensure the loyalty of their cronies, they have overseen a system in which countless others are generously rewarded.

According to unofficial sources, the KRG pays extremely high salaries to special-grade officials—the president, the prime minister, other ministers, parliamentarians, directors general, and advisers. President Masoud Barzani’s salary is reportedly \$18,979 a month, and his deputy, Kosrat Rasul Ali from the PUK, earns \$16,448 a month.¹⁹ The salary and allowances of the former president of Iraq and leader of the PUK, Jalal Talabani, were believed to add up to \$1 million per year and perhaps much more. The salaries and allowances of Kurdish officials in Baghdad are paid by the federal government, but they are deducted from the region’s annual 17 percent allocation and hence are a huge burden on the public budget.

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By providing public jobs and benefits for the population, the KDP and the PUK aim to control and quell public dissent.

In addition to high salaries and allowances to special-grade officials, the KRG spends approximately \$717 million a month—or between 70 and 80 percent of its monthly public budget—on salaries and pensions for some 1.4 million people described as civil servants.²⁰ By providing public jobs and benefits for the population, the KDP and the PUK aim to control and quell public dissent. While precise data are unavailable, perhaps 100,000 civil servants receive two salaries, others get salaries but do not work, and others collect illegal pensions.²¹

In addition, the regional government provides high salaries, pensions, land, job placement, and special admission at universities to special-grade officials, their children, relatives, and others with ties to the parties. According to a 2014 study by Gorran, the second-largest party and formerly in the opposition, from 2000 to 2010, hundreds of people were appointed and retired—legally and illegally—as special-grade officials. Some of them never worked in those posts. According to Gorran, these officials have been paid billions of dollars.²²

In the province of Sulaymaniyah, the PUK's stronghold, the general prosecutor reported in March 2014 that an investigation had found that either the president or the prime minister had retired 158 people as special-grade officials with monthly pensions of \$258,000, even though these people had never actually held those posts. At the regional parliament, which has 111 members, there are 55 “advisers,” each earning approximately \$4,700 a month. It has been reported that the presidency of parliament wants to reform the advisers list.²³

There are countless other examples. According to the parliamentary head of the KRG's human rights commission, before elections held in 2013 and in an attempt to get votes, the KDP, through the general directorate of pensions, retired 27,000 people as veteran fighters. And, according to a 2014 report, the KDP and the PUK appointed 1,437 people as teachers and clerks in the city of Khanaqin since 2003, of which 200 worked part-time and the others never reported to work. The Ministry of Education reportedly paid them a total monthly “salary” of \$860,000.²⁴

Kurdish officials are also well paid for their work in Baghdad. The total amount of salaries and allowances earned by all Kurdish officials in the federal government and the national parliament from 2003 to 2013 is thought to be an astronomic \$1 billion.²⁵ The federal government draws this amount from the 17 percent of the annual national budget that goes to the KRG.

In the absence of a party financing law, the KDP and the PUK have also used the public budget to fund party activities, as well as party-backed and shadow media outlets. Following pressure from the former opposition that is now part of the cabinet—consisting of Gorran, the Kurdistan Islamic Union (KIU), and Komali Islami—and from civil society, officials acknowledged that between 2004 and 2010, the KDP and the PUK each took \$35 million

per month from public funds to finance their parties. This came to a total of some \$5 billion over six years, representing almost 20 percent of the public budget each year.²⁶ In addition, they used public funds to finance more than 400 party-backed and shadow media outlets, while the handful of independent media outlets and those tied to the former opposition went without such financing. The party-backed and shadow media occupy most of the media space in Kurdistan, and they provide jobs for journalists, co-opt some journalists, strengthen the personality cults of some leaders, provide propaganda for both parties, form and influence public opinion, and attack each other as well as other parties and independent media.

Structural Weaknesses and Dynamic Processes

Despite the success of the KDP and the PUK in establishing and consolidating the foundations of sultanism, this system suffers from structural and organic weaknesses. In addition, its internal development is much more dynamic than it seems. This could provide (unintended) windows of opportunity for reforms, the emergence of new social and political groups, fragmented sultanism, and a more pluralistic political landscape. If these potential changes do not result in instability and internal infighting, they will benefit the democratic development of the region.

The core strengths of the system, namely personalism and dynasticism, are at the same time its greatest weaknesses. The epicenter of sultanism is the leader, not the institutions. While the KDP and the PUK do maintain control over state institutions, decisions are made on the basis of the leader's personal whims and not through those institutions. Both parties suffer from serious succession struggles that threaten their internal cohesion and unity. And the form and extent of any potential change in the two parties will vary based on their different structures and backgrounds.

The KDP

The KDP is more centralized and institutionalized than the PUK, and it has long behaved as a sultanistic party. The KDP describes itself as a national freedom movement, and ever since its establishment in 1946, it has been led by the Barzani dynasty. KDP officials are straightforward and candid about the fact that the party and the Barzani family cannot be separated.²⁷ But while the KDP's cadres and voters accept the Barzani dynasty, that does not mean that they approve of corruption by high-level officials.

Though Masoud Barzani is the undisputed leader of the KDP, factionalism exists in the party. There is a power struggle between his eldest son and security council adviser, Masrour Barzani, and Prime Minister Nechirvan

Barzani (Masoud's nephew) about who should succeed the elder Barzani at the helm of the party. There is little public information available about where Masoud Barzani stands on this issue, so it is difficult to predict how the internal rivalry will develop.

The late 2014 appointment of two Kurdish leaders to high positions in the new government in Baghdad illustrates the divides within the KDP. Initially, Rowsch Nuri Shaways was appointed minister of finance and Hoshyar Zebari was named deputy prime minister. But Shaways rejected the finance post.

Influential politicians use mass media to report on their own factions, criticize others, influence public opinion, and attract and co-opt young journalists.

Masoud Barzani reportedly supported Zebari for the position of deputy prime minister while Nechirvan was said to support Shaways for that post. Finally, Shaways was appointed deputy premier.²⁸

Such factionalism is deepened by the fact that powerful politicians in the KDP and the PUK possess their own media outlets and private paramilitary forces. Influential politicians use mass media to report on their own factions,

criticize others, influence public opinion, and attract and co-opt young journalists from independent and opposition media outlets by providing high salaries, career advancement, and other benefits, such as free housing.²⁹ The media polarization is further enhanced by the absence of an independent national television channel.

Aside from factionalism, the KDP faces a deep crisis in its popularity and identity, according to pro-KDP journalist Rebwar Wali. New, capable leaders are not being developed, most of the KDP's Political Bureau members are focused on their business activities rather than politics, and in general political and cultural reforms are not undertaken in the party.³⁰

Meanwhile, there are protests against corruption and human rights violations in KDP strongholds, Dohuk and Erbil. People have become more assertive in voicing their dissatisfaction through social media and street protests. But two factors stand in the way of a qualitative and quantitative increase of dissent. First, KDP repression prevents people in Dohuk and Erbil from increasing dissent, as they do in PUK areas. The second obstacle is the conservative nature of Erbil and Dohuk as compared to that of the more liberal and progressive Sulaymaniyah.

These strains make the issues of succession and the future of a post-Masoud KDP less predictable than they may seem.³¹ It is possible that generational shifts and changes in leadership could create new dynamics and lead to positive changes in the political system.

The PUK

Kurdistan's other sultanistic force, the PUK, defines itself as a social democratic party. Its co-founders aimed to establish a modern party that would be

an alternative to what they saw as a conservative and reactionary KDP. But, thirty-nine years on, the PUK is becoming more like the KDP.

The PUK consists of three factions, the strongest of which is headed by Talabani's wife and Political Bureau member, Hero Ibrahim Ahmed. Despite claims to the contrary, this faction aims to consolidate the power of the Talabani dynasty. This was evident in June 2014, when Qubad Talabani—the youngest son of Jalal Talabani—was appointed deputy prime minister of the KRG. This appointment violated a crucial PUK regulation that a candidate for such a sensitive post should be a Political Bureau member, which Qubad was not, and it drew considerable opposition from some bureau members.

The Talabanis hold powerful posts in the party, government, parliament, and security services, and their faction also controls several of the party's conglomerates and major media outlets and directs the party's international relations. But it faces considerable challenges to consolidating its grip on the PUK. First and foremost, the faction lacks a clear successor to its charismatic and indisputable father, Jalal Talabani. While it appears to be grooming Qubad to lead the party, he is young and inexperienced and does not have his father's charisma. According to Fareed Asasard, director of the Kurdistan Strategic Studies Center, the prospects of Qubad leading the party are very slim.³²

The party's second and third factions are led by Barham Salih and Kosrat Rasul Ali, respectively. Salih's group has tried to be more assertive in its criticism of the Talabani faction and reportedly wants to establish a satellite television station to promote its views. Due to disunity and the lack of a clear choice to become its next leader, the PUK indefinitely postponed a conference to choose a successor to Jalal Talabani.

Other Persistent Weaknesses

Despite the reunification of the separate party administrations that had governed Kurdistan until 2006, the core components of the security services, peshmerga, police, and financial institutions are still divided along partisan lines. Influential leaders in both the KDP and the PUK have their own paramilitary forces. This is in contrast to society's increasing demands for the establishment of state institutions and the claims of both parties that they want to build national institutions.

Another weakness of the system stems from its dependence on oil revenues, which makes it vulnerable to fluctuations in oil prices; disputes with Baghdad, which controls how oil money is spent; and dependence on Turkey, a key oil customer. This is aggravated by the neglect of productive sectors such as agriculture. In the long run, this rentier system is not able to respond to structural needs for diversification of the economy or society's demands for an economy that is not based on nepotism.

Economically, the region still depends on the federal budget to pay civil servants and provide social services. But, due to conflicts over disputed areas

outside the KRG, for instance Kirkuk's exporting of oil without permission from Baghdad, the federal government in the beginning of 2014 withheld the KRG's budget allocation, helping to prompt an economic crisis in the region that is still under way as of mid-2015. This has delayed salary payments for civil servants and led to the termination of development projects. The economic crisis was also caused by the mismanagement of the KRG's economy, and banks have run out of cash.

As a result, social protests have increased. For the first time, bankrupt businessmen have staged sit-ins and demonstrations. Had it not been for the fight against the Islamic State and the subsequent need of the population for security in an increasingly insecure Iraq and Middle East and North Africa region, the protests could have escalated further, with unforeseen consequences.

A tiny minority of top officials in both the PUK and KDP and the Barzani and Talabani families controls the oil sector, with the Barzani family owning the biggest share.³³ Most of the criticism from and protests by activists, former opposition groups who are now in the cabinet in the regional government, average citizens, and even the PUK has been directed at the absence of transparency and accountability regarding oil contracts and revenues. Lack of long-term and real reform in this crucial sector will only lead to an increase in social and political protests and instability. In addition to systemic fragility, both parties face an assertive and empowered society with high expectations and demands.

Growing Discontent

Slowly but steadily, relations among citizens, the KDP, and the PUK are being reshaped. Intellectuals, activists, and journalists in Kurdistan have begun to criticize the dominance of the two ruling dynasties, as well as the corruption and lack of social and economic justice in the region. This increasingly politicized society defines its demands in terms of political, social, and economic rights. And hardly a day goes by without one or more demonstrations or sit-ins calling for transparency and accountability, the rule of law, and better social services. Discontent with unprecedented corruption, the legal and illegal provision of high salaries, and the payment of pensions to cronies and relatives are major rallying cries for most protests.

While Kurds recognize the sacrifices that the Barzanis and the Talabanis have made against successive Iraqi regimes, they also see corruption at the highest levels as one of the biggest problems facing their region. Ordinary people across the economic, political, and social spectrum complain that conglomerates are owned by Political Bureau members.³⁴

This dissatisfaction is reflected in polls. From 2009 to 2012, Gallup interviewed 1,066 people in Kurdistan, and the results reveal a sea change in the

population's perception of the KDP and the PUK. Over this period of time, perceptions of corruption steadily worsened: 37 percent of those surveyed in 2009 said corruption was widespread, and that number reached 61 percent in 2011 and 81 percent in 2012. The poll showed a deep dissatisfaction with both the KDP and the PUK, and a population that is aware of its citizenship rights, has rising expectations and demands, and wants transparency and accountability.³⁵

No action has been taken to tackle corruption at the highest levels since the 2012 poll. Furthermore, the deepening economic crisis the region has faced since December 2013 has led to an increase in social protests. So it is likely that there has been no positive change in the public's perception of corruption.

In a sign of the increasing awareness of rights across a diverse spectrum of society, protests have occurred in big and small cities, towns, and villages. In some cases, protests have happened in provincial towns that otherwise would not be considered beacons of dissent. For instance, in light of statements by Talabani and a leading businessman that the number of millionaires had risen dramatically, the Committee for the Protection of Public Interests in the city of Khanaqin organized a "How Did You Earn These Millions?" campaign in December 2013. The campaigners wanted to find out, in addition to the 2,900 millionaires in Sulaymaniyah Province mentioned by Talabani, the number of millionaires in Erbil and Dohuk Provinces, both KDP strongholds. They requested that parliament set up a committee to investigate how these millionaires had accumulated their wealth and announce the results to the public. As of mid-2015, the parliament had not taken any action.³⁶

The independent and former opposition media have played a decisive role in reporting on corruption and human rights violations. In a 2014 report, *Mountain of Impunity Looms Over Kurdistan Journalists*, the New York-based Committee to Protect Journalists painted a very grim picture of the lack of rule of law in the KRG. Compared to the rest of the Middle East, the region has one of the most progressive press laws as well as a law that guarantees the right of access to information. But these laws have not been implemented, a problem that can be blamed on a lack of enforcement and a system in which judges are appointed on the basis of their partisan loyalties, not on their professional merit and independence.

Most attacks against critical journalists have gone unpunished. That was the case with Kawa Garmyane, an investigative journalist and the editor in chief of the monthly magazine *Rayel*. Several reports had been published in the magazine alleging corruption among high-ranking PUK officials, among them Political Bureau member General Mahmoud Sangawi. Garmyane was assassinated in December 2013, prompting widespread protests in Kurdistan and among the

Hardly a day goes by without one or more demonstrations and sit-ins calling for transparency and accountability, the rule of law, and better social services.

Kurdish diaspora.³⁷ Sangawi was considered the prime suspect, according to news reports; he was arrested for the murder but then quickly released due to insufficient evidence, and has insisted that he did not kill Garmyane.

Though Kurdistan has not experienced the kind of uprising that led to regime change elsewhere in the region, it did witness its own brief Kurdish version of the Arab Spring. Inspired by events in Tunisia and Egypt but also indirectly resulting from cumulative dissatisfaction with the KDP and the PUK, on February 17, 2011, protesters, mostly youth, took to the streets in Sulaymaniyah. They renamed the city's central square Saray Azady (Liberation Square, after Tahrir Square in Cairo), demanded an end to economic monopolies and human rights violations, and called for social and economic justice and the democratization of the political system. A remarkable characteristic of this protest movement was that different forces—Gorran, Islamist parties, and civil society—jointly organized the demonstrations. The intelligentsia played a crucial role in providing critical reflections on the aims, mobilization tactics, and a vision for the protest movement.

But some activists criticized the former opposition that is now part of the government for dealing with the demonstrations in an opportunistic way. Nasik Kader, a spokesperson for the protesters, said the former opposition forces lacked a strategic vision and plan. In addition, these groups did not participate as political parties but rather as individual activists. She criticized Gorran because it gave too much space for Islamist parties to become visible and prominent at the expense of other groups.³⁸

The demonstrations remained confined to Sulaymaniyah Province because the KDP did not allow protests in Erbil or Dohuk. But nonetheless, they sent shock waves across the political spectrum. Security forces clamped down on the demonstrations on April 19, 2011, killing ten people and injuring more than 500.³⁹ Supporters and security forces of both the KDP and the PUK burned the independent television channel NRT in Sulaymaniyah and the Gorran radio station in Erbil.

Despite the violent response from the ruling parties, in a sign of political maturity, the former opposition and civil society insisted that demonstrations be nonviolent. Parliament decided to meet the demands of the demonstrators and issued a decision that called for the arrest and trial of perpetrators of violence. The courts issued arrest warrants for perpetrators from both the KDP and the PUK. But neither have the protesters' demands been met nor have the perpetrators been brought to justice.

One of the most prominent protests against sultanism came after KDP and PUK parliamentarians voted on June 30, 2013, to extend Masoud Barzani's presidential term until mid-August 2015. According to the agreement between the KDP and the PUK and the adopted law, the term was extended for two years, and Barzani is not allowed to be reelected. (According to the draft constitution passed by the parliament in 2009, Barzani was allowed to be president

for two terms of eight years, which he completed in 2013.) The extension marked a showdown between the KDP's determination, with backing from the PUK, to entrench the power of the Barzani family and society's determination to say no to it—and the KDP prevailed.

The intelligentsia, media, civil society, and opposition parliamentarians fiercely opposed the controversial and in their eyes illegal extension. There were even scuffles in parliament. The KDP and the PUK justified the move by arguing that the draft constitution needed to first be ratified before a new president was elected. But the opposition and civil society maintained that the extension was illegal because the draft constitution was pushed through by a caretaker government while a significant number of parliamentarians were absent.⁴⁰

Early Signs of Change

Growing public dissatisfaction with the status and conduct of the KDP and the PUK has begun to result in some changes in the governance of the region.

One of the most prominent changes over the course of the last six years was the emergence of the political party Gorran in 2009 as a strong opposition party. Gorran gained 25 parliamentary seats in 2009 without having strong party machinery, showing the deep dissatisfaction of some segments of society with the KDP and the PUK. Gorran provided a way for a young generation of activists that had no patronage and family links to the parties to become involved in politics and enter the parliament in Baghdad, regional government in Erbil, and local governments. It empowered civil society and the two Islamist parties to become more vocal in their criticism of sultanism.

Yet Gorran did not manage to reach out and engage critical voices in Dohuk, the stronghold of the KDP. This in part had to do with the KDP's repression, and was in part because Gorran did not have a mobilization strategy that spoke to the local conservative context in Dohuk. Furthermore, Gorran focused mainly on political changes and ignored mounting social problems such as increasing social violence, violence against women, and the disintegration of family units. It also did not produce a vision for engaging with Kurds in disputed areas who make nationalist demands of the federal Iraqi government.

Pressure from the former opposition and civil society and from within the PUK led the PUK and the KDP to in essence terminate their 2007 strategic agreement to divide wealth and posts in Kurdistan and Baghdad and to jointly participate in elections. This brought back competition to the electoral process and benefited the democratic development of Kurdistan. Though the change did not directly weaken Kurdistan's two main political forces, it nonetheless showed the importance of civil and political pressure aimed at weakening an agreement that symbolized the joint effort of both parties to consolidate the sultanistic system.

After years of continuous pressure by the former opposition and civil society, the parliament passed a party finance law in July 2014 limiting the portion of the annual budget to be allocated to fund political parties to 1 percent.⁴¹ Civil society groups have valid criticisms that the law does not go far enough in reducing the burdens on the public budget, including its allocation of \$54,493 per seat per month for each party and the way seats were allocated after the last two elections. According to Gorran, it had to agree to these changes in order to win the PUK's backing of the law. Gorran promised it would be ready to agree with other parties after six months to decrease the amount per seat by half. The law will be implemented once the current economic crisis is over.

Despite these valid criticisms, the law's passing is an important and positive development. Politically, it regulates party financing through legislation. This will put an end to the KDP's and the PUK's misuse of one segment of the public budget, ensuring to a certain extent equality and fairness between the parties through the allocation of money based on seats.⁴² Economically, it means the treasury will save \$840 million per year, which is equivalent to almost one month's salary for all civil servants. There is no guarantee that the KDP and the PUK, or other dominant parties in the future, will not try to change the law to serve their interests. But this would not be easy because implementing the law will set a legal precedent and create new dynamics that will not be easy to reverse.

The public's increasing demands that citizenship rights be respected are pushing the PUK and the KDP to acknowledge the need for and promise to implement other gradual and modest reforms. In his inaugural speech in parliament as prime minister of the eighth cabinet on June 5, 2014, Nechirvan Barzani said,

Citizenship will become the principle, the value, and the primary measurement of government activities.... The eighth cabinet will create a suitable environment to ensure that the parliament can properly monitor the government's activities.... The eighth cabinet will work to review and regulate the pension and salary system to benefit people in a fair way.⁴³

Time will tell to what extent and how many of these promises will be kept and implemented. But the mounting public pressure and the economic crisis affecting the region appear to be having some effect.

In 2015, the Ministry of Finance and Economy that is run by Gorran began a gradual reform of illegal salaries and pensions. It has given people linked to the PUK and the KDP who receive two salaries two months to declare the source of their incomes, and they then must choose one salary and give up the other. If they fail to comply, they will have to pay back all of the money they received. The parliamentary factions are also discussing proposals to tackle the issue of people who get salaries but do not work.⁴⁴

Civil society groups and the former opposition have long demanded the establishment of a truly independent, high electoral commission, and there appears to be progress on that front as well. The parliament passed a law setting up a new commission on July 23, 2014, and it was ratified by President Masoud Barzani a month later. The previous Iraqi commission was monopolized by the KDP and the PUK, and critics consistently complained of vote-rigging and intimidation. Under the new law, the commission's nine board members—from the region's five main political parties—will be elected by an absolute majority in parliament and answerable to parliament. Civil society activists say the new commission is not independent but partisan, and that its members will not be independent professionals. In addition, the parliament put out a public advertisement for the nine vacancies, which drew 200 applications. In the end, the five main factions in the parliament—including the former opposition—selected party candidates.⁴⁵ The extent to which this law and new commission succeed in reducing or eliminating vote-rigging and manipulation will be seen in 2015 and 2017, when presidential and parliamentary elections are expected to be held, respectively.

While the prime minister promised in his inauguration speech that his cabinet would ensure transparency and accountability, he made a decision soon after that showed that old habits die hard. Nechirvan Barzani allocated a sum of \$30,000 to each new minister from outside Erbil to be spent on refurbishing their residencies in the capital. This enraged public opinion, particularly at a time of economic crisis and war against the Islamic State. As a result, all ministers from the former opposition groups—Gorran, the KIU, and Komali Islami—rejected this amount,⁴⁶ pushing PUK ministers to do the same.⁴⁷

In addition, one of the biggest challenges for the former opposition that is now part of the government is to avoid becoming co-opted by corrupt practices in the system. A majority of members of the Kurdish parliament—including a majority of the former opposition—requested that the presidency of the parliament (consisting of the speaker, deputy speaker, and secretary) purchase cars for them, with which they could make field visits. It has been reported that parliament will purchase 111 cars at a total cost of almost \$6 million. The secretary of parliament said these cars will be the parliament's property. In another incident, the appointment of two Gorran officials—one of whom was reported not to have the university diplomas required to assist the minister of finance and economy—led to a wave of criticism about favoritism. But in a sign of the growing importance of activism, public opinion, and the demands of Gorran's supporters, popular pressure led to the resignation of the official who did not have the required university certificate.⁴⁸

For its part, Kurdistan's independent media are becoming more assertive and proactive in pursuing human rights violations and corruption cases. In

The public's demands that citizenship rights be respected are pushing the PUK and the KDP to acknowledge the need for and promise to implement other modest reforms.

some instances, women's rights organizations have succeeded in generating outrage about increasing violence against women.⁴⁹ Persistent pressure from families of victims of the Anfal genocide, in which forces loyal to Saddam Hussein killed thousands of Kurdish civilians in the late 1980s, pushed the KRG to arrest one Kurdish collaborator who was given amnesty by the KDP and the PUK. Iraqi authorities issued arrest warrants for these collaborators, but the KDP and the PUK refused to arrest them.⁵⁰ These cases show activists the importance of sustained advocacy that aims at tackling impunity and engaging public opinion on issues.

The election on September 21, 2013, for the regional parliament reshaped the political map. The KDP and the PUK participated separately in the election. The PUK was the biggest loser, and Gorran replaced it as the second-biggest party. It took the KRG almost eight months to form a new cabinet. The parliament wanted to keep its session open until a new cabinet was formed. Civil society actors lodged a complaint at the administrative court in Erbil against the acting speaker of parliament. They demanded an end to the open-ended session of parliament and warned that if the Erbil court would not rule on the case, they would lodge a complaint at the federal court in Baghdad. This would have been a big embarrassment for the Kurdish judiciary and authorities. Ultimately, the civil society actors won the case.⁵¹

At the beginning of 2014, Shwan Sabir, a judge and investigator in the regional judiciary council, used his Facebook page to criticize the High Judicial Council for not being impartial and to argue that courts in Kurdistan are not independent. After a complaint from the council, the court in Erbil ruled he should be arrested. But following intense pressure from lawyers and activists, Sabir was released on bail on March 6, 2014.⁵²

Some activities get less media attention but nonetheless set interesting precedents for protest groups. One-person demonstrations and sit-ins are new forms of activism and a sign of the increasing politicization of society.⁵³ This does not mean that mass protests are becoming less common but that individual activists and citizens take to the streets to voice criticism of the system.

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In relation to oil sector reform, after intense pressure from activists, media, and the former opposition, the parliament approved a law in 2015 that allows for the establishment of a sovereign fund for oil and gas revenues under its supervision. The aim of this law is to reduce the power of party conglomerates in this sector by institutionalizing the management of revenues and making sure they will be used for the benefit of current and future generations.

Most of these incremental but nonetheless critical changes will probably not have immediate impacts on the main foundations of sultanism. Yet they show the determination of civil and political actors to defy the system and achieve gradual reforms. Therefore, in this regard, the interaction between citizenship

and sultanism should be seen as a continuous struggle. A politicized society has managed to prevent a semiauthoritarian system from sliding into absolute authoritarianism, maintained a margin of freedom, increased society's awareness, and gradually broadened civil spaces. The limited nature of these changes is the result of the constrained context within which Kurdistan is becoming more politicized.

A Difficult Environment

It seems the former opposition, a majority of activists, and the intelligentsia all agree on the need for reforming the system rather than toppling it through revolution. This constraint can be explained by both the internal and the external context in which they are operating. Amid a Middle East ravaged by sectarian violence, religious radicalism represented by the Islamic State and other extremist groups, and the collapse of state institutions, the case for gradual reforms and nonviolence is understandably more convincing than revolutionary ruptures.

However, the population is impatient with the PUK, the KDP, and the former opposition; furious about corruption at the highest levels; aware of its rights; holding high expectations; and demanding quick and structural changes. This is partly the result of society's development and empowerment and partly the result of Gorran's successful bid to mobilize voters and dissent from 2009 to 2013.

In addition, the intelligence and security services, police, and peshmerga are still partisan and loyal to the KDP and the PUK, and—as the suppression of the two-month-long demonstrations in 2011 showed—they are prepared to unleash military force against civilian dissent.

The war against the Islamic State has once again highlighted the partisan nature of these forces. Most of the peshmerga forces belong to units 70 and 80, which are led by and under the command and control of military leaders from the PUK and the KDP, not the KRG Ministry of Peshmerga Affairs. This has fragmented and weakened the fight against the Islamic State. At the same time, it has highlighted the urgent need to bring all forces under the ministry's command. President Barzani ordered that units 70 and 80 be put under the command of the ministry—which is run by Gorran—by the beginning of 2015, but so far this decision has not been implemented. A small but encouraging sign of reform is that all peshmerga units now receive their salaries from the ministry and no longer from the KDP or the PUK. In addition, the ministry had the idea of establishing new units composed of young military recruits that answered to the ministry, not the KDP or the PUK.⁵⁴ For the time being, the KDP is not against these ideas. But it remains to be seen whether the two parties will give Gorran more authority and space to structurally reform the peshmerga ministry and turn it into a nonpartisan national force.

Uncertainty over the final status of the Kurdistan region within Iraq—including what its boundaries will be and whether it will be independent or part of federal Iraq—hampers the further development of politicized society. The KDP and the PUK use this issue to divert attention from pressing social and political problems. For instance, in the current debate about the independence of Kurdistan, the KDP through its media and political statements and activities presents itself and Barzani as the only forces striving for independence and portrays critics as traitors. Yet despite this diversion strategy, social protests against delayed salary payments, the fuel and electricity crisis, human rights violations, and corruption have continued, showing that the PUK and the KDP may be able to divert attention from real policy issues for some time, but social and political discontent will not go away.

The two main regional powers, Turkey and Iran, have great influence over the political and economic affairs of the KRG, and both have strategic interests in preserving the political status quo in Kurdistan. Turkey and its Justice and Development Party in particular are strategic partners of the KDP. Turkish companies are the biggest investors in the region, and Kurdish oil exports depend on Turkey. Turkish President Recep Tayyip Erdoğan has portrayed Masoud Barzani as the leader of all Kurds, not only in Iraq but also in Turkey, Iran, and Syria; the KDP as the model Kurdish party; and the KRG as the economic model to be pursued by all Kurds. Iran is a strategic partner to the PUK and especially its Talabani faction. The partnership is so important that Iran reportedly helped to prevent a historic defeat of the PUK in the Iraqi election of April 2014.⁵⁵

In the sectarian regional conflicts in Syria and Iraq, the KDP and the PUK are part of two opposing axes: the KDP is part of the Jordan, Qatar, Saudi Arabia, and Turkey axis, while the PUK is part of the Iran axis. Both parties have cooperated intensively with these regional (and international) powers on political, economic, and intelligence issues, and they use these external strategic partnerships to strengthen internal sultanism.

The future shape of Gorran and other former opposition parties will also help determine the extent of Kurdistan's politicization. This will depend on how much space and authority they get from the KDP and the PUK to initiate reforms and on their own determination and capacity to produce an alternative model of politics and politicians—a model that is not corrupt and one that is capable of resisting co-option by the system. The adoption of the laws on party financing, the high electoral commission, the Ministry of Peshmerga Affairs, salaries, and pension systems are small but positive steps. In addition, oil sector reform will be a big test for the former opposition. But it will take time for these reforms to yield results and their impacts to be measured. In the meantime, the population is impatient and wants to see quick structural changes. The former opposition, particularly Gorran, is facing what could be called the mobilization and governance dilemma. When in opposition, these groups successfully

managed to mobilize segments of the population against sultanism. But once in government, they have faced the reality of translating election promises into implementable policies and carrying out successful reforms.

The fight against the Islamic State makes the task of initiating reforms more complicated, because implementing structural changes and measuring their impact requires a stable social and political environment. The battle against the Islamic State has given the PUK and the KDP an excuse that they cannot implement reforms because of the need to focus on combating the terrorist threat. In Mount Sinjar, where KDP peshmerga forces withdrew without a shot being fired on August 3, 2014, the Yezidis left behind were furious that the party had failed to protect them. Some Yezidis have even said that they are no longer Kurds. It is impossible to predict how this anger will impact future election results and whether it will lead to diminishing support for the KDP.⁵⁶

The withdrawals from Mount Sinjar and other areas have had one unintended but positive impact: they have underscored the structural weakness of Kurdistan's partisan military units and accelerated the need to establish a national military force. In its fight against the Islamic State, the KRG is getting military and political support from Western countries, Iran, and Turkey. But one question that dominates the debate in the region is if and when the Islamic State is defeated, is there any guarantee that the KDP and the PUK will not use these weapons against each other as well as against the political opposition and civilian actors?

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Conclusion

The Kurdistan region enjoys more stability, economic development, and political pluralism than the rest of federal Iraq, as well as a greater margin of freedom for civil society. But the situation in the region itself is rapidly changing.

An economic boom between 2003 and 2013 enhanced the KDP's hold on power and, to a lesser extent, that of the PUK, particularly in the strategic oil sector. And Kurdistan's ruling elites successfully used economic monopolies and nepotistic networks to enrich themselves and their cronies, co-opt segments of society, and contain and repress dissent.

Still, the region's sultanistic system suffers from structural weaknesses and in the long run is not sustainable. For example, generational shifts in the two parties are inevitable and could open windows of opportunity for change. Yet they could also lead to armed infighting and destabilize the region. Despite the reunification of the PUK and KDP administrations, the security sector, the intelligence services, and leading peshmerga units 70 and 80 are still divided. And the political economy of sultanism remains based on oil revenues, making

it vulnerable to fluctuations in oil prices, unresolved disputes with the federal government, and the region's important trade relationship with Turkey. And as of mid-2015, the economy is in crisis.

At the same time, Kurdish society is voicing its opposition to different dimensions of the system. There is a lively debate on sultanism in academia, social media, and the mainstream media in addition to regular protests against rampant corruption at the highest levels and the lack of social and economic justice. Indeed, even as the KDP and the PUK are trying to strengthen their rule, social movements have managed to achieve incremental and piecemeal but nonetheless critical changes. Although these small shifts will not have an immediate and radical impact on the system, they demonstrate society's determination to defy it and to achieve gradual reforms.

The rise of Gorran changed the political map but not the political system. The party successfully mobilized and channeled the demands of a politicized

Initiating structural reforms and achieving tangible changes takes time and requires a stable social and political environment, which currently does not exist.

society, helped create a new generation of young leaders from outside patronage politics, and empowered Islamist parties. But changing a two-decade-old system that suffers from chronic corruption is a daunting task. In addition, initiating structural reforms and achieving tangible changes takes time and requires a stable social and political environment, which currently does not exist.

Gorran and the other former opposition groups are trying to tackle monopolies, combat corruption, reform the public sector, reunify and professionalize the peshmerga, and make the high electoral commission impartial and independent.

One of the biggest challenges facing Gorran, the KIU, and Komali Islami is to produce an alternative model of politics and politicians that will not be corrupted or co-opted by the system, particularly when it comes to the issues of salaries, retirements, and other benefits. So far, the results are mixed. Some officials are seen as being clean and trustworthy, while others are succumbing to the temptation of power. It is therefore paramount for the former opposition's leaders and grass roots to hold their officials accountable and, if necessary, to replace corrupt ones with trustworthy and credible officials.

If it becomes clear that the KDP and the PUK do not intend to deliver on their promises to implement meaningful reforms, the former opposition should be honest with its electorate and inform them publicly about the impossibility of reforming the system from within. Consequently, the opposition should think through alternative and innovative peaceful and civilian strategies with the aim of pressuring the two parties to implement their promises.

While it is too early to judge the performance of Gorran, the KIU, and Komali Islami in the government, the population is impatient, has high expectations, and wants quick and tangible changes. The lead-up to the next election

in 2017 will be a crucial testing period for the former opposition as it tries to achieve some meaningful and gradual reforms.

The success of the former opposition will depend on three factors. First is the willingness of the KDP and the PUK to allow change to occur. Second is the capacity of Gorran, the KIU, and Komali Islami (the former opposition that is now part of the government) to provide an alternative model of politics and politicians that are not corrupt or co-opted by the system. Third is the constrained context, both internally and externally, in which these forces operate.

What makes the task of Gorran, the KIU, and Komali Islami as well as civil society even more difficult is the increasing instability and battles between the Islamic State on the one hand and Kurdish, Iraqi, and U.S. forces on the other hand. In such an environment, security, counterterrorism, and humanitarian aid take precedence over reforming and democratizing the system.

Yet, such an environment also provides a rare window of opportunity for democratizing the system. Western countries should insist on the establishment of national and nonpartisan military, police, and security services. To help achieve this, they should support the reform process of the Ministry of Peshmerga Affairs that aims to bring all military units under the real command of the ministry and guarantee that weapons provided to fight the militants should never be used in internal power struggles and/or against the political and civilian opposition. Furthermore, they should call on the KRG to implement its promises that aim at reforming the public sector, salaries, and the retirement system in order to make these more fair, transparent, and accountable.

Western governments—and international organizations and human rights organizations—should insist on bringing perpetrators of murders of independent journalists and victims of the February 17, 2011, crackdown to justice.

But this is not just about the KRG. Outside supporters should also put pressure on the federal government in Baghdad to reach a final agreement with the KRG on the status of the region, with clearly demarcated borders, and to find a solution to outstanding political and economic issues between Erbil and Baghdad.

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