



**Natural Resources and Contested Sovereignty:  
The Case of the Kurdistan Region in Iraq**

**PhD Thesis**

Shwan Jamal Azeez (Sharey)

# **Natural Resources and Contested Sovereignty: The Case of the Kurdistan Region in Iraq**

A thesis submitted in partial fulfilment of the requirements for the degree in  
Doctor of Philosophy

Shwan Jamal Azeez (Sharey)

University of Kent, Canterbury, UK

March 2022

Supervised by

Dr. Yani Voller (main supervisor)

Dr. Richard Sakwa

## Table of Contents

<b>Chapter 1. Introduction.....</b>	<b>1</b>
1.1 Kurds.....	1
1.2 Background on de facto states .....	1
1.3 The KRG and sovereignty over natural resources.....	2
1.4 Research questions.....	3
1.5 Outline of the argument.....	4
1.6 Aims, objectives and contribution .....	5
1.7 The scope of the research .....	6
1.8 Structure of the dissertation .....	6
<b>Chapter 2. Theoretical Framework.....</b>	<b>9</b>
<b>2.1 A remark on terminology and the use of the term ‘de facto state’ .....</b>	<b>9</b>
<b>2.2 Constructivism in IR: a theoretical framework for the study of de facto states .....</b>	<b>14</b>
<b>2.3 The de facto state: contested sovereignty.....</b>	<b>16</b>
2.3.1 Strategies of using ‘earned sovereignty’ and ensuring great-power support .....	21
2.3.2 De facto states: the importance of domestic and external legitimacy.....	26
2.3.3 Internal and external sides of sovereignty in de facto states.....	31
2.3.4 The engagement of de facto states: ‘strategic importance’ and ‘resource importance’ .....	33
2.3.5 Foreign policy in de facto states .....	35
<b>2.4 The resource curse and sovereignty .....</b>	<b>38</b>
2.4.1 Natural resources: greed and grievances in intrastate conflicts .....	43
2.4.2 Greed in interstate conflicts .....	45
2.4.3 Critics of greed or grievance for intrastate and interstate conflicts.....	46
2.4.4 Control over natural resources and sovereignty: a more comprehensive explanation for outbreak of interstate wars.....	46
<b>2.5 Research design .....</b>	<b>50</b>
2.5.1 The single-case design .....	51
2.5.2 The KRG as a crucial case for the theoretical framework.....	55
<b>2.6 Research methodology .....</b>	<b>58</b>
2.6.1 Interviews .....	58
<b>Chapter 3. The question of oil prior to 2003.....</b>	<b>62</b>
<b>3.1 Oil: the incorporation of the vilayet of Mosul into the kingdom of Iraq.....</b>	<b>62</b>

3.1.1 The process of nationalization of oil and the Kurdish revolt .....	68
3.1.2 The legitimization campaign of Kurds towards Western and non-Western audiences .....	71
3.1.3 Oil as an instrument to obtain international legitimacy .....	72
3.1.4 Oil: the dispute between the Kurds and subsequent Iraqi governments .....	74
3.1.5 The contribution of Kurdish oil fields to the total oil revenue in Iraq .....	79
<b>3.2 Oil as an instrument in securing the support of an external patron in the early 1970s .....</b>	<b>81</b>
3.2.1 The role of foreign aid and oil in Barzani's views .....	85
3.2.2 The disintegration of the Barzani revolt .....	87
3.2.3 The Iran–Iraq war, oil revenue and the Kurdish uprising .....	88
<b>3.3 The formation of the KRG as a de facto state and the illicit oil trade .....</b>	<b>90</b>
3.3.1 The revenues of the transit trade in oil as a main source of wealth in the KRG .....	92
3.3.2 The revenues of the transit trade in oil as a main source of contention between the KDP and PUK .....	94
3.3.3 The implementation of the oil-for-food of the program and the end of the Kurdish civil war .....	97
3.3.4 Various approaches towards the oil case in the Kurdistan Region .....	100
<b>3.4 Conclusion .....</b>	<b>102</b>
<b><i>Chapter 4. The impact of natural resources on the KRG's sovereignty, 2003-2019 .....</i></b>	<b><i>104</i></b>
<b>4.1 National resources: consolidating the KRG's sovereignty in three phases .....</b>	<b>104</b>
4.1.1 The conflict over natural resources: sovereignty vs monetary or technical questions .....	111
4.1.2 Oil pipeline and the sovereignty issue .....	113
4.1.3 The sovereignty conflict: failure of oil agreements .....	114
<b>4.2 Oil boom era: strengthening sovereignty, 2003-2013 .....</b>	<b>123</b>
<b>4.3 Oil bust era: weakening sovereignty, 2014-2019 .....</b>	<b>130</b>
4.3.1 Corruption and lack of transparency in the oil and gas industry: the challenge to the KRG's sovereignty .....	135
4.3.2 Civil clashes over oil revenues: the challenge to the KRG's sovereignty .....	141
<b>4.4 The impact of contested sovereignty on the KRG's energy policy .....</b>	<b>143</b>
<b>4.5 Oil and 'status then standards' .....</b>	<b>146</b>
<b>4.6 Conclusion .....</b>	<b>147</b>
<b><i>Chapter 5. The KRG's energy strategy with international and regional powers .....</i></b>	<b><i>150</i></b>
<b>5.1 The role of energy in the KRG's foreign policy .....</b>	<b>150</b>
<b>5.2 Turkey .....</b>	<b>151</b>
5.2.1 Initial stage of KRG's unilateral exploitation of energy: Turkey's suspicion .....	151

5.2.2 KRG's energy instrument to attract Turkey's support .....	152
5.2.3 Turkey-KRG energy engagement: enhancing KRG's legitimacy and sovereignty .....	156
5.2.4 KRG's energy dependency on Turkey: challenge to KRG's sovereignty .....	159
5.2.5 Kurdish leaders' overestimation: Turkey's energy engagement without recognition .....	160
<b>5.3 The U.S. ....</b>	<b>165</b>
5.3.1 KRG's unilateral exploitation of energy: division in Washington.....	165
5.3.2 KRG's energy diplomacy: inviting giant American oil corporations .....	167
5.3.3 Role of KRG's energy instrument in the strategy of using earned sovereignty and the strategy of ensuring American support .....	170
5.3.4 The independence referendum: Kurdish policymakers' overestimation of its energy diplomacy with the U.S. ....	171
<b>5.4 Russia .....</b>	<b>176</b>
5.4.1 The role of KRG's energy diplomacy in diversifying great-power supports: Russia and Rosneft ....	176
<b>5.5 Iran .....</b>	<b>180</b>
<b>5.6 Israel.....</b>	<b>181</b>
<b>5.7 Conclusion .....</b>	<b>183</b>
<b><i>Chapter 6. Conclusion and implications .....</i></b>	<b><i>186</i></b>
6.1 Answers to the research questions .....	186
6.2 Theoretical contributions .....	189
6.3 Implications for future research .....	191
6.4 Limitations and avenues for future research.....	193
<b><i>Bibliophagy .....</i></b>	<b><i>195</i></b>
<b><i>Appendixes .....</i></b>	<b><i>224</i></b>
1. Appendix: interviewees .....	224
2. Appendix: interview questions .....	225

## List of Figures

Figure 1. Map of the Mosul vilayet. <i>Source</i> : P.E.J.Bomli, L'Affaire de Mossoul, 1929 .....	63
Figure 2. Map of KRG oil and gas concessions with lead operators and Green Line. <i>Source</i> : International Crisis Group, 'Iraq and the Kurds: The High-Stakes Hydrocarbons Gambit,' 2012, 26 .....	110
Figure 3. Key KRG oil and gas infrastructure. <i>Source</i> : S&P Global, 'Iraq's NOC vows to maintain Kirkuk oil flows after ousting Kurds,' 2017.....	120
Figure 4. GDP growth. <i>Source</i> : Invest in Group, 'Kurdistan Review. Forging Ties Globally,' 2016, 41. ....	131
Figure 5. GDP per capita growth. <i>Source</i> : Ibid., 41 .....	131
Figure 6. The KRG's major pipelines and oil and gas fields. <i>Source</i> : John Roberts, 'Iraqi Kurdistan Oil and Gas Outlook,' 2016. ....	157
Figure 7. The area controlled by the KRG after October 2017. <i>Source</i> : AFP, 'Territorial rivalries and oil in northern Iraq,' 2018.....	173
Figure 8. Details of Kurdish crude loadings from Ceyhan. <i>Source</i> : S&P Global Platts, 'Kurds sell crude cargoes for \$100 million,' 2014 .....	182

## List of tables

Table 1. KRG: public sector employment and growth.....	125
Table 2. KRG's share from the federal budget.....	131
Table 3. Debts and financial commitments .....	135

## **List of Abbreviations**

- DFI – Development Fund for Iraq
- EITI – Extractive Industries Transparency Initiative
- EIU – Economist Intelligence Unit
- GDP – Growth Domestic Product
- IOC – International Oil Companies
- IPC – Iraq Petroleum Company
- KDP – Kurdistan Democratic Party
- KF – Kurdistan Front
- KNA – Kurdistan National Assembly
- KP – Kurdistan Parliament
- KR – Kurdistan Region
- KRG – Kurdistan Regional Government in IR
- MNR – Ministry of Natural Resources
- MoO – Ministry of Oil
- NOC – North Oil Company
- OFFP – Oil for Food Programme
- PMF – Shiite Popular Mobilization Forces
- PSA – Production Sharing Agreements
- PUK – Patriotic Union of Kurdistan
- SOMO – State Oil Marketing Organization
- TAL – Transitional Administrative Law

To my mother  
Nazanin Kamal Mohammed  
24-03-1961 - 06-06-2020

This thesis is dedicated to my mother, who is gone now,  
For her endless love, support and encouragement.



## **Acknowledgments**

I would like to pay tribute to my supervisors, Dr. Yaniv Voller, in particular, as my main supervisor, for their valuable supervision, inspiration and suggestions, which made this work possible.

I am most grateful to my colleague and former professor, Dr. Joshua Hill as well as Andy Noble and Dr. Anisile Noble who patiently read each paper and draft chapter and highlighted lack of consistency, clarity and errors.

I would also like to thank my father, sisters and wife for their lasting encouragements and assistance. I especially thank my brother, Peshawa Azeez, for always being there for me.

A special thanks goes to each member and staff of the School of Politics and International Relations of the University of Kent in Canterbury.

I would like to thank the other two examiners, Yvan Guichaoua from the Brussels School of International Studies at the University of Kent and Marianna Charountaki from the School of Social and Political Sciences at the University of Lincoln for providing feedback and reading my work.

I wish to express my appreciation to all who have helped me through my journey to reach this stage in my education, whether mentioned here or not.

## **Abstract**

This research sets out to investigate the links between natural resources and sovereignty. The existing scholarly literature shows that the links between natural resources and various dimensions of sovereignty have been largely overlooked. This thesis uses the concept of de facto statehood as its primary theoretical framework. This research employs a single-case study of the Kurdish de facto state to examine the oil sovereignty nexus between 2003 and 2019. It argues that the conflict over oil resources between the KRG and the Iraqi government is very difficult to resolve because it revolves around sovereignty rather than just financial interests. The findings of this research suggest that natural resources have a paradoxical impact on the sovereignty of the KRG. On the one hand, the KRG's sovereignty was strengthened by the high oil price between 2003 and 2013. On the other hand, the KRG's domestic and Westphalian sovereignty has been undermined from 2014 to 2019 by the low oil price in conjunction with other factors. While oil is crucial for the survival of the Kurdish de facto state and its engagement with foreign actors, it does not lead to the creation of a sovereign Kurdish state. The findings of this research also have significant implications for the direction of future research as they focus on issues such as competition over natural resources, contested sovereignty and natural resources as a foreign policy instrument, and also issues that are essential to understanding how sovereignty evolves.

**Keywords:** natural resources, sovereignty, contested sovereignty, legitimacy, recognition, de facto state, unrecognized state, resource wars, Kurdistan Region in Iraq

## Chapter 1. Introduction

### 1.1 Kurds

The Kurds are estimated to number between 25 to 30 million and live primarily in mountainous regions stretching across parts of modern Turkey, Iraq, Iran, Syria and Armenia. Kurds remain the world's biggest ethnic group without a sovereign state.<sup>1</sup> The secret Sykes-Picot Agreement of 1916 between Britain and France essentially carved up the Ottoman Empire and drew the borders of the modern Middle East. After World War I, the 1920 Treaty of Sèvres abolished the Ottoman Empire and included the guaranteed establishment of a Kurdish state. However, with the rise of Mustafa Kemal Atatürk, the treaty was rejected, and it was later replaced by the Treaty of Lausanne of 1923 which excluded all references to Kurdish aspirations for statehood. As a result, the Kurds were divided across the newly drawn borders of Turkey, Iraq, Syria, and Iran, and have repeatedly revolted against their parent states.<sup>2</sup> Iraq has a Kurdish population of about 7 million, while the estimated Kurdish population in Turkey amounts to 16 million. The Kurdish population in Syria is 2 million and Iran is 8 million.<sup>3</sup> Thus, the thesis has chosen the Kurdistan Region in Iraq as a case study of de facto states in international politics.

### 1.2 Background on de facto states

The de facto state literature identifies that at least 34 de facto states emerged following World War II.<sup>4</sup> The list of de facto states includes Katanga, Biafra, Krajina, Chechnya, Anjouan, Tamil Eelam, Rwenzururu Kingdom, Gagauzia, Bougainville, Eastern Slavonia, Ajaria, Aceh, Karen State, Kachin State, Taiwan, Mindanao, Northern Cyprus, Western Sahara, Cabinda, Casamance, Abkhazia, Kurdistan, Nagorno-Karabakh, Puntland, Somaliland, South Ossetia, Transnistria, Republika Srpska, Palestine, Gaza, Eritrea, East Timor, Kosovo and South Sudan.

---

<sup>1</sup> Bahar Baser et al., eds., *Methodological Approaches in Kurdish Studies: Theoretical and Practical Insights from the Field*, Kurdish Societies, Politics, and International Relations (London: Lexington Books, 2019), xiii–xvi.

<sup>2</sup> 'The Time of the Kurds', *CFR*, 2019, <https://on.cfr.org/1Q9PWRG>.

<sup>3</sup> Cengiz Gunes, *The Kurds in a New Middle East: The Changing Geopolitics of a Regional Conflict*, 1st edition (Cham: Springer International Publishing, 2019), 2.

<sup>4</sup> Adrian Florea, 'De Facto States in International Politics (1945–2011): A New Data Set', *International Interactions* 40, no. 5 (20 October 2014): 788–811, <https://doi.org/10.1080/03050629.2014.915543>; According to Caspersen and Stansfield, at least 21 de facto states have emerged since World War II. See Nina Caspersen and Gareth R.V. Stansfield, 'Introduction: Unrecognized States in the International System', in *Unrecognized States in the International System*, ed. Nina Caspersen and Gareth R. V. Stansfield (London: Routledge, 2012), 4.

De facto states achieved domestic sovereignty, but they were unable to obtain international legal recognition. For example, Biafra in Nigeria, Katanga in the Democratic Republic of the Congo (DRC) and the Rwenzururu Kingdom in Uganda all emerged as de facto states in the 1960s and 1970s. Some have since managed to become recognized states, others have disappeared and been forcibly or peacefully reincorporated into their parent state, and others still continue to function as de facto states. For example, according to Adrian Florea's recent work, since 1945 only 18 de facto states are in existence as of the end of 2011. Only four de facto states have managed to become recognized states such as Eritrea, East Timor, Kosovo and South Sudan, and more than ten have disappeared such as Katanga, Biafra, Krajina, Chechnya, Anjouan, Tamil Eelam, Rwenzururu Kingdom, Gagauzia, Bougainville, Eastern Slavonia, Ajaria and Aceh.<sup>5</sup> Thus, the Kurdistan Region in Iraq continues to function as de facto states since 1991.

### **1.3 The KRG and sovereignty over natural resources**

After the demise of the regime of Saddam Hussein, the Kurdish leadership's attempt to further consolidate the KRG's sovereignty through control over oil reserves in the Kurdistan Region and in disputed territories of Iraq took place in three phases: the drafting of the constitution; the KRG's 2007 Oil and Gas Law; and monetization and independent export. These led to the conflict between the KRG and the federal government over natural resources. As a result, scholars have offered varying explanations for the KRG's unilateralism with regard to control over, and exploitation of, oil reserves.

The 'greed versus grievance' theory provides competing arguments for explaining wars that involve competition over natural resources. The 'greed' argues that economic incentives encourage separatists to revolt against their central government to enrich themselves and their followers.<sup>6</sup> Nevertheless, proponents of grievance-based motivations argue that horizontal inequalities are a powerful cause of wars.<sup>7</sup> The KRG case serves to enhance our understanding by unpacking the black box of relationship between natural resources, interstate conflict and

---

<sup>5</sup> Adrian Florea, 'De Facto States: Survival and Disappearance (1945–2011)', *International Studies Quarterly* 61, no. 2 (June 2017): 337–51, <https://doi.org/10.1093/isq/sqw049>.

<sup>6</sup> Paul Collier and Anke Hoeffler, 'Greed and Grievance in Civil War', *CSAE Working Paper, WPS 2002-01*, 2002, 44.

<sup>7</sup> Frances Stewart, 'Horizontal Inequalities as a Cause of Conflict', *Bradford Development Lecture, University of Bradford, UK*, 2009.

sovereignty. The ‘greed versus grievance’ theory has been applied frequently to the unilateral control of natural resources by the Kurdish leaders.<sup>8</sup>

Neither the presence of greed or grievance is sufficient to understand the conflict between Erbil and Baghdad.<sup>9</sup> The oil grievance is also not enough to explain the role of oil in the conflict between Erbil and Baghdad. Kurdish grievances against Baghdad’s treatment go back to the middle of the twentieth century. Nevertheless, the KRG was open to coordinate with Baghdad on other issues (e.g., Erbil and Baghdad’s coordination in the battle for Mosul) despite of a widespread opposition to such coordination among Kurdish citizens.<sup>10</sup> The greed hypothesis falls short in explaining the KRG’s unilateralism with regard to control over, and exploitation of, natural resources. As a matter of fact, unilateralism did not secure higher revenues for the Kurdistan Region. By cooperating with the federal government, the KRG could have a better chance of gaining higher earnings as opposed to becoming embroiled in disputes over the control of oil resources (which is explained in more detail later in chapter 4).<sup>11</sup> Rather than accepting or challenging greed and grievance explanations for interstate conflict and war, the case of Kurdistan aims to complement the study on greed and grievance by arguing that a more comprehensive explanation for the conflict over natural resources between the Kurdish de facto state and its parent state is consolidating sovereignty rather than just interests.

#### 1.4 Research questions

De facto states have become increasingly significant actors in international politics over the past several decades. Therefore, it is important to study de facto states for at least two reasons. First, the increasingly important role of such entities is evidenced by their impact on the global

---

<sup>8</sup> Michael Rubin, *Kurdistan Rising? Considerations for Kurds, Their Neighbors, and the Region* (Washington, D.C: American Enterprise Institute, 2016); Michael Rubin, ‘Is Iraqi Kurdistan a Good Ally?’ (American Enterprise Institute, 7 January 2008), <https://www.aei.org/research-products/report/is-iraqi-kurdistan-a-good-ally/>; Kamal Said Qadir, ‘Iraqi Kurdistan’s Downward Spiral’, *Middle East Quarterly* 14, no. 3 (1 June 2007): 19–26, <https://www.meforum.org/1703/iraqi-kurdistan-downward-spiral>; Hussein Tahiri, *The Structure of Kurdish Society and the Struggle for a Kurdish State* (Costa Mesa, CA: Mazda Publishers, 2007), 332–40.

<sup>9</sup> See Syed Mansoor Murshed and Mohammad Zulfan Tadjoeeddin, ‘Reappraising the Greed and Grievance Explanations for Violent Internal Conflict’, *SSRN Electronic Journal*, 2008, <https://doi.org/10.2139/ssrn.1116248>.

<sup>10</sup> Joost Hiltermann and Maria Fantappie, ‘Twilight of the Kurds’, *Foreign Policy*, 16 January 2018, <https://foreignpolicy.com/2018/01/16/twilight-of-the-kurds-iraq-syria-kurdistan/>; See Yaniv Voller, ‘Kurdish Oil Politics in Iraq: Contested Sovereignty and Unilateralism’, *Middle East Policy* 20, no. 1 (March 2013): 68–82, <https://doi.org/10.1111/mepo.12004>.

<sup>11</sup> Ibtisam Abdul Latif Muhammad, ‘مستحقات إقليم كردستان وكميات ومبالغ تصدير النفط خارج اطار شركة سومو ومدى تأثيرها’ [The Dues of the Kurdistan Region and the Quantities and Amounts of Oil Exports Outside the Framework of (SOMO) and the Extent of Their Impact on the Federal Budget for the Period (2005-2019)] (Research Department of the Iraqi Parliament, January 2020), [https://drawmedia.net/ar/page\\_detail?smart-id=7707](https://drawmedia.net/ar/page_detail?smart-id=7707).

political economy and in contributing to regional stability or triggering regional conflicts. For example, Somaliland annually exports between \$600 and \$700 million worth of goods to Ethiopia.<sup>12</sup> Trade turnover between Russia and Abkhazia reached 280.4 million USD (The United States dollar) in 2019.<sup>13</sup> Regarding contributing to regional stability, the Kurdish de facto state in Syria, also known as Rojava, was at the forefront of the battle against the Islamic State of Iraq and Syria (ISIS). In spite of their relevance, little is known about the sovereignty conflict over the control of natural resources, the impact of natural resources on contested sovereignty and the evolution of contested sovereignty. Shedding light on these overlooked issues will provide a better understanding of the effects of natural resources on contested sovereignty. The second reason is that the existing literature, although insightful, does not fully explain the links between natural resources and various levels of sovereignty in de facto states. In particular, the literature has fallen short in explaining the oil sovereignty nexus of the KRG.

In order to better understand the links between natural resources and various levels of sovereignty in de facto states, notably in the case of the KRG, this thesis is guided by three main questions that will be answered in chapters 4 and 5. The first question asks: what is the link between natural resources and sovereignty? The second question asks: how does the quest for sovereignty affect energy policy? The final question asks: how do energy policies affect sovereignty, especially when it is contested? To complement these overarching research questions, this thesis endeavours to answer the following sub-questions: what roles do international oil companies play in supporting the KRG to achieve its domestic and foreign objectives? Can oil enhance sovereignty? Finally, how does the sovereignty conflict over oil resources between the KRG and Baghdad contribute to lack of transparency in the KRG's oil sector? These questions are considered to be important in the study's overall context, and particularly the process of data collection provided to answer them.

## **1.5 Outline of the argument**

The aforementioned questions have not been adequately addressed by the literature on sovereignty, natural resources, and the KRG. Therefore, the findings of the present study, grounded

---

<sup>12</sup> Salem Solomon, 'Trade Project Builds Somaliland's Economy; Leaders Seek More', *VOA*, 14 February 2019, <https://www.voanews.com/a/trade-project-builds-somaliland-economy-but-leaders-seek-more-help/4786416.html>.

<sup>13</sup> Helge Blakkisrud et al., 'Navigating de Facto Statehood: Trade, Trust, and Agency in Abkhazia's External Economic Relations', *Eurasian Geography and Economics* 62, no. 3 (4 May 2021): 353, <https://doi.org/10.1080/15387216.2020.1861957>.

in the examination of natural resources, sovereignty and the de facto state literature from International Relations (IR), lead to the following main hypothesis: the conflict over oil resources between the KRG and the Iraqi government is very difficult to resolve because it revolves around sovereignty rather than just monetary or technical questions. This hypothesis suggests that it is very difficult for the Kurdish de facto state and its parent state to reach a long-term agreement because the agreement acknowledges the right to exploit those resources, which implies each has to cede some type of sovereignty over the control of natural resources.

## **1.6 Aims, objectives and contribution**

The role of natural resources is central in the evolution of the KRG's sovereignty. Thus, this thesis is an initial attempt to investigate the links between natural resources and sovereignty through the case study of the KRG. These goals are achieved by researching the following objectives: this research seeks to understand causes and consequences of the conflict between the KRG and the parent state over the control of natural resources and conflict between two political ruling parties in Kurdistan (PUK and KDP) in dealing with resources in other ways. This dissertation investigates Kurdistan's energy strategies, specifically how internal and external influences impact KRG energy strategies. Finally, this research attempts to understand the influence of international and regional powers, neighbouring states of Kurdistan and also international energy companies on the sovereignty conflict between the KRG and Baghdad over the control of natural resources

An extensive review of the existing scholarly literature indicates that the link between natural resources and sovereignty (especially contested sovereignty) has been overlooked. Thus, this research makes a contribution to different levels of international politics. The first is at the theoretical level, specifically the study of natural resources and competition over them, in addition to sovereignty, recognition and legitimacy in international politics. The second level of contribution involves the theoretical unit of analysis, which is de facto states. The most important aspect of this study is the application of this theoretical framework (the mechanism between natural resources and Krasner's four dimensions of sovereignty) in the most comprehensive manner to understand de facto states. The final level is applicable in the case of the KRG. This study contributes to the existing theoretical framework when examining the KRG's natural resources. Additionally, this study also provides an empirical contribution because the KRG as a de facto state serves as an interesting subject of empirical investigation on resource

sovereignty, having emerged relatively recently and, most saliently following the collapse of the regime of Saddam Hussein in 2003

### **1.7 The scope of the research**

Every research project needs to be limited not only by selecting the research question and the topic of study, but also by having a suitable time-frame. Longitudinal studies and cross-sectional studies are two different types of research time-frames. The former is used ‘to study change and development over time,’ while the latter is ‘a ‘snapshot’ approach where the data are collected at one point in time.’<sup>14</sup> Choosing the longitudinal time-frame former is more appropriate to the present research project because the sovereignty of the KRG, in all its forms, has evolved more slowly over a specific period of time. This research starts after the fall of Saddam Hussein’s regime in May 2003 because the KRG was able to independently exploit its natural resources. The KRG’s control over oil reserves has affected its sovereignty in a variety of manners. The period of research ends on July 2019 when the 9th cabinet of the KRG was formed because this cabinet has a different vision towards the energy policy. Kamal Atroshi, for instance, has been appointed as a new minister of natural resources. The period of sixteen years from 2003 to 2019 has been deemed long enough for the researcher to observe the relationship between oil and contested sovereignty through the case of the KRG and to focus and manage data that is relevant to the case study.

### **1.8 Structure of the dissertation**

The thesis consists of six chapters: an introductory chapter, theoretical framework and research design chapter, historical background chapter, two empirical chapters on the impact of natural resources on KRG’s sovereignty, 2003-2019 and the KRG’s energy diplomacy with international and regional powers: Turkey, U.S., Russia, Iran and Israel and a concluding chapter. The following offers a short summary of the chapters, including their central arguments and insights.

The first chapter introduces Kurds generally and the background of de facto states. It provides a brief overview of the conflict between the KRG and the Iraqi federal government over the control of natural resources. It also discusses the research questions, the research aims

---

<sup>14</sup> David E. Gray, *Doing Research in the Real World* (London: Sage Publications, 2004), 31–32.



and contribution, the outline of the argument, the scope of the research, the structure of the thesis and a note on terminology.

The second chapter presents the theoretical framework of this research and has two sections. The first section has three parts. First, it analyses the terminology of de facto states and introduces constructivism in IR as a theoretical framework for the study of de facto states. The second part of the section is concerned with analysing the concept of de facto statehood as a valid theoretical framework within the IR literature. It then defines the concept of sovereignty and legitimacy to better understand the position of de facto states. It elaborates on domestic and external factors that shape de facto states. More importantly, it examines the impact of natural resources on the sovereignty of de facto states. The third part of the section examines the relationships between the resource curse and sovereignty and interstate conflicts that have a link to natural resources.

The second section of the second chapter outlines the research design and methodology. The case study approach, justification for the use of a single case qualitative study for this research, the strengths and limitations of research methodology and the methods of data collection and data analysis for this research study are discussed in this chapter.

The third chapter moves on to discuss the case study, namely the Kurdish national liberation movement from 1918 to 1991. It focuses primarily on the role of oil resources in preventing Kurds from achieving domestic and full sovereignty. It argues that since the creation of Iraq as a sovereign state to the emergence of the Kurdish de facto state in 1991, subsequent Iraqi governments never ceded control of oil fields in the region to the Kurds or shared their revenues with them because either one could have strengthened the sovereignty of the Kurds. This section also demonstrates the use of oil as a tool by the Kurdish leadership to attract the great power attention and support. The second section of the chapter covers the emergence of the Kurdish de facto state from 1991 to 2003. It also pays attention to the post-war economic crisis and the illicit oil trade, the Kurdish civil war, the oil-for-food of the program and the PUK, and the KDP's various approaches towards the oil case in the Kurdistan Region. The purpose of the second section is to argue that the Kurdish political elite could not exploit oil resources in the region until 2003 due to double blockades and contention between the PUK and KDP over oil policy, which had weakened the KRG's domestic sovereignty.

The fourth chapter examines, both theoretically and empirically, the relationship between natural resources and sovereignty through the case of the KRG. It surveys how the control of oil affects the KRG's sovereignty in two watershed moments from 2003 to 2013 to 2014 to 2019. It describes how the Kurdish leadership aspired to consolidate the KRG's sovereignty through control over oil reserves in the Kurdistan Region and disputed areas after the demise of Saddam Hussein's regime. Moreover, this chapter investigates the effects of natural resources on interstate conflicts between the Kurdish de facto state and Iraq. This chapter argues that the conflict over oil resources between the KRG and the federal government revolves around sovereignty rather than just economic or technical questions. It also discusses the influence of the sovereignty conflict between Erbil and Baghdad on corruption in the KRG's energy industry. Finally, it examines the effects of contested sovereignty on Kurdish policymakers with regard to the KRG's energy policy and the case of oil in the policy of the 'status then standards.'

The fifth chapter studies the geopolitical dynamics of the KRG's energy policy with a particular emphasis placed on external energy relationships with Turkey, the U.S., Russia, Iran and Israel. It discusses the role of oil resources as a foreign instrument in the strategies of using earned sovereignty and attracting the support of international and regional powers. It argues that Kurdish policymakers overestimated effectiveness of oil as an instrument in the strategies of using earned sovereignty and ensuring great-power support to gain support for recognition in a quest for statehood.

The sixth chapter concludes by addressing the main research questions, summarizing its main arguments and findings and discussing the implications of the findings for existing and future research.

## **Chapter 2. Theoretical Framework**

This chapter presents the concept of de facto statehood as a valid theoretical framework within the IR literature. This chapter has two main sections. The first section has three parts. The first part of the first section analyses the literature on the terminology of de facto states and adopts the constructivist approach to study these entities. The second part, theoretically and conceptually, situates this thesis within the theoretical framework of de facto statehood as a legitimate IR model. It then conceptualises sovereignty and legitimacy to better understand the position of de facto states. More notably, it examines the impact of natural resources on dimensions of sovereignty of de facto states. It also analyses the role of energy in the strategies of using earned sovereignty and attracting great-power support (which is explained in more detail later in the chapter). The third part studies the links between the resource curse and various dimensions of sovereignty and dynamics between natural resources and interstate conflicts.

The second section of the chapter presents the details about research design and methodology. It presents the single case qualitative study employed in this research and discusses strengths and limitations of this approach. This section also discusses details of the research process including sampling, data collection and analysis including its limitations.

### **2.1 A remark on terminology and the use of the term ‘de facto state’**

For the sake of clarity, it is important to explain why this thesis has selected to employ the term ‘de facto state’ with regard to the unit of analysis: the KRG. Scholars have used and generated a large number of terminologies and concepts to analyse this phenomenon, ‘contested sovereignty,’ which emerged as an apparent subject of interest in the IR discipline after the end of the Cold War and the collapse of the Soviet Union and Yugoslavia. The selection of terminology has important consequences on how a researcher deals with the subject.

In 1998, Scott Pegg was the first scholar to systematically introduce the concept of de facto states into academic literature of International Relations. It should be noted, however, that scholars used the term of de facto state prior to Pegg’s 1998 monograph. For instance, Sean Randolph used the term to refer to Taiwan in his 1981 article.<sup>15</sup> Michael Gunter used the

---

<sup>15</sup> Sean Randolph, ‘The Status of Agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs’, *The International Lawyer* 15, no. 2 (Spring 1981): 249–62.

term in his 1993 article to refer to the emergence of a de facto Kurdish state in northern Iraq.<sup>16</sup> Hussein Adam has referred to Somaliland as a de facto state in his 1994 article.<sup>17</sup> However, Pegg offered the first systematic definition of a de facto state and introduced a theoretical framework in which to separate de facto states from other non-sovereign entities. Pegg uses the term de facto states to refer to those secessionist actors that have achieved ‘domestic sovereignty’ and have gone through successful processes of state-building but have largely been unable to achieve ‘international legal sovereignty.’<sup>18</sup> Nevertheless, although the essential components of Pegg’s definition in reference to such actors have been accepted, ensuing academic works preferred to refer to them as pseudo-states,<sup>19</sup> state-like entities,<sup>20</sup> states-within-states,<sup>21</sup> unrecognized quasi-states,<sup>22</sup> contested states,<sup>23</sup> limbo world,<sup>24</sup> informal states,<sup>25</sup> phantom states,<sup>26</sup> unrecognized states<sup>27</sup> and proto-states.<sup>28</sup> Over time, some of these terms lost their popularity, and their authors opted to use de facto states instead. There appeared to be a convergence of three key terms throughout time: contested states, unrecognized states and de facto states. One would like to reason that Caspersen’s and Kolsto’s use of the term ‘de facto state’ would indicate a wider acceptance of it as ‘the most appropriate and most neutral’ term.<sup>29</sup>

---

<sup>16</sup> Michael M. Gunter, ‘A de Facto Kurdish State in Northern Iraq’, *Third World Quarterly* 14, no. 2 (1993): 295–319.

<sup>17</sup> Hussein M Adam, ‘Formation and Recognition of New States: Somaliland in Contrast to Eritrea’, *Review of African Political Economy* 21, no. 59 (March 1994): 21–38, <https://doi.org/10.1080/03056249408704034>.

<sup>18</sup> Scott Pegg, *International Society and the De Facto State* (Aldershot: Ashgate, 1998), 37–40.

<sup>19</sup> Vladimir Kolossov and John O’Loughlin, ‘Pseudo-States as Harbingers of a New Geopolitics: The Example of the Trans-dniester Moldovan Republic (TMR)’, *Geopolitics* 3, no. 1 (1998): 151–76, <https://doi.org/10.1080/14650049808407612>.

<sup>20</sup> Charles King, ‘The Benefits of Ethnic War: Understanding Eurasia’s Unrecognized States’, *World Politics* 53, no. 04 (July 2001): 524–52, <https://doi.org/10.1353/wp.2001.0017>.

<sup>21</sup> Ian S. Spears, ‘States-Within-States: An Introduction to Their Empirical Attributes’, in *States-Within-States*, ed. Paul Kingston and Ian S. Spears (New York: Palgrave Macmillan, 2004), 15–34, [https://doi.org/10.1057/9781403981011\\_2](https://doi.org/10.1057/9781403981011_2).

<sup>22</sup> Pål Kolstø, ‘The Sustainability and Future of Unrecognized Quasi-States’, *Journal of Peace Research* 43, no. 6 (November 2006): 723–40, <https://doi.org/10.1177/0022343306068102>.

<sup>23</sup> Deon Geldenhuys, *Contested States in World Politics* (New York: Palgrave Macmillan, 2009).

<sup>24</sup> Graeme Wood, ‘Limbo World’, *Foreign Policy*, no. 177 (2010): 48–57.

<sup>25</sup> Daria Isachenko, *The Making of Informal States: Statebuilding in Northern Cyprus and Transdniestria* (New York: Palgrave Macmillan, 2012).

<sup>26</sup> Daniel Byman and Charles King, ‘The Mystery of Phantom States’, *The Washington Quarterly* 35, no. 3 (August 2012): 43–57, <https://doi.org/10.1080/0163660X.2012.703580>.

<sup>27</sup> Caspersen and Stansfield, ‘Introduction’, 3–4.

<sup>28</sup> Bridget Coggins, *Power Politics and State Formation in the Twentieth Century: The Dynamics of Recognition* (New York: Cambridge University Press, 2014), <https://doi.org/10.1017/CBO9781107239050>.

<sup>29</sup> Regarding the most appropriate and most neutral term, see John O’Loughlin, Vladimir Kolossov, and Gerard Toal (Gearóid Tuathail), ‘Inside Abkhazia: Survey of Attitudes in a De Facto State’, *Post-Soviet Affairs* 27, no. 1 (January 2011): 1–36, <https://doi.org/10.2747/1060-586X.27.1.1>; Nina Caspersen, ‘Making Peace with De Facto States’, in *Unrecognized States and Secession in the 21st Century*, ed. Martin Riegl and Bohumil Doboš (Cham: Springer International Publishing, 2017), 11–22, [https://doi.org/10.1007/978-3-319-56913-0\\_2](https://doi.org/10.1007/978-3-319-56913-0_2); Helge

However, the academic literature is still unnecessarily split up into a variety of conflicting concepts, and the debate on the ‘right’ terminology has not been settled.

While there are still many new terms being used to describe essentially the same phenomena, they have not significantly improved and clarified or added to our understanding of these entities. Deon Geldenhuys, for example, argues that the term ‘de facto state’ is ‘problematic’ as it indicates that these actors are ‘denied de jure recognition.’ Conversely, he argues, some of these actors have actually been successful in achieving various levels of recognition. For example, the Turkish Republic of Northern Cyprus (TRNC) is recognized by Turkey, and Kosovo is recognised by far more states than Taiwan. Therefore, Geldenhuys prefers to use the term ‘contested states’ because the existence of these actors is not fixed as they have not been accepted by all states.<sup>30</sup> The term ‘contested state’, wielded by Geldenhuys, is favoured by James Ker-Lindsay because, as he contends, ‘it captures an important ambiguity in the nature of these entities. The contestation can refer to their status on the international stage or to whether they are states at all.’<sup>31</sup> This essentially means that the term ‘contested state’ places too great an emphasis on external sources of contestation, which is irrelevant for this thesis.

Pål Kolsto prefers to add the prefix quasi to the term ‘unrecognized states’ and argues that if these actors are able to achieve international recognition as de jure states, many of them are certain to become ‘failed states’ or ‘quasi-states’ of the Jacksonian form.<sup>32</sup> Kolsto notes that the designation ‘quasi-states’ is not always related to international recognition, even recognition appears to be significant, other factors might maintain the existence of these entities.<sup>33</sup> Nonetheless, the term ‘unrecognized quasi-states’ has not gained much attraction in the academic literature, and Kolsto has given up on it in favour of the word ‘de facto states,’ which at the moment is the most often used.<sup>34</sup>

---

Blakkisrud and Pål Kolstø, ‘Dynamics of de Facto Statehood: The South Caucasian de Facto States between Secession and Sovereignty’, *Southeast European and Black Sea Studies* 12, no. 2 (June 2012): 281–98, <https://doi.org/10.1080/14683857.2012.686013>.

<sup>30</sup> Geldenhuys, *Contested States*, 26. Geldenhuys for the same purpose criticizes the term of unrecognized states.

<sup>31</sup> James Ker-Lindsay, ‘Engagement without Recognition: The Limits of Diplomatic Interaction with Contested States’, *International Affairs* 91, no. 2 (March 2015): 268, <https://doi.org/10.1111/1468-2346.12234>.

<sup>32</sup> Kolstø, ‘The Sustainability and Future of Unrecognized Quasi-States’, 724–25. Kolsto refers to Robert Jackson’s definition of quasi-states that are internationally recognised but have ceased to operate as a state, which I discuss later in this thesis.

<sup>33</sup> *Ibid.*, 723.

<sup>34</sup> Blakkisrud and Kolstø, ‘Dynamics of de Facto Statehood’. Kolstø himself uses the term de facto states in this article.

Further important and necessary differentiation is drawn between the recognition of states and the recognition of governments. Therefore, even though the Taliban government was not recognised, nobody perceived this as the end of the state of Afghanistan.<sup>35</sup> Moreover, according to Marjorie Whiteman, the terms ‘de facto’ and ‘de jure’ merely pertains to the nature of the government, not that of recognition.<sup>36</sup>

The debate over the appropriate terminology extends beyond the question of the modifier that comes before the word ‘State’ and also touches on the use of the word ‘State’ itself. James Harvey, for instance, explains his justifications as to why he has rejected the use of the term ‘State’ in reference to de facto states. Harvey indicates that this terminology not only maintains the state-centric inclinations and treats these actors as singular units, but also puts heavy burdens on the analytical concept. The use of the term ‘State’, as Harvey argues, might indicate that these actors at some points are bound to become independent states. This is an unusual case in reality. Rather, Harvey proposes to use the term unrecognized entity as to refer to these actors.<sup>37</sup> More recently, Galina Yemelianova raises the more relevant critique, in regard to the term de facto state, based on the constitutive theory of recognition in that recognition of a new state by other states under international law is an essential requirement of its sovereignty. Thus, it ‘delegitimizes’ the term de facto state entirely because any actor in the absence of the international legal sovereignty could not be treated as a ‘state’ and a subject of international law.<sup>38</sup> Furthermore, James Crawford insists, ‘There is no such thing as a de facto state,’ which has been used by Ker-Lindsay to support his use of the term ‘contested states’ rather than ‘de facto states.’<sup>39</sup> Crawford’s objection, which relates to the usage of the word ‘State’ rather than to what comes before it, might be applied in the same way to other terms: contested states, unrecognized states and de facto states. Relying on Crawford’s quote ‘There is no such thing as a de facto state,’ to support on behalf of contested states or unrecognized states is ‘either

---

<sup>35</sup> Francis Owtram, ‘The Foreign Policies of Unrecognized States’, in *Unrecognized States in the International System*, ed. Nina Caspersen and Gareth R. V. Stansfield, Exeter Studies in Ethno Politics (London: Routledge, 2011), 131.

<sup>36</sup> Charles L. Cochran, ‘De Facto and De Jure Recognition: Is There a Difference?’, *The American Journal of International Law* 62, no. 2 (1968): 457.

<sup>37</sup> James Harvey, ‘Over-Stating the Unrecognised State? Reconsidering De Facto Independent Entities in the International System’ (PhD diss, University of Exeter, 2010), 8–10, 40, 86.

<sup>38</sup> Galina M. Yemelianova, ‘Western Academic Discourse on the Post-Soviet de Facto State Phenomenon’, *Caucasus Survey* 3, no. 3 (2 September 2015): 221, <https://doi.org/10.1080/23761199.2015.1086572>. By contrast, the declarative theory justifies the term de facto states because it allows these actors to be termed as a state even other states refuse to recognize them, which I discuss later in this thesis.

<sup>39</sup> James Crawford, *The Creation of States in International Law*, 2. ed. (Oxford: Oxford University Press, 2007), 464; Ker-Lindsay, ‘Engagement without Recognition’, 268.

disingenuous or wrong.’<sup>40</sup> Crawford and others are absolutely entitled to reject the term ‘State,’ but accepting it and arguing over which particular modifier should be placed in front of it to denote its contested status will not advance our cause.<sup>41</sup>

Although this research takes notice of Geldenhuys, Kolsto, Harvey, Yemelianova and Crawford’s arguments, it adheres to Pegg’s initial terminology of the de facto state in this research. The reason is that the terms such as ‘contested’ and ‘unrecognized’ states, as Voller argues, deal with the subject matter from a structural position that concentrates on the refusal to recognize these actors as de jure states by the international community. In other words, those authors hold on tightly to the structure-level at the expense of the agent. Instead of dealing with the issue of recognition and non-recognition, the term de facto state concentrates on the agency of the de facto states, specifically de facto independence and sovereignty they have achieved as a result of their own actions and strategies. Basically, the term de facto state puts the actor and its evolution at the centre of analysis.<sup>42</sup>

Many de facto states endeavour to focus their agency through indicating their successes in state-building, self-governance and democratization, contribution to local and regional security and economic viability. Entities that fall into this category have viewed the State as a model which they aspire to adopt and are involved in the pursuit of state-building projects. This also holds true for de facto states that have never officially declared independence like the KRG. The Kurdish leadership began to perceive the Kurdistan Region in terms of statehood by, for instance, asserting control over its natural resources through passing independent hydrocarbon legislation, the signing of independent extraction and production contracts with transnational energy corporations and the construction of independent oil export. These actions, can be closely associated with independent statehood, led to a sovereignty conflict between the KRG and the Iraqi government. The conflict has enormous implications on the dimension of the KRG’s sovereignty.

This study covers the Kurdistan Region’s case and deals with the impact of oil resources on its sovereignty. For this study, data was gathered from semi-structured interviews and

---

<sup>40</sup> Scott Pegg, ‘Twenty Years of de Facto State Studies: Progress, Problems, and Prospects’, *Oxford University Press*, 27 July 2017, 20–21, <https://doi.org/10.1093/acrefore/9780190228637.013.516>.

<sup>41</sup> Pegg, ‘Twenty Years of de Facto State Studies’.

<sup>42</sup> Yaniv Voller, ‘From Rebellion to De Facto Statehood: International and Transnational Sources of the Transformation of the Kurdish National Liberation Movement in Iraq into the Kurdistan Regional Government’ (PhD diss, London School of Economics, 2012), 12.

documents of various forms. One of the challenges for the researcher was to access to people in the Ministry of Natural Resource and the members of the high oil and gas committees as the information in the oil sector is considered confidential. Moreover, this research lacks information from international oil companies (IOCs) because they have non-disclosure agreements with the KRG and will not disclose any information without the consent the KRG.

## **2.2 Constructivism in IR: a theoretical framework for the study of de facto states**

With the fall of the Soviet Union and the end of the Cold War, constructivism saw its emergence. These events brought into doubt the mainstream theories, neoliberalism and neorealism, and their purported explanatory capabilities.<sup>43</sup> This section will explore three crucial constructivist presumptions. First, constructivists contend that normative or ideational structures influence the social and political behaviour of actors and states or individuals, and are equally significant to material structures such as (a) human nature; (b) natural resources; (c) geography; (d) forces of production; and (e) forces of destruction.<sup>44</sup> In other words, contrary to neo-realists and neo-liberals, structure is made up of both material and ideational aspects, which means that it cannot be defined solely in terms of material forces like natural resources, money and military might. Constructivists place a strong emphasis on the value of shared knowledge about material ‘things,’ rules of law, symbols and languages, all of which influence how we interpret the world and the behaviour of others.<sup>45</sup> Shared knowledge includes the understanding and expectations shared among actors or individuals in a certain society.<sup>46</sup>

Second, constructivists claim that identities influenced interests and actions.<sup>47</sup> In Alexander Wendt’s words, ‘Identities are the basis of interests.’<sup>48</sup> Unlike neo-realists and neo-liberals, constructivists contend that a comprehensive explanation of international political phenomena requires an understanding of how actor develop their interests. Finally, constructivists claim that agents and structures are mutually constitutive. Constructivists think structures and

---

<sup>43</sup> Christian Reus-Smit, ‘Constructivism’, in *Theories of International Relations*, ed. Scott Burchill, 3rd ed (New York: Palgrave Macmillan, 2005), 195–96.

<sup>44</sup> Ibid., 196; Alexander Wendt, *Social Theory of International Politics*, Cambridge Studies in International Relations (Cambridge, UK: Cambridge University Press, 1999), 23.

<sup>45</sup> Trine Flockhar, ‘Constructivism and Foreign Policy’, in *Foreign Policy: Theories, Actors, Cases*, ed. Steve Smith, Amelia Hadfield, and Timothy Dunne, Third edition (Oxford: Oxford University Press, 2016), 85.

<sup>46</sup> Wendt, *Social Theory of International Politics*, 141.

<sup>47</sup> Reus-Smit, ‘Constructivism’, 197.

<sup>48</sup> Alexander Wendt, ‘Anarchy Is What States Make of It: The Social Construction of Power Politics’, *International Organization* 46, no. 2 (1992): 398.



actors develop and replicate one another, as opposed to considering structures to be constant.<sup>49</sup> Additionally, although abstract systems like anarchy, the state system, and sovereignty appear to be natural, they are social constructions of ideas that are also subject to change.

Traditional views of sovereignty also place states in either a sovereign or non-sovereign category, with no room for gradations of sovereignty. Traditionally, sovereignty is considered to be a 'given' because it is obtained exogenously. Constructivists have been especially concerned with this assumption.<sup>50</sup> While constructivists concur that territory, authority, population, and international recognition are the primary determinants of state sovereignty, they assert that each of these elements is socially constructed.<sup>51</sup> In other words, domestic and external dimensions of sovereignty are socially constructed. Furthermore, state sovereignty is a result of actions and interactions of diplomats, states-people, and intellectuals who attempt to 'paper over persistent anomalies to make them appear to be consistent with the [...] pristine Westphalian ideal.'<sup>52</sup> For constructivists, sovereignty is 'neither fixed nor constant.'<sup>53</sup> Thus, sovereignty is constantly undergoing change and transformation instead of being ahistorical.

Constructivism in the foreign policy emphasizes the interaction between ideational and material structures. Actors develop their identity as a result of interactions.<sup>54</sup> Furthermore, 'holistic' constructivists have opposed the division between the global and domestic levels and have worked to unite them under a unified analytical paradigm that views the internal and external levels as 'two faces of a single social and political order.'<sup>55</sup> Peter J. Spiro claims, 'Constructivism breaks down the wall between domestic and international politics. Unlike other IR theories, constructivism accounts for the fact of globalization.'<sup>56</sup>

---

<sup>49</sup> Reus-Smit, 'Constructivism', 197–98.

<sup>50</sup> John Agnew, 'Sovereignty Regimes: Territoriality and State Authority in Contemporary World Politics', *Annals of the Association of American Geographers* 95, no. 2 (2005): 440.

<sup>51</sup> Thomas J. Biersteker and Cynthia Weber, 'The Social Construction of State Sovereignty', in *State Sovereignty as Social Construct*, ed. Thomas J. Biersteker and Cynthia Weber, Cambridge Studies in International Relations (Cambridge: Cambridge University Press, 1996), 3.

<sup>52</sup> Ibid.

<sup>53</sup> J. Samuel Barkin and Bruce Cronin, 'The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations', *International Organization* 48, no. 1 (1994): 108.

<sup>54</sup> Wendt, *Social Theory of International Politics*.

<sup>55</sup> Christian Reus-Smit, 'The Constructivist Challenge after September 11', in *International Society and Its Critics*, ed. Alex J. Bellamy (Oxford: Oxford University Press, 2004), 86, <https://doi.org/10.1093/0199265208.003.0005>.

<sup>56</sup> Peter J. Spiro, 'DISAGGREGATING US INTERESTS IN INTERNATIONAL LAW', in *International Law and International Relations: Bridging Theory and Practice*, ed. Thomas J. Biersteker et al. (London: Routledge, 2007), 252.

Thus, the question arises: what makes constructivism important to the topic of de facto states? As a matter of fact, each of the aforementioned characteristics of constructivism can contribute more to our comprehension of de facto states overall and the KRG specifically than any other IR paradigm. Constructivists pay attention to both material and ideational forces, change in sovereignty, interaction and identity transformations, which support hypotheses brought up in this research. The conflict between de facto states and parent states cannot be defined solely in terms of material forces like money, military power and economic capabilities. Rather, other ideational factors should be taken into account. As sovereignty changes over time, the evolution of sovereignty of de facto states is destined to influence not only the social structure of the political entities, but also their engagement with the international community. Furthermore, the evolution of sovereignty of de facto states could simultaneously affect and be affected by the presence of natural resources like oil and gas resources.

This study project's methodology has also been shaped by the constructivist perspective. Amir Lupovici described the process-tracing as one of the methods of the constructivist technique. In my research I employed the process-tracing to explore the relationship between natural resources and four dimensions of sovereignty (The method will be discussed later in this chapter).<sup>57</sup>

### **2.3 The de facto state: contested sovereignty**

Scott Pegg first introduced the concept of de facto statehood as a valid theoretical framework within the IR literature. To distinguish between the de facto states and other forms of statelessness, specifically those run by bandits, drug lords, territories controlled by warlords, non-violent secessionist movements or even puppet-states formed by imperialist powers, Pegg defines the de facto state as follows:

[O]rganized political leadership which has risen to power through some degree of indigenous capability; receives popular support; and has achieved sufficient capacity to provide governmental services to a given population in a defined territorial area, over which effective control is maintained for an extended period of time. The de facto state views itself as capable of entering into relations with other states and it seeks full constitutional independence and widespread international recognition as a sovereign state. It is, however, unable to achieve any degree

---

<sup>57</sup> Amir Lupovici, 'Constructivist Methods: A Plea and Manifesto for Pluralism', *Review of International Studies* 35, no. 1 (January 2009): 195–218, <https://doi.org/10.1017/S0260210509008389>.

of substantive recognition and therefore remains illegitimate in the eyes of international society.<sup>58</sup>

In fact, Pegg's original conceptualisation of de facto state allowed for some "fuzziness" in the proposed concept.<sup>59</sup> Thus, certain useful alterations to this initial concept have been proposed. Although Caspersen and Stansfield concur with Pegg's fundamental principles, they have stated three key principles for defining a de facto state that are as follows:

[First], they have achieved de facto independence, including territorial control, and have managed to maintain this for at least two years. Unrecognized States control most of the territory they lay claim to, including the territory's 'capital' and key regions, and this distinguishes them from other separatist movements. But the territorial control is not necessarily absolute; they may aspire to more territory than they currently control and the extent of their control is likely to vary over time. [Second], they have not gained international recognition, or even if they have been recognized by some states, they are still not full members of the international system of sovereign states. [Third], they have demonstrated an aspiration for full, de jure, independence, either through a formal declaration of independence, through the holding of a referendum, or through other actions or declarations that show a clear desire for a separate existence.<sup>60</sup>

The KRG, which has never formally declared independence yet has excellent independence-oriented traits, is permitted as a case of de facto statehood under the third criterion. The KRG has displayed aspirations for independence through holding of a referendum in 2017. This does not necessarily imply that the official proclamation of independence is unavoidably a deciding factor. Byman and King clarify one definitional element in a helpful manner as '[a]n expressed (though not necessarily constant, consistent, or universally shared) interest in independence.'<sup>61</sup> A few cases operate as independent entities and have expressed a desire for independence but have not yet made an official declaration.<sup>62</sup> The leaders of Rojava, for instance, have not publicly stated their intention to pursue de jure independence, but they have behaved like a state on the ground and involved in extensive state- and nation-building over the past ten years. As Caspersen notes the absence of a formal proclamation of independence may be a calculated move to give one entity more leeway and a chance to win international support.<sup>63</sup>

---

<sup>58</sup> Pegg, *International Society*, 26; Scott Pegg, 'De Facto States in the International System', *Institute of International Relations*, Working Paper, no. 21 (1998): 1.

<sup>59</sup> Yemelianova, 'Western Academic Discourse on the Post-Soviet de Facto State Phenomenon', 221.

<sup>60</sup> Caspersen and Stansfield, 'Introduction', 3–4.

<sup>61</sup> Byman and King, 'The Mystery of Phantom States', 45.

<sup>62</sup> Nina Caspersen, *Unrecognized States: The Struggle for Sovereignty in the Modern International System* (Cambridge: Polity Press, 2012), 9.

<sup>63</sup> Caspersen and Stansfield, 'Introduction', 4.

In addition to Pegg's definition, it is useful to pay attention to Stephen Krasner's understanding of sovereignty as a multidimensional concept to better understand the position of de facto states. Krasner disaggregates the concept of sovereignty into four subtypes: domestic sovereignty, interdependence sovereignty, international legal sovereignty, and Westphalian sovereignty.<sup>64</sup> Domestic sovereignty refers to the supremacy of the actor over authorities within a given territory and population. Interdependence sovereignty refers to the actor's ability to control cross-border movements of goods, capital, ideas and people or even economic activities. International legal sovereignty refers to mutual formal recognition between members of the international community. Westphalian sovereignty refers to the absence of external authority over an actor, in other words, the doctrine of non-intervention in the internal affairs of members.<sup>65</sup> Krasner indicates that an actor can have some of subtypes of sovereignty, but lack one or the other. For instance, Taiwan as a de facto state has 'many of the attributes of fully sovereignty state-territory, population, and domestic and Westphalian sovereignty-but only very limited international legal sovereignty.'<sup>66</sup> Furthermore, while the member states of the European Union have maintained domestic sovereignty and international legal sovereignty, their Westphalian sovereignty and interdependence sovereignty have been compromised.<sup>67</sup> Somalia definitely does not have effective domestic sovereignty, but it has international legal sovereignty. However, its Westphalian sovereignty is less assured.<sup>68</sup> In contrast to Krasner's dimensions of sovereignty, Rüdiger Graf treats sovereignty as a claim and not a property because it is a social notion and has an intrinsically communicative and symbolic feature. Rüdiger notes that 'Sovereignty can be questioned, challenged, contested, and denied, as well as asserted or demonstrated.'<sup>69</sup>

---

<sup>64</sup> Stephen D Krasner, *Sovereignty: Organized Hypocrisy* (Princeton: Princeton University Press, 1999), 9–12; Stephen D. Krasner, 'Abiding Sovereignty', *International Political Science Review* 22, no. 3 (July 2001): 231–33, <https://doi.org/10.1177/0192512101223002>.

<sup>65</sup> Krasner, *Sovereignty*, 9–12.

<sup>66</sup> Stephen D Krasner, ed., *Problematic Sovereignty Contested Rules and Political Possibilities* (New York: Columbia University Press, 2001), 17.

<sup>67</sup> J. L Holzgrefe and Robert O Keohane, eds., *Humanitarian Intervention: Ethical, Legal and Political Dilemmas* (Cambridge: Cambridge University Press, 2003), 285.

<sup>68</sup> Peer Schouten and Stephen D Krasner, 'Theory Talk #21: Stephen Krasner on Sovereignty, Failed States and International Regimes', *Theory Talks*, 2008, 5, [https://www.files.ethz.ch/isn/155242/theory%20talk21\\_krasner.pdf](https://www.files.ethz.ch/isn/155242/theory%20talk21_krasner.pdf).

<sup>69</sup> Rüdiger Graf, 'Claiming Sovereignty in the Oil Crisis "Project Independence" and Global Interdependence in the United States, 1973/74', *Historical Social Research / Historische Sozialforschung* Vol. 39 No. 4, no. 2014 (2014): 44–45, <https://doi.org/10.12759/hsr.39.2014.4.43-69>.

To support his use of unit of analysis, Pegg connects the term de facto state with Robert Jackson's distinction between positive and negative sovereignty. The former refers to the:

Capabilities which enable governments to be their own masters. It is a substantive rather than a formal condition. A positively sovereign government is one... which possesses the wherewithal to provide political goods for its citizens. Positive sovereignty... is not a legal but a political attribute if by political is understood the sociological, economic, technological and psychological wherewithal to declare, implement and enforce public policy both domestically and internationally.<sup>70</sup>

Negative sovereignty involves 'the act of general recognition' and refers to the theoretical principle of non-intervention in the internal and external affairs of sovereign states and people.<sup>71</sup> According to Pegg's definition, de facto states have achieved positive sovereignty (internal sovereignty), but they lack negative sovereignty (external sovereignty). Furthermore, Jackson refers to most of the states, in spite of possessing their negative sovereignty were formed following the process of decolonisation as 'quasi-states' because they have been unable to provide essential public goods and services to the citizens. The populations of quasi-states do 'not enjoy many of the advantages traditionally associated with independent statehood.'<sup>72</sup> In other words, they lack positive sovereignty. Moreover, they suffer from deep economic and political turmoil, and for most of the time their survival was essentially due to their external sovereignty as de jure states.<sup>73</sup> Even if the structure of the state has failed, the international community will assist and preserve the quasi-state such as Libya, Syria and Iraq.<sup>74</sup> Meanwhile, the de facto state functions like a state, but the international community denies its external sovereignty.<sup>75</sup> Bartmann describes the international system as 'one of egregious double standards' because it preserves non-viable states of sub-Saharan Africa only due to their legal recognition.<sup>76</sup> Pegg reveals the importance of the international recognition to the de facto statehood as he notes, 'The quasi-state is legitimate no matter how ineffective it is. Conversely, the de facto state is illegitimate no matter how effective it is.'<sup>77</sup> This is due to the reason that the international community has adopted an anti-secessionist approach because the de facto states are seen as

---

<sup>70</sup> Robert H Jackson, *Quasi-States: Sovereignty, International Relations and the Third World* (Cambridge: Cambridge University Press, 1993), 29.

<sup>71</sup> Ibid., 27,30.

<sup>72</sup> Ibid., 21.

<sup>73</sup> Ibid., 1–32.

<sup>74</sup> Pegg, 'De Facto States', 1–2.

<sup>75</sup> Ibid.

<sup>76</sup> Barry Bartmann, 'Political Realities and Legal Anomalies: Revisiting the Politics of International Recognition', in *De Facto States: The Quest for Sovereignty*, ed. Tozun Bahcheli, Barry Bartmann, and Henry Felix Srebrnik (London: Routledge, 2004), 13.

<sup>77</sup> Pegg, 'De Facto States', 1.

sources of regional and international instability and a threat to the territorial integrity of existing states, namely to their parent states.<sup>78</sup> Furthermore, Deon Geldenhuys argues that de facto states face double non-recognition. The international community neither accepts these actors to secede from their metropolitan states nor admits the possession of their positive sovereignty.<sup>79</sup>

Based on Krasner's definition of sovereignty, it can be argued that although de facto states have managed to gain their domestic, Westphalian, and interdependence sovereignty, they fail to achieve their international legal sovereignty. While their international legal sovereignty is denied, foreign actors have also attempted to challenge other features of their sovereignty. Not only their membership in international organizations, but also the right to take actions within their own territory are denied.<sup>80</sup> Thus, all of the separatist entities that emerged in the post-Cold War period (or prior) such as Taiwan, the Kurdistan Region of Iraq, Somaliland, Rojava, the Turkish Republic of Northern Cyprus, Abkhazia, and Nagorno-Karabakh faced a prolonged crisis of international legitimacy. When they face crises of international legitimacy, 'self-justification becomes a foreign-policy priority reflecting both the lack of confidence in the state itself and the perceived skepticism or indifference of the outside world.'<sup>81</sup> De facto states constantly try to legitimize their existence, aspirations and actions. To pursue international legitimacy or recognition, they employ several strategies. They depend mainly on what Nina Caspersen has labelled remedial legitimacy and Bartmann moral legitimacy, referring to their territorial claims on the basis of historical rights, their right to self-determination, past promises for statehood and human rights abuses by their metropolitan states.<sup>82</sup> These claims have been insufficient to achieve international recognition. Stressing victimhood and vulnerability has not been a wise strategy for any actor that wants to demonstrate to the world its capability of self-government and viability as a sovereign state. As the Biafran ministry of foreign affairs concluded in a confidential memorandum, 'The humanitarian approach has backfired. Ours now is the picture of a piteous starving sickly people non-viable and incapable of defending themselves from hunger and war.'<sup>83</sup> The rulers of de facto states continuously try to deviate from their links with insecurity, illicit economics, ethnic cleansing and external

---

<sup>78</sup> Caspersen and Stansfield, 'Introduction', 1–2.

<sup>79</sup> Geldenhuys, *Contested States*, 3.

<sup>80</sup> Voller, 'Kurdish Oil Politics in Iraq', 77.

<sup>81</sup> Tozun Bahcheli, Barry Bartmann, and Henry Felix Srebrnik, eds., *De Facto States: The Quest for Sovereignty* (London: Routledge, 2004), 15–16.

<sup>82</sup> Bartmann, 'Political Realities and Legal Anomalies: Revisiting the Politics of International Recognition', 15–16; Caspersen, *Unrecognized States*, 69.

<sup>83</sup> Caspersen, *Unrecognized States*, 69.

puppeteers. They build entities that are not only standard, but also ‘worthy’ of recognition. As a result, these actors attempt to emulate what ‘good,’ recognized states should resemble.<sup>84</sup>

### **2.3.1 Strategies of using ‘earned sovereignty’ and ensuring great-power support**

Since the late 1990s, de facto states have employed a new strategy, what Caspersen refers as ‘earned sovereignty’ in pursuit of international legitimacy. They claim they have earned their sovereignty through demonstrating their economic viability, success in building effective and democratic institutions and contributing to local and regional security.<sup>85</sup> In other words, their domestic, interdependence and Westphalian sovereignty has become their key self-justification for their existence, secession, aspirations and actions. The leaders of such actors have been very eager to ‘play the recognition game.’ They have attempted to carefully observe the international developments and adapt their strategies based on these developments. For instance, they have carefully observed the requirements linked to the recognition of the former Yugoslav republics, the first condition established by the European Community, the general prominence of democratization in U.S. foreign policy, the EU accession criteria for new members that draw attention to the rule of law, democratization, human rights and respect and protection of minorities and the conditions often attached to international aid such as democracy and good governance.<sup>86</sup> De facto states quickly realized the meaning of the ‘standards before status’ policy for new recognized states emerged after disintegration of Yugoslav in the early 1990s, which institutional standards were to be created before achieving international recognition, with the advocacy of international supervision.<sup>87</sup>

The perception of state-capacity or the ‘standards before status’ policy has evolved among de facto states. The lack of requirement of institutional standards did not prevent Kosovo from achieving recognition in 2008. Thus, the ‘status then standards’ took the place of the ‘standards before status.’ Furthermore, states that embraced the standards before status policy did not take Serbia’s transition to democracy into consideration. More precisely, when Russia recognized Abkhazia and South Ossetia, it made no reference to their institutional

---

<sup>84</sup> Yaniv Voller, *The Kurdish Liberation Movement in Iraq: From Insurgency to Statehood* (London: Routledge, 2014), 19–20.

<sup>85</sup> Caspersen, *Unrecognized States*, 69–70; Voller, *The Kurdish Liberation Movement in Iraq*.

<sup>86</sup> Nina Caspersen, ‘Democracy, Nationalism and (Lack of) Sovereignty: The Complex Dynamics of Democratization in Unrecognised States’, *Nations and Nationalism* 17, no. 2 (April 2011): 344, <https://doi.org/10.1111/j.1469-8129.2010.00471.x>.

<sup>87</sup> Nina Caspersen, “‘Standards Before Status’ – Still Relevant?”, *Аналитикон*, March 2012, <http://theanalyticon.com/?p=1484&lang=en>.

standards, despite their investments in state-building.<sup>88</sup> However, Caspersen argues that institutional standards are still important for status, ‘perhaps not in the sense of international recognition, but in the sense of making non-recognition more than a transient phenomenon.’<sup>89</sup> Recognition strategies ‘are continuously being refined and renegotiated in view of changes in the international norms and practice of recognition.’<sup>90</sup> Thus, leaders of such entities shifted the focus to the great-power support. Nevertheless, Caspersen emphasizes that these two strategies, using earned sovereignty and attracting great-power support, can be combined and are not necessarily mutually exclusive.<sup>91</sup>

The concept of earned sovereignty has encompassed various elements such as democratization, contributions to local and regional security and economic viability. What makes de facto states unique is that de facto states certainly claim to have been able to achieve these elements with contested sovereignty, which is crucial for understanding their conduct at both the domestic and international levels. To de facto states, democratization has become a core element of their legitimization strategies based on earned sovereignty. Caspersen explains, ‘The proclamation of democratic values is not a break with other legitimising strategies; rather, it is portrayed as a natural extension.’<sup>92</sup> The strategy to promote domestic legitimacy is democratic participation or introducing political reforms.<sup>93</sup> Democracy is considered as a public good that the rulers give the people. Exercising democratic practices increases the trust of citizens in regimes and political institutions.<sup>94</sup> Many de facto states have experienced that their authoritarian regime was gradually replaced by a primitive form of democracy.<sup>95</sup> The de facto states often claim that they embrace democratic values and are even more democratic than their own metropolitan states. Thus, they deserve to become sovereign states.<sup>96</sup>

---

<sup>88</sup> Nina Caspersen, ‘The Pursuit of International Recognition after Kosovo’, *Global Governance* 21, no. 3 (2015): 3, [https://www.jstor.org/stable/24526254?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/24526254?seq=1#metadata_info_tab_contents).

<sup>89</sup> Caspersen, ‘“Standards Before Status” – Still Relevant?’

<sup>90</sup> Caspersen, *Unrecognized States*, 68.

<sup>91</sup> Caspersen, ‘The Pursuit of International Recognition after Kosovo’, 396–98.

<sup>92</sup> Caspersen, ‘Democracy, Nationalism and (Lack of) Sovereignty’, 346.

<sup>93</sup> Kristin M. Bakke et al., ‘Convincing State-Builders? Disaggregating Internal Legitimacy in Abkhazia’, *International Studies Quarterly* 58, no. 3 (September 2014): 593, <https://doi.org/10.1111/isqu.12110>; Nina Caspersen, ‘Degrees of Legitimacy: Ensuring Internal and External Support in the Absence of Recognition’, *Geoforum* 66 (November 2015): 188, <https://doi.org/10.1016/j.geoforum.2014.10.003>.

<sup>94</sup> Bakke et al., ‘Convincing State-Builders?’, 593.

<sup>95</sup> Caspersen, ‘Degrees of Legitimacy’, 188.

<sup>96</sup> Caspersen, ‘Democracy, Nationalism and (Lack of) Sovereignty’, 338.



Voller argues that not only democratization, but also contributions to local and regional security and economic viability are additional elements of earned sovereignty. For example, these entities place particular emphasis on their economic viability and probability of economic survival in their engagement with international society. This is due to the fact that to some extent their recognition has been rejected because of their poor economic outlook. Remarkably, the economic viability of these entities has exhibited to their citizens that their regime will have the ability to offer them jobs and income alongside achieving independence.<sup>97</sup> Offering generous public services is one of the strategies for de facto leaders to persuade their inhabitants to stay and defend the polity.<sup>98</sup> For instance, Kurdish leaders prior to 2014 had ensured that all spheres of society could enjoy the benefits of the oil and gas revenue. Bayan Sami Abdul Rahman, former KRG High Representative to the UK, has claimed, ‘The oil and gas industry is not just about seismic measurements, barrels and pipelines, but it is about people. We want to provide jobs for local communities, to develop the skills of our young people and to provide better healthcare and a prosperous future for all our people.’<sup>99</sup> The leaders of Nagorno Karabakh have boosted the social welfare benefits in order to maximize the society’s satisfaction, increase the birth rate and correct the negative demographic trend.<sup>100</sup>

Furthermore, de facto states may use coercion and violence to ensure domestic unity when they are not able to provide public goods. This should be seen as a sign of weakness, not strength.<sup>101</sup> The only distinction between recognized states and de facto states regarding not providing public services at least basic needs is that the former’s government may lose its legitimacy to exist, but not the state legitimacy. This is different in the latter case, where the state itself may lose its right to exist. Therefore, the capability to fund public services is significant for the legitimacy of secessionist groups in the territories they control because people see that ‘The new power is not only able to kill and to destroy but to build and invest as well.’<sup>102</sup> The delivery of economic public goods is acutely crucial for the citizens of these entities,

---

<sup>97</sup> Voller, ‘Kurdish Oil Politics in Iraq’, 77–78.

<sup>98</sup> Caspersen, *Unrecognized States*, 84.

<sup>99</sup> ‘Kurdistan Oil and Gas a Force for Stability, Moves from Exploration to Development and Production’, *MNR*, December 2013, <http://mnr.krg.org/index.php/en/press-releases/307-kurdistan-oil-and-gas-a-force-for-stability-moves-from-exploration-to-development-and-production>.

<sup>100</sup> Caspersen, *Unrecognized States*, 84.

<sup>101</sup> Caspersen, ‘Degrees of Legitimacy’, 188.

<sup>102</sup> Klaus Schlichte, *In the Shadow of Violence: The Politics of Armed Groups* (Chicago, IL: Chicago University Press, 2009) Cited in; Bakke et al., ‘Convincing State-Builders?’, 593.

particularly if they are aware that they are in a less advantageous position than the metropolitan state.<sup>103</sup>

Nevertheless, an entity that does not have sufficient resources and the capability to win its population's support does not necessarily lack domestic legitimacy. The degree to which public services is provided a relative issue. Even if an actor could not deliver sufficient public services, it is not a problem for them if the metropolitan state has even worse conditions. Variations exist in cases: South Ossetia is not able to achieve the level of Georgia's state-building.<sup>104</sup> Due to stability and the impact of oil revenue on the economic growth of Kurdistan prior to 2014, the KRG was seen as a 'model' for its parent state and heralded as the 'next' or 'new' Dubai.<sup>105</sup> As Voller notes that the KRG's control over its oil and gas resources and oil-export capacity has displayed to international society the KRG's economic viability (which is an important element of earned sovereignty, which will be discussed later in the paper).<sup>106</sup>

Contributing to local and regional security is another significant element of earned sovereignty. As Berg argues, security is the most significant element because it 'makes the production of other sources of legitimacy possible, including ensuring basic health and education services...economic activity.'<sup>107</sup> Thus, if the citizens of the entities feel the presence of violence and insecurity, domestic legitimacy is plausibly undermined both explicitly and implicitly. Explicitly, it is highly possible to be seen as an illegitimate entity rather than a peaceful one when the entity cannot make people's possessions and property secure. Providing citizens with internal security, law and order, and protection from external threats is important if a ruler in a post-conflict community is to create any sense of legitimacy. The leaders of the de facto states have to persuade the citizens that they are able not only to fight against their metropolitan state, but also offer security more effectively than the metropolitan state does.<sup>108</sup> Implicitly, the provision of public goods is undermined when there is the existence of a constant violence in

---

<sup>103</sup> Bakke et al., 'Convincing State-Builders?', 593.

<sup>104</sup> Caspersen, *Unrecognized States*, 85.

<sup>105</sup> 'Update: Kurdistan and the Battle Over Oil', *The New York Times*, 9 October 2018, sec. Business, <https://www.nytimes.com/2018/10/08/business/update-kurdistan-and-the-battle-over-oil.html>; Masoud Barzani, 'Kurdistan Is a Model for Iraq', *Wall Street Journal*, 12 November 2008, sec. Opinion, <https://www.wsj.com/articles/SB122645258001119425>.

<sup>106</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 124.

<sup>107</sup> Eiki Berg, 'Merging Together or Drifting Apart? Revisiting Political Legitimacy Issues in Cyprus, Moldova, and Bosnia and Herzegovina', *Geopolitics* 18, no. 2 (April 2013): 472, <https://doi.org/10.1080/14650045.2012.717238>.

<sup>108</sup> Bakke et al., 'Convincing State-Builders?', 593–94.

a post-war community. This leads to weakened domestic legitimacy. If the existence of the mafia, empowered warlords, crime, violence, and corruption describes the post-war time, the provision of public goods has likely deteriorated. This is due to tax revenues decreasing and leaders possibly devoting resources to achieve support from loyal ‘strongmen’ instead of offering public goods.

Furthermore, post-conflict communities confront diminished economic growth and material demolition. The post-war violence not only has a negative impact on the provision of public goods and economic growth, but also on the transition to democracy. If there is the presence of constant violence, the level of any shared identity that has been shaped throughout the violent conflict has declined in the post-conflict entity.<sup>109</sup> Moreover, de facto states contribute to regional security and stability. Somaliland, for instance, has played an important role in fighting against terrorism.<sup>110</sup>

Leaders of de facto states, in addition to the strategy of using ‘earned sovereignty’, also rely on ensuring great-power support. For instance, American support played a key role in Kosovo’s recognition. Additionally, it would have been almost impossible for Abkhazia and South Ossetia to be recognized without the role of Russia.<sup>111</sup> Furthermore, Turkey’s Operation Peace Spring assault against Rojava in 2019 pushed policymakers in Rojava to use oil as a foreign policy to attract the American support for ensuring the entity’s military, political and economic survival. President Trump reportedly claimed, ‘We left troops behind [in Rojava] only for the oil.’<sup>112</sup> Kurdish policymakers used oil to persuade the U.S. to leave some troops in Rojava, not only to secure oil fields, but also protect the entity. Mouaz Moustafa, the Executive Director for the Syrian Emergency Task Force, notices, ‘If you want to feed the baby medicine, you put the medicine in candy or something. That’s what happened with the oil. It’s like, ‘oh, you want to take the oil? Yeah, take the oil. We’ve got to take the oil.’ So that ended up becoming the reason that he [Trump] would keep anyone there.’<sup>113</sup> Having a friend or a patron in a high place is crucial for the survival and recognition of these entities.

---

<sup>109</sup> Ibid., 594.

<sup>110</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 28.

<sup>111</sup> Caspersen, ‘The Pursuit of International Recognition after Kosovo’.

<sup>112</sup> Cited in Matthew Petti, ‘Take the Oil? American Oil Company Finally Gets a Syrian Oil Deal’, *The National Interest*, 30 July 2020, <https://nationalinterest.org/blog/skeptics/take-oil-american-oil-company-finally-gets-syrian-oil-deal-165902>.

<sup>113</sup> Cited in *ibid.*

### 2.3.2 De facto states: the importance of domestic and external legitimacy

De facto states have achieved de facto independence and domestic sovereignty and have created relatively successful and efficient administrations that are capable of providing at least rudimentary services to its population. As Charles King argues, ‘The territorial separatists of the early 1990s have become the state builders of the early 2000s, creating de facto countries whose ability to field armed forces, control their own territory, educate their children, and maintain local economies is about as well developed as that of the recognized states of which they are still notionally a part.’<sup>114</sup> This reveals the fact that the external sovereignty is not entirely requisite in such cases because other dynamics sustain the political communities of such entities. Bakke et al stress that one of the dynamics for the durability of the de facto states, despite the lack of external sovereignty, is how legitimate they are internally in the eyes of their populations.<sup>115</sup>

There is an important distinction between domestic legitimacy and international legitimacy. The former refers to popular support from populations of the polity. The latter refers to support from states and non-state actors beyond the polity’s territories.<sup>116</sup> Indeed, to understand the legitimacy of de facto states, it is useful to borrow Bakke et al.’s definition of domestic legitimacy as a multidimensional concept.<sup>117</sup> Bakke et al. retain that ‘while internal legitimacy...is important for any state, it is particularly important for unrecognized states, whose lack of external legitimacy has made claims to internal legitimacy integral to their quest for recognition.’<sup>118</sup> In their study of domestic legitimacy or domestic sovereignty in de facto states they define domestic legitimacy as ‘people’s confidence and belief in the entity itself, the ruling regime, and the state institutions’<sup>119</sup> They distinguish various dimensions of domestic legitimacy such as state legitimacy, regime legitimacy, and institutional legitimacy. State legitimacy is ‘about believing in the state and its right to exist; it is about the population’s adherence to the foundational myth of a political entity as a state.’<sup>120</sup> In the context of de facto states, it is about the faith of people in the polity’s survival as an independent entity from its metropolitan

---

<sup>114</sup> King, ‘The Benefits of Ethnic War’, 525.

<sup>115</sup> Bakke et al., ‘Convincing State-Builders?’, 592.

<sup>116</sup> Caspersen, ‘Degrees of Legitimacy’, 186.

<sup>117</sup> Bakke et al., ‘Convincing State-Builders?’ In this paper I use the terms ‘domestic sovereignty’ and ‘domestic legitimacy’ interchangeably.

<sup>118</sup> Ibid., 592.

<sup>119</sup> Ibid.

<sup>120</sup> Ibid., 593.

state and the embrace of its basic myth. Regime legitimacy is about the state's regime by approving the people in power. Finally, institutional legitimacy is about people's perceptions of state institutions such the police, judiciary and civil service.<sup>121</sup>

De facto states need internal legitimacy to survive especially when sovereignty is contested. There is a continuous risk of new conflict in almost all actors as they exist in a situation of international anarchy without the protective norm of non-intervention. Therefore, most metropolitan states retain the option of forceful reintegration. In the context of norm of the non-intervention, de facto states have to create an organized military force with combatants who are ready to sacrifice their life for the entity's survival. Regimes have to create an appropriate environment in order to assure that people remain and offer their support voluntarily.<sup>122</sup> Caspersen argues that domestic legitimacy is a 'foregone conclusion' because of the existence of an external threat. A leader of the entity who faces pressure always claims that the reintegration into the metropolitan state is the only choice.<sup>123</sup> The presence of an external threat, including the reintegration into a parent state, simply allows the leaders to safeguard popular support. The people will support their leaders and rally round the flag in the time of military threat that is supported by propaganda.<sup>124</sup> When the entity faces crisis or hardship, the leaders blame exogenous pressures. This gives them an appropriate justification to contend, 'It is not our fault that your lives are hard.' The people of the South Ossetia, rather than confronting their leaders, may justify that they 'may be bastards', but 'they are our bastards.'<sup>125</sup>

The condition of unsettled conflict and the uncertain status inside these actors give the leaders a level of protection from dissatisfaction among the population. For instance, the authorities in Nagorno Karabakh enthusiastically supported the notion that unity is necessary in case of a foreign threat. This results in a lack of opposition. The exploitation of the existence of foreign threats to support unity within de facto states is a common attribute and is sometimes referred to as a siege mentality.<sup>126</sup>

The issue of domestic legitimacy is problematic in de facto states. War heroes cannot rely on absolute support. To demonstrate, before he finally resigned in 2005, Vladislav

---

<sup>121</sup> Ibid.

<sup>122</sup> Caspersen, 'Degrees of Legitimacy', 187.

<sup>123</sup> Caspersen, *Unrecognized States*, 83.

<sup>124</sup> Caspersen, 'Degrees of Legitimacy', 187.

<sup>125</sup> Caspersen, *Unrecognized States*, 133.

<sup>126</sup> Caspersen, 'Degrees of Legitimacy', 187–88.

Ardzinba, Abkhazia's first president, was criticized for his autocratic policies, including corruption. Even if the rulers stay in power in undemocratic ways and ignore the population's support, domestic legitimacy is still important in these entities. Many de facto states have less than one million inhabitants, and a war caused a demographic crisis. This makes these entities susceptible to emigration. However, even de facto states with large populations or without a demographic crisis try to prevent major emigration because it weakens the claims of their leaders for international recognition of their sovereignty, and it makes it difficult for them to organize an army with loyal soldiers.<sup>127</sup> Furthermore, domestic legitimacy is not assured. The presence of the external threat may encourage the people to support their leaders and to rally round the flag, but if the rulers cannot provide satisfactory security conditions, domestic support will be weakened. The lack of real opposition in such entities may be due to repression or lack of interest, instead of popular support. Although the lack of domestic legitimacy perhaps does not cause a sudden delegitimization of the actor, it gradually weakens its authority. A de facto state that enjoys domestic legitimacy is more effective than one depends on coercion.<sup>128</sup>

Despite achieving and exhibiting their positive sovereignty and successes in state-building, most of de facto states tend to possess negative images that have significant implications on their revised strategies for gaining legitimacy and recognition. Caspersen, for instance notes, 'De facto states tend to be ethnically-defined and born out of violence and the image that dominates in the media, in foreign ministries and in the limited academic literature is very much a negative one.'<sup>129</sup> They have often been considered as 'kleptocracies,' puppets of external powers and 'ill-functioning entities' that do not have effective domestic sovereignty, and associated with 'foreign aggression.'<sup>130</sup> Somaliland, for instance, was portrayed as a 'pirate state.'<sup>131</sup> The post-Soviet de facto states were regularly regarded as Russian puppets.<sup>132</sup> Kolossov and O'Loughlin have described them as actors 'with fungible territorial control, which are predicated on criminal or quasi-criminal organizations; frequently specializing in the

---

<sup>127</sup> Caspersen, *Unrecognized States*, 83–84.

<sup>128</sup> Caspersen, 'Degrees of Legitimacy', 188.

<sup>129</sup> Nina Caspersen, 'From Kosovo to Karabakh: International Responses to De Facto States', *Südosteuropa* 56, no. 1 (2008): 6.

<sup>130</sup> Caspersen, 'Degrees of Legitimacy', 185; Nina Caspersen, 'Playing the Recognition Game: External Actors and De Facto States', *The International Spectator* 44, no. 4 (December 2009): 48, <https://doi.org/10.1080/03932720903351146>.

<sup>131</sup> Vladimir Kolossov and John O'Loughlin, 'Pseudo-States as Harbingers of a New Geopolitics', in *Boundaries, Territory and Postmodernity* (Frank Cass: London, 1999), 155.

<sup>132</sup> Dov Lynch, *Engaging Eurasia's Separatist States: Unresolved Conflicts and De Facto States* (Washington, D.C: United States Institute of Peace Press, 2004), 4.

production and sale of drugs; as well as the illegal traffic of weapons and in the laundering of “dirty money”.<sup>133</sup> These views are expressed by the metropolitan states as they often argue that these entities that led by bandits are the product of external aggression and occupation.<sup>134</sup> Georgian president Mikheil Saakashvili, for example, stated that Abkhazia’s leaders ‘have profited from illegal smuggling and contraband [and] now threaten to draw us all into conflict.’<sup>135</sup> The 2002 report of the European Parliament described Transnistria as a ‘black hole’ in Europe because of the ‘illegal trade in arms, the trafficking in human beings and the laundering of criminal finance.’<sup>136</sup>

Other academics reject the claim that the leaders of such entities have the support of the population and demonstrate their claim to independence as ‘selfish determination’.<sup>137</sup> Amitai Etzioni, for instance, notes that ‘a bunch of local autocrats hardly constitutes progress toward genuine self-determination.’<sup>138</sup> These arguments are being made by the metropolitan states to promote their own interests, and in fact some de facto states even do a better job than their metropolitan states or other recognized states in terms of security, democracy, performance and economy. According to the 2009 survey by Eiki Berg, the percentage of respondents expressing confidence in state institutions is 60% in the Turkish Republic of Northern Cyprus and 40% in the internationally recognized Republic of Moldova.<sup>139</sup> Moreover, Taiwan ranked 16th while China 124th in the Fraser Institute’s Economic Freedom of the World 2018 index.<sup>140</sup> This data verifies some de facto states’ positive sovereignty and successes in state-building.

In addition to domestic legitimacy, the international legitimacy is maybe even more important for the survival of de facto states. According to Caspersen, if these entities seek international recognition or want to survive, they need foreign support. The degree and form of foreign support differs meaningfully. These foreign supports come from states and non-state actors. In the context of absence of international recognition, foreign assistance of the de facto

---

<sup>133</sup> Kolossov and O’Loughlin, ‘Pseudo-States’, 152.

<sup>134</sup> Caspersen, ‘Degrees of Legitimacy’, 185.

<sup>135</sup> Cited in Charles King, ‘Black Sea Blues’, *The National Interest*, 1 December 2004.

<sup>136</sup> Caspersen, ‘Degrees of Legitimacy’, 190.

<sup>137</sup> Caspersen, ‘From Kosovo to Karabakh’, 7.

<sup>138</sup> Amitai Etzioni, ‘The Evils of Self-Determination’, *Foreign Policy*, no. 89 (1992): 24, <https://doi.org/10.2307/1149071>.

<sup>139</sup> Eiki Berg, ‘Parent States versus Secessionist Entities: Measuring Political Legitimacy in Cyprus, Moldova and Bosnia & Hercegovina’, *Europe-Asia Studies* 64, no. 7 (September 2012): 1289, <https://doi.org/10.1080/09668136.2012.698048>.

<sup>140</sup> James Gwartney et al., ‘Economic Freedom of the World: 2018 Annual Report’ (Fraser Institute, 2018), <https://www.fraserinstitute.org/sites/default/files/economic-freedom-of-the-world-2018.pdf>.

states typically derives from a patron state. These, with a few exceptions, that are able to survive have foreign supporters.<sup>141</sup> For instance, Nagorno Karabakh depends on Armenia's assistance, and Russia offers significant military and economic support to Abkhazia and South Ossetia. Most de facto states that lack a patron state such as Chechnya (Russia) and Tamil Eelam (Sri Lanka) have not been successful. Although some of these actors depend on powerful foreign supporters, their engagement in the international system is not based on a single patron. For instance, while Somaliland does not have a patron state, it obtains assistance from several recognised states, namely the US and the UK, and it has also built relations with some international organisations such as the UN and the EU.<sup>142</sup> This is because Somalia, the parent state, is too weak to challenge Somaliland.<sup>143</sup> De facto states attempt to have close links with powerful neighbours and take advantage of a variety of other bilateral and multilateral links. The benefit for such actors is that they use the international links to reduce their reliance on a patron state which has covert interests and whose assistance may vary.<sup>144</sup> Zartman notifies that the foreign support is vital for such actors to assist their state-building, but it should only be a temporary solution as foreign dependency is able to make the actor reliant and vulnerable.<sup>145</sup> Therefore, dependency on a patron can harm any effort to ensure other degrees of legitimacy.<sup>146</sup>

Some de facto states depend on relationships with their parent states. Moldova permits a large number of vehicles daily to cross border from Transnistria and allows plenty of Transnistrian companies to work with Moldovan licences.<sup>147</sup> Many sources of foreign assistance are available to de facto states as the contemporary international system with complex patterns of cross-border linkages enhance their likelihood of existence. However, foreign support is problematic for all de facto states. They do not enjoy the kind of the international engagement like recognised states do. Even Taiwan, probably the most successful de facto state, was excluded from two important international bodies: the World Bank and the IMF. The sources of

---

<sup>141</sup> A few de facto states have been able to survive without a patron state such as Bougainville. See: Caspersen, 'Degrees of Legitimacy', 186.

<sup>142</sup> Ibid.

<sup>143</sup> Scott Pegg and Pål Kolstø, 'Somaliland: Dynamics of Internal Legitimacy and (Lack of) External Sovereignty', *Geoforum* 66 (November 2015): 198–200, <https://doi.org/10.1016/j.geoforum.2014.09.001>.

<sup>144</sup> Caspersen, 'Degrees of Legitimacy', 186.

<sup>145</sup> Ira William Zartman, ed., *Collapsed States: The Disintegration and Restoration of Legitimate Authority*, SAIS African Studies Library (Boulder: L. Rienner Publishers, 1995), 272.

<sup>146</sup> Caspersen, 'Degrees of Legitimacy', 186.

<sup>147</sup> Ibid., 187.



foreign support, such as patron state assistance, free trade, and parent state links are not free of costs.<sup>148</sup>

Foreign support of de facto states not only derives from recognised states and international organisations, but also non-state actors. For instance, many de facto states take advantage of assistance from diaspora communities. Diaspora assistance was essential for Somaliland, particularly in the early phases of state-building when external assistance was not available. Additionally, many de facto states depend on illicit means to raise revenue, but their regimes do not broadly publicise this approach.<sup>149</sup> For example, the Kurds depended on oil smuggling business across the Turkish border and it was the primary source of revenue for Kurds until 2005.<sup>150</sup> However, if patron states, diaspora communities and foreign ‘legal and illegal’ trade offer limited support, foreign aid is another source of cross-border linkages that can assist these actors to survive. International organizations have usually been hesitant to offer development aid to such actors because it can be seen as encouraging secession.<sup>151</sup> Denise Natali exemplifies how staff members of the United States Agency for International Development in the Kurdistan Region were banned from using the word ‘development’ in official contacts because this could be understood as U.S. support for greater autonomy and even an independent Kurdistan.<sup>152</sup>

### 2.3.3 Internal and external sides of sovereignty in de facto states

Internal and external sides of sovereignty are proportionally crucial to de facto states. Berg and Kuusk note: ‘The internal and external aspects of sovereignty are equally important variables because entities’ internal legitimacy and external recognition issues matter most in the praxis to relatively locate them within international society.’<sup>153</sup> They try to pursue international recognition and legitimacy because they face several consequences otherwise. In the most extreme of cases, they have limited access to aid from international organizations. They are not able to enter into official trade agreements with other recognized states, to export their products or

---

<sup>148</sup> Ibid.

<sup>149</sup> Ibid., 186–87.

<sup>150</sup> Voller, ‘Kurdish Oil Politics in Iraq’, 71; see also: Denise Natali, *The Kurdish Quasi-State: Development and Dependency in Post-Gulf War Iraq*, 1st ed, Modern Intellectual and Political History of the Middle East (Syracuse, N.Y: Syracuse University Press, 2010), 44.

<sup>151</sup> Caspersen, *Unrecognized States*, 64–65.

<sup>152</sup> Cited in Matan Chorev, ‘Complex Terrains: Unrecognized States and Globalization’, in *Unrecognized States in the International System* (London: Routledge, 2012), 40 n14.

<sup>153</sup> Eiki Berg and Ene Kuusk, ‘What Makes Sovereignty a Relative Concept? Empirical Approaches to International Society’, *Political Geography* 29, no. 1 (January 2010): 42, <https://doi.org/10.1016/j.polgeo.2010.01.005>.

obtain loans from international institutions.<sup>154</sup> Foreign investors are unwilling to invest due to the lack of insurance.<sup>155</sup> They are extremely vulnerable because they enjoy no protection based on the norms of non-intervention.<sup>156</sup> However, conflict and trade-offs between the pursuit of domestic and international legitimacy exist.

Although de facto states depend on foreign supports such as patron states, diaspora activism and illicit activities in order to survive, their dependence on them damages their efforts to ensure domestic legitimacy. For instance, it is harmful to domestic legitimacy when an actor depends on illicit activities as a source of external support. To survive, Republika Srpska Krajina depended on smuggling, but this undermined its domestic legitimacy, namely regime legitimacy. The illicit activities display to internal and external audiences that they are not a viable, stable, and effective entity.<sup>157</sup> The existence of the shadow economy or illicit activities not only may undermine the domestic legitimacy, but also lead to the demise of the entity. For example, an estimated 400,000 tonnes of oil were extracted illegally in 1999 without the control of the Chechen de facto state. Thus, the Chechen authorities had neither acquired necessary income from the entity's major oil reserves nor levied taxes on the illegal exploitation of the oil reserves.<sup>158</sup> As a result, this economic deficiency, as one of the factors, led to the demise of the Chechen de facto state.<sup>159</sup> The illicit activities in any contested entity conflicts with the legitimization strategies based on using earned sovereignty.<sup>160</sup>

Nevertheless, Voller argues that the pursuit of international legitimacy positively affects domestic legitimacy as it can also serve as an opportunity for state-building and reforms.<sup>161</sup> As Caspersen notes that 'The lack of recognition, in fact, provides a strong incentive to build effective institutions and introduce political reforms: it aids their survival and serves an important

---

<sup>154</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 19.

<sup>155</sup> Caspersen, 'Degrees of Legitimacy', 190.

<sup>156</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 19.

<sup>157</sup> Caspersen, 'Degrees of Legitimacy', 190–91.

<sup>158</sup> Christoph Zürcher, *The Post-Soviet Wars: Rebellion, Ethnic Conflict, and Nationhood in the Caucasus* (New York: New York University Press, 2007), 104. The Chechen security forces shut down 112 illegal refineries just in three days in November 1998.

<sup>159</sup> Huseyn Aliyev and Emil Aslan Souleimanov, 'Why Do De Facto States Fail? Lessons from the Chechen Republic of Ichkeria', *Problems of Post-Communism* 66, no. 3 (4 May 2019): 164–65, <https://doi.org/10.1080/10758216.2017.1383166>.

<sup>160</sup> Caspersen, 'Degrees of Legitimacy', 190–91.

<sup>161</sup> Yaniv Voller, 'Contested Sovereignty as an Opportunity: Understanding Democratic Transitions in Unrecognized States', *Democratization* 22, no. 4 (7 June 2015): 610–30, <https://doi.org/10.1080/13510347.2013.856418>.

legitimizing function both internally and externally.’<sup>162</sup> For instance, diaspora activists through their financial aid were critical to democratic transition in Somaliland as they have obliged clan elders to relinquish some of their power to the government in the mid-1990s. Thus, members of the diaspora gradually commenced playing an important role in the democratic transition and promoting democracy and gender equality in Somaliland.<sup>163</sup>

#### **2.3.4 The engagement of de facto states: ‘strategic importance’ and ‘resource importance’**

De facto states are able to interact with the international community because of the significance of their strategic location and the availability of their resources. For many observers the absence of the external sovereignty of de facto states is associated with their complete isolation from the main three types of actors and the international community. As a result, de facto states are usually labelled as ‘pariahs, excluded from the mainstream channels of international diplomacy, existing in conditions beyond the pale of normal international intercourse.’<sup>164</sup> Hence, the policy of ‘non-engagement’<sup>165</sup> is the international community’s response to such actors. However, Charles King notes, ‘Seeing ethnoterritorial confrontations as mainly a security problem can blind researchers to the deep political and economic incentives that sustain disputes and fossilize networks of war into institutions of de facto states.’<sup>166</sup> This may be the reason that they are able to endure across time even if they are excluded from the club of international states. It is reasonable to point out that other dynamics allow such entities to engage with regional and international actors. Thus, Harvey and Stansfield note:

It is meaningless to discuss a political entity such as an unrecognized state as though it operated in isolation, unconnected to other international dynamics and processes. Through political ties and interactions with governments and international actors, unrecognized states are often politically and economically socialized through means which reconcile abstractions of legal non-recognition with the needs of states, markets; and a range of commercial interests.<sup>167</sup>

---

<sup>162</sup> Caspersen, ‘Making Peace with De Facto States’, 12.

<sup>163</sup> Voller, ‘Contested Sovereignty as an Opportunity’, 615.

<sup>164</sup> Bartmann, ‘Political Realities and Legal Anomalies: Revisiting the Politics of International Recognition’, 12.

<sup>165</sup> Caspersen, ‘Democracy, Nationalism and (Lack of) Sovereignty’, 346.

<sup>166</sup> King, ‘The Benefits of Ethnic War’, 552.

<sup>167</sup> James Harvey and Gareth R. V. Stansfield, ‘Theorizing Unrecognized States: Sovereignty, Secessionism, and Political Economy’, in *Unrecognized States in the International System*, ed. Nina Caspersen and Gareth R. V. Stansfield, Exeter Studies in Ethno Politics (London: Routledge, 2011), 21.

They further argue that two variables, namely ‘strategic importance’ and ‘resource importance’ affect the interaction of these entities in the international system.<sup>168</sup> These provide geopolitical, geo-economic and geostrategic positions of strength to de facto states.<sup>169</sup> This is due to, as Harvey notes, that ‘Their position along longstanding political fault lines, their proximity to territories of resource importance and their geographic locations often mean that regional and international actors *have to*, or want to deal with them.’<sup>170</sup> Recognized states show a blatant disregard for territorial integrity and decide to engage with these entities due to their strategic positions even when they lack international recognition.<sup>171</sup> France and IOCs, for instance, engaged with Biafra due to the presence of oil resource. When Biafra seceded from Nigeria in 1967, France provided its support to Biafra through public declarations and military supplies to protect French oil interests in Biafra. Moreover, due to their significant investments in Biafra, Mobil Oil and other US companies supported the pro-Biafra lobby in the US. All of the oil companies that had business in Biafra, regardless of any government’s stances, not only favoured Biafra’s independence, but also offered assistance to the secessionists.<sup>172</sup> Although Biafra’s secession attempt failed, its main objective of using oil as a tool was to increase its de facto recognition.

For central governments and policymakers around the world, particularly those concerned with matters of foreign policy, conflict resolution, regional security, risk, and international trade, the existence of this geo-economic dynamic or considerable commercial resources, whether in unrecognized states or nearby, poses a significant issue.<sup>173</sup> For instance, whereas Pegg notes that de facto states suffer from the ‘economic cost of non-recognition’ due to their uncertain legal climate, they can have an impact on the global political economy through the trade of valuable natural resources, declaring:

Charles Taylor’s ‘Greater Liberia’ earned an estimated US\$8-10,000,000 a month in the early 1990s from various forms of timber and mineral extraction. The non-governmental organization Global Witness estimates that the Angolan rebel group

---

<sup>168</sup> Ibid., 23.

<sup>169</sup> Ibid., 20–24; Caspersen, ‘Degrees of Legitimacy’, 188.

<sup>170</sup> Harvey, ‘Over-Stating the Unrecognised State? Reconsidering De Facto Independent Entities in the International System’, 226.

<sup>171</sup> Caspersen, ‘Degrees of Legitimacy’, 188.

<sup>172</sup> Erik Solein and Antony F. G. Scanlan, ‘Oil and Natural Gas as Factors in Strategic Policy and Action: A Long-Term View’, in *Global Resources and International Conflict: Environmental Factors in Strategic Policy and Action*, ed. Arthur H. Westing (Oxford: Oxford University Press, 1986), 34–35.

<sup>173</sup> Harvey and Stansfield, ‘Theorizing Unrecognized States’, 22–23.

UNITA earned nearly US\$4 billion from diamond sales during the Angolan civil war.<sup>174</sup>

It is also remarkable that international and regional states use the policy of ‘engagement without recognition’ towards de facto states. According to this strategy, a recognized state would politically, economically, socially, and culturally engage with a de facto state without the conditionality of recognizing the international legal sovereignty of the entity. For instance, the West has engaged with Abkhazia on various issues in order to diminish Russia’s influence. In the meantime, the United States and the EU will never accept Abkhazia’s status as an independent state.<sup>175</sup> Recognized states’ engagement with contested states can be interpreted differently not only by leaders of de facto state, but also leaders of parent states.<sup>176</sup> Furthermore, de facto states appeal to international public opinion through particularly media, public relations and diaspora community. In order to gain statehood and recognition, for instance, leading officials in South Sudan employed social media during South Sudan’s referendum.<sup>177</sup>

### 2.3.5 Foreign policy in de facto states

To obtain international recognition and international legitimacy, de facto states mostly rely on their internal legitimization strategies based on the discourse of earned sovereignty. Foreign policy is usually critical for states. In the case of de facto states, foreign policy is geared toward securing legitimacy. Like other concepts and terms in international relations, foreign policy as a term has different meanings to different people. The foreign policy of de facto states has been generally understudied. Two notable exceptions are that of Hill in *Foreign Policy in the Twenty-First Century* and Wittkopf, Jones and Kegley in *American Foreign Policy: Pattern and Process*. They define foreign policy as ‘the goals that the nation’s officials seek to attain abroad, the values that give rise to those objectives, and the means or instruments used to pursue them.’<sup>178</sup> Although their definition of foreign policy includes three main ideas: goals, values and instruments, they limit foreign policy conduct to nations. Furthermore, Hill expands

---

<sup>174</sup> Pegg, ‘De Facto States’, 3.

<sup>175</sup> Alexander Cooley and Lincoln A. Mitchell, ‘Engagement without Recognition: A New Strategy toward Abkhazia and Eurasia’s Unrecognized States’, *The Washington Quarterly* 33, no. 4 (October 2010): 60, <https://doi.org/10.1080/0163660X.2010.516183>.

<sup>176</sup> Ker-Lindsay, ‘Engagement without Recognition’.

<sup>177</sup> Ibrahim Suleiman Roba and Patrick Maluki, ‘The Role of Digital Diplomacy in State Recognition in Africa’, *Africa Portal*, 22 October 2020, <https://www.africaportal.org/features/role-digital-diplomacy-state-recognition-africa/>.

<sup>178</sup> Eugene R. Wittkopf, Christopher M. Jones, and Charles W. Kegley, *American Foreign Policy: Pattern and Process*, 7th ed (Belmont, CA: Thomson/Wadsworth, 2008), 17.

the definition of foreign policy to various kinds of actors including de facto states. According to Hill, 'Foreign policy is the sum of official external relations conducted by an independent actor (usually but not exclusively a state) in international relations.'<sup>179</sup> Hill further elaborates on the elements of his definition and notes that:

The phrase 'an independent actor' enables the inclusion of non-state entities such as the European Union, or Hezbollah; external relations are 'official' to allow the inclusion of outputs from all parts of the governing mechanisms of the state or enterprise (that is, not just the foreign ministry) while also maintaining parsimony with respect to the vast number of international transactions now being conducted; policy (as opposed to decisions) is the 'sum' of these official relations because actors usually seek some degree of coherence towards the outside world - and are assumed by others to be following a reasonably coherent and predictable line. Lastly, the policy is 'foreign' because the world is still more separated into distinctive communities than it is a single, homogenising entity. These communities therefore need strategies for coping with foreigners (that is, those who are not part of their own polity) in their various aspects.<sup>180</sup>

Hill has clearly extended his study to the foreign policy of de facto states. He argues that they have the capacity to generate foreign policy or at least 'a de facto partial foreign policy.' As Hill notes:

States and foreign policies are close relations, but there are other actors which generate similar activities. Furthermore, it is not always clear who represents whom in international relations. Some de facto states effectively conduct independent external strategies, even if their lack of normal representational facilities and their dependence on patrons set limits on them. Taiwan and Northern Cyprus are prominent cases, while there are many cases of dispossessed peoples pursuing international strategies, from the Armenians before 1991 through the inhabitants of East Timor and of Western Sahara to the Kurds and the Palestinians...Most of these cases are relatively straightforward in the sense that they represent actors wanting to be states, or at least autonomous zones, with an emulation of state foreign policies.<sup>181</sup>

It can be established from Hill's definition that foreign policy is not exclusively associated with the possession of external sovereignty or international-legal sovereignty of the Krasner form. In fact, the lack of external sovereignty does not prevent de facto states from having foreign policy. To illustrate, Hill argues:

The formal possession of sovereignty creates the conditions for the conduct of a foreign policy. Conversely, where sovereignty is denied or the capacity to exercise

---

<sup>179</sup> Christopher Hill, *Foreign Policy in the Twenty-First Century*, Second edition (London: Palgrave Macmillan, 2016), 4.

<sup>180</sup> *Ibid.*, 4-5.

<sup>181</sup> *Ibid.*, 33.

it severely impeded, foreign policy becomes difficult – but not impossible. Ultimately foreign policy rests on the effective actorhood of the state at home and abroad, which is more a matter of politics than of law.<sup>182</sup>

Moreover, the only difference that the foreign policy of de facto states has with recognized states is the issue of external sovereignty or recognition and the level of capability.

Internal and external factors determine foreign policy because foreign policy looks inside to the domestic sources and looks outside to the external realm. Hill, for instance, argues ‘Domestic and foreign are two ends of a continuum rather than being sharply demarcated.’<sup>183</sup> Thus, foreign policy makers must be mindful of mediating the influence of domestic and external actors. In his analysis of states in the Middle East, Hinnebusch indicates, ‘foreign policy making elites are ‘Janus faced’, looking both inward and outward, attempting to reconcile demands from domestic actors with threats or constraints from external powers.’<sup>184</sup> Like Hinnebusch’s metaphor of ‘Janus faced,’ Robert Putnam has used the metaphor of ‘two-level games’ for domestic and external interactions and notes, ‘domestic groups pursue their interests by pressuring the government to adopt favorable policies,’ at the national level; meanwhile, ‘national governments seek to maximize their own ability to satisfy domestic pressure, while minimizing the adverse consequences of foreign developments’ at the international level.<sup>185</sup> This demonstrates that neither domestic politics nor international politics alone determine foreign policy because ‘central decision-makers strive to reconcile domestic and international imperatives simultaneously.’<sup>186</sup> Thus, Voller argues the domestic and foreign policies of de facto states are linked. For instance, to achieve their domestic legitimacy, de facto states want to obtain resources in the forms of aid, trade and investment because these allow them to offer the population employment, patronage and services. Foreign policy is critical for de facto states to achieve these tasks.<sup>187</sup>

---

<sup>182</sup> Ibid., 37.

<sup>183</sup> Ibid., 44; See also Marianna Charountaki, ‘Kurdish Policies in Syria under the Arab Uprisings: A Revisiting of IR in the New Middle Eastern Order’, *Third World Quarterly* 36, no. 2 (February 2015): 340–42, <https://doi.org/10.1080/01436597.2015.1015786>.

<sup>184</sup> Raymond A. Hinnebusch, *The International Politics of the Middle East*, Regional International Politics Series (Manchester: Manchester University Press, 2003), 93.

<sup>185</sup> Robert D. Putnam, ‘Diplomacy and Domestic Politics: The Logic of Two-Level Games’, *International Organization* 42, no. 3 (1988): 434.

<sup>186</sup> Ibid., 460.

<sup>187</sup> Owtram, ‘The Foreign Policies’, 134.

The literature on the foreign policy component of de facto states is largely under-reached. Only one article by Francis Owtram deals directly with the foreign policy aspect of de facto states. Owtram notes that de facto states' foreign policy pursues four other objectives. The first objective of these entities is 'survival – militarily, politically, and economically.'<sup>188</sup> Highlighting all of this is the search for recognition and engagement. The second objective is to obtain material resources through aid, trade and foreign investment that enhance their chance of survival, economic viability and capacity building. The third objective is to engage in international relations and diplomacy with other recognised states in order to demonstrate that the entity satisfies one of the requirements for statehood. The final objective is to increase the level of recognition by recognized states in a way of a de facto or official form. The only distinction between de facto states and recognized states is that the former's key foreign policy objective is to increase its de facto recognition and consolidation as a de jure state through economic engagement.<sup>189</sup>

## 2.4 The resource curse and sovereignty

Krasner's approach to sovereignty is useful to understand how a de facto state's Westphalian, interdependence, and domestic sovereignty could simultaneously affect and be affected by resource wealth. These types of sovereignty are forces of de facto statehood's efficiency and governance.<sup>190</sup> To describe the failure of many resource-rich countries to benefit fully from their natural resource wealth, various expressions were developed to describe this anomaly such as 'the resource curse,' 'paradox of plenty,' and the 'natural resource trap.'<sup>191</sup> Thus, economists and political scientists have become interested in the negative effects that natural resource dependency has on governance, society, economic growth, and stability.

Dutch disease is a term used to describe a phenomenon where countries experience uneven growth due to the sudden discovery of natural resources. The phrase 'Dutch Disease' has a more specific meaning for economists: it refers to the process that results in a decrease in a nation's manufacturing and agricultural sectors as a result of a growth in its natural

---

<sup>188</sup> Ibid., 136.

<sup>189</sup> Ibid.

<sup>190</sup> Krasner, *Sovereignty*.

<sup>191</sup> Richard Auty, *Sustaining Development in Mineral Economies: The Resource Curse Thesis* (London: Routledge, 1993); Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (Berkeley: University of California Press, 1997); Paul Collier, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*, First issued as an Oxford University Press paperback (Oxford: Oxford University Press, 2008).



resource sector. There are two factors contributing to this decrease. The first is the ‘resource movement effect.’ As the resource sector expands, it displaces labour and capital from the manufacturing and agricultural sectors, increasing the cost of their output.<sup>192</sup> The second is the ‘spending effect,’ which increases the real exchange rate when money from the burgeoning resource sector enters the economy. It is less expensive to import agricultural and manufactured items than to produce them domestically when the actual exchange rate is greater. Due to the competition from cheaper imports, the manufactured and agricultural sectors may lose some market share at home, and they will struggle to compete on international markets given the increased production costs and the higher real exchange rate.<sup>193</sup>

Ross lists the distinctive qualities of oil revenues: size, source, stability and secrecy. It is important to comprehend the nature of oil revenues because, as Ross claims, ‘Just as people are affected by the kinds of food they eat, governments are affected by the kinds of revenues they collect.’<sup>194</sup> First, as a percentage of their country’s economy, petrostate governments are typically close to 50% bigger than non-petrostate governments. Second, the source of the oil revenues is important as well. Petrostate governments are not financed by taxation rather than by the sale of their country’s petroleum wealth. This contributes to the explanation of why so many oil-producing states lack democracy. Governments that are funded by taxes are more subject to citizen pressure. But they are less vulnerable to public pressure when they are financed by oil.<sup>195</sup>

The third attribute is the instability and volatility of oil revenues. The fluctuation of a country’s reserves and world oil prices can cause significant changes in a government’s financial situation. This intensifies domestic and regional conflicts. Finally, the energy sector is subject to secrecy, which encourages corruption and the opening of unauthorized accounts. Governments frequently utilize their own national oil companies to conceal earnings and expenditures as well as their relationships with foreign oil corporations to conceal transactions.<sup>196</sup>

Numerous resource-rich countries are associated with weaker institutions, more rent seeking and corruption. Resource wealth promotes a rentier institutional culture, which hinders

---

<sup>192</sup> Michael Lewin Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton, NJ: Princeton Univ. Press, 2012), 48.

<sup>193</sup> Ibid.

<sup>194</sup> Ibid., 27.

<sup>195</sup> Ibid., 5–6.

<sup>196</sup> Ibid.

the growth of political and governance institutions. When ‘rent seeking’ instead of taxation can be used to fill government coffers, the relationship between the state and its citizens is severed.<sup>197</sup> As a result, governments of petrostates are unable to create sound economic policies, politicians are discouraged from investing in the state’s bureaucratic capacity, less qualified individuals are encouraged to run for office, and politicians are motivated to undermine effective institutions that regulate the use of natural resources in order to access the rents.<sup>198</sup> Economic rent is the term for the exceptional gains that resource-rich governments earn that are not consistent with the regular flow of supply and demand.<sup>199</sup> Stiglitz outlines rent seeking as follows: ‘rent seeking means getting an income not as a reward for creating wealth but by grabbing a larger share of the wealth that would have been produced anyway. Indeed, rent seekers typically destroy wealth, as a by-product of their taking away from others.’<sup>200</sup> Ross provides a rent example. Oil was extracted on average cost for \$1.80 in Saudi Arabia and \$31.40 in Canada by the end of 2008. Contrarily, the price of oil ranged from \$38 to \$53.<sup>201</sup> Rent was the price discrepancy between production and sale prices. Through the use of corruption and rent-seeking by those with access to political power, natural resources can result in the deterioration of public policies. The availability of large rents compared to GDP and its concentration within a small number of elites ‘carry high risk of igniting elite contests for rent that undermine long-term economic growth and political maturation.’<sup>202</sup>

It becomes more difficult to hold oil-dependent governments accountable for the oil revenues they spend. Petro-states experience at least three different forms of ‘stateness’ deficiencies over time: (a) the information deficit is a result of the absence of transparency of the energy sector; (b) the monitoring deficit results from the severe concentration of power within the executive, which makes it challenging to create effective checks and balances; and (c) The participation deficit originates from the absence of ties between citizens and the government,

---

<sup>197</sup> Karl, *The Paradox of Plenty*; Richard Auty, ‘Natural Resources, Governance and the Transition in Energy-Rich Azerbaijan, Kazakhstan and Turkmenistan’, in *The Caspian: Politics, Energy and Security*, ed. Shirin Akiner, Central Asia Research Forum (London: RoutledgeCurzon, 2004).

<sup>198</sup> Michael Lewin Ross, ‘What Have We Learned about the Resource Curse?’, *Annual Review of Political Science* 18, no. 1 (11 May 2015): 249, <https://doi.org/10.1146/annurev-polisci-052213-040359>.

<sup>199</sup> Ross, *The Oil Curse*, 34–35.

<sup>200</sup> Joseph E. Stiglitz, ‘8. Inequality and Economic Growth’, *The Political Quarterly* 86, no. S1 (December 2015): 140–41, <https://doi.org/10.1111/1467-923X.12237>.

<sup>201</sup> Ross, *The Oil Curse*, 35.

<sup>202</sup> Richard Auty, ‘Oil and Development in the Middle East’, *BRISMES*, 2012, 12.

which shatters any feeling of ownership over public resources.<sup>203</sup> This promotes a rentier culture due to the fact that people track governments less when they are not taxed and that rulers are less concerned with the output of their subjects.<sup>204</sup> However, resource rich countries with strong institutions are more likely to function economically well (in the cases of the United States and Norway) than those with poor institutions.<sup>205</sup> For instance, officials in Mongolia can act in the mining industry without being held accountable because of the weak Westphalian sovereignty.<sup>206</sup>

The excessive involvement of foreign oil companies in energy sectors of developing countries can be considered as the resource curse. The host governments were unable to verify whether foreign oil firms were honouring their obligations since the firms could easily hide their revenues from them.<sup>207</sup> Furthermore, a foreign oil firm's dominance over a state's energy sector has a direct impact on the state's degree of sovereignty. For example, Mongolia's Westphalian and interdependence sovereignties are directly impacted by China's monopoly of the country's mining industry because it restricts the government's capacity to regulate its internal affairs independently of outside interference and to stop the flow of cross-border activity.<sup>208</sup>

Oil income might have long-term consequences on the sort of government. Rent-seeking theory offers one explanation for authoritarianism in resource-dependent states. Oil has allowed autocrats to maintain their hold on power by allowing them to boost expenditure, lower taxes, purchase the military forces' allegiance, and hide their own inefficiency and corruption.<sup>209</sup> Because of resource rents, governments in these authoritarian countries may avoid taxing their citizens and satiate public demands for accountability by co-opting measures like patronage employment and subsidies. Furthermore, successful democratic transitions are

---

<sup>203</sup> Terry Lynn Karl, 'The Political Challenge of Escaping the Resource Curse: The Case for a Transparent Fiscal Social Contract' (Stanford University, 2004), 12.

<sup>204</sup> Ibid.; Mahdavi originated and advanced the 'rentier state' theory. See Hussein Mahdavy, 'Patterns and Problems of Economic Development in Rentier States: The Case of Iran', in *Studies in the Economic History of the Middle East*, ed. Michael Cook (London: Routledge, 1970).

<sup>205</sup> Anne D. Boschini, Jan Pettersson, and Jesper Roine, 'Resource Curse or Not: A Question of Appropriability', *Scandinavian Journal of Economics* 109, no. 3 (September 2007): 593–617, <https://doi.org/10.1111/j.1467-9442.2007.00509.x>; Halvor Mehlum, Karl Moene, and Ragnar Torvik, 'Institutions and the Resource Curse', *The Economic Journal* 116, no. 508 (1 January 2006): 1–20, <https://doi.org/10.1111/j.1468-0297.2006.01045.x>.

<sup>206</sup> Jeffrey Reeves, 'Resources, Sovereignty, and Governance: Can Mongolia Avoid the "Resource Curse"?', *Asian Journal of Political Science* 19, no. 2 (August 2011): 182, <https://doi.org/10.1080/02185377.2011.600165>.

<sup>207</sup> Ross, *The Oil Curse*, 39.

<sup>208</sup> Reeves, 'Resources, Sovereignty, and Governance', 180.

<sup>209</sup> Ross, *The Oil Curse*, 63.

uncommon among petrostates.<sup>210</sup> Andersen and Ross argue that oil wealth became just an obstacle towards a democratic transition after the 1970s expropriation that enabled home governments to recover oil rents previously siphoned off by foreign oil companies.<sup>211</sup> For example, Arab oil countries failed to modernize during the oil boom of the 1970s. As Ross claims, ‘For decades, the Middle East has had less democracy, and more oil, than any other world region. This is no coincidence: oil-funded rulers have long used their petrodollars to entrench themselves in power and block democratic reforms.’<sup>212</sup>

Oil is not only a matter of economic policy and political conflict, but also is involved in debates over nationalism and national identity.<sup>213</sup> Oil is deeply embedded in society and essential to the unique identities of ‘peoples.’<sup>214</sup> Koch and Perreault define resource nationalism as: ‘a geopolitical discourse about sovereignty, the state, and territory, as well as the rights and privileges of citizenship, national identity, and the values a group assigns to resources like oil, gas and minerals.’<sup>215</sup> There is an entire category of ‘petro-fiction,’ movies and matches. A contemporary example is the Kuwaiti-financed *Black Gold*. The Texan identity is seen in movies like *Hud* and *There Shall Be Blood*, including *Dallas*, TV Series, which secure the modern Texan identity on a global scale. Communities have established institutions, such as the Norwegian Petroleum Museum in Stavanger and the Drake Well Museum in Pennsylvania, to teach future generations a narrative about oil as being essential to their collective history.<sup>216</sup> The cases of water in Wales or oil in Scotland and Russia have also affected and fuelled nationalism. During the 1970s, the Scottish Nationalist Party ran a campaign with the slogan ‘It’s Scotland’s Oil’ and argued that Scotland would be in a far stronger position to become an independent state by utilizing the oil riches that have been discovered off its coast.<sup>217</sup> Regarding resource pride in oil and gas resources, Rutland highlights regional and social variations in

---

<sup>210</sup> Ross, ‘What Have We Learned about the Resource Curse?’

<sup>211</sup> Jørgen J. Andersen and Michael Lewin Ross, ‘The Big Oil Change: A Closer Look at the Haber–Menaldo Analysis’, *Comparative Political Studies* 47, no. 7 (June 2014): 993–1021, <https://doi.org/10.1177/0010414013488557>.

<sup>212</sup> Ross, *The Oil Curse*, 63.

<sup>213</sup> Peter Rutland, ‘Petronation? Oil, Gas, and National Identity in Russia’, *Post-Soviet Affairs* 31, no. 1 (2 January 2015): 68, <https://doi.org/10.1080/1060586X.2014.952537>.

<sup>214</sup> David McCrone, ‘This Land Is Our Land: Understanding Energy Nationalism’, in *Research Handbook on Energy and Society*, ed. Janette Webb, Faye Wade, and Margaret Tingey (UK: Edward Elgar Publishing, 2021), 32, <https://doi.org/10.4337/9781839100710.00011>.

<sup>215</sup> Natalie Koch and Tom Perreault, ‘Resource Nationalism’, *Progress in Human Geography* 43, no. 4 (August 2019): 612, <https://doi.org/10.1177/0309132518781497>.

<sup>216</sup> Rutland, ‘Petronation?’, 68.

<sup>217</sup> McCrone, ‘This Land Is Our Land’, 38–42.

Russia. Russians who live in the Central District (around Moscow) have a 79% approval rating for Russia as an ‘energy superpower,’ compared to 46% of people in Siberia.<sup>218</sup>

#### 2.4.1 Natural resources: greed and grievances in intrastate conflicts

The question of natural resources provides a fascinating insight into the question of de facto statehood, contested sovereignty and policy-making. Much of the discussion about natural resources has revolved around the ‘greed and grievances’ question. In the study of civil or interstate wars and conflicts, natural resource wealth is frequently considered as the root cause for prompting and prolonging wars. Civil wars have increased radically since the early 1990s.<sup>219</sup> Michael L. Ross finds that oil-producing states were 50 % more likely to have civil wars than non-oil producing states since the early 1990s. The risk of civil wars for oil-producing states is more than double that in low and middle-income states.<sup>220</sup> Moreover, civil wars last twice as long and the number of casualties is more than double when oil and gas resources are located in a conflict zone, even if not produced.<sup>221</sup>

There are two focal and competing arguments for explaining wars that involve competition over natural resources, frequently referred to with the shorthand of greed or grievances. Collier and Hoeffler are two who are often linked with the ‘greed’ camp. They argue that economic incentives encourage rebels or separatists to revolt against their central government to maximize their profits (e.g., by stealing the oil itself, extortion and kidnapping of oil workers, selling future oil rights to foreign investors and benefiting from independent oil extraction).<sup>222</sup>

---

<sup>218</sup> Rutland, ‘Petronation?’, 76.

<sup>219</sup> From 1989 to 2006, 122 armed conflicts were recorded on the planet that 115 were civil wars, and just 7 were international wars. There were no international wars but 36 civil wars in 2009. Ross, *The Oil Curse*, 146.

<sup>220</sup> Ibid., 145.

<sup>221</sup> Paivi Lujala, ‘Deadly Combat over Natural Resources: Gems, Petroleum, Drugs, and the Severity of Armed Civil Conflict’, *Journal of Conflict Resolution* 53, no. 1 (February 2009): 50–71, <https://doi.org/10.1177/0022002708327644>; Paivi Lujala, ‘The Spoils of Nature: Armed Civil Conflict and Rebel Access to Natural Resources’, *Journal of Peace Research* 47, no. 1 (January 2010): 15–28, <https://doi.org/10.1177/0022343309350015>.

<sup>222</sup> Ross classifies crude oil as an ‘unlootable’ and ‘obstructable’ commodity, but Guáqueta argues that ‘when something is highly obstructable it becomes lootable.’ Ross acknowledges this: ‘Obstructable resources are similar to lootable resources, since small bands of unskilled troops can use them to generate revenues.’ Michael Lewin Ross, ‘Oil, Drugs, and Diamonds: The Varying Roles of Natural Resources in Civil War’, in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. Karen Ballentine, Jake Sherman, and International Peace Academy (Boulder, Co: Lynne Rienner Publishers, 2003), 70. n29; Alexandra Guáqueta, ‘The Colombian Conflict: Political and Economic Dimensions’, in *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, ed. Karen Ballentine, Jake Sherman, and International Peace Academy (Boulder, Co: Lynne Rienner Publishers, 2003), 105. n35; Ross, *The Oil Curse*, 170; P Collier, ‘On Economic Causes of Civil War’, *Oxford Economic Papers* 50, no. 4 (1 October 1998): 563–73, <https://doi.org/10.1093/oepp/50.4.563>; Paul Collier and Anke Hoeffler, ‘On the Incidence of Civil War in Africa’, *Journal of Conflict Resolution* 46, no. 1

Collier and Hoeffler argue that oil, of all-natural resources, has the highest risk of generating conflict. This is due to the fact that oil provides large rents to governments, separatists, terrorists and other parties.<sup>223</sup> Katsouris and Sayne find that in the Delta region of Nigeria, large-scale organized crime is ‘bunkering’ (i.e., stealing) oil from pipelines on the scale of around \$2 billion to 8 billion per year, selling it in west Africa, the US, Brazil, China, Singapore, Thailand, Indonesia and the Balkans.<sup>224</sup>

Stewart, Aspinall and Bank among others are proponents of grievance-based motivations as civil conflicts triggers. Stewart defines horizontal inequalities (HIs) as a ‘inequalities among groups of people that share a common identity.’<sup>225</sup> She further adds that HIs are a multidimensional concept, consisting of economic, social, politically and cultural status dimensions. Stewart argues that HIs are a powerful cause of civil wars.<sup>226</sup> As Stewart, Brown and Langer note, ‘our research suggests that the conflict-inducing potential of natural resources is often mediated through their impact on HIs, and that this can translate into both separatist struggles and local level conflict.’<sup>227</sup>

Furthermore, natural resource exploitation becomes linked in particular ways to social identity in civil conflicts. Aspinall argues, ‘what determines rebellion is not the presence of a natural resource industry and its material effects, but rather how it is interpreted by local actors.’<sup>228</sup> Aspinall reveals that the evolving framework of Acehnese identity acted as a ‘prism’ through which the exploitation of oil and gas resources was interpreted in terms of grievance rather than greed.<sup>229</sup> The Aceh rebels in Indonesia have come to link oil with their identity and

---

(February 2002): 13–28, <https://doi.org/10.1177/0022002702046001002>; P. Collier, ‘Greed and Grievance in Civil War’, *Oxford Economic Papers* 56, no. 4 (22 June 2004): 563–95, <https://doi.org/10.1093/oep/gpf064>.

<sup>223</sup> Paul Collier and Anke Hoeffler, ‘Resource Rents, Governance, and Conflict’, *Journal of Conflict Resolution* 49, no. 4 (August 2005): 628, <https://doi.org/10.1177/0022002705277551>; Yvan Guichaoua, ‘Oil and Political Violence in Nigeria’, in *Governance of Oil in Africa: Unfinished Business*, ed. Jacques Lesourne and William C. Ramsay, tome 6 (Paris: IFRI, 2009), 9–43.

<sup>224</sup> Christina Katsouris and Aaron Sayne, ‘Nigeria’s Criminal Crude: International Options to Combat the Export of Stolen Oil’ (Chatham House, 2013), x,17, [http://www.chathamhouse.org/sites/default/files/public/Research/Africa/0913pr\\_nigeriaoil.pdf?dm\\_i=1TY5,1TWRR,BHZKWB,6JT2M,1](http://www.chathamhouse.org/sites/default/files/public/Research/Africa/0913pr_nigeriaoil.pdf?dm_i=1TY5,1TWRR,BHZKWB,6JT2M,1).

<sup>225</sup> Stewart, ‘Horizontal Inequalities as a Cause of Conflict’, 3.

<sup>226</sup> Ibid.

<sup>227</sup> Frances Stewart, Graham K Brown, and Amim Langer, ‘Major Findings and Conclusions on the Relationship Between Horizontal Inequalities and Conflict’, in *Horizontal Inequalities and Conflict Understanding Group Violence in Multiethnic Societies*, ed. Frances Stewart (Basingstoke: Palgrave Macmillan, 2008), 294, <http://www.palgraveconnect.com/doi/10.1057/9780230582729>.

<sup>228</sup> Edward Aspinall, ‘The Construction of Grievance’, *Journal of Conflict Resolution* 51, no. 6 (December 2007): 950, <https://doi.org/10.1177/0022002707307120>.

<sup>229</sup> Ibid., 957.

declare their desire for independence. Sequentially, they have also come to describe the Indonesian control over the region's vast oil and gas resources as 'Javanese colonialism.'<sup>230</sup> Similarly, Banks argues, 'what appear to be 'resource' conflicts in Papua New Guinea are actually better conceived as conflicts around identity and social relationships.'<sup>231</sup> For instance, the land-owners' social identity from the Porgera mine has been threatened by resource exploitation, as they describe the increasing number of migrants to their community as 'faces we do not know.'<sup>232</sup>

## 2.4.2 Greed in interstate conflicts

Similar forms of the greed thesis also appear in the literature in regard to interstate conflicts, demonstrating the widespread view that the drive to control additional natural resources is linked with causes of interstate conflicts. Jeff D. Colgan observes that 'the presence or perception of oil reserves . . . creates a significant incentive for conquest.'<sup>233</sup> Furthermore, he combines the notion of high oil revenue with revolutionary states and argues that 'Petro-revolutionary states are roughly three and a half times as likely to instigate a militarized interstate dispute (MID) than are non-revolutionary, non-petrostates.'<sup>234</sup> Similarly, De Soysa et al claim that oil exporting countries are more likely to inaugurate conflicts against other states.<sup>235</sup> Moreover, Caselli et al contribute to the resource-interstate conflict debate by developing their own distinguished outlook. They find three results in their research. First, when oil is near the border and only one country has oil, the likelihood of conflict tends to be high. Second, when oil is far from the border, the chance of conflict to occur tends to be less likely. Finally, when both countries have oil, the possibility of conflict is very high if the oil fields are allocated asymmetrically vis-a-vis the border.<sup>236</sup>

---

<sup>230</sup> Ibid., 963–64.

<sup>231</sup> Glenn Banks, 'Understanding "Resource" Conflicts in Papua New Guinea', *Asia Pacific Viewpoint* 49, no. 1 (April 2008): 23, <https://doi.org/10.1111/j.1467-8373.2008.00358.x>.

<sup>232</sup> Ibid., 30.

<sup>233</sup> Jeff D. Colgan, 'Fueling the Fire: Pathways from Oil to War', *International Security* 38, no. 2 (October 2013): 154, [https://doi.org/10.1162/ISEC\\_a\\_00135](https://doi.org/10.1162/ISEC_a_00135).

<sup>234</sup> Jeff D. Colgan, 'Oil, Domestic Politics, and International Conflict', *Energy Research & Social Science* 1 (March 2014): 200, <https://doi.org/10.1016/j.erss.2014.03.005>.

<sup>235</sup> Indra De Soysa, Erik Gartzke, and Tove Grete Lie, 'Blood, Oil, and Strategy: On the Relationship Between Petroleum and Interstate Disputes', 2009, [http://www.svt.ntnu.no/iss/Indra.de.Soyas/POL2003H05/oil-andwar\\_02232009.pdf](http://www.svt.ntnu.no/iss/Indra.de.Soyas/POL2003H05/oil-andwar_02232009.pdf).

<sup>236</sup> Francesco Caselli, Massimo Morelli, and Dominic Rohner, 'The Geography of Interstate Resource Wars', *The Quarterly Journal of Economics* 130, no. 1 (February 2015): 267–315, <https://doi.org/10.1093/qje/qju038>.

### 2.4.3 Critics of greed or grievance for intrastate and interstate conflicts

Several studies have come to critically scrutinize greed or grievance explanations of intrastate conflicts. Mushed and Tadjoeeddin reveal that the greed explanation for prolonging the duration of conflict and encouraging secession is plausible, for example, in the case of Indonesia's natural resource rich provinces that hosted strong separatist movements. Meanwhile, grievances and horizontal inequalities offer a better explanation for outbreak of the conflict, but not prolonging it. They argue that while greed and grievance may be complementary explanations for conflict, neither is sufficient for the outbreak of civil war.<sup>237</sup>

Several recent studies have now come to challenge the explanations of greed as the most important cause of interstate wars. Agha Bayramov argues that it is not adequate to simply offer greed as the main cause of natural resource conflict. Rather than a single factor, non-resource factors of conflicts, such as political, economic, historical, cultural, ethnic and geographical etc., and their connection with resources are important to explain interstate conflicts.<sup>238</sup> Furthermore, Emily Meierding argues that obstacles such as invasion costs, occupation costs, international costs, and investment costs dramatically reduce the profitability of waging war for oil. Meierding, based on the analysis of a large number of oil wars, argues that oil resources were not the fundamental cause of international oil wars. For instance, as she notes, in Japan's invasion of the Dutch East Indies and Iraq's invasion of Kuwait, regime survival rather than oil greed was the primary cause of their attacks.<sup>239</sup>

### 2.4.4 Control over natural resources and sovereignty: a more comprehensive explanation for outbreak of interstate wars

It has now become necessary to explore other factors that could have been responsible for the outbreak of interstate wars. A more comprehensive explanation for the outbreak of wars between states that involve competition and control over natural resources is consolidating sovereignty. Voller notes that in many cases competition over natural resources occurs where the legitimacy and sovereignty of an actor is contested by others.<sup>240</sup> This has been true in a number of cases such as water conflicts in Eastern Africa and the Middle East, Africa's conflict

---

<sup>237</sup> Mushed and Tadjoeeddin, 'Reappraising the Greed and Grievance Explanations for Violent Internal Conflict', 1,24,33.

<sup>238</sup> Agha Bayramov, 'Review: Dubious Nexus between Natural Resources and Conflict', *Journal of Eurasian Studies* 9, no. 1 (January 2018): 72–81, <https://doi.org/10.1016/j.euras.2017.12.006>.

<sup>239</sup> Emily Meierding, 'Dismantling the Oil Wars Myth', *Security Studies* 25, no. 2 (2 April 2016): 258–88, <https://doi.org/10.1080/09636412.2016.1171968>.

<sup>240</sup> Voller, 'Kurdish Oil Politics in Iraq', 79.



minerals and oil conflicts such as the conflict in the South China Sea, the conflict between Sudan and South Sudan, the conflict between Israel and Lebanon and the conflict between the KRG and Iraq. Despite financial incentives they provide, numerous studies have revealed that states and societies frequently associate natural resources with the symbols of pride, nationalism, independence and sovereignty.<sup>241</sup> For instance, the water conflict between Israel and Palestine is directly linked to the issue of sovereignty. The Palestinians perceive control over water resources as matter of sovereignty and independence.<sup>242</sup> Israel exercises direct control over 85 percent of water resources in the West Bank. Palestinians see the lack of control over ‘their’ own water resources as a loss of their sovereignty. Adel Yassin, director-general of strategic planning at the Palestinian Water Authority, clearly states that ‘any state without water is a state without sovereignty.’<sup>243</sup> In other words, Palestinians link the control over water resources to sovereignty.<sup>244</sup> Land is also another example. In 1974 three Bougainvilleans from Bougainville, an autonomous region of Papua New Guinea, describe how they have been affected by the operations of the mining company, the Australian company Bougainville Copper Limited (BCL), and claim:

Land is our life. Land is our physical life-food and sustenance. Land is our social life, it is marriage, it is status, it is security, it is politics; in fact, it is our only world. When you [foreigners] take our land, you cut away the very heart of our existence. We have little or no experience of social survival detached from the land. For us to be completely land-less is a nightmare that no dollar in the pocket or dollar in the bank will allay; we are threatened people.<sup>245</sup>

This demonstrates how their sovereignty was threatened because land has become a symbol of sovereignty and cultural tradition to Bougainvilleans. Increasing hostility of the local community towards the mining development and BCL led to conflict and the closure of the mine in 1988.<sup>246</sup> Bougainvilleans have linked their unlocked natural resources to sovereignty. For

---

<sup>241</sup> Ibid., 78; Remi B. Piet, Bruce Michael Bagley, and Marcelo R. S. Zorovich, eds., *Energy Security and Environmental Sustainability in the Western Hemisphere*, Security in the Americas in the Twenty-First Century (Lanham: Lexington Books, 2017), 89.

<sup>242</sup> Jochen Renger, ‘The Middle East Peace Process: Obstacles to Cooperation over Shared Waters’, in *Water in the Middle East*, ed. Waltina Scheumann and Manuel Schiffler (Berlin: Springer Berlin Heidelberg, 1998), 50, <https://doi.org/10.1007/978-3-662-03731-7>; Ines Dombrowsky, ‘The Jordan River Basin: Prospects for Cooperation Within the Middle East Peace Process?’, in *Water in the Middle East*, ed. Waltina Scheumann and Manuel Schiffler (Berlin: Springer Berlin Heidelberg, 1998), 108, <https://doi.org/10.1007/978-3-662-03731-7>.

<sup>243</sup> Cited in Mohammed Najib, ‘Palestine Runs Dry: “Our Water They Steal and Sell to Us”’, *Al Jazeera*, 15 July 2021, <https://www.aljazeera.com/news/2021/7/15/water-war-palestinians-demand-more-water-access-from-israel>.

<sup>244</sup> Ibid.

<sup>245</sup> Christopher Williams, ed., *Environmental Victims New Risks, New Injustice* (London: Earthscan, 1998), 103.

<sup>246</sup> Anthony J. Regan, ‘Causes and Course of the Bougainville Conflict’, *The Journal of Pacific History* 33, no. 3 (November 1998): 269–85, <https://doi.org/10.1080/00223349808572878>.

instance, a villager did not want the mine to reopen. She claims that ‘If I had a choice, but I don’t think I have a choice. If I am crying for independence; then I need the mine.’<sup>247</sup> This exhibits that after achieving external sovereignty, then Bougainvilleans are willing to exploit these unlocked resources for development under their own government and country. Therefore, they benefit from their mining through securing sovereignty. The final instance is that Norway has insisted on continuing to whale in its waters in spite of this hampering its Nordic integration and cooperation. This was because Norwegians did not want to give up its sovereignty over regulating whaling.<sup>248</sup> While whaling for Norwegians has become a symbol of their tradition and sovereignty, their insistence on whaling was a blow to their reputation. Sandra Altherr, a biologist with Pro Wildlife, reveals, ‘As one of the world’s most modern and prosperous countries, Norway’s whaling is an anachronism. Slaughtering whales to eat and trade has no place in Norway and serves only to diminish the country’s international reputation.’<sup>249</sup>

Not only water, land and whale, but also other resources such as oil serve the same function. For instance, the symbolism of Mexican oil has related to the understanding of sovereignty. Many Mexicans have rejected any proposal to sell and privatize Pemex, the Mexican state-owned petroleum company, because ‘for Mexicans, Pemex is like the Virgin of Guadalupe – it has the magic of symbolism. It’s like apple pie for Americans.’<sup>250</sup> Rüdiger also scrutinises how the oil crisis of 1973-74 challenged the sovereignty of the US and Western European states. He argues:

[E]ven if the consuming countries’ ‘Westphalian sovereignty’ was never an issue during the oil crisis, the [oil] embargo challenged their ‘international legal sovereignty’ trying to pressure the governments to assume a certain position with respect to the Arab-Israeli conflict. It did so by establishing the limits of their ‘interdependence sovereignty,’ as they were apparently not capable of ascertaining the sufficient influx of oil into the country. This, in turn, challenged ‘domestic sovereignty’ in the Western world.<sup>251</sup>

---

<sup>247</sup> Catherine Wilson, ‘The New Battle for Bougainville’s Panguna Mine’, *The Lowy Institute*, 2018, <https://www.loyyinstitute.org/the-interpreter/new-battle-bougainville-s-panguna-mine>.

<sup>248</sup> Sonja M. Halverson, ‘Small State With A Big Tradition: Norway Continues Whaling At The Expense Of Integration And Nordic Cooperation’, *Syracuse Journal of International Law and Commerce* 31, no. 1 (2004): 121–48.

<sup>249</sup> Cited in ‘New Report Details Norway’s Efforts to Promote Whaling’, *Animal Welfare Institute*, 13 June 2016, <https://awionline.org/content/new-report-details-norways-efforts-promote-whaling>.

<sup>250</sup> Cited in Stephanie McCrummen, ‘Mexican President Proposes Historic Changes to State-Owned Pemex Oil Monopoly’, *Washington Post*, 2013, [https://www.washingtonpost.com/world/mexican-president-proposes-historic-changes-to-state-owned-pemex-oil-monopoly/2013/08/12/7f848d4c-0380-11e3-bfc5-406b928603b2\\_story.html](https://www.washingtonpost.com/world/mexican-president-proposes-historic-changes-to-state-owned-pemex-oil-monopoly/2013/08/12/7f848d4c-0380-11e3-bfc5-406b928603b2_story.html).

<sup>251</sup> Graf, ‘Claiming Sovereignty in the Oil Crisis’, 45.

Furthermore, John Bolton, who served as U.S. ambassador to the UN under President George W. Bush, has warned of ‘the coming war on sovereignty.’<sup>252</sup> This may happen as each littoral state such as China, Brunei, Indonesia, Malaysia, the Philippines, Taiwan and Vietnam has its own oil and gas operations in the South China Sea that has been claimed either partially or wholly by each of them.<sup>253</sup> This demonstrates that sovereignty over the region’s large deposits of oil and natural gas is contested. China, for instance, argues that it has historical sovereignty over the South China Sea islands and considered them as ‘ancestral properties’ conceded by preceding generations.<sup>254</sup> China expresses that ‘Chinese activities in the South China Sea date back over 2000 years ago’ with China being ‘the first country to discover, name, explore and exploit the resources of the South China Sea islands and the first to continuously exercise sovereign powers over them.’<sup>255</sup> China also associates natural resources with the symbols of sovereignty. For instance, Jeremy Maxie notes that ‘China is not asserting expansive territorial claims and risking military confrontation with its neighbours (and potentially the United States) just to gain access and control of unproven oil and gas resources; instead, the development of offshore oil and gas resources is contested because it evokes sovereignty.’<sup>256</sup> This indicates that the control and production of oil and gas resources is associated with sovereignty. As Maxie argues, ‘resource competition is a means to an end—as an instrument for Beijing to assert territorial sovereignty for geopolitical and strategic purposes.’<sup>257</sup> Thus, the competition over oil and gas resources in the South China Sea has limited the ‘interdependence sovereignty’ of the seven claimants as they are apparently not able to unilaterally explore and produce oil and gas farther from their shores and deeper into disputed areas. There is perhaps very little incentive for claimants to try a joint exploration because it would require some recognition of

---

<sup>252</sup> John Bolton, ‘The Coming War on Sovereignty’, *Commentary* (blog), 2009, <https://www.commentarymagazine.com/articles/the-coming-war-on-sovereignty/>.

<sup>253</sup> Rongxing Guo, *Cross-Border Management: Theory, Method and Application*, Business/Economics (Berlin: Springer, 2015), 199.

<sup>254</sup> ‘Understanding China’s Position on the South China Sea Disputes’, *Institute for Security and Development Policy*, 2016, <http://isdpeu/publication/understanding-chinas-position-south-china-sea-disputes/>.

<sup>255</sup> ‘Position Paper of the Government of the People’s Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines’ (The Ministry of Foreign Affairs of China, 2014).

<sup>256</sup> Jeremy Maxie, ‘The South China Sea Dispute Isn’t About Oil, At Least Not How You Think’, *Forbes*, 2016, <https://www.forbes.com/sites/jeremymaxie/2016/04/25/the-south-china-sea-dispute-isnt-about-oil-at-least-not-how-you-think/>.

<sup>257</sup> Ibid.

the right to exploit oil and gas resources. In other words, they have to give up a degree of sovereignty.<sup>258</sup>

Oil increases the value of territory which ‘increases the probability that crises over territory will lead to war instead of negotiated compromises, as states are more willing to run the risks of fighting.’<sup>259</sup> Most ominously for de facto states such the KRG and Somaliland, ‘oil is especially likely to generate conflict when territorial boundaries are contested.’<sup>260</sup> These conflicts are also more problematic to settle because they are more sovereignty disputes rather than just monetary disputes.<sup>261</sup> Sharing the revenues between the actors may not resolve the conflict as Voller observes if ‘control over oil is associated with sovereignty ... It may render any peaceful solution to the conflict impossible.’<sup>262</sup>

## 2.5 Research design

This research aims to develop new hypotheses about the link between natural resources and sovereignty and relies upon the case study method to answer the research questions that initially posed. The case study is preferred as it delineates: (a) when ‘how’ or ‘why’ questions are presented; (b) when the researcher has limited, if any, control over events; and (c) when the concentration is on a contemporary and contextual event.<sup>263</sup> It is counted as ‘a distinctive form of empirical enquiry.’<sup>264</sup> Furthermore, ‘the distinctive need for case studies arises out of the desire to understand complex social phenomena... [which]allows investigators to retain the holistic and meaningful characteristics of real-life events.’<sup>265</sup> Thus, the case study research method investigates a particular contemporary real-life phenomenon within its context while the boundaries between the phenomenon and its context are not always be obviously apparent.<sup>266</sup> Since the focus of this research is the Kurdistan Region of Iraq, the case study method enables

---

<sup>258</sup> Ralph Jennings, ‘Oil Becoming Code for Sovereignty in Contested South China Sea’, *VOA*, 2016, <https://www.voanews.com/a/oil-becoming-code-for-sovereignty-in-contested-south-china-sea/3608195.html>.

<sup>259</sup> Charles L. Glaser, ‘How Oil Influences U.S. National Security’, *International Security* 38, no. 2 (October 2013): 123, [https://doi.org/10.1162/ISEC\\_a\\_00137](https://doi.org/10.1162/ISEC_a_00137).

<sup>260</sup> *Ibid.*

<sup>261</sup> Scott Pegg, ‘Oil to Cash in Somaliland: A Debate Whose Time Has Come’, *The Journal of Modern African Studies* 56, no. 4 (December 2018): 624, <https://doi.org/10.1017/S0022278X18000575>.

<sup>262</sup> Voller, ‘Kurdish Oil Politics in Iraq’, 79.

<sup>263</sup> Robert K. Yin, *Case Study Research: Design and Methods*, 3rd ed, Applied Social Research Methods Series, v. 5 (Thousand Oaks, Calif: Sage Publications, 2003), 9.

<sup>264</sup> *Ibid.*, 10.

<sup>265</sup> *Ibid.*, 2.

<sup>266</sup> *Ibid.*, 13.

the researcher to focus on and examine the specific issue of Kurdish natural resources and sovereignty ‘within a real life context.’

This research has chosen an explanatory case study.<sup>267</sup> Harder claims that explanatory case studies are used both to explore and describe phenomenon and to explain causal relationships and to develop theory. They provide a detailed description of the facts of a case, including paying attention to alternative explanations that are congruent with the facts.<sup>268</sup> The role of theory or development of theoretical propositions before data collection is where case study research differs from other qualitative methods such as ethnography and grounded theory.<sup>269</sup> The single-case design and the multiple-case design are the two basic types of the case study designs. The unique difference between single and multiple-case designs is the contextual conditions. A holistic case study has a single unit of analysis while an embedded case study has more than one unit of analysis. For example, a holistic single case study surveys the overall nature of the subject without any subunit.<sup>270</sup> This study uses a holistic analysis approach because it universally analyses the issue of the KRG’s sovereignty and natural resources, which can generate insights about the broader subject of natural resources and sovereignty.<sup>271</sup>

### 2.5.1 The single-case design

A critical case design is employed for this single case study. The single-case design may be adopted or significantly justifiable under five circumstances (but it is recognized that there could be more): (a) when it is a critical case in order to test or falsify a well-formulated theory; (b) when it is an extreme or unique case in order to provide opportunity to demonstrate a rare situation; (c) when it is a revelatory case in order to analyse a phenomenon that was previously inaccessible; (d) when it is a representative or typical case in order to represent a typical situation among many different situations; and (e) when it is a longitudinal case in order to study changes over time.<sup>272</sup> A single-case design for this study was selected because the context is a

---

<sup>267</sup> Ibid., 3–4.

<sup>268</sup> Henry Harder, ‘Explanatory Case Study’, in *Encyclopedia of Case Study Research*, ed. Albert Mills, Gabrielle Durepos, and Elden Wiebe (Thousand Oaks, CA: SAGE Publications, 2010), 370–71, <https://doi.org/10.4135/9781412957397>.

<sup>269</sup> Yin, *Case Study Research*, 28.

<sup>270</sup> Ibid., 42–46.

<sup>271</sup> I use the term ‘oil’ in this paper to refer both to oil and natural gas.

<sup>272</sup> Yin, *Case Study Research*, 39–42; John Gerring and Lee Cojocaru, ‘Selecting Cases for Intensive Analysis: A Diversity of Goals and Methods’, *Sociological Methods & Research* 45, no. 3 (August 2016): 393, <https://doi.org/10.1177/0049124116631692>.note: Eckstein identifies five species: configurative-idiographic, disciplined-configurative, heuristic, plausibility probes, and crucial-case; Gerring in 2007 and Seawright and Gerring in 2008 identify nine techniques: typical, diverse, extreme, deviant, influential, crucial, pathway, most-

critical case. Eckstein describes a crucial (or critical) case as one ‘that must closely fit a theory if one is to have confidence in the theory’s validity, or, conversely, must not fit equally well any rule contrary to that proposed.’<sup>273</sup> In the classical method, a case is crucial ‘if the facts of that case are central to the confirmation or disconfirmation of a theory.’<sup>274</sup> However, when a hypothesis is already well established in the theoretical literature, the purpose of the crucial case is to clarify the hypothesis rather than to confirm or disconfirm it.<sup>275</sup>

The purpose of this study is not to invalidate a general theory on the basis of a single case, but to elucidate mechanisms. Therefore, the link between natural resources and sovereignty-driven conflict is already well established. While this study is concerned with the causes of war, it specifically aims to shed light into the dynamics between natural resources and four dimensions of sovereignty. Existing research does not adequately answer the research questions that have been initially posed. Few scholars have looked deeply at the link between natural resources and sovereignty as a complex institution with various dimensions, and most of those who have focus on the recognized states’ two dimensions of sovereignty at the one-unit level of analysis.<sup>276</sup>

In this research, process-tracing is used as a methodological tool to examine the KRG as a case study of de facto statehood. This study will probe mechanisms between natural resources and sovereignty. Process tracing ‘involves close examination of the interplay between events and facts.’<sup>277</sup> It is used to ‘identify and study complex relations between variables, as well as focal points, the influence of expectations, and agent-structure relations.’<sup>278</sup> This thesis will explore how control over resources affected the KRG’s contested sovereignty. It will also

---

similar, and most-different; Lijphart proposes six case study types: a-theoretical, interpretative, hypothesis-generating, theory-confirming, theory-infirming, and deviant; Levy identifies four typologies of case study: idiosyncratic, hypothesis generating, hypothesis testing, and plausibility probes; Rohlfing identifies five case types—typical, diverse, most-likely, least-likely, and deviant and Haverland identify three explanatory approaches—covariational, process tracing, and congruence analysis.

<sup>273</sup> John Gerring, ‘Is There a (Viable) Crucial-Case Method?’, *Comparative Political Studies* 40, no. 3 (March 2007): 231, <https://doi.org/10.1177/0010414006290784>.

<sup>274</sup> Ibid.

<sup>275</sup> Ibid., 238–39.

<sup>276</sup> Reeves, ‘Resources, Sovereignty, and Governance’; Aparna Sundar and Nandini Sundar, ‘Introduction: Sovereignty, Development and Civil War’, in *Civil Wars in South Asia: State, Sovereignty, Development* (Los Angeles: SAGE Publications India Pvt Ltd, 2014).

<sup>277</sup> David Waldner, ‘Process Tracing and Causal Mechanisms’, in *The Oxford Handbook of Philosophy of Social Science*, ed. Harold Kincaid (Oxford: Oxford University Press, 2012), 69.

<sup>278</sup> Lupovici, ‘Constructivist Methods’, 202.

try to understand how contested sovereignty affected decision-making and strategies with regard to natural resources.

This case study design consists of five components: ‘(a) a study’s questions, (b) its propositions, if any, (c) its units of analysis, (d) the logic linking the data to the propositions and (e) the criteria for interpreting the findings.’<sup>279</sup> Unlike other research methods, case study designs lack a standard catalogue. Nevertheless, these five components mentioned above guide the researcher to generate preliminary theories and propositions about the topic of the study.<sup>280</sup> Contrary to survey methods, the case study design does not limit the number of variables of interest to be analysed.<sup>281</sup>

This case study has advantages and limitations like other types of research methods. The advantages of case study research outweigh its limitations. Yin retains that the main advantage of the case study is its capacity to offer a holistic view of an event or individual through the employment of variety of evidence such as interviews, documents, observations and artefacts. Therefore, a diversity of data collection methods can be utilized to understand the complexities of Kurdish natural resources (particularly oil and gas) and sovereignty.<sup>282</sup> The present study has fixed limits, which in turn will be able to control the boundaries of the research such as time and context to gain a full understanding of the KRG’s situation of oil and gas and sovereignty.<sup>283</sup> The case study offers greater research flexibility to the researcher in choosing from a range of research approaches.<sup>284</sup> A single or small number of cases allows the researcher to capture in-depth understanding of the case from multi perspectives and in a specific context.<sup>285</sup> As King et al. note:

One of the often overlooked advantages of the in-depth case-study method is that the development of good causal hypotheses is complementary to good description rather than competitive with it. Framing a case study around an explanatory question may lead to more focused and relevant description, even if the study is ultimately thwarted in its attempt to provide even a single valid causal inference.<sup>286</sup>

---

<sup>279</sup> Yin, *Case Study Research*, 21.

<sup>280</sup> Ibid., 28.

<sup>281</sup> Robert K. Yin, *Case Study Research and Applications: Design and Methods*, Sixth edition (Los Angeles: SAGE, 2018), 15.

<sup>282</sup> Yin, *Case Study Research*, 8.

<sup>283</sup> Yin, *Case Study Research and Applications*, 30,286.

<sup>284</sup> Yin, *Case Study Research*, 55.

<sup>285</sup> Yin, *Case Study Research and Applications*, 127.

<sup>286</sup> Gary King, Robert O. Keohane, and Sidney Verba, *Designing Social Inquiry: Scientific Inference in Qualitative Research* (Princeton, N.J: Princeton University Press, 1994), 45.

Academics advocate that case studies might still provide deeper understanding of the phenomenon within its context: ‘Sometimes, in-depth knowledge of an individual example is more helpful than fleeting knowledge about a larger number of examples. We gain better understanding of the whole by focusing on a key part.’<sup>287</sup>

Though this case study method has three major limitations such as construct validity, internal validity and external validity, they can be eliminated. Construct validity is especially problematic in the case study method. It has faced a lot of criticism due to the role of the investigator’s subjectivity. Yin proposes three ways of ensuring and testing construct validity through using multiple sources of evidence, establishing a chain of evidence and having key informants to review the results of the case study.<sup>288</sup> Internal validity is a matter only in causal or explanatory case studies. To increase internal validity, pattern matching, explanation building, addressing rival explanations, and using logic models can be used.<sup>289</sup>

The third and arguably most prominent critique of case studies in this area relate to single-case studies is the issue of external validity or generalizability. The critical question is ‘how can you generalize from a single-case study?’ Yin responds that case studies, similar to experiments, are generalizable to theoretical propositions rather than to populations or universes. Therefore, the case study and the experiment do not represent ‘samples.’ Instead, the goal of the case study research is to ‘expand and generalize theories (analytic generalizations) and not to extrapolate probabilities (statistical generalizations).’<sup>290</sup> Hence, the goal of this single case study is to generalize rather than particularize.<sup>291</sup> Moreover, the goals of generality and particularity are not, however necessarily mutually exclusive. As King et al. argue:

Generalization, however, does not eliminate the importance of the particular. In fact, the very purpose of moving from the particular to the general is to improve our understanding of both....In addition, we almost always learn more about a specific case by studying more general conclusions...where possible, social science research should be both general and specific: it should tell us something about classes of events as well as about specific events at particular places...the best way to

---

<sup>287</sup> John Gerring, *Case Study Research: Principles and Practices* (New York: Cambridge University Press, 2006), 1.

<sup>288</sup> Yin, *Case Study Research*, 35–36.

<sup>289</sup> *Ibid.*, 36.

<sup>290</sup> Yin, *Case Study Research and Applications*, 21.

<sup>291</sup> *Ibid.*



understand a particular event may be by using the methods of scientific inference also to study systematic patterns in similar parallel events.<sup>292</sup>

It is also important to situate this single case study in a comparative perspective through entangling it within the current research literatures of sovereignty and natural resources. As George and Bennett note, ‘single case studies take place within the context of ongoing research programs, so that studies of single cases may draw comparisons to existing studies; thus, ‘the community of scientists,’ rather than the ‘individual researcher’ is the relevant context in which to judge case selection.’<sup>293</sup> Rueschemeyer makes a similar point:

[T]he [case] studies that have yielded the most analytic insight were informed by intensive advance theoretical reflection... Such reflection not only shapes the questions and the premises of the case analysis, it also links them to earlier scholarship and thus to analytic work on other instances of the issue under investigation.<sup>294</sup>

This in-depth study of the Kurdistan Region of Iraq is part of a clearly defined universe of cases, of explaining the mechanism linking natural resources and sovereignty, such as works of Graf, Reeves, Bovensiepen and Nygaard-Christensen, Dutton, Halverson and Renger.<sup>295</sup>

### **2.5.2 The KRG as a crucial case for the theoretical framework**

It is important to elaborate on why the Kurdistan Region of Iraq is the crucial case study to illustrate the mechanisms linking natural resources and sovereignty. The KRG’s natural resources and its contested sovereignty can be seen as a ‘crucial case’ for the general theoretical framework. Thus, positioning an in-depth analysis of the de facto state is a strong test for the theoretical claims.

Unlike most of the de facto states, the KRG is chosen as crucial case because oil is always an essential factor in determining the sovereignty of Kurds, particularly since the First World War to the present time. Oil had prevented the Kurds from achieving external

---

<sup>292</sup> King, Keohane, and Verba, *Designing Social Inquiry*, 35,43.

<sup>293</sup> Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences*, BCSIA Studies in International Security (Cambridge, Mass: MIT Press, 2005), 80.

<sup>294</sup> Dietrich Rueschemeyer, ‘Can One or a Few Cases Yield Theoretical Gains?’, in *Comparative Historical Analysis in the Social Sciences*, ed. James Mahoney and Dietrich Rueschemeyer, Cambridge Studies in Comparative Politics (Cambridge, U.K.: Cambridge University Press, 2003), 317.

<sup>295</sup> Rüdiger Graf, *Oil and Sovereignty: Petro-Knowledge and Energy Policy in the United States and Western Europe in the 1970s*, First Edition (New York: Berghahn Books, 2018); Reeves, ‘Resources, Sovereignty, and Governance’; Judith Bovensiepen and Maj Nygaard-Christensen, ‘Petroleum Planning as State Building in Timor-Leste’, *The Asia Pacific Journal of Anthropology* 19, no. 5 (20 October 2018): 412–31, <https://doi.org/10.1080/14442213.2018.1513060>; Peter Dutton, ‘Three Disputes and Three Objectives—China and the South China Sea’, *Naval War College Review* 64, no. 4 (2011); Halverson, ‘Small State With A Big Tradition: Norway Continues Whaling At The Expense Of Integration And Nordic Cooperation’; Renger, ‘The Middle East Peace Process: Obstacles to Cooperation over Shared Waters’.

sovereignty in the 1920s. The British decided to incorporate the Kurds into British-controlled Iraq literally due to the discovery of large reserves of crude. As the historian William R. Polk writes:

What would ultimately determine the fate of Kurdistan had little to do with the Kurds; it would be decided by the fact that a huge deposit of oil was known to exist in what might have become a separate Kurdish state rather than British-controlled Iraq. The Treaty of Lausanne, signed July 24, 1923, recognized the Turkish state but made no mention of the Kurds. Oil made Kurdistan Iraqi.<sup>296</sup>

Successive Iraqi governments deliberately neglected the development of the oil sector in the territory of the Kurds in order to undermine any attempt by the Kurds to secure their domestic sovereignty and to defeat their struggle for national self-determination. In the words of KRG president Massoud Barzani:

[E]ver since the discovery of oil in Iraq in the 1920s, successive Iraqi governments have sought to keep oil out of Kurdish hands, blocking exploration and development of fields in Kurdistan. Saddam Hussein's government went even further, using Iraqi oil revenues to finance the military campaigns that destroyed more than 4,500 Kurdish villages and to pay for the poison gas used to kill thousands of Kurdish civilians.<sup>297</sup>

This highlights that how oil became so clearly associated with control over territory, sovereignty and independence. Although the Kurds have increasingly moved toward the creation of a de facto state since the end of the 1991 Gulf War, they could not exploit their oil resources because they had faced a double embargo: the UN imposed an embargo on Iraq, while an internal embargo against the Kurdistan Region was maintained by its parent state, Iraq.<sup>298</sup> Nevertheless, after the fall of Saddam Hussein's regime in 2003, the Kurdish leaders attempted to consolidate their domestic sovereignty by controlling their own oil and gas for their advantages. This bid is obvious in the Transitional Administrative Law (TAL) negotiations of 2004 and the constitution of 2005.

---

<sup>296</sup> William R. Polk, *Understanding Iraq: A Whistlestop Tour from Ancient Babylon to Occupied Baghdad* (London: Tauris, 2005), 82–83; to understand other reasons why the British linked the Kurds to the British-controlled Iraq, see also Habibollah Atarodi, *Great Powers, Oil and the Kurds in Mosul: Southern Kurdistan/Northern Iraq, 1910–1925* (Lanham, MD: University Press of America, 2003); Voller, *The Kurdish Liberation Movement in Iraq*, 43.

<sup>297</sup> Masoud Barzani, 'Kurdistan Is a Model for Iraq', *Wall Street Journal*, 12 November 2008, sec. Opinion, <https://www.wsj.com/articles/SB122645258001119425>.

<sup>298</sup> Thomas Strouse, 'Dependent Aspirations: The Oil Policies of the Kurdistan Regional Government' (Master's Thesis, The Institute for Middle East Studies, The Elliott School of International Affairs, The George Washington University, 2010), 4.

While there are several other potential cases, the KRG has been chosen due to the following reasons. In contrast to most de facto states, the Kurdistan Region Ministry of Natural Resources (MNR) estimates the reserves at 45 billion barrels of oil and at 5.67 trillion cubic meters of natural gas.<sup>299</sup> Although the KRG is a de facto state, its reserves would rank it 10th in the world, behind Libya.<sup>300</sup> Moreover, the Kurdistan Regional Parliament passed the first draft of a regional Petroleum Law in June 2007 to attract upstream oil and gas investment to the Region.<sup>301</sup> Meanwhile, Somaliland has no proven oil reserves yet because it is still in the stage of exploration.<sup>302</sup> As Hon Jama Mohamoud Egal, the Minister of Energy and Mineral Resources for Somaliland, states, ‘The oil is there, it is just a matter of when we get it.’<sup>303</sup> Somaliland has so far neither formulated a legislation for the upstream petroleum sector.<sup>304</sup> The KRG is the first de facto state that not only completed its own new oil pipeline, but also commenced sending oil to the Turkish port of Ceyhan or international market without the approval of its parent state since the end of 2013.<sup>305</sup> Nevertheless, South Sudan, which was a de facto state before gaining independence in 2011, contains most oilfields, but it is landlocked and remains dependent on Sudan (its parent state)’s export pipelines and Red Sea export terminal, and refineries.<sup>306</sup>

---

<sup>299</sup> The estimates of the MNR include unproved resources and exploration potential; ‘The Road to 1 Million Barrels’, *MNR*, 2013, <http://mnr.krg.org/index.php/en/the-road-to-1-million-barrels>; Regarding no consensus on KRI’s estimated oil and gas reserves, see Robin Mills, *Under the Mountains: Kurdish Oil and Regional Politics* (Oxford: Oxford Institute for Energy Studies, 2016), 17–18, <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/02/Kurdish-Oil-and-Regional-Politics-WPM-63.pdf>.

<sup>300</sup> Brian Swint, ‘New Oil Pipeline Boosts Iraqi Kurdistan, the Region Made of Three Northern Provinces’, *Washington Post*, 13 June 2014, sec. Business, [https://www.washingtonpost.com/business/new-oil-pipeline-boosts-iraqi-kurdistan-the-region-made-of-three-northern-provinces/2014/06/12/50635600-ef30-11e3-bf76-447a5df6411f\\_story.html](https://www.washingtonpost.com/business/new-oil-pipeline-boosts-iraqi-kurdistan-the-region-made-of-three-northern-provinces/2014/06/12/50635600-ef30-11e3-bf76-447a5df6411f_story.html).

<sup>301</sup> ‘Petroleum Law of the Kurdistan Region–Iraq’ (KRG, 29 June 2007), [http://previous.cabi-net.gov.krd/pdf/2\\_English\\_Version\\_Kurdistan\\_Petroleum\\_Law.pdf](http://previous.cabi-net.gov.krd/pdf/2_English_Version_Kurdistan_Petroleum_Law.pdf).

<sup>302</sup> Pegg, ‘Oil to Cash in Somaliland’, 620.

<sup>303</sup> Greg Mills, Marie Noelle Nwokolo, and Ray Hartley, ‘Somaliland: New Ways of Doing Things in a Rough Neighbourhood’ (The Brenthurst Foundation, 2019), 9, <http://thebrenthurstfoundation.org/workspace/files/tbf-somaliland-paper-2019-08.pdf>.

<sup>304</sup> Mohamed A Mohamoud, ‘Somaliland’s Oil and Gas Exploration Attempt: Prospects of Opportunities and Challenges’, *Recent Advances in Petrochemical Science* 4, no. 4 (22 March 2018), <https://doi.org/10.19080/RAPSCI.2018.04.555645>.

<sup>305</sup> Mills, *Under the Mountains*, 12.

<sup>306</sup> Jill Shankleman, ‘Oil and State Building in South Sudan’ (The United States Institute of Peace, July 2011), 1, <https://www.usip.org/publications/2011/07/oil-and-state-building-south-sudan>.

## 2.6 Research methodology

Although case studies may involve both qualitative and quantitative research methods, only qualitative methods are used for this case study. This research uses multiple sources of evidence (triangulation) that come from two sources such as semi-structured interviews and documents of various forms. This ‘data triangulation’ helps to improve construct validity of this case study and allows the researcher to corroborate the same fact or finding.<sup>307</sup> The triangulation offers the opportunity to the researcher to obtain ‘multiple measures of the same phenomenon.’<sup>308</sup>

Both primary and secondary sources will be included in this case study. The main primary source will be the data collected directly by the researcher from the qualitative interviews. Interviews were an integral part of researching for this research. Semi-structured interviews will be conducted with relevant Kurdish elites who will provide insights into decision-making processes regarding the KRG’s natural resources. Interviews will be subsequently examined, categorized, tabulated and tested. Official documents, speeches, manuscripts, letters, legal documents and statistics will be used to obtain information on the link between KRG’s oil and its sovereignty and to support the overall argument and conclusions reached.

This study will also analyse secondary sources such as books, articles in journals and magazines published by well-informed academics on the oil and sovereignty issues of the Kurdistan Region of Iraq. Online articles in well-known newspapers and magazines will also offer excellent sources of data for this research. Moreover, this research will extensively use research articles, policy papers, summaries of events, reports and publications by various think tanks, research institutions and governmental and non-governmental organizations.

### 2.6.1 Interviews

The literature provides three main types of interviews that researchers could depend on to obtain data for their studies, which are structured, semi-structured, and unstructured interviews.<sup>309</sup> This study adopts the semi-structured interview, which has a general framework of themes to be explored by preformulated, usually open-ended, questions that may be expanded as the

---

<sup>307</sup> Yin, *Case Study Research*, 99.

<sup>308</sup> Ibid.

<sup>309</sup> Akan Malici and Elizabeth S. Smith, eds., *Political Science Research in Practice* (New York: Routledge, 2019).

situation warrants.<sup>310</sup> A list of questions will be prepared regarding this case study prior to conducting interviews. During the interview, main questions will be covered and interviewees will be allowed to express their thoughts on the topic of discussion. Elite interview will be adopted for this case study because it is seen as a crucial method in the fields of political science and international relations research.<sup>311</sup> Four key objectives will be obtained when conducting elite interviews. First, the data obtained from the interviewees can corroborate or confirm the robust findings gathered from other existing sources. Second, the data from elite interviewees can also disclose new information about the research topic. Third, gathering information from a sample of elites can be used to make generalizable claims about all elites' beliefs or actions.<sup>312</sup> Finally, elite interviews can help the researcher to reveal causal processes of this case study. As Tansey claims:

Through direct and focused questioning, researchers can reconstruct political episodes on the basis of the respondents' testimonies, stitching together various accounts to form a broader picture of a complex phenomenon. Elite interviews can shed light on the hidden elements of political action that are not clear from an analysis of political outcomes or other primary sources. By interviewing key participants in the political process, analysts can gain data about the political debates and deliberations that preceded decision making and action taking, and supplement official accounts with first-hand testimony.<sup>313</sup>

Although a 'probability sampling' method is noteworthy, it will not be applicable for this study because it is difficult to conduct qualitative in-depth interviews with a wider population of elite interviewees. Rather, it will be more applicable in this research to adopt a 'non-probability sampling' method, which hangs on the availability of the interviewees and their high level of knowledge of the topic.<sup>314</sup> Tansey refers to these two types of non-probability sampling as 'convenience sampling' and 'purposive sampling' as these give the researcher more flexibility to use and choose available and knowledgeable interviewees that fit the purpose of the research.<sup>315</sup> With regard to the purposive sampling, it is important to note that the researcher will select elites on the basis of their high level of knowledge of the topic of the links between oil and contested sovereignty in the Kurdistan Region rather than on their high political, social or economic positions. As the researcher reaches a point that 'there are people out there who

---

<sup>310</sup> Ibid.

<sup>311</sup> See: Oisín Tansey, 'Process Tracing and Elite Interviewing: A Case for Non-Probability Sampling', *PS: Political Science & Politics* 40, no. 04 (October 2007): 765–72, <https://doi.org/10.1017/S1049096507071211>.

<sup>312</sup> Ibid., 766.

<sup>313</sup> Ibid., 766–67.

<sup>314</sup> Tansey, 'Process Tracing and Elite Interviewing'.

<sup>315</sup> Ibid., 769–70.

know more about your subject than you do.’<sup>316</sup> In this regard, it is acknowledged that there is a plethora of people who can be considered as elites in their fields because of their insider-knowledge of the issue of topics relevant to this study and their experience in the KRG, which can generate value insights about the broader subject of oil and sovereignty.

I conducted 11 semi-structured interviews with officials, senior members of political parties, academics and local and foreign experts (see Appendix1). Examples of the interviewees include Falah Mustafa Bakir, the former Head of the Department of Foreign Relations for the KRG, Ahmed Mufti, Deputy Minister of Natural Resources, and Sherko Jawdat Mustafa, former Chairman of the Parliament’s Industry, and Natural Resources Committee. I asked 10 semi-structured questions to the interviewees during the interview time (see Appendix 2). Although I tried to conduct face-to-face interviews in early 2020 and 2021, I finally carried out remote interviews due to the social distancing measure to prevent the spread of COVID-19.<sup>317</sup> Interviews were largely conducted via video call during September 2021-February 2022, and lasted between 45 minutes to one hour. Only one interview was conducted face-to-face in Sulaimani city of the KR. I recorded the interview with the informed consent of the interviewees, but two members wanted not to be recorded. Only one interviewee wanted to be anonymous. Furthermore, few elites wanted to check their quotations or paraphrasing before I use them. The interviews were largely conducted in English. I translated three interviews from Kurdish to English without external efforts. I destroyed the audio recordings after transcription.

It is important to remark that while there is sufficient data about the KRG’s energy relations with Turkey and the US, there is much less information about those with Iran, Russia, and Israel. Although I attempted to obtain information from interviewees regarding the KRG’s energy ties with these states, I only received information that is already public knowledge.

To analyse the interview data, the interviews were incorporated into this case study by adding direct quotations, by paraphrasing what the elites have said, or by summarising ideas. Thus, the purpose of the elite interview is not simply to look for standardized data. Rather, it attempts to obtain four key objectives as discussed above.

---

<sup>316</sup> Robert L. Peabody et al., ‘Interviewing Political Elites’, *PS: Political Science and Politics* 23, no. 3 (September 1990): 452, <https://doi.org/10.2307/419807>.

<sup>317</sup> I was advised by the school not to conduct face to face interviews due to COVID-19 pandemic. See also Tansey, ‘Process Tracing and Elite Interviewing’.

Lastly, relating to the issue of my positionality as an oil and gas researcher for the International Consulting Group and a Kurd with deep cultural links to many of elites being interviewed, I am able to grasp the world from their perspective and to observe events from their point of view. Furthermore, I made every effort to maintain objectivity and reduce subjectivity while collecting and analysing the data. Throughout the interviews, I did my best to maintain objectivity. In order to increase reliability, I interviewed elites from a variety of professions and political backgrounds. This allowed me to collect data from a variety of sources.

### **Chapter 3. The question of oil prior to 2003**

This chapter provides a detailed review of the Kurdish national liberation movement in Iraq with regard to the question of oil. It focuses on the impact of oil resource on the sovereignty of the movement's national liberation in Iraq. The first section covers mainly the period between 1918 and 1991. It primarily aims to make the case that even before the formation of the de facto state, the sovereignty conflict over the control of natural resources between subsequent Iraqi governments and the Kurdish national movement had already taken place. This is a crucial component of the overall thesis. The second section starts during the first decade of the existence of the Kurdish de facto state. It examines the role of the illicit oil trade, as a main source of wealth, in the initial processes of de facto state-building. Furthermore, it examines the role the illicit oil trade in the Kurdish civil war (1994-1997). It argues that contention over the division of oil smuggling-generated revenue was the main cause of Kurdish infighting, which seriously endangered the domestic sovereignty and devastated the already weak international legitimacy of the Kurdish de facto state. The introduction of the Oil for Food Programme as well as other forms of international aid played an important role in ending Kurdish infighting. This section also surveys challenges facing the early stage of the Kurdish de facto state with regard to the exploitation of natural resources. Finally, this chapter sets the stage for better understanding of the links between natural resources and sovereignty in the later chapter.

#### **3.1 Oil: the incorporation of the vilayet of Mosul into the kingdom of Iraq**

The British forces occupied the Ottoman vilayets (provinces) of Basra and Baghdad during World War I. The British officials offered Sharif Hussein bin Ali of Mecca an independent Arab state (the provinces that later became modern Iraq) if he would help the British fight against the Ottomans. The predominantly Kurdish-populated vilayet of Mosul was not mentioned in this agreement.<sup>318</sup> But it became increasingly significant due to its strategic location and the geopolitical value of newly discovered hydro-carbon reserves near to the city of Kirkuk.<sup>319</sup> Kurds also fought alongside with the British against the Ottomans. The British

---

<sup>318</sup> Nader Entessar, *Kurdish Politics in the Middle East*, Rev. ed (Lanham: Lexington Books, 2010), 67–68.

<sup>319</sup> Gareth R. V. Stansfield, 'The Kurdish Question, in Iraq 1914–1974', in *Middle East Online*, 2 (Iraq: Cengage Learning EMEA Ltd, Reading, 2006), 1, [https://www.gale.com/binaries/content/assets/au-resources-in-product/iraqessay\\_stansfield.pdf](https://www.gale.com/binaries/content/assets/au-resources-in-product/iraqessay_stansfield.pdf).



occupied Kirkuk in May 1918, resulting in the surrender of the Ottomans at Mudros in October 1918. Like the Arabs, the Kurdish leaders anticipated compensation for their role in the war.<sup>320</sup>

The aborted Treaty of Sèvres signed in August 1920 in which Article 62 provided for ‘local autonomy for the predominantly Kurdish area’ and Article 64 even looked forward to the possibility that ‘the Kurdish peoples’ might be granted ‘independence from Turkey.’<sup>321</sup> However, this situation was totally changed by the recovery of the Turkish forces under the leadership of General Mustafa Kemal Atatürk, oddly with significant Kurdish support since Turks utilized a sacred slogan calling for Islamic unity. The Treaty of Sèvres never became a reality and was replaced by the 1923 Treaty of Lausanne, which formed the modern state of Turkey without any mention of a Kurdish state.<sup>322</sup> As a result, all the Kurdish regions were divided by the Syrian, Iranian, Iraqi and Turkish states. Northern Kurdistan (i.e. the Kurdish areas north of the Mosul vilayet) was incorporated into Turkey and the Mosul vilayet came under the de facto control of British-mandated Iraq (See Figure 1).<sup>323</sup>



Figure 1. Map of the Mosul vilayet. Source: P.E.J.Bomli, *L’Affaire de Mossoul*, 1929

<sup>320</sup> David L Phillips, *The Great Betrayal: How America Abandoned an Ally in the Middle East* (London: I.B. Tauris & Co. Ltd, 2019), 12.

<sup>321</sup> ‘The Treaties of Peace, 1919-1923’ (New York: Carnegie Endowment for International Peace, 1924), [https://www.lib.byu.edu/index.php/Section\\_I\\_Articles\\_1\\_-260](https://www.lib.byu.edu/index.php/Section_I_Articles_1_-260).

<sup>322</sup> Michael M. Gunter, ‘Unrecognized De Facto States in World Politics: The Kurds’, *Brown Journal of World Affairs*, no. 20.2 (2014): 165.

<sup>323</sup> Stansfield, ‘The Kurdish Question’, 2; P.E.J Bomli, *L’Affaire de Mossoul* (Amsterdam: H.J. Paris, 1929).

Oil was the main reason for the British to incorporate the vilayet of Mosul into the Kingdom of Iraq. The Treaty of Lausanne failed to resolve the dispute between Turkey and Great Britain and its mandate Iraq over the vilayet of Mosul or what became Iraqi Kurdistan. In 1926, the Council of the League of Nations resolved the British–Turkish dispute over the vilayet and decided to attach the mainly Kurdish-populated vilayet of Mosul to Iraq.<sup>324</sup> There were several reasons why the British incorporated the vilayet of Mosul into the kingdom of Iraq. First, oil was a main crucial factor as extremely rich oil deposits existed in the Mosul vilayet.<sup>325</sup> Therefore, Britain kept the vilayet with Iraq for the sake of its oil policy. Oil gradually replaced coal as the Royal Navy’s fuel of choice.<sup>326</sup> Britain had been willing to yield ‘half the Anglo-Persian Oil Company’s 70 per cent holding in Mosul to Standard Oil to get US support for Britain retaining Mosul in 1923.’<sup>327</sup> The richness of Southern Kurdistan, particularly its potential oil fields not only would serve the British oil policy, but also modern Iraq economically and strategically. Lord Curzon, a British Foreign Secretary from 1919 to 1924, advocated that ‘the mandated territory must include Mosul, since there is no suitable physical boundary between Mosul and the Persian Gulf ... oil-bearing regions of Mosul are essential to the revenues on which the future development of the whole country will depend.’<sup>328</sup> Similarly, Faisal, a son of Sharif Hussain of Mecca, as King of Iraq believed that the vilayet was an integral part of Iraq and stated its importance in 1924, ‘I consider that it is impossible, both strategically and economically, for a government in Baghdad to live if Mosul is detached ... Nor can a real life be hoped for the people of Iraq without Mosul ... Mosul is to Iraq as the head to the rest of body.’<sup>329</sup> This demonstrates that Iraq would not be a viable state politically, strategically and economically without the inclusion of southern Kurdistan. Strategically, the

---

<sup>324</sup> Michael M. Gunter, *Historical Dictionary of the Kurds*, Historical Dictionaries of Peoples and Cultures, no. 1 (Lanham, Md: Scarecrow Press, 2004), 100, 125.

<sup>325</sup> Stansfield, ‘The Kurdish Question’, 2; Marianna Charountaki, *The Kurds and US Foreign Policy: International Relations in the Middle East since 1945*, 31 (London: Routledge, 2011), 41.

<sup>326</sup> Stansfield, ‘The Kurdish Question’, 2.

<sup>327</sup> David McDowall, *A Modern History of the Kurds* (London: Tauris, 2004), 143; The Frontier Treaty of the United Kingdom and Iraq and Turkey was signed on June 5, 1926 to incorporate the Mosul vilayet into Iraq. In return for Turkey’s supposed territorial loss, Iraq would pay Turkey a 10% commission from the vilayet’s oil revenue for the next twenty-five years. See: J. C Hurewitz, *Diplomacy in the Near and Middle East: A Documentary Record: 1914-1956*, vol. 2 (New York: Van Nostrand, 1958), 146.

<sup>328</sup> Reidar Visser, *Basra, the Failed Gulf State Separatism and Nationalism in Southern Iraq*, Politik 22 (Münster: Lit-Verl, 2005), 66.

<sup>329</sup> Adel Soheil, *Territory, State and Nationalism: Anglo-Iraqi Policy Toward the Kurdish National Movement, 1918-1932* (Stockholm, Sverige: Books on Demand, 2018), 227.

geographic position of Kurdish mountain ranges would be considered as a barrier to the potential Turkish threat towards the modern Iraq and British interests in the region.<sup>330</sup>

Second, it would reduce British military expenditures. World War I had caused considerable financial difficulties for Britain and exhausted the British treasury. Thus, the British were financially incapable of deploying a British Army permanently in a possible separate Kurdish state. In other words, it would be far less costly for Britain to defend Iraq's alluvial plain, and its oil fields rather than the natural barrier of southern Kurdistan's mountains.<sup>331</sup> Finally, the annexation of the predominantly Sunni Kurds of the Mosul vilayet to Iraq would change demography and increase the number of Sunnis. This would allow King Faisal to keep the regime through maintaining a balance between the Sunni Kurds in north Iraq, Sunni Arabs in the centre and Shiite Arabs in the south.<sup>332</sup> Oil was the crucial factor, among other above-mentioned factors, to prevent Kurds from achieving full sovereignty. Oil interests not only made Britain, but also the US and Europeans withdraw their support for the creation of an independent Kurdish state. In the words of a 1979 CIA report:

Although British foreign policy was not actively hostile to Kurdish desires for autonomy, the discovery of oil in southern Iran and the possibility that oil was also present in northern Iraq [southern Kurdistan] worked against British support of an independent Kurdistan. The discovery oil in 1927 near Kirkuk in a concession held by U.S. and European oil interests acted to limit Western sympathy for the Kurdish independence movement.<sup>333</sup>

It was politically convenient for Britain to share the Mosul vilayet's oil with American, French and Dutch companies. Furthermore, the great power competition over oil in Iraq and southern Kurdistan made Gertrude Bell, the British writer, explorer, spy and political officer who helped shape modern Iraq, complain, 'Oil is the trouble of course—detestable stuff.'<sup>334</sup> Anderson and Stansfield contend that Britain might have advocated the creation of an independent and sovereign state of Kurdistan if oil would not have been discovered in Kirkuk:

---

<sup>330</sup> Peter J. Beck, "'A Tedious and Perilous Controversy': Britain and the Settlement of the Mosul Dispute, 1918-1926", *Middle Eastern Studies* 17, no. 2 (April 1981): 257, <https://doi.org/10.1080/00263208108700471>.

<sup>331</sup> Stansfield, 'The Kurdish Question', 2–3.

<sup>332</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 43; to understand British policy towards the Mosul Vilayet or south Kurdistan, see: Hawkar Jalil, 'The British Administration of South Kurdistan and Local Responses, 1918-1932' (PhD diss, University of Leicester, 2017); Ranjdar Azeez Al-Jaf, 'British Policy Towards the Government of the Mosul Vilayet, 1916-1926' (PhD diss, University of Leicester, n.d.).

<sup>333</sup> 'The Kurdish Problem in Perspective', Research Paper (National Foreign Assessment Center (U.S. Central Intelligence Agency), June 1979), 7, [https://www.cia.gov/library/readingroom/docs/DOC\\_0000854674.pdf](https://www.cia.gov/library/readingroom/docs/DOC_0000854674.pdf).

<sup>334</sup> Janet Wallach, *Desert Queen: The Extraordinary Life of Gertrude Bell: Adventurer, Adviser to Kings, Ally of Lawrence of Arabia*, Anchor Books ed (New York: Anchor Books, 2005), 322–33.

To emphasize the importance of oil in the story of Kirkuk, it is worth briefly reconsidering Kirkuk's modern political history by imagining a scenario without oil. If the underlying geology of the province had contained water aquifers instead of oil fields, it is unlikely that the enforced population movements caused by the policy of Arabization would have taken place, while the democratic issues that are now so problematic to resolve would have been of a different, lesser magnitude. This counterfactual 'Kirkuk without oil' scenario warrants developing a little more deeply. It is possible, for example, that in the aftermath of World War I and the occupation of Kirkuk following the signing of the Mudros Armistice in 1918 that the British would have supported the creation of a Kurdish state – even extending northward of the current Iraqi border to Lake Van, deep into Anatolia. However, as it became more apparent that unknown but probably vast amounts of oil lay underneath Kirkuk, the British position toward the Mosul vilayet changed, which is one of the reasons it was incorporated into the Kingdom of Iraq.<sup>335</sup>

Kurds had been claiming the Kirkuk city and its surrounding areas as an inseparable part of the ancestral homeland of Kurdistan through ages. Manifestly, Kirkuk had previously been the capital of a flourishing Kurdish emirate. After World War I, Kirkuk's oil industry became the major conflict between the Iraqi Kurdistan and Iraqi governments.<sup>336</sup> For the Kurds, the control of Kirkuk's oil was indispensable if they were to gain full sovereignty and autonomy or domestic sovereignty from the rest of Iraq.<sup>337</sup> Many Kurds including Mulla Mustafa Barzani would later hope to include the oil-rich Kirkuk within their autonomous Kurdish region of Iraq as its capital.<sup>338</sup> Oil was first discovered around the city of Kirkuk in the early 1920s, but the first export of crude oil from Kirkuk began in 1934 and its oil production averaged 4 million tons in 1935, putting Iraq in the club of main oil exporting countries.<sup>339</sup> For the Iraqi nationalist Arabs, Kirkuk became the most important and sensitive economic centre for Iraq. Despite that, it was also evident for them that Kirkuk was not an 'Arab' city.<sup>340</sup> During the early 1920s, the first de-Kurdification or Arabization policy began and attempts were made to change the demography of the Kirkuk region by bringing large numbers of Arab, Assyrian and Armenian workers from outside Kirkuk and displacing local Kurds and Turcomans.<sup>341</sup> In other words, it

---

<sup>335</sup> Liam D. Anderson and Gareth R. V. Stansfield, *Crisis in Kirkuk: The Ethnopolitics of Conflict and Compromise*, National and Ethnic Conflict in the 21st Century (Philadelphia, Pa: University of Pennsylvania Press, 2009), 23.

<sup>336</sup> Ibid., 24–26.

<sup>337</sup> Kerim Yildiz, *The Kurds in Iraq: Past, Present and Future*, Rev. ed (London: Pluto: Kurdish Human Rights Project, 2007), 203.

<sup>338</sup> McDowall, *A Modern History*, 333; Anderson and Stansfield, *Crisis in Kirkuk*, 26.

<sup>339</sup> Nouri Talabany, 'Iraq's Policy of Ethnic Cleansing: Onslaught to Change National/Demographic Characteristics of the Kirkuk Region', *London*, unpublished paper, 1999, 11, <https://www.kurdipecta.org/files/books/2013/87924.PDF?ver=130286343280814632>.

<sup>340</sup> Anderson and Stansfield, *Crisis in Kirkuk*, 30.

<sup>341</sup> Talabany, 'Iraq's Policy of Ethnic Cleansing: Onslaught to Change National/Demographic Characteristics of the Kirkuk Region', 11.

was the ethnic cleansing of native Kurds from parts of the Kirkuk region. This policy would later help the Iraqi government to assert its sovereignty over the Kirkuk region and its oil fields.

Once the League of Nations decided the incorporation of Southern Kurdistan into Iraq and offered a special position to the Kurds in 1926, the Kurds believed that Britain protected their rights in the newly created nation state of Iraq. However, the Kurdish anxiety began again about how the Iraqi government would treat them when it was obvious that Iraq would attempt to enter the League of Nations and gain its independence from Britain in 1929.<sup>342</sup> Furthermore, when Iraq gained its independence and joined the League as an independent state in 1932, Kurds accused the League of Nations, Britain and Iraq of failing to implement the League of Nations requirements of 1926.<sup>343</sup> All led to a series of uprisings such as the Sheikh Mahmud uprising in March 1931 and Barzani uprisings of 1931-1932 and 1943-1945. After the final defeat of Sheikh Mahmud in 1931, Sheikh Ahmed Barzani and his brother Mulla Mustafa Barzani continued to fight. The final defeat of Sheikh Mahmud might be associated with the premise that Sheikh Mahmud became a threat to British oil interests as he attempted to control the oil fields of Kirkuk.<sup>344</sup> Thus, the Kurdish leaders were aware that the control of Kirkuk's oil fields was economically and politically crucial in their quest for sovereignty. Iraqi forces with the help of the British Royal Air Force were able to overcome the revolts of the two Barzani brothers.<sup>345</sup> After the two brothers were captured in Mosul in 1933, they were transferred to various cities in Iraq and finally exiled to Sulaimaniya.<sup>346</sup> When Mulla Mustafa Barzani escaped from Sulaimaniya in 1943, he began his revolt until 1945 when he was forced to flee to Iran. Mulla Mustafa's arrival in the Kurdish region of Iran placed together with the formation of the short-lived Kurdish Republic of Mahabad.<sup>347</sup> After he was exiled to the Soviet Union following the collapse of the Republic, the new Kurdish (later Kurdistan) Democratic Party

---

<sup>342</sup> Stansfield, 'The Kurdish Question', 3.

<sup>343</sup> Aram Rafaat, 'The 1926 Annexation of Southern Kurdistan to Iraq: The Kurdish Narrative', *American Research Journal of History and Culture* 3, no. 1 (2017): 5, <https://doi.org/10.21694/2379-2914.17002>; McDowall, *A Modern History*, 171–74.

<sup>344</sup> Ashley Jackson, *Persian Gulf Command. A History of the Second World War in Iran and Iraq* (New Haven: Yale University Press, 2018), 282.

<sup>345</sup> Aram Rafaat, *Kurdistan in Iraq: The Evolution of a Quasi-State*, Routledge Studies in Middle Eastern Democratization and Government (London; New York: Routledge, Taylor & Francis Group, 2018), 70–73; Stansfield, 'The Kurdish Question, in Iraq 1914–1974,' 3.

<sup>346</sup> Massoud Barzani and Ahmed Ferhadi, *Mustafa Barzani and the Kurdish Liberation Movement (1931-1961)* (New York: Palgrave Macmillan, 2003), 37,41,43.

<sup>347</sup> Yildiz, *The Kurds in Iraq*, 16.

founded in Iraq on 16 August 1946, elected Ibrahim Ahmed (the father-in-law of Jalal Talabani) as secretary-general with Mulla Mustafa Barzani as its president in exile.<sup>348</sup>

Kurds in Iraq, in many respects, faced a difficult period during the 1950s due to socio-economic developments, which were mainly caused by the increased wealth generated by the petroleum industry. Additionally, Iraq's oil wealth did not trickle down to the lower echelons of society and caused the migration of rural workers towards the cities as they attempted to find employment in the petroleum industry or in cities.<sup>349</sup> The KDP in its 1953 agenda requested the nationalization of oil and attached a demand for a fair share of oil revenue and heavy industry. However, the visible inequality in wealth with the rapid mechanization of the agricultural sector undermined landlord-peasant relations and also offered the KDP and the Iraqi Communist Party (ICP) plenty of opportunities to recruit dissatisfied Kurds into their ranks.<sup>350</sup> The KDP's influence increased and at the same time Jalal Talabani emerged as a new influential member of the KDP in 1956. The KDP as a main stream political force gradually isolated itself away from the monarchy and established ties with Qasim's Free Officers. When Qasim toppled the monarchy on 14 July 1958, he declared his intention to improve relations with Kurds by issuing a new provisional constitution stating that 'the Kurds and the Arabs are partners within the Iraqi nation.'<sup>351</sup> Most crucially, Mulla Mustafa was allowed to return to Iraq in 1958. Since Qasim's government had not taken steps to fulfil his promise of regional autonomy, as he was reluctant to give up the control of oil fields near Mosul and Kirkuk to Kurds or the KDP, hostilities between the government and the Kurds again began in September 1961 and sustained occasionally during the 1960s.<sup>352</sup> This illustrates that Kurdish constant claim for including the Kirkuk oil fields within the Kurdish region is not just a matter of economic exploitation or monetary incentives. Rather, it is a matter of the pursuit of domestic legitimacy at this stage.

### **3.1.1 The process of nationalization of oil and the Kurdish revolt**

The presence of oil had brought foreign powers into the sovereignty conflict between Kurds and Qasim's government. In 1961 Qasim's republican government commenced the process of

---

<sup>348</sup> Gareth R. V. Stansfield, *Iraqi Kurdistan: Political Development and Emergent Democracy*, 1 (London: RoutledgeCurzon, 2003), 66.

<sup>349</sup> McDowall, *A Modern History*, 299; Stansfield, 'The Kurdish Question', 4.

<sup>350</sup> Stansfield, 'The Kurdish Question', 4; McDowall, *A Modern History*, 299.

<sup>351</sup> Gunter, *Historical Dictionary of the Kurds*, 80.

<sup>352</sup> Foreign Office, 'The Kurdish Problem in Iraq, 1963–1971', Departmental Series No.17, 6 December 1971, 4; Douglas Little, 'The United States and the Kurds: A Cold War Story', *Journal of Cold War Studies* 12, no. 4 (October 2010): 67, [https://doi.org/10.1162/JCWS\\_r\\_00048](https://doi.org/10.1162/JCWS_r_00048).



I believe that Barzani was getting money directly from them and this is the reason no serious attacks were mounted against the oil installations at that time, although such attacks would not have proven difficult.<sup>360</sup>

This acknowledged that Barzani had received financial aid from the IPC for stopping his attacks on the IPC facilities, not for waging or prolonging war against the Iraqi government. Thus, Mulla Mustafa's role as a popular leader was considered a challenge to the Iraqi state's sovereignty. Furthermore, the 12th day of December, 1961 marked a significant turning point when the Iraqi government passed Law No. 80, which expropriated 99.5% of IPC's concessions. The US officials considered Qasim's act as a threat to U.S. interests since American oil companies owned 23.75% of IRC and 50% of the Kuwait Oil Company.<sup>361</sup> Subsequently, Robert Komer, the National Security Council (NSC) staff member responsible for Middle East affairs, warned that if Qasim 'can add Kuwait production (largest in the ME [Middle East]) to that of the IPC, he'll have a stranglehold on ME oil.'<sup>362</sup> Considering this hazard, the United States, Komer argued, must make preparations to advocate a 'nationalist coup [that] ... might occur at any time.'<sup>363</sup> Consequently, the Kennedy administration ordered the CIA to commence planning for Qasim's overthrow in 1962.<sup>364</sup>

The US may have begun offering limited covert support to Mulla Mustafa's forces against the Qasim regime in the fall of 1962.<sup>365</sup> On August 25, the London Times revealed that Turkey arrested 'two U.S. petty officers' who were charged with smuggling armaments to Kurdish rebels. Qasim then utilized the event as 'proof' of Western interventions in Iraq.<sup>366</sup> Furthermore, Iraqi officials captured two US Army attaches who were charged with smuggling weapons to Kurdish rebels in November 1962. One arrested officer ultimately 'confessed' that he acted as an intermediary between Lt. Col. Harry Hall, a former Assistant Army Attache in

---

<sup>360</sup> Edmund Ghareeb, *The Kurdish Question in Iraq*, 1st ed, Contemporary Issues in the Middle East (Syracuse, N.Y: Syracuse University Press, 1981), 44.

<sup>361</sup> Gibson, *Sold Out?*, 40–56; Nina J. Noring, ed., *Foreign Relations of the United States, 1961–1963, Volume XVII: Near East, 1961–1962* (Washington: United States Government Printing Office, 1994), 379.

<sup>362</sup> J. Noring, *Foreign Relations of the United States, 1961–1963, Volume XVII: Near East, 1961–1962*, 379.

<sup>363</sup> Cited in Brandon Wolfe-Hunnicut, 'Embracing Regime Change in Iraq: American Foreign Policy and the 1963 Coup d'état in Baghdad', *Diplomatic History* 39, no. 1 (1 January 2015): 111, <https://doi.org/10.1093/dh/dht121>.

<sup>364</sup> Gibson, *Sold Out?*, xiv, 45.

<sup>365</sup> Scholars remain divided in their interpretations of the US policy toward the Kurdish revolts in the 1960s. Douglas Little claims that the Kennedy administration encouraged the outbreak of the Kurdish revolted. Conversely, B.R. Gibson reject claims of the American support or encouragement to Kurds in any way prior to 1972. See: Little, 'The United States and the Kurds'; Gibson, *Sold Out?*

<sup>366</sup> Brandon Wolfe-Hunnicut, 'The End of the Concessionary Regime: Oil and American Power in Iraq, 1958–1972' (PhD diss, Stanford University, 2011), 79 fn135.



Iraq, and Kurdish tribesmen.<sup>367</sup> Although the evidence for US covert assistance to Kurds in the 1960s is far from indisputable, it is apparent that by the fall of 1962, the US Embassy in Baghdad kept an eye on causes of stability and instability, including the ‘strength of opposition movements,’ in Iraq.<sup>368</sup>

Nevertheless, Nawshirwan Mustafa Amin argues that Qasim wanted to show that the Kurdish movement, encouraged by Britain and America, began with the revenge for Qasim’s 14th July Revolution, the Iraqi withdrawal from Baghdad Pact and the dispute with oil companies and the claim over Kuwait. He elucidates that the US was not interested in the Kurdish issue because being an ally of the Kurds might have strained American relations with its two most important allies, Turkey and Iran: both members of the Central Treaty Organisation (CENTO) and Turkey a significant member of NATO.<sup>369</sup>

### 3.1.2 The legitimization campaign of Kurds towards Western and non-Western audiences

At the same time, the Kurds commenced their own legitimization campaign aimed at Western and non-Western audiences. To encourage journalists to visit the Kurdistan Region and meet Mulla Mustafa, the KDP sent invitations to reporters, particularly New York Times, Time-Life, and Associated Press reporters, and writers for Le Monde, the Daily Telegraph and other European newspapers. Dana Adams Schmidt of the New York Times and David Adamson of the Daily Telegraph were two reporters who turned their observations on Kurdish rebels into sympathetic books. Schmidt even spontaneously forwarded messages from Mulla Mustafa to US diplomats.<sup>370</sup> Moreover, in Cairo, Jalal Talabani, a KDP urban intellectual, met with the Egyptian president Jamal Abdel Nasser in 1963 to discuss the Kurdish issue. He portrayed the Kurdish revolt as an anticolonial struggle, ‘part of an overall nationalist movement,’ and as a ‘just war conducted by an oppressed people against a chauvinistic dictator.’<sup>371</sup> Moreover, Emir K. Bedirkhan, who acted as the representative of the Kurdish people abroad, took a tour of Europe and the United States to advance the Kurdish cause. During his six-week staying at the US in the summer of 1962, he met ‘high officials of the State Department, UN functionaries,

---

<sup>367</sup> Ibid.

<sup>368</sup> Ibid., 79-80 fn136.

<sup>369</sup> Amin, 1983 – 1979 *په‌نج‌ه‌کان یه‌کت‌ری نه‌ش‌ک‌ینن؛ دیوی ناو‌مه‌ی روداو‌مه‌کانی کوردستانی ع‌یراق* [The Fingers Breaks Each Other: The Inside of Iraqi Kurdistan Events, 1979-1983], 61.

<sup>370</sup> Avshalom H. Rubin, ‘Abd Al-Karim Qasim and the Kurds of Iraq: Centralization, Resistance and Revolt, 1958-63’, *Middle Eastern Studies* 43, no. 3 (May 2007): 371–72, <https://doi.org/10.1080/00263200701245944>.

<sup>371</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 49.

Senators, Mrs. [Eleanor] Roosevelt, and Justice [William O.] Douglas,’ most of whom ‘listened sympathetically and promised to help the Kurdish cause.’<sup>372</sup> In New York City, he sent a letter to U Thant, the Secretary General of the UN, to promote the Kurdish national cause.<sup>373</sup>

During the campaign to increase their chances of foreign patronage, Kurdish leaders were well aware that the world had become divided into two ideologically opposed camps, led by the United States and the Soviet Union. Mulla Mustafa attempted actively to tie the Kurdish stance to the US camp. In his book, Schmidt dispelled American doubts regarding Mulla Mustafa’s moniker, ‘The Red Mullah’ and Mulla Mustafa told him that ‘I spent twelve years in Russia, and I did not become a communist.’<sup>374</sup> The Kurds also suggested that an independent Kurdistan would join CENTO and be a ‘bulwark against the Soviet Union.’<sup>375</sup> It is remarkable that Mulla Mustafa also attempted to attract the attention of the Americans to the importance of the geopolitical role of Kurdistan in the Soviet-American rivalry in the Middle East, stating, ‘We could be useful to the United States. As the Communist party serves the interests of the Soviet Union, we could serve the United States ... Look at our strategic location on the flank of any possible Soviet advance into the Middle East through the Caucasus and remember that, whether as guerrillas or as regulars, we are the best soldiers in the Middle East.’<sup>376</sup> However, he also blamed the Kennedy administration for lack of interest in the Kurdish issue and warned that he would reluctantly embrace the Soviets to defend his people in the absence of the US support.<sup>377</sup>

### 3.1.3 Oil as an instrument to obtain international legitimacy

Kurdish leaders were informed that the nationalization of the Iranian oil industry had led to the American-British overthrow of Iranian Prime Minister Mohammad Mossadegh in 1953.<sup>378</sup> Thus, Kurdish leaders realized the importance of oil as a geopolitical instrument in international relations. For instance, Mulla Mustafa sought to wield oil in order to obtain international legitimacy. Barzani sent a letter to Washington through his envoys and informed Americans that the Kurdistan Region of Iraq wanted to be regarded as ‘another state of the union,’ where

---

<sup>372</sup> Cited in Rubin, ‘Abd Al-Karim Qasim and the Kurds of Iraq’, 372.

<sup>373</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 49.

<sup>374</sup> Dana Adams Schmidt, *Journey Among Brave Men* (Boston: Little Brown; 1st edition, 1964), 112.

<sup>375</sup> Gibson, *Sold Out?*, 40.

<sup>376</sup> Cited in Arash Reisinezhad, *The Shah of Iran, the Iraqi Kurds, and the Lebanese Shia* (Cham Renwick C: Palgrave Macmillan, 2019), 92, <https://doi.org/10.1007/978-3-319-89947-3>.

<sup>377</sup> Gibson, *Sold Out?*, 51.

<sup>378</sup> Ervand Abrahamian, ‘The 1953 Coup in Iran’, *Science & Society* 65, no. 2 (2001): 182–215.

its 'oil resources should be handled by an American firm in direct arrangement with the Iraqi Kurds.'<sup>379</sup> Likewise, to draw attention to the Kurdish struggle, Kurdish forces occasionally attacked oil facilities and pipelines. They were aware of the consequences of this action. Therefore, they used this tactic cautiously. In 1962, Omar Mustafa, the General's aide, stated that the Kurdish forces had occasionally sabotaged minor pipelines of the Iraq Petroleum Company. 'This indicates that we could cut the big ones,' he claimed.<sup>380</sup> These pipelines transport oil from Kirkuk and Mosul to Syria and the Mediterranean. Regarding the sabotage of main oil pipelines and installations by Kurdish forces, O'Ballance notes:

Somewhat surprisingly in this type of warfare, the vital oil pipeline from Kirkuk through to Syria and the Mediterranean terminal at Baniyas suffered remarkably little sabotage. Barzani's view was that it would be foolish to disrupt a source of wealth, of which he soon hoped to obtain a large share. The more farsighted KDP central committee also agreed with this policy but for a different reason, feeling that such sabotage would alienate Western and world opinion, although a minority dissented.<sup>381</sup>

The Kurdish leadership knew the importance of oil in the economic development of Kurdistan Region once they ran the cities. In other words, it would also enable the Kurdish leadership to achieve domestic legitimacy.

Barzani's sabotage campaign began when government troops launched a military offensive against Kurdish rebels on August 17, 1962. The Kurds attacked pipelines that led to interruption of the flow of oil to Lebanon in late August 1962. The sabotage conveyed a message that Kurds had the means to control over the flow of oil in Iraq. In other words, the international community and IOCs should deal with Kurds regarding oil issues rather than the Iraqi government. Furthermore, the Kurdish rebels were active in the territory of Ain Zalah, where several British workers operated in its oil fields.<sup>382</sup> The Kurds kidnapped two British technicians in order to illustrate their capacity to enforce their goals in the oil fields and to attract world opinion to their cause. They took Derek Dankworth from the oil fields at Ain Zalah in August 1962 and Frank Gosling, a geologist, near Kirkuk in November. They were held for some weeks and freed with 'gifts and apologies' from General Mulla Mustafa Barzani.<sup>383</sup>

---

<sup>379</sup> 'Telegram From the Embassy in Iran to the Department of State', Historical Documents, Foreign Relations of the United States, 1964–1968, Volume XXI, Near East Region; Arabian Peninsula, Document 172 (Washington, 12 April 1965), <https://history.state.gov/historicaldocuments/frus1964-68v21/d172>.

<sup>380</sup> Cited in Adams Schmidt, *Journey Among Brave Men*, 89.

<sup>381</sup> Edgar O'Ballance, *The Kurdish Struggle, 1920-94* (London: Macmillan Press, 1996), 60.

<sup>382</sup> Wenner, 'Arab-Kurdish Rivalries in Iraq', 74.

<sup>383</sup> Adams Schmidt, *Journey Among Brave Men*, 89.

Moreover, the Kurds sabotaged an oil installation and IPC facilities, including a refinery and a pipeline carrying oil to Baghdad in early and late October 1962.<sup>384</sup> In spite of using oil as an instrument to gain international legitimacy, the Kurds made little progress in gaining international support. In retaliation for attacks on the IPC, the Iraqi regime began systematic bombing and pillaging of Kurdish villages and ‘deliberately remov[ed] food and clothing from Kurdistan in [an] attempt to starve [the] Kurds into submission.’<sup>385</sup> Rather than breaking Kurdish morale, this regime’s tactic strengthened the morale of the rebels and Kurdish citizens; therefore, the US embassy in Baghdad noted, ‘almost all Kurds in the cities as well as the mountains support the revolt.’<sup>386</sup>

### **3.1.4 Oil: the dispute between the Kurds and subsequent Iraqi governments**

Oil has always been the main dispute between the Kurds and subsequent Iraqi governments. The KDP leadership made the decision to back an Arab nationalist coup attempt in December 1962. They made a commitment to their contacts within the Iraqi army that they would not exploit the divergence of forces to Baghdad. In return, the KDP was given what were ostensibly guarantees of Kurdish autonomy in an Iraq after Qasim.<sup>387</sup> Members of the Arab Socialist Baath Party and a group of officers overthrew the government of General Kassem in February 1963.<sup>388</sup> Following the overthrow of Qasim, Kurdish groups sought the Baathists to grant them autonomy as a good faith gesture to the Kurdish issue. For instance, the Committee for the Defense of the Kurdish People’s Rights, an organization based in Lausanne, Switzerland, released a statement on February 12, 1963, announcing that Kurdish- Arab relations in Iraq must be in accordance with ‘an autonomous Kurdish government in Iraq; that Iraqi troops must quit Kurdish territory; and that an equitable division of oil revenues must be made between the Kurds and the Arabs.’<sup>389</sup> Mulla Mustafa turned a blind eye to this statement because such a demand would harm the possibility of negotiations between KDP and the government.

---

<sup>384</sup> Gibson, *Sold Out?*, 52; Qasim also blamed ‘American imperialism’ for attempting to explode the oil pipeline and financing a ‘net of treachery and sabotage’ in Iraq. See: Central Intelligence Agency, ‘Central Intelligence Bulletin’, 24 November 1962, xi, <https://www.cia.gov/library/readingroom/document/cia-rdp79t00975a006700220001-3>.

<sup>385</sup> Cited in Gibson, *Sold Out?*, 52.

<sup>386</sup> Cited in *ibid*.

<sup>387</sup> Rubin, ‘Abd Al-Karim Qasim and the Kurds of Iraq’, 376.

<sup>388</sup> McDowall, *A Modern History*, 312–13.

<sup>389</sup> O’Ballance, *The Kurdish Struggle*, 62–63.

Furthermore, the Kurdish negotiators had a difficult time in Baghdad where there was an assumption that external actors, particularly Iran and Western oil companies were wielding the Kurds as a Trojan horse. To the Iraqi regime, the matter of the Kurdish autonomy was considered as a minor issue compared to the issue of the Arab unity. The Kurdish leadership grasped that the Arab nationalist regime had no intention of meeting its promises.<sup>390</sup> To take an opportunity, a delegation was sent to meet Mulla Mustafa to discuss Kurdish demands in early March. The Kurdish leadership's demands to the Iraqi government usually included autonomy for Kurds with the Kirkuk oil fields and a share of the national oil revenue. As Mulla Mustafa demanded:

An immediate and formal recognition of Kurdish autonomy, and that this should cover virtually the whole of the old vilayet of Mosul including the Kirkuk oil fields, excluding only the city of Mosul itself. Among his demands was an insistence on the creation of separate Kurdish armed forces, and that autonomous Kurdistan should receive two thirds of the national oil revenue, a proportion justified by the location of the oil fields in territories he claimed. Finally, he warned that fighting would recommence if the government did not accede to his demands within three days.<sup>391</sup>

These demands are important elements of domestic sovereignty because obtaining a share of the national oil revenue would allow the Kurdish autonomy to survive and develop as well, and a formation of separate Kurdish armed forces would be able to protect the borders of the autonomy. The regime gave Mulla Mustafa an offer of 'recognition of the national rights of the Kurdish people on the basis of self-administration,' on 7 March, after which his demands quickly increased. The government realized that no agreement could be made with Mulla Mustafa. Since the government needed time to prepare for war, it sent a delegation to convince him to accept 'decentralization,' instead of autonomy, to Kurdistan with Kurdish and Arabic as official languages in the Kurdish province. It also added that 'Kirkuk was not negotiable since the government was committed to honour international oil contracts.'<sup>392</sup> This indicates that both sides would never give up oil in their negotiations. Nevertheless, the KDP rejected the offer and submitted a detailed autonomy plan in late April, which would grant the 'Kurds freedom over virtually all matters except foreign affairs, finance and national defence. It also required inclusion of the Kirkuk, Khaniqin and north-west Mosul oil fields within the

---

<sup>390</sup> McDowall, *A Modern History*, 313.

<sup>391</sup> Ibid., 314.

<sup>392</sup> McDowall, 314, Kurds and the government had conflict over the issue of autonomy and the precise meaning of decentralization; David Adamson, *The Kurdish War* (London: George Allen and Unwin, 1964), 92, when Adamson asked Ibrahim Ahmad how he would define autonomy, he answered that it would 'depend on our strength and that of our enemy.'

autonomous region, and a proportionate share of their revenues.’<sup>393</sup> It was impossible for the regime to agree to these demands, especially those related to oil, because it would have also helped the Kurds to strengthen their autonomy vis-à-vis Iraq and later their demands for independence.<sup>394</sup> In other words, Iraq would cede some of its sovereignty to Kurds by accepting these demands. Moreover, the government also drew attention to 1947 census which indicated that Kurds constituted only 25 percent of the population of Kirkuk city and 53 percent of the province.<sup>395</sup> It was apparent that since the agreement could not be reached, hostilities between them would begin.

Furthermore, the government began a military offensive against Kurdish rebels with nearly two-thirds of the Iraqi Army on June 9, 1963. Concurrently, Al-Jamahir, an Iraqi newspaper, specially pointed to Kurdish-communist links and condemned Soviet intervention in Iraq while the al-Shaab newspaper blamed Mulla Mustafa for building an ‘Oil Empire’ in the north of Iraq.<sup>396</sup> This demonstrates how oil became at this point so clearly associated with control over territory, independence and sovereignty. But it is also another indication that there was oil in the Kurdistan Region, in addition to Kirkuk, and radical Arab nationalists feared that the oil might lead to the creation of a sovereign Kurdish state, which would put Kurdistan on the world energy map. The Iraqi regime was always concerned about the safety of the oil fields during the Kurdish revolts because oil was essential for the economy of the state. Thus, the Iraqi regime gradually imposed curfews and other restrictions on ‘mixed ethnic’ areas and towns and declared oil installations as ‘prohibited zones.’ As a response to the government offensive, the Kurdish militia, known as Peshmerga ‘those who face death’ initiated a sabotage campaign. They exploded two oil wells at Jambur (20 miles away from Kirkuk) on 17 June and attacked military installations in Kirkuk on 22 June. Additionally, they blocked the Baghdad-Kirkuk railway for some hours.<sup>397</sup>

Following the collapse of the Baath government in a coup of 18 November 1963, Abdul Salam Arif, the president of Iraq, initiated a round of negotiations with the Kurds. Arif and Mulla Mustafa reached a ceasefire deal on 10 February 1964. While it excluded mention of Kurdish autonomy or Kurdistan and used a pan-Arab euphemism for ‘the Northern Region,’

---

<sup>393</sup> McDowall, *A Modern History*, 314.

<sup>394</sup> Ibid.; Entessar, *Kurdish Politics in the Middle East*, 85.

<sup>395</sup> McDowall, *A Modern History*, 314.

<sup>396</sup> Reisinezhad, *The Shah of Iran, the Iraqi Kurds*, 112.

<sup>397</sup> O’Ballance, *The Kurdish Struggle*, 65.

Mulla Mustafa still accepted the ceasefire deal. Ahmad and Talabani condemned the ceasefire, since the deal excluded Kurdish autonomy, and criticized him for personally signing the deal rather than in his capacity as president of the KDP.<sup>398</sup> This led to the partition of the KDP into two competing factions of pro-Barzani and Ahmad-Talabani.<sup>399</sup> To secure his power in the KDP, Mulla Mustafa formed a ‘Revolutionary Council,’ which had three assemblies, to administer Kurdish affairs in late October 1964. The three assemblies included a Senate chaired by Shaykh Latif, a consultative assembly under the presidency of Mamand Abbas Agha, and an executive ‘Revolutionary Council’ under his own direction.<sup>400</sup> Ofra Bengio notes that the decision-making authority of many of these institutions remained in the hands of Mulla Mustafa.<sup>401</sup>

Moreover, during both brothers’ terms, Abd al Salam and Abd al Rahman, (1964-66 and 1966-68), they received Kurdish demands in friendly manner, but they never took them into account.<sup>402</sup> The overthrow of the regime of President Aref brought Saddam Hussein’s Baath Party to power in July 1968. In retaliation for the Baath government’s offensive against the Barzani faction, the Barzani forces attacked the IPC’s installations around Kirkuk in March 1969 to turn the Iraqi troops away from the Iranian border in order to restore Barzani’s logistic lines with Iran.<sup>403</sup> The attacks caused an estimated \$5 million in damage and reduced Iraq’s oil pumping capacity by 70% for about ten days.<sup>404</sup> The act humiliated the Baath regime globally, especially with the British-owned Iraq Petroleum Company. This led to a new round of fighting between the Kurds and the Iraqi army, and the war came to an end when the Iraqi army pulled out from the mountains in April.<sup>405</sup>

The key purpose of the oil sabotage, beside attracting an international audience, was to caution the international community, particularly the US, that the Iraqi regime had used oil wealth to kill the Kurds. According to a Central Intelligence Agency (CIA) report in May 1969,

---

<sup>398</sup> McDowall, *A Modern History*, 315–16.

<sup>399</sup> Ibid., 316–20. The split between the two factions in the mid-1960s paved the way for Kurdish civil war in the 1990s.

<sup>400</sup> Ibid., 317.

<sup>401</sup> Ofra Bengio, *The Kurds of Iraq: Building a State Within a State* (Boulder, CO: Lynne Rienner Publishers, 2012), 31.

<sup>402</sup> Mahir A. Aziz, *The Kurds of Iraq: Nationalism and Identity in Iraqi Kurdistan* (London: I.B. Tauris, 2015), 70.

<sup>403</sup> Edgar O’Ballance, *The Kurdish Revolt: 1961-1970* (Hamden, Conn: Archon Books, 1973), 152.

<sup>404</sup> Marion Farouk-Sluglett and Peter Sluglett, *Iraq Since 1958: From Revolution to Dictatorship*, Rev. ed (London: I.B. Tauris, 2001), 129; Gibson, *Sold Out?*, 120.

<sup>405</sup> McDowall, *A Modern History*, 326–27.

Mullah Mustafa asked two CIA agents to send a message to the US that, 'He is under pressure from his followers to unleash attacks on the Kirkuk oil facilities. The Kurds will give serious consideration to this in the future. The rationale is that the oil earns income for the Iraqi Government which in turn is used to buy arms to attack the Kurds.'<sup>406</sup> This reveals that despite their sovereignty having been ceded, oil was now turned into a curse for Kurds. Moreover, the sabotage act would never become a major threat to the West, the international oil supply and even to some extent to Iraq. According to a Foreign Office report, the sabotage acts in 1963, 1965, 1966 were considered as minor incidents of sabotage and 'fears of major sabotage, however, proved groundless, seemingly because the Kurds did not wish to alienate Iraqi or Western opinion in general and the IPC in particular, given that they hope that the oil would one day be the major source of their own income ... All in all, it may be said that the Kurds represent the least of the threats to the supply of oil from Iraq.'<sup>407</sup>

It was apparent for the Baath regime that Kurds would accept nothing less than autonomy. Their negotiations concentrated on the fate of Kirkuk due to its oil reserves. After the relatively new arrival of most Kurds in Kirkuk town and its oilfields, the KDP enthusiastically claimed that Kurdish autonomy should include Kirkuk and its oilfields and the borderline of Kurdish areas extending to Khanaqin areas, where oil was discovered.<sup>408</sup> To some Iraqis, this was considered a threat to Iraq's strategic security by giving up such areas. Therefore, the regime sought to apply autonomy to people rather than land. The Baath government insisted that demarcation would rely on where there was a proven majority, and that this would be decided either by plebiscite or by census.<sup>409</sup> After months of negotiations between Mulla Mustafa and the Iraqi government, they reached a joint Manifesto, or 15-Point Peace Settlement, on 11 March 1970. The two noteworthy points of the manifesto included the claims that 'the exploitation of natural resources in the autonomous area was to be the responsibility of the Republican authorities,' and 'inhabitants of Arabic and Kurdish villages were to be restored to their former homes.'<sup>410</sup> The former indicates that the Iraqi government never envisioned Kurds controlling the exploitation of their natural resources because it would have enhanced their

---

<sup>406</sup> 'Kurdish Threat Against Kirkuk Oil Installations; Iranian and Israeli Support for Assyrians', Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 258 (Washington, 29 May 1969), 2, <https://history.state.gov/historicaldocuments/frus1969-76ve04/d258>.

<sup>407</sup> Foreign Office, 'The Kurdish Problem in Iraq, 1963–1971', 18–19.

<sup>408</sup> McDowall, *A Modern History*, 327.

<sup>409</sup> Ibid.

<sup>410</sup> Foreign Office, 'The Kurdish Problem in Iraq, 1963–1971', 8–9.



domestic and international legitimacy. The latter was hard to put into practice as the regime from time to time brought in large numbers of Arab workers to Kirkuk and other oil fields, to change the demographic balance in favour of Arab Sunnis, in order to claim national sovereignty over such areas. Thus, early signs of difficulties quickly appeared between the two parties over the demography of disputed areas and the Kurdish share of Kirkuk oil revenues.

The census, according to the manifesto, that was planned for December 1970 was postponed until the spring by mutual consent. But Mulla Mustafa, for a good purpose, unilaterally postponed the second consent because he assumed that the result of the census might reveal that Kurds were not majority in specific areas.<sup>411</sup> He also accused the government of moving new Arabs into the contested areas such as Kirkuk, Khanaqin and Sinjar and expressed that if the census results showed the Kurds were minority in such areas, he would refuse to honour it. He also insisted that the oil-rich province of Kirkuk should be included within the Kurdish autonomy and asserted, 'We have fought ten years for autonomy, we'll fight another five for Kirkuk if necessary.'<sup>412</sup> Consequently, the relations between the two parties gradually deteriorated.

### **3.1.5 The contribution of Kurdish oil fields to the total oil revenue in Iraq**

The nationalization of the oil industry intensified sovereignty disputes between the Baath government and the Kurds. Following the Iraqi government nationalization all the assets of the IPC on 1 June 1972, Radio Baghdad commenced beaming the revolutionary message of 'Arab Oil for the Arabs.'<sup>413</sup> Thus, the nationalization of oil was especially vexing for Barzani, but he did not hesitate to agitate the Baath regime, stating, 'The Kurdish territory is rich in petrol . . . and it is our territory. It is ours, and therefore we commit no act of aggression by taking it.'<sup>414</sup> He also perceived the act as an obvious breach of the manifesto, which intended to disinherit the Kurds of their right to the oil-rich province of Kirkuk.<sup>415</sup> As David McDowall remarks, the nationalization of oil for Kurds also meant that Kirkuk's 'Kurdish' oil would be turned into 'Arab' oil.<sup>416</sup> Furthermore, the Baath campaign under the slogan 'Arab oil for the Arabs,' did

---

<sup>411</sup> McDowall, *A Modern History*, 329.

<sup>412</sup> Ibid., 330.

<sup>413</sup> Saïd K. Aburish, *Saddam Hussein: The Politics of Revenge* (London: Bloomsbury, 2001), 100.

<sup>414</sup> Efraim Karsh and Inari Rautsi, *Saddam Hussein: A Political Biography* (New York: Grove Press, 2002), 79.

<sup>415</sup> Ibid.

<sup>416</sup> McDowall, *A Modern History*, 331.

not remark that much of the contested oil was actually Kurdish.<sup>417</sup> It is essential to wonder how much of the Kurdish oil fields contributed to the total oil revenue and how this revenue was utilized. The Kurdish oil fields are at Kirkuk (the most important in Iraq), Khanaqin, and Ain Zalah. They are connected to the Mediterranean through three pipelines crossing Syrian and Lebanese lands to the ports of Banias (Syria) and Tripoli (Lebanon). Three further pipelines connected the Rumaila and Zubair oil fields near Basra to the port of Fao on the Persian Gulf.<sup>418</sup>

Furthermore, in 1961, the pipelines connecting the Kurdistan oil fields to the Mediterranean carried 'over 40 million tons a year,' and meanwhile the pipelines connecting southern Iraqi oil fields to the port of Fao, even they had been constructed 'with a higher level of production in mind,' only carried '10 million tons of crude per annum.' Stated differently, Kurdistan contributed 80% of the state's total oil output in the same year.<sup>419</sup> The total royalties became \$200 million, which accounted for 67% of state revenue and 90% of total exports, which reached 92% in 1956 and 88% in 1957. Thus, Kurdistan's oil fields contributed \$150 million of the state's total annual income, which was about 53.6% of its total income and 72% of its total exports. Moreover, the oil revenue between 1969 and 1974 increased the state's national income three times more. The state's national income between 1972 and 1974 more than doubled from 1,218 million dinars to 2,550 million. This climb related to the rise in oil revenue because the price of oil increased from \$2.8 per barrel to \$11.25 or \$12. Broadly, less than 30% of the state's oil revenue is dedicated to the state budget. The Baath government revealed that the rest was devoted to investment programs and the government's public sector expenses.<sup>420</sup> Meanwhile, what the government concealed from the public was that its oil revenue was also used to buy arms. Iraq's oil revenue reached around 2,834 million dinars or \$9,571 million when the price per barrel of oil was \$11.25 in 1975. According to the Financial Times, Kirkuk's oil fields alone represented 70% of Iraq's oil output and the Khanaqin and Ain Zalah fields add 5% to the figure, which means Kurdistan's contribution was 75% of Iraq's oil output.<sup>421</sup> Based

---

<sup>417</sup> Gérard Chaliand, ed., *A People Without a Country: The Kurds and Kurdistan* (London: Zed Books, 1993), 161.

<sup>418</sup> Ibid.

<sup>419</sup> Ibid.

<sup>420</sup> Ibid.

<sup>421</sup> Ibid.

on extrapolation, the export of Kurdistan's oil provided the Iraqi Treasury more than \$5,762 million in 1974 and \$7,178 million in 1975.<sup>422</sup>

The development plans, based on the increase in oil price, only served Arab Iraq. Meanwhile, Kurdistan faced war and destruction during 1974 and 1975. With certainty, the substantial rise in oil revenues, which was mostly provided by the Kurdish areas, was the main reason that led the Iraqi government to launch its fifth and seventh offensives against Kurdistan.<sup>423</sup> Therefore, the Kurds felt compelled to take decisive action against the Baath government. Shafiq Qazzaz, representative of the Kurdish revolution in the United States, informed American diplomats that it was more important now than it was in the past for the Kurds to attack the IPC oil installations and interrupt the flow of oil. A loss in oil revenue would generate less money for the government to buy arms. Thus, government efforts to finance its war against the Kurds would be severely diminished.<sup>424</sup>

### **3.2 Oil as an instrument in securing the support of an external patron in the early 1970s**

The Kurdish leadership made another effort to use oil as a tool to further their goals of autonomy and self-determination. Prior to the nationalization of the IPC, Kurds made a plea for American assistance. Zayd Uthman, special emissary from Mulla Mustafa Barzani, notified American diplomats that the Soviets might pay careful attention to oil in Iraq and Saddam Hussein's recent visit to Moscow was to seek Soviet assistance for the possible nationalization of the British and American shares of the IPC consortium.<sup>425</sup> Furthermore, the nationalization of the IPC provided a more important reason for Nixon-Kissinger to join the Tehran-Tel Aviv axis in supporting the Kurdish rebels.<sup>426</sup> As Aron Latham argues,

The timing of the Nixon-Kissinger decision certainly suggests an oil motive. In August of 1971 they had been asked to help the Kurds. Their answer: 'No.' In March of 1972, they were asked again. Their answer: 'No.' Then on June 1, 1972, the Iraqis nationalized the Iraq Petroleum Company — a consortium of European

---

<sup>422</sup> *Financial Times*, 20 August 1974.

<sup>423</sup> Chaliand, *A People Without a Country*, 161–62; Farouk-Sluglett and Sluglett, *Iraq Since 1958*, 172–76.

<sup>424</sup> 'Kurdish/Assyrian Appeal for U.S. Assistance', Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 259 (Washington, 13 June 1969), 1, <https://history.state.gov/historicaldocuments/frus1969-76ve04/d259>.

<sup>425</sup> 'Kurdish Appeal U.S. Assistance', Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 304 (Washington, 3 April 1972), 4, <https://history.state.gov/historicaldocuments/frus1969-76ve04/d304>.

<sup>426</sup> In addition to oil, the Soviet-Iraqi Friendship and Cooperation Treaty also encouraged Americans to support the Kurds rebels in fighting against the Baath government. See: Ghareeb, *The Kurdish Question*.

and American firms. Two weeks later when the shah wanted arms for the Kurds, Nixon and Kissinger said: 'Yes.'<sup>427</sup>

By supporting the Kurdish rebels, moreover, Nixon and Kissinger hoped to topple Saddam Hussein and intended that a 'new regime might let us back into the Kirkuk oil fields.'<sup>428</sup> Consequently, President Nixon approved a plan for the CIA to secretly allocate 'some \$16 million' to Barzani (But the U.S. refused to support the Kurds of Iran in order to get along with the Shah).<sup>429</sup> Thus, the Kurdish leadership of Iraq attempted to propose that the strategic location and natural resource endowments within the Kurdistan Region would serve American interests in the region. Through his envoys in Washington Barzani conveyed a message to Americans, declaring that:

Barzani wishes increased foreign assistance not just to defend his area from the Soviets and Iraqis, but preferably to make Kurdistan a positive element on the side of the United States and its friends and allies in the Middle East, notably Turkey, Iran, Israel, Saudi Arabia, Jordan, and the Persian Gulf states ... Mulla Barzani's conviction that the Soviets are now controlling events in Iraq and that time is running out for the West and its allies bordering that country. Barzani believes that Kurdistan, albeit small, could exploit its strategic location and fighting potential as an effective tool in a free world effort to reverse the trend of Soviet expansion in the Middle East and to regain the initiative for the free world and its allies in that area. In this context, he noted that Iraqi oil resources are located primarily in the Kurdish area. A strong Kurdistan could thus be a major voice in the oil policies of the Iraqi Government.<sup>430</sup>

In other words, Barzani sought to assure Americans that Kurds would be willing to protect American oil interests, particularly in the Kurdish areas, in a new regime. Meanwhile, Barzani went further stating that if America provided 'political, humanitarian, or military help, open or secret,' to the Kurds, oil might be rewarded for such support.<sup>431</sup>

We are ready to do what goes with American policy in this area if America will protect us from the wolves. If support were strong enough, we could control the

---

<sup>427</sup> Aaron Latham, 'What Kissinger Was Afraid of in the Pike Papers', *New York (Magazine)*, 4 October 1976, 60.

<sup>428</sup> Ibid.

<sup>429</sup> Aaron Latham, 'The CIA Report the President Doesn't Want You to Read' (The Village Voice archives, 16 February 1976), 85. The section relating to the Kurds is entitled 'Case 2: Arms Support,' and appears on pp. 85 and 87-88; Charountaki, *The Kurds and US Foreign Policy*, 135.

<sup>430</sup> 'Washington Meetings with Kurdish Representatives', Foreign Relations of the United States, 1969-1976, Volume E-4, Documents on Iran and Iraq, 1969-1972, Document 319 (Washington, 5 July 1972), 2, <https://history.state.gov/historicaldocuments/frus1969-76ve04/d319>.

<sup>431</sup> Oles M. Smolansky and Bettie M. Smolansky, *The USSR and Iraq: The Soviet Quest for Influence* (Durham, NC: Duke University Press, 1991), 79.

Kirkuk field and give it to an American company to operate. It is in our area, and the nationalization was an act against the Kurds.<sup>432</sup>

His ultimate intention was the creation of an independent and sovereign state of Kurdistan with the support of the United States. Furthermore, in the early 1970s, Kurds appeared formidably well informed about the energy problem facing the Americans. Barzani had promised that the United States could rely on having a friend in OPEC when oil-rich Kurdistan became an independent sovereign state. Hence, the United States might have perceived its relations with Kurds as an effective instrument to facilitate solving its energy issue.<sup>433</sup> Although the Kurdish leadership used oil to attract the U.S. support, oil was not enough to secure the U.S. support for furthering Kurdish goals of autonomy and self-determination at this stage.

In the intervening period, the divisions between the KDP and the Baath government concentrated on the definition of autonomy given to the Kurdistan Region. The KDP submitted a detailed autonomy plan, in a form of self-rule that aimed at a federal solution, to Baghdad on 9 March 1973.<sup>434</sup> The plan sought the regional autonomy to have an autonomous executive authority headed by an executive council. It also stressed that the autonomous region would have a 'legal personality' in the Iraqi constitution.<sup>435</sup> The plan later provided detail on the boundaries of the autonomous region and included that the 'Kurdistan region is not a singular unit, but divided into different provinces, some are purely Kurdish, like Sulaymaniyah, Erbil and Dohuk, while others have some minorities, such as Kirkuk ... Ninawa and Diyala.'<sup>436</sup> Even Barzani put forward Kirkuk as the 'capital' of Kurdistan.<sup>437</sup>

Furthermore, the Kurds sought that the regional law should take priority over central government laws in any legal dispute inside the Kurdish region. As a senior Baathist mentioned 'The Kurds don't want self-rule but a state above a state,' and meanwhile Saddam remarked 'their draft is far removed from the concept of autonomy.'<sup>438</sup> Therefore, the Baath government rejected the degree of autonomy demanded by the KDP. Negotiations between the two parties

---

<sup>432</sup> Stockholm International Peace Research Institute (SIPRI), *Oil and Security* (Stockholm: Almqvist and Wiksell International, 1974), 137.

<sup>433</sup> Ghareeb, *The Kurdish Question*, 140; Michael M. Gunter, 'The Foreign Policy of the Iraqi Kurds', *Journal of South Asian and Middle Eastern Studies*, Quarterly, 20, no. 3 (1997): 3–4.

<sup>434</sup> McDowall, *A Modern History*, 333.

<sup>435</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 54–54.

<sup>436</sup> Cited in *ibid.*, 55.

<sup>437</sup> McDowall, *A Modern History*, 333.

<sup>438</sup> Cited in Ghareeb, *The Kurdish Question*, 151.

resumed in January and early March of 1974. Meanwhile, the control of national resources and revenues had become central to the conflict between the two parties. Neither side was ready to cede a portion of petroleum revenue merely based on the principle of proportionality. Compared to 1972, oil revenue was anticipated to be ten times higher in 1974.<sup>439</sup> As a result, McDowall remarked that ‘a huge resource was now at stake.’<sup>440</sup> Kirkuk’s oil fields contributed 70% of Iraq’s total oil production and Barzani not only eagerly claimed the city of Kirkuk, but also a proportion of its oil revenue. Such a claim was considered to the way of making the Kurdistan Region economically independent of Baghdad.<sup>441</sup>

The Baath Party, moreover, rejected that policy and that the management of natural resources should be decentralized as these resources became major components of the national development plans, in which Kirkuk’s oil played a key role in shaping that goal.<sup>442</sup> The Baath Party wanted the central government, not regional governments, to control all natural resources and revenues because they were viewed as centralized in character.<sup>443</sup> Hence, the Baath government unilaterally promulgated a new and limited autonomy law for Kurds on 11 March 1974. But the KDP rejected the regime’s new autonomy offer due to following reasons. The regime used the 1957 census as a basis to decide about Kurdish areas, neglected to define the Kurdish autonomy, granted total authority to the central government over the Kurdish regional government and made no provision for control over resources and petroleum revenues.<sup>444</sup> Since it became apparent that an agreement could not be reached, Mulla Mustafa’s own eldest son, Ubaidallah, broke with his father and charged that his father ‘does not want self-rule to be implemented even if he was given Kirkuk and all of its oil. His acceptance of the [autonomy] law will take everything from him, and he wants to remain the absolute ruler.’<sup>445</sup> Furthermore, the US had an impact on the negotiations for the 1970s Manifesto. According to Massoud Barzani, ‘Without the US, the way we would negotiate our demands might have been different.’<sup>446</sup>

---

<sup>439</sup> Ibid., 152.

<sup>440</sup> McDowall, *A Modern History*, 335.

<sup>441</sup> Ibid.

<sup>442</sup> Ghareeb, *The Kurdish Question*, 152.

<sup>443</sup> Ibid.

<sup>444</sup> ‘Iraq and Kurdish Autonomy’, *MERIP Reports*, no. 27 (1974): 27, <https://doi.org/10.2307/3011338>.

<sup>445</sup> Cited in McDowall, *A Modern History*, 337 Other members of KDP also criticized Barzani .

<sup>446</sup> Cited in Charountaki, *The Kurds and US Foreign Policy*, 124.

### 3.2.1 The role of foreign aid and oil in Barzani's views

Edmund Ghareeb analysed the deterioration of relations between Baghdad and the KDP. He argues that the considerable explanation for the final outbreak of the conflict between the two parties was the aid from the United States, Iran and Israel to Mullah Mustafa Barzani in the form of arms and training.<sup>447</sup> In the early 1970s, the KDP certainly was used, by the Iranian Shah and later the United States, as a counterbalance against the Baath government, becoming a Soviet ally in the region. The Soviet-Iraqi Friendship and Cooperation Treaty of 1972 and the subsequent nationalization of Iraqi oil with the Soviet backing confirmed the existing relationships. Hence, Tehran, Washington and Tel Aviv provided the KDP and its Peshmerga forces with training and intelligence in order to counterbalance the Baath government.<sup>448</sup> Ghareeb offered explanations of how Barzani might have expected the foreign aid to help him to achieve his military and political objectives. First, Barzani considered that if he obtained advanced armaments, he could seriously hamper the flow of oil in Iraq. He could then keep the sabotaging of oil installations under his control. This remarkably conveyed a message to any Iraqi government and foreign powers that Barzani was a real force on the ground that should be dealt with. Consequently, this would create chaos in Baghdad, which might incite the army to topple the 'fascist Baath dictatorship.'<sup>449</sup>

The second explanation is that if he acquired sophisticated weapons, he might be capable of controlling oil installations for some time, gaining foreign support and finally achieving advocacy for an independent Kurdish state. Demonstrating his view that if the Kurds controlled natural resources in Kirkuk and the Kurdistan Region, he might gain foreign support and stated, 'Kirkuk has been taken by the Arabs. Because this oil-rich area is in their hands, they are attracting people to help them. Perhaps if it were in our hands we, too, would have outside help.'<sup>450</sup> This reveals that oil was very important in ensuring great-power support at the time. Furthermore, the aid to some extent affected Barzani's decision in eventually challenging Iraq's sovereignty. After the outbreak of the October War of 1973, Israel pressed Barzani to launch an offensive against Baghdad to 'gain territories in Kurdistan.' Henry Kissinger, US Secretary of State, advised Barzani to reject Israeli's proposal.<sup>451</sup> Similarly, during the war of

---

<sup>447</sup> Ghareeb, *The Kurdish Question*, 145.

<sup>448</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 55–56.

<sup>449</sup> Ghareeb, *The Kurdish Question*, 162.

<sup>450</sup> Cited in *ibid*.

<sup>451</sup> 'Backchannel Message From the Ambassador to Iran (Helms) to Secretary of State Kissinger', Foreign Relations of the United States, 1969–1976, Volume XXVII, Iran; Iraq, 1973–1976, Document 237 (Washington, 16

1974, Barzani requested Washington's advice on whether he should attack the Kirkuk oil fields, which would lead to the actual loss of a significant portion of the state's oil income and a change in Iraq's policy stance. Kissinger responded that any attack on oil facilities in Iraq could 'compound the already grave energy crisis by triggering a cycle of violence against Middle East oil installations.'<sup>452</sup> He was also concerned that Barzani's offensive would provide ample evidence for opponents of further aid to the Kurds 'by allowing them to claim that the Kurds must be possessing sufficient resources to defend their redoubt, if they were pressing for additional weapons so that they could conduct a major offensive.'<sup>453</sup> As a result, he rejected Barzani's request. However, it is important to take into consideration the fact that Barzani and the KDP had already waged a war against the Iraqi government in the absence of substantial foreign and political support throughout 1960s.<sup>454</sup>

Despite the military hostilities between the KDP forces and the Iraqi army, the Shah and Saddam Hussein signed a treaty to settle all outstanding disputes between the two countries in Algiers during the OPEC conference on March 6, 1975. According to the treaty, Iraq recognized Iran's sovereignty over the Shatt al Arab and Iran agreed to cease its support for the Kurds. As the price of oil went up following the 1973 Arab-Israeli war, they sought to avoid military conflict that would result in a destruction of their oil fields.<sup>455</sup> The cut-off of Iranian, as well as American and Israeli, aid became a 'severe shock' to Barzani. While Barzani pleaded with Kissinger to help the Kurds, he did not reply.<sup>456</sup> Consequently, Kurdish resistance failed and Barzani fled to Iran and then to the United States, where he died in 1979.

Mulla Mustafa Barzani misunderstood the role of foreign aid. The American and Iranian aid never intended to plant the seeds of an independent Kurdish state because they sought to use the Kurds as a bargaining chip against the Baath government. Therefore, the United States and Iran actually 'hoped that our clients [the Kurds] would not prevail. They preferred

---

October 1973), Fn2, <https://history.state.gov/historicaldocuments/frus1969-76v27/d237>; Kurds might achieve success in this operation as the Pike Committee Report argued that 'It is particularly ironic that ... the United States ... restrained the insurgents [the Kurds] from an all-out offensive on one occasion when such an attack might have been successful because other events were occupying the neighboring country.' See: Latham, 'The CIA Report the President', 85, fn 467.

<sup>452</sup> Henry Kissinger, *Years of Renewal: The Concluding Volume of His Classic Memoirs* (New York: Simon and Schuster, 1999), 590, <https://www.overdrive.com/search?q=E1ECEA6E-A0E2-407F-90D2-99697BE26D71>.

<sup>453</sup> Ibid.

<sup>454</sup> Gunter, 'Mulla Mustafa Barzani and the Kurdish Rebellion in Iraq', 469–70.

<sup>455</sup> Ghareeb, *The Kurdish Question*, 172–73.

<sup>456</sup> Latham, 'The CIA Report the President', 87, para 463.



instead that the insurgents simply continue a level of hostilities sufficient to sap the resources of our ally's [Iran's] neighboring country [Iraq]. This policy was not imparted to our clients, who were encouraged to continue fighting. Even in the context of covert action, ours was a cynical enterprise.<sup>457</sup> To justify his devastating reliance on American and Iranian aid, he later admitted that 'We wanted American guarantees. We never trusted the Shah. Without American promises we wouldn't have acted the way we did.'<sup>458</sup> Thus, Kurds were left without a patron state.

### 3.2.2 The disintegration of the Barzani revolt

Following the disintegration of the Barzani revolt, the Baath government immediately altered its stated goal from counterinsurgency to 'physically redrawing the map of northern Iraq.' In other words, the Kurdish rebels were moved from their 'ancestral lands' to new areas under the strict control of the Iraqi army.<sup>459</sup> During the mid-1970s, in the governorates of Ninawa and Dohuk, hundreds of Kurdish villages were demolished including 150 more in the governorate of Diyala which contained significant deposits of oil.<sup>460</sup> The government had decided to redraw the borders of the oil-rich regions to ensure that towns were not deemed to have a Kurdish majority. Towns with a heavy Kurdish majority were removed from Kirkuk province. Towns like Chamchamal and Kalar now became part of Sulaimaniya province, Kifri was added to Diyala province and Tuz Khormatu was joined to the new province of Salahuddin. Most of the exiled Kurds, from areas with significant oil deposits as well as in disputed areas, were repositioned into mujama'at, collective settlements.<sup>461</sup> According to the Baath Party newspaper Al-Thawra, 200,000 people had been displaced while other sources estimated 600,000.<sup>462</sup> The intention of this re-drawing of the administrative map was to change the demographic characteristics of the governorates as a means to undermine any Kurdish claims over them in advance of any new official census.<sup>463</sup>

---

<sup>457</sup> Ibid., 71.

<sup>458</sup> Cited in Ghareeb, *The Kurdish Question*, 140.

<sup>459</sup> George Black, *Genocide in Iraq: The Anfal Campaign Against the Kurds*, Middle East Watch Report (New York: Human Rights Watch, 1993), 35, *Genocide in Iraq: The Anfal Campaign Against the Kurds*.

<sup>460</sup> Ibid., 35–36.

<sup>461</sup> McDowall, *A Modern History*, 340; Human Rights Watch, 'Iraq: Expulsions of Kirkuk Region Minorities Continue', Vol. 15 (London, 14 March 2003), 9–10, <https://www.hrw.org/report/2003/03/13/iraq-forcible-expulsion-ethnic-minorities>.

<sup>462</sup> Black, *Genocide in Iraq*, 37; Voller, *The Kurdish Liberation Movement in Iraq*, 57.

<sup>463</sup> Human Rights Watch, 'Iraq: Expulsions of Kirkuk Region', 9–10.

After the collapse of the Barzani revolt, the Kurdish liberation movement was characterized by internal conflict and succession struggles. Talabani announced the establishment of the PUK in June 1975. In the meantime, Masoud and Idris, after the death of their father, accompanied by Sami Abdul Rahman, reorganized the KDP. Although the KDP and PUK sought to renew the revolution against the Baath government in the Kurdistan Region, their internal fighting and competition for power steadily undermined their efforts to fight against the central government. The internal fight between the two parties led to a high number of deaths of Kurdish fighters between 1976 and 1978.<sup>464</sup>

### **3.2.3 The Iran–Iraq war, oil revenue and the Kurdish uprising**

Saddam Hussein exploited oil revenues to wage war not only on Iran but also on Kurds. In the early stages of the war, the KDP sided with Iran by gathering information for the Iranian army and guiding their troops at border crossings. The PUK was at first reluctant to take the Iranian side because Talabani had close ties with Abdul Rahman Ghassemlou, the leader of the Kurdish liberation movement in Iran, who had his own Marxist plan. Hence, he began negotiations with Baghdad.<sup>465</sup> In 1983, he once again presented Saddam Hussein with the Kurdish plan for autonomy, as well as demands to cease the Arabization of disputed areas and allow all previously displaced Kurds to return to their lands and allocate 30% of oil revenue to the development of Kurdistan. Like Mulla Mustafa, Talabani also insisted on including oil-rich Kirkuk in the autonomous Kurdish region. The main issue for both parties to compromise on was the fate of Kirkuk. As Saddam reportedly told Talabani, ‘Do not insist on Kirkuk being a Kurdish town and we shall not insist on it not being Kurdish.’<sup>466</sup> While it was hard for Saddam to give up the main source of Iraq’s productive wealth, it would be also difficult for the Kurds to cede their claims on the oil-rich city that they considered as their own. Furthermore, Hussein rejected the PUK’s demands, and the PUK joined the KDP to confront the Baath government. By 1987, both parties, along with five other small Kurdish parties, officially formed the Kurdistan Front (KF) to launch an offensive against the Iraqi army.<sup>467</sup>

Oil revenue was the primary source of revenue with which the Iraqi government waged war against the Kurds. The PUK, with Iranian-supplied guns, attacked Kirkuk’s oil installations

---

<sup>464</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 58.

<sup>465</sup> Ibid., 59.

<sup>466</sup> Cited in McDowall, *A Modern History*, 350.

<sup>467</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 59.

in October 1986. Nawshirwan Mustafa Amin, a former leader of the leftist Komola faction of the PUK and later the leader of the opposition Gorran (Change) Movement, was responsible for the operation. Prior to the attack, he told one of the Iranian military generals, 'Here is Mor Khwarda. It is forty kilometres away from Kirkuk that contains the biggest oilfield in the world. It produces oil since 1927. Can any sign be noticed in this village that a dinar from that oil has been spent for its developments?' The general replied, 'No!' Amin maintained, 'Iraq, by this oil money, destroyed our nation for decades, which is why you are brought here to destroy them together!'<sup>468</sup> In other words, since the discovery of oil in Iraq, the oil income has been used against the Kurdish people.

The Baath regime took a more aggressive policy against the Kurdish forces and civilian population in retaliation for the Kurdish role in the war. This policy was named the Anfal campaign and occurred between 1986 and 1989. The intention of the policy, officially, was to demolish the rebels' substructure and prevent future support from the Kurdish population to rebels. The Iraqi security forces used chemical weapons against Kurdish guerrillas and the population at large. According to the Kurdish sources, number of casualties varied between 50,000 and 200,000. Previous attacks had never reached such a scale.<sup>469</sup> It is important to note that this was not the first time the Iraqi security forces used chemical weapons against the Kurds.<sup>470</sup> Additionally, the Iraqi forces and their Kurdish allies indiscriminately executed Kurdish inhabitants and rebels and destroyed thousands of villages. Tens of thousands of Kurdish inhabitants were deported to the mujamma'at. The most infamous incident during the Anfal operation was when the Iraqi security forces attacked the Kurdish town of Halabja with chemical weapons, which led to the death of about 5,000 Kurdish civilians and many more thousands of injured civilians. While the Anfal campaign may have achieved its objectives in the short run, it boosted Kurdish aspirations to secede from Iraq in the long run.<sup>471</sup>

The consequences of the 1991 Gulf War opened a window of opportunity for the Kurds to rise up against the Iraqi regime and liberate most of the Kurdish territories. After the defeat of the Iraqi army in the war, President Bush called on, 'the Iraqi military and the Iraqi people

---

<sup>468</sup> Nawshirwan Mustafa Amin, 1988-1984 کوردستان دیوی ناووهی رووداو مەکانی کوردستان [Going Around in Circles: The Inside Story of Events in Iraqi Kurdistan, 1984-1988] (Iraqi Kurdistan, Sulaimani, 1999), 110-11.

<sup>469</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 60.

<sup>470</sup> In 1965, Talabani already protested that the Iraqi army used chemical weapons against the Kurdish civilians after the surrender of the KDP. See: 'Iraq Accused of Using Gas', *The Times*, 21 May 1965.

<sup>471</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 60.

to take matters into their own hands to force Saddam Hussein ... to step aside.<sup>472</sup> Consequently, two separate uprisings began in southern and northern Iraq. Prior to being suppressed, the Kurdish rebels were able to control most of Kurdish areas as well as the oil-rich city of Kirkuk on March 19.<sup>473</sup> The US tolerated the Iraqi army's suppression of the Kurdish rebellion later. Massoud Barzani claims that the rebellion was started by Kurds whereas the US only got involved later. The US had warned both Iraq and the Kurds that the Kurds would be held accountable for the consequences in the event of a Kurdish attack. However, the US would respond promptly if the Iraqi government launched the initial attack.<sup>474</sup> The Iraqi army, in a major retaliation, recaptured Kirkuk on March 30 and retook the city of Sulaimaniya on April 13.<sup>475</sup> The US declared that it would not support the uprisings because they were an internal Iraqi matter.<sup>476</sup>

During April and May 1991, approximately 1.5 million fled to the Iranian border and about 450,000 Kurds went to the border with Turkey.<sup>477</sup> The arrival of Kurdish refugees worried the Turkish president Turgut Ozal as he proposed the creation of a safe haven for Kurdish refugees in northern Iraq. In response to an international public outcry, the UNSC adopted Resolution 688 that condemned Iraq's repression of Kurdish civilians and insisted that Iraq cease its repression. The allied forces initially commenced Operation Provide Comfort and then declared the establishment of a no-fly zone north of the 36th parallel, which includes the provinces of Erbil, Sulaymaniyah and Dohuk. Turkey contributed in the operation by permitting the Allied coalition to use the Incirlik airbase.<sup>478</sup>

### **3.3 The formation of the KRG as a de facto state and the illicit oil trade**

The Front's forces gradually controlled more Kurdish areas even outside of the safe haven zone when the Iraqi army was compelled to withdraw, with the important exception of oil-rich

---

<sup>472</sup> Cited in *ibid.*, 69.

<sup>473</sup> Richard Alan Schwartz, *Encyclopedia of the Persian Gulf War* (Jefferson, N.C.; London: McFarland, 1998), 103.

<sup>474</sup> Charountaki, *The Kurds and US Foreign Policy*, 169.

<sup>475</sup> Schwartz, *Encyclopedia of the Persian Gulf War*, 103.

<sup>476</sup> 'Remarks on Assistance for Iraqi Refugees and a News Conference' (The American Presidency Project, 16 April 1991), <https://www.presidency.ucsb.edu/documents/remarks-assistance-for-iraqi-refugees-and-news-conference>.

<sup>477</sup> Michael M. Gunter, *The Kurds of Iraq: Tragedy and Hope* (New York: St. Martin's Press, 1992), 85.

<sup>478</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 69–70.

Kirkuk.<sup>479</sup> The coalition forces declared their support for Iraq's territorial integrity and mentioned that the creation of the safe haven should not be considered as their advocating the possible emergence of an independent or even autonomous Kurdish entity in Iraq. As the KF was concerned about the possibility of being exploited later by the coalition forces, they seriously attempted to negotiate with the Iraqi government. Nevertheless, Saddam refused to negotiate with the Kurds and even considered the safe havens as a violation of Iraqi sovereignty.<sup>480</sup> He consequently ordered that the salaries of all civil servants be cut and completely ceased food rations to the Kurdish areas during October and July 1992.<sup>481</sup> As Yaniv Voller argues, Saddam wished for the blockade to compel the Kurdish leaders to restore the central authority to the region once they failed to implement a successful state-building processes.<sup>482</sup>

Following the Gulf War and formation of the KRG, the Kurdish Region faced an economic crisis. During the mid-1970s and 1980s, the Kurdish economy was ruined by the deportation of the Kurdish population, destruction of economic infrastructure, the impairment of the agricultural sector and rural livelihoods, and the decline in the overall oil revenue of the central government by the Iran–Iraq War.<sup>483</sup> The oil sector in Iraq played the most important role in the economic and socio-economic structure of the Kurdish region and its society, particularly during the 1980s. For example, the oil revenue allowed the central government to become the nation's largest employer in both armed and civilian public services.<sup>484</sup> In the 1970s, the Kurdish region had a high agricultural productivity.<sup>485</sup> But the Kurdish economy had been devastated by the early 1990s. The double sanctions (the UN sanctions against Iraq and Baghdad's blockade of the Kurdistan Region) had a serious impact on the economic and socio-economic status of the region. The most significant effect of international sanctions on Iraq compelled the international community to prohibit any kind of trade, which included exports and imports, with Iraq.<sup>486</sup> Thus, the KRG had to rely on an economy based on oil smuggling and foreign aid in the 1990s.<sup>487</sup>

---

<sup>479</sup> Ronald Ofteringer and Ralf Backer, 'A Republic of Statelessness: Three Years of Humanitarian Intervention in Iraqi Kurdistan', *Middle East Report*, no. 187/188 (March 1994): 42, <https://doi.org/10.2307/3012594>.

<sup>480</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 70.

<sup>481</sup> Ofteringer and Backer, 'A Republic of Statelessness', 43.

<sup>482</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 70.

<sup>483</sup> Stansfield, *Iraqi Kurdistan*, 40–45.

<sup>484</sup> *Ibid.*, 43–44.

<sup>485</sup> *Ibid.*, 43.

<sup>486</sup> *Ibid.*, 47–49.

<sup>487</sup> Denise Natali, 'The Kurdish Quasi-State: Leveraging Political Limbo', *The Washington Quarterly* 38, no. 2 (3 April 2015): 146, <https://doi.org/10.1080/0163660X.2015.1064715>.

The economic blockade had an impact on the socio-economic condition in the region. Around 100 ID (Iraqi Dinar) per month was needed for an average family to meet the cost of food items prior to the Gulf war; however, the same family needed ID 2,000 to 3,000 per month in 1994.<sup>488</sup> The price of kerosene was 200 times higher and the price of rice was 80 times higher in 1992 than in 1990.<sup>489</sup> The Kurdish administration had to pay the 165,000 people on the payroll. The KRG had an annual budget of 1.37 billion-dinar, which was mainly generated from the illicit oil trade at Ibrahim Khalil border. One third of the budget went to salaries. And one million people relied on the government wages of roughly 250 dinars per month.<sup>490</sup> The KRG was compelled to develop an independent economic system to deal with the economic blockade. The KRG depended on the old 'swiss print' Iraqi dinar in the Kurdish region in order to safeguard its partial monetary independence and avoid hyperinflation.<sup>491</sup> This achieved limited success during the 1990s.<sup>492</sup>

### **3.3.1 The revenues of the transit trade in oil as a main source of wealth in the KRG**

The revenue of the transit trade in oil became an enormous source of wealth to the post-war economy of the Kurdistan Region. Just after Iraqi troops withdrew from the Kurdish area in late October 1991, the Kurds exported oil again from Iraq to Turkey by truck, transiting through territory controlled by the KDP.<sup>493</sup> It is also important to remark that not only the de facto Kurdish state, but also regionally recognized states such as Jordan, Syria, Iran and Turkey began to ignore the terms of the sanctions by engaging in oil trade with Iraq.<sup>494</sup> According to a report in late April 1992, the Kurds, particularly the KDP, exported around 20,000 to 25,000 barrels of oil daily by trucks to Turkey. Prior to the establishment of the KRG in 1992, the KF began to establish a national oil company, 'KurdOil,' which was registered in London, to reveal that it had the capacity to extract oil from the oilfields in its area. While the KF even made an effort to obtain legitimacy for KurdOil by requesting UN permission for its activities, the company never became operative.<sup>495</sup> Moreover, in spite of its internal splits, the Kurdish Front

---

<sup>488</sup> Oferinger and Backer, 'A Republic of Statelessness', 43.

<sup>489</sup> Stansfield, *Iraqi Kurdistan*, 51–52.

<sup>490</sup> Oferinger and Backer, 'A Republic of Statelessness', 43.

<sup>491</sup> Michiel Leezenberg, 'Chapter 8: Economy and Society in Iraqi Kurdistan: Fragile Institutions and Enduring Trends', *The Adelphi Papers* 43, no. 354 (1 January 2003): 154, <https://doi.org/10.1093/adelphi/354.1.149>.

<sup>492</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 77.

<sup>493</sup> 'Sources of Revenue for Saddam and Sons: A Primer on the Financial Underpinnings of the Regime in Baghdad' (Washington, D.C: The Coalition for International Justice, September 2002), 27, <https://www.legal-tools.org/doc/4ccef1/pdf/>.

<sup>494</sup> 'Sources of Revenue for Saddam and Sons'.

<sup>495</sup> Gunter, 'A de Facto Kurdish State', 301.

‘somehow [had] come up with a modus vivendi to monitor KurdOil operations to ensure that the oil exports will benefit all Kurds rather than areas which are loyal to any single group.’<sup>496</sup> The KF attempted to obtain domestic legitimacy by spending the revenue. Despite the Iraqi blockade of the Kurdistan Region, the US State Department in March 1992 revealed the Kurdish success in financial matters and stated that ‘The Kurdish Front has raised enough [from oil smuggling] to pay some salaries and maintain some semblance of a social services network.’<sup>497</sup> In a session of the new parliament, 5 million dinars were provided for the salaries of employees and teachers. The KF’s customs office in Dohuk contributed 3 million dinars and the offices in Rawanduz and Raniya only provided 2 million.

The frontier trade between the Kurds in Iraq and Turkey reportedly ‘constituted a major breakthrough’ in late May 1992.<sup>498</sup> The Iraqi-Turkish border at Ibrahim Khalil near the city of Zakho became the main oil smuggling route in the Kurdistan Region. As Denise Natali notes that:

The main source of business exchanges shifted from Mosul to Zakho at the Turkish border, which benefited Dohuk governorate. Transportation routes from Mersin in south-eastern Turkey became an important transit route to the Kurdistan Region, where a lucrative petroleum smuggling industry had emerged. In 1991–93 Turkish border guards loosely interpreted border regulations and permitted truck drivers to keep tanks as large as 4,000 liters underneath their trucks to store smuggled fuel exports. Truck drivers earned up to US\$5,000 on a good five-day journey from south-eastern Turkey to refineries in Mosul or Kirkuk.<sup>499</sup>

The blockades encouraged the emergence of illicit enterprise such as parking areas for trucks smuggling oil and services such as food and tank construction. The lucrative oil smuggling route not only served the economy of the Kurdistan Region, but also that of Turkey. The US turned a blind eye on this black market because it eased Turkey’s economic damages created by its role in the Gulf war.<sup>500</sup>

The Kurdistan Front decided to hold elections for a regional parliament and government on 19 May 1992. The KF, even prior to the establishment of the KRG, faced a political, social

---

<sup>496</sup> PV. Vivekanand, ‘Kurds Said Exporting Oil to Turkey,’ Amman Jordan Times, (April 1994): 7, cited in *ibid.*

<sup>497</sup> ‘US Department of State Dispatch’, *Office of Public Communication, Bureau of Public Affairs* 3, no. 1 (1992): 224.

<sup>498</sup> Gunter, ‘A de Facto Kurdish State’, 301.

<sup>499</sup> Natali, *The Kurdish Quasi-State*, 45.

<sup>500</sup> David Aquila Lawrence, ‘A Shaky De Facto Kurdistan,’ *Middle East Report*, no. 215 (2000): 25.

and economic crisis in the region caused by the arrival of a mass return of Kurdish refugees and internally displaced refugees, the destruction of the rural infrastructure, internal disputes and double blockades. Meantime, the KF was inexperienced with administrating civilian matters. As Jalal Talabani stated, ‘we came from the mountains, we were trained as fighters, and now we had to run cities.’<sup>501</sup> Thus, to deal with the crisis, the KF made an effort to form an assembly in order to administer the region and create a legal authority through democratic elections. In the election of the Kurdistan National Assembly (KNA), the KDP secured 51 seats and the PUK secured 49 seats in 1992. The two parties declared the establishment of the KND and KRG based on the 50:50 agreement. The first cabinet of the KRG had enormous problems in late 1992. For instance, though the KDP and PUK surrendered control of revenue sources to the KRG only on paper, the KRG had little influence on the border crossings, especially Ibrahim Khalil.<sup>502</sup> Thus, the crux of the problem was a growing dispute, mostly over the lack of revenue control at Ibrahim Khalil, between the KDP and PUK.

### **3.3.2 The revenues of the transit trade in oil as a main source of contention between the KDP and PUK**

The main source of contention between the KDP and PUK was over the division of oil smuggling-generated revenue. During the international sanctions on Iraq in the 1990s, the Kurds played an instrumental role in the smuggling of Iraqi oil. The KDP wholly controlled the Ibrahim Khalil border crossing between Turkey and Iraqi Kurdistan. Michiel Leezenberg explains this as a ‘privatized form of trade’ because Saddam’s son Uday was in charge on the Iraqi government side and on the Kurdish side, Barzani’s nephew Nechirvan, is who currently serving as the second president of the KRG, ‘appears to have steadily increased his control over the transit trade.’<sup>503</sup> Thus, American aid staffs at Ibrahim Khalil began calling Nechirvan ‘the best dressed man in Kurdistan.’<sup>504</sup> Furthermore, the KDP’s leader, Masoud Barzani established a company, ‘Asia World’ to facilitate the oil smuggling trade at the border and ‘taxes’ went to the KDP coffer.<sup>505</sup> Yet, although the lucrative oil trade at Ibrahim Khalil border was in breach

---

<sup>501</sup> Stansfield, *Iraqi Kurdistan*, 123.

<sup>502</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 72–73.

<sup>503</sup> Michiel Leezenberg, ‘Iraqi Kurdistan: Contours of a Post-Civil War Society’, *Third World Quarterly* 26, no. 4–5 (June 2005): 638, <https://doi.org/10.1080/01436590500127867>; Michiel Leezenberg, ‘Politics, Economy, and Ideology in Iraqi Kurdistan since 2003: Enduring Trends and Novel Challenges’, *Arab Studies Journal* 23, no. 1 (2015): 159–60.

<sup>504</sup> Quil Lawrence, *Invisible Nation: How the Kurds’ Quest for Statehood Is Shaping Iraq and the Middle East* (New York: Walker & Company, 2008), 73.

<sup>505</sup> Lee Jones, *Societies Under Siege. Exploring How International Economic Sanctions (Do Not ) Work*, First edition (Oxford: Oxford University Press, 2015), 150; Stansfield, *Iraqi Kurdistan*, 51.



of UN sanctions, the KDP government adjusted and consequently legitimized it by levying customs duties.<sup>506</sup> Furthermore, the two parties accused each other of transferring large sums of money to their own family accounts instead of the accounts of the KRG.<sup>507</sup>

While the shadow economy plays an important role in the survival of some de facto states, it can also become a source of instability in the early stages of such actors if it is not regulated. As Nina Caspersen argues that:

The shadow economy is a double-edged sword for unrecognized states; it can help provide revenue needed for state-building to succeed, but also risk empowering actors who have an interest in relative disorder and it, moreover, risks damaging the entity's internal legitimacy.<sup>508</sup>

The oil smuggling-generated revenue at Ibrahim Khalil border (controlled by the KDP) caused an imbalance of funds between the KDP and PUK. There was no consensus on KDP's estimates of the revenue generated at the border. Talabani declared that KDP made more than \$1 million daily on transit fees from the oil export and import of goods, though other estimates have reached \$500,000.<sup>509</sup> The PUK border crossing with Iran, on the other hand generated smaller sums.<sup>510</sup> These revenue differences, mostly generated from the illicit oil trade, planted the seed of Kurdish civil war.

The Kurdish civil war was not about oil revenues because the KRG did not have oil at the time, except for the Taq Taq field, which underwent minimal development for local consumption; rather, it was about the revenue generated from the transit trade, particularly the lucrative transit trade in petrol products from the main Ibrahim Khalil border crossing between the KRG and Turkey. As Leezenberg argues, 'The revenues of the transit trade in oil were an enormous source of wealth, and hence a potential bone of contention: disagreement over the division of these revenues was one of the main causes of Kurdish infighting.'<sup>511</sup> The outbreak

---

<sup>506</sup> Leezenberg, 'Iraqi Kurdistan', 642.

<sup>507</sup> Stansfield, *Iraqi Kurdistan*, 50.

<sup>508</sup> Caspersen, *Unrecognized States*, 64.

<sup>509</sup> Lawrence, 'A Shaky De Facto Kurdistan', 25; Kenneth M. Pollack, *The Threatening Storm: The Case for Invading Iraq*, 1st ed (New York: Random House, 2002), 81.

<sup>510</sup> Gareth R.V. Stansfield, 'Chapter 7: The Kurdish Dilemma: The Golden Era Threatened', *The Adelphi Papers* 43, no. 354 (January 2003): 135, <https://doi.org/10.1080/714027855>.

<sup>511</sup> Leezenberg, 'Iraqi Kurdistan', 638; Scholars remain divided over the causes of the Kurdish civil war. Gunter traces the source of the war to the imbalance of power in the region. The union between the KDP and Sami Abdul Rahman's Kurdistan Unity Party made the PUK believe that it would not win the next elections. Burhan Jaf explains that personal competitions between Talabani and Barzani, intensified by the involvement of external powers, led to the outbreak of the war. See: Michael M. Gunter, 'The KDP-PUK Conflict in Northern Iraq',

of war between the two parties began in May 1994. And in the second stage of the war led to cruelty and bloodshed. After the PUK forces controlled the city of Erbil, the KDP, with the aid of the Iraqi army, seized control of the city on 3 August 1996 and the PUK forces fled to the mountains. In retaliation, the PUK forces with the aid of Iran captured Sulaymaniyah in late 1996. Thus, the region had been divided into two administrative areas.<sup>512</sup> The conflict began in 1994 when the KDP refused to cede the control of revenue to the KRG became intense in 1996.<sup>513</sup>

The revenue from the crude oil trade at Ibrahim Khalil yielded an estimated \$596 million annually. From this amount, the Iraqi government and firms took 17%, the KDP government 9%, and its KDP companies 18% in 1996. In other words, the KDP and its linked companies earned \$164 million annually.<sup>514</sup> Kosrat Rasul, a prominent PUK leader, accused the KDP of favourably accepting the Kurdish division in the region because they earned enormous money from the illicit oil trade with Turkey.<sup>515</sup> In the meantime, the KDP argued that what they did, by not handing over the border revenue, was a response to the ‘disappearance’ of some \$19 million from the Central Bank of Kurdistan, under the order of the PUK.<sup>516</sup> Due to the lack of revenue, the PUK faced difficulties in administering the region, particularly with the influx of the large pro-PUK civil servants who had escaped from Erbil. Thus, Suleimaniyah, a cultural and educational centre of the Kurdistan Region, lacked the required necessary foundation of administrative support structures.<sup>517</sup>

The Kurdish civil war slightly damaged the internal and external legitimacy of the Kurdish de facto state. The Kurdish people accused the Kurdish leadership of being unable to govern and run affairs including the fair distribution of revenues. In other words, the regime’s legitimacy was threatened. One report described the fighting as the ‘undeclared demise’ of the Kurdish rule over their territory, as it ‘could prompt its Western protectors and regional powers to tolerate an intervention by President Saddam Hussein’s forces.’<sup>518</sup> Kurdish politicians and

---

*Middle East Journal* 50, no. 2 (1996): 232; Burhan Jaf, ‘The Iraqi Kurdish Conflict: The Problem and Its Solution’, *Al-Quds al-Arabi [London]* translation provided by Mideast Mirror 9 (August 1995): 147.

<sup>512</sup> Leezenberg, ‘Iraqi Kurdistan’, 638–39.

<sup>513</sup> Isam al-Khafaji, ‘The Destruction of Iraqi Kurdistan’, *Middle East Report*, no. 201 (October 1996): 36, <https://doi.org/10.2307/3012770>.

<sup>514</sup> ‘Sources of Revenue for Saddam and Sons’, 34.

<sup>515</sup> Lawrence, *Invisible Nation*, 106.

<sup>516</sup> al-Khafaji, ‘The Destruction of Iraqi Kurdistan’, 36.

<sup>517</sup> Stansfield, *Iraqi Kurdistan*, 161.

<sup>518</sup> Cited in Voller, *The Kurdish Liberation Movement in Iraq*, 83.

intellectuals also expressed a negative attitude. For example, Burhan Jaf, later to become the KRG's representative to the EU, argued, 'Unfortunately, the collapse of the free-Kurdistan experiment is more possible now than ever before, and the principal reason is the intra-Kurdish strife.'<sup>519</sup> Moreover, the intrastate war led to the death of thousands of Kurds and displacement of tens of thousands from their homes.<sup>520</sup> More than half of the population became unemployed.<sup>521</sup> The war also hindered the efforts of Non-Governmental Organisations (NGOs) in the region because greedy local warlords charged taxes on and confiscated aid goods. All American NGOs withdrew due to the threat of the Iraqi army in the region.<sup>522</sup> The most negative consequence of the war was the division of the Kurdistan Region into two zones of party. The PUK ruled the Sulaymaniyah governorate and the KDP controlled the Erbil and Dohuk governorates. They had their own security forces and independent administration.<sup>523</sup>

The de facto state dissolved in the mid-1990s as a result of the civil war that broke out between the two major political parties, the KDP and the PUK. The Kurdistan Region's state-building process suffered a serious setback due to the civil war.<sup>524</sup> However, the state-building initiative was restarted in the late 1990s under a split administration that was brought back together in 2005. Thus, the Kurdistan Region actually experienced the creation of two de facto states, the first from 1991 to 1994 and the second starting in 2005. A civil war can be considered as an organic process of state-building.<sup>525</sup> Although the de facto state's infrastructure was destroyed, the notion and the Kurdish aspiration to preserve their domestic sovereignty persisted. The reunification process was launched by the 1998 cease-fire agreement between the PUK and KDP.<sup>526</sup>

### **3.3.3 The implementation of the oil-for-food of the program and the end of the Kurdish civil war**

The fair distribution of oil revenue, more precisely the implementation of the oil-for-food of the program (OFFP), was the main cause of the end of the Kurdish civil war.<sup>527</sup> Due mostly to

---

<sup>519</sup> Jaf, 'The Iraqi Kurdish Conflict: The Problem and Its Solution'.

<sup>520</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 83.

<sup>521</sup> Nawshirwan Mustafa Amin, *کێشه‌ی پارتی و یەکێتی* [*The Problem Between KDP and PUK*], ed. Lukman Abas (Finland, 1995), 142.

<sup>522</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 83.

<sup>523</sup> Stansfield, 'Chapter 7', 131.

<sup>524</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 12.

<sup>525</sup> Ibid., 2.

<sup>526</sup> Ibid., 68.

<sup>527</sup> Leezenberg, 'Iraqi Kurdistan', 639.

Kurdish nationalism, the two parties could not depend on the border trade revenue for long. Their vulnerability was seen several times when Iraq, Turkey and Iran stopped the flow of trade.<sup>528</sup> For instance, the KDP's vulnerability had been seen when Iraq reduced the quantity of oil and diesel from 10 million litres of fuel daily in 1997 to 6 million litres in 1998 and to 1 million litres daily in 1999. Even the Iraqi government changed the export route to the PUK zone and then for export to Iran.<sup>529</sup> Thus, it became apparent for both political parties that they would gain more, both internally and externally, from cooperating than from fighting. The US played a role in brokering a peace deal between the KDP and PUK in 1998.<sup>530</sup> This Washington Accord included important elements such as revenue-sharing, power-sharing and security arrangements.<sup>531</sup> Most importantly, the accord fully restored the UN OFFP in the region. Under the OFFP program, Iraq was permitted to sell \$2 billion worth of oil every six months after December 1996. The two de facto 'statelets' in the Kurdistan Region were allocated 13 percent, or \$260 million, which was proportionally split between governorates.<sup>532</sup>

The OFFP program had a paradoxical consequence on the domestic sovereignty of the KRG. On the one hand, the OFFP initially undermined the legitimacy of the KRG since the United Nations Office of the Humanitarian Co-ordinator in Iraq (UNOCHI) was permitted to take the place of the Iraqi government for procuring, transporting and distributing humanitarian aid to the Kurdistan Region. The UN acted as a government in the Kurdistan Region, and its agencies operated as ministries: 'UNOCHI as a council of ministers, HABITAT as a ministry of housing of reconstruction, and UNICEF as a ministry of water and sanitation.'<sup>533</sup> Certainly, the OFFP programme was committed to maintain Iraqi sovereignty and limit the KRG from enhancing its autonomy. The program focused primarily on humanitarian aspects rather than rehabilitation of the infrastructure or capacity-building.<sup>534</sup> Despite defects, the allocation was more efficient in the Kurdistan Region rather than in the parent state. Although the allocation

---

<sup>528</sup> Stansfield, *Iraqi Kurdistan*, 165; al-Khafaji, 'The Destruction of Iraqi Kurdistan', 37.

<sup>529</sup> McDowall, *A Modern History*, 391.

<sup>530</sup> Leezenberg, 'Politics, Economy, and Ideology', 161.

<sup>531</sup> Alan Makovsky, 'Kurdish Agreement Signals New U.S. Commitment', *The Washington Institute*, 29 September 1998, <https://www.washingtoninstitute.org/policy-analysis/kurdish-agreement-signals-new-us-commitment>.

<sup>532</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 84.

<sup>533</sup> Natali, *The Kurdish Quasi-State*, 70–71.

<sup>534</sup> *Ibid.*, 60.

of the funding was not strictly in the hands of the two administrations, the UN agencies were corruption-prone.<sup>535</sup>

On the other hand, the OFFP also promoted economic development in the Kurdistan Region. While the program did not attempt to develop a private sector, the OFFP aid and its allocation unintentionally paved the way for the emergence of an entrepreneur class of NGOs and contractors. OFFP contracts and subcontracts were worth millions of dollars to the local population.<sup>536</sup> Furthermore, the Kurdish officials also realized the importance of the OFFP in the reconstruction of the Kurdistan Region. For instance, Sami Abdul Rahman, the former deputy prime minister of the KDP-KRG, stated, 'For all its shortcomings, oil-for-food rescued our people. Everyone now gets a food basket for a whole month every month. It's often worth more than the income of a family. With that oil income, we've built schools and clinics, developed agriculture, paved roads and planted some 3 million trees. Kurds now have a sense of security.'<sup>537</sup> Similarly, Barham Salih, the former prime minister of the PUK-KRG, described the OFFP a 'fantastic concept,' and further stated that 'For the first time in our history, Iraqi citizens—all citizens—are insured a portion of the country's oil wealth. The north is a testament to the success of the program. Oil is sold and food is bought.'<sup>538</sup>

The OFFP consolidated the domestic sovereignty of the two divided Kurdish administrations. As Leezenberg observed, 'Through the new contracting business the two parties further consolidated their positions in the territories under their military control, even though the allocation of resources was not strictly in their hands but in those of the UN officials and even the Iraqi regime.'<sup>539</sup> This program incentivized the PUK and KDP to cease fighting because it provided profitable contracts for local distribution and infrastructural projects. Furthermore, Charles Recknagel and Sa'ad Abdul Qadir note, 'there is more money in the area now, including in the PUK areas thanks to UN Security Council oil-for-food resolutions. So, even without the transfer of funds from the KDP, the PUK areas are doing much better.'<sup>540</sup> In other

---

<sup>535</sup> Leezenberg, 'Iraqi Kurdistan', 639.

<sup>536</sup> Natali, *The Kurdish Quasi-State*, 56; Denise Natali, 'The Kurdistan Region of Iraq: Stabilizer or Spoiler?', *Georgetown Journal of International Affairs* 14, no. 2 (2013): 1117.

<sup>537</sup> Cited in Robin Wright, 'Kurdish Enclave Shows How Iraq Could Prosper', *Los Angeles Times*, 1 December 2002, <https://www.latimes.com/archives/la-xpm-2002-dec-01-fg-kurds1-story.html>.

<sup>538</sup> Cited in Jeffrey Goldberg, 'The Great Terror', *The New Yorker*, 17 March 2002, <https://www.newyorker.com/magazine/2002/03/25/the-great-terror>.

<sup>539</sup> Leezenberg, 'Iraqi Kurdistan', 639.

<sup>540</sup> Charles Recknagel and Sa'ad Abdul Qadir, 'Iraq: Washington Seeks To Strengthen Kurdish Accord', *RadioFreeEurope/RadioLiberty*, 9 January 1999, <https://www.rferl.org/a/1090385.html>.

words, enough rents made both parties cooperate and focus on the local governance rather than fight. Lastly, the OFFP initially undermined the regime legitimacy in the KR while it indirectly strengthened the domestic sovereignty of the two Kurdish administrations by offering them enough revenues to reinvest locally.

### 3.3.4 Various approaches towards the oil case in the Kurdistan Region

The KDP and PUK had different views towards the oil case in the Kurdistan Region from 1991 to 2003. The PUK believed that they could achieve economic self-sufficiency from Baghdad and develop economic infrastructure, for example, through oil extraction. They then would move towards political independence. For instance, Jalal Talabani, during the election campaign of the first Regional Parliament for his political party, campaigned for the first time for oil extraction in the region. However, the KDP, particularly Masoud Barzani, argued that the Kurdistan Region could not achieve economic self-sufficiency, and secession from Iraq was unreasonable due to its geographical location, most importantly its hostile neighbours. Thus, they should reluctantly return to Baghdad.<sup>541</sup> The KDP not only mocked the PUK's project of the oil extraction, but also hampered the project in the government. Since the KDP refused the share of the Ibrahim Khalil's revenue or a joint-management, the PUK announced that if Kirkuk were to re-join the Kurdistan Region or oil had been extracted in the region, the KDP should not ask for a share. Nevertheless, the KDP and PUK switched their views towards the oil case in the region after 2003 due to their interests. When Talabani became the first Iraqi President and Barzani became the first President of the Kurdistan Region, the PUK left the slogan of the oil extraction and self-determination to the KDP and the KDP left the slogan of a policy of rapprochement with Baghdad to the PUK.<sup>542</sup>

The Kurdistan Region had a fledgling oil sector in the 1990s. The Kurdistan Region's oil and gas fields remained undeveloped, undercapitalized and underexplored and its deposits also became unknown. In spite of the lack of exploration, the Kurdistan Region possesses the major oilfields of Iraq, particularly Kirkuk where has been exploited since 1927.<sup>543</sup> In his book that was written in the 1970s, Christopher Rand made a remarkable claim about oil in Iraq.

---

<sup>541</sup> Rebin Fatah, 'شیرینی نهوت و ژهراوی سهربهخوایی [The Sweetness of Oil and the Poison of Independence]', *Kurdistan Times*, 17 August 2020, <https://kurdistantimes.org/2020/08/17/شیرینی-نهوت-و-ژهراوی-سهربهخوایی/>.

<sup>542</sup> Ibid.

<sup>543</sup> Thomas Strouse, 'Dependent Aspirations: The Oil Policies of the Kurdistan Regional Government' (MA diss, Washington, D.C, The Institute for Middle East Studies, The Elliott School of International Affairs, The George Washington University, 2010), 4.

Though oil companies explored all areas in Iraq for oil, he maintained that, specific territories, as well as Kurdistan, were not indicated on oil company maps. This did not imply that there was no oil in such areas, for they noticeably they had oil. From the perspective of oil companies, they had abundant producing oil fields, particularly Kirkuk and southern fields, that they could manage. Therefore, it was not necessary for them to publicize the fact that the Kurdish region of northern Iraq has rich oil deposits.<sup>544</sup> Pelletiere also added that the cartel oil companies considered the Kurdish oil fields as a kind of rainy-day fund. They could utilize them once it became necessary; however, oil would have to be left in the ground for the time being.<sup>545</sup> Although there has always been a belief that there was oil in the region, Kurds were unable to exploit their potential natural resource due to political and economic factors.

During Saddam Hussein's rule, oil exploration was not implemented in the region as an official state policy. Kurds were still powerless to exploit their oil resources in the 1990s.<sup>546</sup> As Stansfield notes:

Kurdish leaders had been conditioned by their experiences in the 1990s and before to ensure that they would be in control of their revenue streams in the future. Their view of oil revenue, or more accurately how such revenue was used, was not at all positive. While they believed that vast seas of oil sat under 'their' territory (meaning the giant Kirkuk field), they would complain how their oil wealth had never been theirs to control and, far from seeing it invested by Baghdad into the Kurdistan Region for the benefit of those who lived there, the Kurds would instead see their wealth used to purchase weapons and to fund operations such as the Anfal campaign, the aim of which was to depopulate and ethnically cleanse the rural areas of the Kurdistan Region. In the 1990s, the Kurds were no longer targeted in such systematic ways ... But again, the Kurds were not in control of their own resources and a strong culture of dependency had taken hold of the Kurdistan Region, a culture that many leadership figures saw as essential to change.<sup>547</sup>

With its contested status, the KRG was able to gain some progress in building an independent oil sector even in the 1990s. For instance, the Kurds, more precisely the PUK, developed the Taq-Taq field in the Sulaymaniyah governorate for domestic consumption.<sup>548</sup> The PUK also constructed an oil refinery out of sugar refinery parts without foreign support.<sup>549</sup> And

---

<sup>544</sup> Christopher T. Rand, *Making Democracy Safe for Oil: Oilmen and the Islamic East*, 1st ed (Boston: Little, Brown, 1975), 190–94.

<sup>545</sup> Pelletiere, *Oil and the Kurdish Question*, 126.

<sup>546</sup> Strouse, 'Dependent Aspirations', 4.

<sup>547</sup> Gareth R. V. Stansfield, 'The Kurdish Experience in Post-Saddam Iraq', in *The Kurdish Question Revisited*, ed. Gareth R. V. Stansfield and Mohammed Shareef (Oxford: Oxford University Press, 2017), 364.

<sup>548</sup> Ibid.

<sup>549</sup> Lawrence, *Invisible Nation*, 106.

international oil companies were unable to function in the region due to the double blockades and political instability in the region. The KRG also lacked the technical and financial means to make rapid headway in oil exploration and development in the region.<sup>550</sup> Most notably, to develop its oil sector and pursue its international legitimacy, the KRG has unilaterally signed a PSA agreement with Turkey's Genel Enerji for developing the Taq Taq field in 2002 even before the regime change in Iraq.<sup>551</sup>

### 3.4 Conclusion

This chapter has aimed to highlight that the question of oil in relation to sovereignty for the Kurds had been historically grounded. Since the inception of the Kurdish liberation movement in Iraq, it was clear to the Kurdish leadership that it was difficult to gain meaningful autonomy or to secede from Iraq in the absence of foreign support. Even the Kurdish leadership used oil as a tool to ensure the foreign support on few occasions, but the efforts were not successful. Furthermore, the Kurdish liberation movement and subsequent governments in Baghdad failed to reach an agreement regarding autonomy for Kurds with the Kirkuk oil fields and a fair share of the national oil revenue. Thus, the Iraqi government used oil revenues, predominantly generated from the Kurdish oil fields, to wage war against the Kurds. The question of oil remained unresolved between the Kurds and the Iraqi government.

In 1992 the Kurdish national liberation movement came to be a de facto state, and its illicit oil trade, as a main source of wealth, played a role in the initial processes of its state-building through paying some salaries and providing some social services. This to an extent strengthened domestic legitimacy in the region. Although the KRG controlled its oil fields, it could not develop new oil fields due to domestic and external factors. The oil smuggling-generated revenue at Ibrahim Khalil border was a main source of conflict between the KDP and PUK between 1994 and 1997. This weakened the KRG's domestic and international legitimacy. Nevertheless, what motivated the Kurdish leadership to end the Kurdish civil war was the fair distribution of oil revenue through the implementation of the OFFP. While the program initially delegitimized the two Kurdish administrations, it unintentionally increased the KRG's domestic sovereignty.

---

<sup>550</sup> Mills, *Under the Mountains*, 7.

<sup>551</sup> Stansfield, 'The Kurdish Experience in Post-Saddam Iraq', 364–65.



Based on their interests, the two ruling parties had various projects towards the oil policy from 1990 to 2003. The PUK's project included economic self-sufficiency based on the oil extraction while the KDP's project had a policy of reconciliation with Baghdad and was opposed to oil extraction. However, when Talabani became the first Iraqi President and Barzani became the first President of the Kurdistan Region after 2003, the PUK moved towards the policy of rapprochement with Baghdad, and the KDP focused on an independent energy policy and self-determination.

Throughout most of this period, the conflict between Kurdish national liberation movement and the Iraqi government over oil was clearly associated with control over territory, independence and sovereignty. The following chapter complements this one, by showing how the KRG's control over natural resources in Kurdistan came to be associated with sovereignty and affected its various aspects of sovereignty.

## **Chapter 4. The impact of natural resources on the KRG's sovereignty, 2003-2019**

This chapter starts with the empirical analysis of the impact of natural resources on the KRG's sovereignty. It examines the efforts of the Kurdish leadership to consolidate the KRG's sovereignty after 2003. It also surveys the conflict over the control of natural resources between the Erbil and Baghdad. It argues that the conflict over oil resources between Erbil and Baghdad revolves around sovereignty rather than just monetary or technical issues. This chapter investigates the influence of high and low oil prices on the sovereignty of the KRG. Moreover, it discusses the effects of mismanagement, corruption and lack of transparency in the oil industry and domestic clashes over oil revenues on various dimensions of sovereignty. Finally, the chapter highlights the influence of the KRG's contested sovereignty on its energy policy and the case of oil in the policy of the 'status then standards.'

### **4.1 National resources: consolidating the KRG's sovereignty in three phases**

Kurdish desire to further consolidate the KRG's sovereignty through control over oil reserves in the Kurdistan Region explicitly appeared during the rebuilding process following the demise of Saddam Hussein's regime in three phases. First, the drafting of the constitution was the initial conflict between the central government and the Kurds. The Kurdish leadership attempted to create a constitutional framework for the parent state where regional law prevails over national law in most of the cases, particularly with regard to natural resources. Kurdish leaders invited Peter Galbraith, a former American diplomat, and other legal experts to advance the Kurdish cause in the process of writing the constitution. Galbraith's influence on the Kurdish leadership between 2003 and 2004 can be grasped in the two provisions of the 2005 constitution such as 'that residual powers belong to the provinces and not to the central government, as well as the supremacy accorded to local law over federal law.'<sup>552</sup> In other words, the central government of Iraq is granted less power than many centralized states in the world as Galbraith elaborates:

After I left Iraq in May 2003, I realized that the Kurdish leaders had a conceptual problem in planning for a federal Iraq. They were thinking in terms of a devolution of power—meaning that Baghdad grants them rights. I urged that the equation be reversed. In a memo I sent Barham (Salih) and Nechirvan (Barzani) in August, I drew a distinction between the previous autonomy proposals and federalism: 'Federalism is a 'bottom-up system.' The basic organizing unit of the country is the

---

<sup>552</sup> Reidar Visser, 'New DNO Revelations: While He Was Influencing the Shape of the Iraqi Constitution, Peter Galbraith Held Stakes in an Oilfield in Dahuk', *Histories of Political Imagining*, October 2009, <http://www.historiae.org/Galbraith.asp>.

province or state. The state or province is constituted first and then delegates certain powers (of its choice) to the central government ... in a federal system residual power lies with the federal unit (i.e. state or province); under an autonomy system it rests with the central government. The central government has no ability to revoke a federal status or power ... Finally, I wrote ... 'any conflict between laws of Kurdistan and the laws or constitution of Iraq shall be decided in favor of the former.'<sup>553</sup>

He was among the most forceful advocates for Kurds to retain control over natural resources in their region and argued that the Kurds would not be able to maintain their domestic sovereignty without control over its oil resources.<sup>554</sup> As an informal advisor to the KRG, he framed Kurdish demands including oil in the 2004 Transitional Administrative Law and his contribution can be seen in the 2005 constitution.<sup>555</sup> Galbraith writes:

On February 10 (2004) Nechirvan [Barzani] convened a meeting at the Kurdistan National Assembly of the top leaders of the PUK and KDP. I presented a draft of a 'Kurdistan chapter' to be included in the interim constitution [i.e. the TAL] ... Except for a few matters assigned to the federal government (notably foreign affairs), laws passed by the Kurdistan national assembly would be supreme within the region. The Kurdistan Regional Government could establish an armed force ... The Kurdistan Region would own its land, water, minerals and oil. Kurdistan would manage its future oil fields (and keep revenues) but the federal government in Baghdad would continue to manage all oil fields currently in commercial production. Because there were no commercial oil fields within Kurdistan as defined by the March 18, 2003 boundaries, this proposal had the effect of giving Kurdistan full control over its own oil ... The permanent constitution of Iraq would apply in Kurdistan only if it were approved by a majority of Kurdistan's voters.<sup>556</sup>

The permanent constitution adopted in the October 2005 referendum formally recognized the Kurdistan Region as the first federal region in Iraq. The constitution gives control of foreign policy, security and customs to the central government. Nonetheless, regional governments enjoy wide residual powers, even in the area of security. The new constitution, particularly Article 115 further strengthens the authority of regional entities, stating that:

All powers not stipulated in the exclusive powers of the federal government belong to the authorities of the regions and governorates that are not organized in a region. With regard to other powers shared between the federal government and the

---

<sup>553</sup> Peter W Galbraith, *The End of Iraq: How American Incompetence Created a War Without End* (New York: Simon & Schuster, 2007), 160–61.

<sup>554</sup> Ibid., 160.

<sup>555</sup> See a section on A Note on Sources, Galbraith, *The End of Iraq*.

<sup>556</sup> Ibid., 166–67.

regional government, priority shall be given to the law of the regions and governorates not organized in a region in case of dispute.<sup>557</sup>

This legalization of the KRG's status enables the Kurdish leadership not only to enhance its domestic legitimacy, but also external legitimacy with various foreign actors. Furthermore, Michael Kelly, another American constitutional adviser to the KRG, also emphasizes that this article allows the regional authority to severely limit federal authority in the region.<sup>558</sup>

Due to the role of the Kurdish lobby, the constitution added Article 112, which states that 'The federal government, with the producing governorates and regional governments, shall undertake the management of oil and gas extracted from present fields, provided that it distributes its revenues in a fair manner in proportion to the population distribution in all parts of the country ...'<sup>559</sup> The ambiguity in this article lies mainly in two sections such as 'with' and 'present fields.' Thus, what the word 'with' means, and what constitutes 'present fields' is unclear. In this article, the word present was kept purposely vague. Article 112 assisted the KRG to exploit its new oil and gas fields in the region and to utilize them as an instrument in pursuing international legitimacy. As Sean Kane notes, the Kurds were successful in 'creating a constitutional framework for Iraq where the main question was not what control regions should have over oil, but rather what role was left for the national government.'<sup>560</sup>

The second phase is the KRG's unilateral regional hydrocarbon legislation. The KRG's Ministry of Natural Resources (MNR) was established in 2006, as the counterpart of the federal Ministry of Oil (MoO) in Baghdad. Ashti Hawrami was appointed as the KRG's Natural Resources Minister in May 2006. Since the passing of the 2005 constitution, Iraq still lacks a comprehensive national hydrocarbon law. Although the Kurdish representatives in Baghdad initially engaged with the Maliki government to establish a federal hydrocarbon law, negotiations between them over the national hydrocarbon law failed. Therefore, the KRG passed its own oil and gas law in July 2007, which contains a Production Sharing Agreements (PSA).<sup>561</sup>

---

<sup>557</sup> 'Iraq's Constitution of 2005', n.d., An English version of the Iraqi constitution can be found at [https://www.constituteproject.org/constitution/Iraq\\_2005.pdf?lang=en](https://www.constituteproject.org/constitution/Iraq_2005.pdf?lang=en) (July 2009).

<sup>558</sup> Michael J Kelly, 'The Kurdish Regional Constitution within the Framework of the Iraqi Federal Constitution: A Struggle for Sovereignty, Oil, Ethnic Identity, and the Prospects for a Reverse Supremacy Clause', *Penn State Law Review* 114, no. 3 (2010): 746–47, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1608334](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1608334).

<sup>559</sup> 'Iraq's Constitution of 2005'.

<sup>560</sup> Sean Kane, 'Iraq's Oil Politics: Where Agreement Might Be Found', *Peaceworks* (United States Institute of Peace, 2010), 6, [https://www.usip.org/sites/default/files/resources/iraq\\_oil\\_pw64.pdf](https://www.usip.org/sites/default/files/resources/iraq_oil_pw64.pdf).

<sup>561</sup> Voller, 'Kurdish Oil Politics in Iraq', 72; Nawshirwan Mustafa proposed an oil contract to IOCs prior to 2006. See 'Oil Deals Signed by Nawshirwan Mustafa Were Waste of Kurdistan's Natural Resources: Ashti Hawrami', *Rudaw*, 29 August 2012, <https://ekurd.net/mismas/articles/misc2012/8/state6450.htm>.

The Kurdistan oil and gas law provides a substantive legal foundation for the KRG to independently engage with international oil companies and sign PSAs for the oil fields in the region. To attract IOCs, the Kurdish officials declared that substantial quantities of oil and gas would be discovered in the region. As Hawrami said, 'I'm not expecting to find another Kirkuk. But I think I will find a lot of fields that add up to Kirkuk.'<sup>562</sup> Shortly after signing the oil and gas law, the KRG announced that it had the ability to export commercial quantities of crude oil in 2008.

Despite the enormous number of risks such as the KRG's contested sovereignty, uncertainty in estimates of oil and gas reserves, the lack of oil infrastructure, the absence of a financial system and permission to export, several small- and medium-sized oil companies (known as wildcatters) signed PSAs with the KRG.<sup>563</sup> The KRG's model of the PSAs to IOCs offered 25–35% profit while Baghdad's model of technical service contracts offered 15–18% profit.<sup>564</sup> The primary intent of the KRG was to use wildcatters' proclamations of initial discoveries to attract larger companies.<sup>565</sup> As Hawrami puts it:

The small and the beautiful [oil companies] found the oil, and they are normally more aggressive, very quick movers [who] put their investment very rapidly into the ground. They discovered [oil], and then you need a new way of managing these finds. So, they require more, for example, more drilling, more facilities, more investments – where the medium size and the large companies actually have better skills to do that.<sup>566</sup>

In 2008, an oil expert, based on an interview with the ICG, also highlighted that what Hawrami wanted in the Kurdish region right now was the larger oil companies in order to create facts on the ground.<sup>567</sup> Despite the opposition of Baghdad, ExxonMobil became the first major international oil company to sign a PSA with the KRG in 2011. The Exxon deal marked the growing international confidence in KRG's domestic sovereignty as it jeopardized its future deals with

---

<sup>562</sup> Neil King Jr, 'Wildcatters Plunge Into North Iraq', *Wall Street Journal*, 9 July 2008, sec. News, <https://www.wsj.com/articles/SB121554950187436783>.

<sup>563</sup> 'Oil for Soil: Toward a Grand Bargain on Iraq and the Kurds', Middle East (International Crisis Group, 28 October 2008), 17–18, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/oil-soil-toward-grand-bargain-iraq-and-kurds>.

<sup>564</sup> Mohammed Shareef, 'China's Dual Diplomacy: Arab Iraq and the Kurdistan Region', in *Toward Well-Oiled Relations?*, ed. Niv Horesh (London: Palgrave Macmillan, 2016), 84, [https://doi.org/10.1057/9781137539793\\_6](https://doi.org/10.1057/9781137539793_6).

<sup>565</sup> 'Oil for Soil', 17–18.

<sup>566</sup> Cited in Javier Blas, 'Oil Majors Could Follow Exxon into Kurdistan', *Financial Times*, 21 November 2011, <https://www-ft-com.ezproxy.babson.edu/video/3a029775-808b-3477-9dfd-e01a87bb9197>.

<sup>567</sup> 'Oil for Soil', 18.

the federal government.<sup>568</sup> The Exxon deal with a de facto state like the KRG was ‘seen as a huge vote of confidence.’<sup>569</sup> Additionally, the deal increased the KRG confidence that its use of PSAs to develop its natural resource was the right approach.<sup>570</sup> This deal not only provided legitimacy to its initial PSAs with small- and medium-sized oil companies, but also paved the way for other larger oil companies such as Total, Chevron, Gazprom and Rosneft to sign PSAs with the KRG (see Chapter 5 for more on IOCs).

The Kurdish leadership also attempted to extend its existing sovereignty by incorporating disputed territories into the Kurdish region. To bolster its claim to ownership of the disputed territories and enhance the prospects of including them in the Kurdistan Region, the KRG tried to attract oil companies, particularly American companies, into these areas that its security forces controlled. A U.S. official remarked, ‘The KRG has insisted that American companies come in on oil development in the disputed territories. They want to bring in the U.S. government that way. The KRG is very smart.’<sup>571</sup> In October 2011, ExxonMobil signed PSAs for six blocks of which two blocks (Bashiqa and Qara Hanjir) are fully in disputed territories and a small part of a third, the Al-Qosh block, lies across the Green Line (See Figure 2). But Kurdish officials claimed that Kurds treated the disputed territories as part of Kurdistan.<sup>572</sup> Hawrami explicitly states, ‘We don’t have anything [oil contracts] in disputed territories’, and ‘there is no particular line. It comes down to who is in charge of it, now or then. It is bigger than where you draw a line.’<sup>573</sup> In other words, since the KRG controlled and administrated such territories, they belonged to the Kurdistan Region.

To constrain the KRG’s sovereignty, particularly its PSA contracts with international oil companies, the MoO declared a policy of black-listing companies signing deals with the Kurdistan administration since 2007.<sup>574</sup> Baghdad stopped oil exports to South Korea’s largest refiner, SK Energy and Austria’s OMV AG in retaliation for their PSA deals with the KRG in

---

<sup>568</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 126.

<sup>569</sup> Sylvia Pfeifer, ‘Exxon Signs Kurd Exploration Contracts’, *The Financial Times*, 10 November 2011, <https://www.ft.com/content/4e44f860-0bda-11e1-9861-00144feabdc0>.

<sup>570</sup> Alex Danilovich, *Iraqi Federalism and the Kurds: Learning to Live Together*, Federalism Studies (Farnham: Ashgate, 2014), 123.

<sup>571</sup> Cited in ‘Iraq and the Kurds: The High-Stakes Hydrocarbons Gambit’, Middle East (International Crisis Group, 19 April 2012), 4, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/iraq-and-kurds-high-stakes-hydrocarbons-gambit>.

<sup>572</sup> Ibid., 14.

<sup>573</sup> Ibid., 4, fn21.

<sup>574</sup> Mills, *Under the Mountains*, 34.

January 2008.<sup>575</sup> However, the Exxon deal with the KRG in 2011, despite its stake in the West Qurna-1 development in southern Iraq, undermined this policy.<sup>576</sup> Although the MoO also blacklisted Chevron due to its PSA deal with the KRG in July 2012, it did not have any stake in southern Iraq.<sup>577</sup> Aside from the black-listing policy, Hussain al-Shahristani, Iraq's Oil Minister, considered Kurdish PSAs as 'illegal and illegitimate' in 2009.<sup>578</sup> In 2014, Baghdad filed a lawsuit against Ankara at the International Chamber of Commerce's International Court of Arbitration (ICA) in Paris for breaching the Iraq-Turkey Pipeline (ITP) treaty by allowing crude exports from the Kurdistan Region to international markets without the consent of the Iraqi government. Turkey seems to be liable to pay \$24 billion in compensation to the government of Iraq.<sup>579</sup>

However, the KRG refuted Shahristani's claim by legalizing and legitimizing its PSA contracts within the framework of the Constitution of Iraq and the Kurdistan Oil and Gas Law and considered his statement as 'unconstitutional threats.'<sup>580</sup> The KRG also accused the central government as well as Shahristani of restoring the Saddam-era laws, stating, 'Our contracts with the IOCs are both constitutional and legal within the framework of the Kurdistan Oil and Gas Law ... Dr Shahristani keeps saying that Iraqi law does not allow this or that. People around the world wonder which law he is talking about because they know that since most of Saddam's laws contradict the new Constitution, they are now null and void.'<sup>581</sup> This indicates that the pursuit of international legitimacy is essential for such actors as the KRG kept an eye on gaining legitimacy and legalization for its unilateral contracts with IOCs.

The final phase is monetization and independent export. The success of the second phase which has brought the KRG one step closer to creating an independent economy, through production and exporting of oil, to reduce or escape from its dependence on Baghdad, which

---

<sup>575</sup> 'Factbox: Oil Deals with Kurdistan', *Reuters*, 5 April 2012, <https://www.reuters.com/article/us-iraq-kurdistan-oil-deals-idUSBRE8340DV20120405>.

<sup>576</sup> Mills, *Under the Mountains*, 34.

<sup>577</sup> Ahmed Rasheed, 'Iraq Blacklists Chevron for Kurdish Oil Deals', *Reuters*, 24 July 2012, <https://www.reuters.com/article/us-iraq-chevron-idUSBRE86N12A20120724>.

<sup>578</sup> Kevin Baxter, 'Baghdad Approves Kurdish Exports; Considers Contracts "Illegal"', *Oil & Gas Journal*, 12 May 2009, <https://www.ogj.com/general-interest/article/17278276/baghdad-approves-kurdish-exports-considers-contracts-illegal>.

<sup>579</sup> Ali Hama Salih, interview by author, 31 October 2021; Robin Mills, interview by author, 23 November 2021. Salih and Mills told the author that the case had been found in favor of the of the federal Iraqi side.

<sup>580</sup> 'Iraqi Oil Minister Hussein Al-Shahristani Authorized to Ban Kurdistan Oil Exports', *VOI*, 24 November 2007, <https://ekurd.net/mismas/articles/misc2007/11/government1277.htm>.

<sup>581</sup> 'Kurdistan Government Responds to Iraqi Oil Minister's Threats to International Oil Companies', *KRG*, 21 November 2007, <https://ekurd.net/mismas/articles/misc2007/11/independentstate1785.htm>.

would further consolidate Kurdish sovereignty. The Kurdistan Region not only depended on the central government for its budget, but also the national pipeline to export its oil to external markets. It became widely known that the KRG received 17 percent of the federal budget annually; however, only 13 percent of Iraq's revenue reached the region after subtracting expenditures.<sup>582</sup>



Figure 2. Map of KRG oil and gas concessions with lead operators and Green Line. *Source:* International Crisis Group, 'Iraq and the Kurds: The High-Stakes Hydrocarbons Gambit,' 2012, 26

Furthermore, relying on the federal budget would not only isolate the KRG politically and economically from the world, but also undermine its domestic sovereignty. As Aram Raaft cautions, 'Relying on Baghdad for finances will prevent the KRI from integrating into the international community in terms of trade and the international economy. A handy budget will,

<sup>582</sup> Natali, *The Kurdish Quasi-State*, 105.



in time, undermine the region's capacity building, long-term development, and internal sovereignty because the KRG will need to compromise its nationalist rights to secure its yearly budget from Baghdad.<sup>583</sup> Thus, the Kurdish leadership knew that Baghdad would use such dependence against the KRG in the absence of healthy relationships. A KRG official declared that, 'We know that the Baghdad government will stop funding us one day so we are making preparations with oil companies to establish an independent economy.'<sup>584</sup> Since 2006, former Prime Minister Nouri al-Maliki has utilized the economic weapon against the Kurds on various occasions. As Gareth Stansfield notes, 'It is the fear of being economically dependent on Baghdad that moved the Kurds to plan for an independent oil and gas sector as early as 2004 ... The more Baghdad squeeze[d], the more the Kurds move[d] towards economic independence.'<sup>585</sup> When Kurdish oil finally ran through federal pipelines for the first time in 2009 by the State Oil Marketing Organization (SOMO), the Iraqi central government refused to pay the IOCs in the Kurdistan Region for their production costs. In the absence of the export pipeline, the KRG was forced to depend on other means, such as trucking oil to Iran and Turkey, which is considered 'smuggling' by Baghdad, to reimburse oil companies.<sup>586</sup>

#### **4.1.1 The conflict over natural resources: sovereignty vs monetary or technical questions**

The conflict over oil resources between the KRG and the federal government is more difficult to resolve because it revolves around sovereignty rather than just monetary or technical questions. Therefore, subsequent agreements over monetization and the independent export of oil are short-lived or never fully implemented because any lasting resolution requires some acknowledgement of the right to exploit oil resources, which means the KRG and the federal government have to give up some degree of sovereignty. The KRG and Baghdad reached an agreement to export Kurdish crude through Iraqi pipelines in June 2009. However, the KRG stopped its oil exports in late 2009 and accused Baghdad for refusing to pay the producing companies for their costs. The federal government demanded that the KRG pay operating costs

---

<sup>583</sup> Rafaat, *Kurdistan in Iraq*, 183.

<sup>584</sup> Cited in Natali, *The Kurdish Quasi-State*, 110.

<sup>585</sup> Gareth R. V Stansfield, 'Kurdistan Rising: To Acknowledge or Ignore the Unraveling of Iraq', Middle East Memo (Washington, D.C: Brookings Institution, 31 July 2014), 4, <https://www.brookings.edu/research/kurdistan-rising-to-acknowledge-or-ignore-the-unraveling-of-iraq/>.

<sup>586</sup> 'Iraq and the Kurds', 6.

to producing companies from its 17% share of the national budget. The KRG expected the federal government to pay the oil companies outside of KRG's annual budget allocation.<sup>587</sup>

Additionally, the KRG and the federal government reached another agreement to resume the export of Kurdish crude through national pipeline in 2011. The federal government agreed to reimburse the IOCs for their production costs and meanwhile the KRG had to pay their profits.<sup>588</sup> In return, the KRG agreed to export 100,000 bpd (which rose to 175,000 bpd in 2012) and allow Baghdad to audit the companies' equipment and operating expenses. The second agreement only remained valid for a little more than a year and the KRG stopped its oil exports again on April 1, 2012. The KRG blamed Baghdad for not fulfilling its payment commitments, and owing the KRG \$1.5 billion in payment backlogs.<sup>589</sup> Meanwhile, Shahrastani accused the KRG of costing Baghdad \$5.65 billion by halting the oil export and 'smuggling' it to Iran.<sup>590</sup> According to an oil industry expert, based on an interview with the International Crisis Group (ICG), 'The KRG is giving less oil to Baghdad than it could or the Iraqi government wants, because it makes more money by trucking it out.'<sup>591</sup> Having a revenue stream independent of Baghdad enabled the KRG to finance its security forces and pay the salaries of its employees. Some observers have argued that the KRG's oil actions were only driven by the desire to enrich the personal wealth of the Barzani and Talabani families.<sup>592</sup> While this statement holds some elements of truth, a better understanding of the KRG's unilateral oil policy can be found in accomplishing its objectives of securing and demonstrating its sovereignty internationally. For instance, the ICG's report stated based on an interview with anonymous energy expert:

The Kurds care about owning and managing the oil industry more than about revenue sharing because they want to establish sovereignty and build up a record over time of examples in which the KRG has exercised effective sovereignty and use this as a basis for a claim of independence under international law.<sup>593</sup>

Under this perspective, what matters most to the KRG is a full control over its mineral resources, which is a substantial element of domestic sovereignty. Trucking Kurdish crude to Iran and potentially Turkey, rather than exporting through the national pipeline, made the

---

<sup>587</sup> Ibid., 6–7.

<sup>588</sup> Ibid.

<sup>589</sup> Ibid., 7–9.

<sup>590</sup> Ibid., 11.

<sup>591</sup> Ibid., 8, fn 44.

<sup>592</sup> Rubin, *Kurdistan Rising? Considerations for Kurds, Their Neighbors, and the Region*.

<sup>593</sup> 'Oil for Soil', 23.

former Prime Minister Nuri al-Maliki pass a budget in March 2013 without the approval of Kurds, which granted a foundation to cut off budget payments to the KRG.<sup>594</sup>

#### 4.1.2 Oil pipeline and the sovereignty issue

Building a Kurdish oil pipeline exacerbated the sovereignty conflict between the KRG and federal government. The KRG and Turkey signed multiple documents which covered export pipelines and gas exports in November 2013.<sup>595</sup> The former Turkish Energy Minister Taner Yıldız proposed that oil revenues would be deposited into an ‘escrow’ account at a state bank, later known as Halkbank, to resolve the conflict between the KRG and federal government. Practically, this would have increased the Kurdish share of the budget as it avoided the sovereign expenses by the federal government.<sup>596</sup> Hawrami, with the attendance of Turkish energy minister, at an oil and gas conference on December 5, 2013 declared that the KRG and Turkey concluded an agreement to export Kurdish oil directly through a new KRG pipeline.<sup>597</sup> In late December 2013, the new KRG pipeline, originally created as a gas pipeline and changed to transfer oil, began sending oil to the Turkish port of Ceyhan without the approval of Baghdad.<sup>598</sup> This demonstrated KRG’s interdependence sovereignty to the international community as it developed the ability to regulate movements across its borders. In January 2014, the federal government made a final proposal that the KRG would be allowed to export the Kurdish oil through its new pipeline, but SOMO should make all petroleum sales, and oil revenues would flow into an account at the Development Fund for Iraq (DFI) in New York. The KRG alternatively proposed a separate account at the DFI in order to control its oil revenues, but Baghdad refused this proposal.<sup>599</sup> This demonstrated that an independent economy is crucial for the Kurdish leadership to maintain its domestic sovereignty. Without seeking the Council of Ministers’ permission or giving advance notice, Nouri al-Maliki, the prime minister of Iraq, made a decision to cut the federal funding for the Kurdistan Region’s budget in February 2014.

---

<sup>594</sup> Kirk Sowell, ‘Iraqi Prime Minister Steps down as State Is Fracturing’, *Petroleum Economist*, 20 August 2014, <https://www.petroleum-economist.com/articles/politics-economics/middle-east/2014/iraqi-prime-minister-steps-down-as-state-is-fracturing>.

<sup>595</sup> Ben Van Heuvelen, ‘Turkey, Kurdistan Cement Massive Energy Deal’, *Iraq Oil Report*, 29 November 2013, <https://www.iraqoilreport.com/politics/turkey-kurdistan-cement-massive-energy-deal-11574/>.

<sup>596</sup> Mills, *Under the Mountains*, 35.

<sup>597</sup> ‘Prime Minister Barzani Invites Baghdad to Observe Process of Oil Exports to Turkey’, *MNR*, 5 December 2013, <http://mnr.krg.org/index.php/en/press-releases/302-prime-minister-barzani-invites-baghdad-to-observe-process-of-oil-exports-to-turkey>.

<sup>598</sup> Darwn Rahim, *The Nabucco Natural Gas Pipeline: A Missed Opportunity to Deliver Kurdish Natural Gas to Europe*, vol. 8 of *Studia Kurdica* (Universität Erfurt, Mustafa Barzani Arbeitsstelle für Kurdische Studien, 2016), 24, <https://books.google.iq/books?id=egd-AQAACAAJ>.

<sup>599</sup> Sowell, ‘Iraqi Prime Minister Steps down as State Is Fracturing’.

The KRG was frequently accused by Baghdad of being secretive and selling oil independently from the Iraqi federal government.<sup>600</sup> The KRG Prime Minister fiercely refuted that claim and emphasized that the Ministry of Natural Resources of the KRG began exporting oil unilaterally in June 2014, just after al-Maliki reduced the budget in February 2014.<sup>601</sup> The cut-off of the federal budget led to a fiscal and economic crisis in the Kurdistan Region. The KRG's economic growth fell from 8% in 2013 to 3% in 2014.<sup>602</sup>

Additionally, as the Iraqi army fled due to the Islamic State of Iraq and Syria's attacks, KRG forces took control of the city of Kirkuk and the surrounding oilfields of Kirkuk, Bai Hassan and Jambur, in June 2014.<sup>603</sup> Masoud Barzani, a former KRG's president, announced that such areas were now 'Kurdistani' and would remain under the Kurdish authority.<sup>604</sup> The oilfields in Kirkuk were jointly administrated by the North Oil Company (NOC) and the KRG from June 2014 to late 2017. Since the federally-controlled Kirkuk-Ceyhan pipeline was destroyed by the activities of the ISIS, the Kirkuk oil was exported through the KRG oil pipeline.

#### **4.1.3 The sovereignty conflict: failure of oil agreements**

Since 2014 oil agreements between Erbil and Baghdad failed to produce a lasting resolution due to the sovereignty conflict. The KRG and the federal government were forced to reach an interim agreement in November 2014 due to several factors such as the Iraqi federal government's cut of the Kurdistan Region's 17 percent share, the June 2014 drop in oil prices, the cost of war with ISIS, corruption and the flow of many Syrian refugees and IDPs into the KR. The KRG, according to the deal, provided 150,000 bpd of oil (out of 300,00 bpd) to SOMO at the Turkish port of Ceyhan in exchange for \$500 million to the KRG for the last three months of 2014. Erbil later complained that Baghdad did not send the final payment for December.<sup>605</sup>

---

<sup>600</sup> *Session 6: Visions for the Future of the Kurdistan Region: A Debate with the Prime Minister*, 2016, <https://www.youtube.com/watch?v=eDwXxixGnoA>.

<sup>601</sup> Ibid.

<sup>602</sup> 'The Kurdistan Region of Iraq: Assessing the Economic and Social Impact of the Syrian Conflict and ISIS' (Washington, D.C: The World Bank, 20 April 2015), 2, <https://doi.org/10.1596/978-1-4648-0548-6>.

<sup>603</sup> Mills, *Under the Mountains*, 13.

<sup>604</sup> 'Oil and Borders: How to Fix Iraq's Kurdish Crisis', Crisis Group Middle East Briefing (International Crisis Group, 17 October 2017), 2, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/55-settling-iraqi-kurdistan-boundaries-will-help-defuse-post-referendum-tensions>.

<sup>605</sup> 'KRG Is on Target with Oil Supply Commitment to the Federal Government as Agreed in the 2015 Federal Budget', *MNR*, 9 March 2015, <http://mnr.krg.org/index.php/en/press-releases/443-krk-is-on-target-with-oil-supply-commitment-to-the-federal-government-as-agreed-in-the-2015-federal-budget>.

Moreover, a second version of the agreement was made in December 2014 as Erbil should provide 250,000 bpd of its oil export to SOMO at Ceyhan and export 300,000 bpd from fields in Kirkuk (they would not be able to deliver such amount at the time) through the KRG oil pipeline. In return for KRG's export of 550,000 bpd of oil through its pipeline, the KRG would receive its 17 percent share of the federal budget in addition to monthly salaries for the Peshmerga forces.<sup>606</sup> The agreement was about 'revenue-generating' instead of 'revenue-sharing' for the KRG and the federal government.<sup>607</sup> It is crucial to remark that the KRG produced 500,000 bpd in December 2014. Of this amount, 250,000 bpd was transferred to SOMO and domestic consumption was around 150,000 bpd. The KRG would independently export the remainder, 100,000 bpd.<sup>608</sup> In other words, by not handing over the full control of its oil export or sales to the federal government, the KRG sought to demonstrate its domestic sovereignty to the international community and to resume its full export capacity in the absence of healthy relationships with Baghdad. However, the deal never implemented the agreed terms. The KRG returned to selling almost all its oil itself in June 2015. The KRG accused the federal government of not paying the full monthly budget, and Baghdad said that Erbil failed to deliver the full export volumes based on a monthly figure, not an average over the year.<sup>609</sup> Sardar Aziz, a Senior Adviser in the Kurdistan Parliament, notes, 'The KRG wants to turn the equation upside down. ... It wants to be in control of its oil and be able to sell it and then give Baghdad [its share].'<sup>610</sup>

Additionally, the KRG's Deputy Prime Minister, Qubad Talabani announced in October 2015 that although the KRG would not sell its oil through SOMO anymore, it was ready to make a new revenue-sharing agreement.<sup>611</sup> Since then the KRG would not hand over its control to SOMO. Moreover, the federal NOC stopped Kirkuk's oil exports via the Kurdish pipeline

---

<sup>606</sup> Ibid.

<sup>607</sup> Michael Knights, 'Making the Iraqi Revenue-Generating Deal Work', *The Washington Institute*, 3 December 2014, <https://www.washingtoninstitute.org/policy-analysis/view/making-the-baghdad-kr-g-revenue-generating-deal-work>.

<sup>608</sup> Mohammed A. Salih, 'Baghdad-Erbil Deal Silent on KRG's Surplus Oil', *Al-Monitor*, 9 December 2014, sec. Editorial, <https://www.al-monitor.com/pulse/originals/2014/12/baghdad-erbil-oil-agreement-export-loop-holes.html>.

<sup>609</sup> Mills, *Under the Mountains*, 37.

<sup>610</sup> Cited in Mohammed A. Salih, 'Erbil-Baghdad Oil Relations Swing between Deal, No Deal', *Al-Monitor*, 27 July 2015, sec. Editorial, <https://www.al-monitor.com/pulse/originals/2015/07/iraq-oil-kirkuk-kr-g-somo-kurdish.html>.

<sup>611</sup> Mills, *Under the Mountains*, 38.

in March 2016 to increase pressure on the KRG to make a new revenue-sharing agreement.<sup>612</sup> However, Erbil and NOC reached an agreement to restart exports from Kirkuk via the KRG pipeline to Ceyhan in August 2016. The flows of Kirkuk, according to the deal, would be divided 50/50 between SOMO and Kurdistan.<sup>613</sup> After the ban, the export of crude oil from Kirkuk reached to nearly 300,000 bpd from previous 150,000 bpd.<sup>614</sup> The Kirkuk oil had a profound effect on the KRG's revenue, sustainability public sectors' salaries and repayment of debt. Furthermore, this deal failed on 16 October 2017 when the Iraqi Army and the Shiite Popular Mobilization Forces (PMF) conquered the oil province of Kirkuk and almost all of the disputed territories.

The declaration of a referendum by the KRG was aimed to consolidate its domestic sovereignty and gain sovereignty over the disputed territories including its natural resources, planting the seeds of statehood. For several years, Barzani had recurrently mentioned to his ambition for a sovereign Kurdish state. To Barzani, Baghdad's 'undemocratic, sectarian, centralizing and unconstitutional' way of acting was motivating a reappraisal of the KRG to a unified and federal Iraq.<sup>615</sup> On September 25, 2017, the Kurdish leadership held a referendum in order to consolidate the KRG's domestic sovereignty, obtain sovereignty over the disputed territories as well as its natural resources, boost the KRG's bargaining power and increase non-intervention assurances for its territory, which all paving the way to statehood in the long-term. The referendum was aimed not to vote for independence, but rather to vote on independence. In other words, a positive outcome would not initially lead to a declaration independence, but establish a negotiation process with the federal government and neighbouring countries towards independence.<sup>616</sup> As Masoud Barzani, prior to referendum, declared 'After that we will start talks with Baghdad, to reach an agreement over borders, water and oil. We will take these steps, but if they don't accept them, that will be another matter.'<sup>617</sup>

---

<sup>612</sup> 'Iraq Halts Exports through Pipeline to Pressure Kurds: Iraq Oil Report', *Reuters*, 18 March 2016, <https://www.reuters.com/article/iraq-oil-turkey-idUSL5N16P778>.

<sup>613</sup> Dmitry Zhdannikov, 'Iraq, Kurdistan Jointly Export Kirkuk Oil Again: Trading Sources', *Reuters*, 1 September 2016, <https://www.reuters.com/article/us-iraq-kurdistan-oil-idUSKCN1174Y1>.

<sup>614</sup> 'Baghdad-Erbil Oil Deal Significant, Says Iraq Spokesman', *Rudaw*, 30 August 2016, <https://www.rudaw.net/english/kurdistan/300820161>.

<sup>615</sup> Bill Park, 'Turkey, the US and the KRG: Moving Parts and the Geopolitical Realities', *Insight Turkey* 14, no. 3 (2012): 109–10.

<sup>616</sup> *Iraqi Kurds 'Prepared to Draw Own Borders', Barzani Warns Baghdad*, 2017, <https://www.youtube.com/watch?v=vEqKYLJzV2s>.

<sup>617</sup> *Ibid.*

Also, the positive outcome of the referendum would gradually lead to a transfer of sovereignty from Baghdad to the KRG of the disputed territories including the oil-rich Kirkuk city.<sup>618</sup> This aim was apparent when the ballot question was posed as ‘Do you want the Kurdistan Region and the Kurdistan areas outside the administration of the Region to become an independent state?’<sup>619</sup> This reveals that Kurds perceive consolidating territories including disputed territories as an important step towards statehood. In spite of regional and international opposition, the KRG held a successful referendum on independence on September 25, 2017, which showed 92.73 percent voted in favour of Kurdish statehood (see chapter 5 on foreign actors for more details).<sup>620</sup> Hence, this act separates the KRG from non-sovereign entities.

The fallout of the referendum threatened the KRG to the extent of entirely undermining, if not destroying altogether, its sovereignty including its control over its oil resources. Baghdad and neighbours Iran and Turkey ultimately made a strong response against the Kurdish referendum by imposing an international flight ban on the international airports in Erbil and Sulaimaniya, carrying out joint-military operations on the KRG borders and closing Iranian border crossings with the KRG.<sup>621</sup> On October 16 and the following weeks, Iraqi army forces with the support of Iran and PMF forcefully retook Kirkuk city with its oil fields, along with 44 other smaller oil fields in west Iraq.<sup>622</sup> The KRG lost the territorial expansions it had gained since 2003. It also lost control over many of disputed territories and its oil fields, except for Khurmala Dome of the Kirkuk oil field, which lies in the disputed part of Erbil governorate.<sup>623</sup> Thus, the KRG lost over 50 percent of its total revenue, coming from such territories as its oil export fell

---

<sup>618</sup> See also Marianna Charountaki, ‘Non-State Actors and Change in Foreign Policy: The Case of a Self-Determination Referendum in the Kurdistan Region of Iraq’, *Cambridge Review of International Affairs* 33, no. 3 (3 May 2020): 395–97, <https://doi.org/10.1080/09557571.2019.1663495>.

<sup>619</sup> Cited in ‘Oil and Borders’, 3.

<sup>620</sup> Yoosef Abbas Zadeh and Sherko Kirmanj, ‘The Para-Diplomacy of the Kurdistan Region in Iraq and the Kurdish Statehood Enterprise’, *The Middle East Journal* 71, no. 4 (15 October 2017): 605, <https://doi.org/10.3751/71.4.14>.

<sup>621</sup> Fahrettin Sumer and Jay Joseph, ‘Compatibility of the Kurdistan Region of Iraq’s Institutions and Economic Development Within Iraq’, in *Iraqi Kurdistan’s Statehood Aspirations*, ed. Anwar Anaid and Emel Elif Tugdar (Cham: Springer International Publishing, 2019), 42, [https://doi.org/10.1007/978-3-319-93420-4\\_3](https://doi.org/10.1007/978-3-319-93420-4_3); Morgan L. Kaplan, ‘Foreign Support, Miscalculation, and Conflict Escalation: Iraqi Kurdish Self-Determination in Perspective’, *Ethnopolitics* 18, no. 1 (January 2019): 38, <https://doi.org/10.1080/17449057.2018.1525164>.

<sup>622</sup> Fahrettin Sumer and Jay Joseph, ‘The Paradox of the Iraqi Kurdish Referendum on Independence: Contradictions and Hopes for Economic Prosperity’, *British Journal of Middle Eastern Studies* 45, no. 4 (8 August 2018): 585, <https://doi.org/10.1080/13530194.2018.1430533>; Rafaat, *Kurdistan in Iraq*, 197–212.

<sup>623</sup> Rafaat, *Kurdistan in Iraq*, 212; ‘After Iraqi Kurdistan’s Thwarted Independence Bid’, Middle East (International Crisis Group, 27 March 2019), 1, fn2, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/199-after-iraqi-kurdistan-thwarted-independence-bid>.

to 225,000 bpd from 600,000 bpd in October 2017.<sup>624</sup> The loss of control over Kirkuk's oil wealth was a major symbolic and financial blow for Kurds as it was considered as the main instrument for fulfilling the Kurdish dream of an independent state. As Joost Hiltermann notes:

The Iraqi government's seizure of the oil fields around Kirkuk may represent a larger blow to the Kurds' aspirations than the loss of the city itself. The oil is critical to their independence bid: It provides a revenue stream that gives them economic leverage with their neighbors. Losing control over those fields means having to revert to an earlier era when they were dependent on Baghdad for income from Iraq's much larger southern fields.<sup>625</sup>

After losing control over most disputed areas, the KRG officially froze the results of the referendum on 24 October 2017 to avoid 'grave and dangerous circumstances' that 'Iraq and Kurdistan are faced with.'<sup>626</sup>

The Iraqi army, moreover, intended to forcefully establish full sovereignty over its territory as well as the Kurdistan Region since it is not protected by norms of non-intervention due to its contested sovereignty. The Prime Minister of Iraq, Haider al-Abadi declared that 'All border crossings in and out of Iraq must be under the exclusive control of the federal state.'<sup>627</sup> Patrick Cockburn asserted that Iraq would 'end semi-independent rule' in the Kurdistan Region.<sup>628</sup> The Iraqi army and PMF moved towards the Khurmala oil field and Fishkhabour border, which is part of KRG territory. They made efforts not only to control the Khurmala dome where a pipeline carries crude to the border with Turkey, but also the Fishkhabour border as most Kurdish oil exports to the Turkish Ceyhan port pass through the area (See Figure 3).<sup>629</sup> This represented a serious threat to the KRG's interdependence sovereignty in the sense that the government would be unable to control its flow of oil in the region. Consequently, this

---

<sup>624</sup> Rafaat, *Kurdistan in Iraq*, 212; Julia Payne and Rasheed Ahmed, 'Iraqi Kurdistan Faces First Major Oil Outage since Referendum', *Reuters*, 18 October 2017, <https://af.reuters.com/article/GCA-Commodities/idUSKBN1CN2LW>.

<sup>625</sup> Hiltermann and Fantappie, 'Twilight of the Kurds'.

<sup>626</sup> 'Statement from Kurdistan Regional Government', *KRG*, 25 October 2017, <http://previous.cabinet.gov.krd/a/d.aspx?s=040000&l=12&a=55938>.

<sup>627</sup> Cited in Sangar Ali, 'All Border Crossings, Travel to Iraq Should Be under Federal Government Control: PM', *Kurdistan24*, 31 October 2017, <https://www.kurdistan24.net/en/news/f9f3dbd0-43e6-40bb-96c7-718dbfb6b604>.

<sup>628</sup> Patrick Cockburn, 'Iraq Will End Decades-Old Policy of Semi-Independent Rule in Kurdistan', *The Independent*, 30 October 2017, sec. Middle East, <http://www.independent.co.uk/news/world/middle-east/kurdistan-iraq-prime-minister-abadi-interview-independence-haider-baghdad-kirkuk-patrick-cockburn-a8028201.html>.

<sup>629</sup> Robin Mills, 'A Rocky Road: Kurdish Oil & Independence' (Iraq Energy Institute, 19 February 2018), 9–10, <https://iraqenergy.org/2018/02/19/a-rocky-road-kurdish-oil-and-independence/>; To check the source of the figure, see, 'Iraq's NOC Vows to Maintain Kirkuk Oil Flows after Ousting Kurds', *S&P Global Platts*, 17 October 2017, <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/101717-iraqs-noc-vows-to-maintain-kirkuk-oil-flows-after-ousting-kurds>.



would undermine the KRG's domestic sovereignty since its oil exports generated 85 percent of its revenues and 70 percent of its budget spent on public-sector salaries.<sup>630</sup> As Ben Van Heuvelen notes, 'If the federal government controls Fishkhabour and has the ability to turn off the pipeline at its discretion, the KRG actually has to work with Baghdad on the budget.'<sup>631</sup> To avoid this happening, the KRG forces started fighting back and stopped the Iraqi army and PMF around the towns of Altun Kupri, only 50 kilometers south of the capital Erbil and Zumar, some 50 kilometers northwest of Mosul until a short-term ceasefire was announced on October 27, 2017.<sup>632</sup>

It is also remarkable that although the de facto Kurdish state was at risk of losing its sovereignty after holding the referendum, KRG oil exports were still constant to Israel and Europe. In spite of Baghdad's threats to traders buying Kurdish oil, KRG's total exports to Israel and Europe were 345.5 kbpd (a thousand barrels per day) in October while the number decreased to 269 kbpd in November 2017. This shows that that oil exports and sales can coexist with contested sovereignty.<sup>633</sup> Moreover, the federal government presented five pre-conditions for initiating negotiations with the KRG. First, the KRG should officially declare its nullification of the referendum and not just 'respect' the court's result. Second, a Kurdish group of delegations to Baghdad would comprise representatives of all five major parties such as KDP, PUK, Gorran, Kurdish Islamic Union and Kurdish Islamic Group. Third, the KRG would turn over all revenues, including oil sales and customs to Baghdad. Fourth, the KRG would hand over control of the Fishkhabour and Ibrahim Khalil border crossings. Fifth, Baghdad would not pay the KRG's debts such as \$4 billion to Turkey and \$1.5 billion to Rosneft.<sup>634</sup> Abiding by all these demands would effectively undermine the KRG's sovereignty because the KRG would lose its control over its affairs.

---

<sup>630</sup> 'After Iraqi Kurdistan's Thwarted Independence Bid', 2, fn8.

<sup>631</sup> Cited in Rhys Dubin, 'Why the Fight for Fishkhabour Is So Important for Iraqi Kurds', *Foreign Policy*, 1 November 2017, <https://foreignpolicy.com/2017/11/01/why-the-fight-for-fishkhabour-is-so-important-for-kurds-iraq-attack-fishkhabur-feyshkhabour/>.

<sup>632</sup> 'Peshmerga Respond to, Push Back Iraqi Militia Attack near Zummar', *Rudaw*, 26 October 2017, <https://www.rudaw.net/english/kurdistan/2510201710>; Maher Chmaytelli, 'Iraqi Forces, Kurdish Peshmerga Agree on Ceasefire, Kurdistan Says', *Reuters*, 27 October 2017, <https://www.reuters.com/article/us-mideast-crisis-iraq-kurds-ceasefire/iraqi-forces-kurdish-peshmerga-agree-on-ceasefire-kurdistan-says-idUSKBN1CW1LG>.

<sup>633</sup> Mills, 'A Rocky Road', 9.

<sup>634</sup> Kamal Chomani, 'Baghdad Seeks Concessions before Negotiating with Kurds', *Al-Monitor*, 15 December 2017, sec. Editorial, <https://www.al-monitor.com/pulse/originals/2017/12/baghdad-erbil-negotiations-iraq-kurdistan.html>.

Instead, the Kurds continued to appeal for a ceasefire and return to political negotiations on the basis of the constitution. The Kurds refused to give exclusive control of the borders and international flights to Baghdad.<sup>635</sup> For Kurds ceding exclusive control of the borders, particularly the oil pipeline at Fishkhabour pumping station near the Turkish border and international flights would have implied the loss of the KRG's interdependence sovereignty, which might undermine its domestic sovereignty, possibly leading to creeping reintegration in the long-term. After gradual negotiations to alleviate the tension between Erbil and Baghdad, the federal government lifted the embargo over the KRG's airports in March 2018.<sup>636</sup> Furthermore, they reached an agreement to resume the Kirkuk oil at a rate of 50,000 to 100,000 bpd through the KRG pipeline to the Turkish port of Ceyhan.<sup>637</sup> Nevertheless, they failed to reach an agreement over the control of the Fishkhabour border and the oil exports.

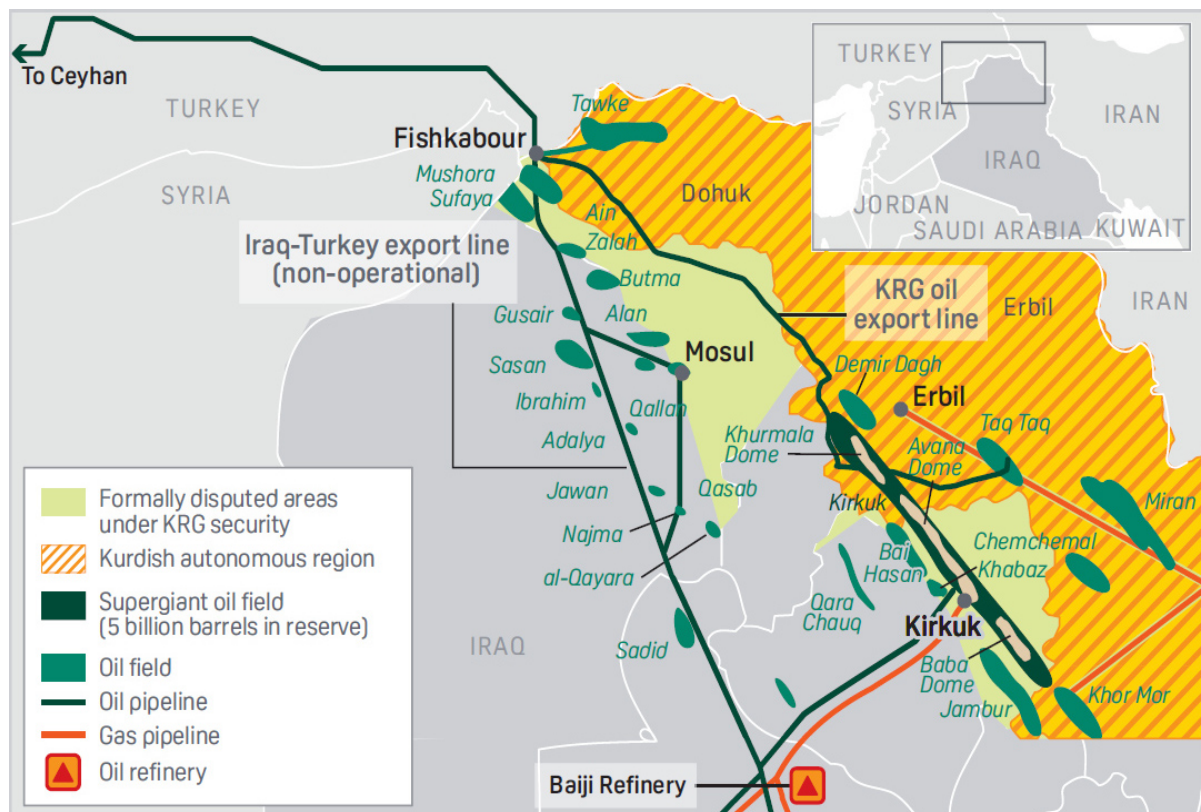


Figure 3. Key KRG oil and gas infrastructure. *Source:* S&P Global, 'Iraq's NOC vows to maintain Kirkuk oil flows after ousting Kurds,' 2017

<sup>635</sup> 'A Statement from Iraq's Kurdistan Regional Government', KRG, 1 November 2017, <http://previous.cabinet.gov.krd/a/d.aspx?s=040000&l=12&a=55971>; Cited in 'ISHM: November 3 - 9, 2017', EPIC - Enabling Peace in Iraq Center, 9 November 2017, <https://enablingpeace.org/ishm137/>. See the section on Federal Court Ruling, Budget Woes Further Erode KRG Leverage.

<sup>636</sup> 'After Iraqi Kurdistan's Thwarted Independence Bid', 2, fn7.

<sup>637</sup> 'After Year-Long Halt, Baghdad Resumes Kirkuk Oil Exports through Kurdistan to Turkey', *Kurdistan24*, 16 November 2018, <https://www.kurdistan24.net/en/news/e4933350-f33b-40e5-bc6e-8dc4af3693d7>.

The KRG's conflict with Baghdad over control of oil and natural gas reserves cannot be fully explained by the greed thesis. Despite its territorial and financial loss, the KRG has still maintained its independent oil policy. As a matter of fact, the independent oil policy did not secure financial gains for the KRG at the time of writing. According to a recent report from the Research Department of the Iraqi Parliament, the income of KRG from selling oil through the Turkish port of Ceyhan without the knowledge of the central government and outside of SOMO from 2014 to 2019 has reached 47.9 trillion ID, around \$40.7 billion.<sup>638</sup> But during this period, the KRG the lost more than 62 trillion dinars, around \$52 billion, of its share of Iraq's budget because the KRG continued to sell its oil independently or did not hand over its oil exports to the Iraqi government.<sup>639</sup> Since 2014, the KRG's total revenues from direct oil sales failed to accommodate for the loss of the federal government transfers. What is puzzling is why does the KRG still keep its unilateral oil policy despite of all territorial and financial loss? It could be argued, as it has been discussed previously, that the KRG perceives control of vast oil and natural gas resources in its region not only as sources of revenue, certainly crucial for the survival of the entity, but also as a way to secure and exhibit its sovereignty internationally.

Furthermore, some people in Baghdad and the KR who call for the KRG to hand over the entirety of its oil revenue or export to the parent state in order to resolve their conflict.<sup>640</sup> In an interview with the author, Bayan Sami Abdul Rahman warns:

If we do handover the oil to Baghdad, if we were to do it today with the lack of trust that there is on both sides, then Kurdistan could starve. There is no trust that if we handed everything to Baghdad that Baghdad would provide us what we collect from our oil exports ourselves. Does anyone imagine that if we handed over the entire industry from A to Z to Baghdad, that Baghdad would send *more* money to Kurdistan than we get for ourselves? I think that is unrealistic.<sup>641</sup>

Similarly, Bakir believes that Baghdad will never provide the KRG with its fair share, even if the KRG cedes control over all of the oil or its revenue.<sup>642</sup> The sovereignty conflict between Erbil and Baghdad has historical roots. In an interview with Shwan Zulal, he highlights:

---

<sup>638</sup> Muhammad, 'مستحقات إقليم كردستان وكميات ومبالغ تصدير النفط خارج إطار شركة سومو ومدى تأثيرها على الموازنة الاتحادية', للمدة ٢٠١٩-٢٠٠٥ [The Dues of the Kurdistan Region and the Quantities and Amounts of Oil Exports Outside the Framework of (SOMO) and the Extent of Their Impact on the Federal Budget for the Period (2005-2019)].

<sup>639</sup> Ibid., 3-7.

<sup>640</sup> Kamal Chomani, 'Oil Dispute Reignites Baghdad-Erbil Tensions', *Al-Monitor*, 28 May 2019, <https://www.al-monitor.com/originals/2019/05/iraq-kurdistan-oil-kirkuk.html>.

<sup>641</sup> Bayan Sami Abdul Rahman, interview by author, 28 January 2022.

<sup>642</sup> Falah Mustafa Bakir, interview by author, 17 December 2021.

But given the history of Iraq and the last successive governments, I mean, you've had everything to Baghdad, they will still cut, and then they will have all the control, and you have nothing. At the moment the KRG has some control. If you hand everything to them, then they just give you whatever they think you have.<sup>643</sup>

As a result, the KRG wants to maintain such a control over its natural resources because there would be a significant reduction in the KRG's control by handing over.<sup>644</sup> Likewise, Alan Mohtadi, in an interview with the author, points out, 'It will be the death to any form of aspirations of sovereignty in the future,' if the KRG cedes the total control of the oil.<sup>645</sup> A Kurdish official clearly points out that Baghdad cares about 'controlling' Kurdish oil fields more than about receiving the revenue of 250,000 barrels of Kurdish oil per day.<sup>646</sup> This implies how control is an important element of sovereignty since each side never cedes its sovereignty over natural resources. Therefore, Zulal describes the conflict as about two things: 'control and money.' He explains that control comes first because, 'once you control the money, then you can tell the other side what to do.'<sup>647</sup>

Some, mostly opposition groups from the KR, have argued that the KRG could have a better chance of securing higher revenues by collaborating with the federal government rather than being entwined in conflicts over the control of oil resources.<sup>648</sup> The argument is that 13% of Iraq's oil revenue is still more than 100% of the KRG's oil. Therefore, according to them, it would be logical for the KRG to hand over the oil to Baghdad. In an interview with Jawdat, for instance, he claims that by handing over the oil case to Baghdad, the KRG would secure extra \$10 for each barrel of oil because Baghdad would sell Kurdish oil based on SOMO's price. But he warns this process should be transparent and monitored based on international standards so that Baghdad would not use this tool against the KRG.<sup>649</sup> Economically, Mohammed Hussein, in an interview with the author, describes this deal, if it happens, as a 'win-win' deal for the KRG and the parent state. For instance, by allowing SOMO to sell Kurdish oil, the KRG

---

<sup>643</sup> Shwan Zulal, interview by author, 18 November 2021.

<sup>644</sup> Mills, interview.

<sup>645</sup> Alan Mohtadi, interview by author, 18 November 2021.

<sup>646</sup> A Kurdish official, interview by author, 1 February 2022; Regarding the oil deal, see Chomani, 'Oil Dispute Reignites Baghdad-Erbil Tensions'.

<sup>647</sup> Zulal, interview.

<sup>648</sup> Mohammed Raoof and Fazil Hamarafet, 'هەرێمێم نەوت رادەست بکات یان داهاڵتی نەوت ؟' [Will the KR Hand over Oil or the Oil Revenue?]' (Drawmedia, 28 March 2021), [http://drawmedia.net/page\\_detail?smart-id=8076](http://drawmedia.net/page_detail?smart-id=8076); Mohammed Hussein, 'The Collateral Damage of the KRI's Economic Policy', *LSE Middle East*, 17 April 2018, <https://blogs.lse.ac.uk/mec/2018/04/17/the-collateral-damage-of-the-kris-economic-policy/>.

<sup>649</sup> Sherko Jawdat Mustafa, interview by author, 22 September 2021.

could have increased its oil revenue in 2021 by %18. But this deal could have enormous political complications.<sup>650</sup> Furthermore, Ali Hama Salih is against the idea to hand over the oil policy or the oil fields to Baghdad in exchange for the KRG's share of the Iraqi budget. Although he claims that selling Kurdish oil through SOMO would increase the KRG's oil revenue, such deal is not realistic.<sup>651</sup> But Wahab, in an interview with the author, notes that a point is misunderstood that the oil and gas industry in the first place was not primarily created for economic purpose, but rather primarily for the political purpose. He argues in the mind of the Kurdish leadership, 'oil is a geopolitical asset, a political tool first, and perhaps a source of economic revenue, and a pathway to economic prosperity, only a second.'<sup>652</sup>

#### **4.2 Oil boom era: strengthening sovereignty, 2003-2013**

The oil wealth intensified the KRG domestic sovereignty in the region between 2003 and 2013. The KRG received 17 percent of the total Iraqi income while the leadership of two ruling parties also aggressively built an independent petroleum industry to achieve economic self-sufficiency from Baghdad. The KDP and PUK decided to build a unified ministry that would control oil and gas resources across the region in 2006. Although they mutually invested in the success of the oil sector, the KDP gradually gained its control over the Ministry of Natural Resources. In return for the PUK reluctantly conceding, it was offered an even split of oil income.<sup>653</sup> Access to massive petroleum revenues allowed the KRG's ruling parties, KDP and PUK, to gain public support or regime legitimacy through provision of services and employment across the population. By creating an independent oil sector from Baghdad, the KDP and the PUK sought to exhibit to their citizens that their regime, not the federal government in Baghdad, had the ability to offer them jobs and income and provide financial resources for development.<sup>654</sup> Hawrami repeatedly declared that the region might reach one million barrels of daily production by 2015. This would mean that the KRG's revenues from its independent oil exports exceed 17 percent of Iraq's oil revenues.<sup>655</sup> In other words, elites from the ruling parties made efforts to persuade the local population that they are credible rulers, 'not only able to kill and

---

<sup>650</sup> Mohammed Hussein, interview by author, 5 January 2022.

<sup>651</sup> Salih, interview.

<sup>652</sup> Bilal Wahab, interview by author, 12 December 2021.

<sup>653</sup> Ali Saleem Zmkan and Mac Skelton, 'Assessing Iraqi Kurdistan's Stability: How Patronage Shapes Conflict' (LSE Middle East Centre Paper Series:38, July 2020), 13–17.

<sup>654</sup> Ibid., 13.

<sup>655</sup> 'Iraq and the Kurds', 7.

to destroy but to build and invest as well.’<sup>656</sup> Since 2008, beyond its the federal budget allocation, the KRG earned some \$40 billion to \$45 billion from oil and gas revenues.<sup>657</sup> With access to the massive oil wealth, the KRG announced generous social welfare programs such as social benefits, business, agricultural, housing and marriage mortgages, subsidized energy and health care and scholarships for studying abroad. Thus, the poverty rate reached 3.5 percent in the Kurdistan Region in 2012 compared to 33.6 percent in the South and 12 percent in Baghdad.<sup>658</sup> The oil boom between 2003 and 2013 motivated many Kurds who had previously emigrated to return to the region.<sup>659</sup>

Also, the KDP and PUK relied heavily on oil revenues to employ plenty of people in the public sector to purchase legitimacy in the eyes of the population. As Rebeen Fatah, an Erbil-based journalist, notes, ‘Payroll has been the primary mechanism through which the ruling elite in the Kurdish region bought off people’s loyalties.’<sup>660</sup> In other words, ruling parties allocated public employment jobs to clients in exchange for their political support and vote during election times.<sup>661</sup> Therefore, the share of public sector employment increased from 42.4 percent in 2007 to 44.3 percent in 2012. Thus, the KRG added approximately 31,900 jobs per year in the public sector between 2007 and 2012 (See Table 1). The KRG provided plenty of benefits to employees of the public sector such as receiving health care, paid vacation, a full year of paid maternity leave, numerous holidays and a generous pension scheme. Therefore, people preferred to work in the public sector rather than in the uncertainties of the private sector.<sup>662</sup> Employment in the public sector has relied heavily on party affiliations such as approval letters from the party headquarters of the KDP and PUK. Hence, the two ruling parties monopolized public employment in the region to maintain regime legitimacy, a crucial element of domestic sovereignty.<sup>663</sup> The oil wealth also allowed the two political parties to finance and

---

<sup>656</sup> Klaus Schlichte, *In the Shadow of Violence: The Politics of Armed Groups* (Frankfurt: Campus Verlag, 2009), 96.

<sup>657</sup> Erin Banco, ‘The Curse of Oil in Iraqi Kurdistan’, *PRI*, 23 February 2017, <https://gpinvestigations.pri.org/the-curse-of-oil-in-iraqi-kurdistan-1c9a9a18efd1>.

<sup>658</sup> See Figure 1.10 in ‘Kurdistan Region of Iraq: Reforming the Economy for Shared Prosperity and Protecting the Vulnerable’ (Washington, D.C: World Bank, 2016), 8–9.

<sup>659</sup> Mariya Petkova, ‘Why Do Kurds Continue to Flee Iraq’s Kurdish Region?’, *Al Jazeera*, 30 October 2018, <https://www.aljazeera.com/features/2018/10/30/why-do-kurds-continue-to-flee-iraqs-kurdish-region/?gb=true>.

<sup>660</sup> Cited in Zmkan and Skelton, ‘Assessing Iraqi Kurdistan’s Stability’, 10–11.

<sup>661</sup> Zmkan and Skelton, ‘Assessing Iraqi Kurdistan’s Stability’.

<sup>662</sup> ‘Kurdistan Region of Iraq’, 2016, 15–16; Jay Joseph and Fahrettin Sumer, ‘Public Sector Reforms in the Kurdistan Region of Iraq: Tackling the Socially Constructed Barriers to Change’, in *Iraqi Kurdistan’s Statehood Aspirations*, ed. Anwar Anaid and Emel Elif Tugdar (Cham: Springer International Publishing, 2019), 138, [https://doi.org/10.1007/978-3-319-93420-4\\_7](https://doi.org/10.1007/978-3-319-93420-4_7).

<sup>663</sup> Zmkan and Skelton, ‘Assessing Iraqi Kurdistan’s Stability’, 11–13.

recruit their own militias.<sup>664</sup> It is worth noting that the region had defects in several aspects during the oil boom era. Since the KRG could afford to support its massive unproductive bureaucracy, none of large number of public employees and generous social welfare programs seemed to matter. As David Romano correctly points out, ‘Whatever the shortcomings or misdeeds of the ruling parties, the provision of increasing patronage to the people assured political support.’<sup>665</sup> In other words, the oil wealth allowed the ruling parties to consolidate their power in the region.

Table 1. KRG: public sector employment and growth

Year	2007	2012	2014
KRG’s share of employment	42.4%	44.3%	53%

Source: Author, based on World Bank, ‘Kurdistan Region of Iraq: Reforming the Economy for Shared Prosperity and Protecting the Vulnerable’ (Washington, D.C: World Bank, 2016), 6.

The leadership of the ruling parties in local elections also used the development of the KRG’s oil sector as a significant political and economic achievement to win public support. In the election of 2009, a KDP-PUK joint campaign poster displayed the slogan, ‘We will make oil to be a beacon of happiness,’ with a background picture of Iraqi President Jalal Talabani and KRG President Masoud Barzani who gripped the gold-painted wheel on the faux pipeline.<sup>666</sup> In the 2013 election, the KDP through its TV campaign broadcast announced that ‘With our partners in the government, we [KDP] regularly reduced the domestic oil price, to 500 Iraqi Dinar per liter, provided full electricity and built an oil pipeline for furthering independent economy.’ The KDP even declared its new oil plan for citizens in the region that ‘We will take a proposal to parliament that citizens of Kurdistan Region directly participate in the profit of oil revenue through establishment of the Kurdistan Exploration and Production Company (KEPCO). Citizens will have a direct share from the profit of KEPCO.’<sup>667</sup> Ashti Hawrami added a further point that each family would receive about \$1,200 once the KRG’s oil production targeted one million bpd in 2015.<sup>668</sup> In other words, the KRG’s ruling parties attempted to exhibit to their citizens that people are in a more advantageous position than the metropolitan state since they could enjoy the benefits of the oil income in various ways. To both political

<sup>664</sup> Zmkan and Skelton, ‘Assessing Iraqi Kurdistan’s Stability’.

<sup>665</sup> David Romano, ‘The Oil Imperative in the KRG’, in *Routledge Handbook on the Kurds*, ed. Michael M. Gunter, 1st ed. (London: Routledge, 2018), 128.

<sup>666</sup> ‘Campaign Poster’ (The Kurdistan List, 2009), <https://ibb.co/pXkQmWP>.

<sup>667</sup> Taha Muhammed, ‘يەكێك له بەڵێنەکانی پارتی دیموکراتی کوردستان، لیستی ١١٠ [One of KDP’s Promises: List of 110]’, YouTube video, 12 September 2013, [https://www.youtube.com/watch?v=Yk\\_cMDwbAEA](https://www.youtube.com/watch?v=Yk_cMDwbAEA).

<sup>668</sup> ‘Iraqi Kurdistan Plans New National Oil Company’, *MEED*, 29 September 2013, <https://www.meed.com/iraqi-kurdistan-plans-new-national-oil-company>.

parties, the petroleum industry became a primary source of employment. They monopolized the sector through providing security and service employment to party-affiliated businesses. Their security agencies investigated the oil sector's employees to guarantee that party members and associates get jobs and take advantages of the sector.<sup>669</sup> This enabled the two ruling parties to some extent to gain the loyalty of the population.

The KRG desired to display its earned sovereignty to the international community through its economic viability on the basis of its independent oil sector's development. It is important to note that legitimacy is so closely tied to how a de facto state is accepted both by the international community and by its population. The Kurdish leadership attempted to legitimize the KRG's precarious existence as well as to achieve international recognition based on its earned sovereignty by meeting perceived international standards of statehood. Therefore, the Kurdish leadership desired to attract foreign states and actors based on its earned sovereignty by portraying the Kurdistan Region not only as a prosperous, stable and democratic region, but also a major business and economic hub in the Middle East. American political and military officials as well as many foreign observers have noticed the KRG's earned sovereignty. As Lieutenant Dennis Chapman of the U.S. National Army Guard, who published a report on Kurdistan's security sector, states:

The Peshmerga and their colleagues in the other Kurdish security services have successfully established security in the Kurdistan Region, clearly the safest and most stable region of the country. The Kurds are justifiably proud of the fact that not a single American soldier has been killed due to enemy action in the Kurdistan Region since 2003. What's more, they have done what few governments in the Middle East have been able to do: They have helped to create a polity capable of conducting free elections and that, with certain important exceptions, protects the rights and security of its citizens.<sup>670</sup>

Furthermore, the Kurdish officials intended to emphasize the entity's earned sovereignty through its remarkable achievements in the aspect of state-building and democratization. The KRG has invested in abundant campaigns to convey a message to global audience that the Kurdistan Region is 'The Other Iraq' or a 'second Dubai.'<sup>671</sup> Barham Salih, a former Prime

---

<sup>669</sup> Zmkán and Skelton, 'Assessing Iraqi Kurdistan's Stability', 13.

<sup>670</sup> Chapman Dennis P, 'Security Forces of the Kurdistan Regional Government' (Carlisle Barracks, Pennsylvania: U.S. Army War College, 2009), 5–6.

<sup>671</sup> 'Chapter Two: The Kurds Relationship with the West', *Kurdistan: The Other Iraq*, 2006, <http://www.theotheriraq.com/images/chapter2.pdf>; Matan Chorev, 'Iraqi Kurdistan: The Internal Dynamics and Statecraft of a Semistate', *Al Nakhlah*, 2007, 8, [https://www.academia.edu/2612857/Iraqi\\_Kurdistan\\_The\\_Internal\\_Dynamics\\_and\\_Statecraft\\_of\\_a\\_Semistate\\_1](https://www.academia.edu/2612857/Iraqi_Kurdistan_The_Internal_Dynamics_and_Statecraft_of_a_Semistate_1).



Minister of the KRG and a former Deputy Prime Minister of the Interim Iraqi Government, published an article entitled, ‘A Kurdish Model for Iraq,’ in which he argues that the KRG can be a source of democratic experiment for Iraq.<sup>672</sup> Likewise, Masoud Barzani notes that ‘The democratic experiment in Iraqi Kurdistan is ideal and without defects. However, when we compare it with what exists around us and in Iraq itself, I think that it was a unique experience and can be applied in all Iraq.’<sup>673</sup>

Ranking seven MENA countries of Saudi Arabia, Jordan, Iran, UAE, KRG, Turkey and Iraq, the KRG ranked first while Iraq ranked fifth in the Economist Intelligence Unit’s (EIU) political and civil freedoms index. Regarding contributions to local and regional security, the KRG is more stable than its parent state. The KRG ranked 83th out of 181 countries on the EIU’s security and political stability index, ahead of Iraq, which ranked 177th.<sup>674</sup> Moreover, the KRG’s fight against ISIS after 2014 contributed to regional stability.<sup>675</sup> The KRG even showed that it intends to contribute to energy security in the region. For instance, the KRG desires to export gas and electricity to the rest of Iraq to reduce Iraq’s reliance on Iran. KRG Prime Minister Masrour Barzani declares, ‘We hope to become a regional hub for gas production and storage with plans to export to other parts of Iraq and beyond. We are now exporting electricity to other parts of Iraq.’<sup>676</sup> This also shows the KRG’s success in energy sector to the international community. Moreover, majority interviewees believe that the Kurdish agency was successful in building the oil and gas industry from scratch.

In addition to democratization and contributions to local and regional security, the KRG integrated the control over hydrocarbon resources into economic viability as a crucial component of earned sovereignty. The Kurdish leadership sought to change perception of the Kurdistan Region internationally, particularly in terms of oil issues. As Vladimir Kolosov and John

---

<sup>672</sup> Barham Salih, ‘A Kurdish Model for Iraq’, *The Washington Post*, 9 December 2002, <https://www.washingtonpost.com/archive/opinions/2002/12/09/a-kurdish-model-for-iraq/ead162a-3f56-45d6-9045-432046f2cb61/>.

<sup>673</sup> Cited in Voller, *The Kurdish Liberation Movement in Iraq*, 87; See Barzani, ‘Kurdistan Is a Model for Iraq’, 12 November 2008.

<sup>674</sup> ‘Benchmarking the Kurdistan Region’ (The Economist Intelligence Unit, May 2014), 17, <https://en.calameo.com/books/0003488705c1e4c15ff08>. According to the EIU’s index in 2014, the Kurdish de facto state scores better than the rest of Iraq or other recognized states on the issues of security, corruption, peace, political and business environment, quality of life and human development.

<sup>675</sup> See Voller, *The Kurdish Liberation Movement in Iraq*.

<sup>676</sup> Cited in Dania Saadi, ‘Iraq Could Limit Dependence on Iranian Energy Imports with Kurdish Gas: US Official’, *S&P Global Platts*, 23 November 2020, <https://webcache.googleusercontent.com/search?q=cache:3siIohivDikJ:https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/112320-iraq-could-limit-dependence-on-iranian-energy-imports-with-kurdish-gas-us-official+&cd=1&hl=en&ct=clnk&gl=iq>. The KRG still suffers from electric power deficiency.

O'Loughlin note that de facto states are often viewed as 'criminal or quasi-criminal organizations' whose economies are associated with smuggling or illicit activities.<sup>677</sup> The negative image of the KRG in its early stages existed as the AFP (Agence France-Presse) published an article in 1991 entitled, 'Turkish Truckers Smuggling Oil Across Kurdistan.'<sup>678</sup>

Nevertheless, the Kurdish leadership strived to change the negative perceptions of infighting between the local warlords over revenues mostly generated by petroleum smuggling during the mid-1990s to state builders of the early 2000s whose ability to build an independent petroleum industry to achieve financial self-sufficiency from Baghdad. As a panellist from a roundtable discussion at the American University of Iraq-Sulaimani points out 'Hawrami is not only in the business of building an [oil] industry, but in nation building too.'<sup>679</sup> The KRG also made efforts to establish legitimacy in the eyes of the international community through the creation of the Kurdistan Oil Trust Organization (KOTO), the Kurdistan National Oil Company (KNOC), the Kurdistan Exploration and Production Company (KEPCO), the Kurdistan Organization for Downstream Operations (KODO), the Kurdistan Oil Marketing Organization (KOMO) and by including guidelines for hiring local labour in PSAs with IOCs.<sup>680</sup> In other words, establishing such institutions reveal the KRG's ability to administer its affairs freely. The Kurdish leadership also aspires to demonstrate that the KRG's control over its oil resources contributes to economic development not only in the Kurdistan Region, but also in Iraq. As Salih puts it diplomatically:

With the production of oil increasing in Kurdistan we eye the opportunity in the next few years for Kurdistan to become the KRG today from an oil point of view to become a net contributor to the Iraqi budget. I think the success in Kurdistan should be celebrated, recognized by these colleagues of mine in Baghdad. At the end of the day every barrel of oil produced in Kurdistan is added to the Iraqi treasury.<sup>681</sup>

Furthermore, the KRG provided relatively lucrative oil contracts to the IOCs to invest in the petroleum sector of the region. Thus, the IOCs had committed to multi-billion-dollar

---

<sup>677</sup> Kolossov and O'Loughlin, 'Pseudo-States as Harbingers of a New Geopolitics', 152.

<sup>678</sup> 'Turkish Truckers Smuggling Oil Across Kurdistan', *AFP*, 13 December 1991.

<sup>679</sup> Cited in Bilal Wahab, 'Iraq and KRG Energy Policies: Actors, Challenges and Opportunities' (AUIS: The Institute of Regional and International Studies, May 2014), 30–31, <https://auis.edu.krd/sites/default/files/WahabIRISReport.pdf>.

<sup>680</sup> These institutions remain largely inoperative. See 'Kurdistan Oil and Gas Law' (KRG, 6 August 2007), <http://gjpi.org/wp-content/uploads/2009/04/oil-and-gas-070708090735.pdf>; 'LOCAL CONTENT', *MNR*, 25 August 2013, <http://mnr.krg.org/index.php/en/the-ministry/local-content>.

<sup>681</sup> Ben Lando, 'Q&A: Barham Salih', *Iraq Oil Report*, 25 November 2011, <https://www.iraqoilreport.com/politics/qa-barham-salih-6720/>.

investments in the energy sector.<sup>682</sup> The presence of IOCs in the region helped the KRG to increase its international legitimacy.

The KRG linked the strategy of using earned sovereignty with the strategy of attracting great-power support by providing relatively lucrative oil contracts to the IOCs.<sup>683</sup> The KRG's aspiration to attract major companies, particularly companies associated with major powers, had a political dimension in addition to an economic dimension. Caspersen argues that the outbreak of renewed warfare, mostly with the metropolitan states, is very likely in almost all de facto states. Such a view was also dominant in the thinking of the Kurdish leadership.<sup>684</sup> Therefore, having 'friends in high places' not only ensured the future survival of the Kurdish de facto state against any threat from its parent state or neighbouring states, but also provided support for possible secession.<sup>685</sup> Thus, the KRG has used the oil and gas resources as an instrument to obtain support from great powers. By 2013, there were 50 international oil companies from 17 countries operating in the region.<sup>686</sup> As Sarbaz Hawrami, a former senior advisor to the KRG Prime Minister, highlights the prominence of the presence of international energy companies and claims that 'The most important point is that the interests of the Region will be linked with the interests of those companies and their governments.'<sup>687</sup> In other words, IOCs by influencing their own governments will secure the Kurdistan Region to protect their own interests in the region (see chapter 5 for more on oil diplomacy).

To Kurds, oil is associated to their national identity. Alessandro Tinti claims, 'The oil dream influenced the reproduction of Kurdish collective identity itself by re-negotiating belonging to the national community and re-territorialising ethno-national claims to sovereignty.'<sup>688</sup> The KRG exercised its sovereign land right like a landowner by dealing directly

---

<sup>682</sup> 'Wazir Altharawat Altabyeit: Tahdidat Baghdad Lilsharikat Alnaftiat Tusi' Lisumeat Aleiraq Fi Alkharij (Minister of Natural Resources: Baghdad's Threats to Oil Companies Harm Iraq's Reputation Abroad)', *KRG*, 7 February 2013, <http://previous.cabinet.gov.krd/a/d.aspx?l=14&a=46560>.

<sup>683</sup> In terms of PSAs, Wahab declares that the KRG's policymakers have no any objection that 'IOCs, for example, still make, even by regional standards, a lot more money than the peers make in other in other countries.' Wahab, interview.

<sup>684</sup> Caspersen, 'Degrees of Legitimacy', 187.

<sup>685</sup> Caspersen, 'The Pursuit of International Recognition after Kosovo', 398.

<sup>686</sup> 'Wazir Altharawat Altabyeit'.

<sup>687</sup> Cited in Hemin R. Akram Akreyi, 'The Iraqi Kurdistan in the Post-Saddam Era: Security, Natural Resources and Foreign Policy Activism', *Iran and the Caucasus*, 21, no. 1 (15 March 2017): 93, [https://brill.com/view/journals/ic/21/1/article-p92\\_9.xml?language=en](https://brill.com/view/journals/ic/21/1/article-p92_9.xml?language=en).

<sup>688</sup> Alessandro Tinti, *Oil and National Identity in the Kurdistan Region of Iraq: Conflicts at the Frontier of Petro-Capitalism*, Routledge Studies of the Extractive Industries (Abingdon, Oxon ; New York: Routledge, 2021), 106.

with PSCs from IOCs. The Kurdish leadership wants to be perceived as leaders of a sovereign state by controlling natural resources, particularly oil.<sup>689</sup> Furthermore, oil, which was formerly associated with oppression, represents redemption. Oil as symbol of oppression has been apparent for several decades.<sup>690</sup> According to the KRG's 2007 Oil and Gas Law, cash dividends are expressly tied to the suffering of 'the many Kurdistanis whose lives were unjustly damaged as a result of the genocide, war and terrorism of the Saddam regime.'<sup>691</sup> Massoud Barzani also mentioned on several occasions that Saddam Hussein's government used oil revenues to finance the military campaigns against Kurds. Rather than just a promise of future prosperity, oil wealth is imagined in terms of restoring rights that have been violated. Thus, PM Nechirvan Barzani once more promoted the idea of giving each family in Kurdistan a monthly check for between \$500 and \$1,000 during the 2013 parliamentary election campaign. This proposal links the narrative of national redemption to the abundance of oil and gas resources.<sup>692</sup>

#### **4.3 Oil bust era: weakening sovereignty, 2014-2019**

A sharp drop in oil prices challenged the KRG's domestic sovereignty between 2014 and 2019. Oil accounted for 85 percent of the KRG's revenue prior to the crisis in 2014.<sup>693</sup> Thus, the KRG's budget share was around \$12 billion in 2013, which was allocated to government employee salaries, capital expenditures and other investments in sectors of health and education.<sup>694</sup> The KRG's robust GDP growth was at a rate of 8% and its total GDP valued at \$26.5 billion in 2013 (See Figure 4).<sup>695</sup> Therefore, the KRG experienced a significant increase in GDP per capita from approximately \$800 in 2002 to around \$7000 in 2013 (See Figure 5).<sup>696</sup> It is estimated that 70% of KRG revenue, around \$750 million per month, was allocated to cover the salaries of nearly 1.4 million employees.<sup>697</sup> Thus, the KRG's expenditures reached to around 90 percent of GDP in 2013.<sup>698</sup> Such a rate of expenditures, including a high number

---

<sup>689</sup> Ibid., 93.

<sup>690</sup> Ibid., 6,106.

<sup>691</sup> Cited in *ibid.*, 106.

<sup>692</sup> Ibid.

<sup>693</sup> 'Kurdistan Region of Iraq', 2016, x.

<sup>694</sup> Ibid., 2.

<sup>695</sup> 'Kurdistan Review. Forging Ties Globally', *Invest in Group*, June 2016, 41, <https://us.gov.krd/media/1470/kurdistan-review-2016-se.pdf>.

<sup>696</sup> Ibid.

<sup>697</sup> Dmitry Zhdannikov, 'Exclusive - How Kurdistan Bypassed Baghdad and Sold Oil on Global Markets', *Reuters*, 17 November 2015, <https://uk.reuters.com/article/uk-iraq-kurdistan-oil-idUKKCN0T61HL20151117>; 'After Iraqi Kurdistan's Thwarted Independence Bid', 2, fn8.

<sup>698</sup> 'Kurdistan Region of Iraq', 2016, 11.

of public employees and generous social programs, was sustainable with oil at \$100, but it was not at under \$50 a barrel. The volatility in the prices of crude oil can affect the revenue of the oil sector, the main source of the government's income. Hence, the reliance of public expenditures on oil created a highly volatile economy.

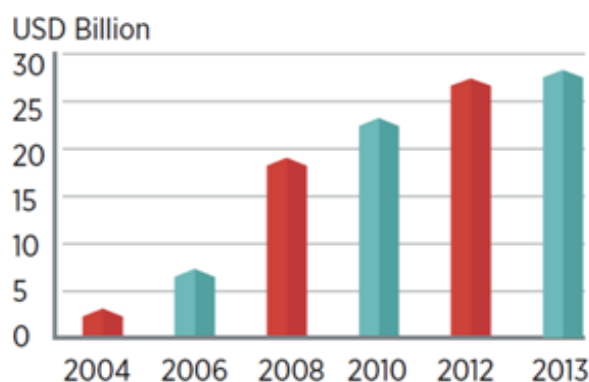


Figure 4. GDP growth. Source: Invest in Group, 'Kurdistan Review. Forging Ties Globally,' 2016, 41.

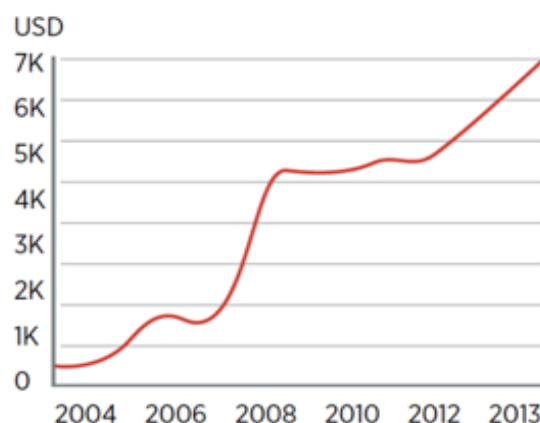


Figure 5. GDP per capita growth. Source: Ibid., 41

The cost of war on ISIS and the influx of 1.8 million internally displaced people including a sharp drop in the oil price (around 50%) in 2014 largely led to a financial crisis, contributing to social and political unrest and economic disruption in the Kurdistan Region.<sup>699</sup> Meantime, the KRG's share from the federal budget was reduced from \$12 billion in 2013 to \$1.1 billion in 2014 due to its independent oil policy (See Table 2).<sup>700</sup> Thus, economic growth dropped from 8% in 2013 to 3% in 2014.<sup>701</sup> As a result, the financial crisis has left the KRG's government unable to pay its workers and capital investments and contractors for their overdue invoices. To reduce public expenditures, the KRG commenced austerity measures by slashing government payrolls, services and programs, delaying several months of salaries and borrowing local and foreign loans.<sup>702</sup>

Table 2. KRG's share from the federal budget

Year	2013	2014
KRG's share from the federal budget	\$12 billion	\$1.1 billion

Source: Author, based on World Bank, 'Kurdistan Region of Iraq: Reforming the Economy for Shared Prosperity and Protecting the Vulnerable' (Washington, D.C: World Bank, 2016), 2.

<sup>699</sup> Sumer and Joseph, 'Compatibility of the Kurdistan Region of Iraq's Institutions', 38–39.

<sup>700</sup> 'Kurdistan Region of Iraq', 2016, 2.

<sup>701</sup> Sibel Kulaksiz, 'Kurdistan Regional Government: Economic and Social Impact Assessment of the Syrian Conflict and ISIS Insurgency' (Washington, D.C: World Bank, 2015), 2, <https://openknowledge.worldbank.org/handle/10986/21628>.

<sup>702</sup> See 'Kurdistan Region of Iraq', 2016.

Consequently, the public expressed their frustration and anger towards the post-2013 economic crisis and the constant austerity measures and increasingly questioned their leaders' economic and political management. This challenged KRG's regime legitimacy as well as its domestic sovereignty since it is more closely associated with the regime legitimacy as it pays attention to the effective government instead of the nature of the power. From 2014 to 2018, a series of protests, teachers' strikes and popular unrest took place across the region, mainly in the Sulaimaniy province, against the government's failure to pay the public employee's salaries, to combat corruption predominantly in the oil sector and to deliver basic services and economic opportunities.<sup>703</sup> For instance, a protester asserts, 'This government has lost its legitimacy. They must make way for other people.'<sup>704</sup> Another protester remarks that 'The sit-in was only for three days, but we extended for nine days. There are other new ways ... We will not end the strike because these officials [in government] have been lying to us for three years. They are all liars.'<sup>705</sup> In other words, people lost confidence in the Kurdish government and considered it incapable of meeting their needs. In the absence of international recognition, low confidence in regime legitimacy is more problematic in the Kurdish de facto state than in its parent state, Iraq.

The corruption and mismanagement of Kurdish resources by the two ruling parties undermined people's trust in regime legitimacy. Though Baghdad is responsible for withholding the KRG's budget and causing financial difficulties, the financial crisis is also due to decades of corruption and mismanagement of resources by the two ruling parties. There are Kurds who have supported such attempts that the KRG should give up its control or sovereignty over its natural resources to the federal government in exchange for the Kurdistan Region's share of budget or salaries.<sup>706</sup> Salary delays and cuts pushed some public employees to the extent of

<sup>703</sup> See Mariya Petkova, 'Why Are Iraqi Kurds Not Taking Part in Protests?', *Al Jazeera*, 11 November 2019, <https://www.aljazeera.com/news/2019/11/11/why-are-iraqi-kurds-not-taking-part-in-protests>; Nassir al-Hasoun, 'Iraqi Kurdistan Economy Suffers amid Budget Dispute with Baghdad', *Al-Monitor*, 16 May 2014, sec. Editorial, <https://www.al-monitor.com/pulse/business/2014/05/iraqi-kurdistan-region-budget-dispute-economic-effects.html>.

<sup>704</sup> Cited in 'Protests Intensify in Iraqi Kurdistan amid Economic Crisis', *Reuters*, 9 February 2016, <https://www.reuters.com/article/us-mideast-crisis-iraqi-protests-idUSKCN0V111X>.

<sup>705</sup> Cited in 'Protests Continue against Austerity Measures in Parts of Iraqi Kurdistan', *E Kurd Daily*, 3 April 2018, <https://ekurd.net/protests-austerity-iraqi-kurdistan-2018-04-03>.

<sup>706</sup> 'هواڵاتییهک: دوو حزیهکهی دهمهلات وەک دوو کۆمپانیان و تهنها بۆخۆیان کاردمهکن [When Will the Salary-Saving System Be Paid Back to Citizens?]', *NRT*, 15 February 2020, <https://nrttv.com/media-Baname-detail.aspx?pid=2319&CatID=3>; 'مووچهی: فەرمانییەرانی هەرێم دهمزێته سەر بهغدا [The Salary of Region's Employees Will Be Added to Baghdad]', *Xelk Media*, 12 June 2020, <https://xelk.org/230362/>.

asking the federal government to directly pay their salaries.<sup>707</sup> This is not only a sign of hopelessness towards an unsuccessful government, but also may undermine the KRG's Westphalian sovereignty by involving Iraq, considered as an external actor, in Kurdish domestic affairs. Fazil Mirani, the Secretary of the Political Bureau of the KDP, warns the public that the KRG conflict with the federal government is bigger than just the issue of salaries, and the focus should not just be on salaries. The conflict of soil and nation should be prioritized.<sup>708</sup> But it is too risky for Kurdish leadership to preserve the control of oil resources at the expense of the local population. With little support from the local population for the oil and gas industry, the KRG would face challenges and pressures not only externally, but also internally. The question is whether independent oil policy is worth it.

Since the KRG fails to pay public sectors' salaries regularly, except for the security forces, and deliver public goods, it has relied on coercion and violence through disbursement of oil revenues to ensure domestic cohesion.<sup>709</sup> Lama Fakih, a former deputy Middle East director at Human Rights Watch, points out that 'The KRG forces' heavy-handed tactics in responding to peaceful protests seem intended to silence criticism despite the official narrative of respect for free speech and assembly. It is a sign of oppression when authorities try to force people to sign away their basic rights to protest.'<sup>710</sup> Relying on coercion to ensure domestic unity not only further undermines internal legitimacy in the region, but also the authorities' claim to earned sovereignty, at least theoretically. The coercive apparatus as well as the economic crisis and constant austerity measures created a widespread apathy among the local population and emigration. As a result, thousands of Kurds annually flee to Europe through illegal ways. Harsh weather, the sea, or smugglers themselves killed hundreds along the route.<sup>711</sup> A high number of immigrants is a source of weakness in Kurdish domestic sovereignty.

Though the KRG declared to rely on fiscal adjustment, austerity measures, and structural reform to bolster its domestic sovereignty in the post-2014 economic crisis, it has

---

<sup>707</sup> Dana Taib Menmy, 'Independence for Iraq's Kurdish Region Has Proved a Costly Mistake', *Middle East Eye*, 7 August 2020, <http://www.middleeasteye.net/opinion/should-iraqs-kurdish-region-return-arms-baghdad>.

<sup>708</sup> [Fazil Mirani: The KRG Conflict with Baghdad Is Bigger than Just the Issue of Salaries], *NRT*, 2 February 2021, <https://www.nrttv.com/News.aspx?id=39888&MapID=1>.

<sup>709</sup> The KRG cut the Peshmerga salaries later. See Rawaz Tahir and Mohammed Hussein, 'KRG Forced into Dire Measures, Trimming Peshmerga Salaries', *Iraq Oil Report*, 21 December 2017, <https://www.iraqoilreport.com/news/kg-forced-dire-measures-trimming-peshmerga-salaries-26975/>.

<sup>710</sup> Cited in 'Kurdistan Region of Iraq: Protesters Beaten, Journalists Detained', *Human Rights Watch*, 15 April 2018, <https://www.hrw.org/news/2018/04/15/kurdistan-region-iraq-protesters-beaten-journalists-detained>.

<sup>711</sup> Petkova, 'Why Do Kurds Continue to Flee Iraq's Kurdish Region?'

predominantly focused on the unsuitable austerity policy to solve the financial crisis. The government with respect to the fiscal adjustment slashed salaries of government employees by 75 percent for high-ranking officials and by 10-20 percent for other employees and postponed investment projects.<sup>712</sup> Electricity, fuel, water supply, and agricultural subsidies were also cut off. The non-salary operating expenses declined more than 50 percent. As a result, the fiscal deficit measured on a cash basis, declined from \$6.6 billion in 2014 to about \$1.3 billion in 2016.<sup>713</sup>

Nevertheless, although cutting salaries of employees is considered as a deferred payment and a short-term measure, the KRG relies on it still to counter the financial crisis. Concerning structural reform, it pays attention to five areas: (a) institutional modernization of the ministry of economy and finance; (b) biometric registration; (c) electricity sector reform; (d) enhanced government transparency and citizen engagement; and (e) development of a social protection strategy.<sup>714</sup> For instance, the KRG introduced the biometric registration in 2016 that recorded 1,255,273 employees of which 752,959 (60%) are active civil servants and 502,364 (40%) are pensioners, martyrs and socials.<sup>715</sup> Thus, the biometric system has identified double or more payment from the government and 55 thousand as ghost employees.<sup>716</sup> Therefore, payment for salaries, pensions, and stipends declined from \$750 million monthly to \$450 million.<sup>717</sup> However, the KRG is reluctant to fully implement the structural reform in the five areas. For instance, the biometric system has three stages, but the first stage was only finalized in 2019 and the other two stages have not commenced yet.<sup>718</sup> Relying on the oil sector and slashing and withholding salaries have clearly negative long-term economic consequences in the region. As a result, the KRG's debts and financial commitments are estimated to be about

<sup>712</sup> ‘Economic Reform Implementation Progress: Reform Achievements And Next Steps’ (KRG and WB, July 2107), xi, <http://www.mop.gov.krd/resources/MoP%20Files/PDF%20Files/ECONOMIC%20REFORM%20IMPLEMENTATION%20REPORT.pdf>.

<sup>713</sup> Ibid., xi–xii.

<sup>714</sup> 'Deputy Prime Minister Outlines KRG's Reform Initiatives', *KRG*, 7 December 2016, <http://poland.gov.krd/krg-foreign-minister-addresses-kurdistan-iraq-oil-gas-conference-in-london/>.

<sup>715</sup> [Number of Employees in Region], *Drawmedia*, 27 May 2020, [http://drawmedia.net/page\\_detail?smart-id=5991](http://drawmedia.net/page_detail?smart-id=5991).

<sup>716</sup> Shwan Barzinji, 'Zaniyari Lîbarî Nîşkerabonî Hîzaran Moçexûrî Wehmî' [Information on Revealing Thousands of Non-Existing Employees], *Basnews*, 13 March 2018, <https://www.basnews.com/so/babat/422147>.

<sup>717</sup> 'Economic Reform Implementation Progress', xi.

<sup>718</sup> [The Second and Third Stages of Biometric Registration Will Be Implemented]', *Awene*, 7 July 2020, <http://www.awene.com/detail?article=29831>.



\$28.4 billion (Table 3). Contrary to conventional wisdom, the KRG's debt is about \$8 billion and the rest, \$20 billion, is financial commitments.<sup>719</sup>

Table 3. Debts and financial commitments

Topic	In USD Billion
Total of foreign and local loans	7.256
The total of financial commitments	8.337
The total of financial commitment related to withholding financial entitlements to public sector employees and pensioners	8.966
Topic of both banks Trade Bank of Iraq (TBI) and International Bank of Kurdistan (KIB)	3.916
Total	28.4

Source: Author, based on Rudaw, 'Kurdistan Region PM Masrour Barzani Addresses Parliament,' 2020.

### 4.3.1 Corruption and lack of transparency in the oil and gas industry: the challenge to the KRG's sovereignty

Corruption and lack of transparency in the oil and gas industry have gradually questioned and challenged KRG's domestic sovereignty. Since corruption has a profound effect on the entity's ability to function properly, it is a crucial element of KRG's domestic sovereignty. Hama Salih describes corruption in the sector as an 'organised corruption.'<sup>720</sup> Although corruption has existed since the creation of the Kurdish de facto state in 1991, non-transparency, nepotism, and abuse-of-power attracted more public attention since the discovery and exploitation of large oil reserves.<sup>721</sup> Nawshirwan Mustafa, former Deputy Secretary of PUK, established the Movement for Change (Gorran) in 2009, which played a key role in combating corruption in the oil sector. As Mustafa writes in an article entitled 'The Oil Dispute between the Coalition Government and the Regional Government' and claims:

The Kurds should not renunciate their rights under any internal or internal pressure, the right to self-ownership of Kurdistan's natural resources, including oil, gas and water, but the biggest danger to these contracts [PSAs] is that they were made in darkness and in closed rooms without the knowledge of the people of Kurdistan. In order for the regional government to be strong on this side against the central government, it must be supported by the people. In order to gain the support of the people, all of its steps must be under the spotlight.<sup>722</sup>

<sup>719</sup> 'Kurdistan Region PM Masrour Barzani Addresses Parliament', *Rudaw*, 10 May 2020, <https://www.rudaw.net/english/kurdistan/051020201>.

<sup>720</sup> Salih, interview.

<sup>721</sup> Michael Rubin, 'The Continuing Problem of KRG Corruption', in *Routledge Handbook on the Kurds*, ed. Michael M. Gunter, 1st ed. (London: Routledge, 2018), 329, <https://doi.org/10.4324/9781315627427-25>.

<sup>722</sup> Cited in 'Goran Movement: Oil Contracts Have Been Signed in Darkness [گریه‌ست‌ه‌کانی نه‌وت بزوتنه‌وی گوران]', *Drawmedia*, 16 February 2022, <https://www.facebook.com/drawmedia/posts/1147320449430270>.

Gorran has also increased general public awareness of corruption in the sector. Due to a policy of secrecy in the oil sector, the public and the Kurdistan Parliament initially either know nothing or know very little about production sharing agreements, sign-on bonuses, fees, royalties, other payments between the MNR and IOCs, the transfer of oil revenues from international oil trade companies to government accounts and how such revenues are collected and spent. The MNR claimed to be transparent in the oil sector. Oil revenues were to be subject to ‘regular independent audit, which shall be available for public viewing ... consistent with the Principles and Criteria of the Extractive Industries Transparency Initiative (EITI).’<sup>723</sup> Since the MNR failed to satisfy EITI to provide the KRG a report of its own, it announced the creating of its ‘full and uncensored’ report based on the guiding principles of EITI in 2013.<sup>724</sup> Absurdly, Deloitte, a foreign audit and consulting firm, published its first report on Kurdistan Region’s oil production, sales, and revenues only five years later. In the absence of the EITI’s reports, the MNR occasionally published reports on production, refining, trucking, sales, and revenues, but ceased such reports after a while. While the ministry is declared to be transparent, it revealed key oil developments yearly in The Oil and Gas Year, but a copy costs \$225.<sup>725</sup>

Additionally, the KRG’s parliament did not know the fate of oil revenues. As Sherko Jawdat, a member of the Iraqi Kurdistan Parliament and a former head of the Committee on Natural Resources in the Kurdistan Parliament notes, ‘We don’t know how much was withdrawn from the money accumulated in Halkbank [a Turkish state-owned bank that holds the deposits of the Kurdish oil revenue] we don’t know how much interest rate the money yielded as well.’<sup>726</sup> The public, local media and even many members of parliament know about mismanagement, corruption and lack of transparency in the oil industry mostly from foreign media such as Reuters, Bloomberg, Financial Times, Oilprice and S&P Global.<sup>727</sup> The KRG Minister of Finance was supposed to know all information about the oil sales instead of the MNR. As Luay al-Khatteeb, a former adviser to the Iraqi government on energy policy, notes that ‘The

---

<sup>723</sup> See. Chapter Six. ‘Kurdistan Oil and Gas Law’.

<sup>724</sup> ‘The EITI Oil Transparency Report That Inexplicably Disappeared: KRG Statement’, *KRG*, 6 April 2013, <https://ekurd.net/mismas/articles/misc2013/4/state6976.htm>.

<sup>725</sup> Patrick Osgood, ‘Selective Transparency: Things You Can’t See About KRG Oil’, LSE, *Middle East Centre* (blog), 25 April 2018, <https://blogs.lse.ac.uk/mec/2018/04/25/selective-transparency-things-you-cant-see-about-kr-g-oil/>.

<sup>726</sup> Cited in ‘Sales of Kurdish Oil Point to Beneficiaries Close to Erdoğan’, *Today’s Zaman*, 5 April 2015, <http://www.iraqdirectory.com/en/2015/04/05/29533/sales-of-kurdish-oil-point-to-beneficiaries-close-to-erdo%C4%9Fan.aspx>.

<sup>727</sup> Bloomberg reveals a corruption case. See Jack Farchy and Javier Blas, ‘Rosneft Paid Mystery Consultant \$250 Million in Iraq Oil Deal’, *Bloomberg*, 2 March 2020, <https://www.bloomberg.com/news/articles/2020-03-02/rosneft-paid-mystery-consultant-250-million-in-iraq-oil-deal>.

[Kurdish government's] own financial ministry had no clue what the status of oil and gas in the region was.<sup>728</sup> The KRG had about 16 bank accounts in which to deposit its oil sales in 2015. The KRG Minister of Finance had access only to one account, Turkish Halkbank while the MNR and Prime Minister Nechirvan Barzani controlled all the remaining bank accounts.<sup>729</sup> This undermines the institutional legitimacy in the region and shows how weak the Minister of Finance is.

Corruption in the oil sector contributes to widespread public belief that government officials sought to maximize their own personal welfare at the expense of the society instead of combating corruption. Some Kurdish politicians believe that corruption in the petroleum sector is necessary. Delshad Shaban, a former deputy head of the oil and gas committee in the Kurdish parliament, claims that he recalled Prime Minister Barzani came to one of their meetings and told them that 'There may have been corruption in the past in the oil industry here. But if you look at what happened, we had to do it. We needed to protect Kurdistan.'<sup>730</sup> Furthermore, the KRG was blamed for inability to pay public payroll due to the widespread corruption in the oil sector. Shaban states that that 'We should have oil contracts that benefit all the Kurdish people, not powerful individuals.'<sup>731</sup> In January 2016, Kurdish authorities had seized \$250 million from Chra Rafiq, the ex-wife of Ashti Hawrami, a former KRG Minister of Natural Resources. Moreover, the KDP issued an arrest warrant for Rafiq on charges of corruption and misuse of public funds on 17 May 2016. As claimed by Jawdat, Rafiq ran a ghost company to buy discounted oil from the government and resold it on the black market, earning \$10 million monthly.<sup>732</sup> In fact, the case of Hawrami's wife appears to be relatively insignificant compared to other alleged corruption cases in the region.<sup>733</sup> A leaked documents showed that an Erbil-based private company, Abor Land (Abor Group), transferred billions of Euros from the Kurdistan Region to abroad. Only the ruling family has this ability to transfer

---

<sup>728</sup> Cited in Banco, 'The Curse of Oil in Iraqi Kurdistan'.

<sup>729</sup> Denise Natali, 'Stalemate, Not Statehood, for Iraqi Kurdistan', *Lawfare*, 1 November 2015, <https://www.lawfareblog.com/stalemate-not-statehood-iraqi-kurdistan>.

<sup>730</sup> Cited in Banco, 'The Curse of Oil in Iraqi Kurdistan'.

<sup>731</sup> Cited in *ibid*.

<sup>732</sup> 'Arrest Warrant Issued for Iraqi Kurdistan Oil Minister over Corruption: MP', *Ekurd Daily*, 9 October 2016, <https://ekurd.net/warrant-arrest-kurdistan-oil-2016-10-09>.

<sup>733</sup> For more on corruption, see Michael Rubin, 'How Kurds Can Resolve Their Financial Crisis', *American Enterprise Institute - AEI* (blog), 21 January 2016, <https://www.aei.org/foreign-and-defense-policy/middle-east/how-kurds-can-resolve-their-financial-crisis/>.

such amount.<sup>734</sup> One more example is that the Kar Group, a private company close to the KDP, charges the KRG more for transporting oil from Khurmala to the Turkish border, which is about three times higher than what Turkey charges the KRG for transporting the same barrel of oil from the Fishkhabour border to the Turkish Ceyhan port on the Mediterranean Sea. This has a negative impact on the KRG's oil revenue.<sup>735</sup>

Mismanagement and lack of transparency in the oil sector undermined people's trust in the institutional legitimacy of the MNR. In August 2017, Dana Gas, a United Arab Emirates-based energy company and one of the largest investors in Kurdistan Region, won its latest international arbitration case against the KRG. In this case, the KRG agreed to pay \$2.24 billion to Dana Gas in the full and final settlement.<sup>736</sup> This caused public frustration and resentment towards the MNR for their inability to run the oil sector and contributed to people's belief that the government would pay Dana Gas's debt at the expense of public employee salaries.<sup>737</sup> Hunar Tofik, a Kurdish journalist, points out that 'The oil revenues go to the KDP's treasury while repaying Dana Gas's debt is left a burden to public employees and people in the area where oil, gas and electricity are produced.'<sup>738</sup> In other words, the KRG would reduce the salaries of public employees to repay Dana Gas's debt.

Contested sovereignty led to a lack of transparency in the oil sector.<sup>739</sup> With the sovereignty conflict over oil resources between Erbil and Baghdad, the KRG at least from the beginning underreported its oil production, exports, sales and revenues to ensure that its share of the federal budget would not be reduced in reference to its incomes. As Wahab observes, 'The KRG seems to be hiding oil proceeds from Baghdad for fear of the latter's retribution through budget cuts.'<sup>740</sup> Thus, the former Iraqi Prime Minister Haider al-Abadi urged the KRG to

<sup>734</sup> 'Billions of Euros Transferred from Iraqi Kurdistan: Leaked Documents — Exclusive Ekurd', *Ekurd Daily*, 12 May 2020, <https://ekurd.net/billions-euros-transferred-2020-05-12>.

<sup>735</sup> Wahab, interview; Salih, interview. Hama Salih also confirmed that the KRG is charged more for local transportation of oil compared to the pipeline carrying Kurdish oil to international markets through Turkey.

<sup>736</sup> Dmitry Zhdannikov, 'Kurdistan Pays \$1 Billion to Dana Gas, Partners to Settle London Case', *Reuters*, 30 August 2017, <https://www.reuters.com/article/us-dana-gas-arbitration-idUSKCN1BA272>.

<sup>737</sup> Jamal Pira, 'حکومتی دژە خەڵک! [Anti-People Government!]', *Sharppress*, 15 February 2016, <http://www.sharppress.net/op-detail.aspx?jimare=54469>; 'دۆسیەی دانا غاز' [Dana Gas Case], *KNN*, 8 March 2017, <https://archive4.knn.krd/mob/Programme-Detail.aspx?TypeID=35&bernameID=14984>; 'بۆچی حکومەت مووچەی پێ؟' [Why Can the Government Not Provide Salaries?]', *Rudaw*, accessed 20 February 2022, <https://www.rudaw.net/sorani/business/020220162>.

<sup>738</sup> Hunar Tofik, 'داهاتەکی بۆ دانا غاز و شەڕەکە بۆ ئێمە' [The Revenue for Dana Gas and Its War for Us], *Awene*, 2 February 2020, <http://www.awene.com/article?no=8511&auther=30>.

<sup>739</sup> Mohtadi, interview.

<sup>740</sup> Wahab, 'Iraq and KRG Energy Policies', 23–24.

enhance the transparency of its oil sector and asked, ‘Where is the money that comes from the oil?’<sup>741</sup> The KRG used the risk of reducing the budget by the parent state as a pretext for concealing sensitive oil data for the public. Thus, the MNR monopolized all energy decisions in the region. Although the five institutions (KOTO, KNOC, KEPCO, KODO and KOMO) in the 2007 oil and gas law were supposed to transparently manage the KRG’s oil sector in different ways, they remain paper institutions.<sup>742</sup> When Kamal Atroshi becomes a new minister of natural resources, he points out that the ‘MNR is not institutionalized.’<sup>743</sup> The MNR alone acts as a multi-functional institution. For instance, once the MNR revealed that oil exports would commence by the end of January 2014, potential buyers were guided to KOMO. In fact, KOMO’s office did not exist in the region and its email address, [KOMO@mnr.krg.org](mailto:KOMO@mnr.krg.org), auto-forwarded to the media advisor of MNR.<sup>744</sup> Hama Salih notes that while the parent state sells its oil through SOMO, nobody yet knows who sells the Kurdish oil.<sup>745</sup> Not only KOMO, but also KNOC is not even established currently. Hawir Mansur Bag notes, ‘Not forming a state oil company [KNOC] was a huge mistake. Advisors and experts should have thought of this. It is late already – it will be too, too late once all the fields have been discovered and all contracts signed.’<sup>746</sup>

To create a mechanism for greater revenue transparency from the sale of oil and gas, the Kurdish parliament passed The Oil and Gas Revenue Fund Law or a sovereign wealth fund in April 2015. It has three major objectives such as controlling, auditing and ensuring transparency, as well as directing oil and gas revenues for developing the economy in the region. Based on the law, oil revenues may be allocated to five different areas: (1) KRG’s annual budget; (2) capital spending; (3) oil infrastructure; (4) environmental protection; and (5) a ‘future

<sup>741</sup> Cited in ‘2017/1/3 حيدر العبادي لرئيس الوزراء د. حيدر العبادي [Special Coverage: The Press Conference of the Prime Minister, Dr. Haider al-Abadi]’, 3 January 2017, <https://www.youtube.com/watch?v=uBrwVzI9xdU>.

<sup>742</sup> ‘Kurdistan Oil and Gas Law’.

<sup>743</sup> Watch Kamal Atroshi’s speech on the MNR. See ‘بهشی سێیهمی دانیشتنی پەرلهمانی کوردستان ژماره 16 ی ناسایی خولی’ [The Third Part of the Parliament Session of (16) of 2021/6/28], 28 June 2021, <https://www.youtube.com/watch?v=6fpM-92PuRc>.

<sup>744</sup> Osgood, ‘Selective Transparency’.

<sup>745</sup> Salih, interview.

<sup>746</sup> Cited in Anwar Faruqi, ‘Corruption, Lack of Transparency Killing Iraqi Kurdistan’s Energy Sector: Panel’, *E Kurd Daily*, 27 April 2016, <https://ekurd.net/corruption-killing-kurdistan-energy-2016-04-27/>; It is important to note that even corruption exists in the region, but the degree of corruption in the Kurdistan Region is less than in its parent state, Iraq and Iran. When ranking seven MENA countries of Jordan, Iran, UAE, KRG, Turkey and Iraq, the KRG is fifth on the EIU’s corruption index, which is narrowly behind Turkey and noticeably ahead of Iran, and the UAE is at the top. Iraq is at the bottom of the index. See ‘Benchmarking the Kurdistan Region’, 52.

generation's' wealth fund. The Fund should have been created within three months after it was passed, but like other legislative aspects of energy sector, it is still yet to be implemented at the time of writing.<sup>747</sup> This has destroyed public confidence in the energy sector.

Furthermore, although Deloitte's reports on increasing transparency in the energy sector is a promising step, it provides only simple data on oil sales and costs and ignores the deficiencies of the sector. As Jawdat notes the Deloitte company been tasked to monitor Kurdistan in order 'to cover the defects of the oil sector because the revenue increases monthly and meanwhile \$300 million is missing monthly in the revenue and it is not known how it has been used.'<sup>748</sup> Moreover, while the MNR revealed nearly all its PSAs in September 2011, the contracts are written for expert audiences rather than public audiences. Some important contracts were not disclosed, but it was an encouraging effort. Nevertheless, since the Exxon deal, new contracts remain confidential.<sup>749</sup> The details of a 50-year energy deal between the KRG and Turkey in 2014 were never disclosed to the parliament. Additionally, Rosneft and the KRG signed an energy deal without parliament any approval in 2017. In retaliation for the Rosneft deal, four factions in the Kurdistan parliament in a joint statement release said:

The Rosneft agreement should not have been signed in the absence of the parliament's observation and interpretation. It is impossible not to know how much discount the Kurdistan Region has made for the price of oil to Rosneft. It is impossible not to know in what way Rosneft will become partner or possessor in these five oilfields and for how many years the deal is.<sup>750</sup>

Oil has a negative impact on weak institutions of the Kurdish de facto state. Qubad Talabani, at the Techfest Technology Festival in Sulaymaniyah, announced, 'We wish we did not have oil. But since we have, it should be used to support other sectors.'<sup>751</sup>

Oil smuggling at border crossings undermined not only the entity's claims for earned sovereignty, but also its interdependence sovereignty. While Peshmerga forces were fighting against ISIS, some Kurdish officials, either directly or through middlemen, were accused of

---

<sup>747</sup> Watch a section on Amanj Raheem. 'بهشی سنییم' ۲۰۲۰/۱۰/۵ کوردستان [Parliament Session: 5/10/2020/ Section 3]', 5 October 2020, <https://www.youtube.com/watch?v=Q2et2Hmks2Q&t=16807s>.

<sup>748</sup> 'Sherko Jawdat: Revenue of Kurdistan Region Is More than \$1 Billion', *NRT*, 15 December 2018, <https://www.nrttv.com/News.aspx?id=10109&MapID=1>.

<sup>749</sup> Osgood, 'Selective Transparency'.

<sup>750</sup> 'Four Parties Object to KRG-Rosneft Deal Inked without Parliament Approval', *Rudaw*, 6 March 2017, <https://www.rudaw.net/english/business/030620171>.

<sup>751</sup> 'گفتوگۆم له پێشبرکێی تەکنەلۆژیای تیکفێست له سلێمانی', [My Conversation at the Techfest Technology Festival in Sulaymaniyah]', 21 August 2021, <https://www.youtube.com/watch?v=nKB2q2scTSU>.

being involved in oil smuggling with ISIS. In October 2014, a number of the suspected officials from the Peshmerga ministry and civilian officials were arrested on charges of buying oil from ISIS.<sup>752</sup> This undermined the KRG's claim to earned sovereignty since it had taken a pride in contributing to regional stability and security by fighting against ISIS at the time. As Wahab points out, 'This is a point of embarrassment for the Kurdish Regional Government and it needs to be seriously cracked down.'<sup>753</sup> Furthermore, the involvement of Kurdish officials in oil trade with ISIS was perceived as a source of weakness in the KRG's interdependence sovereignty at least theoretically since it failed or refused to secure illicit cross-border flows.

#### **4.3.2 Civil clashes over oil revenues: the challenge to the KRG's sovereignty**

Overt civil clashes over oil revenues challenged the KRG's domestic sovereignty as a unified and effective entity. The split of oil revenues between the KDP and PUK was a source of stability in the Kurdistan Region prior to 2014. However, after the sharp decline in oil prices, the PUK seemed to receive less than an equal share of oil revenues. This limited funds for the PUK to maintain its patronage networks in Kirkuk and Sulaimaniya, reducing PUK's popular appeal in both places. Consequently, this created a conflict between the KDP and a faction inside the PUK. In a letter sent to the former Iraqi Prime Minister Haider al-Abadi in September 2016, Hero Ibrahim Ahmed, the widow of the former Iraqi President Jalal Talabani and a former member of PUK politburo, condemned an equal revenue sharing agreement reached between Baghdad and Erbil (KDP) over Kirkuk's oil fields and threatened to block oil exports from Kirkuk.<sup>754</sup> The KRG agreement with the federal government was perceived as 'cementing the KDP interest' in Kirkuk.<sup>755</sup> As Ahmed warns:

After we followed up during the past few days your decision is to resume pumping crude oil from the Kirkuk fields through the Kurdistan Region pipeline by (100) thousand barrels per day. After our consultations with the members of the political bureau of the Patriotic Union of Kurdistan, especially those concerned in Kirkuk governorate and out of our concern for the positive relationship that binds us with you, we have decided to send this message to you. We reiterate the constant

---

<sup>752</sup> Hemin Salih, 'KRG May Hang Officials Accused of Buying Oil from IS', *Basnews*, 21 October 2014, <http://www.mesop.de/mesop-the-big-sacandal-kr-g-may-hang-officials-accused-of-buying-oil-from-is/>; Sadq Hoshmand, 'Kurdish Officials Arrested on Charges of Buying Oil From IS', *Basnews*, 15 October 2014, <https://www.basnews.com/so/babat/77864>.

<sup>753</sup> Cited in Selen Tonkus, 'Iraq's Kurds Must Crackdown on ISIL Oil - Experts', *AA*, 20 October 2014, <https://www.aa.com.tr/en/world/iraqs-kurds-must-crackdown-on-isil-oil-experts/109327>.

<sup>754</sup> 'PUK's Hero Ibrahim Opposed Kirkuk Oil Deal, Threatens to Block Exports', *E Kurd Daily*, 8 September 2016, <https://ekurd.net/puk-hero-kirkuk-oil-2016-09-08>.

<sup>755</sup> Mera Jasm Bakr, 'The War at Home: The Need for Internal Security Sector Reform in Iraqi Kurdistan' (Middle East Institute, July 2021), 13, <https://www.mei.edu/publications/war-home-need-internal-security-sector-reform-iraqi-kurdistan>.

position of the Patriotic Union of Kurdistan in the need to follow the principles of transparency and justice in the overall oil process and since the revenue from oil exported from Kirkuk, whether from the Bai Hassan or Avana fields, is not spent transparently and fairly in the Kurdistan Region. These practices exiled the citizens of Kirkuk Governorate from petrodollar payments and caused a negative impact on the people's livelihood and the protection of these fields has been done by the security forces based on our directives. The decision to resume the flow of oil was made without our consultation and agreement, and therefore we reject the decision to export (100) thousand barrels and demand to stop it. We hope to deal positively with our demand within [five] days so that we do not have to take the other available means before us to stop the flow of oil from these fields, since we are under pressure from the public and general opinion in the Kurdistan Region and Kirkuk.<sup>756</sup>

KDP affiliated media such as Rudaw and K24 blamed Ahmed for the delays in the salaries of employees even though such as thing does not exist in her letter.<sup>757</sup> One of the PUK demands was to build a local refinery to meet Kirkuk's needs.<sup>758</sup>

Additionally, after the federal government failed to respond to the PUK demands to end the agreement, a faction of PUK forces took control of the oil facilities in Kirkuk to rearrange the oil agreement in March 2017. Rifat Abdullah, a former member of the PUK politburo, stated that controlling oil facilities was due to the breaking of a promise by high-ranking officials in the federal government and NOC to build a refinery in Kirkuk.<sup>759</sup> Similarly, Aso Mamand, a former head of PUK's office in Kirkuk, said:

Deployment of troops in Kirkuk is to show Baghdad, Kirkuk's oil is for the people of Kirkuk. We have deployed troops to prevent Baghdad from exporting Kirkuk's oil to Mosul and Baghdad. Baghdad wants to export Kirkuk's oil for the rest of Iraq while our people are in desperate need for it. There has been a plot to exploit the people of Kirkuk. What we did today was an expression of the grudge of Kirkuk people against them.<sup>760</sup>

Mamand gave the federal government a week to meet the PUK's demands. In addition to the federal government, he accused the KRG of 'exploiting the people of Kirkuk.' Nevertheless, Safeen Dizayee, a former spokesperson of the KRG and a senior member of the KDP described this action as 'irresponsible and illegal and said, 'The Kirkuk oil is run based on an agreement

---

<sup>756</sup> To find the letter, see 'PUK's Hero Ibrahim Opposed Kirkuk Oil Deal, Threatens to Block Exports'.

<sup>757</sup> Tanya Goudsouzian, 'Hero Ibrahim Ahmad: Smear Campaign or Political Crisis?', *Al Jazeera*, 14 September 2016, <https://www.aljazeera.com/news/2016/9/14/hero-ibrahim-ahmad-smear-campaign-or-political-crisis>.

<sup>758</sup> 'The PUK's "Black Force" Controlled [کۆنتڕۆڵکردوو "هێزه رهشهکهی" یهکێتی]', *Sharpress*, 3 February 2017, <https://www.sharpress.net/all-detail.aspx?Jimare=81112>.

<sup>759</sup> Ibid.

<sup>760</sup> Cited in 'UPDATE: Kurdish Forces Enter North Oil Company in Kirkuk', *Rudaw*, 3 February 2017, <https://www.rudaw.net/english/kurdistan/020320172>.



between Erbil and Baghdad with the involvement of Kirkuk. That is why this behavior is irresponsible and illegal. We hope that acts like will never be repeated.<sup>761</sup> The conflict over oil revenues between the PUK and KDP has challenged the entity's domestic sovereignty and the efforts to demonstrate its earned sovereignty.<sup>762</sup> The local people perceived this conflict or division in a way the government lacked the ability to exercise authority to implement a unified oil policy across its territories.<sup>763</sup>

#### 4.4 The impact of contested sovereignty on the KRG's energy policy

Though contested sovereignty limited KRG's oil policy, the KRG continued to sell the Kurdish oil on international markets. Contested sovereignty has compelled the KRG to sell its crude below the market price since June 2014.<sup>764</sup> For instance, the KRG sold a barrel of oil for \$7.7 less than SOMO's price and for about \$11 less than Brent oil price in May 2019. The KRG sold each barrel of oil for \$58.4, but Iraq and Brent sold it for \$66.1 and \$70.<sup>765</sup> In other words, the KRG was willing to sacrifice income for the sake of sovereignty so it did not have to sell its oil through Baghdad. To the Kurds, the United Leadership tanker, the first tanker to carry Kurdish oil to the international market in May 2014, became a symbol of pride, nationalism, independence and sovereignty.<sup>766</sup> Nechirvan Barzani, a former Prime Minister of the Kurdistan Regional Government, claimed that the intention of the tanker was to show the federal government that the Kurds had the ability to control their oil sales.<sup>767</sup> Since, the KRG continued to sell oil globally, the MoO began to take legal action against any buyer of oil exported through

---

<sup>761</sup> Cited in *ibid*.

<sup>762</sup> In January 2020, a force blocked shipments of natural gas from being sent from the PUK-controlled district of Chamchamal to Erbil and Duhok by a KDP company. See Mohammed Rwanduzy, 'Gas Canister Price Hike Caused by "Monopolists and Mafias": KRG', *Rudaw*, 2 February 2020, <https://www.rudaw.net/english/kurdistan/020220204>.

<sup>763</sup> Although the oil wealth allowed the KDP and PUK to maintain their militias, it has prevented them from having a united Peshmerga force. This has weakened the KRG's domestic sovereignty to some extent. See Zmkan and Skelton, 'Assessing Iraqi Kurdistan's Stability'.

<sup>764</sup> Mohtadi, interview; 'Kurds in Northern Iraq Sell Crude Cargoes for \$100 Million, 9% below Alternative Oil', *Platts Insight*, 26 June 2014, <https://blogs.platts.com/2014/06/26/ceyhan-map/>; Rafaat, *Kurdistan in Iraq*, 192.

<sup>765</sup> Deloitte, 'Oil Production, Export, Consumption and Revenue for the Period 1 April 2019 to 30 June 2019' (Kurdistan Regional Government of Iraq, 29 April 2020), <https://cdn.gov.krd/Government%20Open%20Data/Deloitte%20Reports/Deloitte%20Reports%202019/English/Consolidated%20RCOG%20Q2%202019%20Public%20Report%20ENG.pdf>; SOMO, 'Crude Oil Exports for May 2019' (SOMO, June 2019), <https://somooil.gov.iq/exports>.

<sup>766</sup> Julia Payne, 'Israel Accepts First Delivery of Disputed Kurdish Pipeline Oil', *Reuters*, 20 June 2014, <https://www.reuters.com/article/us-israel-iraq/israel-accepts-first-delivery-of-disputed-kurdish-pipeline-oil-idUSKBN0EV0X620140620>.

<sup>767</sup> Julia Payne, 'Tanker with Piped Iraqi Kurdish Oil U-Turns Away from U.S.', *Reuters*, 30 May 2014, <https://www.reuters.com/article/us-iraq-kurdistan-oil-idUSKBN0EA1VT20140530>.

a new pipeline from the Kurdistan Region to Turkey.<sup>768</sup> The United Kalavryta, a fourth tanker carrying over one million barrels of Kurdish oil, was prevented from selling the oil to an unidentified buyer in the US after the MoO filed lawsuit against the KRG in a Houston court.<sup>769</sup> Nevertheless, the KRG was determined to continue oil sales despite the US court ruling in favour of the MoO. Furthermore, the KRG retaliated by releasing a statement to SOMO's oil buyers that it would file lawsuits against them if the MoO refused to pay the KRG's share of the national budget.<sup>770</sup>

The lack of international legal sovereignty forced Kurdish policymakers to pay more in pipeline transit fees to Turkey.<sup>771</sup> The KRG, for example, pays \$5.8 per barrel to BOTAS, the Turkish state-owned company, for transporting Kurdish oil crude through the Turkish territory while the parent state pays only \$1.9 per barrel.<sup>772</sup> Furthermore, contested sovereignty has caused the KRG to covertly deliver its crude shipments to international buyers.<sup>773</sup> Thus, the KRG has used the tactic of ship-to-ship transfers to conceal the final destination of oil sales.<sup>774</sup> As Hawrmai points out, 'One thing was proven correct - when oil is out, it flows.'<sup>775</sup> The KRG was successful in selling and receiving payments for twenty-five out of twenty-six tankers by November 1, 2014.<sup>776</sup> In spite of the KRG's initial difficulty in finding buyers for its crude, it found more buyers in 2015. According to the Financial Times, Israel imported 77 percent of its oil from Kurdish oil exports while Cyprus imported 17 percent, Turkey imported 9 percent

<sup>768</sup> 'Iraq Threatens Legal Action against Any Buyer of Piped Kurdish Oil', *Reuters*, 1 June 2014, <https://www.reuters.com/article/us-iraq-kurds-oil-idUSKBN0EC1E820140601>.

<sup>769</sup> 'Iraqi Kurds Reassert Right to Export Oil to U.S. despite Court Ruling', *Reuters*, 23 September 2015, <https://www.reuters.com/article/us-iraq-kurds-oil-idUSKCN0RM22Y20150923>.

<sup>770</sup> 'Comment by KRG on Yesterday's Procedural Decision by the U.S. Court of Appeals', *MNR*, 22 September 2015, <http://mnr.krg.org/index.php/en/press-releases/488-comment-by-krk-on-yesterday-s-procedural-decision-by-the-u-s-court-of-appeals>; 'KRG NOTICE TO ALL CRUDE OIL BUYERS FROM SOMO', *MNR*, 9 July 2014, <http://mnr.krg.org/index.php/en/press-releases/391-krk-notice-to-all-crude-oil-buyers-from-somo>.

<sup>771</sup> Raoof and Hamarafet, 'هه‌رێم نه‌وت راده‌ست بکات یان داهاتی نه‌وت ؟' [Will the KR Hand over Oil or the Oil Revenue?]; Ali Hama Saleh, 'بۆری نه‌وت هه‌ی کێیه! پاره‌ی نه‌وت و ته‌قاندنه‌وه‌ی بۆری [Who Is the Owner of the Oil Pipeline! Oil Revenue and the Explosion of the Oil Pipeline]', *Speemedia*, 31 October 2020, <http://www.speemedia.com/drejaWtar.aspx?NusarID=290&Jmare=7837>; Watch Kamal Atroshi's speech on the cost of oil transportation. '2021/6/28 به‌هه‌اره‌ رۆژی 16 ی ناسایی خولی به‌هه‌اره‌ ژماره‌ [The Third Part of the Parliament Session of (16) of 2021/6/28]'. Lack of sovereignty is one of the reasons. Other reasons such as 'legalized corruption' play a role in paying more domestic and external transit fees. .

<sup>772</sup> Raoof and Hamarafet, 'هه‌رێم نه‌وت راده‌ست بکات یان داهاتی نه‌وت ؟' [Will the KR Hand over Oil or the Oil Revenue?].

<sup>773</sup> Mohtadi, interview.

<sup>774</sup> David Sheppard, John Reed, and Raval Anjli, 'Israel Turns to Kurds for Three-Quarters of Its Oil Supplies', *Financial Times*, 23 August 2015, <https://www.ft.com/content/150f00cc-472c-11e5-af2f-4d6e0e5eda22>.

<sup>775</sup> Cited in Zhdannikov, 'Exclusive - How Kurdistan Bypassed Baghdad and Sold Oil on Global Markets'.

<sup>776</sup> Knights, 'Making the Iraqi Revenue'.

and Greece imported 8 percent from the beginning of May to August 11, 2015.<sup>777</sup> This indicates that an oil and gas industry can be built and maintained without sovereignty.

Caspersen notes, de facto states' 'lack of recognition and [their] precarious position make them highly unattractive to foreign investors and they are, in most cases, also blocked [them] from receiving international assistance and loans.'<sup>778</sup> While the Kurdish leadership knew that it would not obtain loans from the IMF and WB to meet budgetary expenditures due to the issue of contested sovereignty, it still attempted to obtain 'rightful share' from IMF loans to Iraq. As Abdul Rahman stresses:

First, the Peshmerga have made a huge sacrifice and are making a huge contribution in the fight against ISIS. Second, more than half of the displaced people in Iraq have come to Kurdistan. We need all of those things to be recognized and that's why it's so important for us that any financial assistance to Iraq recognizes that Kurdistan deserves its fair share.<sup>779</sup>

She adds that the same logic applies to the World Bank (WB) whenever there is a loan. The efforts to access the IMF and WB loans display the KRG's willingness to interact with international organizations and differentiate KRG from non-sovereign entities, namely autonomous regions in other federal states, since it tries to expand its autonomy.<sup>780</sup>

Five tools (fiscal policy, monetary policy, foreign loans, loans from international organizations and reforms) would be available to most recognized states in a similar economic crisis. Under its contested sovereignty, the Kurdish de facto state lacks these tools (monetary policy, loans from international organizations, IMF and WB and an acceptable rate of interest on foreign loans).<sup>781</sup> To accommodate economic crisis, some Kurdish officials visited London to meet with Deutsche Bank and Goldman Sachs to obtain loans in 2015. After a long presentation by the Kurdish officials, these two entities were ready to lend the KRG loans at 11.6 % interest rate because they considered the KRG as a 'commercial entity,' which lacks sovereign guarantees.<sup>782</sup> Rahman declares, 'The monitoring policies are in the hands of Baghdad.

---

<sup>777</sup> Sheppard, Reed, and Anjli, 'Israel Turns to Kurds for Three-Quarters of Its Oil Supplies'.

<sup>778</sup> Nina Caspersen, 'States without Sovereignty: Imitating Democratic Statehood', in *Unrecognized States: The Struggle for Sovereignty in the Modern International System* (Cambridge: Polity Press, 2012), 82.

<sup>779</sup> 'Iraqi Kurdistan Should Get "Fair Share" From IMF Loan to Iraq', *Sputnik*, 6 March 2016, <https://sputniknews.com/middleeast/201606031040767877-iraqi-kurdistan-imf-loan/>.

<sup>780</sup> It is worth noting that the KRG and WB jointly prepared a report to encounter the financial crisis. See 'Economic Reform Implementation Progress'.

<sup>781</sup> Watch a section on Qubad Talabani. 'بەشی سێیەم' ٢٠٢٠/١٠/٥ کوردستان [Parliament Session: 5/10/2020/ Section 3]. The KRG can get foreign loans, but its interest rates are high.

<sup>782</sup> A Kurdish official, interview.

Kurdistan has no control over the monitoring policies. We don't have our Central Bank to carry out quantitative easy.'<sup>783</sup> It is more difficult for the KRG to face economic crisis without this tool. Consequently, to accommodate its financial crisis, the KRG has relied on borrowing from local and foreign banks and contractors, slashing civil servant employee salaries and pensions and generating cash from prepayments for crude deliveries. For example, the KRG used the oil resource as an instrument to bridge its revenue shortfall by selling discounted oil in advance to major international oil traders, principally Vitol, Trafigura, Petraco and later Glencore and Rosneft.<sup>784</sup> For instance, the KRG received \$2.1 billion from Rosneft as prepayment for future oil supplies in 2017.<sup>785</sup> In other words, those international oil traders worked as a bank for the KRG.

#### 4.5 Oil and 'status then standards'

The Kurdish policymakers made an exception for the case of oil in the policy of the 'status then standards.' Wahab explains that independence in the Kurdish leadership's psyche was 'seen usually as a precursor' to all of these issues: lack of robust democracy, a strong united Peshmerga, a unified foreign policy and good governance in the KR.<sup>786</sup> Therefore, state has to come first. In other words, the economy, institutions and democracy can only thrive after the KRG becomes a state. Two months prior to the referendum day, Abdul Rahman, the representative of the KRG to the United States, argued that the KRG would be able to overcome its economic crisis including its sole dependency on oil revenue when it becomes a sovereign state. She declares:

Independence is also a pragmatic solution to problems that have beleaguered Iraq since its inception. As an independent country, we will have access to international credit markets and control over monetary policy. In an independent Kurdistan, we will better be able to stabilize our economy in times of crisis. I firmly believe that an independent Kurdistan will be an even better place for international investors.<sup>787</sup>

---

<sup>783</sup> Cited in Sangar Ali, 'Independence Will Bring Many Economic, Financial Tools to Kurdistan: KRG Representative', *Kurdistan24*, 29 July 2017, <https://www.kurdistan24.net/en/story/12177-Independence-will-bring-many-economic-financial-tools-to-Kurdistan-KRG-Representative>.

<sup>784</sup> Osgood, 'Selective Transparency'.

<sup>785</sup> 'Rosneft Doubles Fourth-Quarter Profit Helped by Sistema Deal', *Reuters*, 19 March 2018, <https://www.reuters.com/article/us-rosneft-oil-results-idUSKBN1GV0YS>.

<sup>786</sup> Wahab, interview.

<sup>787</sup> 'The Kurdistan Region: Strategic U.S. Ally in a Tough Neighborhood' (The Washington Times, July 2017), 32, <https://www.humanrightscolumbia.org/news/kurdistan-region>.

This does not imply that institutional standards are of no relevance to the status of the Kurdish de facto state, but the KRG could further improve its institutional standards, particularly in dealing with economic crisis, after getting recognized as a sovereign independent state.

Conversely, Wahab argues that instead of the usual excuse of statehood first and policy second, the case of oil was the only exception in the Kurdish leadership's psyche. Oil was first and independence was later. Independence was not wielded by the Kurdish leadership as a pretext not to move forward with developing an oil sector. Oil, as a geopolitical relevance, or geopolitical insurance policy, was seen as the 'precursor to statehood into independence.' In other words, oil first and independence later because oil can facilitate independence someday.<sup>788</sup> Unlike the banking sector, the Kurdish leadership fought abundantly over the article that grants rise to the KRG to produce and export oil. But the leadership did not fight for having a strong banking sector in the 2005 constitution as Wahab, in an interview with the author, declares:

They did not see how a country, or how people got independence through banking. But they had an example of how people can get independence through oil. They say look Saddam Hussein has oil, and he can gas people, and the world is silent. So, if we [Kurdish leaders] have oil, we can do anything and get away with it. The Saudis it is a ruling family. These are not even a people. This is the only family. The country is named after the ruling family. But they have oil, and they use the oil to build the country. We need oil to build the country. But they [the Kurdish leadership] cannot think of Singapore, or like even Dubai, which is different from Abu Dhabi. They understand Abu Dhabi's model, but the Kurdish leadership does not understand the Dubai model of the power of connectivity, financial connectivity, because again, oil is old, and the globalized financial system is relatively new.<sup>789</sup>

This indicates how oil, but not the banking sector, was a priority in the Kurdish leadership's psyche.

#### **4.6 Conclusion**

Since the rebuilding process in the post-Saddam Hussein era, the Kurdish leadership attempted to consolidate the KRG's sovereignty in three phases: the drafting of the constitution, the unilateral regional hydrocarbon legislation and the monetization and independent export. Furthermore, the Kurdish de facto state and its parent state failed to reach lasting agreements over the control of natural resources since 2007 due to the sovereignty conflict. Any agreement between

---

<sup>788</sup> Wahab, interview.

<sup>789</sup> Ibid.

them means both sides have to give up a degree of sovereignty. Thus, it is difficult for them to resolve the conflict.

Natural resources, practically oil, can serve one aspect of sovereignty at one point, and they can negatively affect other aspects of sovereignty. For instance, the high oil price from 2003 to 2013, on the one hand, strengthened the KRG's sovereignty and increased people's trust in the regime legitimacy. Elites from the two ruling parties in the KR used oil revenues to employ plenty of people in the public sector to purchase legitimacy in the eyes of the population. Employees of the public sector was also provided plenty of benefits such as receiving health care, retirement, paid vacation, a full year of paid maternity leave and numerous holidays.

On the other hand, the low oil price from 2014 to 2019 weakened the KRG's domestic and Westphalian sovereignty, challenged and questioned the regime and institutional legitimacy. For example, the financial crisis has forced the KRG's government to reduce public expenditures by slashing government payrolls, services and programs, delaying several months of salaries and borrowing local and foreign loans. As a result, a series of protests, teachers' strikes and popular unrest from 2014 to 2018 happened across the region against the government. Additionally, some public employees in the KR asked the parent state to directly pay their salaries. Involving the parent state in Kurdish domestic affairs may undermine the KRG's Westphalian sovereignty.

Mismanagement, corruption and lack of transparency in the oil industry, civil clashes over oil revenues and oil smuggling at border crossings not only weakened and challenged the KRG's domestic sovereignty, but also its interdependence sovereignty. For instance, a number of the suspected officials from the Peshmerga ministry and civilian officials were arrested on charges of buying oil from ISIS across its borders in 2014. In other words, the KRG failed or refused to secure illicit cross-border flows.

The contested sovereignty limited the KRG's oil policy and forced it to sell its crude at a discounted rate in international markets and disguise the final buyers of Kurdish oil to protect them from threats from the parent state. Despite these limitations, the KRG has used oil as a bargaining chip to counter the financial crisis. In the Kurdish leadership's psyche, independence was considered as a precursor to these issues: lack of robust democracy, united Kurdish force, a unified foreign policy and good governance in the KR. However, the Kurdish policy-makers made an exception for the case of oil in the policy of the 'status then standards.' Oil

was first and independence was later. The Kurdish leadership did not wield independence as a pretext not to go ahead with developing an oil and gas sector.

The following chapter demonstrates how the KRG has used natural resources as a foreign instrument in the entity's strategies of using earned sovereignty and attracting great-power support. It also shows how the geopolitical dimension of the sovereignty conflict over natural resources between the KRG and the parent state involves regional and international powers as well as private and corporate interests.

## **Chapter 5. The KRG's energy strategy with international and regional powers**

The following chapter covers the rest of empirical analysis of the KRG's energy strategy. It discusses the role of natural resources as a foreign instrument in the entity's strategies of using earned sovereignty and attracting great-power support to secure international sovereignty even if limited. It argues that Kurdish policymakers overestimated reliance on oil as an instrument in the strategies of using earned sovereignty and ensuring great-power support to gain support for achieving legal sovereignty. Furthermore, the chapter also examines the geopolitical dimension of the sovereignty conflict over oil resources between the KRG and the parent state, which involves regional and international powers, and private and corporate interests. Below, the roles of Turkey, the United States, Russia, Iran and Israel and decision-making and strategies with regard to the KRG's natural resources will be comprehensively examined.

### **5.1 The role of energy in the KRG's foreign policy**

The Kurdish leadership has employed natural resources as a major instrument in pursuit of foreign policy objectives. In particular, natural resources have been a crucial instrument in the entity's strategies of using earned sovereignty and attracting great-power support. Additionally, the possession of natural resources serves the Kurdish leadership in pursuing other foreign policy aims: (a) ensuring the military, political and economic survival of the Kurdish de facto state; (b) obtaining foreign investment, trade and loans; (c) exhibiting the entity's capability to engage in foreign relations with other recognized states and non-state actors; (b) increasing recognition and consolidation of the entity in a de facto form.<sup>790</sup> Otherwise stated, the political and economic dimensions of hydrocarbon resources constituted an important instrument in the hands of Kurdish foreign policy-makers. Neil King, the Wall Street Journal's global economics editor explains how oil in particular is being used to shore up allies from across the globe in order to reduce dependency on Iraq:

Kurdish officials look at the flurry of oil contracts they're signing as a two-pronged insurance policy. By cutting deals with companies from countries as diverse as Australia, Britain, France, India, Russia, South Korea, Turkey and the U.S., the Kurds say they hope to win international political support in case things go awry with Baghdad. And in case Iraq were to break up, the Kurds would have their own abundant revenue stream. 'Has this been deliberate? It certainly has,' says a beaming Mr. Hawrami, the Kurdish natural-resources minister, who has crafted the bulk

---

<sup>790</sup> For foreign policy aims of de facto states, see Owtram, 'The Foreign Policies', 136.



of the contracts awarded so far. ‘We want a balance. We want friends on all sides.’<sup>791</sup>

The oil resource would allow the Kurdish de facto state to engage with the international community, which would enable the entity to be ‘on the world energy map’ and also ‘a player in the international arena’<sup>792</sup> In addition to an insurance policy, based on ensuring the great-power support of the entity, against the loss of the Kurdish de facto state, the KRG’s use of energy resources as an instrument came to revolve not only around earned sovereignty, but also its domestic, Westphalian and interdependence sovereignty.

## 5.2 Turkey

### 5.2.1 Initial stage of KRG’s unilateral exploitation of energy: Turkey’s suspicion

The KRG’s early stage of consolidating its sovereignty through the control over its oil and natural gas reserves, specifically through its unilateral energy legislation and PSA contracts with the earliest exploration companies, earned suspicion and scepticism from Turkey. Turkey’s mainstream foreign policy has been to preserve Iraq’s territorial integrity, check Kurdish aspirations for an independent state and prevent the KRG’s influence in Turkey’s own Kurdish population. Turkey had initially adopted a hostile policy toward the KRG’s unilateral energy policy. Ankara was very dubious about KRG energy ambitions. It issued a specific and official order by forbidding oil imports from Iraq except through SOMO in 2006. For instance, trucks were not permitted entry into Turkey in late 2007 because the word ‘Kurdistan’ was written on them.<sup>793</sup> Soon after the KRG passed its own oil and gas law in July 2007, Turkey’s Energy Minister, Hilmi Güler, visited Baghdad and met with Sahrstani to sign a bilateral agreement over a proposed pipeline to carry oil from Iraq to Western Europe through Turkey.<sup>794</sup> Although Turkish energy companies, such as Genel Enerji, signed PSA agreements with the KRG, this Turkish involvement in the Kurdistan Region had Baghdad’s approval.<sup>795</sup> Furthermore, Turkey cooperated with Iraq, Iran and Syria to ‘prevent the KRG from circumventing the central authority’s embargo.’<sup>796</sup> Therefore, larger oil companies were reluctant to sign further PSA

---

<sup>791</sup> Jr, ‘Wildcatters Plunge Into North Iraq’.

<sup>792</sup> Bakir, interview.

<sup>793</sup> Wahab, ‘Iraq and KRG Energy Policies’, 33.

<sup>794</sup> Voller, ‘Kurdish Oil Politics in Iraq’, 73.

<sup>795</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 126.

<sup>796</sup> Justin Dargin, ‘Securing the Peace: The Battle over Ethnicity and Energy in Modern Iraq’, *Belfer Center for Science and International Affairs, Harvard University*, September 2009, 7, <https://www.belfercenter.org/publication/securing-peace-battle-over-ethnicity-and-energy-modern-iraq>.

contracts with the KRG as a consequence of its contested sovereignty and lack of safe export route. For instance, a Norwegian oil firm has frequently asked for an export permit from Baghdad as a way to increase oil production.<sup>797</sup> Turkey remained resolute in its hostility towards the KRG's energy policy at least until 2011.

While analysing Turkish operations of 2007 in the Kurdistan Region, the larger backdrop of Turkey's concerns about the KRG's possible empowerment in the event of the inclusion of the oil-rich province of Kirkuk should be taken into consideration. This would be devastating from Turkey's perspective since it would provide significant challenges to Turkey's increasingly frantic attempts to regulate its own Kurdish issue.<sup>798</sup> Ankara was so frightened by the KRG's continued development of its autonomous status and independent foreign policy strategy that Erdogan said in 2007 that 'I met with the Iraqi President and Prime Minister. I won't meet with any tribe leader ... I won't meet with Barzani or someone else, and that the KDP supports PKK.'<sup>799</sup> As Falah Mustafa Bakir, former Head of the Department of Foreign Relations for the KRG, claims, 'Turkey might not have been ready to accept that Baghdad would not have full control of the area and was dealing only with Baghdad until 2003. Therefore, there was no direct interaction [between Ankara and KRG] for a certain time.'<sup>800</sup>

### **5.2.2 KRG's energy instrument to attract Turkey's support**

The role of oil and natural gas reserves as a foreign policy instrument in the KRG's strategies of using earned sovereignty and attracting the support of international and regional powers played a crucial role in wooing Turkish support. Prior to passing the oil and gas law, the KRG began to send signals to Turkey as well as the international community by highlighting the importance of the KRG's energy benefits. Hawrami stated in an interview with a Turkish reporter, 'It is in Turkey's interest to be in direct contact with us. It is a "first come, first served" situation. There are 20-25 billion barrels of oil reserves in Kurdistan. It is more than we need.' He then added, 'It is in Turkey's interest as well to establish relations with us.'<sup>801</sup> In other words, the export of its oil was a way for the KRG to demonstrate its earned sovereignty. Therefore, soon after the KRG passed its petroleum law, both Barzani and Hawrami reassured

---

<sup>797</sup> Ibid., 8.

<sup>798</sup> Charountaki, *The Kurds and US Foreign Policy*, 230.

<sup>799</sup> Cited in Marianna Charountaki, 'Turkish Foreign Policy and the Kurdistan Regional Government', *PERCEPTIONS* XVII, no. 4 (Winter 2012): 191.

<sup>800</sup> Cited in *ibid.*, 192.

<sup>801</sup> Cited in Voller, 'Kurdish Oil Politics in Iraq', 73–74.

Ankara they would take strong measures to contain the Kurdistan Workers' Party (PKK) in the region.<sup>802</sup> The KRG's petroleum law highlighted its earned sovereignty to Turkey by attracting much-needed foreign investment in the Kurdish region and implied the parent state was dysfunctional due to inability to pass a federal oil and gas law. In 2008, a Turkish official expressed concern that 'Turkey and the Kurds are on a historic course of Turkish-Kurdish reconciliation. We need the KRG. We can't wait for the Iraqi government [to get its act together]. We can't wait ten years for it to pass a hydrocarbons law. By 2011 we will need lots of natural gas. If we have to, we'll make deals directly with the Kurds.'<sup>803</sup> Moreover, the Turkish leadership knew the importance of Kurdish oil and gas to Turkey's economic growth. Taner Yildiz, at a conference in the Kurdish capital of Erbil, added, 'Turkey's future energy requirement is 48–50 billion cubic meters of gas. Our neighbor has a significant role to play in this.'<sup>804</sup> Turkey needed to find alternative energy resources in order to deal with its growing need for energy and its ambition for regional stability as Turkey was largely dependent on Russian and Iranian gas imports. While Turkey imported 58 percent of its gas from Russia and 19 percent from Iran in 2011, Turkey paid relatively high prices.<sup>805</sup>

The year 2008 was a turning point and historic year for Turkish-Kurdish relations due to the Turkish government's official recognition of the KRG in actions rather than just words. In fact, the KRG's Prime Minister Nechirvan Barzani and Turkey's Special Envoy for Iraq, Murat zçelik, as well as Chief Foreign Policy Advisor Ahmet Davutolu, resolved to set their differences aside during the first direct high-level meeting between the KRG and Turkey, which was held in Baghdad on May 1, 2008. They addressed ways to work together in the political and economic spheres, including a deal to find a peaceful resolution to the PKK issue.<sup>806</sup> Later, the Turkish prime minister and President Barzani met for the first time in history on June 4, 2010. As a result, since Iraq's establishment, PM Recep Tayyip Erdogan was the first Turkish prime to visit the Kurdistan Region in March 2011. Thereafter, a series of routine travels quickly followed. This transformation was not easy, and it took a while to take place.<sup>807</sup>

---

<sup>802</sup> Voller, *The Kurdish Liberation Movement in Iraq*, 112.

<sup>803</sup> Cited in 'Iraq and the Kurds', 17, fn105.

<sup>804</sup> 'Prime Minister Barzani: Kurdistan's Energy Relations with Turkey to Enter a New Phase', *MNR*, 21 May 2012, <http://mnr.krg.org/index.php/en/press-releases/142-prime-minister-barzanikurdistan-s-energy-relations-with-turkey-to-enter-a-new-phase>.

<sup>805</sup> David Romano, 'Iraqi Kurdistan and Turkey: Temporary Marriage?', *Middle East Policy* 22, no. 1 (March 2015): 91–93, <https://doi.org/10.1111/mepo.12115>.

<sup>806</sup> Charountaki, 'Turkish Foreign Policy and the Kurdistan Regional Government', 192.

<sup>807</sup> Ibid.

According to the US Geological Survey, the KRG has estimated reserves of 45 billion barrels of oil along with 60 trillion cubic feet of natural gas.<sup>808</sup> This amount of gas from the KR could change Turkey's level of dependency on Russian and Iranian gas imports if Turkey imports Kurdish gas. Ankara could not blindly ignore the energy opportunity from the KRG because the Kurdish gas could be three times cheaper compared to Russian and Iranian gas.<sup>809</sup> Based on an interview with the ICG, an energy expert speculated:

If the KRG is right about its projections of one million b/d in five years, then economics may dictate that Turkey circumvent the Iraqi government and deal directly with the KRG. Turkey requires 800,000 b/d of crude. It produces only 43,000 b/d itself, and this is both poor quality and relatively expensive oil. If the KRG could produce enough to satisfy Turkey's needs, it would be very tempting to Turkey.<sup>810</sup>

Nevertheless, Turkey still refused to build a pipeline from the Kurdistan Region through its territory until 2011. Notably, the energy giant ExxonMobil's deal with the KRG in late 2011 boosted the Kurdish de facto state's legitimacy in the eyes of international community and private and corporate interests. A Turkish entrepreneur said, 'the Exxon deal was not controversial in Turkey, because by this point, both the Turkish and Iraqi Kurdish sides have realized that we need each other. We provide them with security, and they provide us with energy.'<sup>811</sup> Thus, the Exxon deal drove Ankara to step forward from its high-profile collaboration with the KRG since some in Ankara interpreted the involvement of the Exxon in the KRG's energy sector as a tacit approval from Washington.<sup>812</sup>

Additionally, strategies of using earned sovereignty and attracting the support of Turkey as a regional power and the domestic factors responsible for the change in Turkey's regional foreign policy, coupled with its energy needs and the Erdogan-Maliki conflict paved the way for a Kurdish-Turkish rapprochement, starting with high-level officials to meet and discuss outstanding issues, particularly the energy subject, between the KRG and Turkey.<sup>813</sup> Being a landlocked and surrounded by neighbours hostile to the Kurdish political entity, the importance of building oil and gas pipelines and airports was essential to prolong survival of and strengthen

---

<sup>808</sup> Shwan Zulal, 'Survival Strategies and Diplomatic Tools: The Kurdistan Region's Foreign Policy Outlook', *Insight Turkey* 14, no. 3 (1 July 2012): 144, <https://www.insightturkey.com/articles/survival-strategies-and-diplomatic-tools-the-kurdistan-regions-foreign-policy-outlook>.

<sup>809</sup> Gönül Tol, 'Untangling the Turkey-KRG Energy Partnership: Looking Beyond Economic Drivers', *Global Turkey in Europe, Policy Brief*, no. 14 (2014): 5.

<sup>810</sup> Cited in 'Oil for Soil', 19.

<sup>811</sup> Cited in 'Iraq and the Kurds', 4, fn15.

<sup>812</sup> Wahab, 'Iraq and KRG Energy Policies', 35.

<sup>813</sup> Charountaki, 'Turkish Foreign Policy and the Kurdistan Regional Government'.

KRG's domestic sovereignty. The Kurdish elites knew that the KRG as a territory with no access to the sea region must rely on Turkey to export commercial quantities of oil and gas to Europe and the Middle East. In the meantime, IOCs needed to export the oil they discovered in the region to get reimbursed for their investments according to the terms of the PSA.

On 20 May 2012, KRG Prime Minister Nechirvan Barzani at a conference in the Kurdish capital of Erbil, which was co-sponsored by the KRG and Turkish Energy Ministry, and organized by a Turkish government-supported think tank, the Strategic Technical Economic Research Center, declared the importance of Kurdish-Turkish cooperation, particularly in energy issues and stated:

The presence of His Excellency Minister Taner Yildiz [Turkey's Minister of Energy and Natural Resources] and other Turkish guests is a sign of our cooperation with Turkey in natural resources, and a testament to how we can support this important sector through our historic ties in this region. Economic and commercial activity can often lead to reducing political tensions, [. . . and] as a result of working together [with Turkey] and maintaining strong economic ties, we are able to make major political achievements. [Therefore. . .], cooperation and coordination [with Turkey] across all economic fields in general, but particularly in the energy sector, is a key foundation of the KRG's functioning policies.<sup>814</sup>

Hawrami also formally announced the construction of oil and gas pipelines and refining agreements and maintained, 'We envisage building of a new pipeline, taking Kurdistan's oil, particularly the heavy oil, to Ceyhan.'<sup>815</sup> This particularly highlights KRG's autonomy. He added that the KRG considers Turkey as the access route to monetize oil and gas.<sup>816</sup> Therefore, the KRG willingly abandoned its pan-Kurdish sentiment and provided Turkey with its energy needs in exchange for physical protection and political and economic gains. Turkey willingly abandoned its hostile policy towards the KRG and provided its political and economic incentives in exchange for satisfying its energy demands.<sup>817</sup> In addition to its economic viability, the KRG also made numerous efforts in demonstrating to Turkey its potential contribution to regional stability. The Kurdish issue in Turkey was one of the obstacles to development of the Turkey-KRG energy relations. The KRG offered to mediate between Turkey and PKK in search for a peaceful resolution. As a result, the PKK declared a ceasefire in March 2013 and

---

<sup>814</sup> 'PM Barzani's Speech at Erbil Energy Conference', *KRG*, 22 May 2012, <http://previous.cabinet.gov.krd/a/d.aspx?l=12&a=44037>.

<sup>815</sup> Cited in Ben Lando, 'Kurdistan, Turkey Announce Bilateral Energy Plans', *Iraq Oil Report*, 21 May 2012, <https://www.iraqoilreport.com/news/kurdistan-turkey-announce-bilateral-energy-plans-8021/>.

<sup>816</sup> 'Prime Minister Barzani: Kurdistan's Energy Relations with Turkey to Enter a New Phase'.

<sup>817</sup> Rafaat, *Kurdistan in Iraq*, 189.

began withdrawing its forces from Turkey to the KR. In exchange, Ankara was supposed to expand Kurdish cultural and political rights in Turkey. This facilitated more energy cooperation between the KRG and Turkey.<sup>818</sup> As a result, the new KRG pipeline began sending oil to the Turkish port of Ceyhan without the approval of Baghdad in late December 2013 (See Figure 6).<sup>819</sup> Despite the threats from Iraq's government, Yildiz said the 'flow of [Kurdish] oil is on-going, as of today, and as of tomorrow' and reassured Erbil that 'if there is oil (to be exported) we will transit it.' Furthermore, the KRG and Turkey signed a 50-year agreement to export Kurdish oil in 2014.<sup>820</sup> This has raised the KRG's profile as a sovereign entity

### 5.2.3 Turkey-KRG energy engagement: enhancing KRG's legitimacy and sovereignty

The energy cooperation with Turkey allowed the KRG to increase its legitimacy and further consolidate its sovereignty as a de facto state in the eyes of the international community and to gain access to international markets during the early stage of its sovereignty conflict over the natural resources with its parent state. Turkey's heavy investment in the entity's economic sector, including energy sector and its pipeline agreement with the KRG, helped the Kurdish de facto state create a viable Kurdish energy industry. This enhanced the Kurdish leaders' claim to earned sovereignty since the KRG integrated the development of the energy sector into economic viability. Turkey's energy engagement with the KRG without the Iraqi government's consent had consolidated and increased KRG's sovereignty and legitimacy. In 2009, US Ambassador James Jeffrey reflected on Turkey–KRG energy cooperation:

GOT [Government of Turkey] officials recognize what they describe as a special cultural affinity between Turks and Kurds and see Turkey as the most natural outlet to bring the Kurdish region's hydrocarbon resources to world markets as well as the primary source for investment, consumer goods, and technology. In part to help satisfy its own growing energy requirements and in part to make viable plans to bring gas from both Middle East and Caspian Basin sources to European markets, Turkey has begun to sound out possibilities for Turkish companies to help develop oil and gas fields in the KRG-administered region as well as to link those fields to the existing Kirkuk–Yamurtuluk oil pipeline and a proposed northern route gas pipeline into Turkey. The Turks argue that they do not want to undermine efforts to achieve agreement on national hydrocarbons legislation in Iraq, but similarly do not want to be penalized for 'doing the right thing' by discovering that contracts

---

<sup>818</sup> Zula, 'Survival Strategies and Diplomatic Tools', 149–50.

<sup>819</sup> Andrew Snow, 'Kurdistan Region's Debt Crisis Threatens Iraq's Economy', *United States Institute of Peace*, 9 May 2018, <https://www.usip.org/publications/2018/05/kurdistan-regions-debt-crisis-threatens-iraqs-economy>.

<sup>820</sup> Marianna Charountaki, 'The GCC in Kurdish Politics', *Journal of Arabian Studies* 6, no. 2 (2 July 2016): 210, <https://doi.org/10.1080/21534764.2016.1242232>.

signed with the KRG end up being grandfathered under a final deal between Erbil and Baghdad, with Turkish companies sidelined as a result.<sup>821</sup>

This comment indicates a genuine American belief that Turkey undermines Iraqi sovereignty by engaging with the KRG. In other words, the energy cooperation between the KRG and Turkey that circumvented Baghdad would consolidate the KRG's sovereignty.<sup>822</sup>

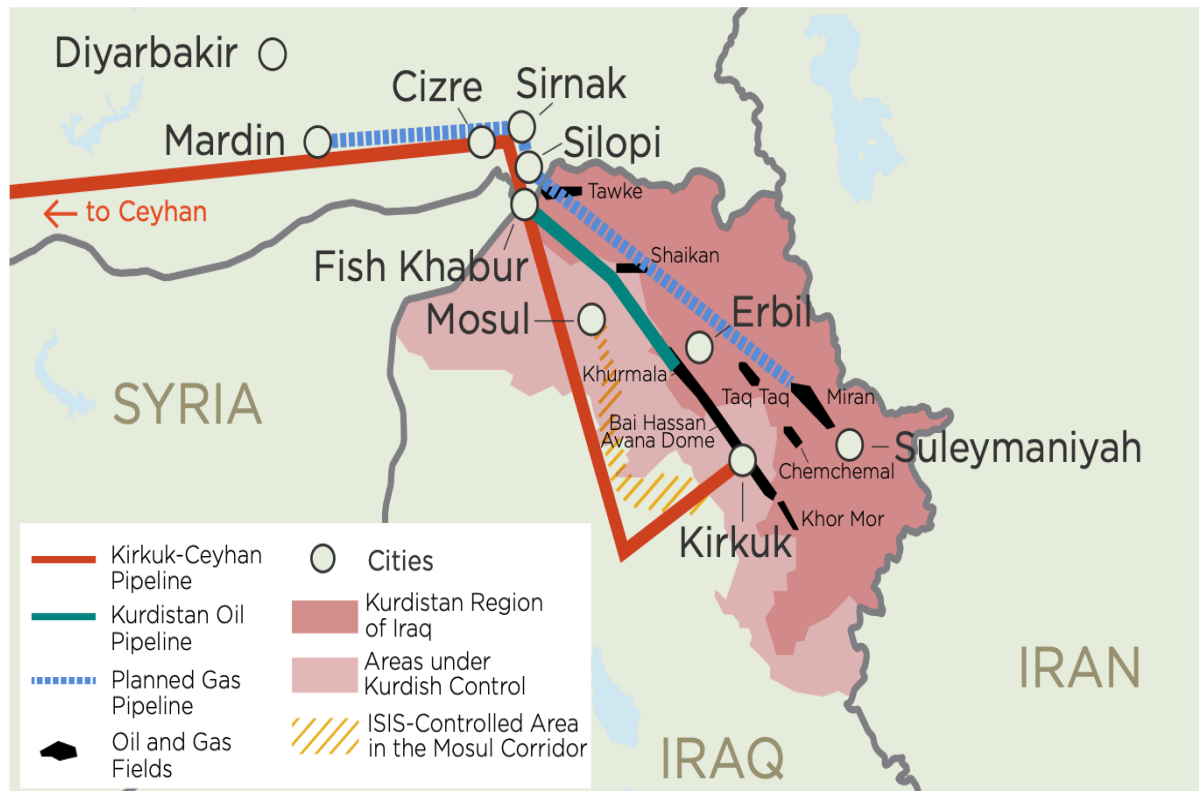


Figure 6. The KRG's major pipelines and oil and gas fields. *Source:* John Roberts, 'Iraqi Kurdistan Oil and Gas Outlook,' 2016.

Additionally, the engagement between Turkey and the KRG reached such an extent that some observers described Turkey as a 'patron state,' 'financial patron,' 'positive patron,' 'midwife,' and 'big brother' for the Kurdish de facto state.<sup>823</sup> To strengthen its domestic sovereignty by obtaining financial independence, the KRG relied on Turkey as a quasi 'financial patron'

<sup>821</sup> 'Turkey: Input on Strategy to Integrate Iraq into Region', *WikiLeaks*, 17 March 2009, [https://search.wikileaks.org/plusd/cables/09ANKARA395\\_a.html](https://search.wikileaks.org/plusd/cables/09ANKARA395_a.html).

<sup>822</sup> Phillips, *The Great Betrayal*.

<sup>823</sup> Natali, 'The Kurdistan Region of Iraq: Stabilizer or Spoiler?', 73; Soner Cagaptay, 'Yesterday's Enemies, Tomorrow's Friends?', *The Washington Institute*, 9 July 2014, <https://www.washingtoninstitute.org/policy-analysis/yesterdays-enemies-tomorrows-friends>; Denise Natali, 'Turkey's Kurdish Client State', *Al-Monitor*, 14 November 2014, sec. Editorial, <https://www.al-monitor.com/pulse/originals/2014/11/turkey-krq-client-state.html>; Rafaat, *Kurdistan in Iraq*, 189; Ofra Bengio, 'Turkey: A Midwife for a Kurdish State?', *The Jerusalem Post*, 12 June 2012, <https://www.jpost.com/Opinion/Op-Ed-Contributors/Turkey-A-midwife-for-a-Kurdish-state>; Cengiz Dinc, 'Turkey as a New Security Actor in the Middle East: Beyond the Slogans', *PERCEPTIONS: Journal of International Affairs* 2, no. XVI (2011): 72, <https://dergipark.org.tr/en/pub/perception/issue/48989/625049>.

since all of its revenue from oil trade was transferred via the Turkish Halkbank to the KRG, particularly in the initial stage of the Kurdish oil exports.<sup>824</sup> The oil revenue in Halkbank would be divided as 83 percent for Baghdad and 17 percent for the KRG. This was considered an achievement of the KRG's financial independence and self-sufficiency since it prevented Baghdad from deducting sovereign expenses. Furthermore, during the KRG's financial crisis of early 2014, the KRG's energy cooperation with Turkey helped the KRG survive, or maintain its domestic sovereignty in this critical situation. When KRG was unable to pay public sector employees due to its financial crisis, Turkey was ready to offer direct financial assistance to the KRG. According to a document marked 'Strictly Private and Confidential,' which was released by WikiLeaks, Turkey loaned \$1,150m (the sum of the loans was paid in 3 instalments of \$500m, \$500m and \$150m) to the KRG until March 2016.<sup>825</sup> The KRG's energy cooperation with Turkey played a key role in securing these loans deals. For instance, the loans would be paid back by either being subtracted from Turkey's crude oil debts or being paid back by the KRG directly.

Although Turkey was considered as a quasi-financial patron to the Kurdish de facto state, it did not offer physical protection to the KRG when it faced an existential threat in August 2014. When ISIS attacked two towns, Gewr and Makhmour, southwest of the regional capital of Erbil, Turkey did not respond to the ISIS advance into Kurdistan while the US did. Turkey only provided humanitarian aid to the region under the justification that ISIS seized 49 Turkish hostages who included Turkey's Consul General Ozturk Yilmaz. Some Kurdish elites expressed their concerns over the fact that Turkey did not help the entity when it was under existential threat, even though many Turks and several Turkish oil companies work and operate in the region. Fuad Hussein, former chief of staff to the KRG presidency, asked, 'Turkey has a consulate in Erbil, and what would happen had IS taken Erbil?'<sup>826</sup> He also posed another question, 'Does Turkey want to save the 49 diplomats at the expense of thousands of Turks in Kurdistan?'<sup>827</sup> Nevertheless, Turkey and the KRG continue their relations because due to their symbiotic relationship, especially in the energy sector.

---

<sup>824</sup> 'Sales of Kurdish Oil Point to Beneficiaries Close to Erdoğan'.

<sup>825</sup> 'Fwd: Proposal', *WikiLeaks*, 19 March 2016, <https://wikileaks.org/berats-box/emailid/30563>.

<sup>826</sup> Cited in Hevidar Ahmed, 'Senior Kurdistan Official: IS Was at Erbil's Gates; Turkey Did Not Help', *Rudaw*, 16 September 2014, <https://www.rudaw.net/english/interview/16092014>.

<sup>827</sup> Cited in *ibid*.



#### 5.2.4 KRG's energy dependency on Turkey: challenge to KRG's sovereignty

The KRG's dependency on Turkey's heavy investment in Kurdistan's energy sector including its oil pipeline to the Ceyhan port in Turkey challenged the KRG's domestic, Westphalian and interdependence sovereignty. Turkey's support of the KRG, particularly in the energy sector, comes at cost. After revenues from the initial sale of oil piped from the KRG had been deposited in Turkey's Halkbank, the Turkish officials refused to allow the KRG to withdraw the earnings in its account. This demonstrates how Turkey was able to challenge the KRG's domestic sovereignty since the petro-dollars were used to pay government employees.<sup>828</sup> At present, the KRG is reliant on Turkish goodwill not only for the investment of Turkish oil companies in the Kurdistan Region, but for the use of the Turkish port of Ceyhan to transport Kurdish crude oil to global oil markets. Increased Kurdish dependence on a Turkish maintained transit pipeline translates into Turkish leverage over the KRG's affairs. For example, Turkish authorities stopped the oil flow from the Kurdistan Region to Turkey in February 2016 and announced that the pipeline on the Turkish side was shut down due to the PKK sabotage. The shutdown took 26 days from February to March.<sup>829</sup>

Conversely, after the PKK denied that it had attacked the pipeline, it was clear to the Kurdish leadership that Turkey had closed the pipeline for political reasons. Turkey stopped the Kurdish oil flow to pressure the KRG for two reasons. First, Turkey wanted Masoud Barzani to take a harsher position against the PKK in the Qandil mountains inside the Kurdistan Region. Second, it wanted Barzani to halt the cross-border oil trade between the KRG and another Kurdish de facto state, Rojava, as the Syrian Kurds call their territories.<sup>830</sup> As Alan Mohtadi claimed, '[Rojava] traded last year with the KDP. So, Turkey pressured the KDP by shutting the pipeline for three weeks. They [the KDP] mixed oil from fields controlled by the PYD in Rojava with oil from the Ain Zalah field, and transferred it via a pipeline to Turkey.'<sup>831</sup> This act posed challenges to KRG's Westphalian, interdependence and domestic sovereignty. The KRG's Westphalian sovereignty was challenged in that domestic authorities are not free

---

<sup>828</sup> Alexander Whitcomb, 'Why Kurdistan Still Doesn't Have Its Oil Money', *Rudaw*, 13 July 2014, <https://www.rudaw.net/english/business/13072014>; Now not all the money is accumulated in Halkbank because the KRG opens other accounts in other countries. See 'Sales of Kurdish Oil Point to Beneficiaries Close to Erdoğan'.

<sup>829</sup> Ahmed Kurda, 'President Barzani's Reform: Window Dressing or Smokescreen?', *E Kurd Daily*, 26 April 2016, <https://ekurd.net/barzani-reform-window-dressing-2016-04-26>.

<sup>830</sup> Ibid.

<sup>831</sup> Cited in Harriet Allsopp and Wladimir van Wilgenburg, *The Kurds of Northern Syria: Governance, Diversity and Conflicts* (London: I.B. Tauris, 2019), 105, <https://public.ebookcentral.proquest.com/choice/publicfullrecord.aspx?p=5841806>.

to set their own rules regarding energy trade with foreign actors like Rojava. With respect to interdependence sovereignty, it limited the KRG's ability to stem the flow of oil across its borders. This, in turn, challenged the KRG's domestic sovereignty in a way that the shutdown of the pipeline by Turkey cost the KRG a loss of around \$200 million in oil revenues.<sup>832</sup> By relying on Turkey as the only available route to export Kurdish oil, the KRG, particularly the KDP, was criticized for putting all eggs in the Turkish basket.

The Turkey-KRG energy engagement had a paradoxical consequence on the KRG's sovereignty. The energy engagement in one way contributes to the KRG's sovereignty, but compromises it in others. The energy engagement with Turkey, for instance, allowed the KRG to further consolidate its sovereignty as a *de facto* state in the process of its sovereignty conflict over the natural resources with its parent state. Turkey heavily invested in the KR's energy sector including its oil pipeline agreement with the KRG and offered direct financial assistance to the KRG in critical situations. On the other hand, the KRG's energy engagement with Turkey challenged the KRG's domestic, Westphalian and interdependence sovereignty. For example, Turkish authorities occasionally have halted the flow of Kurdish oil to the Turkish port of Ceyhan for political purpose since Turkey is the only route for the KRG to export its crudes to international markets. Furthermore, Turkey was against the Iraqi Kurdish referendum in 2017 and even threatened to close the KRG's oil pipeline (which will be explained in more detail later in the chapter).

### **5.2.5 Kurdish leaders' overestimation: Turkey's energy engagement without recognition**

Kurdish policymakers overestimated Turkey's energy engagement with the KRG in a way that energy trade created some interdependence that might push Turkey to support or to take a more measured response to the KRG's attempted secession from Iraq. The Kurdish-Turkish energy cooperation encouraged Turkey to the extent that Huseyin Celik, former spokesman for Turkey's ruling Justice and Development Party declared, 'The Kurds, like any other nation, will have the right to decide their fate. The Kurds of Iraq can decide for themselves the name and type of the entity they are living in' if Iraq gets partitioned.<sup>833</sup> Likewise, Serkan Demirtas, a prominent Turkish journalist the daily *Hurriyet*, stated:

---

<sup>832</sup> Keith Johnson, 'A Mysterious Pipeline Closure Is Bankrupting Iraqi Kurds', *FP*, 2 March 2016, <https://foreignpolicy.com/2016/03/02/a-mysterious-pipeline-closure-is-bankrupting-iraqi-kurds/>.

<sup>833</sup> Cited in Romano, 'Iraqi Kurdistan and Turkey', 97.

The declaration of an independent Kurdistan will not shake the earth and heavens if efforts to keep the country in one piece fail ... It's getting more obvious every day that the Turkish government's alliance with Iraqi Kurds and Turkish Kurds is becoming deeper and more diversified. This is a multifaceted alliance embracing Erdogan's ambitions of becoming Turkey's president and Masoud Barzani's ambitions of declaring independence, as well as capitalizing from lucrative business opportunities and deals.<sup>834</sup>

Additionally, Turkish President Recep Tayyip Erdogan in 2015 clearly considered KRG independence as an internal Iraqi affair.<sup>835</sup> Such discourse was interpreted by many as support by Turkey for the KRG's independence. In February 2017, Masoud Barzani was received by Turkish leaders with a state ceremony like a head of state by raising the flag of Kurdistan alongside a Turkish flag.<sup>836</sup>

Conversely, when Kurds moved towards the independence referendum, Turkey took the reverse stance towards the Kurdish referendum. The Turkish Ministry of Foreign Affairs (MFA) issued a statement declaring the decision to hold the independence referendum as a 'grave mistake.'<sup>837</sup> Turkey was against the Iraqi Kurdish referendum because it opposes the creation of a sovereign Kurdish state in its region that could threaten Turkey's national security and territorial integrity due to its own large Kurdish population. The territorial integrity and stability of Iraq is essential for Turkish leaders. Furthermore, Turkish Energy Minister Berat Albayrak warned that the referendum would damage Turkish-Kurdish energy cooperation.<sup>838</sup> Nevertheless, Turkish Foreign Minister Mevlut Cavusoglu later announced that despite the Kurdish referendum on independence is 'not a good idea,' Turkey's trade (including in energy trade with the KRG has nothing to do with the referendum.<sup>839</sup> Turkey's restrained position

---

<sup>834</sup> Serkan Demirtas, 'New Turkey, New Iraq in New Middle East', *Hürriyet Daily News*, 9 July 2014, <https://www.hurriyetdailynews.com/opinion/serkan-demirtas/new-turkey-new-iraq-in-new-middle-east-68848>.

<sup>835</sup> Galip Dalay, 'After the Kurdish Independence Referendum', *Foreign Affairs*, 2 October 2017, <https://www.foreignaffairs.com/articles/middle-east/2017-10-02/after-kurdish-independence-referendum>.

<sup>836</sup> Suraj Sharma, 'An Iraqi Kurd Flag Flies in Istanbul, and May Help Erdogan Win Power Poll', *Middle East Eye*, 13 March 2017, <https://www.middleeasteye.net/news/iraqi-kurd-flag-flies-istanbul-and-may-help-erdogan-win-power-poll>; 'MHP Leader: Kurdistan Flag Flying next to Turkish Flag Is a "Disgrace"', *Rudaw*, 28 February 2017, <https://webcache.googleusercontent.com/search?q=cache:ffZHhyGOF-wAJ:https://www.rudaw.net/english/middleeast/turkey/28022017-amp+&cd=3&hl=en&ct=clnk&gl=iq&client=safari>.

<sup>837</sup> 'Turkey's Key Security Meeting Ends, Statement Says Iraqi Kurdish Referendum Illegitimate, Unacceptable', *Hürriyet Daily News*, 22 September 2017, <https://www.hurriyetdailynews.com/turkeys-key-security-meeting-ends-statement-says-iraqi-kurdish-referendum-illegitimate-unacceptable-118306>.

<sup>838</sup> 'Referendum Will Harm Ankara-Erbil Energy Cooperation, Turkish Minister', *Rudaw*, 8 October 2017, <https://www.rudaw.net/english/middleeast/turkey/100820171>.

<sup>839</sup> 'Turkey Won't Close Border after Kurdistan Referendum: FM', *Rudaw*, 23 August 2017, <https://www.rudaw.net/english/kurdistan/230820175>.

toward the early process of the referendum created an impression in the minds of the KRG officials that Turkey would not strongly oppose the idea of the Kurdish independence. Regarding speculation on military attacks by neighbours, Nechirvan Barzani noted that the military option is not possible since they have ‘strategic interests’ in the region and stated:

Turkey is free to do whatever it wants to do within its own boundaries. So is Iran. But if it is expected that they will come and use military means against a referendum being held in Kurdistan – it is impossible. They will not do such things, because it is not in their interest.<sup>840</sup>

This demonstrated that the Kurdish leadership believed that the Turkish energy interests in the region pushed Erdogan to accept the new reality once the KRG declared the independence referendum, attempting to gain official recognition or international legal sovereignty. In other words, it is argued that ‘The Kurds hope ... that Turkey’s thirst for oil and gas will align with their own thirst for statehood.’<sup>841</sup> Nevertheless, when the KRG held the independence referendum on 25 September 2017, Erdogan threatened the KRG by stating, ‘Where will the KRG sell or send its oil from now on? The valve is in our hands. The minute we turn it off, there is nothing else to do.’<sup>842</sup> On September 26, he also stated, ‘Once we put our sanctions in place, you’ll be out in the cold ... If we turn off the [crude oil] valve, it’s over. If trucks do not take stuff to northern Iraq, they won’t find food or clothing.’<sup>843</sup> This demonstrates that how Turkey has used the KRG’s dependency on the transit pipeline, carrying Kurdish oil to the Turkish port of Ceyhan, to influence the KRG’s domestic affairs.

Although the Kurdish leadership speculated that energy cooperation between Erbil and Ankara had built some interdependence, which would make Ankara take a more measured response to the KRG referendum, Ankara enforced some economic and political sanctions on the KRG. Such sanctions included halting all Turkish flights to Erbil and Sulaymaniyah, joint military drills by Turkey and Iran along with Iraqi troops to blockade their shared borders with the Kurdish region, ceasing Turkish military training for the Peshmerga forces and banning Rudaw, an Iraqi Kurdish television channel, from Turkish airwaves.<sup>844</sup> Additionally, Turkey

---

<sup>840</sup> Cited in ‘UPDATED: PM Barzani: Military Attack on Kurdistan Is “Impossible”’, *Rudaw*, 20 September 2017, <https://www.rudaw.net/english/kurdistan/200920176>.

<sup>841</sup> ‘Iraq and the Kurds’, ii.

<sup>842</sup> ‘Erdogan’s reaction to the referendum in the KRG: Entry and exit will be closed, we may come suddenly one night’, *BBC News Türkçe*, 25 September 2017, <https://www.bbc.com/turkce/haberler-dunya-41383662>.

<sup>843</sup> Cited in Michael M. Gunter, ‘Erdogan’s Backsliding: Opposition to the KRG Referendum’, *Middle East Policy* 25, no. 1 (March 2018): 99, <https://doi.org/10.1111/mepo.12327>.

<sup>844</sup> Paul Rivlin and Brandon Friedman, ‘Kurdistan’s Economic Woes’, *MDC* 7, no. 8 (30 October 2017): 2–3, [file:///Users/shwan/Downloads/iqtisadi\\_2017\\_oct\\_eng.pdf](file:///Users/shwan/Downloads/iqtisadi_2017_oct_eng.pdf); Jane Arraf, ‘After Iraqi Kurdish Independence Vote

claimed that henceforth it would regard the federal government as the exclusive legitimate authority in Iraq and negotiate directly with Baghdad for borders, airports, and energy.<sup>845</sup> They also planned to open a new border crossing at Ovakoy, locating approximately 12 kilometres southwest from the main Ibrahim Khalil border crossing between the KRG and Turkey, to isolate the KRG.<sup>846</sup> Despite Erdogan's threat to close the Kurdish oil pipeline and Turkey's borders with the KRG, Turkey neither cut off the pipeline and nor closed its borders with the KRG 'for even one hour.'<sup>847</sup> Turkey's response to the KRG referendum was limited mainly due to its economic interests, particularly energy trade.

The referendum, moreover, negatively influenced their trade relations as well as energy trade. In the first half of 2017, the Kurdish oil export to Turkey via pipeline was 95,812,755 bbls (barrel of crude oil). In the second half of 2017, it was 81,548,972 bbls. It reached to 28,337,999 bbls in the first quarter of 2018.<sup>848</sup> Although the KRG's oil revenue declined, it also meant that Turkey collected less in pipeline transit fees. Furthermore, according to Turkey's ministry of trade, Turkey's exports to the KRG declined from \$7.6 billion to \$6.7 billion between January-October 2017 and between January-October 2018.<sup>849</sup> Moreover, Turkey may have harmed its economy more by closing the Kurdish oil pipeline because it resulted in a serious loss of transit fees and access to cheap oil. It would have also damaged Turkey's goal of becoming a stable transit route for exporting energy from the Middle East and Russia to Europe. One day after Erdogan's initial threats towards the KRG, Turkey's Economy Minister Nihat Zeybekci on 27 September 2017 claimed that the KRG's independence referendum should not impact the trade relations between Turkey and the KRG and that their trade relations would remain 'business as usual.'<sup>850</sup> This validates that while energy creates cooperation

---

Backfires, "I Do Not Regret It," Says Barzani', *NPR*, 7 November 2017, <https://www.npr.org/sections/parallels/2017/11/07/562514981/after-iraqi-kurdish-independence-vote-backfires-i-do-not-regret-it-says-barzani>.

<sup>845</sup> Ayse Humeyra Atilgan, 'Turkey Sees Baghdad as Iraq's "Legitimate Authority"', *AA*, 25 September 2017, <https://www.aa.com.tr/en/middle-east/turkey-sees-baghdad-as-iraqs-legitimate-authority/918797>.

<sup>846</sup> Paul Iddon, 'What Will a New Iraq-Turkey Border-Crossing Mean for KRG?', *Rudaw*, 8 October 2018, <https://www.rudaw.net/english/analysis/10082018>.

<sup>847</sup> Paul Iddon, 'Border Closure Harmed Economies of Both Iran and Kurdistan', *Rudaw*, 1 May 2018, <https://www.rudaw.net/english/analysis/05012018>.

<sup>848</sup> 'Government Open Data', *Deloitte*, 2021, <https://gov.krd/english/information-and-services/open-data/> see reports on oil production, export, consumption, and revenue for the period 1 January 2017 to 30 June 2017; the period 1 July 2017 to 31 December 2017; the period 1 January 2018 to 31 March 2018.

<sup>849</sup> Mahmut Bozarslan, 'Businesspeople Intervene in Bitter Ties between Turkey and Iraqi Kurdistan', *Al-Monitor*, 5 December 2018, <https://www.al-monitor.com/pulse/originals/2018/12/turkey-iraqi-kurdistan-businessmen-intervene-in-bitter-ties.html>.

<sup>850</sup> Serkan Demirtas, 'Turkey's Trade with KRG "Business as Usual" despite Referendum, Says Economy Minister', *Hürriyet Daily News*, 27 September 2017, <https://www.hurriyetdailynews.com/turkeys-trade-with-kr-g-business-as-usual-despite-referendum-says-economy-minister-118427>.

between Turkey and the KRG, for Turkey, its energy engagement with the KRG is about strategic and geopolitical advantages rather than its sympathy or support for self-determination of Kurds in Iraq. In other words, any attempt by the KRG to gain its international legal sovereignty seems to be where Turkey's support for the KRG reaches its limits. Turkey currently wants the KRG to remain nothing more than a de facto state. Turkey benefits from a KRG with limited sovereignty because it uses the energy engagement with the KRG as a leverage against the Iraqi government.

The overestimation by the KRG was that its energy diplomacy was effective for gaining the Turkish support for independence. Despite the fact that Turkey's negative position towards the referendum weakened the KRG's sovereignty, it did not unilaterally push the KRG to the extent of being reintegrated into the parent state due to their mutual economic and geostrategic interests. Meanwhile, Turkey did not prevent the attempts by the parent state and other foreign actors to forcefully reintegrate the KRG into the parent state. Although Erbil and Ankara strived to restore their relations in the aftermath of the referendum, their relations particularly their political relations have not returned to their pre-independence referendum state. The Kurdish leadership understands the importance of Turkey for the survival of the Kurdish de facto state including its energy sector since it is a landlocked de facto state. In July 2018, Nechirvan Barzani, accompanied by KRG spokesperson Safeen Dizayee, attended the inauguration ceremony of Tayyip Erdoğan, who was elected President for a second term. While Dizayee described Barzani's attendance as 'meaningful,' he desired that their bilateral ties would exceed just economic and energy relations, 'so that we can restore our relations based on politics and mutual interests.'<sup>851</sup>

Furthermore, the Kurdistan Region is too crucial economically for Turkey to turn a blind eye. In October 2018, Turkey's pro-government Daily Sabah newspaper reported that Turkey would 'undertake the lion's share of infrastructure projects in northern Iraq.'<sup>852</sup> In April 2019, Cavusoglu also visited Erbil after Baghdad and Basra, met Nechirvan Barzani and Intelligence Chief Masrour Barzani and Deputy Prime Minister Qubad Talabani and briefly discussed

---

<sup>851</sup> Cited in 'KRG PM Barzani Arrives in Turkey to Attend Erdogan's Oath', *Rudaw*, 7 September 2018, <https://www.rudaw.net/english/kurdistan/09072018>.

<sup>852</sup> 'Turkey to Undertake Lion's Share of Infrastructure Projects in Northern Iraq', *Daily Sabah*, 11 October 2018, sec. Business, <https://www.dailysabah.com/business/2018/10/11/turkey-to-undertake-lions-share-of-infrastructure-projects-in-northern-iraq>.

energy with them.<sup>853</sup> However, Turkish-Kurdish military, security and political relations have not yet returned to pre-referendum heights. As Mutlu Çiviroğlu, a Syrian and Kurdish affairs analyst, states, ‘The referendum in the mindset of Turkish leaders was a betrayal by Barzani, and Iraqi Kurds generally, so maybe political relations will never be as good as before.’<sup>854</sup> Similarly, Kamuran Mantik emphasized that:

I don’t think there is a problem between Turkey and the Kurdistan region. Turkey has already monopolized this region. Moreover, existing commercial and economic relations did not change much after the referendum. Turkey did not close the gates. The only change is political. Kurdish leaders thought Turkey would not react to the referendum, but this didn’t happen. Turkey made deals with regional powers and made the referendum useless. Otherwise, existing economic relations continue as always.<sup>855</sup>

Regarding to security and military matters in the post referendum era, Turkey does not respect the KRG’s sovereignty, particularly interdependence sovereignty. Turkish forces have begun offensive military operations against alleged positions of the PKK in the Kurdistan Region in early 2018. Turkish troops, with the support of artillery and airstrikes, advanced 40 km into the mountainous border area in the KR.<sup>856</sup> Lastly, it became apparent for Kurdish policymakers that Turkey’s energy engagement with the Kurdish de facto state is built on the strategy of ‘engagement without recognition.’

## 5.3 The U.S.

### 5.3.1 KRG’s unilateral exploitation of energy: division in Washington

The Kurdish leadership has used oil as a foreign policy instrument in its strategies of using earned sovereignty and attracting great-power support such as the United States by attracting its powerful oil companies to secure political support and physical protection. Prior to the end of the Saddam Hussein era, the Kurdish leadership knew the importance of the U.S. and its international oil companies for the continuous economic, military and political survival of the Kurdish de facto state. Delshad Shaban, former deputy head of the oil and gas committee in

---

<sup>853</sup> Amberin Zaman, ‘Energy Tops Agenda of Turkish FM’s Meetings in Iraq’, *Al-Monitor*, 29 April 2019, sec. Editorial, <https://www.al-monitor.com/pulse/originals/2019/04/turkey-foreign-minister-visits-iraq.html>.

<sup>854</sup> Paul Iddon, ‘Turkey-KRG Relations One Year after Kurdish Independence Vote’, *Ahval*, 22 October 2018, <https://ahvalnews.com/turkey-krq/turkey-krq-relations-one-year-after-kurdish-independence-vote>.

<sup>855</sup> Bozarslan, ‘Businesspeople Intervene in Bitter Ties between Turkey and Iraqi Kurdistan’.

<sup>856</sup> ‘In 24 Hours, Turkey Stations Troops atop 8 Mountains in Kurdistan Region’, *Rudaw*, 4 June 2018, <https://www.rudaw.net/english/kurdistan/060420186>; Orhan Coskun, Daren Butler, and John Davison, ‘Turkey Shifts Fight against Kurdish Militants Deeper into Iraq’, *Reuters*, 22 July 2020, <https://www.reuters.com/article/us-turkey-security-iraq-idUSKCN24N26F>.

the Kurdish parliament, claimed, ‘The people [Kurdish policymakers] that were involved in setting up the oil sector here in the late 1990s were meeting regularly with the Americans and the British. They were all trying to figure out how to best bring in international oil companies to a region that lacked infrastructure and a formal process.’<sup>857</sup> To attract the IOCs from the U.S. in the post-Saddam regime, the KRG signed a lucrative PSA contract with Hunt Oil in September 2007. Hunt Oil’s CEO, Ray Hunt, was a major fundraiser and advisor to President George W. Bush. Thus, the Kurdish leadership interpreted the deal as tacit approval from the Bush administration since it was seen as the largest company to sign a PSA with the Kurdish de facto state at this particular time.<sup>858</sup>

In fact, the administration in Washington was split regarding Hunt’s PSA contract with the KRG. On the one hand, in a letter to the US Secretary of State Condoleezza Rice the Chairperson of the Committee, Henry A. Waxman noted, ‘The Hunt Oil contract with the Kurdistan Regional Government was controversial and complicated the efforts to enact a national oil law for Iraq ... A senior State Department official wrote the Committee that to the extent State Department officials were aware of the negotiations they sought to dissuade Hunt Oil from entering the contract because ‘signature of such contract would needlessly elevate tensions.’<sup>859</sup> On the other hand, a Commerce Department official who met with Hunt Oil representatives in the Kurdistan Region offered them further support and wished them ‘a fruitful visit to Kurdistan.’ Five days after the announcement of the Hunt Oil contract, a State Department official contacted Hunt Oil to describe another ‘good opportunity for Hunt.’ A Hunt Oil official forwarded the State Department e-mail to Ray Hunt: ‘This is really good for us ... I find it a huge compliment that he is ‘tipping’ us off about this ... This is a lucky break.’<sup>860</sup> Although the deal caused a controversy in Washington, it was not cancelled. It seemed the U.S. did not have a clear energy policy towards Iraq. However, in a statement in late 2010 during the Obama administration, after Marathon Oil signed a contract with the KRG, the U.S. Embassy in Baghdad stated, ‘We have encouraged all companies, including Marathon, to refrain from signing deals with the KRG independent of the central government’s approval. We have consistently advised companies of the significant legal and financial risks they may incur by signing contracts with

---

<sup>857</sup> Cited in Banco, ‘The Curse of Oil in Iraqi Kurdistan’.

<sup>858</sup> Mills, *Under the Mountains*, 9–10.

<sup>859</sup> Ben Lando, ‘Chairman Waxman on Administration Knowledge of Hunt Oil’s Kurdish Contract’, *Speaker Nancy Pelosi*, 2 July 2008, <https://www.speaker.gov/newsroom/chairman-waxman-on-administration-knowledge-of-hunt-oils-kurdish-contract>.

<sup>860</sup> Ibid.



any party independent of the central government's approval.'<sup>861</sup> The US government's official position appeared to support the federal Iraqi authorities over the control of natural resources. This did not stop the KRG attracting larger oil companies from the U.S. to the KR.

### 5.3.2 KRG's energy diplomacy: inviting giant American oil corporations

The Kurdish policymakers attempted not only to guarantee income and the survival of its autonomy, but also to demonstrate earned sovereignty. The strategy of demonstrating earned sovereignty played a role in attracting IOCs, especially large companies, by demonstrating the KRG as having a media-savvy, liberal and investor-friendly policy and industry-favoured PSAs. The KRG is willing to avoid demanding IOCs to meet their fiscal demands or taxes even at the cost of losing money because having the IOCs on the KRG's side could help the latter maintain its sovereignty at other levels (I explain the role of IOCs in more detail later in the chapter ).<sup>862</sup> In contrast, the parent state's insecurity, corruption, bureaucracy and unattractive oil contracts discouraged foreign investment, particularly in the oil sector. Ali Khedery, Exxon's senior adviser for the Middle East, as a member of the small Exxon team who briefed CEO Rex Tillerson regarding why the company should invest in the KRG's energy sector, said:

I told him [Tillerson] everything I thought would happen in Iraq. I said that if you want to manage risk, then the last place you want to be is in Baghdad or southern Iraq. [Those zones, he warned, were filled with Shi'ite militias, who had killed and maimed thousands of American troops, as well] as neo-Baathist insurgents, al Qaeda sleeper cells, and Iranian Revolutionary Guards. [He pointed instead to Kurdistan, which was] more peaceful, more predictable, and overwhelmingly pro-American.<sup>863</sup>

To further legitimize the KRG's oil contracts, it wooed large companies. Based on an interview with the ICG, an oil expert put it, 'Ashti Hawrami does not want small companies in the Kurdish region right now. He wants more experienced companies. He wants to create facts on the ground.'<sup>864</sup> The role of large companies is perhaps more important for the KRG's political clout. In spite of threats from the parent state to blacklist it and expel it from West Qurna, a

---

<sup>861</sup> Cited in Ben Lando, 'Baghdad Silent, US Pans New KRG Deals with American Oil Firms', *Iraq Oil Report*, 3 November 2010, <https://www.iraqoilreport.com/politics/baghdad-silent-us-pans-new-kr-g-deals-with-american-oil-firms-5096/>.

<sup>862</sup> It is worth noting that although the IOCs should have paid taxes based on the oil and gas law, they have not paid any tax since 2007. Watch a section on Amanj Raheem. 'بەشی سێیەم' ٢٠٢٠/١٠/٥ دانێشتنی پەرلەمانی کوردستان [Parliament Session: 5/10/2020/ Section 3]'.  
<sup>863</sup> Dmitry Zhdannikov, Isabel Coles, and Ned Parker, 'Special Report: How Exxon Helped Make Iraqi Kurdistan', *Reuters*, 3 December 2014, <https://www.reuters.com/article/us-mideast-crisis-kurdistan-specialreport/idUKKCN0JH18720141203>.

<sup>864</sup> Cited in 'Oil for Soil', 18.

giant oilfield, Exxon signed a PSA deal with the KRG in 2011. The deal was seen as a ‘vote of confidence and legitimacy’ for the KRG’s energy policy.<sup>865</sup> The Exxon deal also paved the way for other larger oil companies such as Total, Chevron, Gazprom and Rosneft to sign PSAs with the KRG. Furthermore, while Exxon is a private and independent corporation, it operates as a ‘corporate state within the American state.’<sup>866</sup> Exxon has an independent foreign policy and often its interests parallel those of the US. Often their interests come into conflict with the US. Sometimes they attempt to keep the distance.<sup>867</sup> Moreover, Exxon directs and forms US foreign policy through lobbying.<sup>868</sup> Therefore, the KRG, based on its energy deal with the Exxon, tries to wield Exxon’s relations with the U.S. government to advance the Kurdish cause. The prominence of the Exxon deal with the KR was more than an economic matter as Masoud Barzani described how the Exxon deal could offer physical protection for the region and stated in 2012:

When I went to the United States, [Exxon] wanted to see me, and I met the president of the company and other people and they said they are committed to [the contract] they signed with the Kurdistan region,’ Barzani recalled. ‘If ExxonMobil came, it would be equal to 10 American military divisions. They will defend the area if their interests are there.’<sup>869</sup>

Additionally, Barzani stated that the entity would be substantially shielded globally due to the presence of IOCs since powerful people are connected to such businesses. They would protect the entity to protect their own interests.<sup>870</sup> The KRG president’s Article 140 envoy, Qader Aziz, similarly stated, ‘They [Kurdish leaders] believe that if big companies come to Kurdistan, they will protect the region, because they are supported by big countries.’<sup>871</sup> In other words, this policy would enable the KRG to ensure the consolidation of its sovereignty. To illustrate, when ISIS attacked some areas near Erbil in 2014, U.S. airstrikes stopped the ISIS advance towards Erbil. Steve Coll states that the US airstrikes were ‘effectively the defense of an undeclared Kurdish oil state.’<sup>872</sup> Although multiple motivations pushed the U.S. to carry out airstrikes

---

<sup>865</sup> Wahab, ‘Iraq and KRG Energy Policies’, 35.

<sup>866</sup> Steve Coll, *Private Empire: ExxonMobil and American Power* (New York: Penguin, 2012), 19.

<sup>867</sup> Steve Coll, ExxonMobil: A ‘Private Empire’ On The World Stage, interview by Terry Gross, 2 May 2012, <https://www.npr.org/2012/05/02/151842205/exxonmobil-a-private-empire-on-the-world-stage>.

<sup>868</sup> Coll, *Private Empire*, 20.

<sup>869</sup> Cited in Danilovich, *Iraqi Federalism and the Kurds*, 123.

<sup>870</sup> Akram Akreyi, ‘The Iraqi Kurdistan in the Post-Saddam Era: Security, Natural Resources and Foreign Policy Activism’, 99.

<sup>871</sup> Cited in ‘Oil for Soil’, 18.

<sup>872</sup> Steve Coll, ‘Oil and Why America Is Dropping Bombs to Defend Erbil’, *The New Yorker*, 10 August 2014, <https://www.newyorker.com/news/daily-comment/oil-erbil>.

against ISIS near Erbil, protecting the largest American oil companies in the KR certainly played a major role. As Abdul Rahman points out:

Without the IOCs, we would not have an oil sector ... They have poured capital into Kurdistan, they have people on the ground, they need to secure all of that. Many of these companies end up almost as ambassadors for Kurdistan ... Knowing that there are American companies invested in Kurdistan, there are American nationals working in Kurdistan means that the United States is more concerned about the security of the Kurdistan Region, for many reasons. One of them is this, another is defeating ISIS as a global terrorist organization, the other is pushing back on the militias ... Bringing European and American investors into Kurdistan is one of the ways of securing our region.<sup>873</sup>

In addition to the security concerns, the IOCs including Americans played a role in the process of building a de facto state in the KR. The IOCs, for instance, invested \$25.5 billion in the KR's oil and gas infrastructure, \$20.5 billion spent on international services and \$5 billion on locally provided services until 2016.<sup>874</sup>

The Kurdish policymakers of the KRG made attempts to lure American companies into disputed territories in order to extend their existing sovereignty by incorporating them into the Kurdish region. For instance, when Hawrami was asked about the presence of Hunt's PSA contracts within disputed territories, he stated, 'It is within Kurdistan ... We are administering, we have elections, we have everything which is run from Kurdistan. What are you talking about? We have everything contracted by Kurdistan, within Kurdistan.'<sup>875</sup> Through elections, appointing civil servants, its security forces and inviting oil companies, the KRG may have created facts on the ground that strengthen its sovereignty and Kurdish claims to the disputed territories as well as the oil and gas available in the area. As Hiltermann notes, 'The Kurds are taking unilateral steps to incorporate these areas, and they're using companies such as Exxon, who are willing to be used, in order to further that goal.'<sup>876</sup> In other words, the Kurdish policymakers aimed to add such areas to a new Kurdish state once they declared independence.

---

<sup>873</sup> Rahman, interview.

<sup>874</sup> Watch a section on Ashti Hawrami. *Session 1: The Economic Crisis; Lessons Learnt?*, 2016, <https://www.youtube.com/watch?v=ofHGM1-a4Xc>.

<sup>875</sup> Cited in 'Iraq and the Kurds', 4, fn21.

<sup>876</sup> Cited in Siddhartha Mahanta, 'Rex Tillerson's Corporate Real Politik', *The Atlantic*, 14 December 2016, sec. Global, <https://www.theatlantic.com/international/archive/2016/12/rex-tillerson-kurds-state-trump-exxon/510563/>.

### 5.3.3 Role of KRG's energy instrument in the strategy of using earned sovereignty and the strategy of ensuring American support

KRG's policymakers relied on the strategy of using earned sovereignty and the strategy of ensuring great-power support, such as the U.S., to gain support for recognition in a quest for statehood. Following the collapse of the Iraqi army in almost entirely Sunni areas due to the advance of ISIS in June 2014, the Kurdish forces made important territorial gains and controlled most of the disputed territories, including Kirkuk. The advance of ISIS made prospects for Kurdish independence stronger than ever. As Masoud Barzani said, 'From now on, we won't hide that that's our goal [independence]. Iraq is effectively partitioned now. Are we supposed to stay in this tragic situation the country's living? It's not me who will decide on independence. It's the people. We'll hold a referendum and it's a matter of months.'<sup>877</sup> Instead of taking advantage of the parent state's weakness against ISIS at the start of the war and moving to towards a referendum, the KRG made efforts to demonstrate its earned sovereignty by acting as the main partner in fighting ISIS. The Kurdish leadership, by prioritizing the war on the terrorists, aimed to achieve American political support and its protection in the future. As requested by the U.S., the KRG decided to delay the referendum until the defeat of ISIS.<sup>878</sup> As maintained by Barzani, the Kurdish policymakers believed that the US may respect the Kurdish aspiration for independence in exchange for their decision to delay the referendum and to concentrate on the fight against the ISIS. Barzani further elucidates that the KRG was 'hoping that such action will be remembered ... [and the KRG's] brave struggle would have been appreciated by the international community.'<sup>879</sup>

In addition to the KRG's potential contribution to the security of the region, Kurdish policymakers also relied on the strategy of attracting great-power support through the use of oil as a foreign policy instrument to gain the political support of United states, whose oil companies operated in the Kurdish energy sector, for a possible sovereign Kurdish state. They believed that the presence of American companies such as Exxon served as a form of insurance for Kurdistan as the U.S. protected the region when ISIS advanced into the Exxon oil fields in the KR in 2014.<sup>880</sup> They expected the same American protection for future threat against the

---

<sup>877</sup> Cited in 'Iraq Kurdistan Independence Referendum Planned', *BBC News*, 1 July 2014, <https://www.bbc.com/news/world-middle-east-28103124>.

<sup>878</sup> 'President Barzani Addresses the People of Kurdistan', *KRG*, 29 October 2017, <https://presidency.gov.krd/krp/english/articledisplay.aspx?id=/99h3Oipowc=>.

<sup>879</sup> Ibid.

<sup>880</sup> Jr, 'Wildcatters Plunge Into North Iraq'; Zhdannikov, Coles, and Parker, 'Special Report'.

Kurdish de facto state as Karwan Zebari, the former Kurdish government spokesman in the United States, argued that ‘it’s got to happen now. It’s got to happen yesterday.’<sup>881</sup> The Kurdish leadership also believed that the insurance policy, through the presence of American companies in the region, would deter the parent state and other neighbouring countries from taking punitive measures against the entity once they declare independence. Furthermore, it is believed that international oil companies have close links with their home governments as they directly or indirectly influence the foreign policy of their own governments. Thus, the Kurdish leadership hoped that giant IOCs would gradually become the best supporters of Kurds in their capitals to advance the Kurdish case. The independence referendum put such two strategies to a serious test.

### **5.3.4 The independence referendum: Kurdish policymakers’ overestimation of its energy diplomacy with the U.S.**

The way that the Americans dealt with the KRG before, during, and after the referendum, demonstrates how the Kurdish policymakers overestimated two such strategies. In the first phase, when the KRG decided to conduct an independence referendum, the U.S. urged the KRG to cancel the referendum and to commit to the integrity of Iraq. The U.S. revealed its opposition to the referendum in a statement and emphasized that ‘The United States strongly opposes the Iraqi Kurdistan Regional Government’s referendum on independence, planned for September 25. All of Iraq’s neighbours, and virtually the entire international community, also oppose this referendum ... If this referendum is conducted, it is highly unlikely that there will be negotiations with Baghdad, and the above international offer of support for negotiations will be foreclosed.’<sup>882</sup> However, many Kurdish leaders did not take such warnings seriously. The Kurdish leadership’s perception was that the American stance would alter after the referendum. Furthermore, the U.S. was also concerned over the oil rich disputed areas and warned, ‘The decision to hold the referendum in disputed areas is especially de-stabilizing, raising tensions which ISIS and other extremist groups are now seeking to exploit. The status of disputed areas and their boundaries must be resolved through dialogue, in accordance with Iraq’s constitution, not by unilateral action or force.’<sup>883</sup> This reveals American concerns over how the referendum

---

<sup>881</sup> Cited in Missy Ryan and Mark Hosenball, ‘Kurds Use Well-Oiled Lobbying to Plead for Help in Washington’, *Reuters*, 7 August 2014, <https://www.reuters.com/article/us-kurdistan-independence-lobbying-idUSKBN0G70BS20140807>.

<sup>882</sup> ‘Iraqi Kurdistan Regional Government’s Planned Referendum’, *U.S. Embassy & Consulates in Iraq*, 20 September 2017, <https://iq.usembassy.gov/iraqi-kurdistan-regional-governments-planned-referendum/>.

<sup>883</sup> *Ibid.*

would affect the disputed territories that had been under de facto control of the KRG armed forces since 2014. In other words, the U.S. did not support the KRG extending its sovereignty to these areas through a referendum.

The second phase commenced directly after the KRG held the referendum and carried on until the parent state seized full control of the disputed territories, including the Kirkuk oil fields. On the day that the KRG held the referendum, Iraq's parliament meanwhile requested Prime Minister Haider al-Abadi to deploy troops to the oil-rich region of Kirkuk and other disputed areas held by Kurdish forces.<sup>884</sup> On September 27, the parent state informed foreign airline companies to suspend all public flights to the Kurdish regions from the following Friday 'until further notice.'<sup>885</sup> Additionally, Erbil and Baghdad were testing the American reaction to such measures taken by Iraq in retaliation against the referendum. On 29 September 2017, Secretary of State Rex Tillerson explained his country's perspective on the referendum in a statement and emphasized, 'The United States does not recognize the Kurdistan Regional Government's unilateral referendum held on Monday. The vote and the results lack legitimacy and we continue to support a united, federal, democratic and prosperous Iraq ... We urge Iraqi Kurdish authorities to respect the constitutionally-mandated role of the central government ... The United States asks all parties, including Iraq's neighbours, to reject unilateral actions and the use of force.'<sup>886</sup> But Tillerson's sharp statement indicated that the United States, despite the interest of American oil companies in the region and its strong partnership with Kurds in the fight against the ISIS, would not offer any military and political support.

Not only the U.S., but also other Western countries were not ready to offer any support. Bernard-Henri Lévy, one of Barzani's advisers for the independence referendum and who was in Erbil at the time, recalls that 'on the evening of Sept. 26 [2017] ... I watch and listen as Prime Minister Nechirvan Barzani makes calls to some Western capitals, where no one seems to be answering the phone.'<sup>887</sup> The deafening silence from the U.S. and the international

---

<sup>884</sup> 'Iraq's Parliament Votes to Deploy Troops to Kirkuk, Areas Disputed with KRG', *Daily Sabah*, 25 September 2017, sec. Diplomacy, <https://www.dailysabah.com/diplomacy/2017/09/25/iraqs-parliament-votes-to-deploy-troops-to-kirkuk-areas-disputed-with-krq>.

<sup>885</sup> 'The Iraqi Civil Aviation Authority Informs Foreign Companies to Suspend Flights to Kurdistan', *Aalsu-maria News*, 27 September 2017.

<sup>886</sup> 'Secretary Tillerson on Iraqi Kurdistan Regional Government's Referendum', *U.S. Embassy in Egypt*, 29 September 2017, <https://eg.usembassy.gov/secretary-tillerson-iraqi-kurdistan-regional-governments-referendum/>.

<sup>887</sup> Bernard Henri Lévy, 'Bernard-Henri Lévy: Who Betrayed the Kurdish People?', *Tablet Magazine*, 21 October 2017, sec. Israel & The Middle East, </sections/israel-middle-east/articles/who-betrayed-the-kurdish-people>.

community encouraged the parent state to cooperate with Iran and Turkey in its attempt to contain the sovereignty of the KRG. While the PMF and the Iraqi armies were ready to advance towards disputed areas and Kirkuk on 16 October 2017, the State Department statement issued on 16 October 2017 called on ‘all parties to coordinate military activities and restore calm ... We support the peaceful exercise of joint administration ... in all disputed areas. We are working with officials ... to reduce tensions, avoid further clashes, and encourage dialogue.’<sup>888</sup> This indicates that the U.S. supported restoring the authority of the parent state within disputed territories and the KRG should not oppose to these operations. Iraq claimed full control of Kirkuk province on 20 October and other disputed territories within a week (See Figure 7).

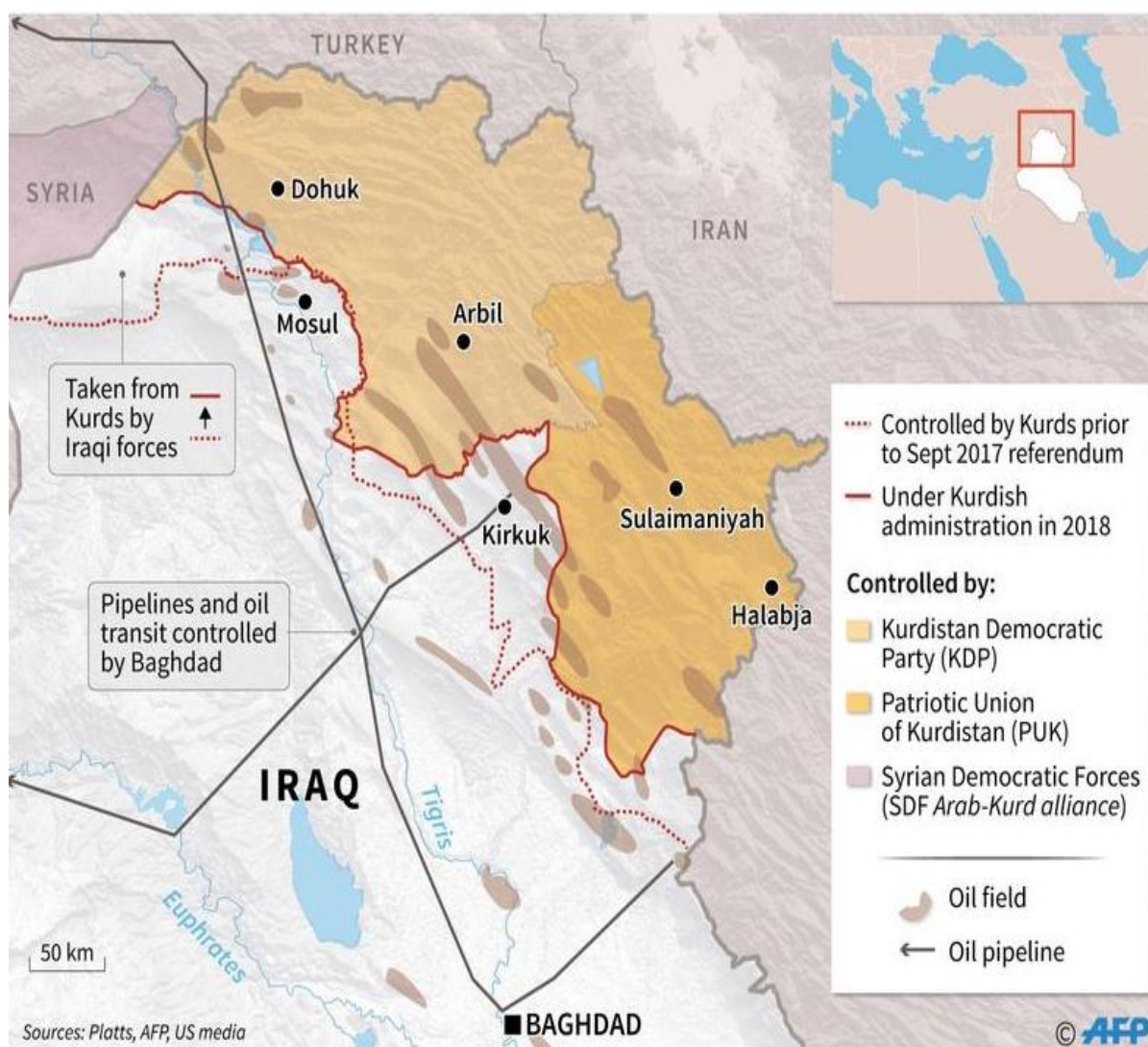


Figure 7. The area controlled by the KRG after October 2017. *Source:* AFP, ‘Territorial rivalries and oil in northern Iraq,’ 2018.

<sup>888</sup> ‘Situation Near Kirkuk, Iraq: Press Statement’, *United States Department of State*, 16 October 2017, <https://2017-2021.state.gov/situation-near-kirkuk-iraq-2/>.

Despite of the existence of American troops in the area, the U.S. did not use its influence to prevent operations of Iraqi armies in the disputed areas. U.S. President Donald Trump stated, ‘We don’t like the fact that they’re clashing, but we’re not taking sides.’<sup>889</sup> Actually, ‘not taking sides’ can be interpreted as the U.S. accepted attacks of Iraqi armies against the Kurds. Not only did the U.S. allow the PMF and the Iraqi armies to use American military equipment, but it also tolerated the Iranian Revolutionary Guards to play a key role in waging offensive war against the Kurdish forces.<sup>890</sup> On 7 November 2017, Barzani said that ‘[The Iraqi military] operation to control Kirkuk was led by the Iranians with the knowledge and approval of the US.’<sup>891</sup> Furthermore, the independence referendum was against Washington’s strategic interests. The silence from the U.S. on the referendum showed that the KRG’s strategy of ensuring great power support and the strategy of using earned sovereignty failed to secure international recognition.

Regarding the strategy of ensuring American support on the basis of attracting American oil companies to the region and tying Kurdish security to their interests, the insurance policy during the referendum did not work because the U.S. decided not to interfere at the time when Iraqi armed forces were advancing towards Kurdish positions. Therefore, Barzani and other KRG leaders were surprised when they realized the U.S. had sided with parent state and allowed the use of weapons to kill Kurdish forces by ‘certain people who are on America’s list of terrorists,’ as described by Barzani.<sup>892</sup> This demonstrates how the strategy of ensuring American support or the insurance policy was overestimated by the Kurdish leaders. The 2017 referendum revealed that the KRG’s insurance policy for independence was a failure. In an interview with Wahab, he discussed:

Just because you have oil, it does not mean that the world is going to support your political wishes and desires. I think the Kurdish leaders established the KRG’s oil and gas industry in 2005 with a mentality of 1975. But the global market, the global significance, the global geopolitical significance of oil has significantly reduced has been significantly reduced and gone down in the 21st century.<sup>893</sup>

---

<sup>889</sup> Cited in ‘U.S. “not Taking Sides” in Iraqi-Kurdish Dispute - Trump’, *Reuters*, 16 October 2017, <https://www.reuters.com/article/uk-mideast-crisis-iraq-kurds-trump-idUKKBN1CL2P6>.

<sup>890</sup> Rafaat, *Kurdistan in Iraq*, 208.

<sup>891</sup> Cited in Adla Massoud, ‘War in Iraq: Masoud Barzani, Ex-Kurdish Leader, Says U.S. Knew in Advance About Iraqi Assault on Kirkuk’, *Newsweek*, 7 November 2017, sec. World, <https://www.newsweek.com/iraq-kurds-isis-betrayal-america-barzani-iran-independence-kirkuk-704480>.

<sup>892</sup> ‘President Barzani Addresses the People of Kurdistan’.

<sup>893</sup> Wahab, interview.



The referendum also indicates that oil does not lead to sovereignty. Similarly, Ahmed Mufti, in an interview with the author, notes, ‘The independence is something more or beyond oil.’<sup>894</sup> Mills also claims that while the US and Turkey were very interested in the KRG’s energy sector, this was inadequate for them to support the Kurdish independence.<sup>895</sup> In other words, the role of oil in the dual strategy has limited effects.

With respect to the strategy of using earned sovereignty, the Kurdish leadership thought the U.S., as well as the international community, would reward the Kurds for contributing to regional stability by fighting against ISIS, by recognizing the Kurdish desire for the independence in the referendum. However, the American reaction of choosing to remain silent to the Kurdish referendum revealed the overestimation of this strategy. In his resignation speech on 29 October 2017, Barzani stated that he thought that the Kurdish essential role in the fight against ISIS ‘would have been appreciated by the international community [as well as the U.S., but] they once again showed the world that the people of Kurdistan have no friends but the mountains.’<sup>896</sup> This would undermine further KRG’s investment in ‘earned sovereignty.’ Moreover, the American stance during the referendum would push Erbil to reappraise its relationship with Washington.<sup>897</sup>

The final phase of the American policy towards the referendum began after Iraqi forces controlled all disputed territories. After 20 October 2017, the Iraqi army and PMF headed towards Erbil province and the vital oil export point of Fishkhabur to end KRG’s domestic, Westphalian and interdependence sovereignty. Their advance towards the capital was stopped by the Kurdish forces around the town of Altun Kupri, only 50 kilometres south of Erbil.<sup>898</sup> At this moment, the American State Department for the first time showed its concern over their violent conflict and urged ‘the central government to calm the situation by limiting federal forces’ movements in disputed areas to only those coordinated with the Kurdistan Regional Government.’<sup>899</sup> With regard to the parent state’s intention to end the Kurdish entity, the State Department stressed the American commitment ‘to the Kurdistan Regional Government as an

---

<sup>894</sup> Ahmed Mufti, interview by author, 15 January 2022.

<sup>895</sup> Mills, interview.

<sup>896</sup> ‘President Barzani Addresses the People of Kurdistan’.

<sup>897</sup> Arraf, ‘After Iraqi Kurdish Independence Vote Backfires, “I Do Not Regret It,” Says Barzani’.

<sup>898</sup> Rafaat, *Kurdistan in Iraq*, 2010–11; ‘Iraq Halts Military Operations against Kurds for 24 Hours’, *France 24*, 27 October 2017, sec. middle-east, <https://www.france24.com/en/20171027-iraq-halts-operation-against-kurds-24-hours>.

<sup>899</sup> ‘Situation Near Kirkuk, Iraq’, *United States Department of State*, 20 October 2017, <https://2017-2021.state.gov/situation-near-kirkuk-iraq/>.

integral component of the country.<sup>900</sup> In other words, the U.S. would prevent the KRG's reintegration into the parent state. Abdul Rahman emphasises that when the Peshmerga fought and the militias or PMF were using Abraham tanks against Peshmerga, 'America was forced to put its foot down with Prime Minister Abadi on his actions and intentions'<sup>901</sup> Meanwhile, the U.S. seeks a Kurdish entity to limit their actions to an extent that presents no threat to Iraqi integrity and American interests in the Middle East.

## **5.4 Russia**

The Kurdish leadership has also used oil as a foreign policy instrument to diversify support from great powers. The oil and gas factor has played an important role for the Kurdish leadership in attracting the great-power support of Russia. Since 1946 the Soviet Union made attempts to increase its leverage on oil politics in Iraq when Joseph Stalin once mentioned that 'Kurdistan is floating in a sea of oil.'<sup>902</sup> In other words, Mustafa Barzani would help Moscow to access Iraqi and Kurdish oil. Furthermore, Russia's relationship with the KRG has strengthened considerably in the post-Saddam regime. The Kremlin's formal diplomatic relationship with Erbil commenced in November 2007 when Russia opened a consulate general in Erbil. At this early stage, the KRG was reluctant to sign energy contracts with Russia due to its close tie with the U.S. and pressure from the U.S., UK and Turkey, worrying that Russian contracts with the KRG would encourage the creation of an independent Kurdish state. However, external influence did not prevent the KRG from signing energy deals with Russia. Thus, the Russian energy company Gazprom signed a PSA contract with the KRG in 2012.<sup>903</sup> This strengthened the Russia-KRG partnership further. In 2013, former President Barzani met with Russian President Vladimir Putin and Gazprom CEO Alexey Miller in Moscow to further enhance their energy relations.

### **5.4.1 The role of KRG's energy diplomacy in diversifying great-power supports: Russia and Rosneft**

The KRG's policymakers have diversified the great-power support in a search for new great-power support for Russia by signing energy deals with Russian energy company Rosneft. In

---

<sup>900</sup> Ibid.

<sup>901</sup> Rahman, interview.

<sup>902</sup> Kirill V. Vertyaev, 'The Russian Historical and Political Approach towards Nonconventional Independence of Iraqi Kurdistan', in *Routledge Handbook on the Kurds*, ed. Michael M. Gunter, 1st ed. (London: Routledge, 2018), 348.

<sup>903</sup> Mariya Petkova, 'What Did Russia Get from Its KRG Gamble?', *Al Jazeera*, 15 April 2019, <https://www.aljazeera.com/features/2019/4/15/what-did-russia-get-from-its-kr-gamble>.

other words, the Kurds do not ‘have all their eggs in one basket, the United States and the West,’ by inviting Russian oil companies into the KR.<sup>904</sup> Several other factors such as the lack of a clear U.S. strategy in the Middle East and the reduction of activities of leading American oil firms such as ExxonMobil and Chevron in the KRG’s energy sector in 2015 (due to geological and contractual concerns) pushed the KRG towards Russia.<sup>905</sup> A senior source in Erbil said that ‘Moscow has been effectively filling the gap as the United States has been pulling back from Iraq.’<sup>906</sup> To save itself from bankruptcy in March 2016, Erbil offered key oil assets to Ankara in return for \$5bn in debt forgiveness and cash.<sup>907</sup> While such oil deals were also proposed to American companies, Turks and Americans seemed hesitant to accept the offers.<sup>908</sup>

The role of Russia as a great power was important for the KRG in ensuring its military, political and economic survival, obtaining Russian investment, trade and loans, exhibiting its ability to engage in foreign relations with Russia and increasing recognition and consolidation of the KRG's sovereignty. To mitigate its economic crisis dating back to 2014, develop 'new markets worldwide for Kurdish crude oil' and fund its fight against ISIS, the KRG signed PSA deals with Rosneft in February 2017.<sup>909</sup> Although Gazprom and Lukoil initially invested in the KRG's oil industry, Rosneft quickly appeared as the main player. In contrast to the Turks and Americans, Rosneft as a dominant player lent \$3.5bn to the KRG between 2016-2018, including \$400m to develop five exploration blocks, \$1.8bn for control over a major stake in the KRG's oil export pipeline and a \$1.2bn loan in advance on crude purchases.<sup>910</sup> That cash injection, in the form of investment, trade and loans, was crucial not only for the KRG's survival, but also for the legitimacy of the energy sector at a vulnerable time.

Furthermore, the main target of the Rosneft investments in the Kurdish region is about gas. An official from the KRG's ministry of national resources states that Rosneft's

<sup>904</sup> Mohtadi, interview.

<sup>905</sup> Anna Borshchevskaya and Bilal Wahab, 'In Search of a New Patron, the KRG Turns Back to Moscow', *The Washington Institute*, 14 June 2018, <https://www.washingtoninstitute.org/policy-analysis/search-new-patron-kr-g-turns-back-moscow>.

<sup>906</sup> Cited in Dmitry Zhdannikov, 'Russia Becomes Iraq Kurds' Top Funder, Quiet about Independence Vote', *Reuters*, 20 September 2017, <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum-russia-idUSKCN1BV1IH>.

<sup>907</sup> 'Fwd: Proposal'.

<sup>908</sup> Petkova, 'What Did Russia Get from Its KRG Gamble?'

<sup>909</sup> 'Rosneft and the Kurdistan Regional Government of Iraq Signed an Offtake Contract', *Rosneft*, 21 February 2017, <https://www.rosneft.com/press/releases/item/185769/>.

<sup>910</sup> Henry Foy, 'Rosneft's Iraqi Kurdistan Oil and Gas Play Angers Baghdad', *Financial Times*, 30 October 2018, <https://www.ft.com/content/ace52dd2-4f0c-11e8-ac41-759eee1efb74>.

engagement in the Kurdish energy sector ‘is about gas, not oil.’<sup>911</sup> On September 18, the KRG and Rosneft formalized their commitment to build the Kurdish gas pipeline for domestic needs and then export to international markets such as Turkey and the European Union (EU). Rosneft would invest more than \$1 billion to build the gas pipeline, which can export 30 billion cubic meters of natural gas annually, apart from supplying domestic consumers. The pipeline was planned to be built in 2019 for the Kurdish domestic market with the export to the international market commencing in 2020.<sup>912</sup> The announcement of the Rosneft deals prior to the Kurdistan referendum on 25 September 2017 boosted the Kurdish energy sector, especially after ExxonMobil had pulled out of half of the six exploration blocks in the Kurdistan Region in 2016. In 2019, Rosneft’s investment in the KR was more than 4 billion dollars, passing the United States as the biggest foreign investor. However, the heavy involvement of Rosneft in the KRG energy sector may risk the future of the KRG’s energy relations with the U.S. and also the EU.<sup>913</sup>

The Kurdish leadership’s desire to attract Russia, particularly Rosneft, encompasses not only economic, but also political dimensions. Russia remained neutral towards the KRG referendum despite a sharp opposition from most regional and international actors, including the KRG’s close allies such as the U.S. and the UK. Russia as the only major power that refused to urge Kurds to cancel a referendum on independence.<sup>914</sup> Although the Kremlin declares that it supports Iraq’s territorial integrity, it recognizes the aspirations of the Kurds for a sovereign state. As Foreign Minister Sergei Lavrov said, ‘We are interested that the Kurdish people like any other nation on the planet can fulfil its hopes and aspirations. We start from the fact that the legitimate aspirations of the Kurds, like other peoples, need to be fulfilled within the framework of existing international legal norms.’<sup>915</sup> On 18 September 2017, just a week before the independence referendum, the KRG and Rosneft announced their signed contract to build a gas export pipeline, worth \$1bn. This deal was perceived as unofficial Russian support for the KRG referendum and meanwhile gave enough confidence to the Kurdish leadership to hold the referendum on September 25. After the KRG referendum and Erdogan’s threat to close the Kurdish oil pipeline, Putin indirectly warned Erdogan not to close the pipeline. On 4 October 2017,

---

<sup>911</sup> Petkova, ‘What Did Russia Get from Its KRG Gamble?’

<sup>912</sup> ‘Rosneft Develops Projects in Iraqi Kurdistan’, *Rosneft*, 18 September 2017, <https://www.rosneft.com/press/releases/item/187711/>.

<sup>913</sup> Petkova, ‘What Did Russia Get from Its KRG Gamble?’

<sup>914</sup> Ibid.

<sup>915</sup> Cited in Zhdannikov, ‘Russia Becomes Iraq Kurds’ Top Funder, Quiet about Independence Vote’.

Putin stated that his country was ‘exercising a policy of non-interference and using cautious rhetoric after the independence referendum in Iraq’s Kurdistan in order not to explode the situation in the region.’ He also added that, ‘it was in no-one’s interest to cut off oil supplies from Iraq’s Kurdistan.’<sup>916</sup> In other words, Russia, largely due to the presence of Rosneft, protected the Kurdish de facto state in order to protect its long-term strategic interests.

The KRG, furthermore, has used Rosneft as a counterbalance against Turkey’s leverage over the KRG energy sector. Therefore, Russia to some extent, reduced Turkey’s leverage over KRG’s energy sector. It may support the KRG in any future challenges with Ankara. After the PMF, backed by Iranian troops, expelled Kurdish Peshmerga forces from Kirkuk city and oil fields, Rosneft agreed to invest another \$400 million in five exploration blocks in the Kurdistan Region of Iraq on October 18.<sup>917</sup> The following day, Rosneft announced that it owns 60 percent of the current Kurdish oil pipeline while the KAR Group owns 40 percent.<sup>918</sup> This deal may be able to help the Kurds deter Baghdad from forcefully controlling the pipeline at a vulnerable time for the entity. Furthermore, Rosneft’s deals demonstrated Russia’s commitment to the Kurdistan Region during its critical situation. As a top KRG official states, ‘what saved us was Russia’ at this severe political and economic crisis.<sup>919</sup> To the Kurdish leadership, ‘the presence of Rosneft and the Kremlin will boost the sense of security.’<sup>920</sup> Having a support from a major global power like Russia consolidates the KRG’s stance in regard to commercial or land disputes with the Iraqi federal government. Nevertheless, the Kurdish leadership needs to take a cautious approach in its longer-term relationship with Russia. Moscow has always used the Kurds for its own ends. It has treated Kurds in Iraq and Syria inversely. For instance, Russia permitted Turkey’s invasion of the Kurdish enclave of Afrin in early 2018, but Moscow also showed approval for Ankara’s October 2019 Operation Peace Spring offensive against Kurds and cooperated with Ankara to create a ‘safe zone’ in Syria.<sup>921</sup>

---

<sup>916</sup> Olesya Astakhova and Dmitry Solovyov, ‘Putin, on Iraqi Kurdistan, Says Moscow Handles Situation with Care’, *Reuters*, 4 October 2017, <https://www.reuters.com/article/mideast-crisis-kurds-putin-idUSR4N1ME006>.

<sup>917</sup> ‘Rosneft and the Government of the Kurdistan Autonomous Region of Iraq Agree on Cooperation at Five Production Blocks’, *Rosneft*, 18 October 2017, <https://www.rosneft.com/press/releases/item/188125/>.

<sup>918</sup> ‘Rosneft and Kurdistan Regional Government Announce the Entry of Rosneft into an Infrastructure Project in the Kurdistan Autonomous Region’, *Rosneft*, 19 October 2017, <https://www.rosneft.com/press/releases/item/188147/>.

<sup>919</sup> Petkova, ‘What Did Russia Get from Its KRG Gamble?’

<sup>920</sup> Dmitry Zhdannikov and Vladimir Soldatkin, ‘Russia’s Rosneft to Take Control of Iraqi Kurdish Pipeline amid Crisis’, *Reuters*, 20 October 2017, <https://www.reuters.com/article/us-mideast-crisis-iraq-kurds-rosneft-idUSKBN1CP16L>.

<sup>921</sup> Amberin Zaman, ‘Intel: Syrian Kurds Court Moscow to Avert Potential Turkish Attack’, *Al Monitor*, 2 September 2020, <https://www.al-monitor.com/originals/2020/09/syria-kurds-sdf-court-moscow-turkey-attack->

## 5.5 Iran

To increase its interdependence sovereignty, the KRG has made attempts to diversify its export routes by building an oil pipeline to Iran as an alternative to Turkey. Fuel oil and naphtha have been transported by truck from Kurdistan to Iran for years. This has gradually paved the way for building a pipeline.<sup>922</sup> Kurdish and Iranian officials continuously discussed building an oil pipeline between the KRG and Iran starting in 2014.<sup>923</sup> Several factors pushed Kurdish policy-makers to consider an alternative export route to Iran such as the interruption of services occurring on the Ceyhan pipeline by electrical and technical faults, outages on the Ceyhan pipeline caused by Turkish leverage over the KRG's affairs, Turkey's position toward ISIS, the resource theft, attacks of PKK and ISIS on oil infrastructure and reports of sour oil through Ceyhan.<sup>924</sup>

Moreover, serious talks between the KRG and Iran over building the oil pipeline commenced in March 2016 following Turkey stopping the Kurdish oil flow to international markets for the political reasons. The plan was to build a 250,000-bpd pipeline to carry crude from Koysinjak in Erbil to Kermanshah in Iran, a western border province populated predominantly by Kurds. This plan was understood as a swap deal in which Iran would receive the KRG's crude oil to feed its northern refineries in Kermanshah, and the KRG would in exchange receive oil from Iran's southern ports to sell it to customers in Asia.<sup>925</sup> The project execution would increase the KRG's domestic and interdependence sovereignty because it reduces its sole dependency on Turkey to export its oil. However, Iran sought to bring Baghdad into the equation before executing the project since the approval of the Iraqi government relied on the inclusion of Kirkuk's oil to the KRG's oil export to Iran. In other words, the oil revenues should directly go to Baghdad rather than Erbil.<sup>926</sup> This would undermine the entity's domestic and Westphalian sovereignty since the parent state can use revenue allocation against the KRG at any time

---

russia-regime.html; Samuel Ramani, 'Russia's Outreach to Iraqi Kurdistan: A Gambit for Energy Investments and Regional Status', *RUSI Newsbrief* 40, no. 1 (February 2020): 4, [https://rusi.org/sites/default/files/20201601\\_ramani\\_krg\\_web.pdf](https://rusi.org/sites/default/files/20201601_ramani_krg_web.pdf).

<sup>922</sup> Bijan Khajepour, 'Iran's Pipeline Politics Reaches Iraqi Kurdistan', *Al Monitor*, 29 June 2016, <https://www.al-monitor.com/originals/2016/06/iran-kurdistan-regional-government-pipeline-energy-deal.html>.

<sup>923</sup> Mohammed A. Salih and Mustafa Naser, 'Iraq: Kurds and Iran Eye an Oil Deal', *Al Jazeera*, 22 June 2016, <https://www.aljazeera.com/news/2016/6/22/iraq-kurds-and-iran-eye-an-oil-deal>.

<sup>924</sup> Cameron Bell, 'The KRG-Iran Pipeline: Political Theater or Game-Changer?', *IRIS*, 25 September 2016, <https://auis.edu.krd/iris/events/krg-iran-pipeline-political-theater-or-game-changer>; Kurda, 'President Barzani's Reform'.

<sup>925</sup> Khajepour, 'Iran's Pipeline Politics Reaches Iraqi Kurdistan'; Salih and Naser, 'Iraq: Kurds and Iran Eye an Oil Deal'.

<sup>926</sup> Khajepour, 'Iran's Pipeline Politics Reaches Iraqi Kurdistan'.

and it reveals to the international community that the KRG has no executive authority over its financial issues. This became a barrier for implementing this project. Iran's key aim was to contain any attempt by the KRG to gain international legal sovereignty through moderate energy cooperation.

Iran reacted angrily to Kurdistan's decision to hold an independence referendum by suspending the oil export and import to the KRG.<sup>927</sup> Not only the PMF, but also the elite unit of the Iranian Revolutionary Guards played a key role in conquering Kirkuk and the disputed oil fields.<sup>928</sup> In the meantime, the Iraqi government and Iran reached an oil swap deal. In a first phase, Iraq would export oil up to 60,000 bpd by truck from Kirkuk to Iran. In a second phase, a new pipeline would be constructed between Kirkuk and Tang-e Fani in western Iran.<sup>929</sup> However, the project has not been implemented due to several factors, namely American sanctions on Iran.

## 5.6 Israel

Kurdish policymakers have used oil as an instrument to achieve Israel's political and economic support. Beyond the importance of Israel's support for the KRG's survival during political and economic crises, Israel has served as a main boulevard to accessing the international oil market. When the KRG began to export crude oil directly to world oil markets through a new pipeline to the Turkish port of Ceyhan, many oil traders initially refused to take risks in dealing with KRG crude due to its contested sovereignty. In the meantime, Israel's private oil traders like Trafigura and Vitol were among the first to deal with Kurdish crude. This was crucial for the entity's survival while the KRG struggled to pay civil servants' salaries and fund its war efforts against ISIS after 2014.<sup>930</sup> When the KRG was initially not able to find buyers to its first crude tanker, the United Leadership, it remained loaded at a port on the U.S. Gulf Coast and was later stuck in international waters off Morocco, Israel accepted delivery of the KRG's second crude cargo, the United Emblem, despite Baghdad's legal threats (See Figure 8).<sup>931</sup> This helped the

---

<sup>927</sup> 'Iran Bans Oil Product Transport to, from Iraq's Kurdistan Region', *Reuters*, 29 September 2017, <https://www.reuters.com/article/mideast-crisis-iran-kurds-idUSL2N1MA0I0>.

<sup>928</sup> Ken Dilanian, Carol E. Lee, and Vivian Salama, 'Iranian General Helped Iraqis Seize Kirkuk From U.S. Allies', *NBC News*, 19 October 2017, <https://www.nbcnews.com/news/mideast/iranian-general-helped-iraqis-seize-kirkuk-u-s-allies-n811026>.

<sup>929</sup> 'Iran, Iraq Meet for Talks on Crude Swap Deal', *S&P Global Platts*, 30 November 2017, <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/113017-iran-iraq-meet-for-talks-on-crude-swap-deal>.

<sup>930</sup> Sheppard, Reed, and Anjli, 'Israel Turns to Kurds for Three-Quarters of Its Oil Supplies'.

<sup>931</sup> Payne, 'Israel Accepts First Delivery of Disputed Kurdish Pipeline Oil'.

KRG not only to guarantee the first sale of oil from its independent pipeline, but also consolidated the entity's sovereignty by legitimizing the Kurdish crude in the global market. Also, Israeli refineries and oil firms reportedly bought 19 million barrels of Kurdish crude between early May and August 11, 2015 with a worth of \$1 billion. This satisfied 77% of Israeli national demand, purchasing roughly 240,000 bpd. Although the KRG publicly denied the sale of oil to Israel 'directly or indirectly' due to regional hostility towards Israel, Israeli-KRG energy relations highlight the KRG's autonomy in its foreign policy despite Iraq's hostility toward Israel.<sup>932</sup> Additionally, Israel became not only the KRG's top-buyer of crude oil, but also provided a main road for Kurdish crude to access the global markets. The Israeli port in Ashkelon has allowed the KRG to use ship-to-ship cargo transfer in order not to be detected by radar satellite sensors.<sup>933</sup> Since Israel has no any formal relation with Iraq, it is also unclear whether the Iraqi government could effectively fine Israel.

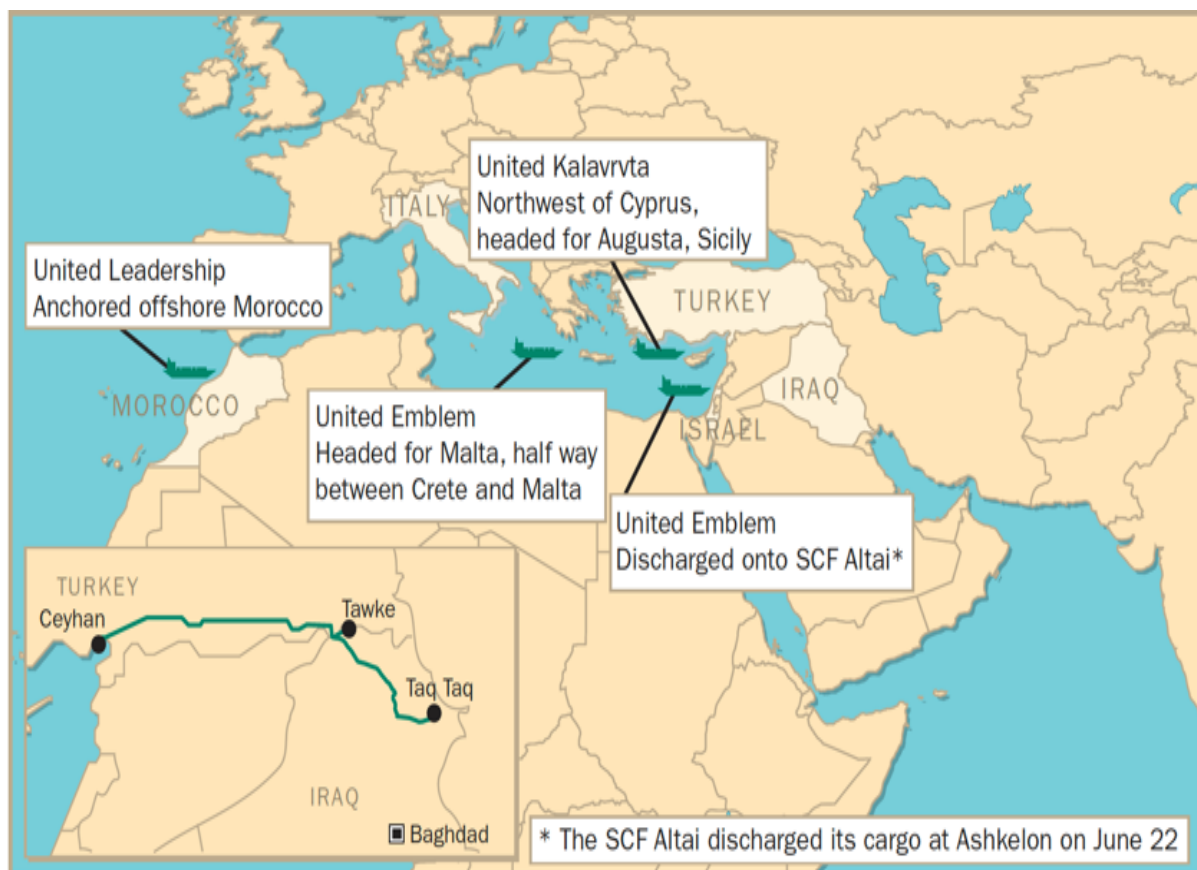


Figure 8. Details of Kurdish crude loadings from Ceyhan. *Source:* S&P Global Platts, 'Kurds sell crude cargoes for \$100 million,' 2014

<sup>932</sup> Sheppard, Reed, and Anjli, 'Israel Turns to Kurds for Three-Quarters of Its Oil Supplies'.

<sup>933</sup> Caroline Rose, 'The Precarious Kurdish-Israeli Relationship, Post-Kirkuk', *Atlantic Council* (blog), 30 November 2017, <https://www.atlanticcouncil.org/blogs/menasource/the-precious-kurdish-israeli-relationship-post-kirkuk/>.



Israel publicly supported the KRG's independence referendum in 2017. Israel has been seen as a main supporter of the Kurdish cause. Thus, a number of Israeli and Kurdish flags were raised in the streets of Erbil.<sup>934</sup> In a public statement, released on 13 September 2017, Israeli Prime Minister Benjamin Netanyahu said Israel 'supports the legitimate efforts of the Kurdish people to attain a state of its own.'<sup>935</sup> Israel also became a buyer of Kurdish crude before and after the referendum. Moreover, after the Iraqi army and the PMF occupied Kirkuk and moved towards Erbil, Israeli officials said Netanyahu was lobbying great powers to avoid further setbacks to the Kurdish de facto state.<sup>936</sup> However, being a key avenue for Kurdish crude to access the international oil market and a vocal support of Kurdish independence antagonized regional states. For instance, Turkish President Recep Tayyip Erdogan said, 'It made us sad that [Kurds] paraded Israeli flags in their hands. It shows the administration's ties.' He also asked, 'Who will accept your independence? Israel? But the world is not constituted only of Israel.'<sup>937</sup> Similarly, Iran's Supreme Leader Ayatollah Ali Khamenei said, 'America and Israel benefit from the vote ... America and foreign powers are unreliable and seek to create a new Israel in the region.'<sup>938</sup> Furthermore, Hasan Nasrullah, the leader of Lebanese Hizbullah, labelled the referendum as 'part of a U.S.- Israeli plot to carve up the region.'<sup>939</sup>

## 5.7 Conclusion

The Turkey–KRG energy engagement had a paradoxical consequence on the KRG's sovereignty. On the one hand, the energy engagement with Turkey strengthened the KRG's domestic sovereignty by reducing its political and financial dependency on the parent state. Turkey heavily invested in the KR's energy sector including its oil pipeline agreement with the KRG. Turkey also became as a quasi 'financial patron' for the KRG by offering direct financial assistance to the KRG in critical situations. On the other hand, the KRG's energy engagement with Turkey challenged its domestic, Westphalian and interdependence sovereignty. For instance, Turkey

---

<sup>934</sup> Ibid.

<sup>935</sup> Cited in 'Israeli PM Netanyahu First Government Head to Support Kurdish Independence', *Rudaw*, 13 September 2017, <https://www.rudaw.net/english/middleeast/12092017>.

<sup>936</sup> Dan Williams, 'Netanyahu Lobbies World Powers to Stem Iraqi Kurd Setbacks', *Reuters*, 20 October 2017, <https://www.reuters.com/article/us-mideast-crisis-kurds-israel/netanyahu-lobbies-world-powers-to-stem-iraqi-kurd-setbacks-idUSKBN1CP181>.

<sup>937</sup> Cited in Ian Lee, 'Why Israel Supports an Independent Iraqi Kurdistan', *CNN*, 2 October 2017, <https://edition.cnn.com/2017/10/02/middleeast/iraqi-kurdistan-israel-support/index.html>.

<sup>938</sup> Cited in Parisa Hafezi and Tulay Karadeniz, 'Khamenei Says Iran, Turkey Must Act against Kurdish Secession - TV', *Reuters*, 4 October 2017, <https://www.reuters.com/article/iran-turkey-visit-idINKCN1C910G>.

<sup>939</sup> 'Hezbollah Says Kurdish Vote a Step toward Wider Mideast Partition', *Reuters*, 30 September 2017, <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum-hezbo-idUSKCN1C50RK>.

has used its energy transit corridor against the KRG at least in two occasions. The pipeline carrying Kurdistan oil to the Turkish port of Ceyhan was shut down in February 2016 because Turkish authorities wanted the KRG to stop oil trade with the Kurdish de facto state in Syria, Rojava. Furthermore, Turkey was against the Iraqi Kurdish referendum in 2017 and even threatened to close the KRG's oil pipeline. These demonstrate how Turkey interfered in the KRG's domestic affairs and undermined the KRG's sovereignty. Turkey has also challenged the KRG's interdependence sovereignty by launching military operations against alleged positions of the PKK inside the Kurdistan Region without the approval of the KRG since early 2018.

The Kurdish leadership has used oil as a foreign policy instrument in its strategies of using earned sovereignty and ensuing support of the United States by attracting American powerful oil companies to secure political support and physical protection. The strategy of demonstrating earned sovereignty played a role in attracting American oil companies by exhibiting the KRG as awarding lucrative oil contracts. Thus, the KRG was successful in inviting leading American oil firms: ExxonMobil and Chevron into the KRG's energy sector. This raised the KRG's profile as a sovereign entity. More importantly, the Kurdish leadership believed that the presence of Exxon and other oil companies would act as an insurance policy for the KRG against any foreign threats and aggression towards the entity. The U.S., for instance, protected the region in 2014 when the ISIS got close to the Exxon oil fields in the KR. Nevertheless, Kurdish policymakers overestimated its energy diplomacy with the U.S. because the KRG failed to ensure the political support from the U.S. during and after the independent referendum in 2017.

To diversify support from great powers or patrons, the Kurdish leadership has used oil as a tool to gain financial and political support from Russia. To demonstrate, the Kremlin helped the KRG to alleviate its economic crisis starting 2014. Rosneft's investment, for instance, in the Kurdistan Region was more than 4 billion dollars in 2019, which was crucial for the survival of the Kurdish de facto state. Kremlin also offered political support for the KRG independence referendum in 2017 while most international and regional powers were against it. Moreover, Israel's support is important for legitimizing the sale of Kurdish oil in the international market. Israel has become a top-buyer of Kurdish oil and offered a main road for Kurdish crude to access the international markets when the KRG faced difficulties finding buyers for its crude.

To increase its interdependence sovereignty, the KRG has made attempts to diversify its export routes through building a new oil pipeline to Iran in order to reduce its dependency on Turkey. A deal has not been reached since Iran usually sought to include the approval of the Iraqi government in its agreement with the KRG, which would undermine the KRG's domestic sovereignty. To put it another way, the oil revenues from the oil sales through the Iranian route should directly go to Baghdad rather than Erbil. This would allow the parent state to wield revenue allocation against the KRG at any time and exhibit to the international community that the Kurdish de facto state has no executive authority over its financial affairs.

## Chapter 6. Conclusion and implications

This thesis has aimed to identify and study the complex relationships between the control over natural resources and contested sovereignty. The KRG has been exploiting its natural resources since 2003. What is significant in the case of Kurdistan is that its natural resources, particularly oil, have affected various aspects of its sovereignty since then. Providing insights for explaining how natural resources affected the KRG's the sovereignty as well as the conflict with its parent state is at the core of this thesis.

### 6.1 Answers to the research questions

This research was guided by three main questions. These overarching questions included: what is the link between natural resources and sovereignty? The second question asks: how does the quest for sovereignty affect energy policy? The final question asks: how do energy policies affect sovereignty, especially when it is contested? A key argument developed through this study is that the conflict over oil resources between the Kurdish de facto state and its parent state is extremely complicated to resolve because it revolves around sovereignty rather than just interests. To explain this, there is a pressing need to study the conflict between the KRG and Baghdad over the control of natural resources, the impact of natural resources on the KRG's contested sovereignty as well as strategies to gain international recognition and support and the evolution of contested sovereignty.

Over the past couple of decades, the study of de facto states has gained more importance in IR. De facto states have achieved domestic sovereignty, but they have been unable to obtain international legal sovereignty. There has been growing interest in academic literature to advance our understanding of de facto states in terms of the following: the strategic and resource importance of these entities, their internal and external sides of sovereignty and their strategies of recognition and legitimation.

Hitherto the recent literature on the Kurdish de facto state has examined the impact of natural resources on the political and economic aspects or on foreign policy. However, the links between natural resources and the KRG's contested sovereignty have not been thoroughly investigated by recent studies.<sup>940</sup> These studies failed to examine the sovereignty conflict

---

<sup>940</sup> See Tinti, *Oil and National Identity in the Kurdistan Region of Iraq*, 2021; Voller, 'Kurdish Oil Politics in Iraq'; Rachel Havrelock, 'The Borders Beneath: On Pipelines and Resource Sovereignty', *South Atlantic Quarterly* 116, no. 2 (April 2017): 408–16, <https://doi.org/10.1215/00382876-3829489>; Adrian Florea, 'Rebel Governance in de Facto States', *European Journal of International Relations* 26, no. 4 (December 2020): 1004–31,

between the Kurdish de facto state and its parent state over oil and gas resources, the impact of these resources on the KRG's various aspects of its sovereignty and the impact of the KRG's contested sovereignty on its energy policy. The KRG's control over oil reserves, through the drafting of the constitution, the unilateral regional hydrocarbon legislation and the monetization and independent export, created a conflict with its parent state. The results of this research support the main argument that the KRG's control over oil reserves, through the drafting of the constitution, the unilateral regional hydrocarbon legislation and the monetization and independent export, created a sovereignty conflict with its parent state that is difficult to resolve. For instance, since 2007, Baghdad and Erbil reached a series of stop-gap agreements for a revenue-sharing scheme and the export of Kurdistan's oil. Nevertheless, the two sides never reached a long-term agreement on oil policy due to the aspect of sovereignty (chapter 4).

This research has found that while the KRG's control over its natural resources has created a sovereignty conflict with its parent state,<sup>941</sup> it also affected various aspects of its sovereignty with consequences for its energy policy. Natural resources had a paradoxical impact on the sovereignty of the KRG. On the one hand, from 2003 to 2013, the high oil price enhanced the KRG's sovereignty and increased people's trust by approving the people in power. During the period, the KRG earned a lot wealth from its oil revenues in addition to the oil revenue from the federal budget. Thus, the KRG announced generous social welfare programs to local population. The massive oil wealth allowed the two ruling parties, the KDP and PUK, to use oil revenues to employ plenty of people in the public sector. For instance, the KRG's share of public sector employment increased from 42.4 percent in 2007 to 53 percent in 2014. This allowed the two parties to an extent to purchase legitimacy in the eyes of the population.

On the other hand, from 2014 to 2019, the low oil price, the cost of the ISIS war, the influx of IDPs and refugees to the KR, the KRG's mismanagement and its corruption and lack of transparency, particularly in the oil industry, has undermined the KRG's domestic and Westphalian sovereignty, and challenged and questioned the regime and institutional legitimacy. With regard to domestic sovereignty and the regime and institutional legitimacy, the low oil

---

<https://doi.org/10.1177/1354066120919481>; Emily Meierding, *The Oil Wars Myth: Petroleum and the Causes of International Conflict* (Ithaca: Cornell University Press, 2020); Kirsten E. Schulze, 'The Conflict in Aceh: Struggle over Oil?', in *Oil Wars*, ed. Mary Kaldor, Terry Lynn Karl, and Yahia Said (London: Pluto, 2007), 183–224; Mary Kaldor, Terry Lynn Karl, and Yahia Said, eds., *Oil Wars* (London: Pluto, 2007); Eiki Berg and Shpend Kursani, *De Facto States and Land-for-Peace Agreements: Territory and Recognition at Odds*, First Edition, Routledge Studies in Intervention and Statebuilding (London: Routledge, 2022).

<sup>941</sup> See Voller, 'Kurdish Oil Politics in Iraq'.

price, including the above-mentioned factors, has left the KRG's government unable to pay its workers, capital investments, and contractors for their overdue invoices. As a result, popular unrest from 2014 to 2018 across the region against the government demonstrated that people had lost confidence in the Kurdish government and considered it incapable of meeting their basic needs. Furthermore, some ordinary people lost their trust in the institutional legitimacy of the MNR when the KRG lost the case against Dana Gas and agreed to compensation of \$2.24 billion. The low oil price also had an impact on the KRG's Westphalian sovereignty. For example, while the parent state was able to pay its public employee's salaries regularly and the KRG could not, some public employees in the KR even asked the parent state to pay their salaries. Involving the parent state in Kurdish domestic affairs may undermine the KRG's Westphalian sovereignty.

Unexpected results indicate that although oil exploration, production, export and sale coexisted with contested sovereignty, they faced challenges and barriers due to contested sovereignty of the KRG. For instance, the lack of international recognition forced Kurdish policymakers to sell crude at a discounted rate in international markets and covertly deliver its crude shipments to international buyers. This has implications for the KRG's domestic and foreign policy (chapter 4).

Further findings show that while oil resources as a foreign policy tool enabled the KRG to engage politically and economically with foreign actors and strengthened the KRG's sovereignty, Kurdish policymakers overestimated the value of oil as an instrument in the dual strategy, the strategies of demonstrating earned sovereignty and ensuring great-power support, to achieve political support for potential secession in 2017. For instance, Erbil's energy engagement with Ankara expanded Erbil's autonomy, particularly during Erbil's sovereignty conflict with Baghdad over natural resources, by allowing Erbil to export its crude through the Turkish territory to international markets. The Kurdish leadership also thought the energy interests could make Turkey take a positive position towards the KRG's independence referendum. However, the independence referendum of 2017 clearly showed that the role of oil in the dual strategy has not been enough to ensure the Turkish support for the Kurdish referendum. Not only Turkey, but also other regional and international powers take similar stance towards the Kurdish referendum (chapter 5).

## 6.2 Theoretical contributions

The aim of the present research was to examine the linkages between natural resources and various aspects of sovereignty. Focusing on Kurdistan is important for understanding how oil and gas resources affect a de facto state's aspects of sovereignty, recognition strategies and engagement with the foreign actors, and how contested sovereignty of a de facto state affects its energy policy. Although several studies addressed the natural resources sovereignty nexus, especially in the study of de facto states, they overlooked a more comprehensive explanation for the relationship between natural resources and four dimensions of sovereignty: domestic sovereignty, interdependence sovereignty, Westphalian sovereignty and international legal sovereignty.<sup>942</sup> Therefore, this study has been one of the first attempts to thoroughly examine such linkages in the study of de facto states. The empirical findings of this study suggest that natural resources, namely oil and gas resources, can serve the KRG's various aspects of sovereignty at one time while they can negatively affect other dimensions of Kurdish sovereignty. This was explained across chapters 4 and 5. The KRG, as a contested sovereign, serves as an excellent example in explaining complex relationships between the control over natural resources and contested sovereignty.

The succeeding paragraphs deal with theoretical contributions. This study has implications for larger literature on 'resource wars,' or 'oil war,' as studies by Voller, Florea, Schulze, Meierding highlight, as well as wider literature on peace settlements (see chapter 4) between de facto states and parent states.<sup>943</sup> While the findings of this investigation support the argument in this study, they also complement those of earlier studies arguing that a conflict over natural resources between the de facto state and its parent state revolves around consolidating sovereignty. The importance and originality of this study is that it has demonstrated, for the first time, that a more comprehensive explanation for the conflict over natural resources between the de facto state and its parent state is associated with sovereignty rather than just interests. Thus, such a kind of conflict is difficult to resolve due to the sovereignty aspect that is insufficiently researched. The empirical findings suggest that Erbil and Baghdad never reached

---

<sup>942</sup> Ibid.; Mills, *Under the Mountains*; Alessandro Tinti, *Oil and National Identity in the Kurdistan Region of Iraq: Conflicts at the Frontier of Petro-Capitalism* (London: Routledge, 2021); Havrelock, 'The Borders Beneath'; Kaldor, Karl, and Said, *Oil Wars*.

<sup>943</sup> Voller, 'Kurdish Oil Politics in Iraq'; Florea, 'Rebel Governance in de Facto States'; Kaldor, Karl, and Said, *Oil Wars*; Emily Meierding, 'Oil Wars: Why Nations Aren't Battling over Resources', *The Washington Post*, accessed 5 March 2019, <https://www.washingtonpost.com/>; Berg and Kursani, *De Facto States and Land-for-Peace Agreements*; Schulze, 'The Conflict in Aceh: Struggle over Oil?'

a long-term settlement over the issue of natural resources since 2007, because by doing so either side would cede a degree of sovereignty.

The findings from this study make several contributions to components of de facto state literature. First, the case of KRG adds to the literature on de facto statehood and contested sovereignty, and how the absence of international recognition affects the energy policy of de facto states (see chapter 4). This study finds that within the existing literature there is a lack of in-depth analysis of the impact of contested sovereignty on the energy policy of de facto states. Thus, this study appears to be the first study to investigate the effect of disputed sovereignty on the pre- and post-oil and gas sector.<sup>944</sup> The KRG shows that while oil exploration, production, export and sale coexist with contested sovereignty, each process faces challenges and barriers unlike recognized states. This study offers valuable insights into how contested sovereignty compelled the Kurdish leadership to sell Kurdish crude at a discounted rate in international markets. The KRG case indicates that an oil and gas industry can be built without sovereignty, and an established oil and gas industry does not pave the way to sovereignty. This study has also shown that contested sovereignty leads to a lack of transparency in a de facto state's oil and gas sector. For instance, the KRG underreported its oil production, exports, sales and revenues to ensure that its share of the federal budget would not be reduced in reference to its incomes (see chapter 4).

Second, the study adds to the literature on independence movements, and legitimization strategies adopted by aspiring states to gain international recognition (see chapter 5). Although previous literature has provided insight into the role of natural resources in legitimization strategies of de facto states, it has not provided adequate insight into how natural resources shape and play a role in the strategy of exhibiting earned sovereignty and the strategy of ensuring great-power support to secure international recognition.<sup>945</sup> Regarding the policy of the 'status then standards,' the Kurdish case shows that independence is not considered a justification for not going ahead with developing an oil and gas sector. Stated another way, oil is first and independence is later. Unlike oil, independence is first and democracy, rule of law, good governance, and a united military force are later.

---

<sup>944</sup> Pegg, 'Oil to Cash in Somaliland'.

<sup>945</sup> Harvey and Stansfield, 'Theorizing Unrecognized States'; Voller, *The Kurdish Liberation Movement in Iraq*; Rafaat, *Kurdistan in Iraq*; Caspersen, 'The Pursuit of International Recognition after Kosovo'.



The results of this study indicate that while the role of hydrocarbons in the dual strategy allows the de facto state to enhance its sovereignty and engage politically and economically with foreign actors, it is not sufficient to secure international recognition. Oil without the support of great powers, would not affect the creation of a new sovereign state. For instance, the Turkey-KRG energy engagement has enhanced the KRG's legitimacy and sovereignty in the conflict with its parent state over natural resources, but the role of energy in the dual strategy was not enough to persuade Turkey to accept the international recognition of the KRG as the independence referendum of 2017 revealed Turkey's position towards the KRG. This study has also identified that while hydrocarbons provide resources and play a key role in the process of state-building of de facto states, they create political and economic dependency. The Kurdish de facto state, for instance, relies on Turkish goodwill for the use of the Turkish port of Ceyhan to export Kurdish crude oil to global oil markets. This dependency on a Turkish maintained transit pipeline translated into Turkish leverage over the KRG's affairs on several occasions (see chapters 4 and 5).

Third, the study adds to a growing body of literature on 'engagement without recognition' (see chapters 4 and 5). Most existing literature focuses on conceptualising engagement without recognition.<sup>946</sup> This study appears to be the first study to investigate the case of the KRG's energy engagement with regional and international powers: Turkey, the US, Russia, Iran and Israel. The findings reveal how a de facto state's energy engagement with foreign actors can be misinterpreted by some de facto leaders. This study provides insights into how the KRG's energy policy has an impact on its engagement with these foreign actors. This area requires further scholarly attention in the literature on engagement in the context of non-recognition.

### **6.3 Implications for future research**

The present study will serve as a base for future studies. Although the KRG is a critical case, it has enough similarities with other de facto states that a certain level of generalizability of conclusions can be predictable. This research has offered a framework for furthering our understanding on similar issues such as competition over natural resources, contested sovereignty and the role of hydrocarbons as a foreign policy instrument. The findings that I presented can

---

<sup>946</sup> Ker-Lindsay, 'Engagement without Recognition'; Kamaran Palani et al., 'De Facto States Engagement with Parent States: Kurdistan's Engagement with the Iraqi Government', *British Journal of Middle Eastern Studies* 48, no. 4 (8 August 2021): 770–88, <https://doi.org/10.1080/13530194.2020.1714429>.

be discussed and negotiated in some other cases: Rojava, the TRNC, Somaliland, Western Sahara and Aceh.

Policymakers in Rojava, for instance, have used oil as a tool to offer goods and services to the local population and attract American support for the survival of the entity (see chapter 5).<sup>947</sup> Oil revenue plays a key role in the early process of state-building in Rojava. A Kurdish leader clearly claimed that all of the oil revenue ‘is used to provide services and security for the area.’<sup>948</sup> In addition to oil, policymakers in Somaliland used the access to the Red Sea as a strategic location to attract the support of regional and great powers and demonstrate the earned sovereignty of Somaliland (see chapters 4 and 5). Without the consent of the Somali government, Somaliland signed a 30-year contract with United Arab Emirates-owned DP World, one of the largest port operators in the world, to develop and expand Berbera Port in 2016. Somaliland has utilized the port as a tool to prove its economic viability and achieve economic independence. The entity relies on customs taxes and fees from the port for almost 70-80 percent of its revenue.<sup>949</sup> Furthermore, policymakers used oil and gas resources as a foreign policy tool to invite IOCs to invest in Somaliland for political and economic reasons. Thus, the KRG case shows that independence is not a prerequisite for having an energy industry, and having a state is not needed to attract IOCs.

The conflict between Morocco and Western Sahara, a de facto state, over natural resources can be also considered as a sovereignty conflict. One Saharawi woman’s remark on the natural resources dimension of the Western Sahara conflict notes, ‘I can see that the diplomatic path is going nowhere, and so some young people want to go back to war. I don’t want war, and I see natural resources as another possible path towards our independence.’<sup>950</sup> Two more examples of the sovereignty conflict over natural resources are conflicts between Cyprus and the TRNC and between the Free Aceh Movement, or Gerakan Aceh Merdeka (GAM), and

---

<sup>947</sup> Abdullah Al-Ghadhawi, ‘Implications of the Oil Deal for the Kurds in Syria’, *Chatham House*, September 2020, <https://syria.chathamhouse.org/research/implications-of-the-oil-deal-for-the-kurds-in-syria>.

<sup>948</sup> Cited in Mohammed Hussein et al., ‘Oil Exports into Iraqi Kurdistan Give Syrian Kurds a Financial Lifeline’, *Iraq Oil Report*, 19 February 2020, <https://www.iraqoilreport.com/news/oil-exports-into-iraqi-kurdistan-give-syrian-kurds-a-financial-lifeline-42495/>.

<sup>949</sup> ‘Somaliland, an Unrecognised State, Is Winning Friends Abroad’, *The Economist*, 6 May 2021, <https://www.economist.com/middle-east-and-africa/2021/05/06/somaliland-an-unrecognised-state-is-winning-friends-abroad>; Somalia considered the Somaliland’s deal with DP World as ‘null and void.’ See ‘Somalia Bans Dubai Ports Operator DP World, Says Contract with Somaliland Null’, *Reuters*, 13 March 2018, sec. Emerging Markets, <https://www.reuters.com/article/us-somalia-ports-idUSKCN1GP10E>.

<sup>950</sup> Cited in Joanna Allan, ‘Natural Resources and Intifada: Oil, Phosphates and Resistance to Colonialism in Western Sahara’, *The Journal of North African Studies* 21, no. 4 (7 August 2016): 660, <https://doi.org/10.1080/13629387.2016.1174586>.

the Indonesian government (see chapter 4).<sup>951</sup> Students of contested sovereignty and de facto states, particularly Rojava, Somaliland, Western Sahara, the TRNC and Aceh could benefit from this dissertation because it has provided insights into the oil sovereignty nexus, the impact of contested sovereignty on energy policy, conflicts over natural resources and the role of hydrocarbons as a foreign policy instrument.

#### **6.4 Limitations and avenues for future research**

This dissertation certainly has a number of limitations and avenues for future research, which need to be acknowledged. For instance, the findings in this study were subject to at least two limitations when it came to methodology, data gathering and accessibility. First, it is unclear to what extent results can be generalized beyond the single-case study of the KRG. However, while the findings of this research might be helpful in understanding similar cases, additional cases are required to replicate this single-case study in other. Second, the study is limited by the lack of access to some people in the KRG, MNR and the members of the high oil and gas committees. The officials in the oil sector governance were reluctant and hesitated to provide some information during the interviews. Although I contacted Barham Salih, former Prime Minister of the KRG from 2009-2012, Qubad Talabani, the Deputy Prime Minister, Hemin Hawrami, Deputy Speaker of the Kurdistan Parliament and Barozh Aziz, Senior Advisor to the MNR, I could not interview them due to their time restrictions. Through e-mail, I contacted eight IOCs: ExxonMobil, Total, Chevron, Gazprom and Rosneft, Genel Energy, DNO and Dana Gas, but I did not receive a reply. The relative lack of data from these interviewees, including the IOCs, was compensated for by drawing on other experts who work in the government, private sector and civil society organizations and other primary and secondary sources. While the insights of these interviewees would add important detail to this study, it is unlikely that they would fundamentally alter its argument and main findings.

This study proposes five areas for future research on the KRG's de facto statehood. First, the scope of this research has been limited to the impact of natural resources on the KRG's various dimensions of sovereignty. Although this study has mainly highlighted the effect of oil resources on the KRG's sovereignty, further studies are required to better understand the impact of other types of natural resources: natural gas, water and metals on the Kurdish

---

<sup>951</sup> Timothy Gardner, 'Turkish Cypriots Seek End to Natural Gas Dispute', *Reuters*, 18 January 2019, sec. Commodities News, <https://www.reuters.com/article/us-cyprus-conflict-north-idUSKCN1PC2IL>; Kaldor, Karl, and Said, *Oil Wars*, 183.

statehood. Second, this study has highlighted the role of oil resources in the sovereignty conflict between the Kurdish de facto state and its parent state throughout the past two decades. Future studies should clarify whether other types of natural resources: natural gas, water and metals, have similar impact on the conflict between Erbil and Baghdad. Third, this study has emphasised how great powers, IOCs and the weakness of the parent state has contributed to the survival and consolidation of the Kurdish de facto state. The key question for the future is what will happen to the KRG's oil and gas sector if the US withdraws from the KR. Fourth, this study has examined the KRG's energy engagement with regional and international powers: Turkey, the US, Russia, Iran and Israel. Future research might explore each state's energy engagement with the Kurdish de facto state, and how they interpret their energy engagement with the KRG. Fifth, further research is needed to better understand how the KRG's energy engagement with Turkey is perceived by other Kurdish actors in the neighbouring states. Although these proposed areas for future research are not necessarily the only ones worthy of attention, they develop a deeper understanding of the relationships between natural resources and the KRG's contested sovereignty.

## Bibliophagy

- A Kurdish official. Interview by author, 1 February 2022.
- ‘After Iraqi Kurdistan’s Thwarted Independence Bid’. Middle East. International Crisis Group, 27 March 2019. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/199-after-iraqi-kurdistan-thwarted-independence-bid>.
- Aalsumaria News. ‘The Iraqi Civil Aviation Authority Informs Foreign Companies to Suspend Flights to Kurdistan’, 27 September 2017.
- Abbas Zadeh, Yoosef, and Sherko Kirmanj. ‘The Para-Diplomacy of the Kurdistan Region in Iraq and the Kurdish Statehood Enterprise’. *The Middle East Journal* 71, no. 4 (15 October 2017): 587–606. <https://doi.org/10.3751/71.4.14>.
- Abrahamian, Ervand. ‘The 1953 Coup in Iran’. *Science & Society* 65, no. 2 (2001): 182–215.
- Aburish, Saïd K. *Saddam Hussein: The Politics of Revenge*. London: Bloomsbury, 2001.
- Adam, Hussein M. ‘Formation and Recognition of New States: Somaliland in Contrast to Eritrea’. *Review of African Political Economy* 21, no. 59 (March 1994): 21–38. <https://doi.org/10.1080/03056249408704034>.
- Adams Schmidt, Dana. *Journey Among Brave Men*. Boston: Little Brown; 1st edition, 1964.
- Adamson, David. *The Kurdish War*. London: George Allen and Unwin, 1964. <https://books.google.iq/books?id=to-6AAAAIAAJ>.
- AFP. ‘Turkish Truckers Smuggling Oil Across Kurdistan’, 13 December 1991.
- Agnew, John. ‘Sovereignty Regimes: Territoriality and State Authority in Contemporary World Politics’. *Annals of the Association of American Geographers* 95, no. 2 (2005): 437–61.
- Ahmed, Hevidar. ‘Senior Kurdistan Official: IS Was at Erbil’s Gates; Turkey Did Not Help’. *Rudaw*, 16 September 2014. <https://www.rudaw.net/english/interview/16092014>.
- Akram Akreyi, Hemin R. ‘The Iraqi Kurdistan in the Post-Saddam Era: Security, Natural Resources and Foreign Policy Activism’, *Iran and the Caucasus*, 21, no. 1 (15 March 2017). [https://brill.com/view/journals/ic/21/1/article-p92\\_9.xml?language=en](https://brill.com/view/journals/ic/21/1/article-p92_9.xml?language=en).
- Al-Ghadhawi, Abdullah. ‘Implications of the Oil Deal for the Kurds in Syria’. *Chatham House*, September 2020. <https://syria.chathamhouse.org/research/implications-of-the-oil-deal-for-the-kurds-in-syria>.
- Ali, Sangar. ‘All Border Crossings, Travel to Iraq Should Be under Federal Government Control: PM’. *Kurdistan24*, 31 October 2017. <https://www.kurdistan24.net/en/news/f9f3dbd0-43e6-40bb-96c7-718dbfb6b604>.
- . ‘Independence Will Bring Many Economic, Financial Tools to Kurdistan: KRG Representative’. *Kurdistan24*, 29 July 2017. <https://www.kurdistan24.net/en/story/12177-Independence-will-bring-many-economic,-financial-tools-to-Kurdistan:-KRG-Representative>.
- Aliyev, Huseyn, and Emil Aslan Souleimanov. ‘Why Do De Facto States Fail? Lessons from the Chechen Republic of Ichkeria’. *Problems of Post-Communism* 66, no. 3 (4 May 2019): 161–71. <https://doi.org/10.1080/10758216.2017.1383166>.
- Allan, Joanna. ‘Natural Resources and Intifada: Oil, Phosphates and Resistance to Colonialism in Western Sahara’. *The Journal of North African Studies* 21, no. 4 (7 August 2016): 645–66. <https://doi.org/10.1080/13629387.2016.1174586>.
- Allsopp, Harriet, and Wladimir van Wilgenburg. *The Kurds of Northern Syria: Governance, Diversity and Conflicts*. London: I.B. Tauris, 2019. <https://public.ebookcentral.proquest.com/choice/publicfullrecord.aspx?p=5841806>.

- Amin, Nawshirwan Mustafa. 1979. *پنجه‌کان یه‌کتری ئیه‌شکینن؛ دیو ناوه‌هی روداو‌ه‌کانی کوردستانی عیراق 1979-1983* [*The Fingers Breaks Each Other: The Inside of Iraqi Kurdistan Events, 1979-1983*]. Iraqi Kurdistan, Sulaimani, 1998.
- . 1988-1984. *خولانه‌وه له‌ناو بازنده‌ها: دیوی ناوه‌هی روداو‌ه‌کانی کوردستان 1984-1988* [*Going Around in Circles: The Inside Story of Events in Iraqi Kurdistan, 1984-1988*]. Iraqi Kurdistan, Sulaimani, 1999.
- . *کیشه‌ی پارتی و یه‌کیتی* [*The Problem Between KDP and PUK*]. Edited by Lukman Abas. Finland, 1995.
- Andersen, Jørgen J., and Michael Lewin Ross. 'The Big Oil Change: A Closer Look at the Haber-Menaldo Analysis'. *Comparative Political Studies* 47, no. 7 (June 2014): 993-1021. <https://doi.org/10.1177/0010414013488557>.
- Anderson, Liam D., and Gareth R. V. Stansfield. *Crisis in Kirkuk: The Ethnopolitics of Conflict and Compromise*. National and Ethnic Conflict in the 21st Century. Philadelphia, Pa: University of Pennsylvania Press, 2009.
- Animal Welfare Institute. 'New Report Details Norway's Efforts to Promote Whaling', 13 June 2016. <https://awionline.org/content/new-report-details-norways-efforts-promote-whaling>.
- Arraf, Jane. 'After Iraqi Kurdish Independence Vote Backfires, "I Do Not Regret It," Says Barzani'. *NPR*, 7 November 2017. <https://www.npr.org/sections/parallels/2017/11/07/562514981/after-iraqi-kurdish-independence-vote-backfires-i-do-not-regret-it-says-barzani>.
- Aspinall, Edward. 'The Construction of Grievance'. *Journal of Conflict Resolution* 51, no. 6 (December 2007): 950-72. <https://doi.org/10.1177/0022002707307120>.
- Astakhova, Olesya, and Dmitry Solovyov. 'Putin, on Iraqi Kurdistan, Says Moscow Handles Situation with Care'. *Reuters*, 4 October 2017. <https://www.reuters.com/article/mid-east-crisis-kurds-putin-idUSR4N1ME006>.
- Atarodi, Habibollah. *Great Powers, Oil and the Kurds in Mosul: Southern Kurdistan/Northern Iraq, 1910-1925*. Lanham, MD: University Press of America, 2003.
- Auty, Richard. 'Natural Resources, Governance and the Transition in Energy-Rich Azerbaijan, Kazakhstan and Turkmenistan'. In *The Caspian: Politics, Energy and Security*, edited by Shirin Akiner. Central Asia Research Forum. London: RoutledgeCurzon, 2004.
- . 'Oil and Development in the Middle East'. *BRISMES*, 2012.
- . *Sustaining Development in Mineral Economies: The Resource Curse Thesis*. London: Routledge, 1993.
- Awene. 'قوناغی دووم و سینیهمی توماری بایۆمتری ده‌چینه‌بواری جینه‌جیکردنه‌وه' [The Second and Third Stages of Biometric Registration Will Be Implemented], 7 July 2020. <http://www.awene.com/detail?article=29831>.
- Azeez Al-Jaf, Ranjdar. 'British Policy Towards the Government of the Mosul Vilayet, 1916-1926'. PhD diss, University of Leicester, n.d.
- Azeez, Shwan, and Zeina Najjar. 'Roundtable on the IDP Crisis in Sulaimani Governorate: Registration, Protection, and Access to Services'. The American University of Iraq, Sulaimani: The Institute of Regional and International Studies, 2015. <http://auis.edu.krd/iris/events/roundtable-idp-crisis-sulaimani-governorate-registration-protection-and-access-services>.
- Aziz, Mahir A. *The Kurds of Iraq: Nationalism and Identity in Iraqi Kurdistan*. London: I.B. Tauris, 2015.
- Bahcheli, Tozun, Barry Bartmann, and Henry Felix Srebrnik, eds. *De Facto States: The Quest for Sovereignty*. London: Routledge, 2004.
- Bakir, Falah Mustafa. Interview by author, 17 December 2021.

Bakke, Kristin M., John O'Loughlin, Gerard Toal, and Michael D. Ward. 'Convincing State-Builders? Disaggregating Internal Legitimacy in Abkhazia'. *International Studies Quarterly* 58, no. 3 (September 2014): 591–607. <https://doi.org/10.1111/isqu.12110>.

'Backchannel Message From the Ambassador to Iran (Helms) to Secretary of State Kissinger'. Foreign Relations of the United States, 1969–1976, Volume XXVII, Iran; Iraq, 1973–1976, Document 237. Washington, 16 October 1973. <https://history.state.gov/historicaldocuments/frus1969-76v27/d237>.

'Benchmarking the Kurdistan Region'. The Economist Intelligence Unit, May 2014. <https://en.calameo.com/books/0003488705c1e4c15ff08>.

Bakr, Mera Jasm. 'The War at Home: The Need for Internal Security Sector Reform in Iraqi Kurdistan'. Middle East Institute, July 2021. <https://www.mei.edu/publications/war-home-need-internal-security-sector-reform-iraqi-kurdistan>.

Banco, Erin. 'The Curse of Oil in Iraqi Kurdistan'. *PRI*, 23 February 2017. <https://gpinvestigations.pri.org/the-curse-of-oil-in-iraqi-kurdistan-1c9a9a18efd1>.

Banks, Glenn. 'Understanding "Resource" Conflicts in Papua New Guinea'. *Asia Pacific Viewpoint* 49, no. 1 (April 2008): 23–34. <https://doi.org/10.1111/j.1467-8373.2008.00358.x>.

Barkin, J. Samuel, and Bruce Cronin. 'The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations'. *International Organization* 48, no. 1 (1994): 107–30.

Bartmann, Barry. 'Political Realities and Legal Anomalies: Revisiting the Politics of International Recognition'. In *De Facto States: The Quest for Sovereignty*, edited by Tozun Bahcheli, Barry Bartmann, and Henry Felix Srebrnik. London: Routledge, 2004.

Barzani, Masoud. 'Kurdistan Is a Model for Iraq'. *Wall Street Journal*, 12 November 2008, sec. Opinion. <https://www.wsj.com/articles/SB122645258001119425>.

———. 'Kurdistan Is a Model for Iraq'. *Wall Street Journal*, 12 November 2008, sec. Opinion. <https://www.wsj.com/articles/SB122645258001119425>.

Barzani, Massoud, and Ahmed Ferhadi. *Mustafa Barzani and the Kurdish Liberation Movement (1931-1961)*. New York: Palgrave Macmillan, 2003.

Barzinji, Shwan. 'زانیاری لێبارەیی ناسکراپوونی هەزاران مووچەخۆری وەهەمی' [Information on Revealing Thousands of Non-Existing Employees]. *Basnews*, 13 March 2018. <https://www.basnews.com/so/babat/422147>.

Baser, Bahar, Mari Toivanen, Begum Zorlu, and Yasin Duman, eds. *Methodological Approaches in Kurdish Studies: Theoretical and Practical Insights from the Field*. Kurdish Societies, Politics, and International Relations. London: Lexington Books, 2019.

Baxter, Kevin. 'Baghdad Approves Kurdish Exports; Considers Contracts "Illegal"'. *Oil & Gas Journal*, 12 May 2009. <https://www.ogj.com/general-interest/article/17278276/baghdad-approves-kurdish-exports-considers-contracts-illegal>.

Bayramov, Agha. 'Review: Dubious Nexus between Natural Resources and Conflict'. *Journal of Eurasian Studies* 9, no. 1 (January 2018): 72–81. <https://doi.org/10.1016/j.euras.2017.12.006>.

BBC News. 'Iraq Kurdistan Independence Referendum Planned', 1 July 2014. <https://www.bbc.com/news/world-middle-east-28103124>.

BBC News Türkçe. 'Erdogan's reaction to the referendum in the KRG: Entry and exit will be closed, we may come suddenly one night', 25 September 2017. <https://www.bbc.com/turkce/haberler-dunya-41383662>.

Beck, Peter J. "'A Tedious and Perilous Controversy": Britain and the Settlement of the Mosul Dispute, 1918-1926'. *Middle Eastern Studies* 17, no. 2 (April 1981): 256–76. <https://doi.org/10.1080/00263208108700471>.

- Bell, Cameron. 'The KRG-Iran Pipeline: Political Theater or Game-Changer?' *IRIS*, 25 September 2016. <https://auis.edu.krd/iris/events/krg-iran-pipeline-political-theater-or-game-changer>.
- Bengio, Ofra. *The Kurds of Iraq: Building a State Within a State*. Boulder, CO: Lynne Rienner Publishers, 2012.
- . 'Turkey: A Midwife for a Kurdish State?' *The Jerusalem Post*, 12 June 2012. <https://www.jpost.com/Opinion/Op-Ed-Contributors/Turkey-A-midwife-for-a-Kurdish-state>.
- Berg, Eiki. 'Merging Together or Drifting Apart? Revisiting Political Legitimacy Issues in Cyprus, Moldova, and Bosnia and Herzegovina'. *Geopolitics* 18, no. 2 (April 2013): 467–92. <https://doi.org/10.1080/14650045.2012.717238>.
- . 'Parent States versus Secessionist Entities: Measuring Political Legitimacy in Cyprus, Moldova and Bosnia & Hercegovina'. *Europe-Asia Studies* 64, no. 7 (September 2012): 1271–96. <https://doi.org/10.1080/09668136.2012.698048>.
- Berg, Eiki, and Shpend Kursani. *De Facto States and Land-for-Peace Agreements: Territory and Recognition at Odds*. First Edition. Routledge Studies in Intervention and Statebuilding. London: Routledge, 2022.
- Berg, Eiki, and Ene Kuusk. 'What Makes Sovereignty a Relative Concept? Empirical Approaches to International Society'. *Political Geography* 29, no. 1 (January 2010): 40–49. <https://doi.org/10.1016/j.polgeo.2010.01.005>.
- Biersteker, Thomas J., and Cynthia Weber. 'The Social Construction of State Sovereignty'. In *State Sovereignty as Social Construct*, edited by Thomas J. Biersteker and Cynthia Weber. Cambridge Studies in International Relations. Cambridge: Cambridge University Press, 1996.
- Black, George. *Genocide in Iraq: The Anfal Campaign Against the Kurds*. Middle East Watch Report. New York: Human Rights Watch, 1993. *Genocide in Iraq: The Anfal Campaign Against the Kurds*.
- Blakkisrud, Helge, Nino Kemoklidze, Tamta Gelashvili, and Pål Kolstø. 'Navigating de Facto Statehood: Trade, Trust, and Agency in Abkhazia's External Economic Relations'. *Eurasian Geography and Economics* 62, no. 3 (4 May 2021): 347–71. <https://doi.org/10.1080/15387216.2020.1861957>.
- Blakkisrud, Helge, and Pål Kolstø. 'Dynamics of de Facto Statehood: The South Caucasian de Facto States between Secession and Sovereignty'. *Southeast European and Black Sea Studies* 12, no. 2 (June 2012): 281–98. <https://doi.org/10.1080/14683857.2012.686013>.
- Blas, Javier. 'Oil Majors Could Follow Exxon into Kurdistan'. *Financial Times*, 21 November 2011. <https://www-ft-com.ezproxy.babson.edu/video/3a029775-808b-3477-9dfd-e01a87bb9197>.
- Bolton, John. 'The Coming War on Sovereignty'. *Commentary* (blog), 2009. <https://www.commentarymagazine.com/articles/the-coming-war-on-sovereignty/>.
- Bomli, P.E.J. *L'Affaire de Mossoul*. Amsterdam: H.J. Paris, 1929.
- Borshchevskaya, Anna, and Bilal Wahab. 'In Search of a New Patron, the KRG Turns Back to Moscow'. *The Washington Institute*, 14 June 2018. <https://www.washingtoninstitute.org/policy-analysis/search-new-patron-krg-turns-back-moscow>.
- Boschini, Anne D., Jan Pettersson, and Jesper Roine. 'Resource Curse or Not: A Question of Appropriability'. *Scandinavian Journal of Economics* 109, no. 3 (September 2007): 593–617. <https://doi.org/10.1111/j.1467-9442.2007.00509.x>.
- Bovensiepen, Judith, and Maj Nygaard-Christensen. 'Petroleum Planning as State Building in Timor-Leste'. *The Asia Pacific Journal of Anthropology* 19, no. 5 (20 October 2018): 412–31. <https://doi.org/10.1080/14442213.2018.1513060>.



- Bozarslan, Mahmut. 'Businesspeople Intervene in Bitter Ties between Turkey and Iraqi Kurdistan'. *Al-Monitor*, 5 December 2018. <https://www.al-monitor.com/pulse/originals/2018/12/turkey-iraqi-kurdistan-businessmen-intervene-in-bitter-ties.html>.
- Byman, Daniel, and Charles King. 'The Mystery of Phantom States'. *The Washington Quarterly* 35, no. 3 (August 2012): 43–57. <https://doi.org/10.1080/0163660X.2012.703580>.
- Cagaptay, Soner. 'Yesterday's Enemies, Tomorrow's Friends?' *The Washington Institute*, 9 July 2014. <https://www.washingtoninstitute.org/policy-analysis/yesterdays-enemies-tomorrows-friends>.
- Caselli, Francesco, Massimo Morelli, and Dominic Rohner. 'The Geography of Interstate Resource Wars'. *The Quarterly Journal of Economics* 130, no. 1 (February 2015): 267–315. <https://doi.org/10.1093/qje/qju038>.
- Caspersen, Nina. 'Degrees of Legitimacy: Ensuring Internal and External Support in the Absence of Recognition'. *Geoforum* 66 (November 2015): 184–92. <https://doi.org/10.1016/j.geoforum.2014.10.003>.
- . 'Democracy, Nationalism and (Lack of) Sovereignty: The Complex Dynamics of Democratisation in Unrecognised States'. *Nations and Nationalism* 17, no. 2 (April 2011): 337–56. <https://doi.org/10.1111/j.1469-8129.2010.00471.x>.
- . 'From Kosovo to Karabakh: International Responses to De Facto States'. *Südosteuropa* 56, no. 1 (2008): 26.
- . 'Making Peace with De Facto States'. In *Unrecognized States and Secession in the 21st Century*, edited by Martin Riegl and Bohumil Doboš, 11–22. Cham: Springer International Publishing, 2017. [https://doi.org/10.1007/978-3-319-56913-0\\_2](https://doi.org/10.1007/978-3-319-56913-0_2).
- . 'Playing the Recognition Game: External Actors and De Facto States'. *The International Spectator* 44, no. 4 (December 2009): 47–60. <https://doi.org/10.1080/03932720903351146>.
- . "'Standards Before Status" – Still Relevant?' *Аналитикон*, March 2012. <http://theanalyticon.com/?p=1484&lang=en>.
- . 'States without Sovereignty: Imitating Democratic Statehood'. In *Unrecognized States: The Struggle for Sovereignty in the Modern International System*. Cambridge: Polity Press, 2012.
- . 'The Pursuit of International Recognition after Kosovo'. *Global Governance* 21, no. 3 (2015). [https://www.jstor.org/stable/24526254?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/24526254?seq=1#metadata_info_tab_contents).
- . *Unrecognized States: The Struggle for Sovereignty in the Modern International System*. Cambridge: Polity Press, 2012.
- Caspersen, Nina, and Gareth R.V. Stansfield. 'Introduction: Unrecognized States in the International System'. In *Unrecognized States in the International System*, edited by Nina Caspersen and Gareth R. V. Stansfield. London: Routledge, 2012.
- Central Intelligence Agency. 'Central Intelligence Bulletin', 24 November 1962. <https://www.cia.gov/library/readingroom/document/cia-rdp79t00975a006700220001-3>.
- CFR. 'The Time of the Kurds', 2019. <https://on.cfr.org/1Q9PWRG>.
- Chaliand, Gérard, ed. *A People Without a Country: The Kurds and Kurdistan*. London: Zed Books, 1993.
- Charountaki, Marianna. 'Kurdish Policies in Syria under the Arab Uprisings: A Revisiting of IR in the New Middle Eastern Order'. *Third World Quarterly* 36, no. 2 (February 2015): 337–56. <https://doi.org/10.1080/01436597.2015.1015786>.
- . 'Non-State Actors and Change in Foreign Policy: The Case of a Self-Determination Referendum in the Kurdistan Region of Iraq'. *Cambridge Review of International Affairs* 33, no. 3 (3 May 2020): 385–409. <https://doi.org/10.1080/09557571.2019.1663495>.

- . ‘The GCC in Kurdish Politics’. *Journal of Arabian Studies* 6, no. 2 (2 July 2016): 201–15. <https://doi.org/10.1080/21534764.2016.1242232>.
- . *The Kurds and US Foreign Policy: International Relations in the Middle East since 1945*. 31. London: Routledge, 2011.
- . ‘Turkish Foreign Policy and the Kurdistan Regional Government’. *PERCEPTIONS* XVII, no. 4 (Winter 2012): 185–208.
- Chmaytelli, Maher. ‘Iraqi Forces, Kurdish Peshmerga Agree on Ceasefire, Kurdistan Says’. *Reuters*, 27 October 2017. <https://www.reuters.com/article/us-mideast-crisis-iraq-kurds-ceasefire/iraqi-forces-kurdish-peshmerga-agree-on-ceasefire-kurdistan-says-idUSKBN1CW1LG>.
- Chomani, Kamal. ‘Baghdad Seeks Concessions before Negotiating with Kurds’. *Al-Monitor*, 15 December 2017, sec. Editorial. <https://www.al-monitor.com/pulse/originals/2017/12/baghdad-erbil-negotiations-iraq-kurdistan.html>.
- . ‘Oil Dispute Reignites Baghdad-Erbil Tensions’. *Al-Monitor*, 28 May 2019. <https://www.al-monitor.com/originals/2019/05/iraq-kurdistan-oil-kirkuk.html>.
- Chorev, Matan. ‘Complex Terrains: Unrecognized States and Globalization’. In *Unrecognized States in the International System*. London: Routledge, 2012.
- . ‘Iraqi Kurdistan: The Internal Dynamics and Statecraft of a Semistate’. *Al Nakhlah*, 2007. [https://www.academia.edu/2612857/Iraqi\\_Kurdistan\\_The\\_Internal\\_Dynamics\\_and\\_Statecraft\\_of\\_a\\_Semistate\\_1](https://www.academia.edu/2612857/Iraqi_Kurdistan_The_Internal_Dynamics_and_Statecraft_of_a_Semistate_1).
- Cochran, Charles L. ‘De Facto and De Jure Recognition: Is There a Difference?’ *The American Journal of International Law* 62, no. 2 (1968): 457–60.
- Cockburn, Patrick. ‘Iraq Will End Decades-Old Policy of Semi-Independent Rule in Kurdistan’. *The Independent*, 30 October 2017, sec. Middle East. <http://www.independent.co.uk/news/world/middle-east/kurdistan-iraq-prime-minister-abadi-interview-independence-haider-baghdad-kirkuk-patrick-cockburn-a8028201.html>.
- Coggins, Bridget. *Power Politics and State Formation in the Twentieth Century: The Dynamics of Recognition*. New York: Cambridge University Press, 2014. <https://doi.org/10.1017/CBO9781107239050>.
- Colgan, Jeff D. ‘Fueling the Fire: Pathways from Oil to War’. *International Security* 38, no. 2 (October 2013): 147–80. [https://doi.org/10.1162/ISEC\\_a\\_00135](https://doi.org/10.1162/ISEC_a_00135).
- . ‘Oil, Domestic Politics, and International Conflict’. *Energy Research & Social Science* 1 (March 2014): 198–205. <https://doi.org/10.1016/j.erss.2014.03.005>.
- Coll, Steve. ExxonMobil: A ‘Private Empire’ On The World Stage. Interview by Terry Gross, 2 May 2012. <https://www.npr.org/2012/05/02/151842205/exxonmobil-a-private-empire-on-the-world-stage>.
- . ‘Oil and Why America Is Dropping Bombs to Defend Erbil’. *The New Yorker*, 10 August 2014. <https://www.newyorker.com/news/daily-comment/oil-erbil>.
- . *Private Empire: ExxonMobil and American Power*. New York: Penguin, 2012.
- Collier, P. ‘Greed and Grievance in Civil War’. *Oxford Economic Papers* 56, no. 4 (22 June 2004): 563–95. <https://doi.org/10.1093/oep/gpf064>.
- Collier, P. ‘On Economic Causes of Civil War’. *Oxford Economic Papers* 50, no. 4 (1 October 1998): 563–73. <https://doi.org/10.1093/oep/50.4.563>.
- Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. First issued as an Oxford University Press paperback. Oxford: Oxford University Press, 2008.
- Collier, Paul, and Anke Hoeffler. ‘Greed and Grievance in Civil War’. *CSAE Working Paper, WPS 2002-01*, 2002, 44.
- . ‘On the Incidence of Civil War in Africa’. *Journal of Conflict Resolution* 46, no. 1 (February 2002): 13–28. <https://doi.org/10.1177/0022002702046001002>.

- . ‘Resource Rents, Governance, and Conflict’. *Journal of Conflict Resolution* 49, no. 4 (August 2005): 625–33. <https://doi.org/10.1177/0022002705277551>.
- Cooley, Alexander, and Lincoln A. Mitchell. ‘Engagement without Recognition: A New Strategy toward Abkhazia and Eurasia’s Unrecognized States’. *The Washington Quarterly* 33, no. 4 (October 2010): 59–73. <https://doi.org/10.1080/0163660X.2010.516183>.
- ‘Campaign Poster’. The Kurdistan List, 2009. <https://ibb.co/pXkQmWP>.
- Coskun, Orhan, Daren Butler, and John Davison. ‘Turkey Shifts Fight against Kurdish Militants Deeper into Iraq’. *Reuters*. 22 July 2020. <https://www.reuters.com/article/us-turkey-security-iraq-idUSKCN24N26F>.
- Crawford, James. *The Creation of States in International Law*. 2. ed. Oxford: Oxford University Press, 2007.
- Daily Sabah. ‘Iraq’s Parliament Votes to Deploy Troops to Kirkuk, Areas Disputed with KRG’, 25 September 2017, sec. Diplomacy. <https://www.dailysabah.com/diplomacy/2017/09/25/iraqs-parliament-votes-to-deploy-troops-to-kirkuk-areas-disputed-with-krq>.
- Daily Sabah. ‘Turkey to Undertake Lion’s Share of Infrastructure Projects in Northern Iraq’, 11 October 2018, sec. Business. <https://www.dailysabah.com/business/2018/10/11/turkey-to-undertake-lions-share-of-infrastructure-projects-in-northern-iraq>.
- Delay, Galip. ‘After the Kurdish Independence Referendum’. *Foreign Affairs*, 2 October 2017. <https://www.foreignaffairs.com/articles/middle-east/2017-10-02/after-kurdish-independence-referendum>.
- Dania Saadi. ‘Iraq Could Limit Dependence on Iranian Energy Imports with Kurdish Gas: US Official’. *S&P Global Platts*, 23 November 2020. <https://webcache.googleusercontent.com/search?q=cache:3siIo-hivDikJ:https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/112320-iraq-could-limit-dependence-on-iranian-energy-imports-with-kurdish-gas-us-official+&cd=1&hl=en&ct=clnk&gl=iq>.
- Danilovich, Alex. *Iraqi Federalism and the Kurds: Learning to Live Together*. Federalism Studies. Farnham: Ashgate, 2014.
- Dargin, Justin. ‘Securing the Peace: The Battle over Ethnicity and Energy in Modern Iraq’. *Belfer Center for Science and International Affairs, Harvard University*, September 2009. <https://www.belfercenter.org/publication/securing-peace-battle-over-ethnicity-and-energy-modern-iraq>.
- De Soysa, Indra, Erik Gartzke, and Tove Grete Lie. ‘Blood, Oil, and Strategy: On the Relationship Between Petroleum and Interstate Disputes’, 2009. [http://www.svt.ntnu.no/iss/Indra.de.Soyasa/POL2003H05/oilandwar\\_02232009.pdf](http://www.svt.ntnu.no/iss/Indra.de.Soyasa/POL2003H05/oilandwar_02232009.pdf).
- Deloitte. ‘Government Open Data’, 2021. <https://gov.krd/english/information-and-services/open-data/>.
- Deloitte. ‘Oil Production, Export, Consumption and Revenue for the Period 1 April 2019 to 30 June 2019’. Kurdistan Regional Government of Iraq, 29 April 2020. <https://cdn.gov.krd/Government%20Open%20Data/Deloitte%20Reports/Deloitte%20Reports%202019/English/Consolidated%20RCOG%20Q2%202019%20Public%20Report%20ENG.pdf>.
- Demirtas, Serkan. ‘New Turkey, New Iraq in New Middle East’. *Hürriyet Daily News*, 9 July 2014. <https://www.hurriyetdailynews.com/opinion/serkan-demirtas/new-turkey-new-iraq-in-new-middle-east-68848>.
- . ‘Turkey’s Trade with KRG “Business as Usual” despite Referendum, Says Economy Minister’. *Hürriyet Daily News*, 27 September 2017.

- <https://www.hurriyetdailynews.com/turkeys-trade-with-krq-business-as-usual-despite-referendum-says-economy-minister-118427>.
- Dennis P, Chapman. 'Security Forces of the Kurdistan Regional Government'. Carlisle Barracks, Pennsylvania: U.S. Army War College, 2009.
- Dilanian, Ken, Carol E. Lee, and Vivian Salama. 'Iranian General Helped Iraqis Seize Kirkuk From U.S. Allies'. *NBC News*, 19 October 2017. <https://www.nbcnews.com/news/mideast/iranian-general-helped-iraqis-seize-kirkuk-u-s-allies-n811026>.
- Dinç, Cengiz. 'Turkey as a New Security Actor in the Middle East: Beyond the Slogans'. *PERCEPTIONS: Journal of International Affairs* 2, no. XVI (2011). <https://dergipark.org.tr/en/pub/perception/issue/48989/625049>.
- Dombrowsky, Ines. 'The Jordan River Basin: Prospects for Cooperation Within the Middle East Peace Process?' In *Water in the Middle East*, edited by Waltina Scheumann and Manuel Schiffler. Berlin: Springer Berlin Heidelberg, 1998. <https://doi.org/10.1007/978-3-662-03731-7>.
- Drawmedia. 'Goran Movement: Oil Contracts Have Been Signed in Darkness [بزوتنهوهی 16 گۆران: گرێبستهکانی نهۆت له تاریکیدا کراون]' February 2022. <https://www.facebook.com/drawmedia/posts/1147320449430270>.
- Drawmedia. 'Number of Employees in Region' [ژماره‌ی موچهخۆرانی ههرێم], 27 May 2020. [http://drawmedia.net/page\\_detail?smart-id=5991](http://drawmedia.net/page_detail?smart-id=5991).
- Dubin, Rhys. 'Why the Fight for Fishkhabour Is So Important for Iraqi Kurds'. *Foreign Policy*, 1 November 2017. <https://foreignpolicy.com/2017/11/01/why-the-fight-for-fishkhabour-is-so-important-for-kurds-iraq-attack-fishkhabur-feyshkhabour/>.
- Dutton, Peter. 'Three Disputes and Three Objectives—China and the South China Sea'. *Naval War College Review* 64, no. 4 (2011).
- E Kurd Daily. 'Arrest Warrant Issued for Iraqi Kurdistan Oil Minister over Corruption: MP', 9 October 2016. <https://ekurd.net/warrant-arrest-kurdistan-oil-2016-10-09>.
- E Kurd Daily. 'Billions of Euros Transferred from Iraqi Kurdistan: Leaked Documents — Exclusive Ekurd', 12 May 2020. <https://ekurd.net/billions-euros-transferred-2020-05-12>.
- E Kurd Daily. 'Protests Continue against Austerity Measures in Parts of Iraqi Kurdistan', 3 April 2018. <https://ekurd.net/protests-austerity-iraqi-kurdistan-2018-04-03>.
- E Kurd Daily. 'PUK's Hero Ibrahim Opposed Kirkuk Oil Deal, Threatens to Block Exports', 8 September 2016. <https://ekurd.net/puk-hero-kirkuk-oil-2016-09-08>.
- Entessar, Nader. *Kurdish Politics in the Middle East*. Rev. ed. Lanham: Lexington Books, 2010.
- EPIC - Enabling Peace in Iraq Center. 'ISHM: November 3 - 9, 2017', 9 November 2017. <https://enablingpeace.org/ishm137/>.
- Etzioni, Amitai. 'The Evils of Self-Determination'. *Foreign Policy*, no. 89 (1992): 21–35. <https://doi.org/10.2307/1149071>.
- 'Economic Reform Implementation Progress: Reform Achievements And Next Steps'. KRG and WB, July 2107. <http://www.mop.gov.krd/re-sources/MoP%20Files/PDF%20Files/ECONOMIC%20REFORM%20IMPLEMENTATION%20REPORT.pdf>.
- Farchy, Jack, and Javier Blas. 'Rosneft Paid Mystery Consultant \$250 Million in Iraq Oil Deal'. *Bloomberg*, 2 March 2020. <https://www.bloomberg.com/news/articles/2020-03-02/rosneft-paid-mystery-consultant-250-million-in-iraq-oil-deal>.
- Farouk-Sluglett, Marion, and Peter Sluglett. *Iraq Since 1958: From Revolution to Dictatorship*. Rev. ed. London: I.B. Tauris, 2001.

- Faruqi, Anwar. 'Corruption, Lack of Transparency Killing Iraqi Kurdistan's Energy Sector: Panel'. *E Kurd Daily*, 27 April 2016. <https://ekurd.net/corruption-killing-kurdistan-energy-2016-04-27>.
- Fatah, Rebin. 'شیرینی نهوت و ژهراوی سهر بهخوایی [The Sweetness of Oil and the Poison of Independence]'. *Kurrdistan Times*, 17 August 2020. <https://kurrdistantimes.org/2020/08/17/شیرینی-نهوت-و-ژهراوی-سهر-بهخوایی/>.
- Financial Times, 20 August 1974.
- Flockhar, Trine. 'Constructivism and Foreign Policy'. In *Foreign Policy: Theories, Actors, Cases*, edited by Steve Smith, Amelia Hadfield, and Timothy Dunne, Third edition. Oxford: Oxford University Press, 2016.
- Florea, Adrian. 'De Facto States in International Politics (1945–2011): A New Data Set'. *International Interactions* 40, no. 5 (20 October 2014): 788–811. <https://doi.org/10.1080/03050629.2014.915543>.
- . 'De Facto States: Survival and Disappearance (1945–2011)'. *International Studies Quarterly* 61, no. 2 (June 2017): 337–51. <https://doi.org/10.1093/isq/sqw049>.
- . 'Rebel Governance in de Facto States'. *European Journal of International Relations* 26, no. 4 (December 2020): 1004–31. <https://doi.org/10.1177/1354066120919481>.
- Foreign Office. 'The Kurdish Problem in Iraq, 1963–1971'. Departmental Series No.17, 6 December 1971.
- Foy, Henry. 'Rosneft's Iraqi Kurdistan Oil and Gas Play Angers Baghdad'. *Financial Times*, 30 October 2018. <https://www.ft.com/content/ace52dd2-4f0c-11e8-ac41-759eee1efb74>.
- France 24. 'Iraq Halts Military Operations against Kurds for 24 Hours', 27 October 2017, sec. middle-east. <https://www.france24.com/en/20171027-iraq-halts-operation-against-kurds-24-hours>.
- Galbraith, Peter W. *The End of Iraq: How American Incompetence Created a War Without End*. New York: Simon & Schuster, 2007.
- Gardner, Timothy. 'Turkish Cypriots Seek End to Natural Gas Dispute'. *Reuters*, 18 January 2019, sec. Commodities News. <https://www.reuters.com/article/us-cyprus-conflict-north-idUSKCN1PC2IL>.
- Geldenhuys, Deon. *Contested States in World Politics*. New York: Palgrave Macmillan, 2009.
- George, Alexander L., and Andrew Bennett. *Case Studies and Theory Development in the Social Sciences*. BCSIA Studies in International Security. Cambridge, Mass: MIT Press, 2005.
- Gerring, John. *Case Study Research: Principles and Practices*. New York: Cambridge University Press, 2006.
- . 'Is There a (Viable) Crucial-Case Method?' *Comparative Political Studies* 40, no. 3 (March 2007): 231–53. <https://doi.org/10.1177/0010414006290784>.
- Gerring, John, and Lee Cojocar. 'Selecting Cases for Intensive Analysis: A Diversity of Goals and Methods'. *Sociological Methods & Research* 45, no. 3 (August 2016): 392–423. <https://doi.org/10.1177/0049124116631692>.
- Ghareeb, Edmund. *The Kurdish Question in Iraq*. 1st ed. Contemporary Issues in the Middle East. Syracuse, N.Y: Syracuse University Press, 1981.
- Gibson, Bryan R. *Sold out? US Foreign Policy, Iraq, the Kurds, and the Cold War*. First edition. Middle East Today. New York, NY: Palgrave Macmillan, 2015.
- Glaser, Charles L. 'How Oil Influences U.S. National Security'. *International Security* 38, no. 2 (October 2013): 112–46. [https://doi.org/10.1162/ISEC\\_a\\_00137](https://doi.org/10.1162/ISEC_a_00137).
- Goldberg, Jeffrey. 'The Great Terror'. *The New Yorker*, 17 March 2002. <https://www.newyorker.com/magazine/2002/03/25/the-great-terror>.

- Goudsouzian, Tanya. 'Hero Ibrahim Ahmad: Smear Campaign or Political Crisis?' *Al Jazeera*, 14 September 2016. <https://www.aljazeera.com/news/2016/9/14/hero-ibrahim-ahmad-smear-campaign-or-political-crisis>.
- Graf, Rüdiger. 'Claiming Sovereignty in the Oil Crisis "Project Independence" and Global Interdependence in the United States, 1973/74'. *Historical Social Research / Historische Sozialforschung* Vol. 39 No. 4, no. 2014 (2014): Volumes per year. <https://doi.org/10.12759/hsr.39.2014.4.43-69>.
- . *Oil and Sovereignty: Petro-Knowledge and Energy Policy in the United States and Western Europe in the 1970s*. First Edition. New York: Berghahn Books, 2018.
- Gray, David E. *Doing Research in the Real World*. London: Sage Publications, 2004.
- Guáqueta, Alexandra. 'The Colombian Conflict: Political and Economic Dimensions'. In *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, edited by Karen Ballentine, Jake Sherman, and International Peace Academy. Boulder, Co: Lynne Rienner Publishers, 2003.
- Guichaoua, Yvan. 'Oil and Political Violence in Nigeria'. In *Governance of Oil in Africa: Unfinished Business*, edited by Jacques Lesourne and William C. Ramsay. tome 6. Paris: IFRI, 2009.
- Gunes, Cengiz. *The Kurds in a New Middle East: The Changing Geopolitics of a Regional Conflict*. 1st edition. Cham: Springer International Publishing, 2019.
- Gunter, Michael M. 'A de Facto Kurdish State in Northern Iraq'. *Third World Quarterly* 14, no. 2 (1993): 295–319.
- . 'Erdogan's Backsliding: Opposition to the KRG Referendum'. *Middle East Policy* 25, no. 1 (March 2018): 96–103. <https://doi.org/10.1111/mepo.12327>.
- . *Historical Dictionary of the Kurds*. Historical Dictionaries of Peoples and Cultures, no. 1. Lanham, Md: Scarecrow Press, 2004.
- . 'Mulla Mustafa Barzani and the Kurdish Rebellion in Iraq: The Intelligence Factor'. *International Journal of Intelligence and CounterIntelligence* 7, no. 4 (December 1994): 465–74. <https://doi.org/10.1080/08850609408435264>.
- . 'The Foreign Policy of the Iraqi Kurds'. *Journal of South Asian and Middle Eastern Studies*, Quarterly, 20, no. 3 (1997): 19.
- . 'The KDP-PUK Conflict in Northern Iraq'. *Middle East Journal* 50, no. 2 (1996): 224–41.
- . *The Kurds of Iraq: Tragedy and Hope*. New York: St. Martin's Press, 1992.
- . 'Unrecognized De Facto States in World Politics: The Kurds'. *Brown Journal of World Affairs*, no. 20.2 (2014): 178.
- Guo, Rongxing. *Cross-Border Management: Theory, Method and Application*. Business/Economics. Berlin: Springer, 2015.
- Gwartney, James, Robert Lawson, Joshua Hall, and Ryan Murphy. 'Economic Freedom of the World: 2018 Annual Report'. Fraser Institute, 2018. <https://www.fraserinstitute.org/sites/default/files/economic-freedom-of-the-world-2018.pdf>.
- Hafezi, Parisa, and Tulay Karadeniz. 'Khamenei Says Iran, Turkey Must Act against Kurdish Secession - TV'. *Reuters*, 4 October 2017. <https://www.reuters.com/article/iran-turkey-visit-idINKCN1C910G>.
- Halverson, Sonja M. 'Small State With A Big Tradition: Norway Continues Whaling At The Expense Of Integration And Nordic Cooperation'. *Syracuse Journal of International Law and Commerce* 31, no. 1 (2004): 121–48.
- Harder, Henry. 'Explanatory Case Study'. In *Encyclopedia of Case Study Research*, edited by Albert Mills, Gabrielle Durepos, and Elden Wiebe. Thousand Oaks, CA: SAGE Publications, 2010. <https://doi.org/10.4135/9781412957397>.

- Harvey, James. 'Over-Stating the Unrecognised State? Reconsidering De Facto Independent Entities in the International System'. PhD diss, University of Exeter, 2010.
- Harvey, James, and Gareth R. V. Stansfield. 'Theorizing Unrecognized States: Sovereignty, Secessionism, and Political Economy'. In *Unrecognized States in the International System*, edited by Nina Caspersen and Gareth R. V. Stansfield. Exeter Studies in Ethno Politics. London: Routledge, 2011.
- Hassoun, Nassir al-. 'Iraqi Kurdistan Economy Suffers amid Budget Dispute with Baghdad'. *Al-Monitor*, 16 May 2014, sec. Editorial. <https://www.al-monitor.com/pulse/business/2014/05/iraq-kurdistan-region-budget-dispute-economic-effects.html>.
- Havrelock, Rachel. 'The Borders Beneath: On Pipelines and Resource Sovereignty'. *South Atlantic Quarterly* 116, no. 2 (April 2017): 408–16. <https://doi.org/10.1215/00382876-3829489>.
- Henri Lévy, Bernard. 'Bernard-Henri Lévy: Who Betrayed the Kurdish People?' *Tablet Magazine*, 21 October 2017, sec. Israel & The Middle East. /sections/israel-middle-east/articles/who-betrayed-the-kurdish-people.
- Heuvelen, Ben Van. 'Turkey, Kurdistan Cement Massive Energy Deal'. *Iraq Oil Report*, 29 November 2013. <https://www.iraqoilreport.com/politics/turkey-kurdistan-cement-massive-energy-deal-11574/>.
- Hill, Christopher. *Foreign Policy in the Twenty-First Century*. Second edition. London: Palgrave Macmillan, 2016.
- Hiltermann, Joost, and Maria Fantappie. 'Twilight of the Kurds'. *Foreign Policy*, 16 January 2018. <https://foreignpolicy.com/2018/01/16/twilight-of-the-kurds-iraq-syria-kurdistan/>.
- Hinnebusch, Raymond A. *The International Politics of the Middle East*. Regional International Politics Series. Manchester: Manchester University Press, 2003.
- Holzgrefe, J. L., and Robert O Keohane, eds. *Humanitarian Intervention: Ethical, Legal and Political Dilemmas*. Cambridge: Cambridge University Press, 2003.
- Hoshmand, Sadq. 'Kurdish Officials Arrested on Charges of Buying Oil From IS'. *Basnews*, 15 October 2014. <https://www.basnews.com/so/babat/77864>.
- Human Rights Watch. 'Iraq: Expulsions of Kirkuk Region Minorities Continue'. Vol. 15. London, 14 March 2003. <https://www.hrw.org/report/2003/03/13/iraq-forcible-expulsion-ethnic-minorities>.
- Human Rights Watch. 'Kurdistan Region of Iraq: Protesters Beaten, Journalists Detained', 15 April 2018. <https://www.hrw.org/news/2018/04/15/kurdistan-region-iraq-protesters-beaten-journalists-detained>.
- Humeyra Atilgan, Ayse. 'Turkey Sees Baghdad as Iraq's "Legitimate Authority"'. *AA*, 25 September 2017. <https://www.aa.com.tr/en/middle-east/turkey-sees-baghdad-as-iraqs-legitimate-authority/918797>.
- Hurewitz, J. C. *Diplomacy in the Near and Middle East: A Documentary Record: 1914-1956*. Vol. 2. New York: Van Nostrand, 1958.
- Hürriyet Daily News. 'Turkey's Key Security Meeting Ends, Statement Says Iraqi Kurdish Referendum Illegitimate, Unacceptable', 22 September 2017. <https://www.hurriyet-dailynews.com/turkeys-key-security-meeting-ends-statement-says-iraqi-kurdish-referendum-illegitimate-unacceptable-118306>.
- Hussein, Mohammed. 'The Collateral Damage of the KRI's Economic Policy'. *LSE Middle East*, 17 April 2018. <https://blogs.lse.ac.uk/mec/2018/04/17/the-collateral-damage-of-the-kris-economic-policy/>.
- . Interview by author, 5 January 2022.
- Hussein, Mohammed, Rawaz Tahir, Cathy Otten, and Jamal Naji. 'Oil Exports into Iraqi Kurdistan Give Syrian Kurds a Financial Lifeline'. *Iraq Oil Report*, 19 February

2020. <https://www.iraqoilreport.com/news/oil-exports-into-iraqi-kurdistan-give-syrian-kurds-a-financial-lifeline-42495/>.
- Iddon, Paul. 'Border Closure Harmed Economies of Both Iran and Kurdistan'. *Rudaw*, 1 May 2018. <https://www.rudaw.net/english/analysis/05012018>.
- . 'Turkey-KRG Relations One Year after Kurdish Independence Vote'. *Ahval*, 22 October 2018. <https://ahvalnews.com/turkey-kr/turkey-kr-relations-one-year-after-kurdish-independence-vote>.
- . 'What Will a New Iraq-Turkey Border-Crossing Mean for KRG?' *Rudaw*, 8 October 2018. <https://www.rudaw.net/english/analysis/10082018>.
- Institute for Security and Development Policy. 'Understanding China's Position on the South China Sea Disputes', 2016. <http://isdpeu/publication/understanding-chinas-position-south-china-sea-disputes/>.
- Invest in Group. 'Kurdistan Review. Forging Ties Globally', June 2016. <https://us.gov.krd/media/1470/kurdistan-review-2016-se.pdf>.
- Isachenko, Daria. *The Making of Informal States: Statebuilding in Northern Cyprus and Transdnistria*. New York: Palgrave Macmillan, 2012.
- 'Iraq and the Kurds: The High-Stakes Hydrocarbons Gambit'. Middle East. International Crisis Group, 19 April 2012. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/iraq-and-kurds-high-stakes-hydrocarbons-gambit>.
- Iraqi Kurds 'Prepared to Draw Own Borders', Barzani Warns Baghdad*, 2017. <https://www.youtube.com/watch?v=vEqKYLJzV2s>.
- 'Iraq's Constitution of 2005', n.d. An English version of the Iraqi constitution can be found at [https://www.constituteproject.org/constitution/Iraq\\_2005.pdf?lang=en](https://www.constituteproject.org/constitution/Iraq_2005.pdf?lang=en) (July 2009).
- J. Noring, Nina, ed. *Foreign Relations of the United States, 1961–1963, Volume XVII: Near East, 1961–1962*. Washington: United States Government Printing Office, 1994.
- Jackson, Ashley. *Persian Gulf Command. A History of the Second World War in Iran and Iraq*. New Haven: Yale University Press, 2018.
- Jackson, Robert H. *Quasi-States: Sovereignty, International Relations and the Third World*. Cambridge: Cambridge University Press, 1993.
- Jaf, Burhan. 'The Iraqi Kurdish Conflict: The Problem and Its Solution'. *Al-Quds al-'Arabi [London]* translation provided by Mideast Mirror 9 (August 1995).
- Jalil, Hawkar. 'The British Administration of South Kurdistan and Local Responses, 1918–1932'. PhD diss, University of Leicester, 2017.
- Jennings, Ralph. 'Oil Becoming Code for Sovereignty in Contested South China Sea'. *VOA*, 2016. <https://www.voanews.com/a/oil-becoming-code-for-sovereignty-in-contested-south-china-sea/3608195.html>.
- Johnson, Keith. 'A Mysterious Pipeline Closure Is Bankrupting Iraqi Kurds'. *FP*, 2 March 2016. <https://foreignpolicy.com/2016/03/02/a-mysterious-pipeline-closure-is-bankrupting-iraqi-kurds/>.
- Jones, Lee. *Societies Under Siege. Exploring How International Economic Sanctions (Do Not) Work*. First edition. Oxford: Oxford University Press, 2015.
- Joseph, Jay, and Fahrettin Sumer. 'Public Sector Reforms in the Kurdistan Region of Iraq: Tackling the Socially Constructed Barriers to Change'. In *Iraqi Kurdistan's Statehood Aspirations*, edited by Anwar Anaid and Emel Elif Tugdar, 125–53. Cham: Springer International Publishing, 2019. [https://doi.org/10.1007/978-3-319-93420-4\\_7](https://doi.org/10.1007/978-3-319-93420-4_7).
- Jr, Neil King. 'Wildcatters Plunge Into North Iraq'. *Wall Street Journal*, 9 July 2008, sec. News. <https://www.wsj.com/articles/SB121554950187436783>.
- Kaldor, Mary, Terry Lynn Karl, and Yahia Said, eds. *Oil Wars*. London: Pluto, 2007.



- Kane, Sean. 'Iraq's Oil Politics: Where Agreement Might Be Found'. Peaceworks. United States Institute of Peace, 2010. [https://www.usip.org/sites/default/files/resources/iraq\\_oil\\_pw64.pdf](https://www.usip.org/sites/default/files/resources/iraq_oil_pw64.pdf).
- Kaplan, Morgan L. 'Foreign Support, Miscalculation, and Conflict Escalation: Iraqi Kurdish Self-Determination in Perspective'. *Ethnopolitics* 18, no. 1 (January 2019): 29–45. <https://doi.org/10.1080/17449057.2018.1525164>.
- Karl, Terry Lynn. *The Paradox of Plenty: Oil Booms and Petro-States*. Berkeley: University of California Press, 1997.
- . 'The Political Challenge of Escaping the Resource Curse: The Case for a Transparent Fiscal Social Contract'. Stanford University, 2004.
- Karsh, Efraim, and Inari Rautsi. *Saddam Hussein: A Political Biography*. New York: Grove Press, 2002.
- Katsouris, Christina, and Aaron Sayne. 'Nigeria's Criminal Crude: International Options to Combat the Export of Stolen Oil'. Chatham House, 2013. [http://www.chatham-house.org/sites/default/files/public/Research/Africa/0913pr\\_nigeriaoil.pdf?dm\\_i=1TY5,1TWRR,BHZKWB,6JT2M,1](http://www.chatham-house.org/sites/default/files/public/Research/Africa/0913pr_nigeriaoil.pdf?dm_i=1TY5,1TWRR,BHZKWB,6JT2M,1).
- Kelly, Michael J. 'The Kurdish Regional Constitution within the Framework of the Iraqi Federal Constitution: A Struggle for Sovereignty, Oil, Ethnic Identity, and the Prospects for a Reverse Supremacy Clause'. *Penn State Law Review* 114, no. 3 (2010). [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1608334](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1608334).
- Ker-Lindsay, James. 'Engagement without Recognition: The Limits of Diplomatic Interaction with Contested States'. *International Affairs* 91, no. 2 (March 2015): 267–85. <https://doi.org/10.1111/1468-2346.12234>.
- Khafaji, Isam al-. 'The Destruction of Iraqi Kurdistan'. *Middle East Report*, no. 201 (October 1996). <https://doi.org/10.2307/3012770>.
- Khajehpour, Bijan. 'Iran's Pipeline Politics Reaches Iraqi Kurdistan'. *Al Monitor*, 29 June 2016. <https://www.al-monitor.com/originals/2016/06/iran-kurdistan-regional-government-pipeline-energy-deal.html>.
- King, Charles. 'Black Sea Blues'. *The National Interest*, 1 December 2004.
- . 'The Benefits of Ethnic War: Understanding Eurasia's Unrecognized States'. *World Politics* 53, no. 04 (July 2001): 524–52. <https://doi.org/10.1353/wp.2001.0017>.
- King, Gary, Robert O. Keohane, and Sidney Verba. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Princeton, N.J.: Princeton University Press, 1994.
- Kissinger, Henry. *Years of Renewal: The Concluding Volume of His Classic Memoirs*. New York: Simon and Schuster, 1999. <https://www.overdrive.com/search?q=E1ECEA6E-A0E2-407F-90D2-99697BE26D71>.
- Knights, Michael. 'Making the Iraqi Revenue-Generating Deal Work'. *The Washington Institute*, 3 December 2014. <https://www.washingtoninstitute.org/policy-analysis/view/making-the-baghdad-krq-revenue-generating-deal-work>.
- KNN. 'دۆسیه‌ی دانا غاز [Dana Gas Case]', 8 March 2017. <https://archive4.knn.krd/mob/Programme-Detail.aspx?TypeID=35&bernameID=14984>.
- Koch, Natalie, and Tom Perreault. 'Resource Nationalism'. *Progress in Human Geography* 43, no. 4 (August 2019): 611–31. <https://doi.org/10.1177/0309132518781497>.
- Kolossov, Vladimir, and John O'Loughlin. 'Pseudo-States as Harbingers of a New Geopolitics'. In *Boundaries, Territory and Postmodernity*. Frank Cass: London, 1999.
- . 'Pseudo-States as Harbingers of a New Geopolitics: The Example of the Trans-dniester Moldovan Republic (TMR)'. *Geopolitics* 3, no. 1 (1998): 151–76. <https://doi.org/10.1080/14650049808407612>.

- Kolstø, Pål. 'The Sustainability and Future of Unrecognized Quasi-States'. *Journal of Peace Research* 43, no. 6 (November 2006): 723–40. <https://doi.org/10.1177/0022343306068102>.
- Krasner, Stephen D. 'Abiding Sovereignty'. *International Political Science Review* 22, no. 3 (July 2001): 229–51. <https://doi.org/10.1177/0192512101223002>.
- Krasner, Stephen D, ed. *Problematic Sovereignty Contested Rules and Political Possibilities*. New York: Columbia University Press, 2001.
- . *Sovereignty: Organized Hypocrisy*. Princeton: Princeton University Press, 1999.
- KRG. 'A Statement from Iraq's Kurdistan Regional Government', 1 November 2017. <http://previous.cabinet.gov.krd/a/d.aspx?s=040000&l=12&a=55971>.
- KRG. 'Deputy Prime Minister Outlines KRG's Reform Initiatives', 7 December 2016. <http://poland.gov.krd/kgf-foreign-minister-addresses-kurdistan-iraq-oil-gas-conference-in-london/>.
- KRG. 'Kurdistan Government Responds to Iraqi Oil Minister's Threats to International Oil Companies', 21 November 2007. <https://ekurd.net/mismas/articles/misc2007/11/independentstate1785.htm>.
- KRG. 'PM Barzani's Speech at Erbil Energy Conference', 22 May 2012. <http://previous.cabinet.gov.krd/a/d.aspx?l=12&a=44037>.
- KRG. 'President Barzani Addresses the People of Kurdistan', 29 October 2017. <https://presidency.gov.krd/krp/english/articledisplay.aspx?id=/99h3Oipowc=>.
- KRG. 'Statement from Kurdistan Regional Government', 25 October 2017. <http://previous.cabinet.gov.krd/a/d.aspx?s=040000&l=12&a=55938>.
- KRG. 'The EITI Oil Transparency Report That Inexplicably Disappeared: KRG Statement', 6 April 2013. <https://ekurd.net/mismas/articles/misc2013/4/state6976.htm>.
- KRG. 'Wazir Altharawat Altabyeit: Tahdidat Baghdad Lilsharikat Alnaftiat Tusi' Lisumeat Aleiraq Fi Alkharij (Minister of Natural Resources: Baghdad's Threats to Oil Companies Harm Iraq's Reputation Abroad)', 7 February 2013. <http://previous.cabinet.gov.krd/a/d.aspx?l=14&a=46560>.
- Kulaksiz, Sibel. 'Kurdistan Regional Government: Economic and Social Impact Assessment of the Syrian Conflict and ISIS Insurgency'. Washington, D.C: World Bank, 2015. <https://openknowledge.worldbank.org/handle/10986/21628>.
- Kurda, Ahmed. 'President Barzani's Reform: Window Dressing or Smokescreen?' *Ekurd Daily*, 26 April 2016. <https://ekurd.net/barzani-reform-window-dressing-2016-04-26>.
- Kurdistan: the Other Iraq. 'Chapter Two: The Kurds Relationship with the West', 2006. <http://www.theotheriraq.com/images/chapter2.pdf>.
- Kurdistan24. 'After Year-Long Halt, Baghdad Resumes Kirkuk Oil Exports through Kurdistan to Turkey', 16 November 2018. <https://www.kurdistan24.net/en/news/e4933350-f33b-40e5-bc6e-8dc4af3693d7>.
- 'Kurdish Appeal U.S. Assistance'. Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 304. Washington, 3 April 1972. <https://history.state.gov/historicaldocuments/frus1969-76ve04/d304>.
- 'Kurdish Threat Against Kirkuk Oil Installations; Iranian and Israeli Support for Assyrians'. Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 258. Washington, 29 May 1969. <https://history.state.gov/historicaldocuments/frus1969-76ve04/d258>.
- 'Kurdish/Assyrian Appeal for U.S. Assistance'. Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 259. Washington, 13 June 1969. <https://history.state.gov/historicaldocuments/frus1969-76ve04/d259>.

- ‘Kurdistan Oil and Gas Law’. KRG, 6 August 2007. <http://gipi.org/wp-content/uploads/2009/04/oil-and-gas-070708090735.pdf>.
- ‘Kurdistan Region of Iraq: Reforming the Economy for Shared Prosperity and Protecting the Vulnerable’. Washington, D.C: World Bank, 2016.
- Lando, Ben. ‘Baghdad Silent, US Pans New KRG Deals with American Oil Firms’. *Iraq Oil Report*, 3 November 2010. <https://www.iraqoilreport.com/politics/baghdad-silent-us-pans-new-krig-deals-with-american-oil-firms-5096/>.
- . ‘Chairman Waxman on Administration Knowledge of Hunt Oil’s Kurdish Contract’. *Speaker Nancy Pelosi*, 2 July 2008. <https://www.speaker.gov/newsroom/chairman-waxman-on-administration-knowledge-of-hunt-oils-kurdish-contract>.
- . ‘Kurdistan, Turkey Announce Bilateral Energy Plans’. *Iraq Oil Report*, 21 May 2012. <https://www.iraqoilreport.com/news/kurdistan-turkey-announce-bilateral-energy-plans-8021/>.
- . ‘Q&A: Barham Salih’. *Iraq Oil Report*, 25 November 2011. <https://www.iraqoilreport.com/politics/qa-barham-salih-6720/>.
- Latham, Aaron. ‘The CIA Report the President Doesn’t Want You to Read’. The Village Voice archives, 16 February 1976.
- . ‘What Kissinger Was Afraid of in the Pike Papers’. *New York (Magazine)*, 4 October 1976.
- Lawrence, David Aquila. ‘A Shaky De Facto Kurdistan’. *Middle East Report*, no. 215 (2000): 24. <https://doi.org/10.2307/1520151>.
- Lawrence, Quil. *Invisible Nation: How the Kurds’ Quest for Statehood Is Shaping Iraq and the Middle East*. New York: Walker & Company, 2008.
- Lee, Ian. ‘Why Israel Supports an Independent Iraqi Kurdistan’. *CNN*, 2 October 2017. <https://edition.cnn.com/2017/10/02/middleeast/iraqi-kurdistan-israel-support/index.html>.
- Leezenberg, Michiel. ‘Chapter 8: Economy and Society in Iraqi Kurdistan: Fragile Institutions and Enduring Trends’. *The Adelphi Papers* 43, no. 354 (1 January 2003): 149–60. <https://doi.org/10.1093/adelphi/354.1.149>.
- . ‘Iraqi Kurdistan: Contours of a Post-Civil War Society’. *Third World Quarterly* 26, no. 4–5 (June 2005): 631–47. <https://doi.org/10.1080/01436590500127867>.
- . ‘Politics, Economy, and Ideology in Iraqi Kurdistan since 2003: Enduring Trends and Novel Challenges’. *Arab Studies Journal* 23, no. 1 (2015).
- Little, Douglas. ‘The United States and the Kurds: A Cold War Story’. *Journal of Cold War Studies* 12, no. 4 (October 2010): 63–98. [https://doi.org/10.1162/JCWS\\_r\\_00048](https://doi.org/10.1162/JCWS_r_00048).
- Lujala, Paivi. ‘Deadly Combat over Natural Resources: Gems, Petroleum, Drugs, and the Severity of Armed Civil Conflict’. *Journal of Conflict Resolution* 53, no. 1 (February 2009): 50–71. <https://doi.org/10.1177/0022002708327644>.
- . ‘The Spoils of Nature: Armed Civil Conflict and Rebel Access to Natural Resources’. *Journal of Peace Research* 47, no. 1 (January 2010): 15–28. <https://doi.org/10.1177/0022343309350015>.
- Lupovici, Amir. ‘Constructivist Methods: A Plea and Manifesto for Pluralism’. *Review of International Studies* 35, no. 1 (January 2009): 195–218. <https://doi.org/10.1017/S0260210509008389>.
- Lynch, Dov. *Engaging Eurasia’s Separatist States: Unresolved Conflicts and De Facto States*. Washington, D.C: United States Institute of Peace Press, 2004.
- Mahanta, Siddhartha. ‘Rex Tillerson’s Corporate Real Politik’. *The Atlantic*, 14 December 2016, sec. Global. <https://www.theatlantic.com/international/archive/2016/12/rex-tillerson-kurds-state-trump-exxon/510563/>.

- Mahdavy, Hussein. 'Patterns and Problems of Economic Development in Rentier States: The Case of Iran'. In *Studies in the Economic History of the Middle East*, edited by Michael Cook. London: Routledge, 1970.
- Makovsky, Alan. 'Kurdish Agreement Signals New U.S. Commitment'. *The Washington Institute*, 29 September 1998. <https://www.washingtoninstitute.org/policy-analysis/kurdish-agreement-signals-new-us-commitment>.
- Malici, Akan, and Elizabeth S. Smith, eds. *Political Science Research in Practice*. New York: Routledge, 2019.
- Massoud, Adla. 'War in Iraq: Masoud Barzani, Ex-Kurdish Leader, Says U.S. Knew in Advance About Iraqi Assault on Kirkuk'. *Newsweek*, 7 November 2017, sec. World. <https://www.newsweek.com/iraq-kurds-isis-betrayal-america-barzani-iran-independence-kirkuk-704480>.
- Maxie, Jeremy. 'The South China Sea Dispute Isn't About Oil, At Least Not How You Think'. *Forbes*, 2016. <https://www.forbes.com/sites/jeremymaxie/2016/04/25/the-south-china-sea-dispute-isnt-about-oil-at-least-not-how-you-think/>.
- McCrone, David. 'This Land Is Our Land: Understanding Energy Nationalism'. In *Research Handbook on Energy and Society*, edited by Janette Webb, Faye Wade, and Margaret Tingey. UK: Edward Elgar Publishing, 2021. <https://doi.org/10.4337/9781839100710.00011>.
- McCrummen, Stephanie. 'Mexican President Proposes Historic Changes to State-Owned Pemex Oil Monopoly'. *Washington Post*, 2013. [https://www.washingtonpost.com/world/mexican-president-proposes-historic-changes-to-state-owned-pemex-oil-monopoly/2013/08/12/7f848d4c-0380-11e3-bfc5-406b928603b2\\_story.html](https://www.washingtonpost.com/world/mexican-president-proposes-historic-changes-to-state-owned-pemex-oil-monopoly/2013/08/12/7f848d4c-0380-11e3-bfc5-406b928603b2_story.html).
- McDowall, David. *A Modern History of the Kurds*. London: Tauris, 2004.
- MEED. 'Iraqi Kurdistan Plans New National Oil Company', 29 September 2013. <https://www.meed.com/iraqi-kurdistan-plans-new-national-oil-company>.
- Mehlum, Halvor, Karl Moene, and Ragnar Torvik. 'Institutions and the Resource Curse'. *The Economic Journal* 116, no. 508 (1 January 2006): 1–20. <https://doi.org/10.1111/j.1468-0297.2006.01045.x>.
- Meierding, Emily. 'Dismantling the Oil Wars Myth'. *Security Studies* 25, no. 2 (2 April 2016): 258–88. <https://doi.org/10.1080/09636412.2016.1171968>.
- . 'Oil Wars: Why Nations Aren't Battling over Resources'. *The Washington Post*. Accessed 5 March 2019. <https://www.washingtonpost.com/>.
- . *The Oil Wars Myth: Petroleum and the Causes of International Conflict*. Ithaca: Cornell University Press, 2020.
- Menmy, Dana Taib. 'Independence for Iraq's Kurdish Region Has Proved a Costly Mistake'. *Middle East Eye*, 7 August 2020. <http://www.middleeasteye.net/opinion/should-iraqs-kurdish-region-return-arms-baghdad>.
- 'Iraq and Kurdish Autonomy'. *MERIP Reports*, no. 27 (1974): 26–30. <https://doi.org/10.2307/3011338>.
- Mills, Greg, Marie Noelle Nwokolo, and Ray Hartley. 'Somaliland: New Ways of Doing Things in a Rough Neighbourhood'. The Brenthurst Foundation, 2019. <http://thebrenthurstfoundation.org/workspace/files/tbf-somaliland-paper-2019-08.pdf>.
- Mills, Robin. 'A Rocky Road: Kurdish Oil & Independence'. Iraq Energy Institute, 19 February 2018. <https://iraqenergy.org/2018/02/19/a-rocky-road-kurdish-oil-and-independence/>.
- . *Under the Mountains: Kurdish Oil and Regional Politics*. Oxford: Oxford Institute for Energy Studies, 2016. <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2016/02/Kurdish-Oil-and-Regional-Politics-WPM-63.pdf>.

- . Interview by author, 23 November 2021.
- MNR. 'Comment by KRG on Yesterday's Procedural Decision by the U.S. Court of Appeals', 22 September 2015. <http://mnr.krg.org/index.php/en/press-releases/488-comment-by-krg-on-yesterday-s-procedural-decision-by-the-u-s-court-of-appeals>.
- MNR. 'KRG Is on Target with Oil Supply Commitment to the Federal Government as Agreed in the 2015 Federal Budget', 9 March 2015. <http://mnr.krg.org/index.php/en/press-releases/443-krg-is-on-target-with-oil-supply-commitment-to-the-federal-government-as-agreed-in-the-2015-federal-budget>.
- MNR. 'KRG NOTICE TO ALL CRUDE OIL BUYERS FROM SOMO', 9 July 2014. <http://mnr.krg.org/index.php/en/press-releases/391-krg-notice-to-all-crude-oil-buyers-from-somo>.
- MNR. 'Kurdistan Oil and Gas a Force for Stability, Moves from Exploration to Development and Production', December 2013. <http://mnr.krg.org/index.php/en/press-releases/307-kurdistan-oil-and-gas-a-force-for-stability-moves-from-exploration-to-development-and-production>.
- MNR. 'LOCAL CONTENT', 25 August 2013. <http://mnr.krg.org/index.php/en/the-ministry/local-content>.
- MNR. 'Prime Minister Barzani Invites Baghdad to Observe Process of Oil Exports to Turkey', 5 December 2013. <http://mnr.krg.org/index.php/en/press-releases/302-prime-minister-barzani-invites-baghdad-to-observe-process-of-oil-exports-to-turkey>.
- MNR. 'Prime Minister Barzani: Kurdistan's Energy Relations with Turkey to Enter a New Phase', 21 May 2012. <http://mnr.krg.org/index.php/en/press-releases/142-prime-minister-barzanikurdistan-s-energy-relations-with-turkey-to-enter-a-new-phase>.
- MNR. 'The Road to 1 Million Barrels', 2013. <http://mnr.krg.org/index.php/en/the-road-to-1-million-barrels>.
- Mohamoud, Mohamed A. 'Somaliland's Oil and Gas Exploration Attempt: Prospects of Opportunities and Challenges'. *Recent Advances in Petrochemical Science* 4, no. 4 (22 March 2018). <https://doi.org/10.19080/RAPSCI.2018.04.555645>.
- Mohtadi, Alan. Interview by author, 18 November 2021.
- Mufti, Ahmed. Interview by author, 15 January 2022.
- Muhammad, Ibtisam Abdul Latif. 'مستحقات اقليم كردستان وكميات ومبالغ تصدير النفط خارج اطار شركة' [The Dues of the Kurdistan Region and the Quantities and Amounts of Oil Exports Outside the Framework of (SOMO) and the Extent of Their Impact on the Federal Budget for the Period (2005-2019)]. Research Department of the Iraqi Parliament, January 2020. [https://drawmedia.net/ar/page\\_detail?smart-id=7707](https://drawmedia.net/ar/page_detail?smart-id=7707).
- Murshed, Syed Mansoob, and Mohammad Zulfan Tadjoeeddin. 'Reappraising the Greed and Grievance Explanations for Violent Internal Conflict'. *SSRN Electronic Journal*, 2008. <https://doi.org/10.2139/ssrn.1116248>.
- Mustafa, Sherko Jawdat. Interview by author, 22 September 2021.
- Najib, Mohammed. 'Palestine Runs Dry: "Our Water They Steal and Sell to Us"'. *Al Jazeera*, 15 July 2021. <https://www.aljazeera.com/news/2021/7/15/water-war-palestinians-demand-more-water-access-from-israel>.
- Natali, Denise. 'Stalemate, Not Statehood, for Iraqi Kurdistan'. *Lawfare*, 1 November 2015. <https://www.lawfareblog.com/stalemate-not-statehood-iraqi-kurdistan>.
- . *The Kurdish Quasi-State: Development and Dependency in Post-Gulf War Iraq*. 1st ed. Modern Intellectual and Political History of the Middle East. Syracuse, N.Y: Syracuse University Press, 2010.
- . 'The Kurdish Quasi-State: Leveraging Political Limbo'. *The Washington Quarterly* 38, no. 2 (3 April 2015): 145–64. <https://doi.org/10.1080/0163660X.2015.1064715>.

- . ‘The Kurdistan Region of Iraq: Stabilizer or Spoiler?’ *Georgetown Journal of International Affairs* 14, no. 2 (2013): 71–79.
- . ‘Turkey’s Kurdish Client State’. *Al-Monitor*, 14 November 2014, sec. Editorial. <https://www.al-monitor.com/pulse/originals/2014/11/turkey-krig-client-state.html>.
- NRT. ‘شێركۆ جەودەت: داھاتی ھەریەمی كوردستان زیاتر لە یەك ملیار دۆلارە’ [Sherko Jawdat: Revenue of Kurdistan Region Is More than \$1 Billion], 15 December 2018. <https://www.nrttv.com/News.aspx?id=10109&MapID=1>.
- NRT. ‘فازل میرانی: كێشەیی كورد لەگەڵ بەغدا لە مۆچە گھورترە’ [Fazil Mirani: The KRG Conflict with Baghdad Is Bigger than Just the Issue of Salaries], 2 February 2021. <https://www.nrttv.com/News.aspx?id=39888&MapID=1>.
- NRT. ‘مۆچە پاشەكۆتكر او مەكان كەیی دەگەریتەمۆه بۆ ھاوڵاتیان؟’ [When Will the Salary-Saving System Be Paid Back to Citizens?], 15 February 2020. <https://nrttv.com/media-Barname-detail.aspx?pid=2319&CatID=3>.
- NRT. ‘ھاوڵاتییهك: دوو حزبەكەیی دەسەلات وەك دوو كۆمپانیان و تەنھا بۆخۆیان كاردەكەن’ [A Citizen: The Two Ruling Parties as Two Companies Work for Themselves], 16 November 2020. <https://nrttv.com/media-show-ep.aspx?CatID=3>.
- O’Ballance, Edgar. *The Kurdish Revolt: 1961-1970*. Hamden, Conn: Archon Books, 1973.
- . *The Kurdish Struggle, 1920-94*. London: Macmillan Press, 1996.
- ‘US Department of State Dispatch’. *Office of Public Communication, Bureau of Public Affairs* 3, no. 1 (1992): The University of Michigan.
- Ofteringer, Ronald, and Ralf Backer. ‘A Republic of Statelessness: Three Years of Humanitarian Intervention in Iraqi Kurdistan’. *Middle East Report*, no. 187/188 (March 1994): 40. <https://doi.org/10.2307/3012594>.
- O’Loughlin, John, Vladimir Kolossov, and Gerard Toal (Gearóid Tuathail). ‘Inside Abkhazia: Survey of Attitudes in a De Facto State’. *Post-Soviet Affairs* 27, no. 1 (January 2011): 1–36. <https://doi.org/10.2747/1060-586X.27.1.1>.
- Oron, Yitzhak, ed. *Middle East Record Volume 2, 1961, Volume 2*. Israel, Jerusalem: Tel Aviv University, Reuven Shiloah Research Center, 1961.
- Osgood, Patrick. ‘Selective Transparency: Things You Can’t See About KRG Oil’. LSE. *Middle East Centre* (blog), 25 April 2018. <https://blogs.lse.ac.uk/mec/2018/04/25/selective-transparency-things-you-cant-see-about-krig-oil/>.
- Owtram, Francis. ‘The Foreign Policies of Unrecognized States’. In *Unrecognized States in the International System*, edited by Nina Caspersen and Gareth R. V. Stansfield. Exeter Studies in Ethno Politics. London: Routledge, 2011.
- ‘Oil and Borders: How to Fix Iraq’s Kurdish Crisis’. Crisis Group Middle East Briefing. International Crisis Group, 17 October 2017. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/55-settling-iraqi-kurdistan-boundaries-will-help-defuse-post-referendum-tensions>.
- ‘Oil for Soil: Toward a Grand Bargain on Iraq and the Kurds’. Middle East. International Crisis Group, 28 October 2008. <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/oil-soil-toward-grand-bargain-iraq-and-kurds>.
- Palani, Kamaran, Jaafar Khidir, Mark Dechesne, and Edwin Bakker. ‘De Facto States Engagement with Parent States: Kurdistan’s Engagement with the Iraqi Government’. *British Journal of Middle Eastern Studies* 48, no. 4 (8 August 2021): 770–88. <https://doi.org/10.1080/13530194.2020.1714429>.
- Park, Bill. ‘Turkey, the US and the KRG: Moving Parts and the Geopolitical Realities’. *Insight Turkey* 14, no. 3 (2012).
- Payne, Julia. ‘Israel Accepts First Delivery of Disputed Kurdish Pipeline Oil’. *Reuters*, 20 June 2014. <https://www.reuters.com/article/us-israel-iraq/israel-accepts-first-delivery-of-disputed-kurdish-pipeline-oil-idUSKBN0EV0X620140620>.

- . ‘Tanker with Piped Iraqi Kurdish Oil U-Turns Away from U.S.’ *Reuters*, 30 May 2014. <https://www.reuters.com/article/us-iraq-kurdistan-oil-idUSKBN0EA1VT20140530>.
- Payne, Julia, and Rasheed Ahmed. ‘Iraqi Kurdistan Faces First Major Oil Outage since Referendum’. *Reuters*, 18 October 2017. <https://af.reuters.com/article/GCA-Commodities/idUSKBN1CN2LW>.
- Peabody, Robert L., Susan Webb Hammond, Jean Torcom, Lynne P. Brown, Carolyn Thompson, and Robin Kolodny. ‘Interviewing Political Elites’. *PS: Political Science and Politics* 23, no. 3 (September 1990): 451. <https://doi.org/10.2307/419807>.
- Pegg, Scott. ‘De Facto States in the International System’. *Institute of International Relations*, Working Paper, no. 21 (1998): 1.
- . *International Society and the De Facto State*. Aldershot: Ashgate, 1998.
- . ‘Oil to Cash in Somaliland: A Debate Whose Time Has Come’. *The Journal of Modern African Studies* 56, no. 4 (December 2018): 619–43. <https://doi.org/10.1017/S0022278X18000575>.
- . ‘Twenty Years of de Facto State Studies: Progress, Problems, and Prospects’. *Oxford University Press*, 27 July 2017. <https://doi.org/10.1093/acrefore/9780190228637.013.516>.
- Pegg, Scott, and Pål Kolstø. ‘Somaliland: Dynamics of Internal Legitimacy and (Lack of) External Sovereignty’. *Geoforum* 66 (November 2015): 193–202. <https://doi.org/10.1016/j.geoforum.2014.09.001>.
- Pelletiere, Stephen C. *America’s Oil Wars*. Westport, CT: Praeger, 2004.
- . *Oil and the Kurdish Question: How Democracies Go to War in the Era of Late Capitalism*. Lanham, MD: Lexington Books, 2016.
- Petkova, Mariya. ‘What Did Russia Get from Its KRG Gamble?’ *Al Jazeera*, 15 April 2019. <https://www.aljazeera.com/features/2019/4/15/what-did-russia-get-from-its-kr-gamble>.
- . ‘Why Are Iraqi Kurds Not Taking Part in Protests?’ *Al Jazeera*, 11 November 2019. <https://www.aljazeera.com/news/2019/11/11/why-are-iraqi-kurds-not-taking-part-in-protests>.
- . ‘Why Do Kurds Continue to Flee Iraq’s Kurdish Region?’ *Al Jazeera*, 30 October 2018. <https://www.aljazeera.com/features/2018/10/30/why-do-kurds-continue-to-flee-iraqs-kurdish-region/?gb=true>.
- Petti, Matthew. ‘Take the Oil? American Oil Company Finally Gets a Syrian Oil Deal’. *The National Interest*. 30 July 2020. <https://nationalinterest.org/blog/skeptics/take-oil-american-oil-company-finally-gets-syrian-oil-deal-165902>.
- Pfeifer, Sylvia. ‘Exxon Signs Kurd Exploration Contracts’. *The Financial Times*, 10 November 2011. <https://www.ft.com/content/4e44f860-0bda-11e1-9861-00144feabdc0>.
- Phillips, David L. *The Great Betrayal: How America Abandoned an Ally in the Middle East*. London: I.B. Tauris & Co. Ltd, 2019.
- Piet, Remi B., Bruce Michael Bagley, and Marcelo R. S. Zorovich, eds. *Energy Security and Environmental Sustainability in the Western Hemisphere*. Security in the Americas in the Twenty-First Century. Lanham: Lexington Books, 2017.
- Pira, Jamal. ‘حکومتی دژە خەڵک! [Anti-People Government!]’. *Sharppress*, 15 February 2016. <http://www.sharppress.net/op-detail.aspx?jimare=54469>.
- Platts Insight. ‘Kurds in Northern Iraq Sell Crude Cargoes for \$100 Million, 9% below Alternative Oil’, 26 June 2014. <https://blogs.platts.com/2014/06/26/ceyhan-map/>.
- Polk, William Roe. *Understanding Iraq: A Whistlestop Tour from Ancient Babylon to Occupied Baghdad*. London: Tauris, 2005.

- Pollack, Kenneth M. *The Threatening Storm: The Case for Invading Iraq*. 1st ed. New York: Random House, 2002.
- Putnam, Robert D. 'Diplomacy and Domestic Politics: The Logic of Two-Level Games'. *International Organization* 42, no. 3 (1988): 427–60.
- 'Petroleum Law of the Kurdistan Region–Iraq'. KRG, 29 June 2007. [http://previous.cabinet.gov.krd/pdf/2\\_English\\_Version\\_Kurdistan\\_Petroleum\\_Law.pdf](http://previous.cabinet.gov.krd/pdf/2_English_Version_Kurdistan_Petroleum_Law.pdf).
- 'Position Paper of the Government of the People's Republic of China on the Matter of Jurisdiction in the South China Sea Arbitration Initiated by the Republic of the Philippines'. The Ministry of Foreign Affairs of China, 2014.
- Qadir, Kamal Said. 'Iraqi Kurdistan's Downward Spiral'. *Middle East Quarterly* 14, no. 3 (1 June 2007). <https://www.meforum.org/1703/iraqi-kurdistan-downward-spiral>.
- Rafaat, Aram. *Kurdistan in Iraq: The Evolution of a Quasi-State*. Routledge Studies in Middle Eastern Democratization and Government. London: Routledge, 2018.
- . 'The 1926 Annexation of Southern Kurdistan to Iraq: The Kurdish Narrative'. *American Research Journal of History and Culture* 3, no. 1 (2017). <https://doi.org/10.21694/2379-2914.17002>.
- Rahim, Darwn. *The Nabucco Natural Gas Pipeline: A Missed Opportunity to Deliver Kurdish Natural Gas to Europe*. Vol. 8 of Studia Kurdica. Universität Erfurt, Mustafa Barzani Arbeitsstelle für Kurdische Studien, 2016. <https://books.google.iq/books?id=egd-AQAACAAJ>.
- Rahman, Bayan Sami Abdul. Interview by author, 28 January 2022.
- Ramani, Samuel. 'Russia's Outreach to Iraqi Kurdistan: A Gambit for Energy Investments and Regional Status'. *RUSI Newsbrief* 40, no. 1 (February 2020). [https://rusi.org/sites/default/files/20201601\\_ramani\\_krg\\_web.pdf](https://rusi.org/sites/default/files/20201601_ramani_krg_web.pdf).
- Rand, Christopher T. *Making Democracy Safe for Oil: Oilmen and the Islamic East*. 1st ed. Boston: Little, Brown, 1975.
- Randolph, Sean. 'The Status of Agreements between the American Institute in Taiwan and the Coordination Council for North American Affairs'. *The International Lawyer* 15, no. 2 (Spring 1981): 249–62.
- Raoof, Mohammed, and Fazil Hamarafet. 'هەرمێم نەوت رادەست بکات یان داهاشی نەوت؟' [Will the KR Hand over Oil or the Oil Revenue?]. Drawmedia, 28 March 2021. [http://drawmedia.net/page\\_detail?smart-id=8076](http://drawmedia.net/page_detail?smart-id=8076).
- Rasheed, Ahmed. 'Iraq Blacklists Chevron for Kurdish Oil Deals'. *Reuters*, 24 July 2012. <https://www.reuters.com/article/us-iraq-chevron-idUSBRE86N12A20120724>.
- Recknagel, Charles, and Sa'ad Abdul Qadir. 'Iraq: Washington Seeks To Strengthen Kurdish Accord'. *RadioFreeEurope/RadioLiberty*, 9 January 1999. <https://www.rferl.org/a/1090385.html>.
- Reeves, Jeffrey. 'Resources, Sovereignty, and Governance: Can Mongolia Avoid the "Resource Curse"?'. *Asian Journal of Political Science* 19, no. 2 (August 2011): 170–85. <https://doi.org/10.1080/02185377.2011.600165>.
- Regan, Anthony J. 'Causes and Course of the Bougainville Conflict'. *The Journal of Pacific History* 33, no. 3 (November 1998): 269–85. <https://doi.org/10.1080/00223349808572878>.
- Reisinezhad, Arash. *The Shah of Iran, the Iraqi Kurds, and the Lebanese Shia*. Cham Renwick C: Palgrave Macmillan, 2019. <https://doi.org/10.1007/978-3-319-89947-3>.
- Renger, Jochen. 'The Middle East Peace Process: Obstacles to Cooperation over Shared Waters'. In *Water in the Middle East*, edited by Waltina Scheumann and Manuel Schiffler. Berlin: Springer Berlin Heidelberg, 1998. <https://doi.org/10.1007/978-3-662-03731-7>.



- Reus-Smit, Christian. 'Constructivism'. In *Theories of International Relations*, edited by Scott Burchill, 3rd ed. New York: Palgrave Macmillan, 2005.
- . 'The Constructivist Challenge after September 11'. In *International Society and Its Critics*, edited by Alex J. Bellamy. Oxford: Oxford University Press, 2004. <https://doi.org/10.1093/0199265208.003.0005>.
- Reuters. 'Factbox: Oil Deals with Kurdistan', 5 April 2012. <https://www.reuters.com/article/us-iraq-kurdistan-oil-deals-idUSBRE8340DV20120405>.
- Reuters. 'Hezbollah Says Kurdish Vote a Step toward Wider Mideast Partition', 30 September 2017. <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum-hezbo-idUSKCN1C50RK>.
- Reuters. 'Iran Bans Oil Product Transport to, from Iraq's Kurdistan Region', 29 September 2017. <https://www.reuters.com/article/mideast-crisis-iran-kurds-idUSL2N1MA0I0>.
- Reuters. 'Iraq Halts Exports through Pipeline to Pressure Kurds: Iraq Oil Report', 18 March 2016. <https://www.reuters.com/article/iraq-oil-turkey-idUSL5N16P778>.
- Reuters. 'Iraq Threatens Legal Action against Any Buyer of Piped Kurdish Oil', 1 June 2014. <https://www.reuters.com/article/us-iraq-kurds-oil-idUSKBN0EC1E820140601>.
- Reuters. 'Iraqi Kurds Reassert Right to Export Oil to U.S. despite Court Ruling', 23 September 2015. <https://www.reuters.com/article/us-iraq-kurds-oil-idUSKCN0RM22Y20150923>.
- Reuters. 'Protests Intensify in Iraqi Kurdistan amid Economic Crisis', 9 February 2016. <https://www.reuters.com/article/us-mideast-crisis-iraq-protests-idUSKCN0VI11X>.
- Reuters. 'Rosneft Doubles Fourth-Quarter Profit Helped by Sistema Deal', 19 March 2018. <https://www.reuters.com/article/us-rosneft-oil-results-idUSKBN1GV0YS>.
- Reuters. 'Somalia Bans Dubai Ports Operator DP World, Says Contract with Somaliland Null', 13 March 2018, sec. Emerging Markets. <https://www.reuters.com/article/us-somalia-ports-idUSKCN1GP10E>.
- Reuters. 'U.S. "not Taking Sides" in Iraqi-Kurdish Dispute - Trump', 16 October 2017. <https://www.reuters.com/article/uk-mideast-crisis-iraq-kurds-trump-idUK-KBN1CL2P6>.
- Rivlin, Paul, and Brandon Friedman. 'Kurdistan's Economic Woes'. *MDC* 7, no. 8 (30 October 2017). file:///Users/shwan/Downloads/iqtisadi\_2017\_oct\_eng.pdf.
- Roba, Ibrahim Suleiman, and Patrick Maluki. 'The Role of Digital Diplomacy in State Recognition in Africa'. *Africa Portal*, 22 October 2020. <https://www.africaportal.org/features/role-digital-diplomacy-state-recognition-africa/>.
- Romano, David. 'Iraqi Kurdistan and Turkey: Temporary Marriage?' *Middle East Policy* 22, no. 1 (March 2015): 89–101. <https://doi.org/10.1111/mepo.12115>.
- . 'The Oil Imperative in the KRG'. In *Routledge Handbook on the Kurds*, edited by Michael M. Gunter, 1st ed. London: Routledge, 2018.
- Rose, Caroline. 'The Precarious Kurdish-Israeli Relationship, Post-Kirkuk'. *Atlantic Council* (blog), 30 November 2017. <https://www.atlanticcouncil.org/blogs/menasource/the-precarious-kurdish-israeli-relationship-post-kirkuk/>.
- Rosneft. 'Rosneft and Kurdistan Regional Government Announce the Entry of Rosneft into an Infrastructure Project in the Kurdistan Autonomous Region', 19 October 2017. <https://www.rosneft.com/press/releases/item/188147/>.
- Rosneft. 'Rosneft and the Government of the Kurdish Autonomous Region of Iraq Agree on Cooperation at Five Production Blocks', 18 October 2017. <https://www.rosneft.com/press/releases/item/188125/>.
- Rosneft. 'Rosneft and the Kurdistan Regional Government of Iraq Signed an Offtake Contract', 21 February 2017. <https://www.rosneft.com/press/releases/item/185769/>.

- Rosneft. 'Rosneft Develops Projects in Iraqi Kurdistan', 18 September 2017. <https://www.rosneft.com/press/releases/item/187711/>.
- Ross, Michael Lewin. 'Oil, Drugs, and Diamonds: The Varying Roles of. Natural Resources in Civil War'. In *The Political Economy of Armed Conflict: Beyond Greed and Grievance*, edited by Karen Ballentine, Jake Sherman, and International Peace Academy. Boulder, Co: Lynne Rienner Publishers, 2003.
- . *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*. Princeton, NJ: Princeton Univ. Press, 2012.
- . 'What Have We Learned about the Resource Curse?' *Annual Review of Political Science* 18, no. 1 (11 May 2015): 239–59. <https://doi.org/10.1146/annurev-polisci-052213-040359>.
- Rubin, Avshalom H. 'Abd Al-Karim Qasim and the Kurds of Iraq: Centralization, Resistance and Revolt, 1958-63'. *Middle Eastern Studies* 43, no. 3 (May 2007): 353–82. <https://doi.org/10.1080/00263200701245944>.
- Rubin, Michael. 'How Kurds Can Resolve Their Financial Crisis'. *American Enterprise Institute - AEI* (blog), 21 January 2016. <https://www.aei.org/foreign-and-defense-policy/middle-east/how-kurds-can-resolve-their-financial-crisis/>.
- . 'Is Iraqi Kurdistan a Good Ally?' American Enterprise Institute, 7 January 2008. <https://www.aei.org/research-products/report/is-iraqi-kurdistan-a-good-ally/>.
- . *Kurdistan Rising? Considerations for Kurds, Their Neighbors, and the Region*. Washington, D.C: American Enterprise Institute, 2016.
- . 'The Continuing Problem of KRG Corruption'. In *Routledge Handbook on the Kurds*, edited by Michael M. Gunter, 1st ed., 329–40. London: Routledge, 2018. <https://doi.org/10.4324/9781315627427-25>.
- Rudaw. 'Baghdad-Erbil Oil Deal Significant, Says Iraq Spokesman', 30 August 2016. <https://www.rudaw.net/english/kurdistan/300820161>.
- Rudaw. 'Four Parties Object to KRG-Rosneft Deal Inked without Parliament Approval', 6 March 2017. <https://www.rudaw.net/english/business/030620171>.
- Rudaw. 'In 24 Hours, Turkey Stations Troops atop 8 Mountains in Kurdistan Region', 4 June 2018. <https://www.rudaw.net/english/kurdistan/060420186>.
- Rudaw. 'Israeli PM Netanyahu First Government Head to Support Kurdish Independence', 13 September 2017. <https://www.rudaw.net/english/middleeast/12092017>.
- Rudaw. 'KRG PM Barzani Arrives in Turkey to Attend Erdogan's Oath', 7 September 2018. <https://www.rudaw.net/english/kurdistan/09072018>.
- Rudaw. 'Kurdistan Region PM Masrour Barzani Addresses Parliament', 10 May 2020. <https://www.rudaw.net/english/kurdistan/051020201>.
- Rudaw. 'MHP Leader: Kurdistan Flag Flying next to Turkish Flag Is a "Disgrace"', 28 February 2017. <https://webcache.googleusercontent.com/search?q=cache:ffZHhyGOF-wAJ:https://www.rudaw.net/english/middleeast/turkey/28022017-amp+&cd=3&hl=en&ct=clnk&gl=iq&client=safari>.
- Rudaw. 'Oil Deals Signed by Nawshirwan Mustafa Were Waste of Kurdistan's Natural Resources: Ashti Hawrami', 29 August 2012. <https://ekurd.net/mismas/articles/misc2012/8/state6450.htm>.
- Rudaw. 'Peshmerga Respond to, Push Back Iraqi Militia Attack near Zummar', 26 October 2017. <https://www.rudaw.net/english/kurdistan/2510201710>.
- Rudaw. 'Referendum Will Harm Ankara-Erbil Energy Cooperation, Turkish Minister', 8 October 2017. <https://www.rudaw.net/english/middleeast/turkey/100820171>.
- Rudaw. 'Turkey Won't Close Border after Kurdistan Referendum: FM', 23 August 2017. <https://www.rudaw.net/english/kurdistan/230820175>.

- Rudaw. 'UPDATE: Kurdish Forces Enter North Oil Company in Kirkuk', 3 February 2017. <https://www.rudaw.net/english/kurdistan/020320172>.
- Rudaw. 'UPDATED: PM Barzani: Military Attack on Kurdistan Is "Impossible"', 20 September 2017. <https://www.rudaw.net/english/kurdistan/200920176>.
- Rudaw. 'بۆچی حکومهت مووچهی پێ دابین ناکرێت؟' [Why Can the Government Not Provide Salaries?]. Accessed 20 February 2022. <https://www.rudaw.net/sorani/business/020220162>.
- Rueschemeyer, Dietrich. 'Can One or a Few Cases Yield Theoretical Gains?' In *Comparative Historical Analysis in the Social Sciences*, edited by James Mahoney and Dietrich Rueschemeyer. Cambridge Studies in Comparative Politics. Cambridge, U.K.: Cambridge University Press, 2003.
- Rutland, Peter. 'Petronation? Oil, Gas, and National Identity in Russia'. *Post-Soviet Affairs* 31, no. 1 (2 January 2015): 66–89. <https://doi.org/10.1080/1060586X.2014.952537>.
- Rwanduzy, Mohammed. 'Gas Canister Price Hike Caused by "Monopolists and Mafias": KRG'. *Rudaw*, 2 February 2020. <https://www.rudaw.net/english/kurdistan/020220204>.
- Ryan, Missy, and Mark Hosenball. 'Kurds Use Well-Oiled Lobbying to Plead for Help in Washington'. *Reuters*, 7 August 2014. <https://www.reuters.com/article/us-kurdistan-independence-lobbying-idUSKBN0G70BS20140807>.
- 'Remarks on Assistance for Iraqi Refugees and a News Conference'. The American Presidency Project, 16 April 1991. <https://www.presidency.ucs.edu/documents/remarks-assistance-for-iraqi-refugees-and-news-conference>.
- Saleh, Ali Hama. 'بۆری نهوت هه کێیه! پارهه نهوت و تهقاندنهوهی بۆری' [Who Is the Owner of the Oil Pipeline! Oil Revenue and the Explosion of the Oil Pipeline]. *Speemedia*, 31 October 2020. <http://www.speemedia.com/drejaWtar.aspx?NusarID=290&Jmare=7837>.
- Salih, Ali Hama. Interview by author, 31 October 2021.
- Salih, Barham. 'A Kurdish Model for Iraq'. *The Washington Post*, 9 December 2002. <https://www.washingtonpost.com/archive/opinions/2002/12/09/a-kurdish-model-for-iraq/ead162a-3f56-45d6-9045-432046f2cb61/>.
- Salih, Hemin. 'KRG May Hang Officials Accused of Buying Oil from IS'. *Basnews*, 21 October 2014. <http://www.mesop.de/mesop-the-big-sacandal-kr-g-may-hang-officials-accused-of-buying-oil-from-is/>.
- Salih, Mohammed A. 'Baghdad-Erbil Deal Silent on KRG's Surplus Oil'. *Al-Monitor*, 9 December 2014, sec. Editorial. <https://www.al-monitor.com/pulse/originals/2014/12/baghdad-erbil-oil-agreement-export-loopholes.html>.
- . 'Erbil-Baghdad Oil Relations Swing between Deal, No Deal'. *Al-Monitor*, 27 July 2015, sec. Editorial. <https://www.al-monitor.com/pulse/originals/2015/07/iraq-oil-kirkuk-somo-kurdish.html>.
- Salih, Mohammed A., and Mustafa Naser. 'Iraq: Kurds and Iran Eye an Oil Deal'. *Al Jazeera*, 22 June 2016. <https://www.aljazeera.com/news/2016/6/22/iraq-kurds-and-iran-eye-an-oil-deal>.
- Schlichte, Klaus. *In the Shadow of Violence: The Politics of Armed Groups*. Chicago, IL: Chicago University Press, 2009.
- . *In the Shadow of Violence: The Politics of Armed Groups*. Frankfurt: Campus Verlag, 2009.
- Schouten, Peer, and Stephen D Krasner. 'Theory Talk #21: Stephen Krasner on Sovereignty, Failed States and International Regimes'. *Theory Talks*, 2008. [https://www.files.ethz.ch/isn/155242/theory%20talk21\\_krasner.pdf](https://www.files.ethz.ch/isn/155242/theory%20talk21_krasner.pdf).
- Schulze, Kirsten E. 'The Conflict in Aceh: Struggle over Oil?' In *Oil Wars*, edited by Mary Kaldor, Terry Lynn Karl, and Yahia Said, 183–224. London: Pluto, 2007.

- Schwartz, Richard Alan. *Encyclopedia of the Persian Gulf War*. Jefferson, N.C.; London: McFarland, 1998.
- Shankleman, Jill. 'Oil and State Building in South Sudan'. The United States Institute of Peace, July 2011. <https://www.usip.org/publications/2011/07/oil-and-state-building-south-sudan>.
- Shareef, Mohammed. 'China's Dual Diplomacy: Arab Iraq and the Kurdistan Region'. In *Toward Well-Oiled Relations?*, edited by Niv Horesh, 69–93. London: Palgrave Macmillan, 2016. [https://doi.org/10.1057/9781137539793\\_6](https://doi.org/10.1057/9781137539793_6).
- Sharma, Suraj. 'An Iraqi Kurd Flag Flies in Istanbul, and May Help Erdogan Win Power Poll'. *Middle East Eye*, 13 March 2017. <https://www.middleeasteye.net/news/iraqi-kurd-flag-flies-istanbul-and-may-help-erdogan-win-power-poll>.
- Sharpness. 'The PUK's "Black Force" Controlled 3 , [هێزه رهشهكهی "یهكیتی كۆنترۆلكر دوه]' February 2017. <https://www.sharpress.net/all-detail.aspx?Jimare=81112>.
- Sheppard, David, John Reed, and Raval Anjli. 'Israel Turns to Kurds for Three-Quarters of Its Oil Supplies'. *Financial Times*, 23 August 2015. <https://www.ft.com/content/150f00cc-472c-11e5-af2f-4d6e0e5eda22>.
- Smolansky, Oles M., and Bettie M. Smolansky. *The USSR and Iraq: The Soviet Quest for Influence*. Durham, NC: Duke University Press, 1991.
- Snow, Andrew. 'Kurdistan Region's Debt Crisis Threatens Iraq's Economy'. *United States Institute of Peace*. 9 May 2018. <https://www.usip.org/publications/2018/05/kurdistan-regions-debt-crisis-threatens-iraqs-economy>.
- Soheil, Adel. *Territory, State and Nationalism: Anglo-Iraqi Policy Toward the Kurdish National Movement, 1918-1932*. Stockholm, Sverige: Books on Demand, 2018.
- Solein, Erik, and Antony F. G. Scanlan. 'Oil and Natural Gas as Factors in Strategic Policy and Action: A Long-Term View'. In *Global Resources and International Conflict: Environmental Factors in Strategic Policy and Action*, edited by Arthur H. Westing. Oxford: Oxford University Press, 1986.
- Solomon, Salem. 'Trade Project Builds Somaliland's Economy; Leaders Seek More'. *VOA*, 14 February 2019. <https://www.voanews.com/a/trade-project-builds-somaliland-economy-but-leaders-seek-more-help/4786416.html>.
- SOMO. 'Crude Oil Exports for May 2019'. SOMO, June 2019. <https://somoil.gov.iq/exports>.
- Sowell, Kirk. 'Iraqi Prime Minister Steps down as State Is Fracturing'. *Petroleum Economist*, 20 August 2014. <https://www.petroleum-economist.com/articles/politics-economics/middle-east/2014/iraqi-prime-minister-steps-down-as-state-is-fracturing>.
- S&P Global Platts. 'Iran, Iraq Meet for Talks on Crude Swap Deal', 30 November 2017. <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/113017-iran-iraq-meet-for-talks-on-crude-swap-deal>.
- S&P Global Platts. 'Iraq's NOC Vows to Maintain Kirkuk Oil Flows after Ousting Kurds', 17 October 2017. <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/101717-iraqs-noc-vows-to-maintain-kirkuk-oil-flows-after-ousting-kurds>.
- Spears, Ian S. 'States-Within-States: An Introduction to Their Empirical Attributes'. In *States-Within-States*, edited by Paul Kingston and Ian S. Spears, 15–34. New York: Palgrave Macmillan, 2004. [https://doi.org/10.1057/9781403981011\\_2](https://doi.org/10.1057/9781403981011_2).
- Spiro, Peter J. 'DISAGGREGATING US INTERESTS IN INTERNATIONAL LAW'. In *International Law and International Relations: Bridging Theory and Practice*, edited by Thomas J. Biersteker, Peter J. Spiro, Chandra Lekha Sriram, and Veronica Raffo. London: Routledge, 2007.
- Sputnik. 'Iraqi Kurdistan Should Get "Fair Share" From IMF Loan to Iraq', 6 March 2016. <https://sputniknews.com/middleeast/201606031040767877-iraqi-kurdistan-imf-loan/>.

- Stansfield, Gareth R. V. *Iraqi Kurdistan: Political Development and Emergent Democracy*. 1. London: RoutledgeCurzon, 2003.
- Stansfield, Gareth R. V. 'Kurdistan Rising: To Acknowledge or Ignore the Unraveling of Iraq'. Middle East Memo. Washington, D.C: Brookings Institution, 31 July 2014. <https://www.brookings.edu/research/kurdistan-rising-to-acknowledge-or-ignore-the-unraveling-of-iraq/>.
- Stansfield, Gareth R. V. 'The Kurdish Experience in Post-Saddam Iraq'. In *The Kurdish Question Revisited*, edited by Gareth R. V Stansfield and Mohammed Shareef. Oxford: Oxford University Press, 2017.
- . 'The Kurdish Question, in Iraq 1914–1974'. In *Middle East Online*, 1. 2. Iraq: Cengage Learning EMEA Ltd, Reading, 2006. [https://www.gale.com/binaries/content/assets/au-resources-in-product/iraqessay\\_stansfield.pdf](https://www.gale.com/binaries/content/assets/au-resources-in-product/iraqessay_stansfield.pdf).
- Stansfield, Gareth R.V. 'Chapter 7: The Kurdish Dilemma: The Golden Era Threatened'. *The Adelphi Papers* 43, no. 354 (January 2003): 131–48. <https://doi.org/10.1080/714027855>.
- Stewart, Frances. 'Horizontal Inequalities as a Cause of Conflict'. *Bradford Development Lecture, University of Bradford, UK*, 2009.
- Stewart, Frances, Graham K Brown, and Amim Langer. 'Major Findings and Conclusions on the Relationship Between Horizontal Inequalities and Conflict'. In *Horizontal Inequalities and Conflict Understanding Group Violence in Multiethnic Societies*, edited by Frances Stewart. Basingstoke: Palgrave Macmillan, 2008. <http://www.palgrave-connect.com/doi/10.1057/9780230582729>.
- Stiglitz, Joseph E. '8. Inequality and Economic Growth'. *The Political Quarterly* 86, no. S1 (December 2015): 134–55. <https://doi.org/10.1111/1467-923X.12237>.
- Stockholm International Peace Research Institute (SIPRI). *Oil and Security*. Stockholm: Almqvist and Wiksell International, 1974.
- Strouse, Thomas. 'Dependent Aspirations: The Oil Policies of the Kurdistan Regional Government'. MA diss, The Institute for Middle East Studies, The Elliott School of International Affairs, The George Washington University, 2010.
- . 'Dependent Aspirations: The Oil Policies of the Kurdistan Regional Government'. Master's Thesis, The Institute for Middle East Studies, The Elliott School of International Affairs, The George Washington University, 2010.
- Sumer, Fahrettin, and Jay Joseph. 'Compatibility of the Kurdistan Region of Iraq's Institutions and Economic Development Within Iraq'. In *Iraqi Kurdistan's Statehood Aspirations*, edited by Anwar Anaid and Emel Elif Tugdar, 27–54. Cham: Springer International Publishing, 2019. [https://doi.org/10.1007/978-3-319-93420-4\\_3](https://doi.org/10.1007/978-3-319-93420-4_3).
- . 'The Paradox of the Iraqi Kurdish Referendum on Independence: Contradictions and Hopes for Economic Prosperity'. *British Journal of Middle Eastern Studies* 45, no. 4 (8 August 2018): 574–88. <https://doi.org/10.1080/13530194.2018.1430533>.
- Sundar, Aparna, and Nandini Sundar. 'Introduction: Sovereignty, Development and Civil War'. In *Civil Wars in South Asia: State, Sovereignty, Development*. Los Angeles: SAGE Publications India Pvt Ltd, 2014.
- Swint, Brian. 'New Oil Pipeline Boosts Iraqi Kurdistan, the Region Made of Three Northern Provinces'. *Washington Post*, 13 June 2014, sec. Business. [https://www.washingtonpost.com/business/new-oil-pipeline-boosts-iraqi-kurdistan-the-region-made-of-three-northern-provinces/2014/06/12/50635600-ef30-11e3-bf76-447a5df6411f\\_story.html](https://www.washingtonpost.com/business/new-oil-pipeline-boosts-iraqi-kurdistan-the-region-made-of-three-northern-provinces/2014/06/12/50635600-ef30-11e3-bf76-447a5df6411f_story.html).
- Session 1: The Economic Crisis; Lessons Learnt?*, 2016. <https://www.youtube.com/watch?v=ofHGM1-a4Xc>.

- Session 6: *Visions for the Future of the Kurdistan Region: A Debate with the Prime Minister*, 2016. <https://www.youtube.com/watch?v=eDwXxixGnoA>.
- ‘Sources of Revenue for Saddam and Sons: A Primer on the Financial Underpinnings of the Regime in Baghdad’. Washington, D.C: The Coalition for International Justice, September 2002. <https://www.legal-tools.org/doc/4ccefl/pdf/>.
- Tahir, Rawaz, and Mohammed Hussein. ‘KRG Forced into Dire Measures, Trimming Peshmerga Salaries’. *Iraq Oil Report*, 21 December 2017. <https://www.iraqoilreport.com/news/kg-forced-dire-measures-trimming-peshmerga-salaries-26975/>.
- Tahiri, Hussein. *The Structure of Kurdish Society and the Struggle for a Kurdish State*. Costa Mesa, CA: Mazda Publishers, 2007.
- Talabany, Nouri. ‘Iraq’s Policy of Ethnic Cleansing: Onslaught to Change National/Demographic Characteristics of the Kirkuk Region’. *London*, unpublished paper, 1999. <https://www.kurdipedia.org/files/books/2013/87924.PDF?ver=130286343280814632>.
- Tansey, Oisín. ‘Process Tracing and Elite Interviewing: A Case for Non-Probability Sampling’. *PS: Political Science & Politics* 40, no. 04 (October 2007): 765–72. <https://doi.org/10.1017/S1049096507071211>.
- The Economist. ‘Somaliland, an Unrecognised State, Is Winning Friends Abroad’, 6 May 2021. <https://www.economist.com/middle-east-and-africa/2021/05/06/somaliland-an-unrecognised-state-is-winning-friends-abroad>.
- The New York Times. ‘Update: Kurdistan and the Battle Over Oil’, 9 October 2018, sec. Business. <https://www.nytimes.com/2018/10/08/business/update-kurdistan-and-the-battle-over-oil.html>.
- The Times. ‘Iraq Accused of Using Gas’, 21 May 1965.
- Tinti, Alessandro. *Oil and National Identity in the Kurdistan Region of Iraq: Conflicts at the Frontier of Petro-Capitalism*. Routledge Studies of the Extractive Industries. Abingdon, Oxon ; New York: Routledge, 2021.
- . *Oil and National Identity in the Kurdistan Region of Iraq: Conflicts at the Frontier of Petro-Capitalism*. London: Routledge, 2021.
- Today’s Zaman. ‘Sales of Kurdish Oil Point to Beneficiaries Close to Erdoğan’, 5 April 2015. <http://www.iraqdirectory.com/en/2015/04/05/29533/sales-of-kurdish-oil-point-to-beneficiaries-close-to-erdo%C4%9Fan.aspx>.
- Tofik, Hunar. ‘داهاته‌كه‌ى بو دانا غازو شه‌ر مه‌كه‌ى بو ئه‌مه‌’ [The Revenue for Dana Gas and Its War for Us]. *Awene*, 2 February 2020. <http://www.awene.com/article?no=8511&auther=30>.
- Tol, Gönül. ‘Untangling the Turkey-KRG Energy Partnership: Looking Beyond Economic Drivers’. *Global Turkey in Europe, Policy Brief*, no. 14 (2014): 6.
- Tonkus, Selen. ‘Iraq’s Kurds Must Crackdown on ISIL Oil - Experts’. *AA*, 20 October 2014. <https://www.aa.com.tr/en/world/iraqs-kurds-must-crackdown-on-isil-oil-experts/109327>.
- ‘Telegram From the Embassy in Iran to the Department of State’. Historical Documents, Foreign Relations of the United States, 1964–1968, Volume XXI, Near East Region; Arabian Peninsula, Document 172. Washington, 12 April 1965. <https://history.state.gov/historicaldocuments/frus1964-68v21/d172>.
- ‘The Kurdish Problem in Perspective’. Research Paper. National Foreign Assessment Center (U.S. Central Intelligence Agency), June 1979. [https://www.cia.gov/library/reading-room/docs/DOC\\_0000854674.pdf](https://www.cia.gov/library/reading-room/docs/DOC_0000854674.pdf).
- ‘The Kurdistan Region of Iraq: Assessing the Economic and Social Impact of the Syrian Conflict and ISIS’. Washington, D.C: The World Bank, 20 April 2015. <https://doi.org/10.1596/978-1-4648-0548-6>.
- ‘The Kurdistan Region: Strategic U.S. Ally in a Tough Neighborhood’. The Washington Times, July 2017. <https://www.humanrightscolumbia.org/news/kurdistan-region>.

- ‘The Treaties of Peace, 1919-1923’, 2:Articles 1-260. New York: Carnegie Endowment for International Peace, 1924. [https://wwi.lib.byu.edu/index.php/Section\\_I\\_Articles\\_1\\_260](https://wwi.lib.byu.edu/index.php/Section_I_Articles_1_260).
- United States Department of State. ‘Situation Near Kirkuk, Iraq’. 20 October 2017. <https://2017-2021.state.gov/situation-near-kirkuk-iraq/>.
- United States Department of State. ‘Situation Near Kirkuk, Iraq: Press Statement’, 16 October 2017. <https://2017-2021.state.gov/situation-near-kirkuk-iraq-2/>.
- U.S. Embassy & Consulates in Iraq. ‘Iraqi Kurdistan Regional Government’s Planned Referendum’, 20 September 2017. <https://iq.usembassy.gov/iraqi-kurdistan-regional-governments-planned-referendum/>.
- U.S. Embassy in Egypt. ‘Secretary Tillerson on Iraqi Kurdistan Regional Government’s Referendum’, 29 September 2017. <https://eg.usembassy.gov/secretary-tillerson-iraqi-kurdistan-regional-governments-referendum/>.
- Vertyaev, Kirill V. ‘The Russian Historical and Political Approach towards Nonconventional Independence of Iraqi Kurdistan’. In *Routledge Handbook on the Kurds*, edited by Michael M. Gunter, 1st ed. London: Routledge, 2018.
- Visser, Reidar. *Basra, the Failed Gulf State Separatism and Nationalism in Southern Iraq*. Politik 22. Münster: Lit-Verl, 2005.
- . ‘New DNO Revelations: While He Was Influencing the Shape of the Iraqi Constitution, Peter Galbraith Held Stakes in an Oilfield in Dahuk’. *Histories of Political Imagination*, October 2009. <http://www.historiae.org/Galbraith.asp>.
- VOI. ‘Iraqi Oil Minister Hussein Al-Shahristani Authorized to Ban Kurdistan Oil Exports’, 24 November 2007. <https://ekurd.net/mismas/articles/misc2007/11/government1277.htm>.
- Voller, Yaniv. ‘Contested Sovereignty as an Opportunity: Understanding Democratic Transitions in Unrecognized States’. *Democratization* 22, no. 4 (7 June 2015): 610–30. <https://doi.org/10.1080/13510347.2013.856418>.
- . ‘From Rebellion to De Facto Statehood: International and Transnational Sources of the Transformation of the Kurdish National Liberation Movement in Iraq into the Kurdistan Regional Government’. PhD diss, London School of Economics, 2012.
- . ‘Kurdish Oil Politics in Iraq: Contested Sovereignty and Unilateralism’. *Middle East Policy* 20, no. 1 (March 2013): 68–82. <https://doi.org/10.1111/mepo.12004>.
- . *The Kurdish Liberation Movement in Iraq: From Insurgency to Statehood*. London: Routledge, 2014.
- Wahab, Bilal. ‘Iraq and KRG Energy Policies: Actors, Challenges and Opportunities’. AUIS: The Institute of Regional and International Studies, May 2014. <https://auis.edu.krd/sites/default/files/WahabIRISReport.pdf>.
- . Interview by author, 12 December 2021.
- Waldner, David. ‘Process Tracing and Causal Mechanisms’. In *The Oxford Handbook of Philosophy of Social Science*, edited by Harold Kincaid. Oxford: Oxford University Press, 2012.
- Wallach, Janet. *Desert Queen: The Extraordinary Life of Gertrude Bell: Adventurer, Adviser to Kings, Ally of Lawrence of Arabia*. Anchor Books ed. New York: Anchor Books, 2005.
- Wendt, Alexander. ‘Anarchy Is What States Make of It: The Social Construction of Power Politics’. *International Organization* 46, no. 2 (1992): 391–425.
- . *Social Theory of International Politics*. Cambridge Studies in International Relations. Cambridge, UK: Cambridge University Press, 1999.
- Wenner, Lettie M. ‘Arab-Kurdish Rivalries in Iraq’. *Middle East Journal* 17, no. 1/2 (1963): 68–82.

- Whitcomb, Alexander. 'Why Kurdistan Still Doesn't Have Its Oil Money'. *Rudaw*, 13 July 2014. <https://www.rudaw.net/english/business/13072014>.
- WikiLeaks. 'Fwd: Proposal', 19 March 2016. <https://wikileaks.org/berats-box/emailid/30563>.
- WikiLeaks. 'Turkey: Input on Strategy to Integrate Iraq into Region', 17 March 2009. [https://search.wikileaks.org/plusd/cables/09ANKARA395\\_a.html](https://search.wikileaks.org/plusd/cables/09ANKARA395_a.html).
- Williams, Christopher, ed. *Environmental Victims New Risks, New Injustice*. London: Earthscan, 1998.
- Williams, Dan. 'Netanyahu Lobbies World Powers to Stem Iraqi Kurd Setbacks'. *Reuters*, 20 October 2017. <https://www.reuters.com/article/us-mideast-crisis-kurds-israel/netanyahu-lobbies-world-powers-to-stem-iraqi-kurd-setbacks-idUSKBN1CP181>.
- Wilson, Catherine. 'The New Battle for Bougainville's Panguna Mine'. *The Lowy Institute*, 2018. <https://www.loyyinstitute.org/the-interpreter/new-battle-bougainville-s-panguna-mine>.
- Wittkopf, Eugene R., Christopher M. Jones, and Charles W. Kegley. *American Foreign Policy: Pattern and Process*. 7th ed. Belmont, CA: Thomson/Wadsworth, 2008.
- Wolfe-Hunnicut, Brandon. 'Embracing Regime Change in Iraq: American Foreign Policy and the 1963 Coup d'état in Baghdad'. *Diplomatic History* 39, no. 1 (1 January 2015): 98–125. <https://doi.org/10.1093/dh/dht121>.
- . 'The End of the Concessionary Regime: Oil and American Power in Iraq, 1958–1972'. PhD diss, Stanford University, 2011.
- Wood, Graeme. 'Limbo World'. *Foreign Policy*, no. 177 (2010): 48–57.
- Wright, Robin. 'Kurdish Enclave Shows How Iraq Could Prosper'. *Los Angeles Times*, 1 December 2002. <https://www.latimes.com/archives/la-xpm-2002-dec-01-fg-kurds1-story.html>.
- 'Washington Meetings with Kurdish Representatives'. Foreign Relations of the United States, 1969–1976, Volume E–4, Documents on Iran and Iraq, 1969–1972, Document 319. Washington, 5 July 1972. <https://history.state.gov/historicaldocuments/frus1969-76ve04/d319>.
- Xelk Media. 'موچەى فەرمانبەرانى هەر ئيم دىمخز ئىتە سەر بەغدا' [The Salary of Region's Employees Will Be Added to Baghdad], 12 June 2020. <https://xelk.org/230362/>.
- Yemelianova, Galina M. 'Western Academic Discourse on the Post-Soviet de Facto State Phenomenon'. *Caucasus Survey* 3, no. 3 (2 September 2015): 219–38. <https://doi.org/10.1080/23761199.2015.1086572>.
- Yildiz, Kerim. *The Kurds in Iraq: Past, Present and Future*. Rev. ed. London: Pluto: Kurdish Human Rights Project, 2007.
- Yin, Robert K. *Case Study Research and Applications: Design and Methods*. Sixth edition. Los Angeles: SAGE, 2018.
- . *Case Study Research: Design and Methods*. 3rd ed. Applied Social Research Methods Series, v. 5. Thousand Oaks, Calif: Sage Publications, 2003.
- Zaman, Amberin. 'Energy Tops Agenda of Turkish FM's Meetings in Iraq'. *Al-Monitor*, 29 April 2019, sec. Editorial. <https://www.al-monitor.com/pulse/originals/2019/04/turkey-foreign-minister-visits-iraq.html>.
- . 'Intel: Syrian Kurds Court Moscow to Avert Potential Turkish Attack'. *Al Monitor*, 2 September 2020. <https://www.al-monitor.com/originals/2020/09/syria-kurds-sdf-court-moscow-turkey-attack-russia-regime.html>.
- Zartman, Ira William, ed. *Collapsed States: The Disintegration and Restoration of Legitimate Authority*. SAIS African Studies Library. Boulder: L. Rienner Publishers, 1995.
- Zhdannikov, Dmitry. 'Exclusive - How Kurdistan Bypassed Baghdad and Sold Oil on Global Markets'. *Reuters*, 17 November 2015. <https://uk.reuters.com/article/uk-iraq-kurdi-stan-oil-idUKKCN0T61HL20151117>.



- . ‘Iraq, Kurdistan Jointly Export Kirkuk Oil Again: Trading Sources’. *Reuters*, 1 September 2016. <https://www.reuters.com/article/us-iraq-kurdistan-oil-idUSKCN1174Y1>.
- . ‘Kurdistan Pays \$1 Billion to Dana Gas, Partners to Settle London Case’. *Reuters*, 30 August 2017. <https://www.reuters.com/article/us-dana-gas-arbitration-idUSKCN1BA272>.
- . ‘Russia Becomes Iraq Kurds’ Top Funder, Quiet about Independence Vote’. *Reuters*, 20 September 2017. <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum-russi-idUSKCN1BV1IH>.
- Zhdannikov, Dmitry, Isabel Coles, and Ned Parker. ‘Special Report: How Exxon Helped Make Iraqi Kurdistan’. *Reuters*, 3 December 2014. <https://www.reuters.com/article/us-mideast-crisis-kurdistan-specialreport-idUKKCN0JH18720141203>.
- Zhdannikov, Dmitry, and Vladimir Soldatkin. ‘Russia’s Rosneft to Take Control of Iraqi Kurdish Pipeline amid Crisis’. *Reuters*, 20 October 2017. <https://www.reuters.com/article/us-mideast-crisis-iraq-kurds-rosneft-idUSKBN1CP16L>.
- Zmkan, Ali Saleem, and Mac Skelton. ‘Assessing Iraqi Kurdistan’s Stability: How Patronage Shapes Conflict’. LSE Middle East Centre Paper Series:38, July 2020.
- Zulal, Shwan. ‘Survival Strategies and Diplomatic Tools: The Kurdistan Region’s Foreign Policy Outlook’. *Insight Turkey* 14, no. 3 (1 July 2012). <https://www.insightturkey.com/articles/survival-strategies-and-diplomatic-tools-the-kurdistan-regions-foreign-policy-outlook>.
- . Interview by author, 18 November 2021.
- Zürcher, Christoph. *The Post-Soviet Wars: Rebellion, Ethnic Conflict, and Nationhood in the Caucasus*. New York: New York University Press, 2007.
- ‘2021/6/28 بەشی سێیەمی دانیشتنی پەرلەمانی کوردستان ژمارە 16 ی ئاسایی خولی بەهاری 2021/6/28 [The Third Part of the Parliament Session of (16) of 2021/6/28]’, 28 June 2021. <https://www.youtube.com/watch?v=6fpM-92PuRc>.
- ‘2017/1/3 تەختە خەڵە: مۆتەر الصەفە لئێس وزیرە د. حیدر العبادی [Special Coverage: The Press Conference of the Prime Minister, Dr. Haider al-Abadi]’, 3 January 2017. <https://www.youtube.com/watch?v=uBrwVzI9xdU>.
- ‘2020/10/5 دانیشتنی پەرلەمانی کوردستان 5/10/2020/ Section 3]’, 5 October 2020. <https://www.youtube.com/watch?v=Q2et2Hmks2Q&t=16807s>.
- ‘گەوتوگۆم لە پێشبرکێی تەکنەلۆژیای تیکفێست لە سلێمانی [My Conversation at the Techfest Technology Festival in Sulaymaniyah]’, 21 August 2021. <https://www.youtube.com/watch?v=nKB2q2scTSU>.
- ‘110 یەکێک لە بەڵێنەکانی پارتی دیموکراتی کوردستان, لیستی 110 [One of KDP’s Promises: List of 110]’, 12 September 2013. [https://www.youtube.com/watch?v=Yk\\_cMDwbAEA](https://www.youtube.com/watch?v=Yk_cMDwbAEA).

## Appendixes

### 1. Appendix: interviewees

1. Sherko Jawdat Mustafa, former Chairman of the Parliament's Industry, and Natural Resources Committee, 22 September 2021, Sulaimani, face to face interview.
2. Ali Hama Salih, Chairman of the Parliament's Energy, Natural Resources, Commerce and Industry Committee, 31 October 2021, video call.
3. Alan Mohtadi, former Political Economic Consultant of the Middle East and the Kurdistan Region, 15 November 2021, video call.
4. Shwan Zulal, Managing Director at Carduchi-Kurdistan oil & gas, 18 November 2021, video call
5. Robin Mills, CEO of Qamar Energy, 23 November 2021, video call
6. Bilal Wahab, the Nathan and Esther K. Wagner fellow at The Washington Institute, 12 December 2021, video call.
7. Falah Mustafa Bakir, Senior Foreign Policy Advisor to President Nechirvan Barzani and the former Head of the Department of Foreign Relations for the KRG from 2006 to 2019, 17 December 2021, video call.
8. Mohammed Hussein, Member of the Administrative Team at Iraqi Economists Network and Special Correspondent at Iraq Oil Report, 5 January 2022, video call.
9. Ahmed Mufti, Deputy Minister of Natural Resources of the KRG, 15 January 2022, video call.
10. Bayan Sami Abdul Rahman, the KRG Representative to the United States of America, 28 January 2022, video call.
11. A Kurdish official, 1 February 2022, video call

## 2. Appendix: interview questions

### Personal background

- Year of birth:
  - Gender:
  - Country of birth:
  - Political affiliation:
  - Government position:
  - Occupation:
1. In your opinion, what does natural resources, especially oil and gas, mean to Kurdish people?
  2. How does lack of independence affect the energy policy, particularly oil and gas, of KRG?
  3. How do you evaluate the energy policy of the KRG?
  4. What roles do international oil companies play in supporting the KRG to achieve its objectives?
    - A. What roles did the energy policy play during the 2017 referendum?
  5. What do you think about the idea that oil would enhance sovereign states?
  6. In your opinion, what is the nature of relations between Baghdad and KRG over oil or what are the disagreements and how do they affect KRG's income from oil?
  7. What do you think about the idea that KRG should hand over its oil export to Baghdad around 250,000 bpd so that people from the region would receive salaries regularly from Baghdad?
  8. How does the absence of transparency in the oil sector affect KRG internally and externally?
  9. What have Kurdish people gained from KRG's independent economy based on its independent oil sales?
  10. To what extent is the oil sector in Kurdistan institutionalized?