Contesting borders? The formation of Iraqi Kurdistan’s de facto state

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The Kurds are the largest territorially concentrated ethnic group in the world without its own nation-state. However, the Iraqi Kurdish population has been striving to establish its own political order for more than two decades. It might be premature to expect ‘the world’s next country’ in the near future, but it is impossible to ignore the emergence of a de facto state in northern Iraq. This marked development is putting the Middle Eastern state system under pressure, and for pundits speculating about the formation of several new states in the Middle East, the Kurdistan Region of Iraq is a high-ranking candidate. A Westphalian perspective emphasizing the international sovereignty of states, of course, would stress that this Kurdish entity is formally still a part of Iraq. However, Baghdad has lost its authority there, and the Iraqi Kurds, empowered by their own government, parliament and administration, and their own armed forces, are autonomously pursuing their own policies, often against the will of their parent state. Kurdish rule has made the territory the most secure area in post-2003 Iraq, enabling the economy to flourish. Other parts of Iraq have, in contrast, experienced continuous turmoil since the US-led invasion, especially since 2011, and the political system established after 2003 seems poorly equipped to contain conflict.

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1 Christian Caryl, ‘The world’s next country’, Foreign Policy, 21 Jan. 2015, http://foreignpolicy.com/2015/01/21/the-worlds-next-country-kurdistan-kurds-iraq/. (Unless otherwise noted at point of citation, all URLs cited in this article were accessible on 7 June 2017.)


efforts to reconstruct Iraq have been of little avail, notwithstanding a large-scale external statebuilding intervention, the Kurdish attempt at de facto state formation has been quite successful.

This success is puzzling when compared to the current state of Iraq, and when considered alongside the most prominent theory of state formation, which argues that it is war-making that gives rise to states. For war did not make the state in Iraqi Kurdistan: the Kurds did not take their territory by force. They gained control because of international protection under the no-fly zone over northern Iraq, established in 1991, which made the Ba’ath Party regime pull back from the area. When the two main Kurdish parties, and long-term rivals, the Kurdistan Democratic Party (KDP: Partiya Demokrat a Kurdistanê) and the Patriotic Union of Kurdistan (PUK: Yekêtî Nişîmanîy Kurdistan), tried to build a state by force, they failed. In the civil war that lasted from 1994 to 1998, each party fought for sole control of the whole territory, but neither side succeeded and a stalemate resulted. After a peace agreement, momentum built behind the de facto formation in northern Iraq of a state built by the KDP and the PUK in collaboration.

War, then, does not explain the successful Kurdish state-making process. On the contrary, it represented a major setback for the Iraqi Kurds after 1991. This suggests an alternative theory of state formation, which argues that social coalitions of key elites can account for successful statebuilding. While some scholars have advanced the argument that social coalitions, rather than war, formed a major driving force in the formation of states in Europe, the war paradigm has nevertheless clearly dominated research. However, the coalitional account has been growing in popularity recently, as the geographical scope of state formation research has widened to offer explanations of varying degrees of success in state-making in the developing world.

This article continues the trend of theory-guided research on statebuilding beyond Europe, and analyses the emergence of Iraqi Kurdistan as a case-study. I argue that the social coalition of the KDP and the PUK, which sustained statebuilding in northern Iraq, emerged and stabilized as a result of external incentives.
The formation of Iraqi Kurdistan’s de facto state

The two parties’ demonstration of unity before the international community, and particularly before Iraqi Kurdistan’s main sponsors, the United States and Turkey, has resulted in large flows of revenue for both of them. The primary aim of the coalition was to secure access to power and the related profits: the achievement of stable and sustainable state structures was not its core interest. A unified administration and government has therefore developed only very slowly, and a large proportion of the peshmerga forces still operate under each individual party’s command, rather than that of the Kurdistan Regional Government (KRG). Analysis of the formation of the de facto state therefore demonstrates both the potential and the limitations of externally promoted domestic statebuilding coalitions. In addition, the emergence of Iraqi Kurdistan throws light on the current problem of domestic sovereignty in Middle Eastern states and allows us to identify factors that may determine its possible further development to independent statehood.

This article offers a theory-guided analysis of statebuilding in Iraqi Kurdistan. I will accordingly begin with a review of the theories of state formation, to single out the coalitional account as an appropriate framework for the study of state-making beyond Europe, and an alternative to the bellicose theory. The domestic coalition that drove statebuilding in northern Iraq has emerged and stabilized with the help of external partners. In the following section, I will therefore first investigate the transformation of the KDP and the PUK from enemies into partners. Then I focus on Iraqi Kurdistan’s most important external allies—the United States and Turkey—and their interests in supporting this coalition. In the concluding section, I discuss the nature of externally promoted statebuilding coalitions and connect the Iraqi Kurdish case with the debate on resilience and fragility within the Middle Eastern state system.

Studying state formation in Europe and beyond: warfare and coalitions

While Iraqi Kurdistan is formally a constituent part of a federal Iraq, scholars have repeatedly called it a quasi-state or de facto state. In fact, Iraqi Kurdistan fulfills all the requirements of a state as defined by the Montevideo Convention of 1933. These requirements, namely (1) a permanent population, (2) a defined territory, (3) a government and (4) the capacity to enter into relations with other states, together with the absence of international recognition, are the key shared properties identified by the growing literature on contested states. Baghdad has no control over the territory and population that the KRG governs, and this area

Johannes Jüde

has been the most stable part of Iraq since 2003. The KRG’s department of foreign relations maintains representations in several countries, and Irbil is home to more than 30 international offices of other states.14

Iraqi Kurdistan is a highly topical issue and has been the subject both of considerable media coverage and of several lengthy and detailed studies on the de facto state. Besides research that approaches the issue from a historical perspective,15 some social science-orientated studies focus on certain aspects of the development of Iraqi Kurdistan. For example, Natali investigates the impact of foreign aid programmes, while Voller demonstrates how the search for international legitimacy has shaped the trajectory of Iraqi Kurdistan.16 However, a perspective that draws on the classical body of state formation theory is missing.17

Most theoretical knowledge on the formation of states is Eurocentric, and this research has been dominated by the bellicist theory, most prominently formulated by Charles Tilly.18 According to this account, intense geopolitical competition and warfare in Europe made revenue extraction imperative; and from the ever-increasing extractive apparatus that emerged, modern states developed. The bellicist theory has rarely been applied to the developing world, and key works use war-related arguments to explain weaker statehood in Africa and Latin America, attributing it to the absence of intense warfare.19 Further contributions to this debate claim, however, that in today’s world the relationship between war and state formation no longer holds. Owing to the normative shift in the transnational environment, states are at present more secure and territorial wars rare. In this environment of low external threat, the drive towards state consolidation is lacking, fostering civil wars that further weaken states.20

Arguments on the formation of states in the developing world inspired by Tilly’s work have thus tended to be used to explain failure. Scholars disagreeing with the general diagnosis of lethargic statebuilding in the developing world, which the bellicist theory suggests, have recently pointed to the extreme variations of

16 Natali, The Kurdish quasi-state; Voller, From rebellion to de facto statehood.
17 As a de facto state, Iraqi Kurdistan lacks international sovereignty and has thus not achieved all features of statehood according to the modern Westphalian concept. However, this does not preclude analysis with reference to theories of state formation. These theories have developed from and been applied to a variety of political orders short of modern sovereign statehood, for example city leagues or empires. Charles Tilly even considers bandits and pirates as part of the same continuum as kings, as long as they seek to monopolize the use of violence within a territory: Charles Tilly, ’War making and state making as organized crime’, in Peter Evans, Dietrich Rueschemeyer and Theda Skocpol, eds, Bringing the state back in (Cambridge: Cambridge University Press, 1985), pp. 172–3.
18 Tilly, Coercion, capital and European states; Porter, War and the rise of the state; Ertmann, Birth of Leviathan; Kurtz, Latin American state building, pp. 6–8.
The formation of Iraqi Kurdistan’s de facto state

statehood in these regions and have turned to coalitional accounts. Building on previous studies on Europe, coalitional approaches have emerged as the main alternative to bellicist accounts of the origin of states. In his seminal study on European state formation, Hendrik Spruyt develops the idea of coalitions, rather than wars, as drivers of state formation. Between the eleventh and thirteenth centuries, a new and powerful group emerged: burghers in urban centres. The coalitional dynamics that evolved around this new group, whose interests were not aligned with the prevailing feudal order, are acknowledged as accounting for the formation of various political orders. In France, they allied with the reigning Capetian dynasty, with whom they shared an interest in a more centralized state. This alliance gave rise to the early sovereign territorial French state of the thirteenth century. Distinct constellations of interests and thus different coalitions in central, predominantly German-speaking, Europe, explain the persistence of the Holy Roman Empire or the emergence of city leagues.

Similar arguments have been put forward recently for the development of states in the developing world. In Latin America, strong states such as Chile emerged when two conditions were fulfilled: in the nineteenth century, landed elites in rural areas and central state elites had to coalesce for statebuilding; and later, with the emergence of the social question, working- and middle-class parties had to cooperate for the further development of the state. Accordingly, it has been demonstrated that countries experiencing commodity booms escape the resource curse, and develop more state capacity, if the economic elites of the export sector are integrated in a statebuilding coalition, as they profit from effective state institutions.

In all these studies, elites form coalitions and engage in costly institution-building to pursue their self-interest. Thus, they benefit more from cooperating than by striving to satisfy their interests unilaterally. These coalitions do not emerge from a one-off event, but develop over continuous processes of renegotiation. The coalition builds an order for its own profit, and this shapes the statebuilding outcome. Thus, the form of the state that emerges often reflects the agreement that is struck. Studying the emergence of the markedly advanced de facto state of Iraqi Kurdistan from a coalitional perspective adds to this recent trend of state formation research beyond Europe, particularly in respect of its external dimension. While previous analyses have focused primarily on domestic players, coalition-building in Iraqi Kurdistan has depended strongly on support from outside.

22 Spruyt, The sovereign state and its competitors; Daalder, ‘On building consociational nations’.
25 Kurtz, Latin American state building; Saylor, State building in boom times; Eriksen, ‘The possibility of state formation’.
27 Saylor, State building in boom times, pp. 22–36.
The formation of Iraqi Kurdistan

When, in 1991, UN Security Council Resolution 688 declared a no-fly zone in northern Iraq, the Ba’ath regime withdrew its personnel and security forces from the Kurdish-dominated areas specified. This allowed the Iraqi Kurds to experience the longest period of Kurdish self-governance in a century.29

In the following sections, I will investigate the formation of the Iraqi Kurdish de facto state and the reasons for its success. I will begin with an overview of the formation of Iraqi Kurdistan in its historical context and highlight important features of this de facto state. I will then draw on the coalitional account to analyse the social foundation of Iraqi Kurdistan, focusing first on the emergence of the domestic support coalition between the KDP and the PUK and then on its most important external partners, the United States and Turkey, and outline the interests that prompted them to support domestic coalition-building.

The Kurdish de facto state in northern Iraq

The Kurds are a large, territorially concentrated ethnic group in the Middle East, whose right to form their own state was once recognized in the Treaty of Sevres (1920). However, that agreement was superseded by the Treaty of Lausanne (1923), and the Kurdish region was divided.30 Kurdish populations form sizeable minorities not only in Iraq but also in Iran, Syria and Turkey, and while there are no accurate census data, according to current estimates about 31–33 million Kurds are living in these four states (see table 1). The Iraqi Kurds have frequently, but without success, rebelled against their parent state Iraq since its creation after the First World War. Baghdad, for its part, has always tried to prevent Kurdish statehood, fearing that an independent Iraqi Kurdistan might set a precedent for the fragmentation of Iraq.31

When in 1991 the United States and its allies defeated Iraq in the first Gulf War, the Kurds rose again and Iraqi forces quickly intervened. To prevent a humanitarian catastrophe and to curb the flow of refugees, UN Security Council Resolution 688 declared a no-fly zone in northern Iraq.32 The protection resulting from this measure served as a vital precondition for the subsequent formation of the de facto state. The first Kurdistan Regional Government was established in 1992 following elections, but early attempts at state formation were rocky, leading to a civil war in 1994. It was not until 1998 that the two main Kurdish parties and long-term rivals, the KDP, headed by Massoud Barzani, and the PUK, under Jalal Talabani, signed a US-brokered peace agreement.33 Having secured peace, a phase of substantial statebuilding began; initially, Iraqi Kurdistan enjoyed de facto independence,

The formation of Iraqi Kurdistan’s de facto state

As such it enjoys a high degree of internal sovereignty, with its own government, parliament and armed forces, and substantial authority with regard to legislative, administrative and budgetary affairs. Since 2005, Iraqi Kurdistan has recommenced the holding of regular elections: Barzani became its president in 2005, while Talabani took over the presidency of Iraq from 2005 to 2014.  

The Iraqi Kurds’ record of de facto state formation and autonomous self-rule has been impressive, its main successes being the development of infrastructure, the extension of public goods production, and the provision of economic growth and security. The KRG had to set up an administrative structure and rebuild the region’s infrastructure almost from scratch, so much having been destroyed by previous warfare, particularly the Iran–Iraq War from 1980 to 1988.  

This process was facilitated by the favourable budgetary situation of the late 1990s. Between 1996 and 2003, the UN-sponsored Oil-for-Food Programme (OFFP) allocated about 13 per cent of Iraq’s oil revenue to the Kurdish region. This income allowed for the substantial reconstruction of housing and infrastructure, the expansion of the public health system and great improvement in the food situation.  

After the regime change in Iraq, the revenue base improved even more, and since 2005 the KRG has been entitled to 17 per cent of Iraq’s national budget. The regime in Irbil began to act like the government of a quasi-developmental state, expanding its welfare policies and generating employment in an oversized public sector. Economic growth rates between 2004 and 2009 varied between 8 and 25 per cent.  

An important foundation for the economic boom has been the security of the region. The peshmerga forces have more than doubled to about 190,000, and have proved to be a very successful ground force against the so-called Islamic State in

Table 1: Kurdish population in Iraq, Turkey, Iran and Syria

<table>
<thead>
<tr>
<th>Country</th>
<th>Kurdish population (millions)</th>
<th>Share of total population (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>5.7–7.6</td>
<td>15–20</td>
</tr>
<tr>
<td>Turkey</td>
<td>15.3</td>
<td>19</td>
</tr>
<tr>
<td>Iran</td>
<td>8.3</td>
<td>10</td>
</tr>
<tr>
<td>Syria</td>
<td>1.7</td>
<td>9.7</td>
</tr>
<tr>
<td>Total</td>
<td>31–33</td>
<td>14.2–15.1 (avg.)</td>
</tr>
</tbody>
</table>

Iraq and Syria (ISIS).\textsuperscript{38} Within Iraq, which has suffered from internal conflict since 2003, and even more intensely since 2011, Iraqi Kurdistan has evolved as the most stable and viable part of the country.\textsuperscript{39}

However, alongside these successes, the formation of the de facto state has suffered from serious shortcomings with regard to its political system. For a long time, the framework of the KRG was just a pretence as a unified political structure. As a result of the civil war of the 1990s, a dual political structure had emerged. Iraqi Kurdistan in reality had two governments and two administrations, one formed by the KDP and one by the PUK. Envisaged as early as 1998, the KRG Unification Agreement was not signed by the two parties until 2006, and it took until 2012 to unite all the government ministries. Even now, integration has not been fully accomplished. The majority of the peshmerga forces are still affiliated either to the KDP or to the PUK rather than coming under the command of the Ministry of Peshmerga Affairs.\textsuperscript{40}

The unevenness of Iraqi Kurdistan’s statebuilding trajectory has continued in recent times. The conflicts in Iraq and Syria since 2011 have allowed the KRG to successfully consolidate its de facto statehood by making important territorial gains in its fight against ISIS. Most important among these gains is the oil-rich area of Kirkuk. Control of this city and its resources could be an economic base for a sovereign Iraqi Kurdistan, which has already been pursuing its own hydrocarbons policy for some years.\textsuperscript{41} In mid-2015 the KRG started to sell all its oil independently on global markets, to which Baghdad reacted with the suspension of its financial allocations to the KRG.\textsuperscript{42} The downside of this self-generated funding is, however, that, along with the current high security costs, it has depleted the state budget. Reduced public spending and unpaid wages have led to an economic crisis, with rising poverty rates and concomitant public discontent.\textsuperscript{43} Iraqi Kurdistan currently faces more turbulent times politically, too: a political stalemate between the main parties has emerged over the unresolved conflict about the extension of Barzani’s presidency.\textsuperscript{44}

Although still short of achieving sovereign statehood, the Iraqi Kurdistan region has, in the past 25 years, followed an impressive trajectory of state formation. The KRG has been particularly successful in providing security, rebuilding infrastructure, fostering economic growth and extending its public goods provision.

\textsuperscript{38} Mario Fumerton and Wladimir van Wilgenburg, Kurdistan’s political armies: the challenge of unifying the peshmerga forces (Beirut: Carnegie Middle East Center, 16 Dec. 2015), http://carnegie-mec.org/2015/12/16/kurdistan-s-political-armies-challenge-of-unifying-peshmerga-forces/in5p.

\textsuperscript{39} Kaya, When sovereignty and self-determination overlap; Gunter, The Kurds ascending, pp. 56–7; Ahmed, Iraqi Kurds and nation-building, pp. 48–9.

\textsuperscript{40} Fumerton and van Wilgenburg, Kurdistan’s political armies.

\textsuperscript{41} Ahram and Lust, ‘The decline and fall of the Arab state’, p. 19.


Creating a unified political structure has, by contrast, been a very cumbersome process that is still not fully accomplished. Even so, despite current geopolitical, economic and political challenges, Iraqi Kurdistan has remained stable.

**Why did Iraqi Kurdistan succeed?**

The PUK and the KDP overcame their long-term enmity and coalesced to build the de facto state when they realized that fighting for predominance was not proving successful for either side, while incoming rents in the late 1990s made cooperation more profitable. Stability in the region offered advantages both for Washington’s foreign policy goals in Iraq and for Turkey’s domestic and regional political considerations. By demonstrating unity, the KDP and the PUK secured continuous access to revenue and power, which in turn depended on international support for the KRG.

**The domestic statebuilding coalition**

The formation of a domestic coalition between the KDP and the PUK has been decisive for statemaking in Iraqi Kurdistan. For decades, these two groups have been the principal Kurdish parties in northern Iraq, and their relationship has often been very conflictual. Two crucial historical junctures have advanced the transformation from hostility to sustained cooperation: the peace concluded at the end of the civil war in 1998, and the invasion and subsequent political reconstitution of Iraq in and after 2003. Sustained cooperation nevertheless comes as something of a surprise, considering the past hostility between the two parties.

The KDP was founded in 1946 as an alliance of basically two constituencies: left-wing groups from areas of southern Iraqi Kurdistan, and tribally based *peshmerga* from the mountainous north of this region. The two groups had already fought each other before their formal split in 1975, when Talabani founded the PUK with his more left-wing supporters. Thereafter, the relationship between the KDP and the PUK was marked by repeated episodes of violent conflict, which ceased only after the 1998 peace agreement. In the early 1990s, the ideological differences between the KDP and the PUK were no longer decisive; there remained, however, a deep mistrust and historical enmity fuelling a dispute over ultimate power in Iraqi Kurdistan. This was the background for the civil war of 1994–8, which erupted out of a conflict over land and customs revenues.

How, then, did the KDP and PUK overcome their longstanding enmity? Two factors motivated the formation and stabilization of a coalition for joint statebuilding—external support for the status of Iraqi Kurdistan, and incoming rents—and this became particularly evident in the process of ending the civil war.

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Between 1994 and 1998 the two parties fought intensively, and initially both tried to obtain sole control of the whole territory. For this purpose, they even called for help from outside powers: the KDP allied itself with the Iraqi regime, while the PUK got support from Iran. The US-mediated conflict was finally settled by the Washington Agreement of 1998. This US-mediated agreement was not the first attempt to end the civil war; Turkey had made an earlier attempt to promote peace. But in the late 1990s, the conditions for settling the conflict had improved. The OFFP had been generating funds for Iraqi Kurdistan since 1997, and this eased the conflict over revenue. The KDP was therefore more willing to share the income levied at the border with Turkey, which was under its control. Furthermore, the United States provided an important incentive for the Kurdish leadership to resume cooperation by reaffirming that it would protect the Kurdish enclave against any Iraqi intervention if the KDP and the PUK stuck to the agreement. At the same time, the income from the OFFP provided the foundation for a small economic boom in Iraqi Kurdistan. This in turn discouraged the PUK and the KDP from continuing military rivalry, as tribal political elites emerged on both sides, generating wealth by developing their respective regions economically. Thus, revenue from the OFFP and international protection motivated cooperation between the PUK and the KDP in 1998, and the peace agreement became the foundation for a lasting coalition capable of building the state. The second key historical juncture that led to the consolidation of the KDP–PUK coalition was the invasion and reconstitution of Iraq from 2003, which provided new opportunities for the Iraqi Kurds.

Even though the KDP and the PUK kept the peace and cooperated afterwards, their relationship remained competitive and distrustful. Thus the unifying of their dual government, envisaged in 1998, has been a lengthy process, with a breakthrough coming only in 2006 with the important unification agreement. Again, the presence of outside powers in Iraq provided the incentive to intensify cooperation and to push state formation forward. The Kurdish elites realized that a united Kurdish front would be an attractive partner for Washington, which had been pursuing its policy of intervention and regime change in Iraq since 2002, and this awareness brought them closer together. In the aftermath of the intervention, the KDP and the PUK continued to deepen their mutual relations in order to maximize their joint returns from the reconstitution of Iraq. The unification agreement of 2006 emerged from this context and marked the clear progress made with regard to the relationship between the KDP and the PUK, as it increased

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50 Voller, *From rebellion to de facto statehood*, p. 173.

856

*International Affairs* 93: 4, 2017
The formation of Iraqi Kurdistan’s de facto state

their mutual trust and became their long-term basis for power-sharing in Iraqi Kurdistan. Besides advancing the coalition, the agreement served the domestic purpose of excluding smaller parties from rule. Access to revenues and power remained completely under the control of the two parties.53 The KDP and the PUK use this preponderant position to dominate economic life and to co-opt followers by generating employment in the large state sector.54 Owing to the increasing revenue flows granted by the Iraqi constitution of 2005, their cooperation since then has been even more profitable than before.

Thus relations between the PUK and the KDP improved when the international environment was favourable to new gains. The unification agreement stabilized the coalition and led to an important step forward in statebuilding by contributing to unification of the hitherto divided state structure. The incomplete unification of the armed forces, however, and the capture of Iraqi Kurdistan’s public and economic sector by the two parties, demonstrates that the KDP–PUK duopoly’s key interest has not been sustainable statebuilding, but maximizing their own profits and preserving their power resources.

The KDP and the PUK, then, have driven the statebuilding process in Iraqi Kurdistan and formed the state to serve their own interests. However, recently the duopoly has been challenged, and the latest development suggests that the coalition has finally run its course. In 2009 a new party called Gorran broke away from the PUK to run as an anti-corruption and anti-nepotism party, critical of the rule of the KDP and the PUK.55 The formation of this party was particularly damaging to the PUK at the ballot box, overtaking it in the parliamentary election of 2013. In April 2014 the KDP, which had won the election by a large margin, formed an inclusive government with Gorran and the PUK. This form of joint rule, however, did not work for long, and in 2015 the KDP expelled Gorran from the government when a conflict over the extension of Barzani’s presidential term escalated.56 Gorran is less powerful than its competitors, as it controls neither patronage networks nor its own peshmerga forces.57 In an unexpected move of May 2016 Gorran and the PUK concluded a cooperation agreement in marking, at least temporarily, the definite end of the coalition between the KDP and the PUK. The long-term consequences of the current political stalemate are hard to predict: either a prolonged power struggle, obstructing the KRG or resulting in a split of Iraqi Kurdistan, or resumed cooperation, could emerge.58

The weakening of the PUK by the splintering of Gorran allowed the KDP to expand its power in Iraqi Kurdistan. The emergence of a third major player and the power imbalance in favour of the KDP have together undermined the

56 Fumerton and van Wilgenburg, *Kurdistan’s political armies*.
long-term statebuilding coalition. Alongside internal factors, including a more centralized party structure inhibiting any fragmentary tendencies in the KDP, access to rents has also played an important role. The current economic crisis and diminished state spending have resulted in a growing popular discontent with the governance of the long-term duopoly. Because of its dominance in the oil trade between Iraqi Kurdistan and Turkey, the KDP controls the greater revenue from access to resource rents, making it easier to keep its camp together.59

Coalitional theories of state formation emphasize that cooperation between powerful social groups is of paramount importance in establishing a state. In Iraqi Kurdistan, the KDP and the PUK overcame their long-term enmity and coalesced for the purpose of building a de facto state, shaped in their interests. Protection for Iraqi Kurdistan’s status and increasing rents have been the central external incentives for the two parties in overcoming their violent past. When new gains could be made, as a result of the invasion and the reconstitution of Iraq, the PUK and the KDP again intensified their cooperation. Establishing sustainable state structures has never been the core interest of the KDP–PUK duopoly, and thus it is not surprising that political unification proceeded only very slowly and in respect of the control of force still remains incomplete. Recently the long-term KDP–PUK coalition has fragmented; yet the established de facto state has so far remained stable.

External sponsors stabilizing the domestic coalition

The emergence of the long-term KDP–PUK duopoly has been greatly facilitated by outside powers—above all, the United States and Turkey. US foreign policy goals have included promoting Kurdish unity and supporting the de facto state on several key occasions: in the late 1990s for making peace, in the early 2000s when invading Iraq and currently in fighting ISIS. Turkey, by contrast, was initially rather reluctant, but turned into the closest ally of the de facto state. Even though the United States was the central power creating and sustaining the no-fly zone over northern Iraq, it did not initially engage strongly for peace when the Kurdish civil war broke out. Only when the conflict escalated and became regional did the United States become alarmed. While Saddam Hussein intervened, supporting the KDP, the PUK called on Iran for help. Washington, for its part, wanted to contain both Iran’s and Saddam Hussein’s influence in northern Iraq. For that purpose, peace and a united Kurdish front served the US interest. In addition, by fostering a domestic opposition movement, Kurdish unity was conducive to Washington’s longer-term policy of pursuing regime change in Iraq.60

Iraqi Kurdistan became even more valuable to the United States when


60 Makovsky, Kurdish agreement; Yildiz et al., A fact-finding mission in Kurdistan, pp. 23–24; Gunter, The Kurdish predicament, pp. 100–101.
the latter embarked on its invasion of Iraq. Ankara did not permit Washington to use its airspace for attacks, nor did it permit the invading coalition’s troops to be stationed in Turkey. The Kurds, therefore, became an important military ally on the ground for securing US special forces operations in Iraq. Their role as Washington’s partner improved cooperative relations between the KDP and the PUK, and this was rewarded by the strong support of the US government for entrenching the autonomy of the Kurdistan region in the Iraqi constitution.61

Although Washington’s support has been crucial for de facto statebuilding in Iraqi Kurdistan, the United States prefers to maintain the status quo of the border regime established in the region after the collapse of the Ottoman empire.62 The disputes between Irbil and Iraq and the increasingly autonomous conduct of the KRG, therefore, have not pleased Washington. Yet, particularly since 2014, the Iraqi Kurds have again become an important ally owing to the threat posed by ISIS. Substantial policy change has resulted, with military assistance and the arming of the peshmerga forces. Notwithstanding protests from Baghdad, the United States and the KRG concluded a military agreement in July 2016 which might establish long-term military and security cooperation.63

Promoting Kurdish unity has, then, been a crucial element of Washington’s foreign policy agenda in Iraq at several points. The end of the Kurdish civil war facilitated containing Baghdad’s and Iran’s influence in northern Iraq, and in 2003, as in recent times, the Iraqi Kurds were a key military ally. Turkey, Iraqi Kurdistan’s other key sponsor, was initially only a very reluctant supporter, and even tried obstructing Kurdish autonomy. However, Ankara had to adapt and balance its domestic and foreign policy goals, and in the process the KRG became an increasingly important partner for Turkey. Apart from Turkey’s domestic Kurdish question, which reverberates in its foreign policy agenda, significant changes in the geopolitical conditions in the Middle East resulting from the invasion of Iraq and the Syrian civil war account for this rapprochement.

Turkey is currently the closest supporter of the government in Irbil, since Iraqi Kurdistan is entirely reliant on Ankara’s cooperation to access international hydrocarbon markets.64 This partnership is somewhat surprising, considering Ankara’s initial fear that Iraqi Kurdish autonomy might destabilize Turkey. However, once the no-fly zone was created, Ankara had to adjust its position to accommodate important goals. While the no-fly zone was intended to protect the Kurds from Saddam Hussein’s military assaults and to prevent Kurdish refugee flows from entering Turkey, Ankara had subsequently to cooperate with the KRG to contain the Partiya Karkerên Kurdistanê (PKK: Kurdistan Workers’ Party). When Iraqi

forces withdrew from northern Iraq, the PKK was keen to use the ensuing power
vacuum to fight Turkey and to establish an independent Kurdish state by force.65 The
Iraqi Kurdish government, however, chose to cooperate with the Turkish armed forces to restrain the PKK, as it needed good relations with Ankara and stability in the border area for development and trade.66 When the Iraqi Kurdish civil war broke out, the emerging power vacuum provided new opportunities for the PKK. Turkey, therefore, also tried to promote peace between the PUK and the KDP.67 Containing the PKK and preserving stability in Iraqi Kurdistan has remained an important goal for Ankara, and the KRG has continued to cooperate with Turkey in order to sustain economic development and international backing.68 However, since 2003 Turkey has had to adapt to new geopolitical conditions in its neighbourhood, and this has entailed boosting relations with the Iraqi Kurds, particularly with the KDP.

While the relationship between Ankara and Irbil initially deteriorated in the aftermath of the US-led invasion of Iraq, since Turkey opposed formal autonomy for Iraqi Kurdistan,69 the long-term consequences of the reconstitution of Iraq led to a rapprochement. The Sunni government in Iraq had, for decades, been a natural partner for Ankara. Since the end of the Ba’ath Party regime, Turkey and Iran have been competing for influence in Iraq, and this competition intensified substantially after the US withdrawal. Today, the KRG has become Turkey’s entry point and counterweight in a Shi’a-dominated Iraq. With the onset of the Syrian crisis in 2011, relations between Baghdad and Ankara deteriorated further, the two governments supporting opposing sides in the conflict.70 The political rapprochement between Irbil and Ankara resulted in mutually beneficial commercial ties, and Turkish goods and companies now have a strong market position in the economy of Iraqi Kurdistan. In addition, Turkey has experienced one of the fastest-growing demands for energy among the OECD countries, and access to Iraqi Kurdish resources serves its aims of becoming a major energy hub and diversifying its suppliers.71 Ankara and Irbil accordingly concluded a multi-billion-dollar oil and gas pipeline deal in 2013, which Baghdad has strongly opposed.72

A key motivation for the currently very close relationship between Ankara and the KRG, which is currently dominated by the KDP, and a further consequence of the Syrian civil war, is the emergence of Rojava.73 This Kurdish autonomous region in northern Syria has evolved since mid-2012. Both Ankara and Barzani’s

65 Voller, From rebellion to de facto statehood, pp. 163–4.
67 Gunter, The Kurdish predicament, p. 78.
69 Gunter, The Kurds ascending, pp. 10–11.
The formation of Iraqi Kurdistan’s de facto state

KDP have taken a critical view of the rise of the Partiya Yekitiya Demokrat (PYD: Democratic Union Party), which is the dominating political power in Rojava. While the PYD claims to be an independent party, both Ankara and Irbil perceive it as a mere offshoot of the PKK.\(^{74}\) In March 2016, the Federal Democratic System of Rojava and Northern Syria declared itself autonomous. Turkey considers the PYD and its armed branch, the Yekîneyên Parastina Gel (YPG: People’s Protection Units), to be terrorist groups and is currently fighting them and the PKK, which has been strengthened by the developments in Syria. In the war against ISIS, Turkey clearly prefers territorial gains by the KRG over successes for the PKK or the YPG.\(^{75}\) The emergence of Rojava has not only complicated the Kurdish question for Ankara, but further increased intra-Kurdish competition.\(^{76}\) The PKK is challenging the KDP’s claim to leadership among the Kurds and has supported Gorran. Aside from cooperation against ISIS, there is also rivalry and potential for conflict between the peshmerga and the PKK/YPG forces on the ground.\(^{77}\) Barzani’s repeated public calls for the independence of Iraqi Kurdistan are thus not addressed only to the domestic audience; independence for Iraqi Kurdistan would also strengthen the KDP’s position among the competing Kurdish actors.

De facto states are often dependent on international sponsors,\(^{78}\) and in the case of Iraqi Kurdistan, the most important ones have been the United States and Turkey. Washington and Ankara have both profited from unity and stability in northern Iraq in pursuing their respective foreign policy goals in the region, and in the case of Turkey domestic political considerations were also a key motive.

Conclusion

Since the imposition of the no-fly zone in northern Iraq, the Kurds have been governing themselves. During this period they have successfully built a de facto state that has, so far, proved to be more stable and secure than its parent state Iraq, despite the current intense regional conflicts. The Iraqi Kurds did not take their territory by military force in 1991, and when they did fight, in the civil war of 1994–8, neither the PUK nor the KDP could militarily establish a hegemony, so that a stalemate emerged. Statebuilding thrived only once stable peace was achieved and when both parties cooperated. While the bellicist theory, therefore, cannot explain the Iraqi Kurdish case, the assumption that social coalitions drive state-building—an assumption that has recently guided state-formation studies in the developing world—seems to hold. The social coalition between the KDP and the


\(^{76}\) Okayy, ‘Turkey’s post-2011 approach to its Syrian border’.


PUK, underlying the emergence of the KRG and the de facto state, derived from external incentives. A demonstration of unity before the international community, to obtain rents and protection for the KRG’s status, was a key motivating principle for the two parties in their coalition-making. The United States profited from a united Kurdish front in pursuing its foreign policy against the Saddam Hussein regime in Iraq in the 1990s, and even more so in 2003. Ankara was initially hesitant, but is now Irbil’s closest ally, with the Iraqi Kurdish economy being very dependent on Turkey. Turkish policy towards the Iraqi Kurds was strongly connected with its own domestic Kurdish question, since Ankara needed stability in northern Iraq to contain the PKK. On top of the regime change in Iraq, the civil war in Syria has recently intensified Irbil’s and Ankara’s partnership. The KDP, which is currently dominating the KRG, shares Turkish concerns related to the rise of the YPG in Syria.

The Iraqi Kurdish case adds to the studies of state formation in demonstrating both the potential for success in statebuilding by externally promoted coalitions, and at the same time the limitations of such a trajectory. Iraqi Kurdistan’s state-building achievements are sustainable peace and security, a successful reconstruction of infrastructure, the expansion of services and a booming economy that has lasted for years. Its shortcomings have been the difficulty in building unifying state institutions beyond the dual state structure set up by the parties, and in particular the persistent split of the security sector. The outward-looking KDP–PUK duopoly was primarily interested in reaping the revenues offered by access to power, while a more inward-looking interest in establishing sustainable statehood was missing. It is not surprising that this coalition neglected statebuilding in areas where it had to transfer power from the parties to the state. Investment in reconstruction and the economy has, in contrast, benefited the KDP and the PUK, which largely dominate business in Iraqi Kurdistan. Despite these shortcomings, Iraqi Kurdistan has fared better than many other externally promoted statebuilding projects. Though lacking an international statebuilding operation such as those seen in Afghanistan or Iraq, the external dimension of state-making in Iraqi Kurdistan has still been significant. Whereas such large-scale operations have often been futile and have drastically failed in terms of aid effectiveness,79 the Iraqi Kurdish case exemplifies a possible alternative approach from which lessons may be drawn. A focus on domestic capacity and legitimacy entails setting strong incentives for domestic coalitions to emerge, rather than just transplanting institutions.

Whether the KRG led by President Barzani will, in fact, after the liberation of Mosul, officially initiate a process for winning independence, is at the time of writing still an open question, as announcements of this kind have been made several times in recent years.80 However, even without formally contesting the border of Iraq and infringing its international sovereignty, Iraqi Kurdistan is one

The formation of Iraqi Kurdistan’s de facto state

of the factors putting the state system of the Middle East under stress, demonstrating the problem of domestic sovereignty in the region. The Iraqi Kurdish attempt to resolve the conflicting configurations of state authority, territoriality and legitimacy that underlie many of the Middle Eastern states, as Del Sarto argues in this special issue,\(^8^1\) is, however, not just a bottom-up corrective of past wrongs. It follows the pattern of external intervention that has been characteristic of the birth of the modern state system in the region.\(^8^2\) However, the formation of Iraqi Kurdistan has resulted from path dependencies generated by interventions undermining Iraq, rather than from the intention of creating a de facto state close to declaring independence.

It is very doubtful whether Iraqi Kurdistan would exist without the protection of the no-fly zone during the 1990s. Once the no-fly zone was established, the emerging power vacuum in northern Iraq had to be dealt with. Turkey had to secure its border from PKK incursions, and so cooperated with the KRG, while the United States promoted unity between the hostile Kurdish movements to keep Iraq and Iran at bay. Later, owing to the massive weakening of Iraq by intervention, again a power vacuum emerged and the KRG became an important player in the enduring regional power struggle. Ankara and Washington needed a partner for their regional policies, and thus their support for the KRG has continued up to the present. This pattern will remain significant for the future of Iraqi Kurdistan, and whether the de facto state will actually become ‘the world’s next country’ will be mainly influenced by external developments.\(^8^3\) Even though there are some signs that Ankara might be more permissive today in its attitude towards an independent Iraqi Kurdistan,\(^8^4\) it has traditionally, like Washington, opposed independence. If, however, the defeat of ISIS in Iraq does not result in stabilization, but rather increases the country’s sectarian tendencies in the absence of a commonly perceived enemy, the enduring weakness of Iraq might enable the KRG to take such a step. As in the past, the Iraqi Kurds would remain an important partner in the region, and their international sponsors might be inclined to tolerate such a development. In this scenario, Iraqi Kurdistan would indeed contest borders in the Middle East.

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\(^8^2\) Del Sarto, ‘Contentious borders’.

\(^8^3\) Caryl, ‘The world’s next country’.
