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## THE ROLE OF POWER, OIL AND IRAN IN PATRIOTIC UNION OF KURDISTAN'S IN-FIGHTING

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The Patriotic Union of Kurdistan (PUK), which is the second most powerful military and political power in the Iraqi Kurdistan Regional Government of Iraq (KRG), has recently witnessed serious internal cracks. Political observers believe that this may have serious consequences for the KRG and the neighboring countries. In this report, the roots of the crisis will be examined. It is assumed that the struggle for power, oil, and Iran's policy moves in KRG are the main factors which have triggered this division within PUK.

**P**UK is a social democratic Kurdish party which was established by Jalal Talabani, the former president of Iraq, in 1975. It is the main rival to Masud Barzani's Kurdistan Democratic Party (KDP), and it controls around 40,000 battle-hardened peshmerge fighters. In addition, it is one of the richest political parties in the Middle East. Like other leftist Kurdish parties, PUK has a chronic problem with internal division. The dominant personality of Mr. Talabani has prevented any serious splits for a long time. However, in 2007, Nawshirwan Mustafa, Talabani's deputy and four other politburo members felt the party has been seriously weakened and crippled with corruption. At the time, Jalal Talabani was preoccupied with his post in Baghdad. Mustafa put forward a reform package which was not acceptable to other PUK leading figures. The consequence of this in-fight was

the split of Mustafa and his colleagues and the formation of the Gorran/Change movement.

Due to the protracted ailment of Mr. Talabani, since 2012, PUK has faced two insurmountable challenges: first, how to fill the post of General Secretary of PUK which Talabani has held for 41 years, and second, how to hold the fourth party General Congress to decide on critical issues such as policy matters and the management of the party affairs in the absence of Talabani. The internal bickering for power within the party began to surface in January 2014. There was a strong demand by PUK politburo to have the congress held, but Hero Ahmed Talabani,<sup>1</sup> Taliban's wife, decided to block the move. Postponing the party congress brought a lot of anger and bewilderment of people such as Dr. Berham Salih, exacerbating the internal conflict to the extent that

Salah stated publicly that he will not serve as Deputy Secretary General of PUK anymore.<sup>2</sup> There are two opposing groups within PUK: the first powerful group is led by Hero, supported by majority of politburo members. This first group has the control over the financial resources and PUK media outlets. The second group is led by the two Deputy Secretary-Generals of PUK: Kosrat Rasul and Berham Salih. This group has the support of one third of politburo members, loyalty of most peshmerga forces, and PUK cadres, as well as rank and file members.

Hero argues that the situation is not suitable yet to hold a party congress due to the uneasy relations with Baghdad and the ongoing fight against the Islamic State of Iraq and Sham (ISIS). Rasul and Salih contend that Talabani's family and their supporters have been deliberately delaying

the party congress in order to gain more time to perpetuate their monopoly over power.<sup>3</sup> It is public knowledge in the KRG that Talabani family members own most giant business projects in construction and service industry in PUK-controlled areas. Some of these businesses, such as Nokan Group and AsiaCell GSM company, are huge businesses with billions of dollars in investments.<sup>4</sup> Furthermore, Lahour Jengi, Talabani's nephew, heads the powerful anti-terrorism force in Sulaymani. In addition, by her opponents, Hero has been recently accused of being involved in illegal export of crude oil to Iran by a fleet of tankers owned by her family, a type of business in which revenues yet to be known.<sup>5</sup> Furthermore, she has lately been engaged in the removal of party and security officials and replacing them with loyalists. These have led to many stand-offs in several regions and

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forced Kosrat Rasul in late August to march on Sulaymani with several hundreds of Peshmarga to put an end to this situation.

On 1 September, another critical confrontation was experienced. Hero's opponents issued a statement which states that the party was monopolized by a bloc whose self-serving decisions diminished the party's role in KRG. In the statement, this bloc was accused of corruption and nepotism. The statement also declared the formation of a Center for Decision-Making to run the affairs of PUK until the General Congress of the

Party.<sup>6</sup> Hero, supported by Politburo head Mala Bakhtiyar and others, released a statement on the following day which stated that "... any organ or body which is not approved according to the PUK's bylaw lacks legitimacy.."<sup>7</sup>

These were followed by acrimonious exchanges between the two opposing camps. Jengi Talabani warned Rasul and Salih camp of dire consequences of their action. "They became deputy by applause. They have no legitimacy anymore as they were not elected," he told Rudaw TV on 1 September. The



situation became tense in Sulaymani. Each side put their armed loyalists on readiness. These developments led Nawshirwan Mustafa, Gorran leader, the Americans, and the Iranians to call upon the opposing factions to defuse the situation. Although the situation has been largely contained, mediation efforts have produced no fruit so far. Iran has immediately dispatched a high level mediation team headed by General Mesgarian, Deputy of Qasim Soleimani, the head of Quds Force, to Sulaymani. The delegation put forward a compromise formula to run PUK which called for the formation of three-persons' provisional leadership consisting of Hero, Rasul and Salih until the general congress of PUK. This was refused by the group of Center of Decision.<sup>8</sup> Antony Blinken, the US Deputy Secretary of State who visited KRG on 14 September, asked the opposing camps

to form a joint delegation to meet him, but they refused. Instead, they insisted on meeting with him separately. This was not acceptable to Blinken and he left without meeting any members of the two opposing groups in order to avoid taking sides in the conflict.<sup>9</sup>

### **The Crisis's Repercussions in KRG**

The current crisis within PUK is a further fragmentation of the already volatile situation and alignment major turn of events in the political dynamics of KRG. Observers familiar with PUK affairs think that as long as the fighting continues with ISIL, no faction would dare to take any further critical stance. In addition, the peshmerga forces have already stated that they will remain neutral. Hero's camp believes that their opponents could not do anything of significance to challenge their authority, and the opponents

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will eventually accept her as the *de-facto* leader of PUK. Ala Talabani, the head of PUK fraction in Iraq parliament, stated that the people who formed the Center of Decision have no legitimacy and there is little they could do to challenge the authority of politburo.<sup>10</sup> Jamal Hawrami, member of the Center of Decision, on his part, stated that Hero could not go on acting like a Secretary General of PUK, because she has no mandate from the PUK to do so. He added that his group will do “whatever is needed to be done short of military confrontation to take back PUK from those

who have monopolized its decision.”<sup>11</sup>

Considering that all reconciliation efforts have so far failed, it appears valid to assume that both factions seem to try buying some time. Hero’s camp needs time to impose its full control on PUK organs. She could afford to do so because her followers have the control over PUK financial resources, and she is fully aware that Iran and US will not allow her opponents to use Peshmerga against her, while ISIL threat is still there.

Nevertheless, the Center of Decision faction has very limited maneuverability.

They have to wait for the General Congress which will not be convened any time soon. The most probable scenario which many local analysts predict is that the Center of Decision might join Gorran movement under the leadership of Nawshirwan Mustafa who has close ties with the opponents of Hero. Berham Salih has apparently suggested that PUK to be divided into three trends: the Gorran, the Center of Decision group, and Hero's group. This idea has been accepted by Mustafa, but rejected by Hero.<sup>12</sup> This has to wait the end of the battle against ISIL, because neither US nor Iran could tolerate any major disruption in the KRG before the end of ISIL. It is noteworthy that the announcement of the Center of Decision called for the start of immediate and full unification with Gorran, and the local media has hinted at a possible role for Gorran leader as a rallying point in

the current crisis.<sup>13</sup> Though Rasul and Salih have no love lost for Masud Barzani, they prefer some kind of compromise with him and want to distance PUK from Baghdad-Iran axis. Their mentioned announcement has not blamed directly Erbil and went on to say "In Erbil they are party to the government, politics, and oil "bonuses" and decisions. But when they are in Sulaymani they are critical and unsatisfied."<sup>14</sup>

It seems that Hero's camp believes that KDP has a hand in instigating this latest round of the crisis. PUK media, which is totally dominated by Hero, has recently intensified its attack on Barzani. On September 6, Hero penned a letter to Iraq's Prime Minister Haier al-Abadi, calling him to stop sending oil revenue from Kirkuk oilfields to Erbil, because it is being administered in an "unfair and not transparent way." Moreover,

Hero's camp believes that their opponents could not do anything of significance to challenge their authority, and the opponents will eventually accept her as the *de-facto* leader of PUK.



Hero has recently unleashed fierce attack on Najmaldin Karim, a PUK politburo member and governor of Kirkuk, whom she charges of being in collusion with Barzani over oil export from Kirkuk.<sup>15</sup>

### **Regional Implications of the Crisis**

Behind the scenes, Iran has played a significant role before and during the crisis within PUK. It has 400 kms border with KRG and considers the stability of the region as an integral part of its own security. Historically, PUK has been a close ally

of Iran. During the Kurdish civil war of the 1990s, Tehran backed PUK, while KDP was backed by Turkey. Erbil-based news channels Rudaw and K24 reported that Hero had asked al-Abadi to allow Kirkuk oil to be sold through Iran. On August 19, Hero called al-Abadi to approve a proposal by which the crude oil of Kirkuk and Chamchamal to be shipped by tankers through PUK controlled areas to Iran. Apparently al-Abadi was reluctant to do so.<sup>16</sup> On August 30, the new Iraqi Oil Minister and Erbil government signed a deal which allows KRG to





export 100,000 barrels daily of Kirkuk oil, through Iraq Oil Marketing Company (SOMO) to Ceyhan port in Turkey. The revenues will be shared equally between them. This has irritated Hero and caused her to write a letter to al-Abadi on September 6, protesting the deal which she termed as being unfair to the people of Kirkuk and accused Erbil administration of not being transparent in dealing with oil revenues. She gave al-Abadi a week to cancel the deal or she will “resort to other means to stop it.”<sup>17</sup> The Baghdad government stopped the implementation of the deal on the pretext of having technical problems.

Isa Sabir, a member of the (KRG) Parliament from PUK and an executive member of the Oil and Gas Committee, maintains that Hero’s letter has legitimate reasons. He adds, if oil revenues were to be paid to KRG, KRG could be able to pay at least

some portion of its debts. Sabir alleged that “she is asking for feasible solutions to pay salaries on time through Kirkuk oil sales via Baghdad, since KRG hasn’t been able to pay on time.”<sup>18</sup> Dlawer Ala’Aldeen, president of the Erbil-based think-tank Middle East Research Institute, sees clear connection between the pipeline plan and Iran’s stance on Kurdish internal politics. He argued that “Iran’s policy has been well known for decades to favor preserving an equal balance of power between the KDP and PUK to prevent the emergence of a strong KRI [Kurdistan Region of Iraq].” Ala’Aldeen thinks that Iran is trying to get a strategic agreement with the [PUK] Green Zone, similar to the strategic political, economic and security agreement which Turkey has signed with KDP.<sup>19</sup> Moreover, Iran and PKK have been reportedly discussing the export oil from Qandil region to Iran. According to

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Erbil-based BasNews, some progress was already made in this regard.<sup>20</sup> A source told the BasNews that disagreement within PUK has caused Iran to be deeply concerned. Iran believes that disputes in PUK may enhance the status of Barzani and referendum on Kurdish independence will get more support.<sup>21</sup> Iranian delegation which was in Erbil has apparently asked the members of the Center of Decision to revise and readjust their position. The head of the delegation said “the unity and the integrity of PUK is our red-line and we will not accept any violation of it.”<sup>22</sup>

The PUK leaders in the Center of Decision want to prevent what they believe to be a unilateral strategic alignment with Iran, devised and controlled by Hero Talabani. Iran also perceives this new round of crisis as an attempt by Mr. Salih, whom it considers as pro- US,<sup>23</sup> to spoil the strategic economic

and political relationship between PUK and Iran.

### **Implications for Turkey**

The new crisis within PUK has its impact on Turkey in several ways, as well. If PUK oil deal with Iran goes through, Turkey will lose its near-monopoly status as a conduit for KRG's oil. The new crisis within PUK provides Turkish policy makers with an opportunity to cement ties with the dissidents within PUK. Turkey could also ask Barzani to make some political concessions to Gorran to end the stalemate in KRG leadership crisis. This will enhance the position of Nawshirwan Mustafa as an alternative leader to PUK. Mr.Salih and most members of PUK politburo have no objection to Mustafa being their new leader.

Any major disruption in KRG due to the current crisis will be utilized by

PKK, which has close ties with PUK and Hero's faction in particular. Recently a high level PKK delegation visited Sulaymani and they told Hero's opponents that they would not tolerate any attempt to divide PUK or challenge her authority. In fact, during the crisis, PKK has put its forces on state of readiness throughout Kirkuk, Germian and Sulaymani.<sup>24</sup> For these reasons, Turkey needs to cooperate with KDP even closer to increase its leverage upon

the course of events within KRG.

In sum, though the new crisis within PUK has been largely contained, it has the potential to destabilize KRG and to have repercussions in neighboring countries. Thus, the crisis have a much broader sphere of influence outside of KRG which attracts the US and regional powers' attention especially at a time when KRG is still a part of the ongoing fight against (ISIL).

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