

# EXPECTATIONS AND REALITIES IN THE KURDISH QUEST FOR INDEPENDENCE IN IRAQ: 25 SEPTEMBER INDEPENDENCE REFERENDUM\*

## Abstract

Following the invasion of Iraq, governance authority and economic opportunities allowed for the Kurds to increase their capacity in terms of politics, military, economics, and culture. Agreements made with multinational energy companies, the diplomatic relationships formed with other states, and the fight against DAESH strengthened the Kurds' institutional structure among other states and increased their self-confidence. In contrast to regional and international powers, the Kurds were able to perceive the security gap in the Middle East, which emerged after the changing environment caused after the Arab Spring. The central administration of Iraq perceives the Kurdish quest for a status, which has independence as its ultimate goal, as a threat to its national integrity. Therefore, the Baghdad administration increasingly implemented security-oriented and authoritarian policies with the aim of more centralization. An independence referendum was accepted as the only missing critical factor that would lead the Kurdish quest to its ultimate goal, and therefore, this referendum was held with high hopes. However, the consequences and the aftermath of the referendum were mis-calculated. This article argues that the Kurds utilized their energy sources and their fight against DAESH as political instruments in their quest for independence. Within this framework, this article underlines how the unsuccessful outcome of the 25 September, 2017, independence referendum resulted in a new period of debate concerning the position of Kurds.

**Key words:** Iraq, Iraqi Kurds, Independence Referendum, Energy

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## IRAK KÜRTLERİNİN STATÜ ARAYIŞINDA BEKLENTİLER VE GERÇEKLER: 25 EYLÜL BAĞIMSIZLIK REFERANDUMU

### Öz

Irak işgali sonrası yönetsel meşruiyet ve ekonomik imkanlar Kürtlerin siyasi, askeri, iktisadi ve kültürel açıdan etki ve güç kapasitelerini artırmıştı. Enerji kaynakları üzerinden çok uluslu şirketlerle yapılan anlaşmalar, yabancı devletlerle kurulan diplomatik ilişkiler ve DAES'e karşı mücadele de hem uluslararası kamuoyu hem de devletler düzeyinde tanınan meşruiyet kurumsal yapılarını güçlendirmenin yanı sıra kendilerine olan aşırı bir güven yanılsamalarına yol açtı. Özellikle Arap Baharı ile birlikte değişen bölgesel şartlar Kürtleri bölgesel ve küresel aktörlerin tutumlarının aksine Ortadoğu'da süregelen kaos ve istikrarsızlık boşluğunu fırsat olarak görmelerini sağlamıştı. Bu süreçte Kürtlerin statü arayışlarındaki nihai hedeflerinin bağımsızlık eksenli olması, Irak rejimini söz konusu durumu ulusal bütünlüğüne karşı bir tehdit olarak kabul etmesinin yanında daha fazla merkezileşmek amacıyla daha güvenlikçi ve otoriter politikalara sevk etti. Kürtler için statü arayışında kritik bir eşik olarak kabul edilen bağımsızlık referandumu büyük beklentilerle gerçekleştirilmiş ancak referandum sonrası gelişmeler öngörülemedi. Bu makale Kürtlerin enerji kaynaklarını ve IŞİD'e karşı verdikleri mücadeleyi bağımsızlık arayışında politik bir enstrüman olarak kullandıklarını iddia etmektedir. Bu çerçevede Irak Kürtlerinin gelecek arayışında kritik bir nokta olarak görülen 25 Eylül 2017 bağımsızlık referandumu ve bunun başarısızlıkla sonuçlanması Kürtlerin mevcut konumlarını tekrar tartışmaya açarak yeni bir süreci başlatmıştır.

**Anahtar kelimeler:** Irak, Iraklı Kürtler, Bağımsızlık Referandumu, Enerji

### التوقعات والوقائع في السعي الكردي للإستقلال عن العراق: استفتاء الاستقلال 25 سبتمبر

#### ملخص

بعد الغزو الأمريكي للعراق، أدت زيادة الشرعية الإدارية والفرص الاقتصادية بعد غزو العراق من قوة وتأثير الأكراد في المجالات السياسية والعسكرية والاقتصادية والثقافية. الاتفاقيات مع الشركات متعددة الجنسيات حول مصادر الطاقة والعلاقات الدبلوماسية المبرمة مع الدول الأجنبية ومحاربة داعش عززت البنية المؤسسية للاعتراف بالشرعية على مستوى الرأي العام العالمي وعلى مستوى الدول بل أدت أيضا إلى أوهام كبرى من الثقة بالنفس لديهم. إن الظروف الإقليمية المتغيرة وخاصة مع حلول الربيع العربي دفعت الأكراد إلى اعتبار ثغرة الفوضى وعدم الاستقرار في الشرق الأوسط كفرصة مقابل مواقف الجهات الفاعلة الإقليمية والعالمية. في الحقيقة أن الهدف النهائي للأكراد من هذه العملية هو البحث عن وضع يتمحور حول الاستقلال واعتبر النظام العراقي هذه الحالة تهديداً لوحدة الوطنية وأدى ذلك وبدوره إلى التوجه نحو المزيد من السياسات الأمنية والاستبدادية من أجل المزيد من المركزية. هذه التطورات بالنسبة إلى الأكراد قد وضعتهم في موقف حرج، حيث أن الاستفتاء على الاستقلال كان ينطوي على توقعات كبرى إلا أنه لم يكن ممكناً التنبؤ بالتطورات التي حدثت بعد الاستفتاء. يناقش هذا المقال بأن الأكراد استخدموا مصادر الطاقة ونضالهم ضد داعش كأداة سياسية في سعيهم للاستقلال. وفي هذا السياق يعتبر الاستفتاء على الاستقلال في 25 أيلول 2017 والذي كان يعتبر نقطة حرجية بالنسبة لمستقبل الأكراد العراقيين، ومع انتهائه بالفشل بدأت عملية جديدة بإعادة مناقشة الأوضاع الحالية للأكراد.

**كلمات مفتاحية:** العراق، أكراد العراق، استفتاء الاستقلال، الطاقة

## Power Elements in the Search for Sovereignty: Geopolitics, Economy, Energy

With the British invasion of Ottoman lands, the quest for a status became more apparent and efficient within Iraqi Kurds and until this present day, this search for a status has passed through many important stages.<sup>1</sup> In this process, the rebellions led by the Kurds to achieve their political demands first became politicized and then institutionalized.<sup>2</sup> While the politicization process was made possible due to the support provided by the Soviet Union, as power in the international system shifted towards the U.S., the Kurds became an important actor for the global superpower.<sup>3</sup> Kurds played an important role during the U.S. intervention in Iraq during the First Gulf War and during the U.S. administration's policies applied on Iran, and eventually obtained a *de facto* autonomous structure.<sup>4</sup> The 2003 invasion, which is also termed as the Second Gulf War, saw a global power such as the U.S. launch a new period and provide the Kurds with a new status. In the meantime, following the defeats that the Kurdish movement experienced against the Iraqi government in the 1970s, the internal fragmentation

<sup>1</sup> For more information on the relationship between the Ottoman Empire and the Iraqi Kurds; Sinan Marufoğlu, *Osmanlı Döneminde Kuzey Irak (1831-1914)*, (İstanbul: Eren Yayıncılık, 1998); Hakan Özoğlu, *Osmanlı Devleti ve Kürt Milliyetçiliği*, (İstanbul: Kitap Yayınevi, 2005). For the period after the British invasion; Mim Kemal Öke, *Musul Komplosu 1918-1926*, (İstanbul: İrfan Yayıncılık, 2012); Şakire Hıdıye Mihoyan, *İki Dünya Savaşı Arasında Irak'ta Kürt Sorunu*, (İstanbul: Peri Yayınları, 1998); Stefanie K. Wichhart, "A 'New Deal' for the Kurds: Britain's Kurdish Policy in Iraq, 1941-45", *The Journal of Imperial and Commonwealth History*, Vol.39, No.5, (2011), p. 815-831.

<sup>2</sup> For works conducted on Iraqi Kurds; Wadie Jwaideh, *Kürt Milliyetçiliğinin Tarihi, Kökenleri ve Gelişimi*, (İstanbul: İletişim Yayınları, 2012); David McDowall, *Modern Kürt Tarihi* (İstanbul: Doruk Yayıncılık, İstanbul, 2004); Martin van Bruinessen, *Ağa, Şeyh, Devlet*, (İstanbul: İletişim Yayınları, 2015); Kerim Yıldız, *The Kurds in Iraq: The Past, Present and Future*, (London: Pluto Press, 2007); Yaniv Voller, *The Kurdish Liberation Movement in Iraq: From Insurgency to Statehood*, (London: Routledge, 2014).

<sup>3</sup> For the importance of Kurds for global and regional actors see; Ofra Bengio, "The Challenge of to the Territorial Integrity of Iraq", *Survival*, Vol.37, No.2, (summer 1995); Robert Olson, "The Kurdish Question and Geopolitic and Geostrategic Changes in the Middle East after the Gulf War", *Journal of South Asian and Middle Eastern Studies*, Vol.XVII, No.4, (summer, 1994); Ali Rıza Attar, *Kürtler: Bölgesel ve Bölge Dışı Güçler*, (İstanbul: Ağaç Kitabevi, 2004); David A. Korn, "The Last Years of Mustafa Barzani", *Middle East Quarterly*, Vol.1, No.2, (June, 1994); Hakan Özoğlu, "Molla Mustafa Barzani in the USA 1975-79", Presented at 2nd World Kurdish Congress in Erbil, Iraq, (11-15 October 2012); John K. Cooley, *Payback: America's Long War in the Middle East*, (London: Brassey's Inc, 1991); John K. Cooley, *Alliance Against Babylon: The US, Israel and Iraq*, (London: Pluto Press, 2005); Erol Kurubaş, "Irak Kürt Hareketi: İç Çekişme-Dış Destek-Ayaklanma", Ümit Özdağ, Sedat Laçiner ve Serhat Erkmen (Ed.) in *Irak Krizi*, (Ankara: Asam Yayınları, 2003), p. 21-43.

<sup>4</sup> For the *de facto* Kurdish region in Iraq see; Michael Gunter, "A De Facto Kurdish State in Northern Iraq", *Third World Quarterly*, Vol.14, No.2, (1993); Robert Olson, "The Creation of a Kurdish State in the 1990s?", *Journal of South Asian and Middle Eastern Studies*, Vol.XV, No.4, (summer, 1992); Robert Olson, "The Kurdish Question and Geopolitic and Geostrategic Changes in the Middle East after the Gulf War", *Journal of South Asian and Middle Eastern Studies*, Vol.XVII, No.4, (summer, 1994); Baskın Oran, *Kalkık Horoz: Çekiç Güç ve Kürt Devleti*, (Ankara: Bilgi Yayınevi, 1996); Bengio, *The Challenge of to the Territorial Integrity of Iraq*.

and political division of the Kurds became clear. This political division between the Kurds led to a struggle of power, which has resulted in the emergence of a dual structure that has continued until today.<sup>5</sup> This dual structure within the Kurdish movement has made Kurds more vulnerable to external actors.

During the transformation of the Kurds, whose historical background is quite detailed, the First Gulf War was an important threshold. However, the *de jure* institutionalization process of the Kurds began after the U.S. invasion of Iraq. The invasion toppled Saddam Hussein and the authority gap in the country caused serious security concerns. Thus, with the Iraq invasion, the Ba'ath Party and the government structure collapsed, which eventually led to Iraq becoming a *failed state*.<sup>6</sup> This also increased the role of non-state actors and their influence on the political environment in the Middle East. The authority gap in Iraq not only opened the way for Kurds, Shia and Arab tribes, but also for groups such as Al-Qaeda. This situation led to non-state actors being able to limit the power of states and in fact allowed these groups to challenge the state. This made it difficult for states to ensure their security and fulfill their functionality.<sup>7</sup> In the new period, Kurds played an active role in the re-structuring of the country in order to legitimize their *de facto* status.<sup>8</sup>

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<sup>5</sup> After leaving the KDP in 1976, a group close to Jalal Talabani formed the PUK, which led to a dual structure within the Kurdish movement. For the struggle of power between Kurds, see; Michael Gunter, "The KDP-PUK Conflict in Northern Iraq", *The Middle East Journal*, Vol.50, No.2 (Spring, 1996); Ofra Bengio, "Autonomy in Kurdistan in Historical Perspective", Brendan O'Leary, John McGarry and Khaled Salih (Eds.) in *The Future of Kurdistan in Iraq*, (Philadelphia: University of Pennsylvania Press, 2005), p. 173-185; Stephen Pelletiere, *Kurds: an Unstable Element in the Gulf*, Boulder, (Westview Press, 1984); Hussein Tahiri, *The Structure of Kurdish Society and the Struggle for a Kurdish State*, (Costa Mesa: Mazda Publishers, 2007).

<sup>6</sup> With the end of the Cold War, states that were formed during the decolonization process faced serious problems in effectively fulfilling the functions of a state. Those that failed to fulfill these functions were defined as failed states. While Helman and Ratner define the concept of a failed state as countries that are incapable of sustaining themselves as a member of the international community, Brookst defines this concept as states that have lost control of their violence mechanisms and states that fail to create peace and stability within their own sovereignty and sphere of influence. Gerald B. Helman and Steven R. Ratner, "Saving Failed States" *Foreign Policy* 89, (Winter 1992-93); Rosa Ehrenreich Brookst, "Failed States, or the State as Failure?", *The University of Chicago Law Review*, Vol.72, No.4, (Fall 2005).

<sup>7</sup> Mustafa Aydın, Nihat Ali Özcan ve Neslihan Kaptanoğlu, "Riskler ve Fırsatlar Kavşağında Irak'ın Geleceği ve Türkiye", *TEPAV Ortadoğu Çalışmaları*, July 2007, p. 58-60.

<sup>8</sup> For this see; Gareth Stansfield, *Iraqi Kurdistan: Political Development and Emergent Democracy*, (London: Routledge Curzon, 2003); Denise Natali, *The Kurdish Quasi-State*, (Syracuse: Syracuse University Press, 2010); Brendan O'Leary, John McGarry and Khaled Salih (Eds.), *The Future of Kurdistan in Iraq*, (Philadelphia: University of Pennsylvania Press, 2005), p. 3-45; Mahir A. Aziz, *Irak Kürtleri, Irak Kürdistanı'nda Milliyetçilik ve Ulusal Kimlik*, (İstanbul: Kitap Yayınevi, 2013).

Their cooperation with the U.S. during the Iraq invasion enabled the Kurds to secure their relatively stable and autonomous position in the north of the country.<sup>9</sup> Due to the diplomacy they pursued and under the guarantor of the U.S., Kurds found a place on the Interim Governing Council formed in 2003 and became an important actor in the re-construction and future of Iraq. By obtaining important positions in the transitional period governments and the general elections, and due to their influence on the negotiations in regard to shaping Iraq's future, Kurds strengthened their already existing status.<sup>10</sup>

Within their institutionalization efforts, the largest gain for Kurds was to transform what is called the "safe zone," which covers three provinces, from a *de facto* to a *de jure* structure. As of 19 March, 2003, it was stated that the Kurdish region was composed of Erbil, Sulaymaniyah, Kirkuk, Diyala, and Ninova, and that the administration of these provinces would continue during the transition period.<sup>11</sup> With the new Constitution adopted in 2005, the region gained an official identity. Thus, the recognition of the KRG as a federal region with *de jure* status led to gains such as the acceptance of Kurdish as the official language and the ability to form their own security force (the Peshmerga). In addition, it was also noted that apart from issues under the jurisdiction of the central government, the KRG would have the right to change laws that were produced by the federal parliament.<sup>12</sup>

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<sup>9</sup> Anna Nurzyńska, "The Safety Aspect in the Kurdish Autonomous Region", *Journal World Scientific News*, Vol.57, (2016) p. 680-5.

<sup>10</sup> Peter Galbraith, *Irak'ın Sonu: Ulus Devletlerin Çöküşü mü?*, (İstanbul: Doğan Kitapçılık, 2006), p. 149-51.

<sup>11</sup> Article 53, band A of the Transitional Administrative Law that was signed in 2004 states: "As of 19 March, 2003, the Kurdistan Regional Government is the official government that holds the lands in Duhok, Erbil, Kirkuk, Sulaymaniyah, Diyala, and Mosul." The transition period was to continue until an official government was to come to power in 31 December, 2005. On 15 October, 2005, with the participation rate of 66%, the draft of a new Constitution was accepted by a popular vote. Following the acceptance of the Constitution, with the general elections that took place on 15 December, 2005, Jalal Talabani took office as President. Talabani ordered Nouri al-Maliki to form a government and the new Iraq government was formed on 20 May, 2006. For detailed information of the transitional period, see; Ferhat Pirinççi, "2003 Savaşı Sonrası Süreçte Irak'ta Siyasal Yapılanma", *Fırat Üniversitesi Orta Doğu Araştırmaları Merkezi Müdürlüğü İkinci Orta Doğu Semineri: Düünden Bugüne Irak (Uluslararası Katılımlı)*, 27-29 May 2004, Elazığ, Fırat Üniversitesi Basımevi, Vol.II, p. 12-3.

<sup>12</sup> Article 117 of the Constitution adopted on 15 October, 2005 states: "This Constitution, upon coming into force, shall recognize the region of Kurdistan, along with its existing authorities, as a federal region." Article 140 states: "In order to determine the will of the people, a referendum on Kirkuk and other disputed areas should take place by 31 December, 2007." Article 141 of the Constitution states: "Legislation enacted in the region of Kurdistan since 1992 shall remain in force, and decisions issued by the government of the region of Kurdistan, including court decisions and contracts, shall be considered valid unless they are amended or annulled pursuant to the laws of the region of Kurdistan by the competent entity in the region, provided that they do not contradict with the Constitution." (H.Bayhan, "Irak Kürtlerinin Yönetimsel Arayışı ve Federalizm Seçeneği: Tarihsel ve Teorik Bir Analiz", (Unpublished PhD thesis, Marmara University, SBE, 2013).

Kurds obtained significant gains in many issues including the distribution of power between the federal structure and regional government, the distribution of natural resources, and the right to contract with oil companies. However, the solution to the issue of disputed territories such as Kirkuk were postponed to a later date.<sup>13</sup> From the perspective of the Kurds, the legitimate acceptance of their status as part of a federal Iraq was a success. The goals that were aimed to be achieved through armed struggle were legally recognized under the guarantee of a global actor.<sup>14</sup> These gains, which have been interpreted as the historical transformation of Kurds, further led to the increase of their capabilities and opportunities in search for a future.

With the new constitution adopted after the Iraq invasion, a referendum was envisaged to be held by the end of 2007 in regards to the disputed territories. It has been argued that this referendum could not be held due to the policies pursued by Nouri al-Maliki during 2006-2010 and 2010-2014. This further accelerated and deepened the political and economic issues between Baghdad and Erbil. The political culture of Maliki during his second term as Prime Minister not only led to the rise of ethnic and sectarian tension in the country, but also laid the foundation for radical groups such as Daesh.<sup>15</sup> With the withdrawal of U.S. forces from Iraq in 2011, Maliki's drive towards authoritarianism and his attempt to passivize the political opposition also deepened the tension between the central government's relations with the Kurds. When assessing relations during this period, it can be observed that Maliki's policies towards more centralization during a time when Kurds were trying to preserve their autonomous status brought the two sides opposite each other more often.<sup>16</sup> Nevertheless, the Kurds

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<sup>13</sup> A consensus was reached between the Kurds and the central Iraqi government on issues apart from Kirkuk (due to the uncertainty within the Constitution, both parties were able to interpret the issue of contracting with oil companies according to their own interests). According to the Provisional Constitution, the federal structure would be based on geographical and historical realities, and power would be shared between the federal government, government, governorships, municipalities and local governments). For more information, see; Sherko Kirmanj, "Kurdistan Region: A Country Profile", *Journal of International Studies*, 9, (2013), p. 152.

<sup>14</sup> A.S. Erkmen, "Amerikan Hegemonyasının Yeniden İnşasında Bölgesel Faktörlerin Rolü: ABD'nin Kuzey Irak Politikası Örneği", (Unpublished PhD thesis, Ankara University, 2008), p. 181.

<sup>15</sup> Ali Khedery, "Why We Stuck With Maliki-and Lost Iraq", *Washington Post*, 3 August 2014; Christopher R. Hill, "Iraq After Maliki", *Project Syndicate*, 25 August 2014.

<sup>16</sup> Works conducted on the relations between Baghdad and Erbil compare Nouri al-Maliki's aggressive policies (such as sending tanks to disputed areas such as Hanekin and the possibility of armed conflict) and his despotic attitude to that of Saddam Hussein. See; Núria Tomàs and Ana Vilellas, "The Kurdistan Autonomous Region: Risks and Challenges for Peace", *Quaderns de Construccio de Pau*, (July 2009), p.7.

did not refrain from taking part in the balance of power within the Iraqi Central Government in order to ensure that the conditions were set for their pursuit in the future. Kurds utilized the opportunities they acquired by taking part in the balance of power in Baghdad during the establishment of the KRG. It seemed difficult for Kurds to achieve their ultimate objective or political aim without completing their historical experience of a search for status and political power with external support.<sup>17</sup> Within this framework, in order to develop their legitimate status towards independence, alongside being prevalent within the balance of power in Baghdad, the KRG adopted economic policies that would receive support from the international community and regional actors.

## **The Search for an Autonomous Economic Structure and the Importance of the Energy Factor**

After being legally recognized as a federal state after the U.S. invasion of Iraq, the strategic and political policies pursued by the KRG reflected - both domestically and internationally - the fact that it would act independent from the Baghdad administration. The KRG took steps ranging in areas from politics, military, and defense (having the Peshmerga power, carrying out negotiations with other countries on a state level, being able to conduct agreements etc.). In addition to this, the KRG took important initiatives in the energy sector, including the research, operation, and export of natural resources, and on cooperation and agreements in this field. In particular, the economic policies pursued by the KRG, in which energy laid at the foundation, was the issue that left Baghdad and the KRG in conflict with each other.

In addition to becoming more politically involved, the Kurds, who were important actors in the post-2003 period, also received a larger share of the budget.<sup>18</sup> After 2005, due to establishing a dynamic economic environment and its regular budget revenues, the KRG was able to further develop. As the Kurds were prepared to enter the global market as an important player in the field of energy supply, the region was perceived as a rising potential market among international companies and actors. In addition to the sectarian policies pursued by

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<sup>17</sup> Serhat Erkmén, "Irak'ta İşgal Sonrası Siyasal Yaşam ve 2010 Parlamento Seçimleri", *Ortadoğu Etütleri*, Vol.2, No.3, (July 2010), p. 139-40.

<sup>18</sup> Prior to 2003, Kurds were recipients of 13 percent of the oil revenue received through the OFFP. However, after 2003 it was agreed that the KRG would receive 17 percent of the total budget of Iraq.

Maliki, harsh statements against Kurds in this period also led the KRG to control its economic resources more independently. On the road to institutionalizing its independent political stance in the field of energy, in 2006 the KRG established its own Ministry of Natural Resources.<sup>19</sup> With this, the newly established ministry was similar to the Oil Ministry formed in Baghdad. Following, in August 2007, the Iraqi Kurdistan Parliament approved its oil and gas law in accordance with the relevant provisions of the Constitution without waiting for the Iraqi central government to approve the “Hydrocarbon Law.” The approved law gave the KRG’s newly established ministry the authority to conduct oil agreements and to administrate its own oil sector.<sup>20</sup> The rapid growth of the KRG in the energy sector was of strategic importance. As was later seen, the KRG made important agreements with both states and multinational corporations on energy resources.

The major oil and gas reserves in the region provided the KRG with an important position in regional and global markets.<sup>21</sup> These high reserves made the KRG an important supplier of oil and natural gas, and meant an alternative energy source for both Turkish and European markets. The only way that the KRG was going to be able to enter the global energy market was through Turkey, and this relationship to be formed within the energy sector was not independent from their quest for political sovereignty. The two different political approaches maintained by Turkey against Erbil and Baghdad throughout 2008-2014 also draws attention.<sup>22</sup> A point worthy of emphasis here is that Turkey’s high energy demand and the trade relationship it formed with the KRG further increased the

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<sup>19</sup> According to Article(s) 111, 112, 115, and 121 of the Iraq Constitution, with the aim to develop natural resources within the regional government, the newly established Ministry of Natural Resources was held responsible for the internal auditing of the KRG’s Oil and Gas Law. For more information, see; “Ministry of Natural Resources”, KRG, <http://mnr.krg.org> (22 April 2017). Ashti Hawrami, who was brought to lead this ministry had experience with many private sector companies and has director experience within many petrol companies. For a more detailed biography, see; “Ashti Hawrami (Abdullah Abdulrahman Abdullah)-Minister of Natural Resources”, KRG, <http://cabinet.gov.krd/p/page.aspx?l=12&s=030000&r=315&p=573&h=1>, (23 April 2017).

<sup>20</sup> For the KRG’s Oil and Gas Law, see; “Oil and Gas Law of the Kurdistan Region-Iraq”, *KRG-Minister of Natural Resources*, [http://mnr.krg.org/images/pdfs/Kurdistan\\_Oil\\_and\\_Gas\\_Law\\_English\\_2007.pdf](http://mnr.krg.org/images/pdfs/Kurdistan_Oil_and_Gas_Law_English_2007.pdf), (25 Nisan 2017).

<sup>21</sup> It has been suggested that the oil and natural gas reserves in the KRG contain a higher potential than what has been predicted. Although oil reserves are estimated to be around 24 billion barrels, KRG officials have announced that with the inclusion of disputed territories such as Kirkuk, this figure reaches 45 billion barrels. More, they have also indicated that with new discoveries in natural gas reserves, the KRG have a total reserve of 5.67 trillion cubic meters, which is 3 percent of total reserves in the world. For more information see; KRG, *Ministry of Natural Resources*; Sylvia Pfeifer, “Exxon Signs Kurd Exploration Contracts”, *Financial Times*, 10 November 2011; Ali Balci, “Enerji’sine Kavuşan Komşuluk Türkiye-Kürdistan Bölgesel Yönetimi İlişkileri”, *SETA Analiz*, (June 2014).

<sup>22</sup> Ali Balci ve İsmail Akdoğan, “Bağdat ve Erbil arasında Irak’ta Denge Siyaseti”, Kemal İnat, Ali Aslan and Burhanettin Duran (Eds.) in. *Kuruluşta Günümüze AK Parti: Dış Politika*, (SETA Yayınları, İstanbul: 2017), p. 263-280.

KRG's economic independence.<sup>23</sup> Following this process, Turkish companies became increasingly apparent within trade, energy, and investment markets within the KRG.<sup>24</sup>

By signing agreements with energy companies on different terms with Baghdad, the attractive conditions offered by the KRG attracted international energy companies and ensured that investments were channeled to this region. Despite the fact that the KRG had the opportunity to attract more investments, the two types of different contracts further deepened the legal and political disputes between Baghdad and Erbil.<sup>25</sup> The agreement signed with ExxonMobil in 2011, which allowed for the oil exploration in 6 different fields, further increased tension between Baghdad and Erbil.<sup>26</sup> By signing an agreement with ExxonMobil, which is one of the largest energy companies in the world, Erbil placed itself on the agenda as an important factor in the global energy market. This was more than economic development and was perceived as a political triumph.<sup>27</sup> Erbil did not limit itself to this and further pursued agreements with small and large companies such as Chevron, Total, DNO, and Gazprom Net in areas ranging from

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<sup>23</sup> Despite the instability and chaos in the region, Erbil aimed to lay the pipeline in 2017 and to export oil to Turkey in 2018. On the other hand, by expressing that 5 trillion cubic meters of natural gas will fulfill Turkey's 50-year natural gas demand, and due to the fact that Turkey has from time-to-time come across problems in foreign policy with Russia and Iran, the ability to diversify its energy supplier attracted attention to the KRG's reserves. Erdal T.Karagöl, "Enerjide Yeni Aktör: Irak Bölgesel Kürt Yönetimi", *SETA Perspektif*, 28 November 2013; "Rusya'ya Doğalgazına Karşı Kuzey Irak Doğalgazı!", *Enerji Haber*, 27 November 2015; Gönül Tol, "Untangling the Turkey-KRG Energy Partnership: Looking Beyond Economic Drivers", *Global Turkey in Europe*, (March 2014).

<sup>24</sup> Christina Bache, "Mutual Economic Interdependence or Economic Imbalance: Turkish Private Sector Presence in the Kurdistan Region of Iraq", *Middle East Critique*, Vol.27, No.1, (2018), p. 61-75.

<sup>25</sup> The KRG adopted "production sharing contracts" with energy companies and this consisted of providing companies the right to the ownership of oil depending on their shares. In contrast, Baghdad adopted what are called "technical service contracts," which have a higher risk. For more information on this issue, see; Z. Baykal, "Türkiye'nin Irak Kürdistan Bölgesel Yönetimi olan Enerji İlişkileri (2002-2014)", (Unpublished master's thesis, Marmara University, 2014).

<sup>26</sup> An agreement covering six different sites was signed between the KRG and ExxonMobil on 18 October. These sites were; Basika, El Kuş, East Arbat, Pirmam, Betvata and Kara Indir. For more information on the agreement between ExxonMobil and KRG, see; Sylvia Pfeifer, "Exxon Signs Kurd Exploration Contracts", *Financial Times*, 10 November 2011.

<sup>27</sup> Dmitry Zhdannikov, Isabel Coles and Ned Parker, "Special Report: How Exxon Helped Make Iraqi Kurdistan", *Reuters*, 3 November 2014.

the search of natural resources to their exportation. These companies signed agreements with the KRG at the risk of putting other investments in Iraq at risk.<sup>28</sup>

The fact that some of the agreements made by the KRG included disputed territories, which remain as a political sensitivity for the central Iraqi administration, deteriorated relations between the two.<sup>29</sup> Baghdad also announced that it was going to apply sanctions and boycott companies that sign agreements with Erbil.<sup>30</sup> In response to this, Erbil defended itself by stating that the Constitution of Iraq gives it the right to conduct such agreements and therefore did not recognize the decision made by Baghdad.<sup>31</sup> In this process, despite for opposition from the U.S. and the central government of Iraq, Turkey and the KRG formed a pipeline. This was of strategic value and importance. Due to Erbil storing oil that it exports with

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<sup>28</sup> Among these companies, DNO, Genel Enerji, Gulf Keystone Petroleum, Sterling Energy, Hess Corporation, Marathon Oil Company, Repsol YPF and OMV, ExxonMobil, Total, Chevron, Gazprom Neft draw attention. Thus, the number of companies operating within the KRG reflects the magnitude of interest in the region. In addition to these, it can be observed that the energy, oil and gas, construction, contracting and infrastructure companies of countries such as Turkey, U.S., Canada, U.K., Norway, UAE, China, India, South Korea, Spain, France, Hungary, Moldova, Austria, Cyprus, and Australia. "Iraq's Oil-Rich Kurds Move Steadily Toward Independence", *United Press International (UPI)*, 26 September 2013; "Iraq and the Kurds: The High-Stakes Hydrocarbons Gambit", *International Crisis Group*, 19 April 2012; Kate Leuba, "Exxon's Role in Iraq-Kurdistan Relations", *The American University of Cairo*, 11 July 2014; Serhat Erkmen, "Türkiye-Kuzey Irak-ExxonMobil: Ne Getirir Ne Götürür?", *ORSAM*, 16 May 2013.

<sup>29</sup> In the agreement made with ExxonMobil, half of the fields (Kara İncir, Başika ve El Kuş) were within the borders of Kirkuk and Mosul, which are disputed territories. In addition to conducting contracts for energy resources within its own borders, by conducting contracts covering disputed territories the KRG indicated that these areas were *de facto* converted to their favor.

<sup>30</sup> "Baghdad Sanctions Kurdish Oil Exports", *United Press International (UPI)*, 11 May 2009; Andrew E. Kramer, "Iraq Criticizes Exxon Mobil on Kurdistan Oil Pursuits", *The New York Times*, 12 November 2011; "Iraq Considering Sanctions Against Exxon-Shahristani", *Reuters*, 22 November 2011.

<sup>31</sup> Baghdad and Erbil developed discourse on the basis of Articles 111, 112, and 121 of the Constitution and used this to legitimize their actions. As a result of this, the KRG and the central administration interpreted matters relating to the ownership of energy resources, contracting, authority boundaries, exports, revenues and control, which are listed in the Constitution. The related Articles in the 15 November 2005 Iraq Constitution are as follows: Article 111: "The oil and natural gas found in Iraq is the property of all Iraqi people living in various regions and provinces." Article 121, paragraph 1: "The regional powers shall have the right to exercise executive, legislative, and judicial powers in accordance with this Constitution, except for those authorities stipulated in the exclusive authorities of the federal government." Article 112, paragraph 1: "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, specifying an allotment for a specified period for the damaged regions which were unjustly deprived of them by the former regime, and the regions that were damaged afterwards in a way that ensures balanced development in different areas of the country, and this shall be regulated by a law." Article 112, paragraph 2: "The federal government, with the producing regional and governorate governments, shall together formulate the necessary strategic policies to develop the oil and gas wealth in a way that achieves the highest benefit to the Iraqi people using the most advanced techniques of the market principles and encouraging investment." See; "Irak Anayasası", *ORSAM*, 21 published in the 401 issue of the Official Gazette of the Republic of Iraq

tankers in Ceyhan, in 2014, the Iraqi Prime Minister Nouri al-Maliki cut the KRG's 17% budget share and did not pay the salaries of civil servants.<sup>32</sup>

In addition to this, once the KRG began to pump oil from the Kirkuk-Yumurtalik Pipeline to Ceyhan in May 2014, relations between the two sides took a different course. Following this, despite the fact that both sides came to an agreement on oil exports and on the budget of the KRG, disputes continued due to the fact that both sides accused each other of failing to fulfill mutual commitments.<sup>33</sup> There were serious statements made in regards to Baghdad leaving the KRG in a difficult position in terms of the budget issue; the KRG's Deputy Minister of Finance, Rabar Sidig argued that the KRG was not treated fairly and that the Iraqi central government did not pay 70 billion Iraqi dinars to the KRG between 2005-2016.<sup>34</sup> It was also argued that this was a political choice of the central Iraqi government in order to prevent any possibility of the KRG gaining power and to prevent the KRG from pursuing independence policies.

In addition to the independent foreign policy pursued by the KRG, its projects in the field of energy also made it an important regional and international ally. The KRG made important agreements in the development, exploration, production, and exportation of oil and natural gas reserves, which were made on a level clearly observed by other states. This policy adopted by the KRG was a mere use of energy in its state-building process and as a tool to end its search for economic autonomy and sovereignty.<sup>35</sup> The fact that energy was an important tool for both the regional and global equilibrium was undoubtedly the biggest factor that accelerated this process.

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<sup>32</sup> "Erbil'e 10 Milyar Dolar!", *Rudaw*, 28 August 2016.

<sup>33</sup> In an agreement made with the Iraqi central government in late 2014, Baghdad agreed to re-pay Erbil's budget share in exchange for 550,000 barrels of oil per day, including to and from Kirkuk, to Iraq's Oil Agency. However, after a couple of months, the KRG stated that the agreement had not been fulfilled, and therefore from mid-2015 onwards, began direct oil exports. The parties later came together again and tried to reach an agreement. "Erbil'e 10 Milyar Dolar!", *Rudaw*, 28 August 2016.

<sup>34</sup> Hevidar Ahmed, "KRG: Kurdistan's Economic Conditions Will Improve in 2017", *Rudaw*, 13 January 2017.

<sup>35</sup> (M.Ş.Dilek, "Irak Kürtlerinin Siyasi ve Ekonomik Beklentileri: Güç ve Siyasal Yapı", (Unpublished PhD thesis, Marmara University, 2017).

## The Search for an Exit from the Crisis and the Road to the Referendum

In 2014, the KRG faced the issue of providing socio-economic governance to the 1.8 million people who escaped from the chaos and war that emerged with the Daesh threat. The fact that oil prices decreased during this period led the KRG to a financial crisis. Being defined as an economic *tsunami*, this situation not only stopped the projection of public investments and many other big projects, but also increased the rates of unemployment. Thus, the economic growth and prosperity of the regional government was seriously shaken.<sup>36</sup> In addition to the problems that the KRG was already facing, the fact that its budget share was not paid, left the KRG in a helpless position in which it could not pay the salaries of its civil servants. Due to the deduction of its budget share and its security problems, the KRG's GDP growth decreased by 49.5 percent between 2013-2014. While government revenues constituted 87 percent of GDP in 2013, this figure dropped to 38 percent in 2014. In addition, while the unemployment rate was 6.5 percent in 2013, this increased to around 13.5 percent in 2015.<sup>37</sup>

In order to overcome its economic crisis, the KRG tried to control economic resources in the disputed territories. Due to the fact that the referendum had not taken place, the question of who controlled these territories remained unclear. This non-clarity in regards to the governance of the disputed territories brought the central Iraqi government and the KRG opposite each other many times, even on military terms.<sup>38</sup> The disputed territories, which include Kirkuk, were of a highly sensitive issue due to both their high economic resources and also due to the fact that they account up to 10-12 percent of Iraq's geography, which makes them of strategic importance. The disputed territories have a population of 5.3

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<sup>36</sup> "Economic 'Tsunami' Undermines War Against Islamic State in Iraq-Kurdish Deputy PM", *Reuters*, 16 January 2016; Athanasios Manis, "Averting an Economic Meltdown in the KRI: Aligning Political Objectives with Economic Necessities", *Middle East Research Institute (MERI)*, 17 July 2016.

<sup>37</sup> This information has been retrieved from research conducted by the KRG's Ministry of Labor, which was also backed by the U.S. RAND Corporation research company. See; "Tens of Thousands Unemployed in Kurdistan Due to Economic Slump", *Rudaw*, 5 October 2016.

<sup>38</sup> As is known, after the U.S. invasion, the central government and the KRG did not reach a consensus in Iraq. The provinces of Kirkuk, Mosul, Diyala and Salahaddin and some of the towns connected to them were defined as disputed territories in the Constitution and a referendum was envisaged until the end of 2007 in accordance with Article 140 of the Federal Constitution. Robin M. Mills, "Northern Iraq's Oil Chessboard: Energy, Politics and Power", *Insight Turkey*, Vol.5, No.1, (Winter 2013), p. 2-5; Bilgay Duman, "Irak'ta Ordu-Peşmerge Kapaşması", *ORSAM*, 22 November 2012.

million, which is greater than the population of the Netherlands, and are spread across 40.000km<sup>2</sup> of land, which is four times the size of Lebanon. Therefore, if the disputed territories were to be included within the scope of the KRG, this would mean that the KRG would double its size.<sup>39</sup>

One of the biggest handicaps of the KRG was that despite its political and military autonomy, it remained economically dependent on the central government of Iraq. Due to the fact that 95% of its economic structure was dependent on oil exports, the KRG's trade rested solely on exports, which made it reflective of a classic rent-seeking state.<sup>40</sup> In addition to its classic rent-seeking economic structure, the KRG was also at further disadvantage in comparison to other rent-seeking states. This is because the KRG could not control its natural resources and remained dependent on the budget revenues that it receives from Baghdad. The government in Baghdad also used the budget issue as a means of punishment and utilized this method from time to time.

When assessing the issue of disputed territories, it can be observed that these territories have the potential to directly influence and affect the political and administrative structure of Iraq. The following reasons can be listed as the reasons why a solution could not be reached in regards to the disputed territories:<sup>41</sup> a) Baghdad approached the matter of disputed territories with caution due to their economic and geographic importance, b) the concerns that the KRG would be economically and politically independent from the central administration if they were to gain control of the disputed territories, and c) fear that the situation that covers most of the Kurdish population will bring Kurds closer to the idea of nationalization as an ethnic and geographic region. Within the disputed territories,

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<sup>39</sup> Following the Daesh attacks, the disputed territories were under the *de facto* control of the KRG and this increased the amount of land under the KRG's control by 30 thousand km<sup>2</sup>. This meant that the KRG was ruling 71 thousand km<sup>2</sup> of the 78 thousand km<sup>2</sup> area that it claimed against the Iraqi central government. Salih Bilici ve Muhammet Kurşun, "Irak Kürt Bölgesel Yönetimi Topraklarını Genişletti", AA, 18 Mart 2016; "The People of the Kurdistan Region", *Kurdistan Regional Government*, <http://www.gov.krd/p/p.aspx?l=12&p=214> (10 June 2017), Following the 25 September independence referendum, with the military interventions of the Baghdad regime, the KRG lost Kirkuk and other territories that it had gained from Daesh and retreated to its 2005 borders. Renad Mansour, "The Kurdish Referendum Backfired Badly. Here's Why", *Washington Post*, 25 November 2017

<sup>40</sup> For rent-seeking states, see; Hossein Mahdavy, "The Patterns and Problems of Economic Development in Rentier States: The Case Of Iran", M. A. Cook (Ed.) in *Studies in the Economic History of the Middle East*, (London: Oxford University Press, 1970), p. 37-61; Hazem Beblawi, "The Rentier State in the Arab World", Giacomo Luciani (Ed.) in *The Arab State*, (Berkeley: University of California Press, 1990), p. 85-98; Hazem Beblawi ve Giacomo Luciani, *The Rentier State*, (London: Croom Helm, 1987); Michael L. Ross, "Does Oil Hinder Democracy?", *World Politics*, Vol.53, No.3, (2001).

<sup>41</sup> Bayhan, *Irak Kürtlerinin Yönetimsel Arayışı ve Federalizm Seçeneği: Tarihsel ve Teorik Bir Analiz*, p. 304.

Kirkuk has a significant political, economic, and demographic strategic importance. While on the one hand Kirkuk is strategically important due to its oil and natural resources reserves, it is also important because it has the potential to cause destabilization due to the different ethnic and tribal communities that live there. Another issue was the great advantage of the KRG armed forces under the federal administration after Daesh attacks. After these attacks, the KRG's military capacity and armed forces began to fill the security gap in the disputed territories and came to the forefront on an international scale. This was to the extent that a military protocol was signed between the U.S. and the KRG in regards to the Peshmerga's role in eliminating Daesh from Mosul.<sup>42</sup> Due to western states providing military equipment and aid supplies to the Peshmerga, the KRG reduced itself to an illusion that it was a self-contained power. The funds, equipment and support the KRG's military power received from international actors was perceived as an important strategic asset in terms of international legitimacy. More, it was believed that this would lead the way to international support if there was ever going to be an independent Kurdish state.

## **A Strategic Dead-End: 25 September Independence Referendum and a Return to the Past**

As stated above, the financial crisis experienced by the KRG, the issue of socio-economic governance as well as ongoing political tensions, and the external support they received from international actors pushed them to a position in quest for a search for a status. The international political and diplomatic legitimacy the Kurds received in their fight against Daesh and the military support they received became an important factor. By utilizing their capacities and by taking advantage of the opportunity gap, Kurds took control of the disputed territories. The control of the rich energy resources in these regions brought a new equation and the KRG moved beyond the use of the independence discourse as a mere political instrument. This equation further strengthened the position of separation.<sup>43</sup> With this therefore, by taking into account the domestic balances of the KRG, the dynamics of Iraq and the greater Middle East, the President of the Iraqi Kurdistan

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<sup>42</sup> "Protokolekî Leşkerî di Navbera Hewlêrê û Washingtonê de tê Îmze Kirin", *Basnews*, 12 July 2016; "US to Provide Direct Military and Financial Support to Peshmerga", *Rudaw*, 12 July 2016.

<sup>43</sup> Ofra Bengio, "The Islamic State: A Catalyst for Kurdish Nation Building", *Tel Aviv Notes*, Vol.8, No.18, (2014); Gareth Stansfield, "Kurdistan Rising: To Acknowledge or Ignore the Unraveling of Iraq", *Middle East Memo*, No.33, (July 2014).

Region, Masoud Barzani, went to take advantage of an opportunity that he believed would never rise again.

The Barzani-led KRG evaluated this environment more than just political discourse and the ambition to hold a referendum. Rather, they believed that it was an opportunity for strategic maneuver. Although the referendum didn't account for complete independence, it was the necessary visa required to pursue this path.<sup>44</sup> By emphasizing that Kurds were at a time in which they would never be so close to their ambition for an independent status, Masoud Barzani not only officially announced that the referendum would be held on 25 September, 2017, but also announced that the disputed territories will also be included in this referendum.<sup>45</sup> During a time in which Kurds were at a critical stage in their wonders for a future, it was of great importance for their leaders to make rational decisions. However, the leaders failed in doing this as they were in the illusion that the regional and international conditions were in their favor. Thus, by assuming that if the disputed territories were included in the referendum, that they could use this against Baghdad on the negotiating table and become the stronger side, the KRG administration intended to negotiate fiercely.

The chaotic environment in the Middle East, the security gap in Iraq, the military and political support that the KRG had received in its fight against Daesh, and the investment and trade relations that the KRG formed due to its energy resources were all factors that led the KRG to believe that an independence referendum would receive acceptance by international actors. However, by holding this referendum without the agreement or permission from the international community and without achieving sustainability within the KRG, the independence referendum step brought with it many risks. Regional and international actors that defended the territorial integrity of Iraq either supported Baghdad's military

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<sup>44</sup> In a panel he attended on 21 June, 2017, Senior Assistant to KRG President Masoud Barzani, Hemin Hawrami, stated that independence is not a dream but a strategy. "IKBY'de Bağımsızlık Arayışı", *SETA Panel*, 21 June 2017; Serhat Erkmen, "IKBY'nin Referandum Kararı ve Irak'ın Geleceği", *AA*, 23 Haziran 2017; Abdullah Kuran, "Bağımsızlık Referandumunu", *Serbestiyet*, 14 June 2016.

<sup>45</sup> Apart from the Kurdistan Islamic Group, the following parties attended the meeting that was held in the Piran district of Erbil under the chairmanship of President Masoud Barzani: "Kurdistan Democratic Party (KDP), Patriotic Union of Kurdistan (PUK), Kurdistan Islamic Union (Yekgirtu), Kurdistan Islamic Movement Party (Bızutnewe), Kurdistan Socialist Democratic Party (KDSP) Kurdistan Toilers' Party (Zehmetkeşan), Kurdistan Communist Party, Kurdistan Toilers and Workers Party, Kurdistan Development and Reform Party, Erbil Turkmen List, Iraqi Turkmen Front, Turkmen Development Party, Armenian List in Kurdistan Parliament, Assyrian Democratic Movement, Assyrian Chaldean Popular Council. For more information see; "25ê Îlonê Roja Referanduma Serxwebûnê Ye", *Rudaw*, 7 June 2017.

interventions or turned a blind eye to them. This situation failed the expectations of the Kurds. The 25 September independence referendum, which was held under the direct opposition of regional actors and the uncertain attitudes of global actors, resulted in the loss of the achievements that the KRG had accumulated until then.<sup>46</sup> This referendum was also a dead-end for Masoud Barzani, as it ended his political life in the KRG.

While acceptance of the referendum process was at the forefront in society, the political response was not very strong. There were deep political disagreements between the KDP and PUK and the KDP and the Goran Movement. The decision to go to an independence referendum was given at a time when economic and political disputes had not been resolved. This involves the economic crisis due to the cuts in the budget, the drop of oil prices, the inability to pay civil servant wages, the decrease of public expenditure, and the suspension of important projects. On the political side, there were issues such as the fact that parliament had shut down, the speaker of the parliament couldn't enter Erbil, the fact that Masoud Barzani was continuing to rule despite his term ending in 2015, and finally, the postponement of the parliamentary and presidential elections that were decided to take place in November 2017.<sup>47</sup>

External actors (especially Tehran and Baghdad) used this opportunity to become closer with parties within the KRG, which were experiencing internal political struggles due to historical contradictions. In this period, the KRG's relationship with Iran and Baghdad, the regional support that Baghdad received and the decision of the U.S. administration to remain silent on the issue were all critical factors that decided upon the fate of the Kurds. Due to the fact that there was no strong political unity within the KRG, the interference of external factors further deepened the political disintegration among the Kurds. As a consequence of the PUK's strategic relationship with Iran and the agreements it reached with Baghdad, the KRG lost the governance of Kirkuk and other disputed areas. In addition to this, Baghdad stopped flights to the KRG, demanded the transfer of border crossings and imposed sanctions. The biggest fiasco and defeat for the Kurds in this process was their over-confidence in external support and their military capacity. Most particularly, questions were raised about the Peshmerga

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<sup>46</sup> Dilek, *Irak Kürtlerinin Siyasi ve Ekonomik Beklentileri: Güç ve Siyasal Yapı*, s.271.

<sup>47</sup> *Ibid*, s.286.

after the Daesh attacks. While the Kurds fortified their power in the political and economic spheres, the Peshmerga failed to reform and to become a professional army serving under the roof of a regional administration and not under the roof of a political party. A military force acting under the control of the political parties in a period when Kurds were focused on independence meant a great risk.<sup>48</sup> Indeed, the fact that the Peshmerga were affiliated with a political party rather than a national belonging led to an escalation of party interests and policies instead of national interests. This not only pushed the KRG into a weaker political position but also left them weak in face of an intervention. For this reason, the 25 September independence referendum has been recorded as a tragedy in the eyes of Iraqi Kurds.

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<sup>48</sup> Ibid, s.269.

## Conclusion

Following the U.S. invasion of Iraq, by playing a role in the re-construction of the state and by pursuing a foreign policy independent of the central government, the Iraqi Kurds differentiated themselves and provided serious incentives to international energy companies in terms of investment. The agreements signed by international energy companies on the exploration and production of natural resources of the KRG were at a scope only experienced on a state level. The basis of these initiatives pursued by the KRG was to be able to use their rich energy resources to accumulate further economic autonomy and political power. In this process, by producing opportunities that derived from the security gap in the Middle East, the Iraqi Kurds used the Daesh threat in order to gain legitimacy on an international level. However, the political and economic steps taken by the KRG were perceived as a risk and threat by Baghdad. As emphasized in this article, the independence-oriented policies of the Kurds and the centralization-oriented policies of the Baghdad regime brought the parties in direct confrontation both politically and military. In particular, the fact that the KRG not only used oil as an energy source for economic development, but also as a bargaining element in the political arena, further escalated tensions between Baghdad and Erbil. Hence, with this strategy the KRG aimed to promote its state/nation-building process through the use of energy resources and to promote a possible independence through diplomatic legitimacy and international recognition.

Although the referendum in search for a future had multifaceted, multidimensional, and uncontrolled factors, the KRG failed to read the effects of the post-referendum process and were not prepared for the risks that were likely to occur. The fact that the KRG decided to hold an independence referendum during a time in which profound internal political divisions existed and at a time when they were extremely dependent on oil revenues has been a major strategic mistake. The biggest expectation of the Kurds was the military and political support they believed they would receive from international actors. However, at a time when the scope of Daesh's influence was decreasing in the Middle East, the U.S. prioritized the territorial integrity of Iraq. Many other Western states also decided to remain silent on the issue. Due to their sensitivity of the territorial integrity of Iraq and the effect that the independence referendum would have on the unitary structure of the country, powerful regional actors such as Turkey and Iran

supported Baghdad. The fact that international and regional actors either gave tacit consent or remained silent on the issue made it easier for Baghdad to intervene.

In conclusion, the fact that the independence referendum was held without achieving political unity among the Kurds, without comforting the worries of regional actors, and most importantly, without receiving the consent of the U.S., led to the failure of the 25 September independence referendum. As a consequence of this, the Kurds lost all achievements they had maintained up until then. The direct and indirect opposition of the majority of regional and international actors after the referendum created new uncertainties for Kurds. As a result, the approach of regional and international actors eliminated the possibility of Kurds to realize their demands of the future in the short-term. From the perspective of both regional and international actors, their decision to stand against the referendum was due to the instability and uncertainty that would arise in the Middle East as a result of the division of Iraq. More, they also wanted to block the possible emergence and strengthening of non-state armed actors in this environment. A final point that must be underlined is that it has become clear that in order for a possible Kurdish state to survive, it needs to receive the support of a strong international actor and receive protection from a regional actor. Within this context therefore, for the time being, the international system does not want the Kurdish quest for a future to evolve into expectations of independence, as this comes with further political and economic expectations. International actors that opposed the KRG's 25 September independence referendum not on principal but simply because of time and context point exactly to this.

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