

CIG Assessment, 14 May 2009

IRAQ: ARAB-KURD RELATIONS – OPPORTUNITIES & RISKS

This paper was discussed by a Current Intelligence Group and approved on 14 May 2009.

Key Judgements

- I. The prospects for a “grand bargain”, encompassing constitutional review, disputed internal boundaries and hydrocarbons legislation are poor before national elections, [...] Maliki and Barzani have an opportunity to establish a constructive dialogue [...] which might reduce friction between Arabs and Kurds and increase the chances of eventually reaching a deal. But it is not clear whether they will take it.
- II. The relationship between the governments in Baghdad and Irbil is largely shaped by Maliki and Barzani, [...]
- III. Agreement on national hydrocarbons legislation is the most likely area for progress among the issues dividing Arabs and Kurds. But this will not be achieved in 2009. There will also be no real progress on the review of Iraq’s constitution this year.
- IV. The Iraqi and Kurdish governments have incompatible maximalist demands over disputed territories. International pressure will be needed on both sides if they are to take the opportunity to establish a constructive dialogue over Kirkuk following the UN report.
- V. [...]

Assessment Base: [...]

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At the request of FCO, this paper examines the prospects for Arab-Kurd conflict over the next year. It updates [the JIC Assessment of 7 August 2008] on Security in the North, [the JIC Assessment of 6 November 2008] on Maliki's power and [the JIC Assessment of 28 January 2009] on Threats to Stability in 2009.

Kurdish and Arab positions

1. The Iraqi Kurds played a leading role in the 2003-05 state-building process and established territorial, political and financial power unique to their community. They enshrined the Kurdistan Regional Government's (KRG) powers and territorial claims in the constitution, extended de facto political and military influence beyond the KRG into disputed territories (see map), gained control of Iraq's northern oil fields and secured 17% of the federal budget and central funding for their Peshmerga militia. The Kurds want to protect these gains and extend them by bringing Kirkuk into the KRG. [...]

2. Disagreements over budget allocation, Peshmerga funding, the oil industry, disputed internal boundaries and constitutional review all cause tensions between the KRG and the Iraqi government (GoI). Although the Kurds are allied with Arab parties within the GoI, [...] This resentment has manifested itself politically: in a challenge to the Kurds' share of the national budget and in the creation of the Hadba party, which successfully campaigned in provincial elections against Kurdish domination in Ninewa. Several Arab political parties are likely to play on anti-Kurd sentiment in the run-up to national elections, expected in early 2010.

3. The relationship between the governments in Baghdad and Irbil is largely shaped by Iraqi Prime Minister Maliki and KRG President Barzani. [...]

4. [...]

Constitutional review

5. Maliki has publicly argued that the Iraqi constitution should be amended to redistribute power from provincial and regional governments towards Baghdad. The Kurds particularly fear revision of Article 140, which stipulates that the status of the disputed city of Kirkuk should be decided through referendum. [...] We judge that no real progress will be made until a new parliament and government are formed next year. Thereafter, the Kurds will lose their veto if President Talabani is replaced by an Arab and the current Presidency Council (where Kurds, Sunnis and Shia each have a veto) expires, leaving a referendum as their only option to block constitutional change¹.

¹ Changes to the constitution must be agreed by two-thirds of the voters in each province in a popular referendum. If more than a third of voters reject a proposal in three provinces then it is vetoed.

Disputed internal boundaries

6. Both Gol and KRG have set out incompatible maximalist territorial demands that are necessary to maintain support from their political constituencies. Kirkuk is the most important dispute for the Kurds, who are committed to recovering the territory in accordance with Article 140. They would probably be ready to compromise on other territories, especially in Ninewa, to secure Kirkuk. The Baghdad government is determined to retain disputed territories in Ninewa, Diyala and around Kirkuk, and wants to find a method to determine the status of Kirkuk [...]

7. The UN recently put a range of options to Barzani and Maliki. [...] Talabani might favour equal power sharing between the communities as the only workable compromise, but most leaders in the KRG are likely to oppose this option. We judge that international pressure will be needed on both the Gol and KRG if they are to take this opportunity to establish a constructive dialogue.

Hydrocarbons legislation

8. The Gol and the KRG have failed since 2005 to agree on hydrocarbons legislation or to secure substantial foreign investment. [...] We judge that national hydrocarbons legislation will not be passed in 2009: there is insufficient time and political energy in an election year. [...]

Prospects for a “grand bargain”

9. We judge that the prospects for a deal, encompassing constitutional review, disputed internal boundaries and hydrocarbons legislation are poor before national elections, and unlikely to improve if Maliki emerges stronger from them. Initiatives for such a “grand bargain” have come from external think-tanks [...] not from Iraqi politicians. [...] The UN report on Kirkuk provides an opportunity for them to establish a constructive dialogue, which might reduce friction between Arabs and Kurds and increase the chances of eventually reaching a deal. But it is not clear whether they will take it.

Risks of conflict

10. We previously judged that armed clashes between the Iraqi security forces (ISF) and the Kurdish Peshmerga militia would be an increasing risk so long as Arab/Kurd differences are unresolved. [...]

11. Kurdish leaders also want to avoid conflict. They probably fear they would receive little international support in any fighting outside the KRG, including Kirkuk. [...]

12. [...]

