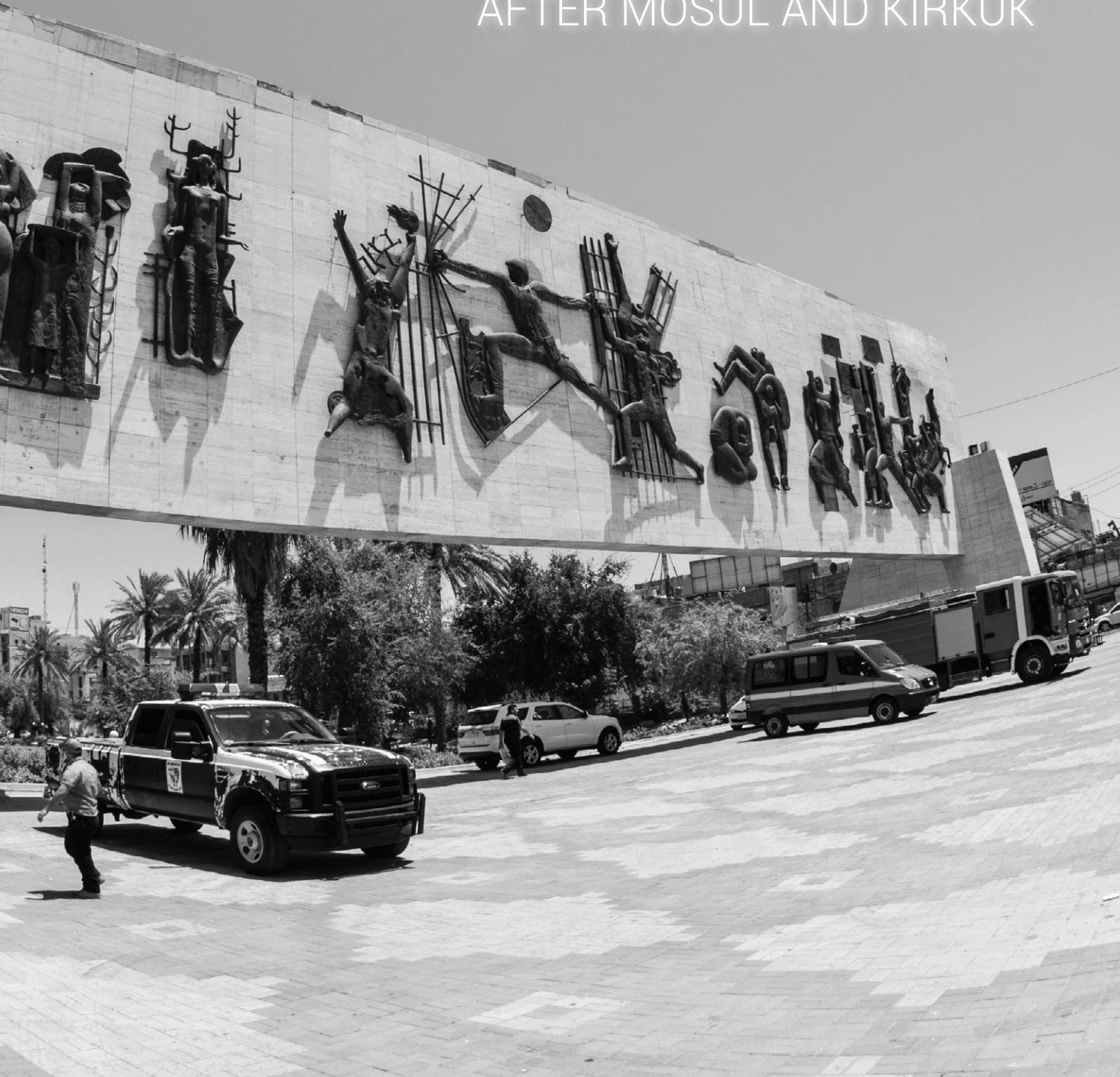




Middle East
Centre

IRAQ AND ITS REGIONS BAGHDAD—PROVINCIAL RELATIONS AFTER MOSUL AND KIRKUK



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The period from July 2017 to May 2018 could prove transformational for Iraq. In July 2017, Iraqi government forces liberated Mosul from Islamic State (IS). In the aftermath of that victory, President of the Kurdistan Regional Government (KRG) Masoud Barzani pushed ahead with a referendum on Kurdish independence to enhance Erbil's bargaining power in its disputes with Baghdad. This backfired and instead the Iraqi Prime Minister, Haider al-Abadi, ordered Iraqi forces into Kirkuk, the disputed territory between Baghdad and Erbil, in October 2017. These momentous events form the background against which Iraq will vote in the May 2018 national elections. This vote will not only decide if Abadi gets a second term, but also whether Iraq has moved beyond the divisive sectarian rhetoric that has dominated the country's post-regime change politics.

The LSE Middle East Centre convened a workshop on 15 January 2018, bringing together Iraqi political analysts and decision-makers with other experts on Iraq. The workshop examined the major dynamics that will shape Iraqi politics going forward and drive the relationship between Baghdad and other regions of Iraq, as well as between state and society.

The workshop was split into four sessions. The first examined the current political balance of power in the run-up to the May 2018 elections and the potential alliances emerging among the Iraqi ruling elite. The second highlighted the fraught relationship between the capital and the provinces, and asked whether a programme of federal decentralisation was viable. The third looked at the security sector and the dilemma of multiple actors reserving the right to exercise coercive power within Iraq, including the Iraqi Army, the Hashd al-Sha'abi and the Peshmerga. The final panel discussed the possibility of resetting relations between Baghdad and Erbil, and the weak position the KRG now finds itself in. This report provides a summary of the presentations and discussion.

The Political Balance of Power: The Iraqi Ruling Elite in the Run-up to the May Elections

All eyes are now on the parliamentary elections scheduled for May 2018. Baghdad and Erbil have until now been through what might be termed 'zombie politics', with a series of post-2003 ruling elites surviving through manipulating the structural determinants of politics, while massive frustration with government inefficiency mounts. The central debate in Iraqi politics today is about corruption.

Baghdad

In Baghdad, ethno-sectarian discourses are no longer working, with a Shi'a-led grassroots protest movement having mobilised more than four million people against the government. Alliances have shifted and as such there are now two Shi'a camps: the right wing, represented by Nouri al-Maliki and the various leading components of the Hashd al-Sha'abi (henceforth referred to as the Hashd) such as the Badr Organisation, Asa'ib Ahl al-Haqq (AAH), and Kata'ib Hezbollah; and the centrists, including Haider al-Abadi, Muqtada al-Sadr and Ammar al-Hakim. Of these, the right wing has been split by Maliki's

blundering and perceived weakness. Abadi has secured public support based on his association with the army's success (the reputation of which has risen, at the expense of the Hashd) and his championing of Iraq's unity. Abadi had been beholden to sectarian politics until he saw that Maliki's attempt at majoritarian Shi'a rule had failed, and he is now trying to advocate a supra-communal, nationalist vision.

Today, Iraq sits at a fork in the road, with a sense of optimism in Baghdad driven by the defeat of IS and the improved security situation, where for the first time since 2003 the government is not facing a major insurgency. The retaking of Kirkuk has also reshaped the situation, as the KRG can no longer act as a spoiler in national politics, and the show of strength by the federal government will discourage any moves by the two main Kurdish parties towards greater regional autonomy. The electoral landscape has also changed and a new Iraqi nationalism now champions reform, where until recently the nation's fragmentation had looked possible.

However, despite Abadi's anti-corruption push, how much has really changed within elite politics? We see the same national political players in a different line-up, manoeuvring in coalitions as a play for power. The alliances show that identity politics remain pervasive despite the rise of issue-based politics. There remains a lack of strong institutions and gridlock in the Council of Representatives. Corruption and nepotism are still rife, fiscal reforms have been weak, and the public sector has not yet been revived. Accountability in government is required, with political power still tilting too much towards a Green Zone elite, but there are propitious conditions for reform and the elections will be a test for whether politicians are willing to seize the moment.

Erbil

A parallel exists between the fall of Mosul in 2014 and the fall (from a Kurdish perspective) of Kirkuk in 2017. Mosul's loss led to Maliki being held accountable, and the fall of Kirkuk may also lead to a political shift within the KRG. December's protests in Sulaymaniyah were more significant than many realised, as was the resultant crackdown. The movement's origins lay in the protests over salaries, maladministration and nepotism in 2015 and 2016, led by teachers and government employees. Angry jobless youth then joined and party offices were burnt, showing where their anger was directed. Patriotic Union of Kurdistan (PUK) special forces were then sent in to suppress protests in what had been their traditional constituencies. The political status quo in the KRG is unsustainable, and though the Barzani/Talabani inner circles may remain loyal, outer circle support is fragile if payrolls, pensions and handouts dry up in this current financial crisis. Corruption and nepotism had been tolerated by public opinion over the past 15 years under the assumption that independence, or at least increased autonomy, would follow. With the dream of independence over, for many Kurds the dark days of the 1990s are returning, with the two families' duopoly having lost its political legitimacy. If this year's elections in the KRG are free and fair then newer parties will do well. This remains a big 'if'. It is unlikely that the current Kurdish leadership will be a constructive partner for Baghdad, and for a real partnership (which Abadi could offer from a post-election position of strength) a new KRG leadership – which believes in Iraq, politically – would need to emerge.

Regional and International Players

Iraq is surrounded by Islamists in power in Iran, Turkey and Saudi Arabia, though there is an element of pragmatism in both Iranian and Turkish foreign policy, as has been seen with the latter's pivot towards Russia after the previous confrontation over Syria. Iran was influential in creating three camps in Iraqi politics where two had existed, but now that Badr and AAH have withdrawn from the Nasr coalition, it appears that Abadi will still manage with lessened support. The further fracturing of the Shi'a electoral block looks to be a strategic failure from the Iranian perspective. Iran is not, however, a blunt force in Iraq, and has the ability to adapt, having far more soft power than other actors. Allegiances can quickly shift, as in 2009–10 when Maliki ran as the anti-Iran candidate, but soon after became Iran's man in Baghdad. As for the US, their policy reaction after the events of Kirkuk has been to do nothing, and allow the central government to reassert power. The US thinks Abadi has been overreaching, but feels likewise about the KRG. The latter still has some friends in the US government who will advocate in Washington on its behalf, but the current US policy is for one unitary Iraq. The EU, as another interested foreign actor, could play a constructive role, and should focus on building capacity in Iraq – the root of many underlying problems.

Can the Centre Hold? Baghdad–Province Relations

Since 2003 the buzzword in Iraq has been federalism, with many assuming that this means a weak central government and strong provinces. However, to date, federalism beyond the Kurdistan Region of Iraq (KRI) has not been operationalised, as the realisation has dawned that the central government must itself be strong enough to devolve power.

After the fall of Mosul in June 2014, Brett McGurk, US Special Presidential Envoy for the Global Coalition to Counter ISIS, outlined a strategy based on the principle of 'functioning federalism', devolving local security responsibilities to sub-national authorities, with locally armed units securing their respective provinces (replicating the Anbar Awakening movement) with federal forces being restricted to protecting the country's borders. However, the National Guard Bill languished in parliament, the operations to reclaim Tikrit, Fallujah and Mosul were all spearheaded by federal forces, and recent polling in liberated provinces has shown an overwhelming preference for security to be managed by the Iraqi army. Furthermore, in 2017, the governors of all three liberated provinces were impeached by their respective provincial councils. But with the military defeat of IS focusing minds on the huge burden of reconstruction, decentralisation must be framed within this post-conflict context, including understanding how to incentivise stakeholders to move beyond the current dysfunctional federalism. Decentralisation is often simply deconcentration – transferring power to an administrative unit of the central government at the local level – rather than actual devolution of power to sub-national entities. Policymakers should not lose sight of the end goal: a sustainable peace requires rebuilding trust between citizens and state by demonstrating efficient and effective governance.

While Abadi has been broadly effective, with IS defeated and the state resilient against economic and social pressures, there are many competing centres of power that only unite in times of crisis, as happened during the referendum. Abadi and the federal government need to help provincial governments become effective and move past sectarianism. However, Abadi is trying to manage running a fragmented state, with ministries varying wildly in the extent to which they accept decentralisation. The international community and donors have also helped weaken the central government, for example by directly delivering services and supporting reconstruction in the different governorates, further removing incentives for provinces and the central government to plug gaps, with the state continuing to lose legitimacy.

Baghdad, with its social entrepreneurship and youth activism, is a very dynamic city quite unlike the southern provinces. However, this difference is overshadowed by the real cleavage existing between the political elite and an activist youth contingent, both in Baghdad and the provinces.

Throughout Iraqi history, Baghdad has always equated decentralisation with weakness, using that against its proponents. However, institutional and political decentralisation need to be differentiated. Given the responsibilities of the Prime Minister extend to security, oil policy and foreign affairs, he would not be perceived as weak if he devolves other aspects of government like services, which if delivered effectively would bolster the image of central government. Abadi is likely to retain the premiership and he – someone slow and deliberate, though a notorious micromanager – is seen as an acceptable option for negotiating something so delicate, in contrast to Maliki.

The Formal and Informal Balance of Coercive Power: The Iraqi Army, the Hashd al-Sha'abi and the Peshmerga

The Iraqi Army

The Iraqi Army's retaking of Kirkuk in October 2017, though not ideal from a Western perspective, was perhaps the least bad outcome after the referendum. There were skirmishes but no escalation into a civil war, and while there are some rebel Kurds attacking security forces, as with IS, the state's structures are not under threat. US objectives remain counter-terrorism and the containment of Iran, and as such there will be an American military presence on the ground for at least the next 5–10 years, with a gradual reduction over the coming year. The US, willing to expend cash and resources on this, will maintain the majority of command and control responsibilities against IS and the insurgency. Given the severity of the blow to the Kurdish leadership, the US hasn't pulled all support for the Kurdistan Democratic Party (KDP) or PUK, allocating \$200 million in salaries, and though this hasn't yet been paid, neither has it been withdrawn. The US has made no overt political commitments to Erbil or Baghdad since September, neither supporting the referendum nor wanting to be too associated with Abadi's political choices. Its influence is now limited to foreign military financing and stabilisation guarantees. The US had put all its

eggs in the Abadi basket, but cannot now expect him to make concessions in the run-up to the elections.

The Hashd al-Sha'abi

The primary components of the Hashd al-Sha'abi long predate its June 2014 official formation, the Badr Organisation having existed since the 1980s, and various member groups having come from the Mehdi Army and other militias from the 2000s. The Hashd has widespread support among Shi'as, with three quarters of Shi'a men having signed up as non-active reservists for a unit. Their legitimacy has grown as more billboards of martyrs have appeared around the cities – both Sunni and Shi'a – that these men fell in defence of.

The Iraqi state relies heavily on some of these groups. With the army having suffered heavy losses, Abadi needs the Hashd for military operations and for their popularity, despite his policy to strengthen state security institutions. For its part, the Hashd is looking to get involved in reconstruction, join police forces, and provide services where the state cannot, in a bid to entrench themselves in state institutions and become kingmakers. There is no short-term solution to the Hashd, and they cannot be confronted militarily.

The position of the Hashd within the security and political system in Iraq is complex. Most Iraqis would prefer a strong army over militia groups, but still see the Hashd as playing a role, though not properly defined. In November 2016, the government defined the Hashd as an 'independent armed group and part of the Iraqi armed forces'. The contradiction is clear: if the state is to rebuild itself and regain a monopoly over violence, the Hashd will need to come under state control, but this is only realisable in the long-term, with even that prognosis optimistic. To completely demobilise the 60,000 men in the Hashd would be impossible, but to encourage many to leave, simple steps like instituting a fitness test and boot camps would help. In addition to its military role, the Hashd is involved in many big businesses in Baghdad, including within legitimate sectors such as telecoms, enabling them to maintain a structure with salaries. It is therefore difficult to completely demobilise and integrate the group's support network into the state, as doing so would involve stopping legitimate businesses from operating.

The Peshmerga

Relations between the Peshmerga and Iraqi security and militia forces have gone through significant shifts recently, and June 2014 set the scene for this. During the three-year war against IS, the Peshmerga and the Hashd held the frontline together, sent reinforcements to each other, and had generally cordial battlefield relations. 15 October 2017 wiped that trust out. For Kurds in Kirkuk who have witnessed only violence and bombing from the Iraqi army in the past, it is difficult to accept its return, and there is a psychological awareness of the army's presence even if troops are not deployed in the streets. The intra-Peshmerga divide between the PUK and the KDP appears to have further deepened due to recent events. PUK and KDP Peshmerga forces had, until the IS threat, rarely fought alongside each other since 1964. In 2006, when the two parties

unified ministries, they also created a unified Peshmerga command and brigade structure. The possibility of seeing this unification through looks bleak now, with the KDP blaming the PUK for retreating from Kirkuk. Reform of the forces, which started in 2017, has come to a grinding halt and looks unlikely to restart. One positive dimension is that low-level Peshmerga are upset with the PUK/KDP leadership, and it remains to be seen how they will vote in the elections.

Re-Negotiating Relations between Baghdad and Erbil: What Would a Settlement Look Like?

Kurdish demands for autonomy have long been a feature of Iraqi politics, but the events of October have shifted the balance of power. What prospects now exist for a negotiated settlement between the regional and central governments?

The Four 'Moments' for Iraqi Kurdistan

The Iraqi Kurdish experience is defined by four 'moments' which determine its relationship with the central government. The first was the long moment of 2003–5, when the primary authors of the new Iraq, Kurdish and Shi'a political elites, produced the state. The assumptions informing this were identity politics, historical grievances and the state as the realm in which to correct these. This was to the exclusion of Sunni Arabs, of course. The second was the collapse of this narrative and the fall of Mosul. The Shi'a at this point moved from their sense of victimhood to the acceptance of responsibility to fix the state, from which the Abadi government was born. The third moment is a Kurdish moment: the loss of Kirkuk. Similarly to the Arab defeat of 1967, a political order has disappeared and awaits burial. While Kurdish nationalism remains dear to the population, there has been a shift away from 'statehood' to daily governing issues since then. Iraqi Kurds are now in the fourth moment: looking into how to move forward and replace a delegitimised Kurdish political class.

Issues Facing the KRG

Three key issues shaping the dynamics of recent events are oil, the disputed territories and the KRG's desire for increased power. These are all linked to differences in how each side understands 'sovereignty' within a federal system in crisis. At the core of the oil issue is both the lack of clarity on what are new and old fields and the KRG's decision to sell oil externally, which resulted in Baghdad cutting the KRG's share of the oil revenue. In 2013 Erbil had the support of Ankara, and Baghdad could therefore do nothing to stop oil exports through Turkey. The KRG is now at the brink of collapse and its economic viability depends on its share of the national budget. The central government's new position of strength after the referendum is hard for Erbil to accept, but they will probably have to compromise and agree to sell oil under the auspices of Baghdad. As to the disputed territories, the Constitution recognises the KRG but does not explicitly delimit its borders.

Other thorny issues between Erbil and Baghdad include the role of the Hashd forces in Kurdistan in the events of October 2017, the control of international points of entry and the payment of salaries in the KRI. There are some encouraging signs from Abadi, who has ordered delegations to discuss policies, and perhaps the beginnings of a deal, so if this happens the referendum would have achieved at least one of its goals: the initiation of talks. Eleven years of mistrust on both sides is, of course, difficult to overcome. Abadi wants to show that he's acting on behalf of Kurdish citizens against their 'irresponsible' leadership, but serious talks are unlikely in the short-term.

On the issue of budgets, Abadi talks about paying salaries instead of talking about budgets being apportioned to regions. He says 'all border controls in and out of Iraq must be under the control of the federal government' and also suggests that the Peshmerga would have to be merged into a national force, with some local forces becoming police. Abadi is suggesting the almost complete removal of the PUK and KDP from key governing functions, but Baghdad is unable to replace the Peshmerga in Kirkuk as the events of October showed. Clearly, Baghdad is in the ascendancy, but they probably have not fully assessed the risks to come. Baghdad's reaction to the referendum did not receive international condemnation and the Kurdish political leadership feels isolated, so their hand is not strong in the negotiations on the status of Kirkuk.

The Current Situation in the Kurdistan Region

The KRG's position is generally very weak, with fragmentation and divisions further deepening this. A new Kurdish national consensus is necessary to negotiate, but the leadership has not invested in this, and instead has furthered division along tribal/economic/political lines, with a lot of grassroots discontent. The KDP are still invested in the old narrative of resistance against the federal government as occupier. There exists a serious possibility of a bloody meltdown in the KRG, and therefore Abadi must show responsibility. While his rhetoric is that the people are not responsible for the leadership, so far his actions have in fact punished ordinary Kurds. He still refuses to commit to a specific timeline for salaries, for example. Given he is faced with a severe budget deficit, the only way he can do this is if he gets revenues from KRG oil sales.

Abadi runs the risk of overreaching and blowing his international legitimacy, as Baghdad doesn't have the necessary capacity to control the disputed territories and successfully confront the KRG. For the Barzani–Talabani dynasty to cede control, they would need to have lost their coercive and financial power, as they would otherwise remain a shadow elite. But the KRG may yet see a move from nationalism to 'bread and butter' politics.

Conclusion

The same issues have persisted for over a decade in Iraq. Similar to Maliki in 2010, Abadi will run for the next elections on a 'strong national leader' platform. A strong, functional central state is necessary even in a federal system, and this does not exist in Iraq. The KRG used to be thought of as such, but its weaknesses, connected to the two families who have been running it, have become apparent. Key in Iraq are the main militias in the Hashd, particularly the Badr Organisation. They have undoubtedly created institutions, having in large part become the police, and gained popular support. Their model is similar to the Iranian Basij and Lebanese Hezbollah, except that in Iraq they are multiplicitous.

There are points of optimism, with Iraq at a crossroads. The power of the militias needs to be dealt with, which to some degree Maliki did during the Battle of Basra. The Constitution was a compact between two sets of victims, Shi'as and Kurds, who focused on ensuring that a central government could never again commit anything similar to the genocide of the Anfal Campaign. It is a flawed constitution, and it excluded and still excludes the Sunnis. If the events of Mosul have woken the Shi'a to the fact that they are no longer the victims, but the custodians of Iraq's future, and Abadi can reach out a generous settlement to the Kurds from a position of strength, they could forestall any moves towards independence for generations.

Workshop Speakers

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