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Living Apart Together:
Decentralized Governance in the Kurdistan Region of Iraq
Megan Connelly and Mike Fleet

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About the Author:



Megan Connelly is a Non-Resident Fellow at IRIS. She was also a fellow of the Jaeckle Center for Law, Democracy, and Governance at University at Buffalo. Her current research focuses on the legal history of local governments in the Kurdistan Region and their place within Iraq's federal framework. She tweets @meganconnelly48



Mike Fleet is a Senior Analyst with the Government of Canada where he focuses on Iraq. He previously worked as a Senior Researcher with the Institute on Governance on the Iraq Team that implemented the Fiscal Decentralization and Resiliency Project. His current research focus is on Iraqi politics, federalism, state-building, and conflict dynamics. He tweets @MikeFleet23

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Institute of Regional and International Studies (IRIS)

American University of Iraq, Sulaimani
Kirkuk Main Road, Raparin Sulaimani, Iraq

www.auis.edu.krd/iris

iris@auis.edu.krd

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Abstract

After the reunification of the Kurdistan Regional Government (KRG) in 2005, the region was governed under a power sharing coalition dominated by the Kurdistan Democratic Party (KDP) and Patriotic Union of Kurdistan's (PUK). The parties' previously separate de facto governments were incorporated into a unitary political system governed on the principle of "decentralization" with the incentive of joint-power and revenue sharing. Decentralization as defined by Kurdistan Region law both legitimized the survival of party-dominated local governments and facilitated compromise through the regulation of these administrations within a highly centralized bureaucracy in which both parties participated. However, political and economic shocks have transformed the principle of decentralization within the Kurdistan Region of Iraq (KRI) into an instrument of leverage between the KDP and the PUK. As a response to an increasing tendency toward administrative and fiscal centralization under a KDP-dominated KRG, the Sulaymaniyah-based PUK has sought to exert greater control over local governments and revenues. Namely, it has wielded explicit or implied threats of secession from the KRG as an inducement to bargain for autonomy and a greater share of influence and privileges. Policymakers have focused on security sector reform and diplomatic pressure to promote cooperation between the KRI's political parties, but power-sharing is largely a product of fiscal incentives created by Iraq's federal system and supported by the KRG's centralized administrative framework. Disruptions to these structural conditions for consensus now create conflict within the system as both parties renegotiate their financial entitlements and scope of their administrative control through brinksmanship. The parties' abandonment of consensus can be expected to produce further instability and conflict within the KRI.

پوختەى توێژینهوه

له دواى یهكخستهوهى حكومهتى ههریمی كوردستان له ساى 2005، ههرییم له ریگهى حكومهتیكى تهوافوقى بنكه فراوانهوه حوكم دهكرا كه یهكیتی نیشتمانى كوردستان و پارتى دیموكراتى كوردستان تییدا بالآ دست بوون. ئیداره جوداكانى ژیر دهسلاتی ههردوو حزب له سیستمیكى سیاسى یهكگرتودا كۆكرانهوه، سیستمیك كه لامهركهزییهت بووه پهنسیپی حوكمرانى تییدا و هاوبهشى له دهسلات و داهاات بووه هاندهرى كارکردن. لامهركهزییهت بهو پهنیى یاسای ههریمی كوردستان پهناسهیی كردوون شهرعیهتی دا به مانهوهى حكومهته خوجیهكان كه له ژیر دهسلاتی حزبدا بوون و له ههمان كاتدا ریگای خۆشكرد بو سazan و تهوافوق له ریگهى ریكخستهوهى ئهم ئیداره خوجیهكانه له چوارچیهى بیرۆكراهیهتیكى مهركهزییدا كه ههردوو حزب تییدا بهشداربوون. بهلام شوکی سیاسى و ئابورى پهنسیپی لامهركهزییهتی له ههریمی كوردستانى عیراق گۆرى بو ئامرازىكى سیاسى كه یهكیتی و پارتى بهكارى دههینن له پیناو دروستکردنى فشار لهسهر یهكدى. یهكیتی كه حزبى بالآدهسته له پارێزگای سلیمانى له ههولدا بووه بو فراوانکردنى كۆنترۆلى خوى بهسهر ئیداره و داهااته خوجیهكاندا وهك كاردانهوهیهك بو ئاراستهى به زیاتر مهركهزیكردنى ئیدارى و دارایی حكومهتى ههریمی كوردستان كه پارتى تییدا بالآدهسته. به دیاریكراوى، یهكیتی به شیوهى ئاشكرا و نا ئاشكرا ههرهشهى جیابوونهوهى له حكومهتى ههرییم بهكارهیناوه وهك ئامرازىك بو بهدهستهینانى ئوتۆنۆمى و ههروهها بهشى زیاتر له نفوز و ئیمتیازات. بریاردهرانى سیاسى زیاتر جهختیان له چاكسازى له سیکتهرى ئهمنى و فشارى دیبلۆماسى كروتهوه وهك ئامراز بو پتهوکردنى هاریكارى له نیوان حزبه سیاسیهكانى ههرییم له كاتیكدا كه هاوبهشیکردنى دهسلات درئهنجامى هاندهره داراییهكانه كه له سیستمى فیدرالى عیراقهوه سهراوهیان گرتووه و پېشت بهستوون به چوارچیهى ئیدارهى مهركهزى حكومهتى ههریمی كوردستان. دروستبوونى كیشه و ئالۆزى لهم ههلو مهرجه بونیاتیاندا له پیناو بهدییهینانى تهوافوق له ئیستادا دهبیته هوى مملانى له نیوخوى سیستمهكدا به تابهتی له ساتیكدا كه ههردوو حیزب خهرىكى دووباره دانوستانن لهسهر ئهوهى به مافى دارایی خویانى دهزانن و ههروهها لهسهر مهودای كۆنترۆلى ئیداریان له ریگهى پیداهیهكانهوه تا لیواری پیکادان. دهستبهرداربوونى ههردوو حزب له سazan و تهوافوق دهكریت ببیته هۆكارى ناسهقامگیری و مملانیی زیاتر له نیوخوى ههریمی كوردستانى عیراق.

المستخلص

بعد إعادة توحيد حكومة إقليم كردستان في عام ٢٠٠٥ أصبح الإقليم يحكم من قبل سلطة ائتلافية يسيطر عليها الحزبان الرئيسيان: الحزب الديمقراطي الكردستاني والاتحاد الوطني الكردستاني. تم ذلك عن طريق دمج الحكومتين القائميتين أصلاً والمنفصلتين في ماسبق، تحت ظل نظام سياسي موحد يحكم بمبدأ "اللامركزية"، بهدف تقاسم السلطة والايادات. هذه اللامركزية التي حددها قانون إقليم كردستان أعطت الغطاء الشرعي لبقاء الحكومات المحلية التي تهيمن عليها الأحزاب وسهلت التسوية بين الطرفين عن طريق تنظيم هذه الإدارات ضمن بيروقراطية شديدة المركزية شارك فيها كلا الحزبين. ومع ذلك، فقد حولت الصدمات السياسية والاقتصادية مبدأ اللامركزية في إقليم كردستان الى أداة ضغط بيد الحزب الديمقراطي الكردستاني والاتحاد الوطني الكردستاني. وكرد فعل على زيادة المركزية الإدارية والمالية في ظل حكومة إقليم كردستان التي يسيطر عليها الحزب الديمقراطي الكردستاني، فقد سعى الاتحاد الوطني الكردستاني ومقره السليمانية الى ممارسة سلطة اكبر على الحكومات المحلية والايادات داخل المحافظة. وقد وجه الحزب تهديدات صريحة او ضمنية بالانفصال عن حكومة إقليم كردستان وذلك للمساومة من اجل المزيد من الاستقلالية و التأثير في القرار وحصّة اكبر من الواردات. وفيما ركز صناع السياسة على إصلاح القطاع الأمني والضغط الدبلوماسي لتعزيز التعاون بين الأحزاب السياسية في إقليم كردستان العراق، الا ان تقاسم السلطة في الإقليم يبقى مرتبطاً بشكل كبير بالحوافز المالية التي أنشأها النظام الفيدرالي في العراق ودعمها الإطار الإداري المركزي لحكومة إقليم كردستان. لقد ادت الاضطرابات الحالية التي ضربت ركائز الهيكلية التوافقية للإقليم إلى حدوث صراع داخل النظام حيث يعيد الطرفان التفاوض بشأن استحقاقتهما المالية ونطاق سيطرتهما الإدارية من خلال سياسة حافة الهاوية. ومن المتوقع أن يؤدي تخلي الأطراف عن الإجماع إلى مزيد من عدم الاستقرار والصراع داخل إقليم كردستان العراق.

Introduction

In April 2020, amid already rising tensions between the Kurdish Region of Iraq's (KRI) two ruling parties, a call for greater decentralization set off an intra-Kurdish political firestorm. The Sulaymaniyah Provincial Council, a body dominated by the Patriotic Union of Kurdistan (PUK) and the Gorran Movement, passed a motion to form a temporary committee "to prepare a program for administrative and fiscal decentralization."¹ Council members also indicated that they may invoke constitutional Article 119 – which contains procedures for the formation of federal regions – as a possible "Plan B" if the Kurdistan Regional Government (KRG) did not devolve more power to its provinces.²

The announcement was condemned by members of the Kurdistan Democratic Party (KDP), the dominant party in Erbil and Dohuk and increasingly over the KRI as a whole. The KDP regarded the call for decentralization as a thinly veiled threat to return to the system of parallel governments that emerged from the war between the PUK and KDP in the 1990s. Responding to the controversy, the KRG Prime Minister and KDP member Masrur Barzani acknowledged the importance of decentralization as part of his reform program, provided that it "preserves the integrity of the Kurdistan Region":

*This difficult situation cannot be used as a political tool to undermine each other and sow internal divisions or break up any part of our region under any pretext whatsoever. The government reform agenda clearly cites a commitment to implement administrative decentralization in a way that is in agreement with the administrative framework of the Kurdistan Region...and under the supervision of the cabinet...to stop corruption and the abuse of power and prevent the emergence of multiple centers of power outside the Kurdistan Region institutions.*³

Following the U.S.-led invasion, Iraq's administrative system was reorganized in accordance with the principle of decentralization. In the KRI, "decentralization" provided the KDP and PUK with a vocabulary that legitimized their *de facto* partisan administrations corresponding with provincial borders, with the KDP effectively ruling over an Erbil and Duhok provinces (the "Yellow Zone") to the west and the PUK ruling over Sulaymaniyah (the "Green Zone") to the east. Over the 17 years since 2003, repeated political and economic disruptions have transformed the principle of decentralization into an instrument of leverage between the two parties. Most recently, the Sulaymaniyah-based PUK has sought to exert greater control over local governments and revenues, wielding explicit or implied threats of secession from the KRG as an inducement to bargain for autonomy and a greater share of influence and privileges.

1 Rekawt Zaki; Dimen Reza; Sabah Fatah. "Proposal for an Administratively and Fiscally Decentralized System." July 2020.

2 Notwithstanding threats by PC members to invoke Article 119, the proposal does not reference it. Instead, it claims as its constitutional basis Article 116 (construed as preserving the meaning of TAL 56(C) which requires decentralized administration throughout the entire country. (see, VOA Kurdish. "Rekawt Zaki: Du idara is not betrayal, we intend to call a meeting of the provincial council to decentralize Sulaymaniyah." 17 April 2020. Available at <https://www.dengiamerika.com/a/kurdistan-/5376178.html>)

3Kurdistan Regional Government. "PM Masrur Barzani's speech on the current financial situation" <https://gov.krd/english/government/the-prime-minister/activities/posts/2020/may/pm-Masrur-barzani-speech-on-the-current-financial-situation/>

Policymakers and diplomats have long relied upon the KRI as a partner to advance their policy goals in Iraq and the Middle East and have taken for granted that pressure from the international community has provided sufficient incentives for the KDP and PUK to cooperate and maintain stability in the region.⁴ Yet this fragile cooperation between the two main Kurdish parties is primarily conditioned upon the structural attributes of the administrative system, its dependence on fiscal ties to the federal government, and the patronage networks it supports. As the conditions for cooperation are eroded by the ongoing financial crisis, policymakers must be aware of a shift in bargaining style from consensus building to brinksmanship – and consequently the potential for future instability.

Previous studies have examined the political history and economy of the KDP and PUK. Yet, little has been written about the legal architecture undergirding the administrative system in which the parties operate. For this reason, we explain the legal and institutional framework of the KRG's administrative subdivisions, how they shape the strategic environment for the region's political actors, and how they facilitate the distribution of patronage. We observe three overarching themes in the legal framework and administrative practice of decentralization in the KRI:

- **A centralized distribution of the budget encourages cooperation between the two Kurdish ruling parties – but with important exceptions.** Fiscal transfers from Baghdad to Erbil create a large amount of cash which is centralized and distributed by the KRG, which in turn structures cooperation among otherwise autonomous and antagonistic political bureaus and the local administrations over which the parties exercise control.
- **The KRI's administrative framework is designed to both accommodate and regulate partisan governance.** The legal structure of the KRG has permitted the parties to preserve the partisan composition of subregional governments; however, a regional-level veto over the selection of local administrators discourages total fragmentation of the administrative apparatus. Although ensuring the party's exercise of control over local governance has been thought to support stability in an administrative system, it also promotes inefficiency, a lack of accountability to constituents, and corruption.
- **The parties have increasingly tended toward functionally separate administrations.** While this framework is designed to balance decentralizing and centralizing impulses, disruptions to financial flows and corresponding political crises have created incentives for parties to reinforce control over local political processes and revenues at the expense of consensus.

⁴ Jüde, Johannes. "Contesting Borders? The Formation of Iraqi Kurdistan's De Facto State." *International Affairs* 93, no. 4 (2017): 847-63.

In this report, we examine the question of decentralization through the case of Sulaymaniyah and its administrative divisions⁵ for several reasons. Its political landscape is more fractionalized than that of Erbil and Duhok and thus better illustrates how the administrative system manages sub-regional conflicts. Sulaymaniyah has been the center of gravity in the decentralization controversy as its parties challenge Erbil's attempts to exert more control over it.

This report is divided into the following sections: first, it describes the KRG's administrative and legal framework in the post-2003 era. Second, we assess the legal framework's application in the parties' *de facto* territorial spheres of influence and how political patronage supersedes institutional depth. Third, we analyze trends in decentralization and political competition amidst in a collapsing Iraqi economy. Finally, we discuss implications for policymakers and observers.

Federalization and the reorganization of regional power hierarchies

The federal framework established by Iraq's 2005 constitution created incentives for cooperation between the KDP and PUK by officially recognizing a unified subnational region that subordinated the provinces⁶ of Duhok, Erbil, and Sulaymaniyah to its government. Unlike the fifteen provinces outside the Kurdistan Region,⁷ the administrative autonomy of the KRI provinces is not guaranteed by the constitution. Thus the rights to manage oil & gas policy and manage customs revenues, for example, lie at the level of the KRG as a whole rather than the provincial administrations. Most importantly, the transfer of 17% of the federal budget – approximately 95% of the region's income from 2005 to 2014⁸ – directly to the KRG encouraged PUK and KDP participation in a governing coalition in order to guarantee the equitable distribution of this budget. Yet, in many ways, the political system was bifurcated: the KDP and PUK agreed to split government positions (and revenues)⁹ between the two parties and their *de facto* administrations remained separated by a heavily fortified ceasefire line.

5 Sulaymaniyah contains three jurisdictions to which the regular system of provincial administration described in this report does not fully apply: the independent administrations of Germiyan and Raparin and the province of Halabja. Because affairs within these jurisdictions are largely controlled by Sulaymaniyah, we refer to these areas collectively as "Sulaymaniyah" or "the Green Zone".

6 Kurdistan's administrative subdivisions under are translated as follows: Parezga (province), qaza (district), nahia (subdistrict). District and subdistricts are referred to collectively as "local administrations" or "local governments." Although the titles of, qaimqam, and bereweberi nahia, are frequently translated as "mayor," we seek to avoid confusion with the separate system of municipalities by translating these terms as "district commissioner" and "subdistrict commissioner" respectively. Saroki sharawani, or the head of a municipality, is translated here as "mayor".

7 Constitution of Iraq Art. 122

8 Denise Natali. "The spoils of peace in Iraqi Kurdistan." *Third World Quarterly* 28, no. 6 (2007): 1111-1129., p. 1124; Roger Guiu, Athanasios Manis, and Shivan Fazil, "In Best of Times and Worst of Times: Addressing Structural Weaknesses in Kurdistan Region's Economy," MERI-K, January 2016. Available at <http://documents1.worldbank.org/curated/en/229971468195834145/pdf/106109-WP-P159972-KRG-Economic-Reform-Roadmap-post-Decision-Review-PUBLIC-v1-05-29-16-2.pdf>

9 Nawshirwan Mustafa estimated that the KDP and PUK's share of the budget was 54% and 46%, respectively. Nawshirwan Mustafa. *Us and Them: What do we disagree on?* 2009. Sulaymaniyah: Chapkhana Zergata.

Decentralization in KRI Law

According to Aram Jamal, the Director of the Kurdish Institute for Elections (KIE), the KDP and PUK adopted a framework for decentralized governance “under the global wave of democratization that America brought to Iraq. The Kurdistan Region’s elites accepted decentralization to appease the Americans, but it was not genuine.”¹⁰ While the two administrations remained functionally separate along territorial and party lines, ironically the parties achieved this *de facto* separation by resisting a devolution of power to provincial governments.

The evolution the KRI’s administrative system differed notably from that of the federal areas. The Coalition Provisional Authority (CPA)’s Order No. 71 promulgated in 2004 defined the scope of provincial and local government powers in Iraq. However, the text of Order No. 71 excluded provinces administered by the KRI from its purview. Moreover, the principle of decentralization did not explicitly apply to the KRI under federal law. (Overt reference to subregional governments in the Transitional Administrative Law was removed from the final draft of the 2005 constitution.) Although the KRG held provincial elections in accordance with Order No. 71 in 2005, it continued to apply a Ba’ath era statute, Law 159 of 1969,¹¹ in regulating provincial governments until 2014. Using this law, all local officials, including governors, were appointed by the KRG Ministry of Interior (MoI) and confirmed by the KRG Council of Ministers (CoM). Administratively, this was a highly centralized framework.

Yet, this centralization of authority would always remain at the service of the KDP’s and PUK’s parochial interests. Although the KRG CoM exercised a veto over the decisions of governors and other local officials, the party delegations within the regional cabinet were empowered to manage and make policy specific to their party’s zone. For example, although KDP Interior Minister Karim Sinjari’s approval was technically required in most important decisions about local administration, he acknowledged PUK Interior Ministry Secretary Jalal Sheikh Karim’s authority to manage Sulaymaniyah-specific affairs.¹²

Weak Local Administrations

The KRG’s Law of the Governorates, Districts, and Sub-Districts (“Law 3/2009”) and the Electoral Law of the Governorates, Districts, and Subdistricts of the Kurdistan Region - Iraq (“Law 4/2009”) enshrined a framework for local administrations in the Kurdish region in accordance with the principle of decentralization. Their passage responded to widespread demands for the devolution of authority to the provincial administrations

¹⁰ Interview 28 May 2020

¹¹ The law had been repealed by the Iraqi Council of Representatives but remained part of the regional canon. Its implementation caused significant controversy in 2009 when the Governor of Sulaymaniyah was appointed by the KRG rather than elected according to CPA No. 71 procedures. (see, Rai Gshti. “After four years, the legal basis for gubernatorial selection is still unknown.” 19 November 2013; see generally Grote, Rainer, and Tilmann Röder. *Constitutionalism in Islamic countries: Between upheaval and continuity*. Oxford University Press, 2012., pp. 652-653.)

¹² Sbeiy. “Jalal Sheikh Karim, Secretary of the Interior Ministry: The Interior Ministry has not been unified for the Sulaymaniyah and Erbil administrations.” 31 August 2010. Available at

[https://archive.sbeiy.com/\(X\(1\)S\(dy1jog2ty34llko0yzu0whbb\)\)/ku/inter_report_detail.aspx?id=471&cat=2&title=](https://archive.sbeiy.com/(X(1)S(dy1jog2ty34llko0yzu0whbb))/ku/inter_report_detail.aspx?id=471&cat=2&title=)

commensurate with federal legislation passed the year prior. However, the regional legislation is more restrictive than the federal provincial powers laws. In fact, several provisions are specifically designed to preserve the CoM veto while maintaining provinces as extensions of party bureaucracy in accordance with the KDP-PUK power sharing agreement.

The governor is described in Law 3/2009 as the “highest executive official in the province.” Yet Law 3/2009 diminishes the independence and significance of the office to that of a mid-level bureaucrat.¹³ Governors are elected by an absolute majority vote in the provincial council (PC) from among its members, but unlike governors of federal provinces, which are not attached to a ministry,¹⁴ KRI governors are officers of the Interior Ministry and must be confirmed by the KRG President after a recommendation by the Minister of Interior and the CoM.¹⁵ Governors may draft budgets, implement regional policy, supervise some offices and facilities, hire staff, and request the establishment of police departments from the council.¹⁶ While they previously (by virtue of their stature in their parties) had control over provincial security forces,¹⁷ Law 3/2009 strips them of this power.¹⁸

Governors, along with PCs, exercise the important function of nominating deputy governors and director generals (DG). However, they may only prepare a shortlist of candidates for each of these positions. Deputy governors and DGs are selected from the list and appointed by the CoM. Furthermore, DGs, as ministerial officers attached to the provincial administration, report to their respective ministries rather than to the provincial administration, thus curtailing the latter’s independent exercise of executive authority.¹⁹

The KRG’s PCs are also constrained in their powers, as they are not “legislative” but “supervisory” in nature.²⁰ Councils may issue “decisions, regulations, and guidance” but can only propose legislation and draft bills that must be submitted to and approved by the CoM

13 Under Law 3/2009 and the Law of the Interior Ministry (Law 6/2009) the governor holds a rank equivalent to that of a Secretary of the Interior Ministry (just below the status of Minister) and his two deputies hold the rank of a DG.

14 Although in November 2019 in reaction to the protests the federal government lifted the Provincial Councils in the governorates not incorporated into a region and had the Governors report directly to the Council of Representatives (see Mike Fleet, “Decentralization and its Discontents in Iraq,” MEI, September 2019. Available at <https://www.mei.edu/sites/default/files/2019-09/Decentralization%20and%20its%20Discontents%20in%20Iraq.pdf>)

15 Law 3/2009 Art. 17(3) (“A regional confirmation of the governor’s appointment shall issue within 15 days of the date of is election by the council”); Law of the Presidency of the Kurdistan Region-Iraq 1/2005, Art. 10(15) (the President has the power to “appoint [officers] with special status on the recommendation of the relevant ministry and the approval of the CoM.” Governors are granted special status under Law 3/2009 Art. 17(1)). Deputy Governors have the status of DG and can be confirmed by the CoM after their election in the Council (Law 3/2009 Art. 17(4))

16 Law 3/2009 Art. 19

17 Former Sulaymaniyah governor, Dana Ahmad Majid was the former head of security for the PUK (See Khalilzad, Z. (2006, 24 December 2006). [Sulaymaniyah Governor on Regional Issues, Peshmerga]. Available at https://wikileaks.org/plusd/cables/06BAGHDAD4680_a.html)

18 Law 3/2009 Art. 19(5)

19 Law 3/2009 Art. 12(2)

20 Supervisory power is defined as the “supervision and inspection of public facilities in the province, except for courts, military, guards, universities, colleges, institutions of higher education and scientific research.”

before they are put on the agenda in the Kurdistan Region Parliament. Notably, “supervisory” authority does not extend to fiscal matters in any significant way, and provincial control over finances is more limited than provinces outside the KRI.

De-facto Territorial Spheres of Influence – How Politics Supersedes Institutions

The passage of Law 3/2009 did not satisfy reformers within the political parties who demanded a more meaningful form of decentralization. Even after the law’s implementation after the 2014 provincial elections, the parties applied it in a way that ensured that the provincial administrations remained tied to the party bureaucracy. In this section, we first explain the significance of local governments to the KRG’s political parties and incentives to gain or maintain control over them. Then, drawing on the case of Sulaymaniyah, we illustrate how structural attributes of the administrative system empowered the KRG’s dominant political parties to override local government authority, reduce or eliminate democratic checks on the CoM, and co-opt opposition.

Notwithstanding their lack of independence from political bureaus and the KRG, local governments advance important partisan interests. They provide a veneer of legitimacy to *de facto* partisan administrations and allow the parties to deepen their bureaucracies through KRG channels and the civil service. Through these governments, they exercise discretion over the implementation of KRG policy within their zones of influence. Placing loyal party bosses in government roles, for example, ensures uninterrupted economic activity such as construction projects or cross-border traffic in goods and petroleum products – sectors dominated by KDP and PUK-linked enterprises.

Local governments also serve as critical channels through which they reward loyal cadres with gainful employment. Patronage networks supported directly or indirectly by these administrations are expansive and their budgets lucrative. 6.7 billion IQD is allocated for salaries and pensions of current and retired members each year – a sum equal to a ministry budget.²¹ This amount is undoubtedly higher when taking into account the commissioners of 32 districts and 102 subdistricts,²² DGs and mukhtars,²³ and their staff which are selected by the provincial administrations.²⁴ Access to these posts has translated into influence over the hiring of civil servants such as teachers and healthcare workers²⁵ that form the bulk of the

21 Draw Media. “From the people’s mandate to parliament’s mandate.” 6 July 2019 Available at http://drawmedia.net/page_detail?smart-id=4135

22 The governorate of Duhok contains 7 districts and 34 subdistricts; Erbil 10 districts and 34 subdistricts; and Sulaymaniyah 15 districts and 40 subdistricts

23 Mukhtars, or village and neighborhood headmen (often with tribal affiliation), are chosen by a decision of the governor or minister after the applicant for the position is vetted by the governorate, district, or subdistrict administration and are paid by the governorate or local administration. (See, Regulation of the Work of Mukhtars No. 8221/2013)

24 The Ministry of Interior budget for salaries is the largest of all the ministries, at 178 billion IQD in 2020. As stated, many of the salaried professionals are appointed or nominated by the provincial councils.

<https://www.facebook.com/drawmedia/photos/a.148324639329861/775240846638234/?type=3&theater>

25 The power to hire and transfer public employees was devolved under order of the PM in 2012 and 2013 but was curtailed with the repeal of these orders in 2016 (See Order No. 45/2013)

parties' patronage networks.²⁶ Thus, although Law 3/2009 was scheduled to go into effect in 2009 after an anticipated round of provincial elections, the vote was postponed until 2014 due to partisan brinkmanship. Both parties feared losses at the polls and challenges to their entrenched local bureaucracies.

Simultaneously, enhancing the powers of provincial governments through amendments to Law 3/2009 became key objectives of the opposition.²⁷ The opposition party known as the Gorran movement enjoyed high levels of popular support but was structurally disadvantaged in leveraging this support towards government appointments. (For example, the KDP and PUK were able to purge Gorran sympathizers from their respective government offices in 2009 and replace them under Law 159/1969.²⁸) In Gorran's estimation, enhancing decentralization promised to erode PUK hegemony in Sulaymaniyah as well as constrain interference from Erbil. And, as the movement assured supporters, decentralization would usher in a more democratic system of governance that directly addressed the availability of housing, shortages of fuel, and the substandard performance of public utilities. In 2011, before Law 3/2009 went into effect, Gorran backed Arab Spring-inspired demonstrations in Sulaymaniyah in which protestors demanded substantial democratic reforms, including the repeal of Law 4/2009, and the holding of free and fair provincial and local elections.²⁹

In response to these demands, PM Nechirvan Barzani instructed the ministries to devolve substantial fiscal and administrative powers to the provinces in 2012 and 2013 beyond what Law 3/2009 commands. These included allocations from the KRG's general budget, the power to spend development and investment budgets, hire and transfer civil servants at most pay grades, approve decisions of the municipal councils, and amend contracts with developers.³⁰ Parliament also amended Law 4/2009 to replace the closed list electoral system, which rewards large and well-disciplined parties like the KDP and PUK, with a semi-open list system through which voters could choose from a list of individual candidates.³¹

26 In 2014, 23% of employment was in the public administration, health, and education sector (see, The World Bank Group. "Kurdistan Region of Iraq: Reforming the Economy for Shared Prosperity and Protecting the Vulnerable." 2015. Available at <http://www.mop.gov.krd/resources/MoP%20Files/PDF%20Files/En-Reforming%20the%20KRG%20Reforming%20the%20Economy%20for%20Shared%20Prosperit.pdf>)

27 From the Gorran Movement's electoral platform: (Section 1.2.2) "separation of...central and provincial powers"; (Sec. 4.2.2) "The advancement of the culture of democracy and elections...[and] the activation of representative councils at the provincial level, as well as in the districts, subdistricts, and villages." (see, Electoral Platform: General Democratization Objectives. Gorran Movement. Retrieved July 1, 2020 Available at <https://www.gorran.net/platfrom.aspx?jimare=3>)

28 The 2009 ouster of Gorran sympathizer, Governor Dana Ahmad Majid, and his replacement with "acting" governor Bahroz Hama Salih by an order of the Kurdistan Region Presidency at the request of the PUK caused a furor in the movement. (see, Rai Gshti. "After four years, the legal basis for gubernatorial selection is still unknown." 19 November 2013)

29 Mohammed Rauf. February 17: A Comparative Documentary Analysis. Sulaymaniyah: Livin. p. 212. 2014.

30 See Decisions No. 11231 and 11232 of 2012 and Decisions No. 44 and 45 of 2013. See generally, Kurdish Institute for Elections. Evaluating the Status of Decentralization in the Kurdistan Region: The Case of Sulaymaniyah and Halabja. 2016. Available at <http://www.kie-ngo.org/>.

31 Amended Law 4/2009, Art. 6

The Failure of Provincial Government after the 2014 Elections

Law 3/2009 finally went into effect after the long overdue 2014 elections. The vote had produced results that were not in the interests of the KDP or PUK as both lost ground in all of the PCs.³² Although the KDP retained control over Erbil and Duhok, the PUK was forced to share power with Gorran, which won a plurality of seats in the Sulaymaniyah PC. Yet notwithstanding opposition victories and promises to empower Sulaymaniyah's local government, dependency on the regional government and the prioritization of partisan interests inhibited the PC's independent exercise of authority. In other words, the KRG's centralized administration served as a bulwark against any substantive empowerment of the opposition movement at the local level.

First, a lack of independent fiscal powers impaired the effectiveness of local governments. Provincial finances consist primarily of KRG allocations by the region from the general budget³³ and any revenues raised by the province must be delivered to the Ministry of Finance (or in the case of oil and gas, the Ministry of Natural Resources), which then redistributes these funds to the province. Provincial, district, and subdistrict authorities have claimed that they do not have control over investment or allocations, and when they do, these transfers are not commensurate with the revenues they generate.³⁴ With federal government's suspension of the KRI budget in 2014, and the dissolution of parliament in 2015, the Kurdistan Region Parliament did not pass its own budgets allocating funds to the provinces. In a move that would further constrain local governments, in 2016 Prime Minister Barzani abrogated previous orders allocating a budget and devolving some fiscal powers from the ministries to the provinces.³⁵ This left the provinces and districts without an income to purchase fuel rations, pay employees, and complete important infrastructural and real estate projects.³⁶

Second, the provincial administrations' weak supervisory powers were incapable of reigning in partisan corruption and improving governance. Aside from budget cuts, a significant portion of revenues from natural resources, customs, and taxes on goods and services was siphoned off by party bosses and their private enterprises before they reached KRG or provincial government coffers.³⁷ PC committees produced report after report detailing the extent of the corruption and the corresponding phenomena of the misappropriation of public property, urban blight, and smuggling, but could do little to control it. All too often, local officials either

32 The KDP's representation in the Erbil PC was nearly halved, but it retained the plurality and a majority coalition with the Kurdistan Islamic Union and the five minority party members of the council.

33 Law 3/2009 Art. 27

34 Kurdish Institute for Elections. Evaluating the Status of Decentralization in the Kurdistan Region: The Case of Sulaymaniyah and Halabja. 2016. Available at <http://www.kie-ngo.org/>

35 Kurdish Institute for Elections. Evaluating the Status of Decentralization in the Kurdistan Region: The Case of Sulaymaniyah and Halabja. 2016. Available at <http://www.kie-ngo.org/>.

36 Chawi Gel. "Sardar Qadir: 'Sulaymaniyah will not accept punishment'" 3 March 2017. Available at <http://chawigal.com/?p=9727>

37 Zmkan Saleem and Mac Skelton "Assessing Iraqi Kurdistan's Stability: How Patronage Shapes Conflict," LSE Middle East Centre Paper Series (38), July 2020. Available at http://eprints.lse.ac.uk/105775/1/MEC_assessing_iraqi_kurdistans_stability_published.pdf.

have a stake in or feign ignorance to these illicit activities.³⁸ In some cases they have obstructed investigations into them.³⁹

Third, partisan interests and patronage superseded efficient and accountable governance. After the 2014 PC elections, the PUK and Gorran agreed to distribute executive and legislative portfolios (including governors and deputy governors, DGs, district commissioners,⁴⁰ and supervisors of independent administrations) amongst themselves and rotate positions bi-annually.⁴¹ Subsequent rifts in the coalition produced administrative vacuums when the parties were scheduled to alternate posts in 2016. Qubad Talabani of the PUK effectively acquired stewardship of Sulaymaniyah's local administration when he was appointed Deputy Prime Minister (DPM) in 2014 and interpreted the provisions of Law 3/2009 liberally to override PC appointment power. Talabani frequently ousted or denied commission to PC-appointed local officials, designating "acting"⁴² PUK officials in their place – largely in furtherance of inter-party⁴³ and intra-party⁴⁴ disputes.

38 Interview with journalist in Raparin (25 September 2020); See, Oversight Unit for the Local Administration of Germiyan. "Investigative report on the problems with housing units in Germiyan and the role of government." 1 September 2020. Available at <http://radiodang.org/detail.aspx?kod4it=3736&fbclid=IwAR2KSjNDR1dCwCxJ3UIN-wh6JQmZFSMI0-XPBbT3g3xJ5SAFjx55O8hc7k>.

39 Notwithstanding immunity for PC members, Dr. Mohammad Ghalib, Chair of the Industrial and Energy Affairs Committee, was arrested on charges by the DG of Customs in Sulaymaniyah that he published "erroneous and inflammatory information" and "interfered in matters that had nothing to do with his work" when he reported that the PUK and associated companies were responsible for the import of toxic fuel into Sulaymaniyah from Iran. (see, KEODD. The Sulaymaniyah Provincial Council and Citizens: Activities, Analysis, Investigation 10/1/2017 - 9/30/2018. Available at keodd.org/report, p. 117-119 report. 2018.)

40 Law 3/2009 provides for the election of councils and executives of district and subdistricts, which serve smaller constituencies and are subordinate to the provincial administration. However, these elections have not been held. Parliamentary decision 1/2015 vests the PC and the governor with the selection of these administrators, subject to an Interior Ministry and CoM veto.

41 PUK Media, "Text of the Agreement between the PUK and Gorran". 30 April 2014. Available at https://www.pukmedia.com/KS_Direje.aspx?Jimare=42705

42 Sulaymaniyah PC Decision 17/2017 was passed to "prevent posts from being filled by "acting" administrators as a way of preventing the legal administration from filling posts." (see, KEODD. The Sulaymaniyah Provincial Council and Citizens: Activities, Investigation, Analysis 10/1/2016 - 9/30/2017. report 2017. p. 85-86) However, being that the PC cannot constrain the CoM's authority, the CoM, and Qubad Talabani in particular, continued to remove and appoint governors, district commissioners, DGs, etc. in an acting capacity.

43 There are numerous examples of such removals. In another example, the CoM has also creatively interpreted Law 3/2009 to allow it to remove DGs without first receiving a request by the governor or PC members by invoking a power to "transfer" these officers to the ministry. In a controversy over the allegedly politically motivated transfer of DG of Education for Sulaymaniyah Dshad Omer by the Council of Ministers from the directorate in Sulaymaniyah, Deputy PM Qubad Talabani issued a "clarification" of the law: "According to Article 14, Sections 2 and 4, nominating DGs and removing them falls within the scope of the PC's powers, but not their transfer to another post, which is a power of the Premiership and the Ministry of Education." (see, Radio Nawa. "Spokesman for Qubad Talabani issues a clarification on the Director General of Education in Sulaymaniyah" 13 July 2019. Available at <https://www.radionawa.com/ku/all-detail.aspx?jimare=20462>)

44 On one occasion, armed clashes between factions of the PUK led to the removal of the Chamchamal district commissioner and the installation of a more cooperative replacement as an "acting" commissioner by Qubad Talabani, thus overriding the PC's appointment powers. (see, KEODD. The Sulaymaniyah Provincial Council and Citizens: Activities, Investigation, Analysis 10/1/2016 - 9/30/2017. Available at <http://www.keodd.org/report>: p. 77-80 report 2017.; see also, Interview with Aram Kamal, journalist and activist with Kurdistan for Everyone for Developing Democracy (25 July 2020)). Similar circumstances led to the ouster of the Supervisor of the Raparin Independent Administration and his replacement with a Talabani family loyalist (Interview with a journalist from Raparin (25 September 2020))

Meanwhile, the PUK refused to exchange power with Gorran in important areas such as the independent administrations of Gemiyan and Raparin.⁴⁵⁴⁶ These administrations lie on the border with Iran and thus are valuable assets for the PUK and its business associates.⁴⁷ Sometimes, Gorran officials were confirmed but were obstructed from executing their basic functions by PUK officers.⁴⁸ The democratic deficit diminished public confidence in the performance of local governments.

In other cases, the CoM veto over local appointments was exercised strategically by the KDP to prevent the coalescence of a strong Sulaimaniyah bloc. In addition to expelling Gorran from the KRG and dissolving parliament in 2015, it sought to 1) reduce Gorran's influence in the provincial administration and 2) to limit the PUK's discretion to effectuate the local power sharing accord. The replacement of exiting PUK governor, Aso Faraidun, with Gorran's Dr. Haval Abu Bakr in 2016 provided just such an opportunity. Although elected by a vote in the PC, Abu Bakr refused to swear his oath before President Masoud Barzani in protest of the latter's extralegally extended term and therefore was ineligible to receive his commission. The KDP Interior Minister consented to DPM Talabani's request to temporarily install Gorran Deputy Governor Sardar Qadir as acting governor, but then refused to recognize Qadir's orders.⁴⁹ Abu Bakr was finally inaugurated in December 2017 by KDP-PUK consensus after President Barzani's resignation. But his confirmation was widely regarded as a co-optative move: Gorran had supported legislation devolving presidential powers to the PM and DPM and continued compliance with the KRG was an implied condition of Abu Bakr's commission.

Ultimately, all parties were invested in preserving their entitlements to provincial level administrative positions. Future provincial elections would generate risk for Gorran, whose popularity had diminished significantly since 2014. Meanwhile, the KDP and PUK leadership sought to prevent future takeovers of local administrations by opposition parties (or rival branches within their parties). Thus, notwithstanding their public support for decentralization,

45 Radio Deng. "The PUK has not filled Gemiyan posts." 14 September 2020. Available at

<http://radiodang.org/detail.aspx?kod4it=3778&fbclid=IwAR0AsoX793aNO-zGdMu6mrRAMze7nww26QfkMwG8OYDSgk6o-si1gH0mC2g>

46 These are special districts of Sulaymaniyah governed by appointed supervisory bodies attached directly to the Ministry of the Interior but over which the provincial administration exercises some authority. The PC has jurisdiction over the districts that comprise independent administrations (Raparin is comprised of the districts of Pishdar and Raniya while Gemiyan is comprised of the districts of Kalar and Kifri) and the PC is also empowered to designate candidates for their DG posts. although supervisors are appointed by the CoM, confirmed by the regional president, and are attached directly to the Ministry of the Interior. These jurisdictions contain nearly a third of Sulaymaniyah's population.

47 The Perwez Khan crossing has also been implicated in several high-profile corruption scandals. Its supervisor recently commented that the government has licensed 7 companies to manage customs processing which take approximately 80% of the proceeds (see, KNN.

"Supervisor for the Parwez Khan border crossing: 80% of border revenues go to companies." 15 August 2020. Available at <https://www.knnc.net/Details.aspx?jimare=31789>)

48 In one example, the DG of Health in Gemiyan, a Gorran appointee, explained that the appointment of a director for Kalar General Hospital was stalled because the PUK was unwilling to abide by his offices' regulations. (see, Oversight Unit for the Local Administration of Gemiyan. "Coalition Government in Gemiyan: Challenges and Intervention." 1 January 2020. Available at <https://radiodang.org/detail.aspx?kod4it=3112>)

49 Rai Gshti. "Sulaimaniyah between no governor and three governors" 25 October 2016

the PUK, KDP, and Gorran supported legislation to diminish the power of the provinces and their subunits. In July 2019, the region's parliament amended Law 3/2009 to extend the legal terms of the PCs without setting a date for new elections, allowing Gorran to maintain its hold on to the Sulaymaniyah governorship and its share of local posts indefinitely. Crucially, the amended law removed the requirement that a candidate for governor had to be an elected member of the PC,⁵⁰ thus enabling the KDP and PUK political bureaus to select their preferred loyalists for the office.⁵¹

Trends in Decentralization – Competition in an Ailing Economy

Since the reunification of the KRG in 2005, Sulaymaniyah has led the political debate on decentralization, with its elites claiming (or at least implying) a right to separate from the region if their entitlements under the power-sharing agreement were not honored and a satisfactory level of decentralization not achieved. Nawshirwan Mustafa, former Deputy Secretary-General of the PUK and then leader of the Gorran opposition movement, famously claimed in 2011 that the people of Sulaymaniyah, “like every other people, have a right to self-determination.”⁵²

Yet, the main purpose of decentralization demands put forth by Gorran and the PUK has been to induce the KDP to grant a more favorable distribution of power and resources within the KRG rather than to make an earnest bid for “self-determination” The PUK and Gorran's 2016 Dabashan Agreement, committed its parties to proposing amendments to Law 3/2009 that would give “full authority over management, financial and bureaucratic affairs” to the PCs. It also supported the establishment of a joint federal and regional electoral bloc and a leadership committee to oversee the implementation of the accord.⁵³ This was followed by legislative proposals, litigation and other demands from the PC for a greater devolution of powers to the provinces. Profit from the implied threat being maximized, the PUK, and later Gorran, all but abandoned Dabashan for a more productive relationship with the KDP.

But deepening financial and political crises disrupted conditions for consensus between the KDP and PUK and promoted brinksmanship, putting strain on the institutional channels that regulated partisan bargaining in the past. In particular, relations between the KDP and PUK have soured significantly in recent years for the following reasons:

First, conflicts between Erbil and Baghdad over the legality of the KRI's independent oil exports resulted in the federal government severing the region's budget from 2014 to 2019. The federal budget, which had comprised over 95% of the region's income between 2005 and 2014, plummeted to a mere 34% by 2019.⁵⁴ Sanctions had forced the parties to rely more

50 First Amendment to Law 2/2009, the Law of the Provinces of the Kurdistan Region (2/2019)

51 Draw Media. “From the people's mandate to parliament's mandate.” 6 July 2019. Available at http://drawmedia.net/page_detail?smart-id=4135

52 Draw Media. “Decentralization or Du Idara?”, 1 May 2020. Available at https://drawmedia.net/page_detail?smart-id=5831.

53 PUK Media. “Text of the PUK-Gorran agreement in Kurdish, Arabic, English, and Russian.” May 2016. Available at https://www.pukmedia.com/KS_Direje.aspx?Jimare=80517

54 Jihangir Sadiq Gulpi. “Challenges with public income in the Kurdistan Region and remedies.” Aindanasi. No (2) July 2020. Available at https://www.centerfs.org/files/2020/07/Ayindanasy-Magazine-02_compressed.pdf; see also, Zmkan Saleem and Mac Skelton “Assessing

heavily on locally-generated revenues: profits from their affiliated companies, customs revenues collected at border crossings, and contracts with the federal government and international real estate and natural resource firms. Compromise was eschewed for competition as the KDP and PUK struggled to monopolize these sources of rents and KDP-affiliated companies expanded into the PUK's zone of influence under KRG and federal government contracts.⁵⁵ The PUK's politburo also suffered a rift with its party-in-government, accusing DPM Qubad Talabani and regional Vice President Kosrat Rasul of reaping the financial benefits of cooperation with the KDP in Erbil without the consent of party leaders in Sulaymaniyah.

Second, certain disruptions upset the power sharing norms on which the KRG was established. Kurdish influence in the federal government (in which the PUK held a symbolic advantage through the federal presidency) had weakened while the KDP, using both legal and extralegal means, consolidated control over the KRG through the presidency, premiership, and the ministries of the interior and natural resources. Relations between the parties deteriorated further after the independence referendum and the subsequent reoccupation of the disputed territories by the federal government. In Sulaymaniyah, the failure of the referendum reinforced a widespread belief that the campaign was a reckless bid to secure a popular mandate for the KDP's dominance of the KRG.⁵⁶ In the fallout from the vote, the PUK's consensus-minded party-in-government were discredited for supporting it.

Throughout this period, PUK and opposition leaders emphasized observable inequalities between the Green and Yellow Zones to attempt to capitalize on a surge in public discontent and protests in Sulaymaniyah. Austerity measures implemented by the KRG – cuts of 30-70% of civil servants' salaries in 2016 – disproportionately affected Sulaymaniyah, as monthly household income in 2015 already averaged 372 IQD less than that of the Yellow Zone provinces.⁵⁷ Meanwhile, Sulaymaniyah contained 38% of the KRI's population and produced

Iraqi Kurdistan's Stability: How Patronage Shapes Conflict," LSE Middle East Centre Paper Series (38), July 2020. P. 12. Available at http://eprints.lse.ac.uk/105775/1/MEC_assessing_iraqi_kurdistan_stability_published.pdf

55 This was the case in March 2017 when the PUK mobilized its Black Forces to Kirkuk's K1 facility, shutting down production in protest of a federal government agreement with the KRG and governor of Kirkuk that gave the KDP-owned Kar Group a contract to refine oil extracted from Bai Hassan and Avana fields (see VOA Kurdish. "Detailed information on the reasons for deploying forces to North Company in Kirkuk." 3 March 2017 <https://www.dengiamerika.com/a/3748239.html>). The conflict was temporarily resolved when the federal government agreed to fund the construction of a refinery in Kirkuk (see, VOA Kurdish. "Superior officer in the PUK: "The issue with the North Oil Company in Kirkuk is over." 8 March 2017. Available at <https://www.dengiamerika.com/a/3755426.html>;

56 Cale Salih & Maria Fantappie. Kurdish Nationalism at an Impasse: Why Iraqi Kurdistan is Losing Its Place at the Center of Kurdayeti. 2019. Available at <https://tcf.org/content/report/iraqi-kurdistan-losing-place-center-kurdayeti/>:

57 UNDP. Multi-sector needs assessment of hosting communities across the Kurdistan Region of Iraq. March 2015. Available at <https://reliefweb.int/report/iraq/multi-sector-needs-assessment-hosting-communities-across-kurdistan-region-iraq-march>

35% of the region's oil⁵⁸ and 80% of its natural gas,⁵⁹ but received only 31% of total investment between 2006 and 2017, compared with Erbil's 54% share.⁶⁰

In this context, the Sulaymaniyah-based parties deployed the rhetoric of decentralization to rally a disaffected electorate.⁶¹ The discourse shifted from debate over the scope of local government powers to populist appeals to a sense of victimhood. The KDP's disastrous policies, the parties insisted, had landed a series of "death blows" to the KRG's economy and its relationship with Baghdad.⁶² Sulaymaniyah was being exploited by the "Yellow Zone" and suffering from policies made without its consent. Linking the KDP's current policies with a historical pattern of alleged injustices that went back to the civil war, Sulaymaniyah began to re-examine the legitimacy of a KDP-dominated KRG to represent and govern it.⁶³

Reform or Overreach? The Ninth Cabinet and the Future of Decentralization

Demands for decentralization emerged yet again in April 2020 when the Sulaymaniyah PC formed a committee to draft a proposal for amendments to Law 3/2009. Among other things, the committee's report calls for the devolution of authority to the provinces to raise and spend locally-generated revenues, provincial-level oversight of the Ministry of Natural Resources, and the establishment of Iraqi National Bank branches in all four provinces, implying direct budget transfers from Baghdad.⁶⁴ According to Rekawt Zaki, a Sulaymaniyah PC member and one of the proposals' authors, "if the response by the KRG is not sufficient...without a doubt, demands will escalate and demands for implementing Article 119 will increase beyond what they are now." Protestors in Germyan and Raparin have also given an ultimatum to

58 Rudaw (Ligel Renj) "Natural Resources of Germyan - part 2". Available at https://www.rudaw.net/sorani/onair/tv/episodes/episode/lagal_ranj_22082015

59 Sulaymaniyah Governorate website <http://sleman.gov.krd/so/newsDetail.php?newsID=825&secID=63>

60 According to the Kurdistan Region Board of Investment, Erbil received \$26.6 billion, Duhok \$6.4 billion, and Sulaymaniyah \$15.4 billion in total investment between 2006 and 2017. (see, Hewler. "Foreign Investment in Erbil 35 times more than Sulaymaniyah." 28 December 2017. Available at <https://www.hawler.in/index.php/2017-12-28-23-14-02/2017-12-28-23-15-18/item/2877-2018-05-06-19-37-20>)

61 Public opinion in Sulaymaniyah has also strongly favored of a more meaningful devolution of powers to local governments with 84% of respondents to a Kurdistan Institute for Elections (KIE) poll reporting that they regarded the issue of empowering local governments to be "important" and 61% expressing a preference for a "high level" of decentralization. (Kurdish Institute for Elections. "System of Decentralization Between the Demands of Citizens and the Level of its Implementation in the Kurdistan Region" November 2017.)

62 "Right now, relations with the federal government ought to be much better than that which is keeping us in this very difficult economic situation. One of the reasons for this is political, the referendum, and the other economic with the "independent economy" policy under which the KRG sold its oil without consulting the federal government. These were the two death blows that dealt us an economic crisis in the Kurdistan Region." (Interview with Rekawt Zaki 15 July 2020)

63 In a popular book made accessible to readers on Gorran's Sbeyi website, author Bayar Omer Abdullah proposes: "One of the remedies for correcting geographic inequality is the establishment of a decentralized system which is formed on the basis of federalization of governorates. In other words, the governorates of Sulaymaniyah, Kirkuk, and Halabja ought to form a region alongside the Erbil-Duhok region. Or Sulaymaniyah, Kirkuk, Halabja, may be three separate regions...This is not politically incorrect...The KDP has effectively separated its part and it regards all of the other parties as guests...it flagrantly toys with the wealth of the nation and mocks the voice of the people and institutions." (see Abdullah, Bayar Omer. *Geographic Inequality and Resolving it Politically and Economically* (Third ed.): Self-published. Pp. 73-74. 2016.)

64 The draft of the 2019 federal budget contained controversial language providing for the transfer of payments to the KRG's individual provinces rather than treating the KRG as a unitary entity. The language was removed from the final draft.

KRG officials to deliver on promises of meaningful decentralization, and a group of Gorran-affiliated intellectuals has even set forth a plan for the regionalization of Sulaymaniyah, Halabja, that has gained publicity on PUK media outlets.⁶⁵

The reprisal of the decentralization controversy in Kurdish politics follows the resurgence of political and economic turmoil in the KRI. What makes these demands different is that unlike before, the PUK and the KDP leadership appear to be actively working to change the administrative system with the PUK preparing to assert its control over Sulaymaniyah more forcefully in response to KDP efforts to exercise a veto over decision-making within the province.

New party leadership has all but abandoned the consensus model that defined relations between the KDP and PUK in the past. Masrur Barzani, President Barzani's son and the former Chancellor of the Kurdistan Region Security Council (KSRC) was confirmed as PM in July 2019. Under the guise of a "reform" platform and claiming an electoral mandate for his party, Barzani sought to eliminate entitlements, particularly accommodations for the PUK in the KRG, while improving relations with its local rival/partner Gorran and centralizing regulatory authority in his cabinet.

Barzani's take-no-prisoners approach was answered by the ascendance of Lahur Talabani and Bafel Talabani as co-presidents of the PUK, displacing the more conciliatory party leaders such as Qubad Talabani and Kosrat Rasul. Lahur Talabani had garnered popularity for his opposition to the independence referendum and KDP encroachments on Sulaymaniyah's autonomy.⁶⁶ During the 2018 elections, he electrified audiences with incendiary speeches imploring constituents to "never forget" a history of KDP "betrayals"⁶⁷ and reassuring them that he would "never again to allow the balance of power in the Kurdistan Region to disintegrate".⁶⁸

Underlying the intensification of the PUK-KDP rivalry has been near constant state of economic instability in the KRI. The coronavirus pandemic and a collapse of oil prices devastated an already weak Iraqi economy in the spring of 2020.⁶⁹ After a year of receiving transfers from the federal government under an agreement to pay salaries, payments discontinued after the KRG failed to honor its end of the bargain.⁷⁰ With the region again

65 A group of Sulaymaniyah based intellectuals calling itself the "Commission for the Regionalization of Sulaymaniyah, Halabja, Germyan and Raparin also recently released a manifesto and roadmap for the implementation of Article 119 (see, Kurdsat News. Panorama. 20 September 2020. Available at <https://www.facebook.com/100011519805504/videos/1127938160933500/?id=100011519805504>)

66 He was also Masrur Barzani's counterpart on the KRSC as the commander of Zanyari intelligence forces.

67 Kurdsat News. "Lahur Sheikh Jangi's Speech in Taq Taq" 28 April 2019. Available at <https://www.youtube.com/watch?v=BBvH7pE6100>

68 Statement by Comrade Lahur Sheikh Jangi at the last campaign rally for List No. 105." <https://www.facebook.com/LahurTalabani/videos/1877849485663362/?v=1877849485663362>

69 Ahmed Tabaqchali, "Market Review: Iraq, Oil Prices and the Coronavirus," Iraq-Business News, 6 April 2020. Available at <https://www.iraq-businessnews.com/wp-content/uploads/2020/04/Market-review-IBN-2020-03.pdf>

70 Ben Van Heuvelen, Rawaz Tahir, and Staff of Iraq Oil Report, "Baghdad orders halt to KRG Budget Transfer," Iraq Oil Report, 27 April 2020. Available at <https://www.iraqoilreport.com/news/baghdad-orders-halt-to-krq-budget-transfer-42686/>.

financially insolvent and \$28.4 billion in debt,⁷¹ the parties were left exposed to intense public scrutiny as the CoM slashed salaries by 21%.⁷² Protestors spilled back onto the streets of Sulaymaniyah, Halabja, and Duhok. While DPM Qubad Talabani backed government austerity measures, Lahur Talabani doubled down on his role as Sulaymaniyah's defender and threatened to recall his party's representation from parliament and the KRG.⁷³

As local sources of income increased in importance, the PUK resisted Masrur Barzani's attempts to break up the PUK's monopoly over economic activity in the Green Zone. In January, Barzani's Ministry of Natural Resources rejected a bid from a PUK firm to transport fuel from Chamchamal to which the PUK responded with a fuel embargo against the KDP-dominated provinces.⁷⁴ Barzani has also vowed to "eliminate the legacy of dual administrations" by centralizing regulatory authority over economic activity throughout the region. In particular, he has relied on parliamentary committee reports citing corruption at Perwezkhan and Bashmakh border crossings⁷⁵ – both significant sources of PUK income – to form an investigative committee to terminate smuggling.⁷⁶ Lahur Talabani responded to what he perceives as Barzani's overreach by commencing his own "reform" program. Namely, the PUK has begun the challenging task of reducing dependence on Erbil by shoring up revenues from its fractionalized base of affiliate companies that control nearly every sector of Sulaymaniyah's economy.⁷⁷

Masrur Barzani has increasingly come to rely on DPM Qubad Talabani to stabilize his relationship with the Green Zone⁷⁸ but Lahur Talabani has responded by strengthening his loyalists in the KRG. In particular, he has instructed its delegation in the Interior Ministry to report only to the PUK's ministry secretary, Liwa Chato Salih⁷⁹ – a direct challenge to both

71 Rudaw. "Kurdistan Region in poor standing to pay off debt." 5 October 2020. <https://www.rudaw.net/english/kurdistan/051020201>

72 Rudaw. "KRG announces salary cuts to cope with economic crisis." 21 June 2020. Available at <https://www.rudaw.net/english/kurdistan/kg-salaries-cuts-210620204>

73 Peregraf. "Lahur's maneuver in the next 30 days; what is happening inside the PUK?" 20 July 2020. Available at <http://peregraf.com/en/political/49>

74 Draw Media. "From Oil Wars to Gas Wars" 2 February 2020 https://drawmedia.net/page_detail.php?smart-id=5278

75 Rekawt Zaki, reacted to plans to form the committee saying "all of this reflects a centralized mentality to the extent that the ministries will no longer have authority. It's a great blow to this area." (Interview with Rekawt Zaki, member of the Sulaymaniyah Provincial Council (15 July 2020); see also, Kurdistan 24. "Parliamentary Integrity Committee: Bashmakh and Perwezkhan most corrupt." 26 June 2020. Available at <https://www.kurdistan24.net/so/news/d3f85dd8-bc45-44ea-9325-756812298ff3>)

76 Kurdistan 24. "Text of the answers given by PM Masrur Barzani to the Kurdistan Region Parliament." 5 October 2020 <https://www.kurdistan24.net/so/news/a39c2313-6d6b-4296-9ac2-3b0624d26fbf>

77 Draw Media. "The PUK gets its act together." 27 September 2020, Available at https://drawmedia.net/page_detail?smart-id=6714

78 Notwithstanding a rocky start to their working relationship, recent reports also show that PM Barzani has approved the appointment of several advisors to the Deputy PM's office, indicating that Barzani has made peace with Talabani (see, Kurdistan Times. "Kurdistan Times publishes confidential documents on Masrur Barzani's appointments." 10 August 2020. Available at <https://kurdistantimes.org/2020/08/10/%d8%a9%d9%88%d8%b1%d8%af%d8%b3%d8%aa%d8%a7%d9%86-%d8%aa%d8%a7%db%8c%d9%85%d8%b2-%d8%af%db%86%da%a9%db%8c%d9%88%d9%85%db%8e%d9%86%d8%aa%db%95-%d9%86%d9%87%db%8e%d9%86%db%8c%db%8c%db%95%da%a9%d8%a7/>)

79 Liwa Chato Salih's appointment was finally confirmed in July 2020 after nearly a year of intra-PUK disputes over the appointment and the KDP's stonewalling on the confirmation. (see NRT. "PUK, Gorran representatives begin taking up positions in KDP ministries." 6 July 2020. Available at <https://nrtv.com/En/News.aspx?id=22313&MapID=1>)

the ninth cabinet and Qubad Talabani's role as the chief representative of the PUK in the CoM. Salih has already begun to defy the Interior Minister's orders by announcing that Sulaymaniyah was exempted from ministry regulations requiring civil servants to return to normal working hours in September. In response, Barzani and Interior Minister Rebar Mohammad have pressured DPM Talabani to force Salih to either rescind his reservation or resign.⁸⁰ A clarification issued by DPM Talabani (without Salih's knowledge or consent) reaffirmed that the PUK delegation would abide by the minister's orders and that the secretary would prioritize "executing the vision and policy of his party under the program of the ninth cabinet which preserves the integrity of the Kurdistan Region."⁸¹

Redrawing the map

The ninth cabinet has also moved to overhaul the provincial administrative system to concentrate more authority over local governments in the CoM. In particular, new regulations were issued by the CoM to re-establish lame duck municipal councils (MCs) by appointment. MCs had been elected in 2000 and 2001 while the KDP and PUK maintained separate administrations. In lieu of subsequent elections, they remained exclusively under partisan control for 20 years.⁸²

Restructuring the region's 184 MCs addresses popular frustrations with the quality and accessibility of local government and public services.⁸³ However, scrapping elections strengthens CoM's control the selection process and councils' functions. The mayor and majority of council members will be DGs (which report directly to the CoM rather than to the PC)⁸⁴ and candidates are prescreened by the Ministry of Municipalities.⁸⁵ While the regulations also provide for representation of non-governmental organizations, such organizations are controlled by the KDP and PUK and regulated by the government.⁸⁶

The significant overlap in their powers is also anticipated to intensify jurisdictional conflict between the PCs, which are attached to the Interior Ministry, and MCs reporting to the Ministry of Municipalities.⁸⁷ For example, PCs are empowered under Law 3/2009 to approve development projects in the province, but in practice, this has remained a function of the MCs

80 Mohammad Rauf. "Interior Minister Threatens Resignation." Draw Media. 10 September 2020. Available at https://drawmedia.net/page_detail?smart-id=6628.

81 Shar Press. "Chato Salih is concerned by Qubad Talabani's announcement." 15 September 2020. Available at <https://www.sharpress.net/all-detail.aspx?Jimare=177481>

82 Article 35 of Law 3/2009 provides that the CoM shall issue guidance on the dissolution of MCs and their reconstitution under the jurisdiction of the PCs but the implementation of the article has been politically inconvenient.

83 Interview with Aram Kamal, journalist and activist with Kurdistan for Everyone for Developing Democracy (25 July 2020)

84 Memorandum from Dr. Haval Abu Bakr, Governor of Sulaymaniyah, to the Sulaymaniyah Provincial Council dated June 16, 2020. The document proposes candidates for the Sulaymaniyah MC selected by the Sulaymaniyah governor, the Ministry of Municipalities, and the Interior Ministry under Regulation 2/2019

85 Regulation No. 2 of 2019, Article 2 provides: "Municipal councils along with the mayoralty shall be formed and the selection of deputy speakers of the councils and their members shall be chosen by the council of the province having jurisdiction over the municipality, and upon the proposal of the Ministry [of Municipalities] and relevant administrative units."

86 According to Barzan Sheikh Mohammad, Deputy Chairman of the Sulaymaniyah PC 18 September 2020

87 Interview with Dr. Falah Sadiq, legal scholar (9 September 2020)

and there is little communication between them.⁸⁸ The new regulations have raised members' suspicions that the PM endeavors to establish MCs as an "alternative" to elected (and thus presumably more legitimate) PCs⁸⁹ and there is even speculation that the ninth cabinet will follow the example set by the Iraqi Council of Representatives by phasing out PCs entirely.⁹⁰

Barzani has already transferred important public works projects from the PCs to the Ministry of Municipalities. Sulaymaniyah's 100-Meter Highway project was originally set to commence in 2013 and be overseen by the PC but was delayed due to financial constraints, becoming a symbol of KDP retaliation against Sulaymaniyah as the KRG continued construction on Erbil's 120-meter highway.⁹¹ In an elaborate ceremony on July 2020 – at the height of tensions between the KDP and PUK – Barzani announced, with Qubad Talabani's blessing, that the project would resume under a contract with PUK-affiliated company, Qaiwan Group and be transferred to the Ministry of Municipalities. Sulaymaniyah PC members insist that they have no role in supervising the construction,⁹² with member Rekawt Zaki noting that it has been turned into "political capital" for the PM.⁹³ Along with the reconstitution of MCs, the resurrection of the 100-meter highway project indicates that the PM is not focused solely on provoking his rivals or limiting the institutional tools at their disposal, but that he intends to alter the KRI's administrative framework to structure incentives for cooperation with the PUK.

Meanwhile, Barzani has used local government appointments and patronage to ensure compliance in the Yellow Zone. Almost immediately after the passage of the 2019 amendments to Law 3/2009, the PM removed Erbil Governor Nawzad Hadi, a loyalist of his cousin and rival President Nechirvan Barzani, and replace him with Firsat Sofy, a member of parliament close to the PM.⁹⁴ But there are cracks in Barzani's armor. The resurgent budgetary crisis and unrelenting Turkish bombardments of Duhok's border towns and villages have given rise to protests in the province once considered an impenetrable fortress of KDP power.⁹⁵

88 Interview with Barzan Sheikh Mohammad, Deputy Chair of the Sulaymaniyah PC (19 September 2020).

89 Interviews with Rekawt Zaki, Member of the Sulaymaniyah PC (15 July 2020), Barzan Sheikh Mohammad, Deputy Chairman of the Sulaymaniyah PC (18 September 2020)

90 "[The KRG] wants to make MCs an alternative to the provincial councils. After the MCs are formed, we think they will suspend the provincial councils and transfer their work to the MCs. Meanwhile, the MCs are not elected...they are formed by appointment. The provincial councils get their mandate through elections" (Interview with Rekawt Zaki, Member of the Sulaymaniyah PC (15 July 2020)); "[The KDP] thinks that just as PCs were suspended at the federal level, it should, at the KRG level, find an alternative for the provincial councils." (Interview with Mohammad Rauf, KRI-based journalist (8 August 2020))

91 Kurdistan 24. "Video: 120-meter highway ring opens in Erbil." 6 February 2017

92 Interviews with Barzan Sheikh Mohammad, Deputy Chair of the Sulaymaniyah PC (18 September 2020) and Rekawt Zaki, Member of the Sulaymaniyah PC (15 July 2020)

93 Interview with Rekawt Zaki, Member of the Sulaymaniyah PC (15 July 2020). To elaborate on the point, Lahur Sheikh Jangi held his own ceremony to dedicate a school in Erbil. (see Peyam. "Lahur Sheikh Jangi's visit to Erbil: A war of words ensues." 24 July 2020.

Available at https://www.youtube.com/watch?v=NhCA90_NPuU

94 Kurdistan 24. "Firsat Sofi elected as new Erbil governor." 12 September 2019. Available at <https://www.kurdistan24.net/en/news/865e943c-f79d-4442-b3a6-f1672ffb248d>

95 Peregraf. "The land of one party: Why does Badinan only turn out for the KDP?" 23 April 2020

Barzani is approaching Duhok through both coercion and co-optation. In June 2020, amid a surge in protests in the province, the PM replaced the current president, Nechirvan Barzani's long-time ally, Farhad Atroshi, with Ali Tatar Nerway, as governor.⁹⁶ Nerway, a former Parastin intelligence officer and KDP Zakho Branch chief (and like Sofy, not a member of the PC), immediately declared his intolerance for demonstrations⁹⁷ but also unveiled a 3 billion IQD public works initiative for Duhok, to be carried out through collaboration between the governorate, mukhtars, and KDP branches.⁹⁸ This was accompanied by an announcement by Masrur Barzani that his government would “move quickly” to establish an independent administration for Zakho.

Like the independent administrations in Sulaymaniyah, Zakho occupies a strategically important area as the location of the KRG's Ibrahim Khalil border crossing with Turkey and it has long desired a greater degree of autonomy from Duhok. The border regions of Zakho also contain a PKK presence and have been flashpoint for increasingly destabilizing clashes between KDP, Iraqi, and Turkish forces. With Duhok, and Zakho in particular, becoming an Achilles heel for the KDP,⁹⁹ the realization of an independent administration for Zakho, an unelected supervisory administration, responds to demands more efficient coordination between the KRG and local entities, but without yielding to democracy or free expression.

Policy Implications and Recommendations

The KRG consensus requires fiscal inducements to counteract centrifugal forces, but when unreliable budget payments to the KRG become the norm, incentives to cooperate diminish. The abandonment of consensus governance has produced attempts by PM Masrur Barzani's government to monopolize regulatory power over local administration and economic activity. Correspondingly, there is more resistance from the PUK to Erbil-based government's interference in Sulaymaniyah's affairs and demands for greater local autonomy.

The PUK leadership, aside from its challenges in consolidating party income, will require access to the federal budget to pay its civil servants, and in particular, the local administrators it entrusts to carry out party policy on a local level. With a fractionalized and constantly evolving political landscape in Iraq, it is unlikely, even assuming separation threats are serious, that the PUK would find reliable support for such objectives at the federal level. Therefore, Sulaymaniyah will continue to bargain with Erbil but the parties' abandonment of consensus for brinkmanship will produce further instability and conflict within the system.

96 Kurdistan Regional Government. “Dr. Ali Tatar Nerway is sworn in as Duhok's new governor.” 29 June 2020. Available at <https://presidency.gov.krd/en/dr-ali-tatar-nerway-is-sworn-in-as-dohuks-new-governor/>

97 <https://www.peyam.net/Details/14010>

98 Awene. “Public works project valued at 3 billion IQD will begin in Duhok.” 13 July 2020. Available at [https://www.awene.com/detail?article=30075 2/3](https://www.awene.com/detail?article=30075%202/3)

99 NRT, “There are Plans to Make Zakho an Independent Administration: KRG PM,” NRT, 27 July 2020. Available at <https://nrtv.com/En/News.aspx?id=22649&MapID=1> ; Middle East Business, “Kurdistan PM Approves New Housing, Health, Infrastructure Projects in Zakho,” K24, 28 July 2020. Available at <https://www.middleeastbusiness.org/2020/07/28/kurdistan-pm-approves-new-housing-health-infrastructure-projects-in-zakho> .

Today, the United States is reevaluating its diplomatic presence in Baghdad, implying that it will rely more heavily on Erbil as a partner in the region. European partners will be heavily impacted by the direction Washington takes, if not only due to the fact that their security in Iraq and the KRI is largely dependent on US military support. It is therefore necessary to assess the implications of future relations with a region that is becoming more unstable internally, largely as a consequence of unresolved federal-regional government conflicts. Moving ahead, it will be critical to understand how the administrative framework of the KRI structures cooperation and how disruptions to this structure may promote competition.¹⁰⁰ Policymakers in Iraq and the US/EU should consider the following when approaching demands for decentralized governance in the KRI during times of economic and political crisis:

- **Understand that demands for decentralization in the KRI are driven by economic and political disruptions to the balance of power in the ruling coalition.** Although the PUK and Gorran have cited an unjust distribution of public goods to justify a more robust form of autonomy for Sulaymaniyah, the unequal distribution of benefits within the ruling coalition is the primary motivating factor for these demands. In particular, it is a response to the KDP's use of fiscal crisis as a pretext to intervene in Sulaymaniyah's affairs under the guise of economic reform, reducing redundancy, and eliminating corruption.
- **Prioritize Baghdad-KRG ties.** Maintaining stability in the region is structurally dependent on repairing the relationship between the KRG and Baghdad. Disruptions to the KRI's share of the federal budget, access to which was once a powerful incentive to cooperate in the governing coalition, have become the norm. As the value of cooperation diminishes relative to that of monopolizing local sources of income, the PUK can be expected to make more provocative demands greater fiscal and administrative autonomy from Erbil, resulting in greater instability. Regular payments to the KRG can alleviate centrifugal impulses and restore incentives to cooperate.
- **Encourage amendments to Laws 3 and 4 of 2009 that strengthen provincial governments.** Regular elections and a greater devolution of executive and legislative authority to provincial and local administrations can improve governance and promote institutional stability. Although de-escalating the fraught KDP-PUK relationship is necessary, underdeveloped local institutions dominated by partisan interests will remain vulnerable to economic and political shocks and continue to be a source of popular discontent if structural problems are not addressed. Policymakers should encourage amendments to both Law 3/2009 and Law 4/2009 that strengthen the fiscal and administrative powers of local governments and promote democratic checks on the KRG and politburos. The KRG should also prepare to hold provincial and district council elections with procedures that promote accountability to constituents rather than to politburos.

¹⁰⁰ see the current legal case of corruption and party competition surrounding Dynasty Petroleum currently being held in the United Kingdom (Simon Watkins, "Rampant Corruption in the World's Last Oil Frontier," OilPrice.com, 20 August 2019. Available at <https://oilprice.com/Energy/General/Rampant-Corruption-In-The-Worlds-Last-Oil-Frontier.html>.)

- **Support reform efforts by all parties in consultation with local governments.** Although the ninth cabinet has initiated efforts to audit and centralize revenues generated within the region, these efforts are regarded as unduly punitive by the PUK. However, local governments and their citizens suffer the most, both from corruption and from the centralization of fiscal powers in the regional government. Proposed reforms to Law 3/2009, such as the establishment of a joint KRG-provincial government body to audit local revenue generation in various sectors, can promote greater transparency and cooperation between the KRG and local governments. Empowered PCs should exercise an oversight role in this process and work with the KRG to formulate a reform program that ensures a fairer distribution of the region's income while also tackling corruption.

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American University of Iraq, Sulaimani
**Institute of Regional &
International Studies**