Fluidity and dynamics of de facto statehood: the case of Iraqi Kurdistan

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Chapter 5

Fragmentation within de facto states: The case of Iraqi Kurdistan[22]

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5. FRAGMENTATION WITHIN DE FACTO STATES: THE CASE OF IRAQI KURDISTAN

ABSTRACT

Despite the growing interest in the study of the sustainability of de facto states over the last two decades, our understanding of the factors which explain de facto states' sustainability remains partial. This article seeks to explain the impact of fragmentation on de facto states' survival prospects, with the case study of Kurdistan. Based on this theoretical argument, grounded in the literature on de facto states and civil wars, the article analyses how the fragmented political relationship between the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) impact the political trajectory of the Kurdistan Region of Iraq (KRI). The empirical findings of this article correspond to the argument that assessing the level of fragmentation within the de facto state is critical for fully understanding the trajectories of de facto states.

5.1 INTRODUCTION

Over the last two decades, many de facto states have emerged and have survived for periods of time.[23] Consequently, significant efforts have been made in the academic literature to enhance our understanding of the sustainability and possible outcomes of these entities (for example, forceful reintegration, political settlement and peaceful reintegration with the parent state, or transition to full statehood). Despite this progress, our understanding of the factors that explain the sustainability of de facto states remains partial (Florea, 2017). Recent studies have examined a range of factors influencing the disappearance or survival of de facto states, from external military support to internal state-building efforts (Kolstø, 2006; Caspersen, 2012;

[23] Within the de facto state literature there is no consensus on the numbers and longevity of de facto states, depending on the definitions and criteria used to define what constitute a de facto state. For example, Caspersen, (2012) identifies 15 de facto states in existence since 1991 and, according to Florea's definition (2014), there are 34 de facto cases between 1945 and 2011.

Florea 2017). In Adrian Florea's work (2017), the internal fragmentation within de facto states is a key explanatory factor for the survival and disappearance of such entities. The focus on fragmentation is a new theoretical process, aiming to understand how division between a de facto state's actors influences the entity's trajectory, continued existence, and relations with its parent state (Bakke, 2011; Cunningham, Bakke & Seymour, 2012; Florea, 2017). The empirical evidence supporting this argument strongly indicates that de facto states are not necessarily unitary actors and often display splintering dynamics, whereby various factions crystallise around competing centres of authority (Bakke, 2011; Pearlman, 2011; Florea, 2017). There is well-established evidence in civil war literature in favour of abandoning the unitary assumption of rebel and independence movements (see Cunningham, 2013). There has, however, also been fewer studies within the de facto state literature to systematically explain how internal fragmentation affects the outcomes and survival of de facto states. There is a need to move away from a statist analysis of de facto state movements towards a view that includes recognition of the dynamic internal interaction between factions and actors within de facto states (Cunningham et al., 2012; Florea, 2017). Analysing the level of fragmentation within de facto states, this article argues, is critical for fully understanding their trajectories.

Based on this theoretical premise and grounded in the literature on de facto states and civil wars, we analyse how the fragmented political relationship between the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) impacts the political trajectory of the Kurdistan Region of Iraq (KRI).[24] This article seeks to explain the impact of fragmentation on de facto states' survival prospects, with Kurdistan used as a case study. Fragmentation within Kurdistan suggests that the entity's political outcomes and development of de facto statehood efforts owe much to internal dynamics and power rivalry (O'Driscoll & Baser, 2019b). The KDP and the PUK have ruled the entity since its inception (Mustafa & Aziz, 2017, 136). Beneath the

[24] The KRI is an autonomous *Kurdistani* region that emerged in northern Iraq after the Kurdish uprising in 1991 and the instituting of a No-Fly Zone. Since then, Kurdistan has developed many state-like competencies, from control of its own security forces to visa regulation and border control, among others, which have laid the foundations for being considered a de facto state.

façade of Kurdistan's state-like institutions and the Kurdistan Regional Government (KRG), established in 1992, the KDP and PUK maintain parallel systems of governance, each controlling economic resources, different branches of the security, military and intelligence apparatuses, and parts of the administration. With significant evidence to suggest that a fragmented power structure is likely to remain an important feature of Kurdistan in the coming years, understanding this fragmentation is essential in order to ascertain the viability of Kurdistan and evaluate its current and future relations with its parent state, Iraq (Stansfield, 2019). The case of Kurdistan corresponds to a growing argument within de facto state studies for the necessity of unpacking the complex internal dynamics of such states and sufficiently exploring processes such as inter-factional competition over territorial control and resource allocation.

This article focuses on the 2017 Referendum for Independence, a key event in Iraqi Kurdistan, as an indicator of the impact of fragmentation on Kurdistan's de facto statehood and possible outcomes. As explained in the following sections, both the way the referendum was pursued and ended were indicative of the impact of fragmentation on the KRI's de facto statehood. From 2014 to 2017, Kurdistan underwent a comprehensive political transformation, with a tremendous impact on the status of its de facto statehood, culminating in a vote on independence held on 25 September 2017. An overwhelming 92.73% majority voted 'yes'. The KRI's referendum made Kurdish statehood an international issue (Cockburn, 2017a); however, the unilateral referendum backfired, with a multitude of negative consequences for the entity. The expulsion of the Kurdish armed force, the *Peshmerga*, from Kirkuk and other disputed territories in October 2017, threatened not only the gains of the previous two decades, but Iraqi Kurdistan's very existence as a de facto entity (Smith, 2018, p. 1045). The fragmentation between the two parties contributed to Kurdistan's failure to move towards independence as it created the conditions in which the Iraqi government could act to secure its own interests. Regarding the positions of the KDP and PUK vis-à-vis the referendum, there were two major disagreements: (1) whether the referendum should be postponed, as requested by the US, UN and other international powers (see US Department of State 2017), or be held on its planned

date 25 September 2017; and (2) whether Kurdistan's *Peshmerga* forces should continue a military confrontation with Iraqi forces. The fragmentation contributed to the ease of the Iraqi (re)taking control of all areas which fell under de facto Kurdish control after the successful campaign against the Islamic State since 2014, and the forcing of Iraqi authority upon these territories, further antagonising relations between the two factions (Jongerden, 2019, p. 68). Nonetheless, few academic studies have examined what this fragmentation means for Kurdistan's trajectory and its political settlement with the Iraqi government.

The empirical findings show that fragmentation within Kurdistan has been decisive for the outcome of the conflict with the Iraqi government, raised insurmountable barriers to achieving a political settlement with Baghdad, and contributed to the KRG's defeat. Since 2017, Kurdistan has entered a period in which the previous KDP-PUK power-sharing agreement has collapsed, with as yet no alternative at hand. The old idea of a united Kurdistan with a unified perception of and stance towards the Iraqi government, becomes even more unlikely in these circumstances. It was this fragmentation that allowed the parent state to pursue a divide-and-rule strategy against Kurdistan's move towards independence, weakening the Kurdish house and the entity's de facto powers and territorial control. The resulting developments since 2017, as explained below, have had a profound impact on Kurdistan's status as a de facto entity (Smith, 2018; International Crisis Group, 2019; O'Driscoll & Baser, 2019b).

Exploring internal fragmentation in relation to the development of de facto statehood in Iraqi Kurdistan has both academic and policy relevance. From an *academic* perspective, this article supports the argument that conflict between a de facto state and its parent state should not automatically be treated as a contest between two unitary actors. The article supports the theoretical argument within de facto state and civil war literature that instead of the unitary actor assumption, we should inspect the multifaceted interactions between a de facto state's key factions. Caspersen argues that the origins of an opportune moment for conflict resolution, in some instances, may be found in intracommunal dynamics (Caspersen, 2012, p. 129). Departing

from the unitary actor assumption and examining the multiplicity of factions advancing different claims in independence movements provides a better view of the barriers to political settlement which appear at the de facto state level (Bakke, 2011; Florea, 2017). From a *political* perspective, adopting the perspective of a fragmented de facto state provides a more realistic approach to policy, and a more complex picture of political settlement and conflict resolution than the typical Kurdistan-vs-Iraqi state analysis prevalent in the existing literature.

This study employs a methodology of qualitative analysis, including in-person interviews with 15 senior members of the KDP, the PUK, the smaller parties Gorran and Islamic Union, and officials from the KRG. Examples include the former Speaker of the Kurdistan Parliament and the current Minister of State, the spokesperson of the KRG, a senior advisor to the KRI President, and spokespeople of the KDP and the PUK. In these interviews, we tried to discern the views of political actors in Kurdistan of how fragmentation has influenced the referendum and its aftermath. Additionally, interviews were conducted with five Western diplomats in Erbil on their views on Erbil-Baghdad disputes, as well as how Kurdistan's fragmentation impacts their work in Kurdistan, information which is rarely available in the literature. These face-to-face and telephone interviews were conducted in Erbil and Sulaimaniyah between January 2019 and January 2020. Most of the interviewees preferred to remain anonymous.

The next paragraph presents an overview of the analytical framework of the study, centred on the broader literature on fragmentation. Subsequently the article provides an empirical analysis, explaining KDP and PUK fragmentation following the 2017 independence referendum. In line with the analytical framework, in three different sections the article analyses how fragmentation impacted (1) Kurdistan's political settlement with Baghdad, (2) its aspirations for independence, and (3) the state-building process.

5.2 FRAGMENTATION AND DE FACTO STATE OUTCOMES

Within the discipline of International Relations there has been an increasing desire to analyse de facto states and to distinguish these 'anomalies' from other forms of statelessness. However, the theoretical discussion is still in its nascent stages, and the literature on de facto states can only benefit from further inquiries into the internal dynamics of these entities. Caspersen in her seminal book *Unrecognized States* identifies five necessary characteristics for an entity to be considered a de facto state: (1) the entity's achievement of de facto independence and control of the majority of the territory it claims; (2) the building of state institutions, accompanied by attempts to increase external and internal legitimacy; (3) a formal declaration of independence, or at least clearly demonstrated aspirations for independence, for example through an independence referendum; (4) the absence of international recognition of independence; and (5) continued existence for at least two years. Based on the degree of the above criteria's achievement by Kurdistan over the past two decades, scholars including Harvey and Stansfield (2011), Caspersen (2012), Voller (2014), Gunter (2014), Soguk (2015), Jüde (2017) and Richards and Smith (2015) have categorised Kurdistan and its polity as among the group of de facto states.

Within the de facto state literature, there is evidence that fragmentation within de facto states can have a substantial impact on de facto state trajectories (Pearlman, 2009; Bakke, 2011; Caspersen, 2012; Florea, 2017). Traditionally, de facto states have been represented as cohesive, homogenous and unitary actors, with a single set of goals: to attract external support and promote international recognition of the entity (Caspersen, 2012; Florea, 2017). However, such collective goals are often overshadowed by the pursuit of narrow self-interests, political fragmentation and internal power relations (Caspersen, 2012). Many de facto state movements include multiple factions with varying origins and agendas (Mampilly, 2011, p. 81). Most internal conflicts display a mosaic of more-or-less coherent organisations, which often fight not only against a common state enemy, but also against each other (Florea 2017). Studies such as

Florea (2017) and Cunningham, Bakke and Seymour (2012), find that the unitary actor assumption is empirically inaccurate: even in a single ethnic group, where it is regularly assumed that a powerful identity effectively binds individuals together, there is often a dizzying diversity of political strategies and organisational forms (Florea, 2017), which push the entity towards a specific outcome.

A major source of variability in de facto states' ability to sustain mobilisation against the parent state is their internal dynamics (Caspersen, 2012). This corresponds to Pegg's (1998) and Caspersen's (2012) criteria of what constitute a de facto state, which highlight a unified leadership seeking to demonstrate internal cohesion and legitimacy. Caspersen (2012, p. 76) argues that the success or failure of de facto states' state-building efforts owes much to internal dynamics. A cohesive movement "enjoys the organizational power to mobilize mass participation, enforce strategic discipline, and contain disruptive content." By contrast, a fragmented movement "lacks the leadership, institutions, and collective purpose to coordinate and constrain its members" (Pearlman, 2011, p. 2). Similarly, Bakke (2011, p. 105-6) argues that if de facto states manage to establish an institutionalised system of representation, internal fighting and fragmentation will be less likely. When a de facto state suffers from internal schisms, the de facto state leadership will be less successful in their attempt to balance against the parent state and will be more vulnerable to forceful reintegration, as valuable resources will be rechanneled towards factional infighting rather than organised action towards achievement of independence (Caspersen, 2012; Florea, 2017). Moreover, fragmentation provides the parent state with the opportunity to use divide-and-rule strategies to destabilise the de facto state, playing one faction against the other (Bakke, 2011, p. 106). Caspersen (2012, p. 14) identifies the reliance on an external patron, a feature of most de facto states, as increasing the likelihood of division of the control of key resources. External patrons are not necessarily motivated primarily by the need for unity in the de facto state they support, and may make use of internal divisions to increase their influence in the entity.

The work of Adrian Florea (2014, 2017, 2018), upon which this study draws for its analytical framework, is a recent theoretical contribution, viewing the level of fragmentation within the de facto state as a key variable for understanding its survival and sustainability, and arguing that fragmentation pushes a de facto state towards a particular trajectory. According to Florea (2017, p. 344), the fragmentation variable measures the degree of cohesion in the de facto state movement. The internal divisions within and between organisations speaking on behalf of the de facto state are important for the fragmentation variable if, and only if, such divisions result in the emergence of competing organisations, each claiming to be the 'legitimate' representatives of the de facto state's population. A faction is seen as an organisation that claims to represent the population of the de facto state and makes demands regarding the status of the de facto state, such as demanding reintegration into the parent state, limited autonomy, broad autonomy, no change in status (continuation of the status quo), or independence. A faction may be a political party, military organisation, or civic group that operates within or outside the de facto state (ibid.: 344). In the case of Kurdistan, the two main factions since 1991 have been the KDP and the PUK, which have separate organisational, security and economic structures, and make demands related to the status of the de facto state (see "PUK to keep grip on security forces," 2018).

According to Florea (2017), there are at least three avenues through which fragmentation affects de facto state outcomes. **First**, fragmentation complicates attempts to reach a peaceful political settlement with the parent state (see also Pearlman, 2009). There is evidence that fragmented de facto states are less likely to be peacefully reintegrated into their parent states. De facto state leaders presiding over a fragmented movement have greater difficulty committing to an agreement with the parent state government. Fragmentation within the de facto state may "cause a soft stalemate to become a hurting one" (Caspersen, 2012, p. 129). The demands made by de facto state leaders therefore respond to changes in the conflict context, but the effect of such changes is mediated by internal power relations; will the leaders face powerful barriers if they initiate settlement negotiations? (ibid.: p. 129) In a scenario where independence seems

achievable, the stronger organisation in the de facto state movement cannot provide guarantees that it will not quickly turn on its weaker partners after independence in order to capture complete control of the polity (Christia, 2012, p. 21). Moreover, fragmentation fundamentally alters the dynamics of mobilisation in the de facto state. Fragmentation can have pernicious effects on de facto states' efforts to prevent forceful reintegration: it lowers the ability to balance internally through state-building activities, and saps separatist movements' domestic and international legitimacy (Florea, 2017). Under these conditions, a fragmented de facto state movement is more likely to be defeated militarily and the population and territory to be reintegrated into the parent state, in spite of whatever resistance is offered.

Second, fragmentation is likely to negatively impact efforts at state-building (Caspersen, 2012). Internal armed fragmentation and infighting will reduce a de facto state's ability to balance internally, as resources are directed towards internal power struggles rather than concerted resistance against the parent state (Cunningham, Gleditsch, & Salehyan, 2009; Mampilly, 2011; Caspersen, 2012; Florea, 2014). Competent state-building efforts have historically been a key condition for admission into the club of internationally recognised states. Caspersen (2012, p. 83) argues that the factors that enable de facto states to overcome the hurdle of fractionalisation and infighting also constrain the subsequent state-building process. Furthermore, the risk of infighting will significantly affect the kind of state-building which will develop, as well as political reforms and democratisation within de facto states (see Caspersen, 2012, p. 76-102).

Third, importantly, fragmentation can also hamper de facto states' independence aspirations (Florea, 2017, p. 342). A fragmented movement faces more difficulties than a cohesive one in its efforts to maintain full control over territory, practice effective governance, and formulate a unified response towards the parent state's threats of forceful reintegration and/or imposing limitations on the powers of the de facto state (ibid.: p. 342). These efforts are key conditions for advancing a legitimate claim to statehood (see Caspersen, 2015).

Paradoxically, fragmentation can also spur rebel governance. When a de facto state's factions face intense competition from rival factions, they are likely to pay more attention to the needs and demands of the local population (Florea, 2017). Factions that compete for legitimacy and civilian loyalty may use governance as an outbidding tactic, with positive repercussions for the general welfare in rebel-held enclaves. They do so to build a reputation for effective rule in order to gain/maintain legitimacy with the domestic population, to outbid competitor groups, and to deter new entrants on the local marketplace of authority. To summarise, fragmentation can shape de facto state in opposite directions: internal competition can divert often scarce resources towards internecine fighting, or can motivate de facto state leaders to organise local affairs more efficiently in order to increase their leverage over the entire insurgent movement.

5.3 THE ORIGIN AND CONTEXT OF KDP-PUK FRAGMENTATION

The KDP was established on 16 August 1946 under the leadership of Mullah Mustafa Barzani. Amid the consolidation of Kurdish rebellion and autonomy from the Iraqi government in the 1960s, the Kurdish national liberation movement witnessed the escalation of internal tensions and conflicts for power between different camps within the movement (Voller, 2014, p. 52). During this era, the KDP represented the whole of the Kurdish nationalist movement in Iraq. In the late 1960s, Barzani and the KDP Politburo under the leadership of Ibrahim Ahmed and Jalal Talabani clashed over their growing influence in different regions of Iraqi Kurdistan (Romano, 2006; Voller, 2014). The KDP Politburo subsequently established its powerbase in Sulaimaniyah, in the southern part of Iraqi Kurdistan; meanwhile, Barzani and his supporters secured their territory of the Duhok and Erbil provinces in the north (Voller, 2014, p. 12; MacQueen, 2015, p. 431). In 1976, Talabani departed the KDP and founded the PUK, promising to his supporters to revive the Kurdish nationalist movement. Barzani and Talabani, and their followers, engaged in rhetorical and, at times, armed confrontation through the period, with the direct and indirect involvement of the Iraqi government (MacQueen, 2015, p. 431). This pattern

of Kurdish internecine conflict has recurred throughout the history of Kurdish liberation movement, reaching a peak in the 1990s. The presence of the two families, Barzani and Talabani, has also been a constant, leading the parties for most of periods of their existence.

In the 1990s, the division between the two factions reached a new level. After UN Security Council Resolution 688 established a no-fly zone north of the 36th parallel in April 1991, Iraqi Kurds took the opportunity of the removal of Iraqi regime control to elect their first parliament and government, holding a general election in May 1992 to attain domestic legitimacy, fill the administrative vacuum left by the Saddam regime, settle disputes between different political parties, and win the support of the international community by holding elections along internationally accepted lines (Bengio, 2012, p. 202; Voller, 2014, p. 71). However, the new social and political structures of Iraqi Kurdistan were not ready for competitive politics. Political parties had their own *Peshmerga* forces. In the absence of a unified, professional, non-political security force across Kurdistan, it was unlikely that whichever government was elected would be able to control the whole of the area. Above all, the political parties did not have experience in governing the *shar* (city in Kurdish). As Talabani admitted, 'we came from the mountains, we were trained as fighters, and now we had to run cities' (Stansfield, 2003, p. 123). The KDP gained a slight majority over the PUK in the first election, with 51 per cent of the vote to 49. The two agreed to a 50:50 division of seats in order to jointly administer the autonomous region. The 50:50 system initially prevented the outbreak of fighting, but when the balance of power between the two changed, the system increased the risk of a decline into confrontation.

In 1994 fighting between the KDP and PUK erupted, due to the legacy of animosity dating back to the 1960s, disputes over land, conflict over revenues, and disagreements over the 1992 election results (Gunter, 1999; Ahmed, 2012; Stansfield, 2003). The war had a devastating impact on Kurdistan's process of state-building, infrastructure, and the activity of NGOs, and resulted in the death of thousands of Kurds and the displacement of tens of thousands from their homes (Voller, 2014, p. 83). In 1998, the US brokered the Washington Agreement to end

the civil war, creating separate administrations in Erbil (dominated by the KDP) and Sulaimaniyah (run by the PUK), controlling distinct areas of Kurdistan. The Washington Agreement was critical in ending the fighting, but the emergence of two administrations constrained the subsequent state-building processes in Kurdistan. As Caspersen (2012, p. 81) argues, 'Kurdistan overcame threats to its internal stability through the institutionalization of divisions.' The KDP-controlled region shares a long border with Turkey, whilst the PUK has a long border with Iran; these geopolitical factors have shaped their strategic manoeuvres, regional alliances and, importantly, their relations with the parent state of Iraq.

Though the civil war nearly ended the existence of the Kurdish de facto state, it neither destroyed the de facto independence of Kurdistan, nor diminished the Kurdish aspiration for maintaining domestic sovereignty (Voller, 2014). Around 2001-2002, the divided Iraqi Kurdistan made significant moves towards reunification: the Kurdish leadership made progress in terms of institutionalisation and integration into the international sphere (Natali, 2010; Voller, 2014; Jüde, 2017). Corresponding to Florea's argument that, paradoxically, factionalism sometimes leads to competition over performance and legitimacy, in the years following the civil war until 2003 the KDP and PUK competed to outdo each other through effective governance practices, such as large-scale infrastructure projects (Stansfield, 2003), and the PUK's increased openness to democracy and freedom of speech. Bengio (2012) believes that the experience of Kurdistan is not atypical among cases where civil war played a significant role in political and social progress, as the two factions had to compete for support and legitimacy after the Washington Agreement. However, as explored throughout this article, Kurdistan's state-building process has occurred in parallel to the institutionalisation of the KDP-PUK division, creating a dual state structure. Contrary to the view of Stansfield (2003), Bengio (2012) and Voller (2014) that the civil war positively influenced Kurds' capacity and experience in state-building, the post-civil war state-building process has never been able to address the territorial, security and political fragmentation that emerged during and after the civil war.

After 2003, attempts to unify the two separate KDP and PUK administrations resulted in a power-sharing agreement between Barzani and Talabani, coming into effect in 2006 with a coalition government (KRG, 2006). The agreement enabled Erbil to speak with one voice to Baghdad for the first time since 1991, strengthening the position of Kurdistan and, importantly, confirming Kurdistan's status as a federal entity within the Iraqi state. The agreement also included a complete division of power between the two leaders in both Erbil and Baghdad (Natali, 2010). As a result, Masoud Barzani, the President of the KDP and son of Mullah Mustafa, became the President of the Kurdistan Region (2005-2017), while Jalal Talabani became the President of Iraq (2005-2014). Following the 2006 unification of administrations, Kurdistan's relations with Baghdad changed, and now resembled government-to-government or state-to-state relations (Voller, 2014, p. 94).

Though the power-sharing arrangement progressed a great deal during this time, it eventually failed to institutionalise and unify Kurdistan's state-like institutions. In other words, despite the development of government institutions, the government has only partially reunified, and the two parties have maintained the key power structures of the two-administration period (Sagnic, 2015; Natali, 2010; O'Driscoll & Baser, 2019a), specifically the parties' control over security and *Peshmerga* forces and intelligence agencies. Two decades after the civil war, fragmentation between the two parties has not been addressed; instead, it has become the governing system itself. Even in the post-2006 environment, the way that the peace agreement was made constitutes a key obstacle to state-building and democratisation. Ever since, the biggest obstacle to a complete unification of two administrations and to institutionalisation, is the de facto autonomy enjoyed by the factions in their own zones, especially their full control over security and military forces.

Moreover, in the second decade of Kurdistan's existence as a de facto entity, KDP-PUK rule faced challenges from popular protests and new social movements in Kurdistan (Watts, 2014). In the 2009 parliamentary elections, Kurdistan witnessed a decrease of popular support to the

ruling parties, and the emergence of a new party called the Change Movement (Gorran) under the leadership of a former PUK leader Nawshirwan Mustafa. The KDP and PUK's share of the votes dropped from 89 per cent in the 2005 elections to 57 per cent in the 2009 elections. As a result, Gorran gained 24 per cent, and unseated the PUK as second-largest party after the KDP. Gorran assumed opposition status, and demanded the 'de-party-isation' of the KRI's state-like institutions, primarily the *Peshmerga* and security forces (Watts, 2014), the limitation and redistribution of the president's powers, and changes to the draft KRI constitution, especially the changing of the governing system from semi-presidential to parliamentary (Ala'Aldeen, 2016). The rise of Gorran has notably changed the balance of power, and sent shockwaves across the KRG establishment. As Gorran split from the PUK, it undermined the KDP–PUK balance of power in Kurdistan, which long served as the basis for the post-civil war governing system.

5.4 FRAGMENTATION AND A PEACEFUL POLITICAL SETTLEMENT WITH BAGHDAD

> Kurdistan's relations with the Iraqi government are not nationalised. The KDP and PUK pursue their own policies and interests in Baghdad. (Musana Amin, Head of the Islamic Union bloc in the Iraqi Parliament, November 6, 2019).

This section examines how the KDP and PUK's fragmentation has shaped Kurdistan's political settlement with the Iraqi government. The historical evidence from Kurdistan suggests that, when the two factions function as a unitary and cohesive actor, not only are they better able to credibly commit to a political agreement with the Iraqi government, but they are in a stronger position to defend Kurdish interests in Baghdad.

The period from 2003 to 2014 showed that political settlement become more likely when Kurdistan acts as a unitary entity at the political party level, corresponding to the theoretical expectation outlined above. During the period before and after the signing of the 2006

unification agreement, Kurdistan demonstrated greater stability compared to the rest of Iraq (Jüde, 2017). The new political settlement between the two factions paved the way for Kurdistan's significant presence in Baghdad. After the 2003 war, upon a realistic assessment of the situation, the Kurdish parties came to believe that international recognition was unobtainable, as rebuilding Iraq became the main priority of the US-led coalition (O'Driscoll & Baser, 2019a, p. 2020). In this context, Kurdistan was reintegrated into the "New Iraq", through negotiated settlement with the new leaders in Baghdad with the supervision of the US. The leadership of the KDP and PUK did not find themselves constrained to work on a negotiated settlement with Baghdad, as Iraq had a new political authority after 2003 (Caspersen, 2012, p. 129) and the lack of dissenting voices within the Kurdish parties at this time made possible a peaceful and voluntary reintegration of Kurdistan into Iraq. An example of what can be achieved through a cohesive approach is the agreement addressing unresolved boundary issues between Erbil and Baghdad (S. Pira, personal communication, 23 January 2019). As a result, the status of Kirkuk, which has long been a source of conflict between the Kurds and Baghdad, now became part of a constitutional process, as recognised in Article 140 of the 2005 Iraq Constitution.

Despite the negotiated settlement between Erbil and Baghdad after 2003, the absence of political trust between the Kurdish parties and the government in Baghdad remained (Gunter, 2011). Since the start of the Nouri al-Maliki era, especially during his second term as Iraqi Prime Minister (2010-2014), serious disagreements emerged between Erbil and Baghdad over different issues, including the status of the *Peshmerga*, revenue sharing, oil exportation and disputed territories. In response to Erbil's push towards increased de facto independence, al-Maliki began imposing punitive military, political and economic measures on the KRI, such as deploying the Iraqi Security Forces to Kirkuk to assert Baghdad's control in November 2012, with enduring and severe implications for future Baghdad-Erbil relations. Furthermore, in 2014 the PM directed the Iraqi Ministry of Finance to cease paying the 17 per cent of the national budget allotted to the KRG, accusing the KRG of not delivering the agreed amount of oil to the State Organisation for the Marketing of Oil (Nader et al., 2016, p. 42). These changes aggravated

pre-existing tensions between the two governments, causing the parties to revert to a degree of the Saddam-era distrust and acrimony, and thus limited commitment to the political agreements which had been reached after 2003.

With the increased tensions and barriers to the implementation of the political agreements between Erbil and Baghdad such as the Erbil Agreement of 2010,[25] an important issue should be highlighted regarding the background to these events, previously neglected in the literature on Kurdistan's move towards the 2017 independence referendum. The post-2003 power-sharing agreement, like the 1998 Washington Agreement, institutionalised the KDP-PUK division, and the balance of power became detrimental for political stability in Kurdistan. From 2009 onwards, things would significantly change. The disputes between the then-KRI President Barzani and Iraq's former Prime Minister al-Maliki occurred simultaneously with internal developments, such as the split within the PUK leading to the establishment of Gorran in 2009, and Talabani's ill-health after 2012. These factors threatened Kurdistan's political stability, with negative consequences for their relationship with Baghdad as maintaining a unified approach and perception towards Baghdad became difficult. The death of Talabani on 3 October 2017 further divided the PUK factions, leaving them with no unified voice (Hama, 2019b). Internal divisions within the PUK significantly affected the KRI's policy towards Baghdad (Saeed, 2019). Though the KDP believes that the disputes with Baghdad stem from Kurdish, not party-based, interests (H. Hawarami, personal communication, 14 Nov 2019), in the absence of effective leadership within the PUK, the KRI's policy became dominated by the KDP's project of independence. Resulting from the KDP-PUK fragmentation is a situation in which political settlement with Baghdad is constrained and its viability made heavily dependent on internal power sharing.

The move towards the independence referendum characterised the period from 2014 to 2017. The powerful factions within the PUK did not view Baghdad in the same way as their

[25] An agreement on forming the Iraqi government in November 2010, which broke an eight-month stalemate after the 7 March 2010 parliamentary elections.

counterpart the KDP (Knights & Talabani, 2015; Mills, 2016; O'Driscoll & Baser, 2019a). Although officially all the factions of the PUK endorsed Barzani's decision to hold the referendum on September 25, the most powerful individuals in the PUK leadership, such as Lahur Talabani and Bafel Talabani, the nephew and son respectively of Jalal Talabani, did not actively participate in the referendum campaign. In addition, a prominent faction within the PUK favoured postponing the vote and accepting the offers for strengthened de facto status presented by the US and the UN as an alternative to the referendum (F. Asasard, personal communication, 11 Nov 2019). The KDP believed that the alternative approaches were not concrete or reliable ("Despite Losses," 2018), and that there would be no meaningful change in the mentality of Baghdad towards the Kurds (Barzani, 2017). Kurdistan's failure to formulate a unified policy and ultimately reach a political settlement over disputes with Baghdad, constrained the achievement of a peaceful political settlement with the parent state. The two factions showed two different visions of how to address the conflict between Kurdistan and the Iraqi government and claimed to speak on behalf of the Kurds, resulting in failure and decreasing Kurdish leverage visa-a-vis Baghdad.

Though internal fragmentation in the case of Kurdistan is not the only barrier to a political settlement with the Iraqi government, fragmentation between the KDP and PUK has undermined the possibility of a unified KRI perception of engagement and conflict, and created different images of Baghdad among the population, as to whether it is a source of threat or opportunity. Unlike the previous era of a strong personal relationship between the two party leaders Barzani and Talabani, during and after the referendum splintering within Kurdistan weakened the Kurdish position, and constrained dialogue with its parent state. As the KDP-PUK fragmentation surfaced again during and after the referendum (Owtram, 2018), their united project for the formation of the Iraqi government in 2018 collapsed. The October 2018 elections for President of Iraq clearly demonstrated this: the KDP insisted for the first time since 2005 that their representative should receive Iraq's presidency over the PUK's nominee, though the PUK ultimately prevailed, electing Barham Salih (Alaaldin, 2018), and viewing Baghdad's

hostility towards the KDP following the referendum as an opportunity to increase its power in the KRI. KDP and PUK leaders began to visit Baghdad and meet Iraqi officials in separate delegations (Wahab, 2019). Unlike the era of Talabani's presidency, the election of Salih became a key source of internal fragmentation within the Kurdish house (International Crisis Group, 2019), extending Kurdistan's internal divisions to Baghdad. In addition, the uncompromising rhetoric adopted by the KDP and PUK in the 2018 parliamentary election campaign led many to fear that the region was on the verge of another civil war (Abdulla, 2018; Petkova, 2018).

In summary, the analysis above shows that the power-sharing between the factions provides important insights into how the fragmentation of the KRI impinges on Kurdistan's ability to reach a sustainable agreement with the Iraqi government.

5.5 FRAGMENTATION AND INDEPENDENCE ASPIRATIONS

In this section, the article highlights how the fragmentation provided the Iraqi government, the parent state, with the opportunity to use a divide-and-rule strategy to destabilise the de facto state, playing one faction against the other.

Fourteen years after regime change in Iraq, Barzani, the former President of KRI, admitted that Iraq and Kurdistan failed to be good partners, and stated his desire for the two sides to be "good neighbors". The referendum, however, was a means to achieve the goal of independence (Barzani, 2017); it has become a source of new conflicts, not only with the Iraqi government and neighboring countries, but also within the Kurdish house (Owtram 2018, 313). The major parties of Kurdistan, the KDP, PUK, Gorran, Islamic Group (Komal) and Islamic Union (Yekgirtu), failed to unite over the timing, approach and method of the referendum (Park, Jongerden, Owtram & Yoshioka, 2017). In addition, the most powerful factions within the PUK, Gorran and Komal had divergent opinions over the timing and preparations for the referendum. While they stated 'the right of independence is a natural and a just right for all Kurdistan people' ("Gorran,

KIG Call For Delaying Referendum," 2017), they wanted the vote and the presidential and parliamentary elections, planned for November 3, to be held together on the same day. They feared that pro-referendum parties would use the independence card for political gain. These tensions intensified political rifts within the Kurdistani camp.

Another aspect of the division is that the KDP has not historically been popular in Sulaymaniyah, a stronghold of the PUK and Gorran. This significantly impacted the referendum's popularity there, indicated by the low turnout for the referendum in Sulaymaniyah and Halabja. Two years after the referendum, the KRI's Independent High Elections and Referendum Commission has not published a breakdown of numbers per province. According to non-official numbers, turnout was high in the KDP-dominated provinces of Erbil and Duhok and the disputed province of Kirkuk (Palani, Khidir, Dechesne & Bakker 2019, p. 2278). However, as the referendum was seen as a KDP project by many in the PUK-controlled region of Sulaymaniyah, the turnout was low there. This demonstrates that even when it comes to a serious and existential national issue, in the absence of the KDP-PUK agreement united action is not possible.

Though developments from 2014 to 2017 increased Kurdistan's international engagement and expanded the *Peshmerga*'s territorial control, the aftermath of the referendum has shown that the internal fragmentation between the two centres of power determines how Iraqi Kurds can use the opportunities for a transition towards statehood. After the referendum, Baghdad sought retribution for Barzani's decision to hold the referendum against its wishes and imposed multi-sectoral sanctions against Erbil, damaging the KRI's de facto powers. Erbil's unilateral decision and internal divisions left the then-Iraqi Prime Minister Haider al-Abadi with almost unanimous support from Iraq's parliament, regional countries and the international community, including the US, when he emphasised his obligation "as commander-in-chief of the armed forces to take all legal and constitutional steps to protect the unity of Iraq and its people" (Council of Representatives of Iraq, 2017), including deploying the Iraqi army to replace

Peshmerga forces in all disputed areas, banning international flights to Erbil and Sulaimaniyah on September 29 2017, and demanding the KRG relinquish control of its airports, border gates and crossing points. On October 16, 2017, Iraqi forces, backed by the Shi'ite *Hashd al-Shaabi* militias, seized Kirkuk and all other disputed areas, causing the *Peshmerga* to retreat from all the territory it had taken from the Islamic State since late 2014. These actions reverted the KRI's boundaries along the disputed frontier to those drawn in 2003, and struck a punishing political blow to some of the KRI's hard-won de facto powers (Smith, 2018).

At the core of the negative consequences has been the failure of the two factions to agree on the approach of the referendum. Members of the PUK, such as Lahur and Bafel Talabani, negotiated independently with Baghdad and ordered much of the PUK's forces to retreat from Kirkuk, which the KDP described as "the biggest treason ever committed in modern Kurdish history" ("Despite Losses," 2018). The KDP's own retreat from the front lines has also come under vitriolic criticism, with KDP officials arguing that this was to avoid potentially grave internal conflicts, such as split administrations and perhaps civil war. Kurdistan's former Minister of Peshmerga highlighted the link between the fragmentation and Kurdistan's move towards independence, stated "if we had a united Kurdish force, instead of partisan forces, we would have better performance against the Iraqi armed forces" (Hama & Abdulla 2019, p. 10). Failure to formulate a unified political and military response to the attacks of Baghdad weakened the Kurdish position and highlighted the centrality of the KDP-PUK fragmentation with regards to the move towards independence. Importantly, the fragmentation reduced Kurdistan's military effectiveness, and contributed to their defeat.

Kurdistan's fragmented security forces and its ill-fated referendum also changed the military balance in favour of Baghdad (Hama, 2019a, 2019b). The military weakness of the Iraqi government was essential for the consolidation of Kurdistan after 2003 (Nader et al., 2016). The Iraqi government managed to prevent Kurdistan from effectively consolidating its control of the territory which it had gained in war, and thus had very little incentive to engage in a

comprehensive discussion with Erbil about a future power-sharing deal beyond the Iraqi constitution. To reduce political tensions with Baghdad and the international community, the KDP leadership and other parties found it difficult to maintain the rhetoric of independence, and had to freeze the results of the referendum (KRG, 2017b). The KRI's defeat was hailed by the Iraqi authorities as "the imposition of the law" (Jamal, 2019).

In the aftermath of the referendum, Kurdistan suffered a loss of international sympathy and political backing (Kaplan, 2019, p. 30), with international actors blaming the Erbil leadership and intra-Kurdish divisions for the escalation with Baghdad. While Kurdistan's central role in the fight against the Islamic State presented a great opportunity for Kurdistan to move towards an independent state, the post-referendum crises also revealed that the fragmentation of its security forces is a key obstacle to Kurdistan in the face of the threats from its parent state. The lack of a unified and effective response gave the international community no reason to support Kurdistan.

5.6 FRAGMENTATION AND STATE-BUILDING

For many years, Kurdistan's main strategy to gain international recognition was the emphasis on 'earned sovereignty', based on alleged success in democratisation and state-building to demonstrate its right to independent statehood (Voller, 2014). Despite the lack of international recognition, Kurdistan has remained largely stable for the past two decades. State-building has been a key determinant of the entity's long-term viability. However, despite Kurdistan's positive developments in terms of democracy and state-building compared to the rest of Iraq, its democratic development has been driven by an effort to consolidate the KDP and PUK's power over the KRI, especially after 2005 (MacQueen, 2015, p. 430). Additionally, the kind of state-building which has developed in Kurdistan over the past two decades has been strongly influenced by the legacy of the civil war and KDP-PUK divisions (Caspersen, 2012). The way in which the civil war ended led to the institutionalisation of the KDP's and PUK's separate control

over *Peshmerga* forces, damaging the KRI's monopoly over the legitimate use of violence – a key aspect of any state-building process. Since then, the entity has witnessed many attempts to unify the security forces; for example, the KDP and PUK created the Ministry of Peshmerga in 2010, to unify the *Peshmerga* (van Wilgenburg & Fumerton, 2015). The Ministry of Peshmerga has gradually established control over 14 mixed units of *Peshmerga*, and currently the Global Coalition against Daesh only recognises and engages the units under the control of the Ministry (J, Yawar, personal communication, 26 June 2019). Two decades of fragmentation remains a key obstacle to the unification of the *Peshmerga* forces.

With regards to the impact of KDP and PUK fragmentation on Kurdistan's political economy, it is critical to highlight that disagreement over the income from border customs was among the major reasons that lead to conflict and internal warfare between the PUK and KDP from 1994 to 1998, and the split of the newly established government in 1996, which was partially reunited in 2006 (Natali, 2010). Kurdistan's economy is that of a typical rentier state (Samer & Joseth, 2018) and, despite recent diversification attempts, oil and gas constitute about 85 per cent of the KRG's revenue (World Bank, 2016). Moreover, while any available revenue in Kurdistan is ostensibly allocated and administered by the KRG, the precise contours of that management are, in fact, primarily determined by the two dominant political parties in their respective areas of influence (Smith, 2018), with limited transparency and accountability. This control of the public and private sector economies by the KDP, PUK, and their affiliates, has fed into a political environment marked by systems of patronage (O'Driscoll & Baser, 2019b). For example, the number of KDP and PUK *Peshmerga* was around 20,000 in 1991, but has now increased to around 200,000 (R. Omed, personal communication, 11 Nov 2019). This, in turn, has facilitated widespread and deeply rooted patterns of corruption and economic mismanagement, forestalling the institutionalisation and standardisation of economic processes (Smith, 2018).

These structural challenges have been aggravated by a series of recent shocks, like the conflict with the Islamic State from mid-2014, a rapid increase in population of 30 per cent as a

result of the influx of 1.5 million displaced people from the rest of Iraq and 250,000 refugees from Syria (Joint Crisis Coordination Centre, 2017), the sharp decline in international oil prices from $115 per barrel in June 2014 to around $45 in 2017, and the suspension of revenue transfers from the national government, which fell from $12 billion in 2013 to about $1 billion in 2014 and dwindled to nothing in 2015 (McGinn, 2018). However, the recent crisis is not only the product of these factors, or of the deterioration of Erbil-Baghdad relations. Another major factor relates to the political system of patronage and clannism and their influence over the mismanagement of Kurdistan's economy. In the period after 2003, the two ruling parties began a race to employ, in the tens of thousands, their members, affiliates and voters in government positions. This phenomenon continued even after the beginning of the fiscal crisis. By 2015, the number of government employees reached 1,380,000, and 'virtually every household has a member on the public payroll' (MERI, 2016).

The analysis above has again shown the decisive impact of fragmentation on KRI's state-building process. During the 2017 referendum, the fragmentation created a set of political, economic and security conditions which negatively affected the Kurdish leadership's plans and the intended objectives of the referendum.

5.7 Conclusion

Since its inception in 1991, in parallel to Kurdistan's development of state-like institutions, the entity's two major centres of power, the KDP and PUK, have maintained parallel systems of governance, with significant implications for the nature, development and future of the de facto independence of Kurdistan. This article's empirical findings provide support for the theoretical argument that the internal political and power structure of a de facto state movement, i.e. whether it is unitary or fragmented, has a significant impact on de facto states' political trajectories.

In the case of Iraqi Kurdistan, we have used the fragmentation variable as a key factor to explain (1) the entity's political settlement with its parent state, (2) its aspirations to independence, and (3) the process of state-building. The most important event in Kurdistan's recent history, the 2017 referendum for independence, was analysed to illustrate the impact of fragmentation. It was found that the KDP-PUK fragmentation during the referendum was a key driver behind Kurdistan's military defeat in the face of the attacks of Iraqi and *Hashd al-Shaabi* forces, constraining the achievement of political settlement with Baghdad, preventing the entity from protecting gains Kurdish forces had made during the fight against the Islamic State, and, importantly, stalling Kurdistan's movement towards *de jure* independence. Unlike the early years following regime change in Iraq which witnessed a unified leadership, in 2017 a functioning political agreement between the two factions did not exist, and all the conditions for a fragmented position vis-à-vis Baghdad were present.

After reflecting on how fragmentation has shaped the outcomes and development of Kurdistan, two notable conclusions can be drawn. First, conflict between a de facto state and its parent state should not automatically be treated as a contest between two coherent actors. In the case of Kurdistan, studies should inspect the multifaceted interactions between Kurdistan's two key factions, which fought not only the parent state but also each other. Such an approach provides a better view of the barriers to political settlement which appear at the de facto state level. Second, though the negative impacts of fragmentation on the recent move towards independence, Kurdistan's state-building and democratisation process, and attempts to reach a political settlement with the Iraqi government, are in line with the theoretical conceptualisation of fragmentation in de facto states based on the work of Florea, the existence of such fragmentation within the KRI has not led to the annihilation of the entity, nor the end of Kurdistan's de facto independence. International support for the constitutional status of the Kurdistan Region, as well as a consensus between the leaders of the two parties that the end of the entity would not be in their interests, have somewhat mitigated the impact of fragmentation on Kurdistan.

The article opens up avenues for future research on Kurdistan's de facto statehood. One would be to investigate the interaction between KRI's state-like institutions and the KDP and PUK's own institutions and governance. Another would be how the policies of the third parties engaged in conflict management between Erbil and Baghdad reflect the reality of internal fragmentation in Kurdistan in a way that does not further consolidate the fragmentation.

Disclosure statement

No potential conflict of interest was reported by the authors.