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Panel 7:

Erbil-Baghdad Relations: Addressing Root Causes of Conflict

- Bashir Khalil, Deputy Speaker of the Iraqi Council of Representatives
- Umed Othman, President of the Diwan of Council of Ministers, KRG
- Khalid Shwani, KRG Minister for Relations with Baghdad
- Amanj Rahim, KRG Cabinet Secretary
- Hiwa Osman, Journalist (Moderator)



Over the past decade and a half, the KRI's share of the federal budget and oil revenue has been the most significant point of tension between Erbil and Baghdad. Each year, when the budgetary law is formulated and voted upon, a new crisis is initiated; the next is already brewing, as the budget law is currently under discussion. According to journalist **Hiwa Osman**, this bilateral relationship is also affected by ongoing neutralisation disagreements over the disputed territories, which are manifested in the positionalities of the Peshmerga, paramilitary, and federal security forces.

Panelist **Bashir Khalil**, Deputy Speaker of the Iraqi Council of Representatives, argued that the relationship is suffering from a general lack of commitment to the Iraqi constitution. This lack of commitment is particularly evident in the poor implementation of constitutional measures designed to safeguard Iraq's diversity.

“A federal country should be a country that safeguards all of its components. The problem is not with centralization, but with a lack of a commitment to the constitution, which is a tent for all Iraqis.” - Bashir Khali

Poor implementation of these measures has subsequently allowed oppression and discrimination to fall along religious, sectarian, and ethnic lines. Khalil contended that reform and constitutional amendments are needed, but that clear objectives for these processes are yet to be agreed upon (e.g. specific rights and freedoms, a legal framework for transparency, etc.). A constitutional response to existing political demands must provide specific guarantees. According to Khalil, the Iraqi government requires the assistance and supervision of the international community, including INGOs, in order to fulfill its constitutional obligations and guarantee the implementation of any new reforms. In addition, the KRG must assist in the stabilisation of Federal Iraq, as it did after the regime change in 2003. Khalil observed that the *“KRG is not able to have stability without Iraq, and vice versa.”*

Echoing concerns about the lack of commitment to the constitution, the President of the Diwan of KRG Council of Ministers, **Umed Othman**, argued that a new mindset is needed to run Iraq. According to Othman, Iraq's governance structures must deal more effectively with the diversity of Iraq. He suggested a federalist system to respond to this need for pluralism. To facilitate better bilateral relations between Baghdad and Erbil, Othman also expressed the need to encourage nationalist sentiment in order to cultivate social cohesion within civil society and win citizens' trust in a shared future. In his view, the Kurds form part and parcel of Iraqi diversity; he therefore called for an inclusive settlement on the disputed territories as well as on other bilateral disagreements.

Similarly, the KRG Minister for Relations with Baghdad, **Khalid Shwani**, expressed his concern that the foundations of the KRG-Gol relationship are rooted in miscommunication. He argued that political clefts between the two entities are reflective of the conflict context within which certain policies were created. Issues of Arabisation and oppression within the Disputed Territories are developments which raise concern. However, Shwani remains convinced that we must look to the constitution to solve these issues and develop good, long-term solutions. These solutions should include a census; however, this is currently problematic due to patterns of mass displacement and demographic change after the invasion of IS.

“Looking at the current dynamics with Baghdad, we need to see this as an opportunity. We see a constitution corrupted by political practices and the losers are Iraqi citizens.” - Khalid Shwani

Amanj Rahim, Cabinet Secretary of the KRG, stated that the key pillars of the constitution include the elements of consensus and partnership, yet there is no implementation or enforcement of its articles. He provided examples of “stalling” and “procrastination” by the federal government. He also explained how the central ‘pillars’ of the Federal-KRG relationship, the disputed territories and budget allocation, have escalated other problems between the two governments. According to Rahim, the constitution - often criticised as needing review - is not the issue. Rather, the primary issue is the significant delay in the implementation of its articles regarding the neutralisation of the disputed territories. He reminded the audience that each federal ministry has a member of the commission to deal with this issue. Furthermore, recent instances have compromised the implementation of the constitution with regard to the national budget, which has been operating on partial solutions since the 2005 agreement; current operations are therefore more reflective of that specific fiscal year than the framework of the constitution itself.

The 2007 draft law regarding oil and gas, passed by PM Nuri al-Maliki, was referred to the Shura council before being suspended and rephrased to favour the federal government. Constitutional Article 110 stipulates a different arrangement for oil management. Rahim detailed how recent delegations repeatedly approached Baghdad, but failed to find financial solutions. This is a conundrum the KRG has suffered for several years, ever since the Gol cut the KRI’s allocation of the federal budget and forced the KRG to cover 70% of its employee salaries. Finally, Rahim accused the Gol of relocating expenditures from the oil industry to avoid sharing income with the KRI, and urged that such issues be highlighted in the dossiers of the next KRG delegation to Baghdad.

The panel discussed the need to review the KRI’s share of the federal budget, and flagged the potential lack of incentives from the federal side - even at the district level - to perform this review. Furthermore, the panel considered the potential repercussions of the current Baghdad protests in the KRI, observing that critical issues had accumulated well before 2003 and had already affected the region through unemployment and a lack of transparency. The KRG will therefore establish a committee and discuss appropriate response strategies with civil society organizations and universities, in coordination with the KRG team in Baghdad.