

THE KURDISH FACTOR IN IRAQ-GULF ARAB STATES RELATIONS

Abstract

The paper aims to study the process of slow-going normalization of the relations of Iraq and the Arab countries of the Persian Gulf and the Kurdish factor in that context. The Kurdish issue is the most complicated problem in Iraq and poses threat to its integrity. Any country that has political and economic interests in Iraq and develops relationship with it also will have to deal with the ethnic and sectarian problems in the country, involving the Kurdish issue. The paper also examines the economic, political interests of the Gulf countries in Iraq and the Kurdish Region. It argues that the current political situation in the Middle East creates opportunities for rapprochement of the sides, however needs special, careful and balanced attitude from Saudi Arabia and other Gulf Arab countries.

Keywords: *Kurds, Gulf states, Iraq, rapprochement.*

The Kurdish factor in Iraq

More than 35 million¹ people live in the Republic of Iraq, 15-20% of which are the Kurds.² The Kurdish Regional Government was established in 1992. Now Iraqi Kurdistan has a status of federal region with broad autonomy based on the constitution adopted in 2005. The geopolitical borders of Iraqi Kurdish factor stretch far beyond the geographical territory of Iraq and impacts on the political situation of the other countries in the region.

Large Kurdish communities settle not only in Iraq, but also in Turkey, Syria and Iran, who claim the right of self-determination, conflicting with the national policies of the states. On their way to self-determination Iraqi Kurds have achieved greater progress than their counterparts living in neighboring countries. The Iraqi Kurdish political elite succeeded in establishing government institutions. Iraqi Kurdistan has regular armed

¹ Iraq, *The World Bank Data*, <http://data.worldbank.org/country/iraq> (accessed March 27, 2018).

² Iraq, CIA, *The World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html> (accessed March 27, 2016).

forces, the personnel of which reach around 100.000.³ The Kurds in Iraq control large oil reserves (more than 45 billion barrels).⁴ The sense of national identity is very strong among the Kurds, they do not identify themselves as Iraqi.

The foreign policy of Kurdistan Regional Government in the Middle East

When the US-led coalition ousted the regime in Iraq, the Kurds played an important role in that campaign. The Kurdish Peshmerga was engaged in ground operations against the Iraqi army. The Kurdish forces captured neighboring territories of the autonomy, including oil-rich fields of Kirkuk. For their support the Kurds ensured larger autonomy and political presence in the central government. The decade of stability in the Kurdish region and high oil prices enabled KRG to boost economy, realize major infrastructure projects.

Iraqi Kurdistan makes efforts to build its own foreign policy and develop economic relations with other countries. The KRG Department of Foreign Relations promotes the interests of the Kurdistan Region and its people in regard to relations with the international community and in accordance with the region's legislation and the Constitution of the Republic of Iraq.⁵ The Kurdistan Region has opened 13 representative offices worldwide, around 30 countries have diplomatic representatives in Iraqi Kurdistan.⁶

Two major economic partners of Iraqi Kurdistan are Turkey and Iran, also having political influence and even military presence in the territory of the autonomy. Along with Turkey and Iran, Saudi Arabia is the third powerful country of the Middle East. Before 1990s Iraq was one of the four strong regional powers. However, Iraq gradually weakened in the last decade of 20th century and finally lost its positions after 2003. After the drop of Iraq the other three countries formed a "triangle of regional hegemons". Iran and Turkey have closer ties with Iraq, while Saudi Arabia's presence in Iraq and in Kurdish region is still insignificant.

³ Peter Beaumont, "How effective is Isis compared with the Iraqi army and Kurdish peshmerga?," *The Guardian*, July 12, 2014, <https://www.theguardian.com/world/2014/jun/12/how-battle-ready-isis-iraqi-army-peshmerga> (accessed July 27, 2018).

⁴ Khalid Al-Ansary, Bruce Stanley, Anthony Di Paola, "Iraq's Kurds Bypass State for Oil Exports to Tighten Control," *Bloomberg*, 14 July 2015, <http://www.bloomberg.com/news/articles/2015-07-14/iraq-s-kurdish-region-exporting-550-600k-b-d-oil-of-own-output> (accessed July 27, 2018).

⁵ Foreign Relations, *Official website of KRG*, <http://cabinet.gov.krd/p/page.aspx?l=12&s=030000&r=318&p=230&h=1> (accessed May 16, 2018).

⁶ "Current Foreign Representations in the Kurdistan Region." *Official website of KRG*, <https://dfr.gov.krd/p/p.aspx?p=37&l=12&s=020100&r=363> (accessed May 16, 2018).

Good relations with the countries of the Middle East are essential to Iraqi Kurdistan, because their stance and goodwill on the aspirations of Kurdish people will be decisive factors for the possible recognition of its independence in the future.

While Iran and Turkey had established their strong presence in Iraqi Kurdistan decades ago, the Kurdish region was not a priority in Saudi Arabia's policy. However, there is a possibility of change of this pattern in the coming years. Riyadh is shifting to more active foreign policy in the Middle East, including in Iraq.

Iraqi Kurdistan seeks to build its own foreign relations independently from Baghdad. Economic deals and political meetings of KRG often cause disapproval and discontent in Baghdad. However, in some cases Iraqi government had no leverages to prohibit separate deals. KRG's foreign policy of establishing relations with other countries and foreign visits of Kurdish officials aim to make the region more independent from the center and prove that it has the capacity to enter into relations with the other states as a key qualification of a sovereign state, as mentioned in the Montevideo Convention on the Rights and Duties of States.⁷

Iraqi Kurdistan needs to gain legitimacy abroad if it sets a goal to become internationally recognized state.

The war against IS has made Iraqi Kurdistan an important actor in the region. On the other side KRG faced political, economic and financial crises caused by high dependence on oil revenues which have plunged more than twice since 2014. Another problem was contradictions with central government in Baghdad, which often did not fully pay 17% of oil revenues fixed in the Iraqi constitution.⁸ Baghdad used this lever against Iraqi Kurdistan.

KRG claimed that it played an essential role in defeating IS in and deserves to declare independence. However, the only country, which openly supports the independence of Kurdistan Region, is Israel.

The Relations of Iraqi Kurdistan and GCC countries

Iran and Turkey are the biggest economic partners of Iraqi Kurdistan. The trade with these countries reaches billions of dollars. Turkish and Iranian companies operate in Iraqi Kurdistan, especially are widely represented in the construction. Turkey and Iran have broad political influ-

⁷ UiO: The Faculty of Law, *Montevideo Convention on the Rights and Duties of States*, <http://www.jus.uio.no/english/services/library/treaties/01/1-02/rights-duties-states.xml> (accessed September 7, 2018).

⁸ Iraqi Constitution, Article 112.

ence in the Kurdish region. The presence of these two countries in Iraqi Kurdistan is explained by historical events and geographical closeness. None of Gulf Arab countries has borders with the Kurdish autonomy. When speaking about the relations of Iraqi Kurdistan and Gulf countries, it should be emphasized, that they are newly emerging and are very limited, but have perspectives to develop.

The UAE has the most extensive diplomatic and political relations with the Kurdistan Regional Government having opened its consulate general there in 2012. The next Gulf Arab country to establish diplomatic representation in Erbil was Kuwait in 2015. Saudi Arabia followed UAE and Kuwait in 2016. Oman, Bahrain, and Qatar still do not have high-level representation with the KRG. The President of Iraqi Kurdistan Masoud Barzani visited a number of Gulf countries in 2015, including Saudi Arabia and the UAE.

UAE is one of the biggest investors in Kurdistan Region. In 2014, Dubai's Chamber of Commerce opened an office in Erbil to support 150 Emirati companies already registered in the Kurdish region.⁹

Qatar is also keen to invest in Kurdistan Region's agriculture sector and import agricultural products since the country suffers food shortage due to the embargo from the Gulf Arab states. A Qatari delegation headed by Deputy Head of Qatar Chamber of Commerce visited the Kurdistan Region and held meetings with the local officials in Kirkuk and Sulaimaniyah governorates and discussed the ways to deepen economic relations.¹⁰

President of Iraqi Kurdistan Masoud Barzani visited Qatar and UAE in 2012 to discuss the events in the region and the broadening of mutual relations between the Kurdistan Region and each of the two countries. Sheikh Mohammad Bin Zayed Al-Nahyan, the Crown Prince of Abu Dhabi reiterated the UAE's desire to invest in Kurdistan Region. President Barzani also met with Prime Minister and Foreign Minister Hamad bin Jassim bin Jaber Al Thani and Crown Prince Sheikh Tamim bin Hamad al-Thani in Doha to discuss means of further developing economic and investment relations.¹¹

Oil resources are another field of interest for Gulf Arab countries. Abu Dhabi National Energy Company, which is also known as Taqa, an-

⁹ Sinem Cengiz, "The Gulf's Stance on the Kurdish Referendum," *Arab News*, September 15, 2017. <http://www.arabnews.com/node/1161761/columns> (accessed June 10, 2018).

¹⁰ Baxtiyar Goran, "Qatar to import from Kurdistan to battle embargo," *Kurdistan 24*, July 26, 2017, <http://www.kurdistan24.net/en/economy/0e3ab29f-b6a9-489f-9bdb-d1d8680cbceb> (accessed June 15, 2018).

¹¹ "President Barzani returns from official visit to the UAE and Qatar," *Official website of KRG*, November 7, 2012, <http://cabinet.gov.krd/a/d.aspx?s=010000&l=12&a=45748> (accessed April 15, 2018).

nounced in 2013, that is going to invest more than \$300 million in the first phase and will produce about 30,000 barrels a day from Atrush field. The deal between the company and KRG was signed in 2012, although the government of Iraq had not approved it.¹²

Another UAE based company Dana Gas and its partners are major producers of natural gas in Kurdistan Region. The companies produced Khor Mor and Chemchemal gas fields produced over 150 million barrels equivalent of gas and petroleum liquids in Kurdistan. In 2013 Dana Gas and its partners filed a case against the KRG in the London Court of International Arbitration accusing it of underpaying for production. Before the independence referendum in 2017 KRG agreed to pay 1 bln dollar to settle the dispute.¹³

In 2018 Pearl Petroleum, the company consortium led by UAE-based Crescent Petroleum and Dana Gas, has signed a 10-year gas sales agreement with Erbil. The company promised to produce 80 million cubic feet of sales gas per day before the end of 2018.¹⁴

Gulf Arab countries-Iraq rapprochement

Gulf Cooperation Council unifies 6 monarchies of the region and sets common goals. However, these countries have different attitudes in regional policy. Saudi Arabia is the leading country of the cooperation with its regional ambitions and rivalry with Iran. Qatar is also conducting active foreign policy. In 2017 Doha's partners accused Qatar of funding radical Islamic groups, cooperating with Iran and imposed harsh sanctions. Kuwait due to its geographical vulnerability conducts a policy of balancing between Iran, Saudi Arabia and Iraq. The UAE is an important hub in the Middle East and is attractive with its huge funds and investments. Bahrain strongly depends on the support of Saudi Arabia in the face of permanent threat from Iran. Oman poses itself as a neutral country. Thus, the Arab countries of the Gulf are too different in their motivation to conduct joint policy toward Iraq.

¹² "UAE company to pump oil in Iraqi Kurdistan," *The Times of Israel*, October 7, 2013, <https://www.timesofisrael.com/uae-company-to-pump-oil-in-iraqi-kurdistan/> (accessed April 28, 2018).

¹³ Dmitri Zhdannikov, "Kurdistan pays \$1 billion to Dana Gas, partners to settle London case," *Reuters*, August 30, 2017, <https://www.reuters.com/article/us-dana-gas-arbitration/kurdistan-pays-1-billion-to-dana-gas-partners-to-settle-london-case-idUSKCN1BA272> (accessed July 30, 2018).

¹⁴ "UAE-led consortium signs gas sales deal with Kurdistan gov't," *Arabian Business*, March 21, 2018, <http://www.arabianbusiness.com/energy/392496-uae-led-consortium-signs-gas-sales-deal-with-kurdistan-govt> (accessed June 12, 2018).

On the contrary, after 2003, Iran has changed its policy from confrontation to cooperation, because it has major strategic interests in the area.¹⁵ The GCC countries and Iraq were not able to establish a constructive relationship. The Gulf countries considered the prime-minister of Iraq Nouri al-Maliki's pro-Iranian proxy and were unwilling to deal with him. This attitude facilitated Iran's involvement in reconstruction and development of projects like the new international airport in Najaf, creation of a free trade zone around Basra.¹⁶

The toppling of Saddam Hussein and the civil war in Iraq changed the paradigm of regional security. Before 2003 Iraq was in an antagonistic relationship with Iran and Saudi Arabia, but after 2003 the country became a stage of competition between them. The country has strategic importance for Iran politically and religiously, as two holy cities of Shia Islam Najaf and Karbala are located in Iraq.¹⁷ Saudi Arabia had fears that Shii forces would strengthen their position too much, and it will harm the interests of the Kingdom in the region.¹⁸

Saudi Arabia's attitude towards the prime minister of Iraq Nouri al-Maliki (2006-2014) was critical. At an international conference in Egypt King Abdallah refused to meet him.¹⁹ Saudi Arabia accused the government of al-Maliki in inability of solving sectarian conflict, oppression against the Sunni population and increasing influence of Iran in Iraq. However, Riyadh did not close the border with Iraq to support the Sunni population.

Saudi Arabia reopened its embassy in Baghdad only in 2015. Now, the decades of estrangement between Iraq and Saudi Arabia seems to close to end. This rapprochement has started since 2015 and is accelerating. The turning point was the resignation of Nouri al-Maliki and Haidar al-Abadi's election as the head of the government.

Saudi-Iranian rivalry involves a number of countries in the region. In Yemen Saudi-led coalition conducts military campaign against Houthi rebels, who receive military and political assistance from Iran. However, military operation is not successful enough. Since the start of the

¹⁵ Barzegar Kayhan, "Understanding the Roots of Iranian Foreign Policy in the New Iraq," *Middle East Policy*, 12(2), (2005): 49-57, <https://www.mepec.org/journal/understanding-roots-iranian-foreign-policy-new-iraq> (accessed May 22, 2018).

¹⁶ Kumar Pradhan Prasanta, "The GCC-Iran Conflict and its Strategic Implications for the Gulf Region," *Strategic Analysis*, 35:2, (2011): 271.

¹⁷ Imran Khan, Why is Iraq so Important to Iran?, *Al Jazeera*, August 10, 2014, <http://blogs.aljazeera.com/blog/middle-east/why-iraq-so-important-iran> (accessed April 07, 2018).

¹⁸ Andrew Terill, "The Saudi-Iranian Rivalry and the Future of Middle East Security," *U.S. Army War College Strategic Studies Institute (SSI)*, (2011): 45., <http://www.dtic.mil/dtic/tr/fulltext/u2/a555137.pdf> (accessed April 22, 2018).

¹⁹ "Iraq-Saudi Relations Hit New Low," *Middle East Online*, May 28, 2009, <http://www.middle-east-online.com/english/?id=32357> (accessed June 9, 2018).

civil war in Syria, Saudi Arabia and Qatar backed opposition and radical groups and initiated expulsion of Syria from the Arab League. After 7 years of war, Bashar al-Asad is still in power with the help of Iran and Russia. In 2018 the people of Lebanon elected parliament for the first time in 9 years, where pro-Iranian forces recorded success. It is clear, that Iranian backed non-state actors, such as Hezbollah in Lebanon, Houthis in Yemen, Shii militias in Iraq are important instruments in Tehran's regional policy and in this regard Saudi Arabia loses advantage to Iran. The new king of Saudi Arabia Salman and the Crown Prince Mohammed bin Salman initiated reforms in the country and are determined to conduct more expansive policy. The limited military opportunities may force Riyadh to focus on the use of soft power.

An example of soft power was the announcement of the UAE, that it would fund the \$50.4 million for the reconstruction of Mosul's Grand al-Nouri mosque. Such gestures could help soften Iraqi antipathy for the kingdom and its Gulf allies.²⁰

The war against the IS has had heavy consequences for Iraq. A number of cities and villages are in ruins and it will be too hard to recover without foreign assistance. Taking into account the current situation in Iraq, the country could be attractive for infrastructure and agricultural investments. Gulf countries may also invest in the stability of Iraq by bridging the opposing groups. The Arab countries of the Gulf are interested in Iraq's stability, as in case of anarchy and fragmentation will pose a direct threat to them.

In 2017 the Prime Minister of Iraq Heidar Al-Abadi paid two visits to Saudi Arabia. The prominent Iraqi Shiite cleric and political leader Moqtada Al Sadr paid a similar visit a month later. The visit was described as a "positive development", and analysts said Al Sadr realized that sectarianism is negatively affecting the future of Iraq, its people and all the Arabs.²¹

The visit of Crown Prince of Saudi Arabia Mohammed bin Salman was announced in media, but was denied in Riyadh. Deputy Minister for Public Diplomacy Affairs at the Foreign Ministry of KSA, Ambassador Osama Ahmed Nugali, made the announcement in April 2018 and emphasized the importance of strengthening Saudi-Iraqi ties.²² Riyadh intended

²⁰ International Crisis Group, "Saudi Arabia: Back to Baghdad," *Report N 186*, May 22, 2018, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/186-saudi-arabia-back-baghdad> (accessed September 7, 2018).

²¹ "Saudi strategy on Iraq can be game changer," *Gulf News*, October 23, 2017, <https://gulfnews.com/news/gulf/saudi-arabia/saudi-strategy-on-iraq-can-be-game-changer-1.2111612> (accessed March 18, 2018).

²² "Saudi Arabia to Open Consulate in Iraq's Basra soon," *Asharq Al-Awsat*, April 11, 2018, <https://aawsat.com/english/home/article/1234451/saudi-arabia-open-consulate-iraqs-basra-soon> (accessed July 16, 2018).

to open another consulate in Najaf and a new border crossing between the countries. Earlier in August 2017, Saudi Arabia and Iraq reopened the Arar crossing for the first time in 27 years.²³

In 2015, Saudi Arabia reopened its embassy in Baghdad after 25 years of absence. In February 2017, Saudi Foreign Minister Adel Al Jubeir visited Baghdad. Three months later, Iraqi President Fuad Masum visited Riyadh to attend the Islamic-Arab-American summit.

Besides expanding its diplomatic presence in Iraq, Saudi Arabia promised large investments in various fields. In April 2018 the government of Iraq announced, that the Saudi-Iraqi Coordination Council is examining an agricultural investment project covering 1 million hectares in Anbar province. The projects of Saudi Agricultural and Livestock Investment Company (SALIC) are expected to create around 60,000 jobs in Iraq.²⁴

Another Saudi company, the Saudi Basic Industries Corporation, one of the world's leading petrochemicals companies, has opened offices in Baghdad and Basra to expand economic exchange between the two countries.²⁵

At the beginning of 2018, a global donor conference was organized in Kuwait. Donors have pledged almost \$30bn to help Iraq rebuild after the defeating the Islamic State. The money is a mix of grants, loans and investment promises, with neighbors Kuwait, Turkey and Saudi Arabia among the biggest donors, along with Qatar.²⁶ Saudi Arabia allocated \$1.5 billion for the reconstruction of Iraq. The pledge from Foreign Minister Adel Al-Jubeir included a \$1 billion loan through the Saudi Fund for Development and \$500 million in export credit. Kuwait pledged it would provide \$1 billion in loans from the Kuwait Fund for Arab Economic Development and \$1 billion in direct investments. Qatar announced \$1 billion in loans and investments. The UAE pledged \$500 million.²⁷ However, the pledged money has not reached even the half of Iraq's needs. Baghdad announced it needs \$88 billion to \$100 billion, but it raised only

²³ Rushdi Al-Ani, "Iraqi envoy: "Saudi Arabia to open two consulates in Basra and Najaf,"" *Arab News*, August 19, 2017, <http://www.arabnews.com/node/1147101/saudi-arabia> (accessed June 8, 2018).

²⁴ "Iraq agriculture projects attract Saudi investments," *The Arab Weekly*, April 15, 2018, <https://theArabweekly.com/iraq-agriculture-projects-attract-saudi-investments> (accessed May 6, 2018).

²⁵ Ali Mamouri, "Saudi Arabia looks to expand its footprint in Iraq," *Al-Monitor*, March 20 2018, <http://www.al-monitor.com/pulse/originals/2018/03/iraq-saudi-basra-najaf.html#ix-zz5GjO5OOOX> (accessed May 1, 2018).

²⁶ Emma Graham-Harrison, "Donor conference pledges \$30bn to help Iraq rebuild after Isis," *The Guardian*, February 15, 2018, <https://www.theguardian.com/world/2018/feb/15/donor-conference-pledges-30bn-to-help-iraq-rebuild-after-isis> (accessed June 18, 2018).

²⁷ Lulwa Shalhoub, "Saudi Arabia to allocate \$1.5 billion for Iraq reconstruction, trade," *Arab News*, February 14, 2018, <http://www.arabnews.com/node/1246236/middle-east> (accessed July 13, 2018).

\$30 billion during the Kuwait International Conference for the Reconstruction of Iraq.²⁸

The process of the normalization, however, does not seem smooth. In August 2016 Iraq asked Saudi Arabia to replace its ambassador in Baghdad Thamer al-Sabhan after his remarks about Iranian-backed “Shia paramilitary units. The ambassador accused them of aggravating tensions with Sunni Muslims. The presence of Sabhan is an obstacle to the development of relations between Iraq and Saudi Arabia”, – responded Ahmed Jamal, Iraq’s foreign ministry spokesman.²⁹

A major obstacle on the way of improving relations between the Gulf Arab states and Iraq is the issue of Kuwait. Kuwait faced territorial claims from Iraq since declaring its independence in 1961. The relations of two countries were relatively stable until the invasion of 1990. After the liberation of country from Iraqi troops Kuwait strengthened ties with the US as Saddam Hussein was still in power. In 2003 Kuwait hosted the majority of the coalition forces which invaded Iraq in March of that year.³⁰ Kuwait appointed its ambassador to Iraq in 2008 and received the ambassador of Iraq in 2010. The period from 2010 to 2013 was fruitful in repairing bilateral relations. In 2012 a Kuwaiti delegation visited Baghdad and the government of Iraq issued a statement emphasizing the necessity of Iraq joining the GCC.³¹

Over the last years the government of Haidar Al-Abadi seems to make steps towards the reconciliation of two countries. In summer of 2017 Al-Abadi visited Kuwait. Before the visit he stressed that his country’s relations with Kuwait have been developed significantly. He also said that would discuss the compensation of the Iraqi invasion in 1990.³²

Qatar like Kuwait had significant participation in Operation Iraqi Freedom of 2003. The country provided its territory and logistical support to US Air Force. After the fall of Saddam’s regime Doha pledged financial assistance for reconstruction of the country. Qatar also provided a

²⁸ Maher Chmaytelli, Ahmed Hagagy, Allies promise Iraq \$30 billion, falling short of Baghdad’s appeal, *Reuters*, February 14, 2018, <https://www.reuters.com/article/us-mideast-crisis-iraq-reconstruction-ku/allies-promise-iraq-30-billion-falling-short-of-baghdads-appeal-idUSKCN1FY0TX> (accessed August 3, 2018).

²⁹ “Iraq asks Saudi Arabia to replace ambassador,” *Al Jazeera*, August 29, 2016, <https://www.aljazeera.com/news/2016/08/iraq-asks-saudi-arabia-replace-ambassador-160829041208479.html> (accessed August 1, 2018).

³⁰ Kenneth Katzman, “Kuwait: Governance, Security, and U.S. Policy,” *Congressional Research Service*, (February 19, 2016): 16.

³¹ “Kuwait stresses necessity for Iraq to join GCC,” *Alsumaria News*, April 27, 2012, <http://www.alsumaria.tv/news/55919/kuwait-stresses-necessity-for-iraq-to-join-gcc/en#> (accessed August 25, 2018).

³² “Iraq seeks developing relations with Kuwait,” *Middle East Monitor*, June 19, 2017, <https://www.middleeastmonitor.com/20170619-iraq-seeks-developing-relations-with-kuwait/> (accessed June 1, 2018).

safe haven for Iraq's Baathists, including several members of his family.³³ Bahrain did not participate in the military operation however expressed willingness to be part of peacekeeping operation after the end of war. Oman was committed to its policy of neutrality and did not participate in the military operation.

After the fall of the Iraqi regime all the states of the region underlined the necessity of protecting the unity, as well as the restoration of the sovereignty of Iraq. The neighboring countries endorsed the establishment of new public authorities, adopt new constitution and hold elections. The Gulf countries stressed that there will be no any interference in Iraq's internal affairs and expressed solidarity to Iraqi people. At the first post-Saddam donor conference for Iraq in the autumn of 2003, Kuwait pledged \$1.5 billion to help reconstruct its former enemy, of which about two thirds was to be in grants and one-third in loans.³⁴

With regard to the relations of Qatar and Iraq, in 2017 Iraqi Foreign Minister Ibrahim Al-Jaafari announced that his country opposes the sanctions of Arab countries imposed on Qatar. "No Arab country should be besieged or encircled, and this year Qatar is certainly better than the previous year," – said the minister.³⁵

The Response of Gulf countries to the referendum of independence in Iraqi Kurdistan

In 2014-2015, when ISIL was occupying large territories in Syria and Iraq, the Kurdish peshmerga was the only force capable of fighting against them. At this stage the Kurds received broad international support. The Kurds started to export their oil independently and negotiate with Baghdad from stronger positions. On the other hand Iraqi Kurdistan's economy was declining because of low oil prices. Intra-Kurdish problems, such as KDP-Gorran rivalry, issue of KRG presidency, were also destabilizing factors. To capitalize foreign support and unify Kurds, the authorities of Iraqi Kurdistan initiated a referendum of independence. However, the major powers and regional countries refused the secession of Iraqi Kurdistan and urged to repeal or postpone the referendum. The Kurds voted for yes, but the legitimacy and results of the referendum have not been recognized. Furthermore, Iraq imposed sanctions and air

³³ Jon Alterman, "Iraq and the Gulf States, The Balance of Fear," *USIP, Special Report*, Washington, 9, <https://www.usip.org/sites/default/files/sr189.pdf> (accessed March 17, 2018).

³⁴ David Pollock, "Kuwait: Keystone of U.S. Gulf Policy," *The Washington Institute for Near East Policy, Policy Focus #76*, November 2007, 13.

³⁵ "FM: Iraq opposes Qatar blockade," *Middle East Monitor*, November 10, 2017, <https://www.middleeastmonitor.com/20171110-fm-iraq-opposes-qatar-blockade/> (accessed June 25, 2018).

blockade against Iraqi Kurdistan, which received support from the international community. It is clear that the unity and stability in Iraq are undisputable for US and regional countries. The United States strongly opposed the referendum in Kurdistan underlining that it would support the territorial integrity of Iraq and the compromise should be found in the frames of Iraqi federalism.

Saudi Arabia, Qatar, Kuwait, Bahrain, UAE expressed concern over the independence referendum in Iraqi Kurdistan and urged to cancel it.

However, there were unconfirmed publications claiming, that UAE and Saudi Arabia supported the Kurds behind the scenes. According to Al-Araby Al-Jadeed newspaper, which quoted an Iraqi official in Baghdad, the UAE Consul in Kurdistan, Rashid Al-Mansouri, visited a polling station in Erbil.³⁶ The Iranian media also reported on the alleged support from Emirati officials to the referendum of independence.³⁷ However, there is no any trustful evidence, which could let insist on any support to Erbil from the Gulf countries.

Saudi Arabia urged Kurdish leaders to call off the referendum. Saudi Arabia's Ministry of foreign affairs announced that it "looks to the wisdom of President Barzani in not holding the referendum."³⁸ Riyadh also offered its mediation between the KRG and the federal government of Iraq for peaceful dialogue.³⁹

The UAE's Minister of State for Foreign Affairs Anwar Gargash wrote in Twitter, that federalism's flexibility and potential, serves as a better alternative than Iraq's separation, especially after looking at the UAE's experience.⁴⁰ After the independence referendum Fly Dubai air company announced, that will stop its flights to Erbil because of the ban on flights imposed by the government of Iraq. Another major air company of the Middle East Qatar Airways also stopped flying Iraqi Kurdistan.

The Kingdom of Bahrain expressed its confidence in the wisdom of the President of the Kurdistan Region of Iraq, Masoud Barzani, and urged not to rush to hold a referendum on the independence in order to avoid

³⁶ "UAE Consul in Kurdistan visits referendum polling station," *Middle East Monitor*, September 26, 2017 <https://www.middleeastmonitor.com/20170926-uae-consul-in-kurdistan-visits-referendum-polling-station/> (accessed June 25, 2018).

³⁷ "Saudi, UAE secretly worked for Kurdistan secession: Report," *Press TV*, October 22, 2017, <http://www.presstv.com/Detail/2017/10/22/539473/Iraq-Kurdistan-Saudi-Arabia-UAE-Iran>, (accessed June 25, 2018).

³⁸ "Saudi Arabia says hopes Kurdistan vote will not take place," *Reuters*, September 20, 2017, <https://www.reuters.com/article/us-mideast-crisis-kurds-saudi/saudi-arabia-says-hopes-kurdistan-vote-will-not-take-place-idUSKCN1BV1L7?il=> (accessed April 11, 2018).

³⁹ "Saudi Arabia 'ready' to mediate Erbil-Baghdad, facilitate dialogue," *Al Arabiya English*, September 17, 2017, <http://www.kurdistan24.net/en/news/0e326994-0de2-40c6-8f6d-a5bdd6000dd8> (accessed May 1, 2018).

⁴⁰ "UAE's Gargash to Kurdistan: Federalism is more viable than separation," *Al Arabiya English*, September 23, 2017, <http://english.alarabiya.net/en/News/gulf/2017/09/23/UAE-minister-Gargash-Federal-system-better-alternative-to-separation-.html> (accessed May 8, 2018).

more risks on the Republic of Iraq, particularly in the current circumstances and challenges facing the region and threatening its people.⁴¹

Kuwait deputy foreign minister Khaled Jarallah told that his country will not take any measures against the Kurdistan Region and called the sides to settle the conflict through dialogue.⁴²

The Gulf Arab states clearly backed Iraq's sovereignty, territorial integrity and called the Kurdish government to cancel the referendum of independence. The stance of these countries demonstrates the importance of good and constructive relations for both sides.

On the other hand, it does not mean, that the attitude towards the independence of Iraqi Kurdistan is inalterable. Moreover, had Iraq lost the war against ISIL, there was a high possibility that Kurdish aspirations of independence would have been encouraged.

In reality, with the support of Shiite militias and US and allies, the army of Iraq held effective campaigns and captured territories under the control of ISIS. Although Riyadh opposed the referendum of independence, we cannot exclude, that the Kingdom will welcome the idea of Iraqi confederation if both Baghdad and Erbil come to agreement. For Saudi Arabia and other Gulf Arab states, considering Iran as a potential threat for them, Iraqi Kurds can become unexpected allies against Iranian influence in the region.

The strengthening of the KRG and the Kurdish position in Iraq in general, has become a powerful strategic interest for Saudi Arabia and the UAE.⁴³

Taking into account that Iraqi Kurdistan is in poor financial situation because of long-lasting low prices of oil, which ensures almost the whole income of the budget, political, military and financial pressure from the government of Iraq, the influence of Turkey and Iran, the Gulf countries can be valuable partners for the Kurdistan Regional Government. The latter needs financial and political assistance to overcome internal crisis and improve relations with Iraq, which deteriorated even more because of the referendum of independence in 2017. The Kurds need regional support and alliances in order to consolidate their status and to continue counterbalancing Shi'i power in Iraq and the expansion of religious radicals. The

⁴¹ "Bahrain confident Kurdistan Region president will not hold independence referendum," *Bahrain News Agency*, September 21, 2017, <http://www.bna.bh/portal/en/news/802493> (accessed April 30, 2018).

⁴² Leyla Shewani, "Kuwait Will Not Take Any Measures against Kurdistan: Kuwaiti Deputy FM," *Basnews*, September 27, 2017, <http://www.basnews.com/index.php/en/news/kurdistan/381741> (accessed August 27, 2018).

⁴³ Hussein Ibish, "The Gulf Arab Countries and the Kurdish Referendum," *Stratfor*, October 4, 2017, <https://worldview.stratfor.com/article/gulf-arab-countries-and-kurdish-referendum> (accessed August 27, 2018).

problems in the region could offer some common ground towards cooperation between the Kurds and the majority of the GCC states.⁴⁴

A balanced policy towards Iraq and Iraqi Kurdistan will allow Saudi Arabia to deepen relations with Erbil and dispel concerns of Baghdad. The confrontation between Iran and Saudi Arabia puts Iraq and other countries of the region under pressure from both sides. Iraqi Kurdistan will face the same problems, if it becomes an independent state. Iraqi Kurdistan will have to conduct a policy of combining the interests of Iran, Turkey and Saudi Arabia, as well as maintain internal stability and consensus between KDP and PUK and other political parties. There is a widely accepted opinion that Kurdish authorities made a mistake by neglecting negotiated solution with Baghdad and focused on international support in their bid of independence. If Kurdish officials agree with this opinion, they will avoid attempts of gaining more autonomy without taking into consideration the interests of the whole country.

Conclusion

The rapprochement of GCC states and Iraq is the logical reflection of ongoing processes in the Middle East. Wars, instability, rivalry, non-state actors are shaking many countries of the region. No one feels secure. The states have to exert maximum efforts to keep the threat away from its borders. Iraq avoids taking sides in regional conflicts and advocates for preserving status-quo in order to keep good relations with the neighbors and prevent sectarian tensions inside the country. In 2017 Iraq showed its neutrality in the conflict between Qatar and Saudi Arabia and some other states.

The Kurdish issue is the most complicated problem in Iraq and poses threat to its integrity. Any country building relationship with Iraq also will have to deal with the ethnic and sectarian problems in Iraq, involving the Kurdish issue.

Iran's and Turkey's policy towards Iraqi Kurdistan is the part of wider Kurdish policy and strategy. Having their own Kurdish issues, Iran and Turkey are reluctant to see a recognized Kurdish state in their neighborhood as it can inspire the Kurds living within their borders. Both keep vigilant eye on the developments in Iraqi Kurdistan and do not restrain themselves from interfering. In contrary to Iran and Turkey, Saudi Arabia or other GCC countries do not have their own Kurdish problem and are relieved of this problem.

⁴⁴ Marianna Charountaki, "The GCC in Kurdish Politics," *Journal of Arabian Studies* 6, no. 2, (2016): 203.

The US and Saudi Arabia are interested in neutralizing Iranian control in the region. For those countries of the Gulf, which are concerned with the growing Iranian influence in the Middle East, Iraqi Kurdistan may be considered as a partner outside of so called Shia Crescent. In its turn Iraqi Kurdistan is in search of allies, inside and outside the region. Partnership and cooperation with the countries of the GCC are very important for the Kurdistan Regional Government. These countries' investments are of crucial importance to recover the economy from recession, realize infrastructure projects.

The visits of Iraqi and Kurdish officials to the Gulf countries, restoration of diplomatic relations, possible Gulf investments in Iraqi reconstruction show yet weak, however sustainable tendency of rapprochement. However, the improvement of relations of Iraq and Saudi Arabia are not irreversible as any careless step may stop the process.

The Kurdish referendum on independence strained the situation in Iraq. The Gulf Arab states defended Iraq's territorial integrity. If Saudi Arabia and its allies are going to be major donors for the reconstruction of Iraq, they also can be mediators between Baghdad and Erbil on the way of de-escalation.

Supporting only Sunni center of Iraq and deepening relations with the KRG without the approval of Baghdad will only make the Iraqi government nervous. The economic and cultural capitals of Gulf Arab countries are the necessary base to build high-trust relationship between the countries and peoples. This strategy will better serve the interests of the Gulf Arab countries. In its turn this can be a solid base to promote its political interests and influence.