



# THE SCHOOL OF PUBLIC POLICY

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## MASTER OF PUBLIC POLICY CAPSTONE PROJECT

Strengthening Bilateral Relations Between Canada and the Kurdistan Regional  
Government of Iraq

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## **CAPSTONE EXECUTIVE SUMMARY**

The Government of Canada has done an inadequate job of extending economic and diplomatic relations with the Kurdistan Regional Government (KRG). While many Western nations, including our closest ally the United States, have extended relations with the Kurds, the Canadian government is lagging behind.

The Kurdish Region in Northern Iraq has risen as a beacon of prosperity within an unstable region and volatile country. It is a pro-Western, democratic region with a growing economy. The Kurds have established diplomatic ties with a number of nations around the world. While Canada is beginning to extend ties with the KRG, including through the opening of a Canada Trade Office in the Kurdish capital Erbil, much more can be done to advance bilateral relations between the two governments.

## MAP OF KURDISTAN REGION OF IRAQ



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<sup>1</sup> Mary Kate Cannistra, "Kurdistan Regional Government Boundary," *The Washington Post*, November 23, 2008, [http://www.washingtonpost.com/wp-dyn/content/graphic/2008/11/23/GR2008112300231.html?sid=ST2008112300239&s\\_pos=list](http://www.washingtonpost.com/wp-dyn/content/graphic/2008/11/23/GR2008112300231.html?sid=ST2008112300239&s_pos=list).

# INTRODUCTION

## Benefit of Canada-KRG Relations

The Kurdistan Region of Iraq (KRI) has developed considerably since the downfall of Iraq's Ba'ath regime in 2003. The KRI has emerged as a beacon of peace and stability in an area overridden by terrorism. There are considerable benefits Canada could gain from strengthening its relations with the Kurdistan Regional Government (KRG). Although these areas, among others, will be discussed in further detail in this paper, a brief introduction to such benefits is provided below.

First, Canada would gain a pro-Western ally in the Middle East, an area overrun by anti-West sentiment. The Kurds have been one of the most reliable and pro-West groups on the ground in Iraq, which has especially been demonstrated since the 2003 Iraq war. The Kurds actively supported and contributed to the American war efforts,<sup>2</sup> and have since been on the forefront of the democratization process in Iraq and in the wider Middle East in general.<sup>3</sup>

Second, Canada would join our closest allies whom already have strong relations with the KRG, specifically the United States and Turkey. While both of these states, in particular Turkey, opposed Kurdish autonomy in the past, today they are close allies of the Kurds in Iraq. For Turkey, in particular, these relations have grown strong in the past

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<sup>2</sup> Kenneth Katzman, *The Kurds in Post-Saddam Iraq*, Washington: Congressional Research Service, 2010, <https://www.fas.org/sgp/crs/mideast/RS22079.pdf>.

<sup>3</sup> Marianna Charountaki, "Turkish Foreign Policy and the Kurdistan Regional Government," *Perceptions* 17 (2012): 187, [http://sam.gov.tr/wp-content/uploads/2013/03/8-Marianna\\_Charountaki.pdf](http://sam.gov.tr/wp-content/uploads/2013/03/8-Marianna_Charountaki.pdf).

few years as a result Recep Tayyip Erdogan's ruling under the Justice and Development Party (AKP).<sup>4</sup>

Since the AKP Government took power, the KRG and Turkey have become close allies. This includes in business, where trade and investment from Turkey have contributed to the growth of the Kurdistan Region. In matters of security and intelligence, the KRG works closely with Turkey to share information that is significant for Turkish interests. Additionally, while Turkish relations were at its worst with central Iraq during the ruling of Prime Minister Nouri al-Maliki, they grew stronger than ever with KRG President Massoud Barzani.<sup>5</sup>

Third, the progress that has been made in the Kurdistan Region is unlike anything in the rest of Iraq. The KRG is a striving region with "functioning democratic institutions, a vibrant civil society and an independent media."<sup>6</sup> Although corruption exists, the region is still better than other nearby states.<sup>7</sup>

Finally, the KRG economy has been growing rapidly over the past several years, and there are significant potentials for Canadian businesses to profit from an increased KRG-Canadian relation. This growth has been bolstered by the large reserves of oil and

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<sup>4</sup> Peter Galbraith, "House of Kurds," *POLITICO Magazine*, June 17, 2014, <http://www.politico.com/magazine/story/2014/06/iraq-independent-kurdistan-107958.html#.VYCltOwwF>.

<sup>5</sup> Ibid.

<sup>6</sup> David L. Phillips, "Looking for Friends in the Middle East: Try the Kurds," *The World Post*, September 25, 2012, [http://www.huffingtonpost.com/david-l-phillips/iraqi-kurds\\_b\\_1912568.html](http://www.huffingtonpost.com/david-l-phillips/iraqi-kurds_b_1912568.html).

<sup>7</sup> Ibid.

gas that have been discovered in the Kurdistan Region, which has attracted investments from multiple nations.<sup>8</sup>

## **Current Status of Canada-Iraq/KRG Relations**

After 25 years,<sup>9</sup> Canada reestablished relations with Iraq in 2013 through the opening of a diplomatic mission in Baghdad. The goal of the mission, according to the Canadian government, is to:

[C]ontribute to Canada's economic prosperity through the expansion of the Canadian-Iraqi trade and investment relationship; to promote good governance, democracy, pluralism and respect for human rights in Iraq; and to support Canada's contributions to effective global governance and international security.<sup>10</sup>

Since the fall of Saddam Hussein, Canada has actively provided financial assistance to Iraqis for humanitarian and rebuilding efforts. From 2003 to 2010 Canada provided the Iraqi government with \$300 million worth of aid. Canada has also made important contributions to the resettlement of Iraqi refugees, and by the end of 2013 resettled 18,200 Iraqi refugees. The Canadian government continues its financial and humanitarian assistance to Iraq today, which has especially been vital since the rise of ongoing violence in the region, which has spurred an increase in internally displaced peoples and refugees.<sup>11</sup>

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<sup>8</sup> Ibid.

<sup>9</sup> Tessa Manuello, "Erbil Mission to Boost Canadian Business Opportunities in Kurdistan, Iraq," *Rudaw*, May 11, 2014, <http://rudaw.net/english/kurdistan/11052014>.

<sup>10</sup> "Canada-Iraq Relations," Government of Canada, last updated July 2014, [http://www.canadainternational.gc.ca/jordan-jordanie/bilateral\\_relations\\_bilaterales/canada-iraq.aspx?lang=eng&menu\\_id=8](http://www.canadainternational.gc.ca/jordan-jordanie/bilateral_relations_bilaterales/canada-iraq.aspx?lang=eng&menu_id=8).

<sup>11</sup> Ibid.



Canadian-Iraqi commercial ties are significant, with Iraq being Canada's "second largest two-way trading partner in the Middle East" in 2013.<sup>12</sup> Bilateral trade between the two nations totalled \$3.4 billion in that year. Moreover, it is estimated that the interests of Canadian oil companies in Iraq amount to over \$750 million.<sup>13</sup> Additionally, in 2012 Canada imported \$4 billion in oil from Iraq, while it exported \$400 million worth of products to Iraq, the majority of which was wheat.<sup>14</sup>

Canadian companies have also established investment and business efforts in the Kurdistan Region. To help with these efforts the Canadian government established a Trade Representation Office in the KRG capital of Erbil in 2014.<sup>15</sup> The goal of the Trade Office is to expand commercial Canadian ties with the Kurdistan Region and the rest of Iraq. According to the Canadian government, the Trade Office in Erbil "will serve as a gateway for expanding dialogue between Canada and Iraqi Kurdistan."<sup>16</sup>

It is clear that the Canadian Government understands the importance of extending ties with the KRG. This was made evident when Canada's Ambassador to Iraq, Bruno Saccomani, commented on Canada's slow pace of engagement with the Kurdistan Region compared to other nations. As Saccomani stated in reference to the opening of the Trade Office, Canada would finally be brought up "to speed with other

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Sophie Muller, "Canadian businesses take notice of Arab world," *The Globe and Mail*, February 6, 2014, <http://www.theglobeandmail.com/report-on-business/canadian-businesses-take-notice-of-arab-world/article16735850/>.

<sup>15</sup> "Canada-Iraq Relations," Government of Canada.

<sup>16</sup> "Canada Opens New Trade Office in Northern Iraq," Foreign Affairs, Trade and Development Canada news release, last updated February 13, 2014, on the Government of Canada website, <http://www.international.gc.ca/media/comm/news-communiques/2014/02/13a.aspx?lang=eng>.

countries that already have ties with Kurdistan.”<sup>17</sup> Indeed, Canada’s attempts at increasing relations with the Kurdistan Region were demonstrated this year when Prime



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Minister Stephen Harper formally met with KRG President Massoud Barzani. The two leaders discussed Canada’s current security contributions to the Kurdish forces, the *peshmerga*, in their fight against the Islamic State of Syria and Iraq (ISIS), as well as Canada's ongoing humanitarian and development assistance to the region.<sup>19</sup>

## Core Question

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<sup>17</sup> “Canada to strengthen ties with Kurdistan Region and open embassy office,” Kurdistan Regional Government, Last updated October 10, 2013, <http://cabinet.gov.krd/a/d.aspx?l=12&a=49398>.

<sup>18</sup> Canada Opens New Trade Office,” Government of Canada.

<sup>19</sup> “Prime Minister Stephen Harper Meets with the President of the Iraqi Kurdistan Region Masoud Barzani,” Prime Minister of Canada Stephen Harper, May 2, 2015, <http://pm.gc.ca/eng/news/2015/05/02/prime-minister-stephen-harper-meets-president-iraqi-kurdistan-region-masoud-barzani>.

The core question that will be addressed in this paper is: Why should Canada strengthen relations with the KRG, and what steps can Canada take to do so?

## LITERATURE REVIEW

### The Kurdistan Regional Government of Iraq: An Overview

The Kurdistan Region has prospered significantly since the downfall of Saddam Hussein in 2003. The Kurds in Northern Iraq have “made significant achievements in securing their rights.”<sup>20</sup> While the rest of Iraq was overridden with security threats and civil war, the Kurdistan Region remained peaceful and prosperous in comparison.<sup>21</sup>

The KRG as an entity was established in 1992.<sup>22</sup> It arose with the establishment of a no-fly zone in Northern Iraq. The international community put in place the no-fly zone because of fears that Saddam Hussein would recommit atrocities against Iraq’s Kurds,<sup>23</sup> which would lead to a “second refugee crisis” after Saddam’s 1988 “Anfal campaign” and the 1991 Kurdish uprising against the regime.<sup>24</sup> The KRG was formally recognized in the Iraqi Constitution of 2005, giving it “constitutional legitimacy as a constituent state in a democratic, federal Iraq.”<sup>25</sup> The constitution also included key

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<sup>20</sup> Kerim Yildiz, *The Kurds in Iraq: The Past, Present, and Future*, (London: Pluto Press, 2004), 1.

<sup>21</sup> Michael M. Gunter, “Unrecognized De Facto States in World Politics: The Kurds,” *Brown Journal of World Affairs* 20 (2014): 169, <http://www.brown.edu/initiatives/journal-world-affairs/202-spring-summer-2014/unrecognized-de-facto-states-world-politics-kurds>.

<sup>22</sup> Ibid, 166-167.

<sup>23</sup> Benjamin Case and James Siebens, “Kurdistan in Iraq: History and Future Prospects,” *THINK International and Human Security*, (2012): 4, <http://www.thinkihs.org/wp-content/uploads/2012/01/Case-Siebens-Kurdistan-2012.pdf>.

<sup>24</sup> Charountaki, “Turkish Foreign Policy,” 186-187.

<sup>25</sup> Gunter, “Unrecognized De Facto States,” 166-167.

articles for the Kurds, of which included: independent development of natural resources to regions; the articulation of how disputed territories would be resolved;<sup>26</sup> the right of the KRG to the command and control their military forces, the *peshmerga*;<sup>27</sup> allowing the KRG to set up embassies abroad; and adding Kurdish to the official language of Iraq.<sup>28</sup>

Along with ruling autonomously in the North of Iraq, the Kurds are also key players within the central government. Since the fall of Saddam in 2003, the Kurds have held key positions in Baghdad. For example, Kurdish leader Jalal Talabani held the position of Iraqi President from 2005 to 2014, while Hoshiyar Zebari held the position of Foreign Minister from 2003 to 2014. As Michael Gunter notes, the current power the Kurds hold in Iraq “stands in mark contrast to the situation that existed before the 1991 Gulf War and the 2003 U.S. invasion of Iraq,” when the Kurds endured substantial human rights abuses by the hands of the central government.<sup>29</sup>

When the KRG first emerged, however, it was burdened because of antagonism from surrounding states, as well as from the state within which it functioned, to recognize Kurdish rule. Despite this, today the Kurds have close trade relations with these same neighbours and are key players within Iraq. The KRG receives 17 percent of the national budget in Iraq, and the KRI profits significantly from trade with Turkey.<sup>30</sup>

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<sup>26</sup> Gareth Stansfield, “The unravelling of the post-First World War state system? The Kurdistan Region of Iraq and the transformation of the Middle East,” *International Affairs* 89(2013): 270-271.

<sup>27</sup> Jim Zanottie and Kenneth Katzman, *The Kurds and Possible Iraqi Kurdish Independence*, Washington: Congressional Research Service, 2014, 1-2, <http://fas.org/sgp/crs/mideast/IN10105.pdf>.

<sup>28</sup> Katzman, *The Kurds*, 3.

<sup>29</sup> Gunter, “Unrecognized De Facto States,” 166-167.

<sup>30</sup> Ibid, 168-69.

Moreover, as a result of the successes that have been made in the Kurdistan Region, the Kurds have “received a whopping vote of confidence in their nascent economy from some of the world’s largest oil companies,”<sup>31</sup> including from Canada’s own Talisman Energy Inc., as well as Western Zagros Resources Ltd.<sup>32</sup>

On the ground, the KRG operates as a fully functioning *de-facto* state. It has democratic rule with elected leaders and a parliament independent of the central government; it bears its own flag; has its own national anthem; has a distinct language, which is also the language used in its educational institutions; has its own airports, where a KRG stamp is used in passports over the Iraqi stamp; and is protected by its own security forces.<sup>33</sup>

This *de-facto* status is further emphasized by the fact that KRG leaders are actively involved in diplomacy efforts with other states.<sup>34</sup> The KRG not only controls the borders that surround it within Iraq through their own military and police forces, but are in charge of their international borders alongside the nation-states of Iran, Turkey, and Syria — whom the Kurds also pursue bilateral relations with. Additionally, the KRG maintains control of several oil and gas fields within their territory, and have used these resources to expand their economy and increase trade relations with its close neighbours.<sup>35</sup> In particular, Turkey is the largest trading partner and foreign investor in

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<sup>31</sup> Joost R. Hiltermann, “Revenge of the Kurds: Breaking Away From Baghdad,” *Foreign Affairs* 91(2012): 16.

<sup>32</sup> Jeff Lewis, “Two Calgary companies go elephant hunting in Kurdistan,” *Alberta Oil Magazine*, February 25, 2013, <http://www.albertaoilmagazine.com/2013/02/live-from-kurdistan-oil/>.

<sup>33</sup> Gunter, “Unrecognized De Facto States”, 170.

<sup>34</sup> Stansfield, “The unravelling,” 270.

<sup>35</sup> Benjamin and Siebens, “Kurdistan in Iraq,” 5.

the KRG, and they hold a considerable interest in Kurdish oil and gas resources.<sup>36</sup>

Finally, the KRG maintains strong diplomatic ties in the international arena, with representation offices in 14 states around the world.<sup>37</sup>

Clearly, the Kurds of Iraq, with their increasing power within the central government, self-rule in the North, and alliances with neighbouring and international states, are a strategic player in the Middle East that cannot be ignored.<sup>38</sup> Functioning as a “state-like entity”, the Kurdistan Region is already changing the structure of relations within the Middle East and beyond.<sup>39</sup>

## **METHODOLOGY**

### **Project Research/Analytical Design**

This paper uses a qualitative analysis to address the benefits to Canada for strengthening relations with the Kurdistan Region, as well setting policy steps as to how the Canadian Government may do so. A detailed review of relevant academic and non-academic sources was used in order to arrive at the conclusions in this paper. Important non-academic sources included documents from the Government of Canada, the Kurdistan Regional Government, as well as reports from the US Government and its think-tanks.

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<sup>36</sup> Zanottie and Katzman, *The Kurds*, 2.

<sup>37</sup> “KRG offices abroad,” Kurdistan Regional Government, last updated July 10, 2015, <http://dfr.gov.krd/p/p.aspx?p=40&>.

<sup>38</sup> Gunter, “Unrecognized De Facto States,” 176.

<sup>39</sup> Stansfield, “The unravelling,” 259-260.

A noteworthy report that was used to understand relevant policy goals of the Canadian government was the Government of Canada's Standing Senate Committee on Foreign Affairs and International Trade report titled *Building Bridges: Canada-Turkey Relations and Beyond*.<sup>40</sup> This document was useful as it allowed me to see first-hand the important steps that the Canadian government seeks to take in strengthening relations with our close allies. Moreover, because Turkey is a close ally to the KRG, and the two regions share the same border, the report was all the more applicable and relevant. This is particularly true considering the lack of information that exists from the Canadian government on the KRG in specific, and more broadly on Iraq, as a result of Canada just recently re-extending ties with the region.

## **Limitations**

As a result of the very recent extension of relations between Canada and Iraq/the KRG, relevant and updated statistics and sources on Canadian relations with the region were very limited. This is the first limitation that I came across in my research. Moreover, even where information existed, finding the details of the current status of many joint operations with the two states was difficult to come across. For example, although the Canadian government announced the opening of a Trade Office in the KRG capital of Erbil last year, finding updated information on the status and progresses made as a result of the opening of this office was very difficult. In general, there seems to be a lack of information on how and in what way the Canadian government is furthering its ties

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<sup>40</sup> Canada, Parliament, Senate, Standing Senate Committee on Foreign Affairs and International Trade, *Building Bridges: Canada-Turkey Relations and Beyond*, June 2013, <http://www.parl.gc.ca/Content/SEN/Committee/411/aefa/rep/rep13jun13-e.pdf>.

with the KRG. The only clear-cut information that I was able to come across in this regard was the support that Canada is offering to the KRG in their fight against ISIS.

A second and important limitation to my research is due to the status of the KRG as a *de facto* state. Since the Kurdistan Region is not an official nation-state, finding individual data and sources of information on the KRG alone was very difficult. Most of the data mentions the KRG, but the information itself is based on Iraq as a whole. Moreover, because the KRG has only gained administrative powers within the last decade, information on the region is limited to this time frame. I was able to overcome this limitation, however, by using information distributed from the KRG itself, as well as turning to key academics and scholars that have written extensively on the Kurdistan Region.

## **FINDINGS**

### **KRG Relations with Canadian Allies: the USA and Turkey**

While in the past, and indeed even directly following the American invasion of Iraq, the KRG dealt with heavy opposition from its close neighbours, today the situation has drastically changed. In particular, Turkey, who opposed any mention of Kurdish autonomy alongside its borders, is today one of the most important allies to the Kurdistan Region. Furthermore, while Iraq, Iran, Syria, and Turkey joined in opposition against Kurdish autonomy in the past, this is no longer the case.<sup>41</sup>

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<sup>41</sup> Gunter, "Unrecognized De Facto States," 176.



The Kurdistan Region's alliance with Turkey is especially significant for the US, who sought to increase unity between the two.<sup>42</sup> As a North Atlantic Treaty Organization (NATO) member, Turkey is a significant strategic ally for the Americans. The KRG is also an important friend to the US, and in fact the Kurds were key partners to the Americans during the 2003 war in Iraq. In fact, the KRG extended its help to the Americans in their efforts to oust Saddam, while its NATO ally Turkey stood by. Indeed, it was because Turkey denied the Americans the use of its "territory as a base for a northern front to attack Saddam Hussein in March 2003," that the Kurdish-US alliance emerged.<sup>43</sup> As a result of Turkey's refusal to help the American war efforts, the Americans turned to the territory of the Kurdistan Region, and to the Kurds, to topple Saddam.<sup>44</sup> On account of their favourable stance towards the Americans during and following the Iraq war, today the KRG "remains valued in the US as a rare friendly face in a frequently hostile region."<sup>45</sup>

Not only does the US see the Kurds as valuable partners within the wider Middle East, but as important and key players in maintaining Iraqi peace and stability. Since the Kurdistan Region has been the true success story in Iraq following the overthrow of Saddam, it is no wonder that the Americans view Kurdish cooperation in Iraq as important for the "successful implementation of security and strategic framework

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<sup>42</sup> Bill Park, "Turkey, the US and the KRG: Moving Parts and the Geopolitical Realities," *Insight Turkey* 14(2012): 112, [http://file.insightturkey.com/Files/Pdf/insight\\_turkey\\_vol\\_14\\_no\\_3\\_2012\\_park.pdf](http://file.insightturkey.com/Files/Pdf/insight_turkey_vol_14_no_3_2012_park.pdf).

<sup>43</sup> Michael M. Gunter, "The Five Stages of American Foreign Policy towards the Kurds," *Insight Turkey* 13 (2011): 93-101, [http://file.insightturkey.com/Files/Pdf/insight-turkey\\_vol\\_13\\_no\\_2\\_-2011\\_gunter.pdf](http://file.insightturkey.com/Files/Pdf/insight-turkey_vol_13_no_2_-2011_gunter.pdf).

<sup>44</sup> Ibid.

<sup>45</sup> Park, "Turkey, the US, and the KRG," 112.

agreements between the United States and Iraq, and essential for a unified and peaceful Iraq.”<sup>46</sup>

Another important aspect to the US partnership with the KRG, is the status of KRG-Turkish relations. The US encouraged a stronger alliance between the two entities in the aftermath of the Iraq war, and worked hard to create strong relations between the Kurds and Turks “out of fear of a Turkey-KRG conflict.”<sup>47</sup> In fact, the realization of the growing alliance between the US and the KRG, as well as the growing independence of the oil-rich Kurdistan Region from central Iraq, were some of the reasons that Turkey sought a more open and direct relationship with the Kurdistan Region. Beginning in 2008 the Turkey-KRG relationship transformed into a close partnership whereby relations between the two became “official, direct and institutionalised [*sic*].”<sup>48</sup>

Turkish policy towards the Kurds has particularly changed since Recep Tayyip Erdogan’s Justice and Development Party (AKP) assumed leadership. Prior to 2007 Turkey was submerged in anti-Kurdish sentiment. Turkish leaders did not interact with the KRG at high-levels, nor recognize Kurdish autonomy. Rather, the Turks were preoccupied with their fight against the Kurdistan Workers Party (PKK), and in blocking Iraq’s Kurds from gaining independence. Erdogan dramatically changed Turkish policy

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<sup>46</sup> Gunter, “The Five Stages,” 94.

<sup>47</sup> Soner Cagaptay and Tyler Evans, Turkey’s Changing Relations with Iraq: *Kurdistan Up, Baghdad Down*, Washington: The Washington Institute for Near East Policy, 2012, 1, <http://www.washingtoninstitute.org/policy-analysis/view/turkeys-changing-relations-with-iraq-kurdistan-up-baghdad-down>.

<sup>48</sup> Charountaki, “Turkish Foreign Policy,” 94-200.

towards the Kurds by removing the overbearing power of the military and “dismantl[ing] the deep state.”<sup>49</sup>

With the deep state disassembled, Erdogan was able to carry out positive relations with the KRG. Since this time, Turkish companies have invested heavily in the KRG (particularly in the hydrocarbons sector), there have been pipelines built in order to export Kurdish oil to Turkey, and energy deals have been negotiated between the Turks and Kurds.<sup>50</sup> In 2010, public displays of mutual relations between the regions began when KRG President Massoud Barzani was formally invited to Turkey. Shortly after Barzani’s trip, Turkey established a consulate office in the KRG capital.<sup>51</sup> In 2013 Barzani visited Diyarbakir, one of the largest Kurdish cities in Turkey, where he and Erdogan echoed messages of peace. The image of the two leaders standing side-by-side and greeting the crowd in Diyarbakir (seen below) was significant as it demonstrated the extent to which Kurdish-Turkish relations have progressed.<sup>52</sup>

It is important to understand the mutual benefits to both Turkey and the KRG for pursuing relations in order to grasp the depth of the partnership. First, Turkey-KRG relations are based on mutual economic interests. For the Turks, who rely on imported sources of energy, their relationship with the states which they were importing from were becoming increasingly strained. In 2011, this included Iran (51 percent), Iraq (17

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<sup>49</sup> David Romano, “Iraqi Kurdistan and Turkey: Temporary Marriage?,” *Middle East Policy* 22 (2015): 89-91, <http://www.mepc.org/journal/middle-east-policy-archives/iraqi-kurdistan-and-turkey-temporary-marriage>.

<sup>50</sup> Ibid.

<sup>51</sup> Cagaptay and Evans, *Turkey’s Changing Relations with Iraq*, 7.

<sup>52</sup> Umut Uras, “Kurdish leader makes historic Turkey visit,” *Aljazeera*, November 20, 2013, <http://www.aljazeera.com/indepth/features/2013/11/kurdish-leader-makes-historic-turkey-visit-201311208312697500.html>.

percent), and Russia (12 percent). In the case of Iraq, it made sense for Turkey to



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pursue Kurdish oil because the two regions already share a common border, and if the Turks bought oil from the central government it would still have to pass through the autonomous Kurdish Region. Also, because the KRG and Baghdad were not able to reach a common solution over the oil dispute, the Turks decided to pursue a KRG deal because of their growing domestic energy demands.<sup>54</sup>

The Kurds, who understood the value of extending ties with Turkey,<sup>55</sup> have for their part been actively seeking a partnership with the Turks since 2003. The KRG relies on Turkey as an exporter of their hydrocarbons and to get their oil and gas resources to

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<sup>53</sup> Ibid.

<sup>54</sup> Romano, "Iraqi Kurdistan," 91-93.

<sup>55</sup> Charountaki, "Turkish Foreign Policy," 196.

the international market.<sup>56</sup> Moreover, in order to strengthen its relations with the Turks,<sup>57</sup> the Kurds at the outset provided Turkish businesses with beneficial incentives for investment. These factors have allowed the Kurdistan Region to grow at an exceptional rate. Today, as a result of the ISIS takeover of a considerable portion of Iraqi territory, Turkish business efforts in trade with the rest of the country have become blocked. The Kurdistan Region stands as the only viable economic route connected to Turkey, an area where, as David Romano notes, “70 percent of Turkish investments were made, in any case.”<sup>58</sup>

A second factor pushing the Turks to pursue active relations with the KRG relates to Turkey’s internal Kurdish problems. The KRG was able to help the Turks make more progress with their PKK conflict than they had made since they began their counterinsurgency against the group in 1984. When the KRG acted as a mediator Turkey’s 2013 peace talks with the group, the PKK agreed for the first time since it started its insurgency in 1984 to remove its forces from Turkish territory. The KRG and Turkey have been pursuing mutual strategic goals, representing how intertwined their relationship has become.<sup>59</sup>

A third factor in the Turkish-KRG alliance relates to the benefits for Turkish foreign policy. First of all, the influential role that Massoud Barzani has in Kurdish issues in the remaining two Kurdish occupied states of Iran and Syria is a significant factor for the Turks. Of particular importance to the Turks recently has been Barzani’s influence

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<sup>56</sup> Ibid, 95-99.

<sup>57</sup> Cagaptay and Evans, *Turkey’s Changing Relations with Iraq*, 1.

<sup>58</sup> Charountaki, “Turkish Foreign Policy,” 95-99.

<sup>59</sup> Ibid, 97.

with Kurdish groups in Syria,<sup>60</sup> who have made significant gains on the ground and today control portions of territory alongside the Turkish border.<sup>61</sup> Turkey's fears of a new PKK frontier emerging in Syria pushed Barzani to broker talks with Syria's Kurdish groups, and led the dominant Syrian-Kurdish faction, the Democratic Union Party (PYD), to renounce the support it had previously given to the PKK. As a result of the power Barzani has within the wider Kurdish population, Turkey sees the leader of the KRG as a "key ally in shaping the Syrian-Kurdish opposition."<sup>62</sup>

Other significant foreign policy concerns for the Turks include the fact that the Kurds represent the only Sunni faction and partner on Turkey's border against the states of Iran, Syria, and Iraq.<sup>63</sup> Turkey believes these states are involved in an "Iranian-led Shiite axis forming to its south," which makes the Kurds an important ally on this front.<sup>64</sup> Finally, since Turkish relations have significantly strained with Baghdad, Syria, Iran, Egypt, and Israel, the Kurds remain "one of the few neighbors [*sic*] Turkey still has no problems with."<sup>65</sup> As a result of the factors mentioned in this paper, it is safe to conclude that the relationship between Turkey and the KRG will be a long lasting one.<sup>66</sup>

## **KRG Economic and Social Developments**

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<sup>60</sup> Charountaki, "Turkish Foreign Policy," 200.

<sup>61</sup> "Islamic State conflict: Kurds reclaim Ain Issa in Syria," BBC, last updated July 8, 2015, <http://www.bbc.com/news/world-middle-east-33450511>.

<sup>62</sup> Cagaptay and Evans, Turkey's Changing Relations with Iraq, 7.

<sup>63</sup> Charountaki, "Turkish Foreign Policy," 195-197.

<sup>64</sup> Cagaptay and Evans, Turkey's Changing Relations with Iraq, 1.

<sup>65</sup> Romano, "Iraqi Kurdistan," 97.

<sup>66</sup> Ibid, 100.

Since 2003<sup>67</sup> the KRG has developed as a beacon of property, and has been boasted as “The Other Iraq” by its leaders. In addition to being safe and secure from the ongoing violence taking over the rest of the country, the Kurdistan Region has established itself as an economically successful area.<sup>68</sup> As Jonathan Andrews notes, the KRG has “moved from a forgotten backwater to a rising Middle Eastern investment and trade hotspot.”<sup>69</sup> In fact, the KRG capital of Erbil was ranked as one of the top five Middle Eastern cities for foreign direct investment opportunities by FDI Magazine in 2011. The growing foreign investment in the KRG is aided by Region’s “progressive investment law, free-market practices and excellent security situation.”<sup>70</sup>

In order to attract investment in the Kurdistan Region, the KRG implemented the 2006 Investment Law.<sup>71</sup> Among other beneficial provisions, the law gives investors: “total ownership of project land” (excluding areas with hydrocarbons); a ten year tax exemption; equal treatment of investor and their capital to that of local constituents and local capital; and a five year custom duty tax exemption on imports of raw materials.<sup>72</sup> In 2013, there were 20 countries that invested in the KRG, with “Turkey, Lebanon, the Gulf

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<sup>67</sup> Jonathan Andrews, “Kurdistan paves the way as a regional investment choice,” *The Report*, September 19, 2013, <http://www.the-report.net/iraq/kurdistan-region-sep2013/667-investmenet-kurdistan-paves-the-way-as-a-regional-investment-choice>.

<sup>68</sup> Michael M. Gunter, “Iraqi Kurdistan’s two contrasting economic images,” *International Journal of Contemporary Iraqi Studies* 6 (2012): 89-90, doi: 10.1386/ijcis.6.1.89\_1.

<sup>69</sup> Andrews, “Kurdistan paves the way.”

<sup>70</sup> Gunter, “Iraqi Kurdistan,” 89-90.

<sup>71</sup> Andrews, “Kurdistan paves the way.”

<sup>72</sup> “Summary,” Kurdistan Board of Investment, <http://www.kurdistaninvestment.org/summary.html>.

states and Egypt” holding a majority of shares.<sup>73</sup> Moreover, in that same year there were 1,600 foreign and 11,000 local companies with business operations in the Kurdistan Region. Chairman of KRG’s Board of Investment, Herish Muharam, stated that the Kurdistan Region offers high incentives for investors compared to other nations in the Middle East, and that alongside financial investments, the Kurds were seeking to gain “knowhow, experience, and technology” that would contribute to the long-term development of the KRG.<sup>74</sup>

Besides internal investments in the KRG, the Kurds also receive 17 percent of Iraq’s annual budget. Oil companies operating in the Kurdistan Region are also paid by the Iraqi government for their production costs and a portion of their revenues. The KRG produces its own hydrocarbons in accordance with Article 115 of the Iraq’s Constitution, which articulates the power of regions over federal legislation. Additionally, since the constitution does not mention undeveloped and new oil field discoveries, Iraq’s regions have jurisdiction over these territories.<sup>75</sup>

In 2011, the KRG reported that it had control over “45 billion barrels of oil reserves.”<sup>76</sup> This figure would make the KRG sixth among the world’s largest oil reserves if it operated as an independent nation.<sup>77</sup> In June of this year, the Kurds

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<sup>73</sup> Andrews, “Kurdistan paves the way.”

<sup>74</sup> Ibid.

<sup>75</sup> Gunter, “Iraqi Kurdistan,” 90.

<sup>76</sup> Ibid.

<sup>77</sup> Ibid.



reported production levels of approximately 570,000 bpd,<sup>78</sup> while the KRG also has the capacity to produce 100-200 billion cubic feet of “non-associated natural gas.”<sup>79</sup>

In addition to investments in the hydrocarbons sector, there are other areas in the KRG economy that they are eager for Western businesses to take note of. While investments in housing and urban development has been high for the Kurdistan Region, the KRG has been seeking to attract international investors towards “its underdeveloped sectors of industry, education, tourism, agriculture, and healthcare.”<sup>80</sup> Already, the United Kingdom contributed to such efforts by helping “100 British companies visit Kurdistan” with a focus on “trade and investment in agriculture, education, and healthcare.”<sup>81</sup>

Canadian companies too have noticed the developments taking place in the Kurdistan Region. As early as last year, 10 Canadian companies visited the region as part of a “mission organized by the Canadian-Arab Business Council (CABC).”<sup>82</sup> The trip coincided with Canada’s reestablishment of diplomatic relations with Iraq and opening of a Trade Office in the KRG capital of Erbil. The launch of the Trade Office is beneficial for Canadian business interests in the Kurdistan Region as it will help Canadian companies seeking to do business in the KRG, and also help businesses in the region “interested in trade and investment opportunities in Canada.”<sup>83</sup> The opening of

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<sup>78</sup> “June Report — KRG increases its direct oil sale,” Kurdistan Regional Government, last updated July 6, 2015, <http://gov.krd/a/d.aspx?s=010000&l=12&a=53521>.

<sup>79</sup> Gunter, “Iraqi Kurdistan,” 90.

<sup>80</sup> Andrews, “Kurdistan paves the way.”

<sup>81</sup> Ibid.

<sup>82</sup> Muller, “Canadian businesses.”

<sup>83</sup> Ibid.

the Canada Trade Office in the Kurdistan Region was significant as it showed the positive view Canada has of the KRG as an “economic hub” and “land of opportunities for Canadian firms.”<sup>84</sup> Indeed, there are numerous Canadian companies already operating in the KRG, including Talisman Energy Inc., Western Zagros Resources Ltd., and ShaMaran Petroleum.<sup>85</sup>

Other economic developments in the KRG include the growth in trade between Turkey and the KRG, which was projected to reach \$20 billion from \$6 billion in 2010. The KRG has developed in other fronts as well, including with progress made in information technology, cell phone services, and growth in available electricity—although internet services remain underdeveloped. In electrical developments, the energy capacity of the KRG is so that some have argued that the KRI could become a “net exporter of electricity.”<sup>86</sup> The increasing availability in electricity contributes to “standard of living, employment opportunities and leads to improved goods and services.”<sup>87</sup> The Kurdistan Region also has an abundance in their supply of water, as five main rivers flow through the KRI and connect to the Tigris, with “three major dams control[ing] and regulat[ing] these rivers.”<sup>88</sup>

There are several other areas of the KRG that are developing as well. This includes the tourism industry, which is helped by the fact that the Kurdistan Region gained recognition from the *New York Times* and the *National Geographic* as one of the

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<sup>84</sup> Manuello, “Erbil Mission to Boost.”

<sup>85</sup> Muller, “Canadian businesses.”

<sup>86</sup> Gunter, “Iraqi Kurdistan,” 91.

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

top places to visit in the world. The KRG has also developed new airports, luxurious shopping malls and hotels, all of which operate with the protection of good security. In education, the Kurdistan Region has developed in providing equal education to boys and girls, with illiteracy rates dropping down to 17 percent from 37 percent in the last decade.<sup>89</sup> Additionally, the KRG currently has 11 public universities operating in its region.<sup>90</sup>

## **KRG Security Status and Canadian Assistance**

As has been mentioned, the Kurdistan Region of Iraq has existed as a beacon of peace and stability in a volatile country and region for over a decade. Emerging as an economic and democratic hub, the Kurds have proven themselves to be reliable allies to the West, and in particular to Canada's close allies, the US and Turkey. Moreover, the Kurdistan Region operates with its own security forces, that are independent of central Iraq, known as the *peshmerga*.

When the peaceful Kurdish enclave, stability in the wider Middle East, and international security, were threatened this year by the terrorist group called the Islamic State of Iraq and Syria (ISIS), the international community was swift to act. President Barack Obama announced a mission to "degrade and ultimately destroy" ISIS.<sup>91</sup> The Kurds, for their part, became an active force on the ground, and have collaborated closely with the international coalition in the war efforts. Recently, KRG President

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<sup>89</sup> Ibid, 90-91.

<sup>90</sup> "Universities in the Kurdistan Region," Kurdistan Regional Government, <http://gov.krd/p/p.aspx?l=12&s=020000&r=308&p=218>.

<sup>91</sup> "Transcript: President Obama's Speech on Combating ISIS and Terrorism," CNN Politics, last updated September 10, 2014, <http://www.cnn.com/2014/09/10/politics/transcript-obama-syria-isis-speech/>.

Barzani met with US President Obama and his administration to discuss the ongoing



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security situation in Iraq. The meeting, shown above, depicted how important the Kurds are in this war, and as an ally of US-coalition members.<sup>93</sup> The importance of the Kurds to Canadian interests in particular, and the fight against ISIS, is further emphasized by Prime Minister Harper's recent meeting with President Barzani, as was discussed earlier in this paper.

Canada joined the coalition to fight the extremist group soon after President Obama made his announcement in September. Of the three dominant Canadian

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<sup>92</sup> Pete Souza, "P050515PS-0601," *Flickr*, May 5, 2015, <https://www.flickr.com/photos/whitehouse/17384259745/in/photostream/>.

<sup>93</sup> "Readout of the President and Vice President's Meeting with Iraqi Kurdistan Region President Masoud Barzani," The White House, last updated May 5, 2015, <https://www.whitehouse.gov/the-press-office/2015/05/05/readout-president-and-vice-presidents-meeting-iraqi-kurdistan-region-pre>.

parties, Canada's ruling party offered the most robust measures to help the Kurds in their fight against ISIS. On the other hand, the New Democratic Party (NDP) was one of the most vocal against any direct Canadian military effort to help the Iraqis, whether it was non-combatant or combatant in nature. The Liberal Party, which initially supported the Conservative Government in their efforts to send military advisors in a non-combatant role to train the Kurdish *peshmerga* forces,<sup>94</sup> changed their position when the Conservative Party expanded Canada's mission in Iraq to a direct combatant military role by sending six fighter jets to strike ISIS positions.<sup>95</sup>

All three of Canada's dominant parties, however, understood the importance of the Kurdish *peshmerga* as one of the most effective forces on the ground. Indeed, even NDP leader Thomas Mulcair used the *peshmerga*'s "knowledge of the region and expertise," as justification for voting against Canada's military training of the Kurdish forces.<sup>96</sup> The NDP did, however, support other measures that are significant to aiding the Kurds. First, the humanitarian assistance that NDP leaders mentioned are significant for assisting the Kurds, particularly since the number of refugees and internally displaced peoples in the KRG has been rising since this conflict began. Further, the NDP's support of arming the Kurds is crucial, as the *peshmerga* has been facing great challenges from ISIS as a result of their seizure of US weaponry.<sup>97</sup>

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<sup>94</sup> Canada, *House of Commons Debates*, 16 September 2014, <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=6694957&Language=E&Mode=1>.

<sup>95</sup> Canada, *House of Commons Debates*, 6 October 2014, <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=6717243&Language=E&Mode=1>.

<sup>96</sup> Canada, *House of Commons Debates*, 16 September 2014, (Hon. Thomas Mulcair, NDP).

<sup>97</sup> Canada, *House of Commons Debates*, 16 September 2014.

The Liberals, for their part, stressed the importance of humanitarian and non-combatant efforts as important for the fight against ISIS. They stated that the government would be best advised to assist in the defeat of ISIS by providing Iraqi forces, including the *peshmerga*, with “weapons, base facilities, strategic airlift, humanitarian aid, surveillance, and other intelligence, or advice in training.”<sup>98</sup> The main reason the Liberals stood against a combatant role for the government was because they believed that if the government moved to a combatant mission it would make it difficult for them to “cross back over,” referring to the fact that Canada would get itself tangled in a long conflict with little ability to limit its role in the future.<sup>99</sup>

What the Canadian Government, under the ruling Conservative Party, has actually provided the Kurds is full assistance in their fight against ISIS. The government not only supported humanitarian assistance to the KRG, but military training, necessary weaponry, and air strikes to aid the *peshmerga* who are fighting on the ground against ISIS. Indeed, the Conservative Government understood an important point in their strategy to help the people of the region: delivering humanitarian assistance without proper security in place is impossible. As Parliamentary Secretary to the Minister of National Defence, James Bezan, noted, “To get humanitarian aid to those who are in the most need ... we have to bring security to that region to deliver that aid.”<sup>100</sup> The Kurds have also stressed this point, stating that they are unable to provide humanitarian

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<sup>98</sup> Canada, *House of Commons Debates*, 6 October 2014.

<sup>99</sup> Ibid, (Mr. Marc Garneau, Lib.).

<sup>100</sup> Canada, *House of Commons Debates*, 16 September 2014, (Mr. James Bezan, CPC).

relief to the refugees and people under their protection if the KRG does not have the basic security to deter ISIS.<sup>101</sup>

Working in coordination with the Kurds in the region will help Canada and the U.S.-led coalition accomplish in its goal of demolishing ISIS. Since all of Canada's political parties agree that the Kurds are a reliable group to align with—as is evident in their efforts to extend aid to the Kurdish region in some form or another—extending further assistance to the Kurds will better allow them to defend the region. Indeed, Kurdish morale has been lifted as a result of the understanding they have that the international community supports them, which has allowed them to defend and recapture territories with more precision.<sup>102</sup>

However, as great as the assistance from the international community has been for the Kurds, they need further aid to continue securing their region, and protecting the people under their control. In particular, the Kurds have mentioned the shortage of heavy weapons as a significant hinderance in their fight against the well-equipped and well-enforced ISIS terrorists, who in late 2014 were reported to have at least 200,000 militant fighters at their disposal.<sup>103</sup> In fact, the ISIS seizure of US and Russian heavy weapons has prompted the Kurds to urge coalition members to supply *peshmerga*

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<sup>101</sup> Michael Petrou, "Inside Canada's new war," *Maclean's*, <http://site.macleans.ca/longform/inside-canadas-new-war/>.

<sup>102</sup> Patrick Cockburn, "Isis: Iraqi army retakes control of oil refinery towns as Kurds stand firm against overstretched Islamic State," *The Independent*, November 14, 2014, <http://www.independent.co.uk/news/world/middle-east/isis-the-kurds-strike-back--army-retakes-control-of-oil-refinery-town-as-kurds-stand-firm-against-overstretched-isis-9862538.html>.

<sup>103</sup> Patrick Cockburn, "War with Isis: Islamic militants have army of 200,00, claims senior Kurdish leader," *The Independent*, November 16, 2014, <http://www.independent.co.uk/news/world/middle-east/war-with-isis-islamic-militants-have-army-of-200000-claims-kurdish-leader-9863418.html>.

forces with updated arms and heavy weapons, so that they may have a better chance at defeating the terrorist group.<sup>104</sup> The Kurds also mention military advice and training, for example on how to use the weaponry supplied to them, as a crucial tool the *peshmerga* forces require.<sup>105</sup> The Kurdish plea is not unreasonable, and since they are the most successful pro-Western group on the ground, the coalition should be equipping the Kurds much more than they currently are so that they can swiftly defeat ISIS and restore international peace and security.

## Issues of Consideration

There are several key issues that exist in the Kurdistan Region that are noteworthy. First, since the rise of ISIS in mid-2014, Iraq as a whole has had to deal with increased security threats and violence in several areas across the nation. While territory under the control of the KRG is safe compared to the rest of Iraq, there still exists a threat to the KRI as ISIS operates just on the outskirts of KRG territory,<sup>106</sup> as seen in the map below. Due to the extremist surge in the region, and the

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<sup>104</sup> Monica Cantilero, "Kurds fight ISIS with outdated arms while foes have modern US, Russian weapons," *Christian Today*, June 18, 2015, <http://www.christiantoday.com/article/kurds.fight.isis.with.outdated.weapons.while.foes.have.modern.us.russian.arms/56488.htm>.

<sup>105</sup> Matthew Fisher, "Kurds grateful and anxious for Canada to join fight against ISIS," *National Post*, October 3, 2014, <http://news.nationalpost.com/2014/10/03/kurds-grateful-and-anxious-for-canada-to-join-fight-against-isis/>.

<sup>106</sup> Government of Canada, *Country Risk Quarterly*, Ottawa: Export Development Canada, 2015, <http://www.edc.ca/EN/Knowledge-Centre/Economic-Analysis-and-Research/Documents/country-risk-quarterly-mea.pdf>.



[illegible]

Second, there remain significant political problems that exist between the KRG and the central government of Baghdad that have yet to be resolved. In particular, the separation of powers between the two entities continues to be an issue of contention. An important issue for the two sides is the ownership of hydrocarbons, as well as the

<sup>108</sup> "ISIS Sanctuary: June 19, 2015," Institute for the Study of War Iraq Updates, last updated June 19, 2015, <http://iswiraq.blogspot.ca/2015/06/isis-sanctuary-june-19-2015.html>.

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division of revenues that accumulate from these resources.<sup>110</sup> While the KRG and Baghdad were said to have reached a resolution in late 2014 over the oil dispute, just a few months later the progress that was made between the two was at a standstill.<sup>111</sup> Other areas of contention include the “status of disputed territories,” especially that of Kirkuk with its abundance of oil, as well as the function of the *peshmerga*.<sup>112</sup>

A third problem in the Kurdistan Region is the existence of corruption and nepotism within the political system. According to Gunter, the two ruling parties in the KRG, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), both have rampant corruption within their senior ranks.<sup>113</sup> Moreover, there exists a belief that it is difficult for businesses to operate in the KRI if they do not align themselves with one of the two historically dominant parties.<sup>114</sup>

Fourth, although the Kurdistan Region has been booming over the past several years, economic obstacles remain. Noteworthy are the lack of “banking, taxing, insurance, [and] postal” services.<sup>115</sup> Moreover, the government budget is heavily used on the civil service which makes the KRG “very overdeveloped [in its] public sector.”<sup>116</sup> Additionally, start-up prices for businesses could vary from as low as \$3 to as high as \$10,000. There are also barriers to entry since a law dating back to the Ba’ath regime

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<sup>110</sup> Gunter, “Unrecognized De Facto States,” 167.

<sup>111</sup> “Truth, Lies, and Barrels,” Niqash.

<sup>112</sup> Gunter, “Unrecognized De Facto States,” 167.

<sup>113</sup> Ibid, 169.

<sup>114</sup> Gunter, “Iraqi Kurdistan,” 89-90.

<sup>115</sup> Gunter, “Unrecognized De Facto States,” 169.

<sup>116</sup> Gunter, “Iraqi Kurdistan,” 92.

requires businesses to have a trading license, which also increases possibility of corruption.<sup>117</sup> Finally, the dependence on oil revenues mean that fluctuations in the price highly impact the economy of the Kurdistan Region.<sup>118</sup>

Despite these obstacles, as was mentioned above, the Kurdistan Region remains prosperous compared to the rest of Iraq, and more broadly, to the instability taking place in the wider Middle East. While the current security situation and drop in the price of oil has led to a hinderance in the economy of the KRG, the economic and democratic developments that have been made over the past decade in the KRG are too significant to be ignored. This is why pursuing a partnership with the Kurdistan Region would be of great benefit to Canadian governmental and business interests.

## **CONCLUSION**

### **Policy Implications**

As evident from the findings in this paper, there are several benefits that Canada would acquire from increasing and strengthening its relations with the KRG. First, the extension of relations with the Kurdistan Region would bring Canada up to par with its close allies, the US and Turkey. While partnering with the KRG would have been a problem in the past for Canadian allies, particularly for Canada's NATO ally Turkey, this is no longer the case today. Indeed, as has been illustrated, Turkey and the KRG have one of the closest partnerships in the region. The relationship is a mutually beneficial one for both sides, with scholars arguing that it will be a partnership that will last a long time to come. For Canada's US ally, in turn, the relationship with the KRG has

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<sup>117</sup> Ibid, 90.

<sup>118</sup> Government of Canada, *Country Risk Quarterly*.

particularly grown since the Kurds actively supported and helped the Americans in the 2003 war against the Ba'ath regime of Saddam Hussein. KRG-US relations have strengthened ever since, and today the Kurds continue to be important allies in US-led war efforts in the region.

A second benefit that Canada would gain from extending relations with the KRG is a mutual economic partnership. While there are a number of Canadian oil and gas companies that currently operate in the Kurdistan Region, and have gained considerably from the KRG's business friendly investment law, there are many more opportunities that Canadian businesses could profit from in the KRG. These include in sectors of education, tourism, healthcare, agriculture, and industry — areas of the Kurdistan economy that are currently underdeveloped. Investments from Canadian businesses in the Kurdistan economy would result in mutual economic benefits for both the KRG and Canadian businesses. Moreover, the KRG is seeking to expand its trade relations with different nations, and Canada stands to gain significantly from trade with the region. In particular, Canadian sectors could gain significant economic benefits by exporting items in the underdeveloped sectors of the KRG mentioned here.

Finally, a third benefit to Canada in allying itself with the KRG is that it will gain a pro-Western security force in a region overridden by terrorism. Indeed, Canada's current contributions to the Kurds in their fight against ISIS are evident to how important the Kurdish forces are to US-led coalition members. In fact, the Kurds have been actively making gains in Iraq and Syria since the war started in mid-2014, and today the Kurdistan Region remains one of the only peaceful areas in Iraq. Further, there are no cleavages among Canada's three dominant political parties around the positive aspects

of backing the Kurds. This is evident in the fact that all three parties have acknowledged the importance of the Kurdish forces, and agree that providing assistance to the Kurds is beneficial to Canadian interests.

## **Policy Recommendations**

There are key steps that the Canadian government can take to begin extending and strengthening its relations with the Kurdistan Region of Iraq. First, as was mentioned earlier, the two dominant Kurdish political parties have a significant role in the economy of the KRG. Therefore, in order for Canada to have a more pronounced role in Kurdistan's economy, high-level diplomatic ties between both sides should be strengthened. Moreover, it is important that Canadian leaders regularly communicate with Kurdish leaders, in order to make evident the reliability of the Canadian-KRG partnership. This will facilitate and ensure Canadian businesses have better opportunities within profitable sectors of the KRG, and may take advantage of the region's beneficial investment laws.

### **RECOMMENDATION I:**

**Bilateral diplomatic relations between the Government of Canada and the Kurdistan Regional Government should be strengthened through the regular engagement of, and meetings between, top government leaders from both sides.**

Second, the experience, know-how, and technology Canadian companies can offer the Kurdistan Region are particularly something KRG leaders have mentioned the

region is in need of. The technical knowledge and expertise Canadian companies could offer the KRG would be mutually beneficial for both, as there are a number of sectors with profit potential, especially in those areas that remain underdeveloped. In particular, Kurdish leaders have mentioned the sectors of education, healthcare, agriculture, industry, and tourism as areas that they are seeking further investments in. Moreover, commercial ties between the KRG and Canada can also be strengthened in the communications technology sector. For example, the Kurdistan Region remains underdeveloped in the provision of internet services, which is a sector Canadian companies could also profit in.

#### **RECOMMENDATION II:**

**The Government of Canada and the Kurdistan Regional Government should strengthen their commercial ties by engaging Canadian companies who have the required expertise and technological experiences towards business opportunities in the Kurdistan Region of Iraq.**

Third, the education sector of the Kurdistan Region has grown substantially in the last decade. Equal education opportunities, as well as growing number of available universities in the Kurdish region, indicate that the people of Kurdistan understand the importance of education to development. There therefore exist significant opportunities for Canada to attract students who are seeking international post-secondary opportunities to Canadian institutions. This is especially true since Kurdish leaders have

mentioned that they are seeking to grow their internal expertise and knowledge in the region.

Attracting international students to Canada would allow the government to garner great benefits. As a 2013 Senate report noted, having international students study in Canada strengthens relationships between different nations and peoples, which leads to mutual economic benefits. Additionally, attracting international students to Canada would positively effect the national Canadian brand, and encourage social diversity domestically.<sup>119</sup>

### **RECOMMENDATION III:**

**The Government of Canada should work with stakeholders in the Kurdistan Region of Iraq to market itself as a destination for post-secondary schooling, and in particular should promote those educational opportunities that would benefit students wanting to work in the Kurdistan Region.**

Fourth, Canada has made significant security contributions to the Kurds following the mid-2014 rise of the terrorist group ISIS. The airstrikes targeting ISIS areas by government forces have been beneficial for the Kurds fighting on the ground. So have been the advisory roles played by Canadian Forces, as well as humanitarian and arms assistance that have been provided to the KRG. Canada should continue these efforts, strengthening its coordination with the Kurds on the ground to ensure its work in

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<sup>119</sup> Canada, *Building Bridges*.

collaboration with *peshmerga* forces will completely defeat ISIS. However, the Kurds have mentioned the weapons they are currently using are hindering their efforts to make considerable gains because they cannot compete with the heavy weaponry that ISIS has seized. It is important that Kurdish *peshmerga*, who are one of the most successful pro-Western forces on the ground, are properly equipped so that they can continue to protect the populations under their control, and reestablish regional and international peace and security.

#### **RECOMMENDATION IV:**

**The Government of Canada should work closely with US-led coalition members to ensure Kurdistan Regional Government forces are properly equipped and supplied with weapons to swiftly defeat the Islamic State of Iraq and Syria. In the meantime, the Government of Canada should continue to provide the Kurdistan Regional Government with necessary humanitarian aid, air support, and training of *peshmerga* forces.**

Fifth, Canada could increase its political cooperation with the Kurdistan Region, and with central Iraq, by helping the two sides reach a resolution over the most recent hydrocarbons dispute. Since Canadian companies have considerable stakes in the oil and gas industry of Iraq, including in the Kurdistan Region, it would be in Canadian interests to have this issue resolved in a quick manner. In addition, if Canadian leaders could make a contribution to this dispute it would create a positive reputation for Canada as a nation that can bring about resolutions. Moreover, such an act would



portray Canada in a positive light to our close allies, specifically Turkey and the US. For Turkey, a resolution would mean they could meet their energy needs by importing Kurdish oil at a relatively cheap rate without worrying about threats from central Iraq. The US would also benefit, as the American administration has been working towards creating a viable and economically prosperous Iraq for over a decade, and any efforts to maintain this are in US interests. Finally, since Iraq as a nation depends on revenues from oil and gas to function, ensuring that all sides are receiving proper income to operate will contribute to maintaining security and preventing ISIS from taking over the rest of the nation.

#### **RECOMMENDATION V:**

**The Government of Canada should act as mediator to the current hydrocarbons dispute between the Kurdistan Regional Government and the government in Baghdad to ensure Canadian interests are secure in the region and to prevent the takeover of peaceful Iraqi territories by the Islamic State of Iraq and Syria.**

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