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Escaping the Rentier Model: Reforms in Iraq and the KRI

Center for Development and Natural Resources
By Djene Bajalan and Bilal Wahab





AMERICAN UNIVERSITY OF IRAQ, SULAIMANI

American University of Iraq, Sulaimani
Sulaimani – Kirkuk Main Road, Raparin
Sulaimani, Iraq
Tel: +964 -(0)53 - 511 - 2020
E-mail: info@auis.edu.krd



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Center for Development and Natural Resources
CDNR Conference Report

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About American University of Iraq, Sulaimani

AUIS was established as a not-for-profit institution in 2007, dedicated to providing a comprehensive liberal arts education for the benefit of Kurdistan, Iraq and the wider region. The University's objective is to produce graduates of responsible character with the necessary knowledge and skills for professional and national leadership. The educational program of the university is designed to develop strength in critical thinking, the ability to communicate well, a strong work ethic, good citizenship and personal integrity.

Academic freedom is a principle guaranteed in teaching, learning, and research in a manner identical to that found at regionally accredited colleges and universities in the United States. The university does not discriminate on the basis of gender, age, race, ethnicity, religion, occupation, politics, economic standing, or any other common human demographic factor in its admission of students or administration of the University or its policies.



About the Center for Development and Natural Resources

CDNR contributes to a vision for Iraq's petroleum wealth that enhances economic prosperity, social justice and accountable governance. CDNR was launched at the American University of Iraq, Sulaimani in the Spring of 2015 as an initiative of the Institute for Regional and International Studies (IRIS).

CDNR is well positioned to bring together representatives from, and create partnerships among, academics, policymakers, civil society and industry in Iraq and the Kurdistan Region of Iraq to engage in constructive discussion and analysis of questions pertaining to the energy sector, stability and economic development. The Center pursues two types of core activities: firstly, through research and analysis, CDNR seeks to be a resource on all topics regarding Iraq's oil, governance, and federalism, and aims to add value to current scholarship in the region. Secondly, through education and capacity development, CDNR will enhance the levels of expertise of government officials, Iraqi citizens, and students to better understand and make decisions regarding oil governance in the country.

Escaping the Rentier Model: Reforms in Iraq and the KRI

The Center for Development and Natural Resources' (CDNR) conference entitled: "Escaping the Rentier Model: Reforms in Iraq and Kurdistan Region of Iraq (KRI)" brought to the fore the extent of the economic crisis facing Iraq and Kurdistan region. The basic cause of this crisis is relatively simple to discern. On the one hand, global oil prices have fallen by over 50 percent since mid-2014. This constitutes a major blow to the Iraqi and Kurdistan Regional Government (KRG) treasuries as oil rents account for over 90 percent of state income. On the other hand, pressures on the Iraqi treasury have increased greatly due to the costs associated with prosecuting the war against the Islamic State of Iraq and the Levant (ISIL), demographic pressures from internally displaced people (IDPs) and refugees, and a bloated public sector. In short, both Iraq and the KRG are incapable of balancing their budgets. As James Parks mentioned at the conference, for example, the KRG's fall in revenue is estimated at 37 percent of Gross national product (GNP) between 2013 and 2014. To put this in perspective, the shock to the Greek and Turkish economies of 1999 to 2003 and 2010 to 2018 respectively were 8.5 percent of their GNP. Hence in the space of one year, the loss of revenue faced by the KRG is more than three times the magnitude of that faced by Turkey over four years and Greece over eight. Although some of these economic pressures are clearly exogenous, many are self-inflicted or have been exacerbated by Iraqi and Kurdish socio-political dynamics. The inability of state institutions to anticipate and hence mitigate the current financial tsunami only serves to aggravate the crisis. Today people suffer due to lax policies and the uncontrolled spending of the past decade. To address this, the Iraqi federal and Kurdish regional governments need a combination of both short-term solutions to deal with the immediate fall in revenue and longer term structural reforms in order to prepare for the next boom and bust cycle.

Below is a summary of the opening speeches and the three panels, followed by CDNR conference recommendations and conclusions.

Keynote speeches:

KRG Deputy Prime Minister Qubad Talabani, delivered on his behalf by Dr. Amanj Rahim, Chief Legal Council and Chief of Staff at the KRG.

Dr. Amanj Raheem, speaking on behalf of Deputy Prime Minister Talabani, stated that the timing of the current economic crisis was critical as it coincides with the war against the ISIL. Despite the danger from terrorism, economic uncertainty remains the biggest threat to the region. He pointed out that while the Peshmerga were keeping Iraqi Kurdistan safe and stable, it is necessary for the government to manage the economic issues facing the region. Oil and gas are essential to the survival of Kurdistan as it could help create and sustain a modern economy in the region. However, there are major challenges and problems due the inefficiency and mismanagement of the sector. Dr. Raheem noted that transparency was essential to the success of austerity and reform, especially access to oil and gas information. He highlighted the importance of implementing KRG legislations which provide a mechanism for public oversight over oil revenues.

More broadly, Dr. Raheem pointed out that austerity measures should not be equated with reform. He stressed that with oil prices , as low as \$28 a barrel, government expenditures were not sustainable. In particular, the regional government should limit its involvement in the fuel and electricity sector, starting with ending subsidies and replacing diesel with natural gas for power generation. He also argued that the government should work towards bringing the private

sector into the electricity sector, especially in distribution. Dr. Raheem also noted that the government needed to adopt an electronic payroll system in order to eliminate ghost employees and people collecting two salaries. Such reform would be difficult and painful; Dr. Raheem pointed, therefore political support was necessary in order to manage the crisis. Hence the government needs to be honest with the people. He concluded by noting that the KRG lacked many of the economic policy levers available to sovereign states such as printing money, securing international loans or obtaining a global bailout. Hence, austerity and reform were the only options and the government ought not to shy away from its responsibilities.

KRG Minister of Finance and the Economy, Rebaz Hamlan.

At the onset of his remarks, Minister Hamlan highlighted the complexity of the economic crisis facing the Kurdish government, attributing it to budget cuts from Baghdad, plummeting oil prices and wartime spending against ISIL. However, he acknowledged that the 25-year long Kurdish experience at governing has not resulted in strong state institutions with the capacity to weather the current economic recession. He warned that since “we are all in it together,” political dispute would deepen and exacerbate the economic crisis. Moreover, Hamlan stressed reform is implausible in the absence of political will to addresses the fundamental weaknesses of the economy. To that end, the first and most important step must be improved governance of KRG’s petroleum sector, which Mr. Hamlan noted, has been at the discretion of a single ministry. A second strategy toward mitigating the economic crisis is decentralization through devolving some administrative powers to local governments. The minister invited the audience to consider a detailed reform agenda proposed by the KRG Ministry of Finance and the Economy that is custom-tailored to the ongoing recession after a thorough analysis of Kurdistan’s economy. Hamlan concluded his remarks by emphasizing the role of the parliament and new legislations in pushing economic reform agendas forward.

United States Council General to Kurdistan, Mr. Mathias Mitman

American Consul-General Matthias Mitman spoke on the importance of developing economic strength. In order to achieve this he highlighted the necessity of the people of the region to put aside their differences and present a united leadership. Mitman also stressed that the needed economic reforms require political will and determination. Economic reforms, he noted, are not easy and involve significant sacrifices. Consequently, he concluded that, in order to be successful, the process of reform should be “open and honest” and that Iraqi Kurdistan would benefit from improving its relationship with Baghdad.

Elaborating on the importance of reform, Mitman emphasized three important aspects of reform. Firstly, the process of economic reform would impact every man, woman, and child and that it would cause significant hardships and disruptions in the short-term. That is, things would get worse before they get better. However, he pointed out that the severity of the crisis would depend very much upon the region’s political leadership. Therefore, it is necessary for everyone to advocate reform. Crisis, he noted, tests the character of a people and unity is necessary in order to make short-term sacrifices for long-term gains.

Secondly, in building on the challenge of economic reform, he pointed out that the KRG does not have the luxury to study the issue for an extensive period. He stated that payroll reform was essential as the region’s revenue was simply insufficient to sustain a bureaucracy of 700,000. Moreover, there was an overarching need for governmental rationalization including a reduction in the number of ministries as well as implementing furloughs and salary freezes. However, Mitman noted that these reforms had to be fair and transparent and that a social safety net was necessary in order to protect the most vulnerable in society.

Thirdly, the Consul-General stressed the need for long-term strategies

for the diversification of the KRG economy. This includes building up the agricultural, industrial, and tourism sectors. Such a strategy involves providing incentives for people to invest in those sectors of the economy. He also pointed out the need to provide a firmer judicial structure in order to protect investors from corruption and theft. However, he argued that the KRG and Iraqi governments should not impose import tariffs, which would slow economic developments. He also urged the KRG to resist imposing price controls, as it would result in shortages and black markets. In broader terms, Mitman suggested that the job of the government should be to allow market forces to prosper in an open and fair fashion.

The Consul-General continued by stating that the oil wealth flowing into KRG and Iraqi coffers was both a blessing and a curse. In Iraq as well as other oil rich nations such as Angola and Nigeria, oil rents had led to an over dependency on oil revenues as well as the development of a culture of entitlement. However, he cited Norway as an example of a country that had used its oil wealth wisely by using it to develop a diversified economy. Thus he recommended that the KRG learn from the Norwegian example.

Mitman ended his talk by discussing the political situation. He stated that Iraqi Kurdistan cannot change its geographical position and hence it was necessary for the KRG to maintain good relations with all its neighbors, especially Baghdad. He argued that working with Baghdad is often seen as a 'zero sums game', but the reality was that both the KRG and the Iraqi central government would benefit from better relations and cooperation. He concluded by noting that Iraq and the KRG were in a transformative era and the crisis currently facing the country could also be seen as an opportunity. Thus he urged political leaders in Iraq and the KRG to use this opportunity to place the country on the road to peace and prosperity.

Panel One: Oil and Gas Policy and Industry

Moderated by:

Dr. Bilal A. Wahab, CDNR Founding Director and Faculty Member of AUIS Social Science Department

Speakers:

- Dr. Thamir Al-Ghadhban, Energy Advisor to the Iraqi Prime Minister
- Dr. Sherko Jawdat, Chair of Kurdistan Parliament's Oil and Gas Committee
- Dr. Qaiwan Siwaily, Managing Director, Iraq International Oil Services, Kurdistan International Bank
- Ms. Christie Milner, Senior Economic Officer, U.S. Consulate, Erbil

The first panel of the conference examined oil and gas policy in Iraq and the KRI.

Dr. Thamir Al Ghadhban observed that without a clear oil and gas policy, there would be very little progress made in production and export. The fundamentals for a robust energy industry in Iraq are in place, such as abundant reserves in prolific oilfields and low technical risk and production costs. The potential has not been met, however, due to deepening dependency of the state on oil rents and the complexity of the political environment marred by security challenges and diverse and competitive political interests. Moreover, the legal and institutional landscape presents challenges that put sand in the wheels of Iraq's energy industry. Impediments include ambiguous division of authority between the federal and regional governments; unclear demarcation of policy, regulation and operation functions; and inefficiencies as manifested by underutilized natural gas (such as continued flaring) and unleveraged sector potentials. As a result, there is a gulf between approved strategies and policies and

their implementation on the ground. Al Ghadhban pointed out that, therefore, Iraq's oil production and export levels today were still below those of 1979. In fact, not only has the Iraqi government failed at maximizing oil revenues, it has not even achieved its own energy security—the country still depends on fuel and electricity imports.

Al Ghadhban stressed the need for good governance in the energy sector, especially improving transparency, monitoring, evaluation, and oil rent management. He called upon policymakers to capture more of the petroleum value chain by addressing system inefficiencies (such as commercial losses and absence of effective billing), and boosting the economic ripple effect of the energy sector through active private sector participation. In order to achieve this goal, he concluded, it is necessary to start with the government itself, as “without a modern public sector we cannot carry out reform.”

Dr. Sherko Jawdat, speaking with regards to the KRG, echoed many of Dr. Al Ghadhban's points, highlighting the importance of institutionalizing the oil and gas sector within the region. In particular, he emphasized the need for auditing and electronic monitoring to improve the transparency of the oil and gas sector. This, he argued, would help to depoliticize the debates within Iraqi Kurdistan concerning oil production and revenues.

Dr. Qaiwan Siwaily's presentation examined the linkages between the oil and gas sector and the KRG's energy infrastructure. He highlighted the wastage within the system and the increasing demand on the electricity grid, which is still only able to supply eight hours of electricity a day.

Speaking in a personal capacity, Christie Milner praised the efforts of the KRG in building up the oil and gas infrastructure in the region. She also praised the contractual structures used by Iraqi Kurdistan, which, she noted emulated, global best practices and were superior



to those adopted by Baghdad. However, she warned that should the KRG halt payments to its private sector partners, the results would be “bad for business.” She also urged the KRG and Baghdad to reach an accord to work on shared development projects, arguing that such an accord would be a win-win for both sides. She concluded by counselling both Baghdad and Erbil to move away from their dependency on oil, highlighting the fact that \$100 barrel price of the previous decade was the exception to the rule in the history of oil markets.

Panel Two: the Economy and the Private Sector

Moderated by:

- Dr. Bayad Jamal Ali, AUIS Alumnus

Speakers:

- Dr. Abdulbasit Turki Saeed, Professor of Economics, Former Governor of Iraq's Central Bank and Chairman of the Federal Board of the Supreme Audits
- Adil Karim, Iraqi Deputy Minister of Industry
- Dr. James Whitaker, Deputy Office Director, USAID, Iraq

The second panel tackled questions pertaining to the role of the private sector in the Iraqi economy. Dr. Abdulbasit Turki Saeed highlighted the impact of the triad of corruption, political conflict and war in stymieing private sector development. In examining these dynamics he focused on the issue of corruption, remarking that it was not simply a financial issue but a political one. He noted that Iraq has institutions and bodies that could, technically, deal with corruption. However, there is little political will to empower these institutions and allow them to properly function. Moreover, he concluded, to prevent the triad from taking root, rule of law must run supreme.

The second speaker, Adil Karim, took a longer-term perspective in examining the development of the Iraqi private sector. He noted that the economic sanctions imposed on Iraq during the 1990s severely impacted private sector development. He explained, however, that despite the lifting of sanctions following the 2003 American-led invasion, there continues to be a number of constraints on private sector development. For example, then Iraqi Prime Minister Ayyad Alawi cancelled a privatization law developed by Deputy Prime Minister Dr. Barham Salih. Nevertheless, Karim indicated that progress was being made with a raft of new laws and regulations designed to attract foreign investors. He continued by stating that

the KRG needed to work with Baghdad in order to take advantage of these developments. In particular, he focused on the necessity of Baghdad-Erbil cooperation on the development of the downstream oil and gas sector so that an industrial base founded upon finished industrial products could be established. Unlike capital-intensive upstream, the downstream energy industry is labor intensive, which could provide Iraqis with new jobs and opportunities capture more of the oil and gas value chain.

Dr. James Whitaker also examined the possibilities for private sector development, particularly in the field of agriculture. He noted that the Iraqi economic structure was over-dependent on the state for employment, and stressed the need for economic diversification. While historically agriculture had not been a major revenue generator, he pointed out, it had been an important source of employment. He argued that in recent years mismanagement of agriculture has seen the sector decline. However, this trend could be reversed with policies meant to stimulate agricultural development. In this regard, he focused specifically on the need for a land tenure system reform, which he argued would clarify land ownership and user-rights as well as allow for the development of a land market. He also drew attention to the need for engagement with private capital to increase agricultural production. However, he cautioned against protectionism, reiterating that free trade was the surest means to achieve prosperity.

Panel Three: Public Finance Management

Moderated by:

Aras Mohammed, Finance Expert and Public Accountant

Speakers:

- Khalid Chawashli, Chairman of KRG Board of Supreme Audit
- Dr. Sabah Khoshnaw, Assistant Professor of Public Finance, Salahaddin University
- Dr. Mohammed Rauf, Professor of Economics, University of Sulaimani
- James Parks, Financial Advisor to KRG

The final panel of the day discussed issues relating to public sector finance. Aras Mohammed opened by discussing the importance of corporate taxation and trade tariffs as sources of government revenue. He pointed out that very few companies keep proper commercial records and many do not disclose their profits. At the same time, the government does not properly oversee commercial activity. He therefore recommended that the federal auditing department begin by registering companies. The objective was not to make life more difficult for companies operating in Iraq, but to obtain the state's rights and to follow the law. He concluded by arguing that the existing investment laws were conducive to private sector development but the problem lied with implementation.

Khalid Chawashli discussed his experiences as a KRG auditor. He pointed out that for the KRG auditing bodies to function they had to maintain their independence and be able to evaluate the government, not vice versa. He stressed, however, that there was a major discrepancy between the theoretical powers of auditing bodies and actual practice. He therefore urged KRG officials to follow the law. More specifically, he asked the KRG administration to remove the obstacles that prevent the KRG's auditors from executing their responsibilities.

Dr. Sabah Khoshnaw's talk brought attention to the problems associated with the rentier model in Iraq. He noted that oil revenues accounted for 92 percent of the Iraqi budget, consequently making the government overly dependent on oil and susceptible to volatile global oil prices. This has meant that the Iraqi economy is developed in an extremely unbalanced manner. In other words, while the Iraqi economy is strong in terms of consumption, it is weak in terms of production. He argued that the Iraqi trade policy has only aggravated this trend and that the agricultural and industrial sectors have failed to develop. In short, despite the fact that oil and gas have provided Iraq with a good source of revenue over recent years, there has been very little real economic development. In order to remedy this state of affairs, Dr. Khoshnaw called on the government to adopt protectionist measures, public sector cuts, adoption of governmental best practices, and the development of investment-oriented budgets. The final speaker, James Parks, focused on the KRG economic crisis, placing it in a broader global perspective. He maintained that the public crises in Turkey (1999-2004) and Greece (2014-2018) amounted to an 8.5 percent fall in GNP. However, the KRG crisis of 2014, precipitated by the ending of cash transfers from Baghdad and the collapse of global oil prices, has resulted in a 37.5 percent fall in GNP.

The shock to the KRG economy is of 'tsunami' scale proportions. He confessed that he had never seen a financial shock on this scale and that it was necessary for the KRG administration to take immediate steps to mitigate this crisis. However, as the KRG is not an independent state, policy options such as adjusting monetary policy and international borrowing are unavailable to it. Therefore, only financial and structural adjustment policies are viable options when developing crisis management strategies. Mr. Parks noted that it was necessary for the KRG to survive the immediate crisis before it could engage in more long-term structural reform. In practice this means drastically cutting government expenditure through pulling

investment programs and reducing operational expenditures. Moreover, the government needs to be clear in terms of what it is cutting as it lacks the instruments available to sovereign nation-states. While he highlighted the fact that in the longer-term the KRG should move towards economic diversification, he stressed that before this process could begin, it was imperative that the KRG take immediate measures and prioritize the expenditure of its much reduced resources in order to “get to higher ground”; only once it has survived the crisis can it move on to rebuilding.



CDNR Conference Reflections and Recommendations

Short-Term: Spending Austerity, Boosting Revenue

Given the magnitude of this fiscal shock, immediate responses are necessary to manage the existing budget deficit. While for the long-term reform measures need political consensus and inter-party cooperation, such short-term measures can be implemented largely through executive action. Such responses include:

1. Austerity measures such as cutting government operational expenditures and a freeze on public sector hiring and promotions.
2. Revenue boosting measures such as taxing luxury goods and public borrowing.
3. Prioritizing government spending, such as to war effort and essential government functions.

Medium-Term: Institutional Reforms

Although crisis management is necessary and requires immediate fiscal adjustments, the Iraqi and Kurdish governments should simultaneously prepare to adopt more thoroughgoing structural reforms in order to maintain macroeconomic stability in the long-term. It is equally important that government leaders do not confuse short-term austerity measures with much needed institutional reform.

- **Revenue Loss and Leakage**

It is necessary to address revenue loss and leakages due to mismanagement and corruption. Such measures include:

1. Ending subsidies in the electricity and fuel sectors, combined with policies that encourage the public to economize. The government should also develop a strategy to collect service fees for the use of public utilities.
2. Planning an efficient privatization program. In practice this would mean, for example, not only privatizing electricity production but also the fuelling and distribution mechanisms. This would create incentives for capturing flared gas, which amounts to 59 percent of gas production in Iraq.
3. Acknowledging that “ghost employees” and those collecting more than one salary make up a large proportion of waste in the public sector. This could be addressed via payroll reform such as the implementation of electronic government and a national ID registration scheme. Such reforms should be linked to a broader strategy aimed at encouraging public sector employees to migrate to the private sector.

- **Sectoral Reform**

The government must also look at engaging in sectoral reform, especially with regards to the oil and gas sector and the institutions through which it is organized and managed. This point is true for both the administration in Erbil and that in Baghdad, which suffer from systemic inefficiencies around commercial losses and energy security.

1. Overall, the governance of the oil and gas sectors needs be restructured in such a way that the functions of policymaking, regulation and operation are clearly delineated. In the KRG, this starts with implementing the Oil and Gas Law of the Kurdistan Region of Iraq (No.22: 2007), which calls for the

establishment of national oil companies and an oil and gas fund. This would involve devolving some of the powers currently held by the Ministry of Natural Resources to these commercial and public entities. The KRG should also look towards capturing more of the value chain of its oil and gas industry.

2. It is imperative for the Iraqi and Kurdish governments to prioritize national energy security by facilitating the availability of fuels and power to the citizenry and the Market.

- **Political Reform**

It is important that the Iraqi and KRG administrations do not approach structural reform from a purely technocratic perspective, but are also aware of their political implications. If political leaders fail to recognize the political nature of such reforms and their impact on the public, they run the risk of creating discord and instability. Reform is not an abstract process; it is a political one.

1. Short-term austerity measures and longer-term structural reforms have the potential of destabilizing the Iraqi body politic. There is little doubt that such measures will have an impact upon the income of much of the Iraqi citizenry. Therefore, it is necessary for Iraqi political elites to reach a consensus on the need for and strategy of reform and clearly communicate the objectives of reform to their constituencies.
2. In order to build confidence in the process of reform, Iraqi political leaders must go beyond conducting a public relations campaign designed to sell entitlement cuts to the public. They must also allow for a hitherto unprecedented level of government transparency and accountability to rebuild trust in government and state institutions.

3. There needs to be recognition that corruption in Iraq and the KRG is not a moral or administrative failing but rather a product of the peculiar political and economic systems in the country. In order to combat corruption, rule of law must prevail. Iraq has numerous anti-corruption institutions but they are largely inactive and often toothless due to political interference in their work. However, it is necessary to be realistic in formulating anti-corruption policies. Hence, rather than setting unrealistic goals, anti-corruption strategies should prioritize tackling more economically disruptive forms of corruption such as extortion and embezzlement.

Long-term: Macroeconomic Stability and Institutional Readiness to Avoid Future Crises

It is key for government leaders to recognize that the price of oil is extremely volatile. This is why rentier economies and petro-states need to ensure macro-economic stability through counter-cyclical spending and economic diversification.

1. The Iraqi government and the KRG must take serious steps towards economic diversification. This starts with looking at oil revenue as assets to be invested in non-oil sectors such as agriculture, petro-chemical industries and infrastructure. It also involves legal reforms that protect private property rights and competitiveness, which are necessary to attract local and international investment.
2. Iraq and the KRG need more efficient oil and gas revenue management systems such as an oil and gas fund which allows for saving during times of high prices and extra government spending during periods of low oil prices. More importantly, Iraq and the KRG should learn from this crisis and avoid returning to the 'old ways' if and when oil prices

recover. For instance, both governments could put a legal cap on operational spending in favor of capital investment.

3. While relations between Baghdad and Erbil have been tense, it should be pointed out that working together could allow both sides to more effectively deal with the economic problems facing the country. For instance, currently the KRG loses up to \$5 per barrel due to the political risk associated with its conflict with Baghdad.¹ Evidently, an accord with the central government could end this loss.

Conclusions

The Iraqi and Kurdish governments have failed to translate the decade-long petroleum windfall into sustainable prosperity. According to Thamir Al Ghadhban's remarks, the accumulative oil revenue that the Iraqi government spent between 2003 and 2015 adds up to 650 billion dollars (see appendix below). Yet, much of this windfall has been spent in a fashion not conducive to sustainable economic growth. Indeed, the goal of Iraqi and KRG petroleum policies has been to maximize production and export levels. While this objective may at first glance seem logical, it has been entirely disconnected from a broader developmental approach. In short, there has been failure in managing and investing the income generated by the oil and gas sector responsibly and efficiently. Indeed, the regional and federal governments seem to have not heeded the warnings against deepening dependence on oil rents. Despite the constitution's call for a free market, the government maintains a near monopoly on cash flow and employment, stifling the rise of a vibrant private sector and

¹ Patrick Osgood, Rawaz Tahir and Ben van Heuvelen, "New details of KRG oil deals reveal latent risks" Iraq Oil Report, 29th, October 2015.

a diversified economy. The current crisis could be the wake up call for Iraqi and Kurdish leaders. Otherwise, coupled with an emerging culture of entitlements, government dependency and conspicuous consumption, oil will continue to be Iraq's curse.

Appendix A: Suggested Reading

1. ["Kurdistan's Great Recession: From Boom to Bust in the Rentier Economy"](#) by Mark DeWeaver, American University of Iraq, Sulaimani's Institute of Regional and International Studies (IRIS), 2015.
2. ["Iraq & KRG Energy Policies: Actors, Challenges, and Opportunities"](#) by Bilal Wahab, American University of Iraq, Sulaimani's Institute of Regional and International Studies (IRIS), 2014.
3. ["In the Best of Times & Worst of Times: Addressing Structural Weaknesses of the Kurdish Region's Economy."](#) by Roger Guiu, Middle East Research Institute, 2016.
4. ["Integrated National Energy Strategy,"](#) the World Bank, 2013.
5. To watch the CDNR conference on "Escaping the Rentier Economy" online at [CDNR Conference 2016 playlist](#).
6. For more information, please visit us online at <http://auis.edu.krd/CDNR>.

Appendix B: Data Charts

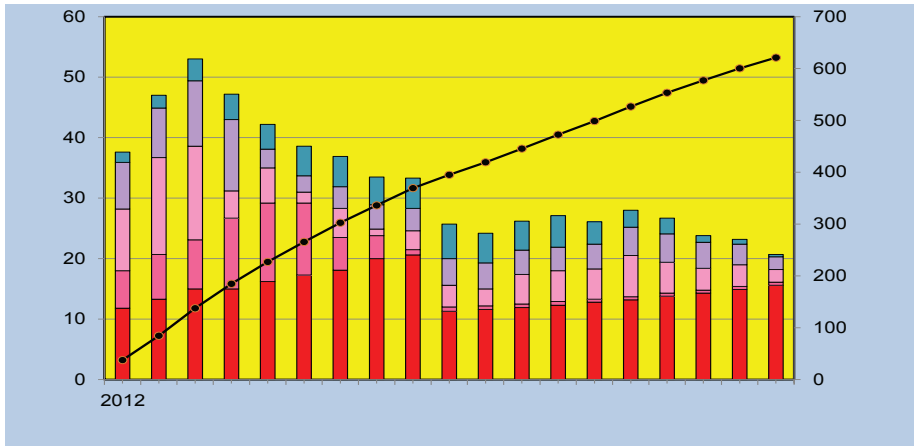


Figure 1: Estimated capital investment in the petroleum sector and expected revenues (in US\$ billions real term 2011, from Dr. Thamir Al Ghadthban's presentation)

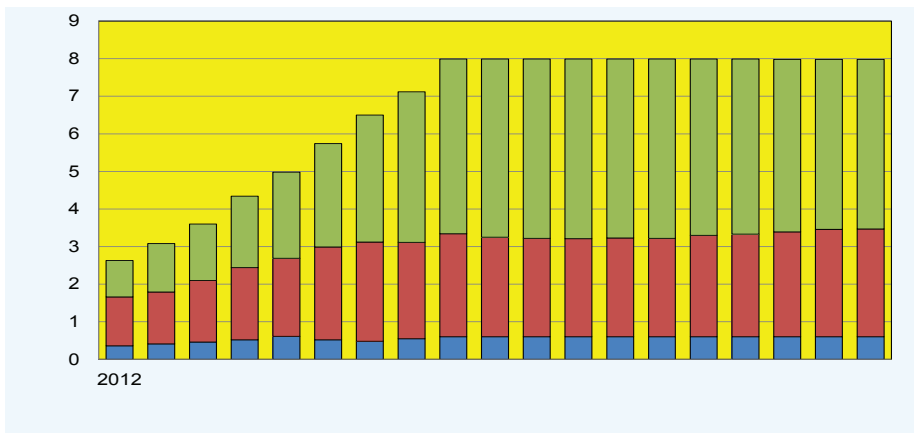


Figure 2: Marketing future crude oil available for export (from Dr. Thamir Al Ghadthban's presentation)

Dr. Bilal A. Wahab

Bilal A. Wahab is a faculty member at the American University of Iraq, Sulaimani. Dr. Wahab teaches courses on the petroleum industry, public policy and international politics. His research focuses on Iraq's petroleum policy, policy networks, and economic and political development in transitioning countries. He was AUIS's first Research Fellow at the Institute of Regional and International Studies, where he published a report, "Iraq and KRG Energy Policies: Actors, Challenges and Opportunities", on the Iraq-Kurdish dispute over the management of petroleum resources.

Prior to joining AUIS, Wahab worked at the World Bank, the United Nations, and numerous USAID programs. He has spoken at numerous campuses and think tanks across the United States, Europe and Iraq, and has been featured in leading media outlets, including the New York Times, Aljazeera and the Financial Times. In 2005, Wahab was awarded a Fulbright Scholarship, which he applied toward a Master's degree in international affairs at American University in Washington, D.C. He earned his Ph.D. in Public Policy from George Mason University, where his dissertation focused on oil federalism in Iraq.

Dr. Djene Rhys Bajalan

Dr. Djene Rhys Bajalan is a faculty member at the American University of Iraq, Sulaimani. He teaches courses on Modern World Civilizations and Middle Eastern History and has experience lecturing at Salahaddin University, Istanbul Bilgi University and the University of Oxford. His area of expertise include the history and politics of the Middle East, ethnicity and nationalism, and Kurdish history. His DPhil dissertation focuses on the late Ottoman Empire with a specific emphasis on the emergence of the constitutional movement, nationalism and the Kurdish question.

He has published in the Turkish journals *Dipnot* and *Toplum ve Kuram* as well as English language academic journals including *British Journal of Middle Eastern Studies*, *Iranian Studies* and *Middle Eastern Studies*. His monograph entitled *Jön Kürtler: Birinci Dünya Savaşı'ndan önce Kürt Hareketi (1898-1914)* [The Young Kurds: The Kurdish movement before the First World War] was published in 2010. He obtained his B.A at the London School of Oriental and African Studies and holds an M.A and M.Sc from Istanbul Bilgi University and the London School of Economics respectively. He earned his DPhil at the University of Oxford.



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