



The Second Annual

# Sulaimani Forum

"Navigating Challenges  
in the Middle East"



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SULAIMANI

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# The Second Annual Sulaimani Forum

## "Navigating Challenges in the Middle East"

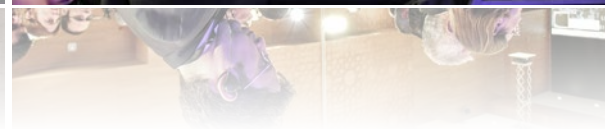
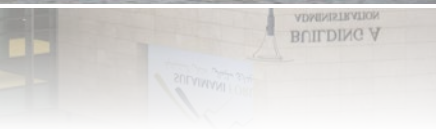
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## Table of Contents

6	Introduction
8	In Their Own Words
12	Executive Summary
14	Opening Plenary Session
18	Iraq: An Insider's Perspective
24	Iraq's Challenges in 2014 and Beyond
30	The Iranian Diplomatic 'Shift': Understanding Interests, Motives, and Implications
38	Syria's Current Status and Future Prospects
48	Turkey: Internal Developments and External Relations
56	Realities of Investing in Iraq
62	The Tigris and Euphrates Dilemma: Water as an Instrument for Cooperation across the Region
68	The Future of Ethno-Sectarian Conflicts in the Middle East
74	Iraq Oil Policy: Implications for Domestic Politics, Ramifications for Regional Stability
80	Conclusion
88	#SuliForum on Social Media

# Institute of Regional and International Studies (IRIS)

The Institute of Regional and International Studies (IRIS) examines the region's most complex issues through rigorous scholarship, advanced research, and open dialogue among academics and influential public leaders. Drawing on the diversity of expertise at AUIS, the Institute researches historic, political, cultural, social, economic, scientific, and anthropological aspects of the KRG, Iraq and the Middle East.

IRIS is housed at the American University of Iraq, Sulaimani (AUIS), Iraq's only independent, not-for-profit, American-style institution of higher learning. The University's location in the Kurdistan Region of Iraq offers a safe space and a climate of tolerance that is uncommon in the Middle East, making it an attractive meeting place for people who cannot easily convene elsewhere. As a space for regional and international encounters, IRIS fosters mutual understanding and awareness that reaches across national borders, sectarian divisions, and differing perspectives, thus enriching IRIS's numerous research endeavors.

IRIS's current areas of interest include energy, water resource management and policy, regional geopolitics, economic development, and gender.



# Sulaimani Forum

The Sulaimani Forum is IRIS's signature annual event. Over the course of two days, scholars, experts, and policymakers from the region and the world convene to discuss the most pressing regional issues, current trends, and points of conflict. Through public lectures, open forums, smaller group discussions, and closed-door sessions, the academic and policy worlds meet to examine real-world problems and work together towards solutions. This year, influential public leaders and distinguished experts convened to discuss geopolitical dynamics in Iraq, Syria, Iran and Turkey, as well as critical regional issues including the water crisis, oil and gas, ethno-sectarianism, and the realities of investment and economic growth.

The Second Annual Sulaimani Forum, held in March 2014 and summarized in these proceedings, was a tremendous success. Under the theme "Navigating Challenges in the Middle East," the Forum featured distinguished experts and public leaders as well as a diverse audience. Prominent government officials from Iraq and abroad attended, including Foreign Minister of the Republic of Iraq Hoshyar Zebari; Foreign Minister of Turkey Ahmet Davutoğlu; National Security Advisor of Iraq Falah al-Fayyadh; Former Speaker of the Iraqi National Assembly Hajim Al-Hassani; Prime Minister of the Kurdistan Regional Government Nechirvan Idris Barzani; Former Vice President of Iraq Adil Abd Al Mehdi; Brett McGurk of the U.S. Department of State; and representative of the Iranian Ministry of Foreign Affairs Ahmed Sadeghi.

Participants in the Forum also included prominent journalists such as BBC World anchor Pooneh Ghoddoosi, author and analyst Robin Wright, and former war correspondent and Al Monitor columnist Cengiz Çandar. Renowned experts on the panels included Kenneth Pollack of the Brookings Institution, Fanar Haddad of the National University of Singapore, Charles Tripp of the School of Oriental and African Studies, Kirk Sowell of Inside Iraqi Politics, and Fabrice Balanche of Universite de Lyon 2. Successful and influential businesspersons participated as well, including Faruk Mustafa Rasool of Faruk Group Holding, Shwan Taha of Rabee Securities, Philip Khoury of Impera Capital, and Esra Pelitozu of Selco Finance and Industrial Group.

# The Sulaimani Forum, in their own words...

## Dawn Dekle, President, AUIS

“Our Sulaimani Forum is part of a mission as an institute of public benefit to provide a neutral and balanced venue for addressing contemporary critical issues. Our learning community is dedicated to diversity and to tolerance of all viewpoints to be considered and debated. In that spirit, I invite you to contribute to the ongoing dialogue in a healthy and constructive manner with respect for all speakers and viewpoints. During these next two days we have a golden opportunity to make history, and to shape the narrative and dialogue from this region. As president of the university, I challenge you to engage with the ideas presented and engage with each other.”





## Barham Salih, Chairman of the Board, AUIS

“It is one thing to talk about the Middle East in Davos or in Aspen, but it is something else for us in the region to bring together so many distinguished guests and to have this real discussion and this real debate about the future of our region.”

“Iraqi Kurdistan is a secure, stable part of Iraq and enjoys good neighborly relations. What an irony. As I look back to the last decade and see the transformation of our relations with our Turkish neighbor, our Iranian neighbor, and even across the Arab world, it is quite remarkable what has been achieved. Still there is a lot that needs to be done. I very much hope the message from Sulaimani, and from Erbil and Duhok, is to affirm the reality that there can be no peace nor stable order in this part of the world without the recognition of the right of all the people of this part of the world. At the end of the day, Kurds, Arabs, Turks, Iranians, and other communities in this part of the world – despite our cultural attitudes and people’s attitude here and there – we are all bound by one basic vision and aspiration, and that is a high quality of life, peace, security and freedom.”

“The Sulaimani Forum is the place where I hope we can have that debate. This is the place where we can see what unites us as people of this part of the world. We do not need to be stuck in history. We do not need to be condemned to history. We can change history. The history of the last ten years, as Minister Davutoğlu and my good friend Hoshyar Zebari can attest, has been transformed. What has been achieved thus far was unthinkable ten years ago. If we already achieved that, we can achieve a lot more.”

“Our forum is convening at a time when we have tension between the KRG and the federal government in Baghdad. I am very happy to see many friends from Baghdad here. I am very pleased that our Prime Minister and others are here. I hope this forum will also be an opportunity to discuss the ways by which we can move beyond the present impasse. We all have to remember there are terrible and great dangers facing this part of the world – the rise in terrorism, the rise in extremism and polarization really threatens what could be achieved. This forum can be a way of enhancing our dialogue and bringing together the talent from across the region in order to achieve what we all deserve, a decent quality of life with peace, security and freedom.”

“Education is at the heart of that vision. That’s why this university – that brings American style education to Sulaimani, to the Kurdistan Region, to Iraq and beyond – is really intended to be a tool for bringing people together, empowering our younger generation, and for making a better Middle East for all of us.”



## Ali al-Adeeb, Minister of Higher Education and Scientific Research

“Higher education and university institutions have an important role in working to overcome society’s problems and crises, whether big or small. Science, culture and knowledge are the only elements which can help resolve many difficulties that the politicians and dignitaries face in tackling society’s dilemmas.”

“In my capacity as an official in higher education and scientific research, I can attest to the important role of research centers, and universities’ social and scientific departments in serving this society and offering solutions to politicians who are sometimes too persistent with their own opinions... If we want to save ourselves and rescue our society, we should not assume that all our current attitudes are correct. Rather, we should review them. I think this dignified and noble gathering that we are attending today – this mini-United Nations – is an opportunity to think about this country, and specifically about the relations between the KRG and the central government... The cohesion and national unity inside the country is an important thing for regional unity. The dialogue between Iran, Turkey and Iraq can also be especially fruitful. These nations are the largest blocs in this region, they share joint histories, and they have many resources which they can utilize for the development of the region at large. In working together, they can then play a greater role in the international community... [and] work together to solve the world’s problems. If we can achieve this it means that, first, the university, and second, the society and politicians, have achieved the key objectives of forums such as this one.”



# Nechirvan Idris Barzani, Prime Minister of the Kurdistan Regional Government of Iraq

In his opening keynote address, Prime Minister Nechirvan Idris Barzani stressed the importance of modernizing political and social structures in the Middle East in order to guarantee future peace and stability. He began by discussing the relationship between the KRG and the central government in Baghdad, expressing concern that the deteriorating security, economic, and political situation in Iraq would lead to the disintegration of the country. “Iraq looks more and more like a failed state,” Barzani warned, reiterating that the KRG is a partner in the new Iraq and in the federal government. “Unfortunately we are pessimistic about the attitude of the federal government in Baghdad regarding the constitutional rights of the Kurdistan Region.” In spite of his growing concerns Barzani said the KRG is committed to “a democratic, federal, and pluralistic Iraqi state, which protects our rights and freedoms under a stable and meaningful constitution.”

On the contentious issue of oil and gas resources, Barzani stated the Kurdistan Region has the “constitutional right to use the national resources of this Region.” He spoke against centralized control of natural resources and called for mutual understanding between the KRG and central government, whereby the gains of one would not come at the expense of the other. The prime minister spoke out against the central government’s February 2014 move to cut the Kurdistan Region’s budget in response to disputes over the Region’s energy exports.

On foreign policy, Barzani also said the KRG is committed to cooperating with neighboring powers in the Middle East. He specifically lauded the initial nuclear agreement of the P5+1 group with Iran, as well as improving relations between the Kurdistan Region and Turkey. He expressed hope that Iran and Turkey would play a larger, positive, and tension-reducing role in the politics of the Middle East.

The ongoing civil war in Syria and the resulting humanitarian crisis was another major issue of concern. He noted that the Kurdistan Region is currently supporting over 250,000 Syrian refugees, and will continue to work to improve their living situation in the Region. Barzani also warned of the growing al-Qaeda threat emanating from Syria.



# Executive Summary

On March 4 and 5, 2014, a distinguished group of government officials, academics, policy analysts, and journalists convened at the American University of Iraq, Sulaimani (AUIS) to discuss the current political, economic, social and strategic challenges in Iraq and the Middle East. The Sulaimani Forum offered an open space for dialogue among the region's leaders and thinkers, and fostered discussions and exchanges on pressing issues in the region. The success of the forum and unique gathering of influential leaders is itself a clear manifestation of notable shifts in the region.

The theme of this year's Sulaimani Forum, "Navigating Challenges in the Middle East," explored the challenges and opportunities in the Kurdistan Region, Iraq and the broader Middle East. In discussing the KRG, participants tackled the most critical, sensitive issues including relations with the central government in Baghdad, the ongoing dispute over the Region's energy resources, and the historical rapprochement with Turkey. Speakers agreed that a "Kurdish moment" has arrived, highlighting both the KRG's improved relations with Turkey and Iran, as well as noteworthy economic growth and opportunities. Nonetheless, panelists disagreed over what such a moment would look like. While some argued independence for Kurdistan is only a matter of time, others expressed skepticism at the notion, pointing to the fragility of the Kurdistan Region as it remains marred by corruption, deep intra and inter-party divides, and an oil-dependent economy.

Discussions around Iraq painted a bleak picture of a country spiraling into one of its worst periods of instability, uncertainty, and violence. Highlighting the political deadlock, a resurgence in sectarian violence and increasing terrorism since the US withdrawal in late 2011, some speakers went as far as to question the long-term viability of Iraq as a state. Speakers examined potential scenarios and outcomes of April 2014 national elections. Most agreed that the success or failure of the election process, and the results, would be determining factors for Iraq's future stability and survival. Panelists also explored possible solutions for improving governance and reducing the deep sectarian divide that is the cause of violence and insecurity that threatens this fragile state.

The Sulaimani Forum also focused on developments across the region, with a particular emphasis on Iraq's neighbors – Iran, Turkey and Syria. A panel was devoted to understanding the motives and interests behind the shift in Iran's foreign policy under Rouhani's leadership, and its implications for regional peace and stability. Another panel delved into Turkey's challenges at home and abroad, raising important questions about democratization, as well as Turkey's strained relations with its neighbors and the West. The Syria panel assessed the changing nature of the conflict and regional spillover, offering insight into the trajectory of a conflict that will shape the future of the Middle East.





On the second day of the forum, the discussion shifted from country-specific case studies to region-wide issues including water scarcity and management, oil, ethno-sectarianism and investment. The hope is that efforts to understand and resolve these challenges – ones that are shared across otherwise highly divided nations and peoples – can be an effective way of promoting greater regional cooperation. In depth discussions around each topic demonstrated that continued neglect of these issues would only lead to greater fragmentation, conflict, and crises across the region. With regard to the Tigris and Euphrates rivers, experts warned of an urgent water crisis in Iraq unless policy leaders execute a region-wide effort to better manage and protect its already scarce water resources. Experts also highlighted the importance of settling the oil dispute between the KRG and Baghdad for the future stability and prosperity of Iraq. Business leaders

pointed to tremendous potential for economic growth and investment in the KRG and Iraq, but noted that continued insecurity and instability seriously compromises this growth.

The Second Annual Sulaimani Forum was a noteworthy success, drawing a diversity of influential leaders and experts, as well as a diverse audience to AUIS to engage in open discussion. That was the intent of Barham Salih, Chairman of AUIS and the Forum's founder, who envisioned a forum where people from different backgrounds from across the region could debate and assess the dynamics of the Middle East. "The promise of this institution is to really be a place where we can be of help to the various communities of Iraq and to our neighbors," Salih concluded the Forum. "We need to work together because there is a lot that binds us compared to what divides us."

# Opening Plenary Session

Moderated by Barham Salih  
Chairman of the Board, AUIS

**Ahmet Davutoğlu**  
Minister of Foreign Affairs, Republic of Turkey

**Hoshyar Zebari**  
Minister of Foreign Affairs, Republic of Iraq

The opening plenary session brought together Turkish Foreign Minister Ahmet Davutoğlu and Iraqi Foreign Minister Hoshyar Zebari, who discussed regional peace, reconciliation and cooperation, as well as economic integration throughout the Middle East. The convening of and exchanges between Iraq and Turkey's foreign ministers in the Kurdistan Region was itself significant, particularly as it coincides with a time when relations within the Baghdad-Erbil-Ankara triangle face tensions and uncertainties.

# Ahmet Davutoğlu

Minister of Foreign Affairs, Republic of Turkey

Turkish Foreign Minister Ahmet Davutoğlu opened his address in Kurdish: “Roj bash barezan, xosh’alim ke emro lem didare le shari Slemani amadem. Ba hiway sekewtni em didarem. Daway selameti bo jenabi Talabani dekem.” (Translation: “Good morning ladies and gentlemen, I am pleased to participate in today’s forum in Sulaimani. I wish this forum success, and I wish His Excellency Talabani good health and recovery.”) The Minister’s opening in Kurdish was a memorable moment for the audience who welcomed his words with a round of applause. This moment, identified as a sign of the rapprochement between the Kurdish Region and Turkey, was widely covered local and regional media outlets.

He continued by discussing the shared history of the Middle East and beyond through the lens of three major trends: traditional orders, modernity, and globalization. He stressed the importance of each in the makeup of contemporary politics and society. Davutoğlu identified four distinct challenges facing the region today. The first challenge is that of identity in a region marked by a diversity of religious, ethnic, and tribal identities. To overcome these challenges he advocated the importance of equal citizenship and respect for various ethnic and religious identities. He added that in the past many in Turkey viewed the Kurds as an enemy, but today “Kurds are not a threat but our friends. We no longer view anyone as a threat.”

Davutoğlu identified governance as the second major challenge in the region. He said the solution to the governance challenge was “visionary efficiency,” whereby governments have both a strong national vision, as well as the decision making powers to carry out that vision. He cited Turkey as a prime example. The third challenge is that of economic distribution. Davutoğlu called for a more equitable distribution of the region’s wealth, as well as increased economic interdependence as a means of achieving peace. He expressed hope that one day the Middle East could be more like Europe, whereby one could travel from Istanbul to Basra without interruption. Sectarian division was the final challenge addressed by the foreign minister. He called for greater multicultural awareness and a shared and inclusive “regional ownership” between all the diverse groups who call it home.



***Kurds are not a threat  
but our friends. We no  
longer view anyone as a  
threat.***

# Hoshyar Zebari

Minister of Foreign Affairs, Republic of Iraq

Iraqi Foreign Minister Hoshyar Zebari began his address by pointing out the historic shift signified by the Sulaimani Forum. “Nobody could believe that this forum would take place ten years or eleven years ago with [these parties] gathered: Turks, Iranian, Americans, Iraqi, and so on. That means Iraq has changed and we have to recognize that.” Alluding to the Forum’s theme of “Navigating Challenges in the Middle East,” Zebari noted that “in Iraq we have a problem, we have a lack of navigating skills.” Nonetheless, he was committed to improvement.

With regard to the disputes between Erbil and Baghdad, the foreign minister said “dialogue can resolve many of the problems between the KRG and Baghdad and I can assure everybody that there is a willingness to do that.” Calling the upcoming general elections in Iraq the “most important,” Zebari said they also threatened to end the consensus and pluralism on which contemporary Iraq was founded. Zebari then turned to Iraq’s relations with its neighbors, advocating the goal of normalized relations as well as regional and global integration. He praised the development of the Iraq-Turkey economic relationship, in addition to the normalization of relations with Iran, Kuwait and other Arab powers in the region. He said Iraq has “ambitious plans” for its relations with Turkey and is looking to “enhance cooperation, to

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enhance transport, to enhance links, [and] to resolve problems of water.” The foreign minister expressed great concern for the “existential threat” posed by terrorism in Iraq and spillover from the conflict in Syria. Zebari noted that despite these threats, there was hope that Iraq finally has a say in regional affairs after years of isolation.



# Question and Answer

During the question and answer period, the foreign ministers addressed the role of liberals and seculars in the new Middle East, Ankara's role in mediating the natural resource and budget disputes between Baghdad and Erbil, as well as Turkey's treatment of its Kurdish population and how that relates to its larger role in the region. While Davutoğlu was optimistic about the future of liberalism and

secularism in Turkey, Zebari was less sanguine about the prospects for Iraq due to the rise of sectarianism and extremism that resulted when moderates fled Iraq during the Baath regime.

With regard to Ankara's role in natural resource disputes between Baghdad and Erbil, Davutoğlu described Turkey's desire for greater regional integration, adding that the "territorial integrity of Iraq and political unity is a main principle [which] can be guaranteed only by power sharing and revenue sharing." Addressing the issue of the Kurdish population in Turkey, Davutoğlu called for greater inclusivity and integration in the politics of Turkey.



# Iraq: An Insider's Perspective

Moderated by Qubad Talabani  
**Director of the Office for Coordination and Follow Up**  
for the Council of Ministers, KRG

**Falah al-Fayyadh**  
National Security Advisor of Iraq

**Hajim al-Hassani**  
Former Speaker of the Iraqi National Assembly

**Fuad Hussein**  
Chief of Staff to the KRG Presidency

This panel, convening three influential government leaders from Iraq and the Kurdistan Region, focused on the current political and economic challenges facing Iraq. Among the topics discussed were the future of democracy in Iraq, concerns over the strengthening of the executive branch and a weak legislature, renewed insurgency and violence, the constitution of Iraq, tensions between Baghdad and Erbil, and the April 2014 elections.

# Hajim al-Hassani

Former Speaker of the Iraqi National Assembly

“

***I think the essence of the problem in the political process is that it has been built based on fears but not on interests.***

Hajim al-Hassani began by focusing on what went wrong to result in Iraq's current state. "I think the essence of the problem in the political process is that it has been built based on fears but not on interests," al-Hassani said. He criticized the predominance of the executive branch and a weak legislature, and expressed fears that a new dictatorship would grow out of the current political situation given the lack of legislative checks on executive power. Al-Hassani decried the political impasse which has so far prevented the passage of an oil and gas law, and called for equal political participation among all of Iraq's different religious and ethnic groups. Al-Hassani also criticized the power of the various ministries, claiming they were built upon individual interests of the minister and his party, rather than a unified policy for Iraq. He expressed concern over Iraq's foreign policy, stating that "relations [are] tense with most neighboring countries." To overcome all these challenges he called for a return to a unified national interest as a cornerstone for Iraqi policy.

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# Falah al-Fayyadh

National Security Advisor of Iraq



***I am not pessimistic about the situation in Iraq, since we will have elections in two months, [and we will] resort to ballot boxes.***



Falah al-Fayyadh disagreed with al-Hassani's pessimistic tone. He noted how Iraq was unique in that it holds democratic elections in which "freedom of opinion and freedom of information" are upheld and the results are not pre-determined. With regard to the budget dispute between Baghdad and Erbil, al-Fayyadh contended that withholding the KRG budget was not out of revenge, but rather the result of a legitimate dispute over the proper division of federal resources. He said the issue is negotiable and expressed hope that a resolution would be reached soon through dialogue. Al-Fayyadh noted that many of Iraq's current political issues resulted from structural problems in the government. He also expressed support for federalism as opposed to a confederation.

Addressing violence in Anbar province, al-Fayyadh described Anbar as a "patriotic war" that proves Iraq has the ability to "move beyond sectarian issues" in order to combat terrorism.

He added, "I am not pessimistic about the situation In Iraq, since we will have elections in two months, [and we will] resort to ballot boxes."

Al-Fayyadh also disagreed with al-Hassani's pessimistic take on Iraq's relations with neighboring countries, arguing that Iraq has tried to establish good relations, but that some of Iraq's neighbors were "enemies of Iraq" who "mourned" the fall of Saddam Hussein's regime.



# Fuad Hussein

Chief of Staff to the Kurdistan Regional  
Government Presidency



***Iraq is on  
the way to  
becoming a  
failed state.***

Fuad Hussein focused on the Iraqi government and democratic institutions. He called Iraq “an imperfect democratic state... [lacking] a democratic culture as there are no patriotic democratic parties, and there are no democratic elites,” He said that without a democratic elite it won’t be possible to establish democracy.

“Iraq is on the way to becoming a failed state,” Hussein warned, expressing concern over the lack of balance of power between Iraq’s branches of government. He called the April 2014 elections “the last chance for Iraq” to become either a democracy or a failed state. Hussein called for federalism as a solution to Iraq’s current political problems, adding that increased centralization of power in Baghdad contributes to a sense of insecurity among the Kurdish population. Hussein addressed the current budget dispute between Baghdad and Erbil, criticizing the absence of debate and transparency in Baghdad’s decision to cut the Kurdistan Region’s budget. He said each of Iraq’s regions are partners who must work together for the future of a peaceful Iraq. He concluded by noting that a balance of power must be established and the rights of regions respected.



## Question and Answer

During the question and answer period, members of the audience asked the panelists about the rise of Islamism, democratic institutions, as well as the proposed Al Jaafari law, which would legalize child marriage in Iraq. With regard to the question of Islamists, Al Fayyadh noted that although the realist actors working within the dictates of the Iraqi constitution had equal rights to express their views, extremism remained a serious problem. He said it was impossible to “omit religion” from politics in Iraq, and attributed current sectarian tensions not to religion but to “disputes over differing political visions.” Fuad Hussein continued on the topic of Islamist groups noting that their “mindset of democracy is weak” – a result of oppression which warped into militancy. With regard to the Jaafari Law, Al Fayyadh did not offer personal views, but expressed faith in the Iraqi Parliament to vote “the right way” as “representatives of the people.”





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Fuad Hussein

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# Iraq's Challenges in 2014 and Beyond

Moderated by Christine van den Toorn  
Analyst of Iraq and Kurdistan Region of Iraq

## **Prashant Rao**

Baghdad Bureau of Agence France-Presse

## **Kirk Sowell**

Uticensis Risk Services, Inside Iraqi Politics

## **Charles R.H. Tripp**

SOAS, University of London

In this panel, a group of distinguished journalists and academics focused on the reasons Iraq is currently facing political deadlock and violence. The panelists addressed the questions of why the recent violence has erupted, whether or not it will become the new norm, and ways to alleviate it. In addition to the questions of violence, panelists also discussed Iraq's political system as well as the April 2014 elections.



# Prashant Rao

Baghdad Bureau, Agence France-Presse

“

*In the past twelve months [violence] has increased quite dramatically... with two or three times the level of fatalities*

”

Agence France-Presse journalist Prashant Rao began his talk by describing the marked changes he has noticed in Iraq since his arrival in June 2009. He noted that it was relatively peaceful when he first arrived in Baghdad, “but in the past twelve months [violence] has increased quite dramatically... with two or three times the level of fatalities.” He noted that when he first arrived in 2009, violence was marked by large explosions. By contrast today there are smaller car bombs exploding at a higher frequency, in addition to an increase in suicide bombings, which “are typically blamed on foreign fighters.” He called for greater consensus among the various factions within Iraq to address the growing violence, in addition to general political reconciliation and economic growth.



# Charles R.H. Tripp

SOAS, University of London



***The Iraqi state became a vehicle for power, privilege and wealth, [as well as] a mechanism for excluding those seen as untrustworthy.***

Charles Tripp focused on what he called the “dual state” – comprising of the official government and a “shadow” government of unofficial patronage networks – and its consequences for the current security situation and governance in Iraq. He traced the history of this dual state back to the British colonial era in Iraq. The existence of this “shadow government,” according to Tripp, means that the “Iraqi state became a vehicle for power, privilege and wealth, [as well as] a mechanism for excluding those seen as untrustworthy.” He identified “redressing the balance between the public state and the shadow state” as Iraq’s greatest challenge.

Tripp concurred with speakers from earlier panels that over the past six or seven years, Iraq has witnessed a return to the centralization and personalization of power in the office of the prime minister, resulting in “accusations of dictatorship.” Tripp addressed the issue of widespread corruption, which he said was “not an anomaly of the system but a part of the system.”

Tripp described the dangers of a system whereby power was centralized and personalized in the office of the prime minister, and fed by networks of ethnically linked patronage and corruption. The first is the danger of potentially violent divisions in society, which occur when some groups are favored in the shadow patronage networks and others are distrusted as outsiders. Tripp also described the problem of ever increasing class divisions within Iraqi society, which “results from the perception that public office is being transformed into private wealth.”



# Kirk Sowell

Uticensis Risk Services, Inside Iraqi Politics



***...if Maliki gets around 50% again, he's going to be very hard to stop... on the other hand if he gets about a third, doing as well as he did in last year's provincial elections, he may have some problems.***



Kirk Sowell focused on Iraq's electoral politics, particularly the 142 parties and 41 coalition blocs contesting the April 2014 elections. He narrowed in on three main dynamics between the nine most important blocs. The first dynamic he addressed was the relationships between Prime Minister Maliki's

State of Law Coalition and its traditional rivals, notably the Islamic Supreme Council of Iraq and the Sadrist "Ahrar" bloc. He noted that these two blocs are determined to deny Maliki a third term, and as such it would be important to see how well they did in comparison. Sowell predicted that "if Maliki gets around 50% again, he's going to be very hard to stop...on the other hand if he gets about a third, doing as well as he did in last year's provincial elections, he may have some problems."

Sowell identified four "swing blocs" as the second major dynamic in the April 2014 elections. He noted that each bloc is too small to be decisive on its own, but could potentially swing the makeup of the government if Maliki's party does not win a clear mandate.

Sowell identified the Sunni community as the third dynamic, which he associated with Speaker of Parliament Usama al-Nujaifi's United for Reform Coalition (Muttahidoon) and Deputy Prime Minister Salih Mutlaq's Arab Coalition. With regard to this dynamic Sowell said, "the basic division is between those who believe in a strong centralized state and [taking] a hardline in dealing with the Kurds, which is represented by Mutlaq...and those associated with Nujaifi who are more aligned with the Kurdish bloc in favor of regionalization and the formation of new regions, and are also a bit more Islamic [than Mutlaq's bloc]." He went on to say that "if Mutlaq and his allies do well, that's clearly good for Maliki...Mutlaq does not need to get a majority or a plurality. He just needs to do well enough to build a coalition. But if he gets completely wiped out, that's bad news for Maliki."

# Question and Answer

Live questions from the Forum's Twitter feed were taken for this panel. The first question asked whether the April 2014 election would lead to reconciliation or deeper divisions. Other questions addressed the prospect of independence for the Kurdistan Region. Sowell noted that among the Shia blocs, there were actually relatively few policy divisions, and that most divisions were based on political power. On the Sunni side, however, Sowell said that whether Mutlaq or Nujaifi prevailed, deep divisions would likely result. Tripp said an independent Kurdistan would "have a catastrophic effect on Iraq," as it would represent a fundamental break down of the Iraqi state. He added that Kurdish independence would likely "come at the end of a period of conflict and tension."









# The Iranian Diplomatic Shift: Understanding Interests, Motives and Implications

Moderated by Pooneh Ghoddoosi  
BBC World/BBC Persia

## Ahmed Sadeghi

Institute for Political and International Studies,  
Iranian Ministry of Foreign Affairs

## Adil Abd Al-Mahdi

Former Vice President of Iraq

## Kenneth Pollack

Brookings Institution Expert

## Karim Sadjadpour

Carnegie Endowment for International Peace

## Robin Wright

Author, analyst and journalist

In June 2013, citizens of the Islamic Republic of Iran went to the polls to elect Hassan Rouhani as president. Since taking office in August 2013, Rouhani has been recognized for redirecting Iran's foreign policy orientation. Among the strategic shifts is the decision to enter nuclear talks with the P5+1, as well as with American officials. Indeed, US and Iranian officials have had more dialogue over the early months of 2014 than they had had during the previous 35 years. This panel examined the motives behind this shift as well as potential outcomes.

# Ahmed Sadeghi

Institute for Political and International Studies,  
Iranian Ministry of Foreign Affairs

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***[Sadeghi] concluded that President Rouhani's administration is one of moderation [that] represents a moment of opportunity... to bring new possibilities for engagement and cooperation.'***

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Ahmed Sadeghi provided unique insight into the recent policy shift as a representative of the Iranian government. Sadeghi praised President Rouhani's election as an exercise of modern Islamic democracy. He said Rouhani's election indicates “elements of both continuity and change in the main discourse of Iranian politics.” Since the Islamic Revolution, never has a candidate received such a mandate “from both below and above, and never before has a candidate occupied the political center effectively by commanding enough respect from both the left and right.” He praised the election as a “consensus building measure between the people and the elite.” He noted that the “expertise, pragmatism and moderation has helped the administration to have a stable and institutional decision making process.”

Sadeghi deemed Iran's recent diplomatic shift towards cooperation over the nuclear issue genuine, with the aim of working with regional and global actors to help promote peace and stability in the Middle East. He criticized the use of sanctions and the threat of force as a means to bring about policy change. He said Iran is poised to play a positive role in both Iraq and Afghanistan, and supported democratic elections as the only means of promoting positive change, peace and stability. He concluded that President Rouhani's administration is one “of moderation [that] represents a moment of opportunity... to bring new possibilities for engagement and cooperation.”

# Robin Wright

Analyst, Journalist, and Author

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***A new political reality [has] evolved in Tehran, [which] changes the tone of the last sixteen years.***

Robin Wright agreed with Sadeghi that “a new political reality [has] evolved in Tehran, [which] changes the tone of the last sixteen years.” She described the new regime as realist and the current diplomatic shifts as a “strategic recalculation” based on the shifting balance of power in the Middle East. Particularly with the withdrawal of US forces from Iraq and Afghanistan, which Wright described as a security buffer, Iran sees itself surrounded by a “Salafist circle” and is deeply concerned by the growth of al-Qaeda franchises, the reemergence of the Taliban in Afghanistan, and the growing “strategic threat” posed by Saudi Arabia. Wright described how Iran actually sees itself as sharing the interest of combatting Sunni extremism with the United States.

Wright noted that Western sanctions against Iran played a minor role in the diplomatic shift, but argued that the shift in Iran went much deeper and was actually due to a genuine shift in foreign policy orientation based on changing geopolitical realities. She argued that the Iranian people are against war as they are haunted by memories of the brutal Iran-Iraq War, and that the public support for the nuclear program is based on the desire to avoid another horrible war. She concluded by saying that Iran seeks to play a positive role in the international community.

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# Karim Sadjadpour

Carnegie Endowment for International Peace

Karim Sadjadpour agreed with both of the previous speakers that Iran is currently witnessing a legitimate shift from an ideological focus to one based on the national interest and the Iranian people's desire for change. At the same time, he said, "Iran is very unique in the world as it is a country which simultaneously or interchangeably employs ideology, sectarianism and nationalism." As such, a tension still remains between ideology and national interest, each with supporting factions of ideologues and pragmatists. Sadjadpour argued that ultimately both camps do not want to see the end of the Islamic Republic as we know it, but rather seek different methods of strengthening it.

Sadjadpour also provided examples of change in the current Iranian regime. He mentioned that the Iranian delegation's presence at the Sulaimani Forum was notable and signified Iran's desire for greater interaction with the outside world. He also highlighted the normalization of dialogue between US and Iranian officials as a sign of major change. At the same time, Sadjadpour noted that Iran continues to support the Assad regime in Syria, in addition to Hamas and Hezbollah. He added that in addition to the nuclear issue, tensions between the US and Iran are the result of Iran's position towards Israel. "American-Iranian relations will never be fully normalized as long as Iran doesn't moderate its position towards Israel," he said.

Sadjadpour concluded by arguing that Iran's ideological and national pursuits are at odds, and that in order to fully pursue its national interest, Iran must turn away from the Islamic Revolution and focus on economic development. He noted the flight of human and economic capital following the Islamic Revolution and pointed out how Iran's GDP per capita was once double that of Turkey in 1978, but today it is just half. He argued that if Iran sets aside its ideological pursuits it could be a part of the G20 and a major "regional player and not a regional spoiler."



***...a tension still remains between ideology and national interest, each with supporting factions of ideologues and pragmatists.***



# Adil Abd Al-Mahdi

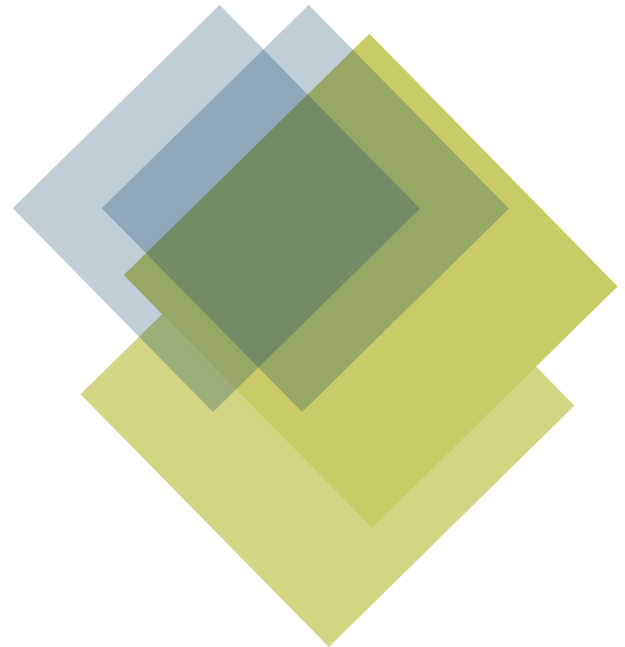
Former Vice President of Iraq

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***If Iran intends to show its innocence to the international community, it should normalize its relationship with Israel.***

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Adil Abd al-Mahdi discussed Iranian foreign policy within the context of the changing geopolitics and balance of power in the Middle East over the past decade. He cited the recent “disengagement and non-interference” by the US, as well as the proliferation of “small wars” in Syria, Lebanon, and Libya as factors that have spurred the change in Iran’s diplomatic orientation. Al-Mahdi argued that “if Iran intends to show its innocence to the international community, it should normalize its relationship with Israel.” He argued for the need for trust-building between the West and Iran, and to that end, the importance of lifting sanctions against Iran. He also said he believed that Iran plays a positive role in Iraq, and he called for greater cooperation between all of the countries in the region, as well as the major external players, the US and Russia.





# Kenneth Pollack

Brookings Institution



***If the US uses [the deal] as an excuse to disengage it will make the region much worse and hurt our own interests.***



Kenneth Pollack focused on the Iranian diplomatic shift from the perspective of policy makers in Washington. In his view, the breakthrough over the nuclear issue was seminal for the Obama administration, paving the way for potential cooperation in Syria and Iraq. He noted that President Barack Obama views the nuclear deal as part of his legacy and is very keen on seeing it to the end, though domestic politics in the US could still derail the deal. Pollack explained how many in the

US are deeply distrustful of Iran and do not view this latest policy shift as genuine, fearing that Iran will renege and begin its nuclear program again as soon as sanctions are lifted. At the same time, one of the main countervailing forces in favor of the deal is that Americans are war weary, and the opponents of the deal have not provided a viable alternative.

Pollack went on to discuss potential roadblocks between the US and Iran over negotiating a final nuclear deal. He said the “Obama administration is willing to be very flexible on issues of substance... and actually the bigger issues are going to be over principle,” such as a declaration of the right to enrich uranium. “If the Iranians insist on standing on the principle [of] enrichment, we’ve got a big problem. The United States has never accepted that the Nuclear Non-proliferation Treaty provides a right to enrich.”

Pollack said the Obama administration would probably also allow for flexibility in terms of easing the sanctions to near non-existence, but would not necessarily give up on them formally out of principle. He noted that “one of the biggest things pushing the nuclear deal along will be that the people opposing it will recognize that they can’t be seen to kill the deal. This is a battle for hearts and minds across the world...the party that kills the deal will be seen as a bad guy.”

In concluding, Pollack said that beyond the deal itself, the most important thing for the US is what it does after. “If the US uses [the deal] as an excuse to disengage [from the region] it will make the region much worse and hurt our own interests.”

# Question and Answer

A spirited debate followed the panelists' remarks. The first point of contention was whether or not Iran's diplomatic shift was genuine, or if the regime was "pulling a fast one" in order to have sanctions lifted. Pollack said he believed the Rouhani administration was genuine, but expressed doubts over other elements in the Iranian power structure. He concluded that it would be important to establish a framework of trust moving forward with the nuclear deal. Sadjadpour argued that the US should move forward with the nuclear deal regardless because it was good for the US, Iran and the greater Middle East. He noted that if it turns out that the shift is not genuine, and if Iran tries to renege, "that only strengthens the international coalition against Iran."

The next topic of debate was concern over the issue of human rights in Iran getting lost in the current nuclear negotiations. Wright expressed deep concern over the human rights situation in Iran, as well as consternation over the "death to America" chants one still hears in the streets. In response, Sadeghi defended Iran's tradition of human rights, and was critical of the trend to use human rights abuses as a reason for external intervention. The issue of Kurds in Iraq and Syria was also addressed, to which al-Mahdi said Iran's diplomatic shift would benefit the Kurdistan Region of Iraq.







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# Syria's Current Status and Future Prospects

Moderated by Maria Fantappie  
International Crisis Group

**Karen AbuZayd**

International Commission of Inquiry for Syria

**Fabrice Balanche**

University of Lyon 2

**Peter Harling**

International Crisis Group

**Bayan Jabir**

Member of Iraqi Parliament

**Andrew Slater**

The American University of Iraq, Sulaimani

The conflict in Syria, now in its third year, has reached a bloody stalemate. What began as a peaceful protest movement against the regime of Syrian President Bashar al-Assad has since devolved into a brutal civil war between multiple sides on many fronts. The past year has witnessed an evolution in the conflict, with increasing involvement of Islamic extremist groups and the declaration of autonomous cantons in the Kurdish populated areas of the country. This panel brought together a distinguished group of academics and policy analysts to discuss the ongoing crisis, including the sectarian origins of the conflict, sectarianism in the Syrian military, human rights violations, and the greater geopolitical context of the war.

# Fabrice Balanche

University of Lyon 2

Fabrice Balanche's discussion focused on the sectarian divides within Syria. He used maps to illustrate how the conflict has unfolded along Syria's sectarian lines, describing the current situation as a "process of Balkanization."

He then went on to describe economic development and demographics in Syria. The minority Alawite communities had long benefited from the Assad regime's economic development plans for the western and coastal areas of Syria. Meanwhile, Balanche warned of the dangers of a rapidly growing population within the context of a weak economy, saying "the demographic bomb is about to explode." Even more ominous for the Assad regime, opposition Sunni populations are growing at a much faster rate than minority groups such as the Alawite, which are generally loyal to Assad. Balanche attributed growing allegiance to Islamist groups to high levels of underdevelopment and fertility in Sunni areas.

Balanche went on to discuss Assad's counterinsurgency strategy, which follows a "very messy and repressive approach" that seeks to "separate the rebels from the civilians." He described a "strategic alliance" between the Assad regime and the Kurdish militias in the north of the country. According to Balanche, Assad is using the Syrian Kurdish movement in the north to close the border with Turkey to Arab and Islamist opposition groups. Such an alliance is seen to be in the Kurdish interest since they prefer "a weak Assad over a strong Arab opposition."

*...there is no good scenario for Syria. Assad will likely win the war but I don't think he will win the peace. In another 10 or 20 years Syria will explode again along sectarian lines.*



Balanche went on to described three possible scenarios for the conflict. The first involved the ouster of Assad. Balanche believes this would result in the division of Syria into Alawite, Sunni, and Kurdish areas, with an Islamic state in the east. This would also possibly entail spillover into Lebanon. The second scenario involved Assad staying in power. Under this scenario, Assad would maintain direct control over the west of the country, and would maintain indirect control in the east and north after making deals with tribal groups to push out the opposition. Under this scenario, it would be very difficult for Syria's 4-5 million refugees to return. The final scenario is that of stalemate. This would result in an informal partition of Syria between the regime and the opposition. Balanche believed the second scenario was the most likely, and that the outcome would be determined by geopolitics rather than internal dynamics in Syria. The key factors would be Iran's continued support for the Assad regime, as well as potential Saudi Arabian and Western support for the opposition. Balanche concluded that "there is no good scenario for Syria. Assad will likely win the war but I don't think he will win the peace. In another 10 or 20 years Syria will explode again along sectarian lines."

## Bayan Jabir

Member of Iraqi Parliament

Bayan Jabir discussed the Syrian civil war from his perspective as a former Iraqi MP, finance minister, interior minister, and longtime opponent of Saddam Hussein's Baathist regime. Jabir served in Damascus as a representative of the Supreme Council for Islamic Revolution in Iraq (SCIRI) from 1982 to 2003.

He called the "Arab Spring, Autumn and Winter a change process for a new Sykes-Picot," referring to the 1916 agreement which divided the Middle East into spheres of British and French influence. Given his knowledge of Syrian society, the extensive grip of the Syrian Army, and the influence of external actors, he predicted early on that the conflict would be long and bloody. He highlighted the influence of external actors like Libya and Lebanon in supporting Salafist groups such as al-Nusra and ISIS, while Iran and Russia supported the Assad regime. Speaking as a former finance minister, he argued that the Syrian currency and economy is what will "break the back of the regime."

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***[The] Arab Spring,  
Autumn and Winter [is]  
a change process for a  
new Sykes-Picot...***

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# Andrew Slater

American University of Iraq, Sulaimani

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***The military itself embodies sectarianism and it perpetuates it.***

Andrew Slater spoke about sectarianism in the Syrian military and tried to explain why Syrian soldiers continue to fight after three years of brutal war and very low morale. He described a situation where the Syrian military is purposefully structured along sectarian lines. Alawites dominate the officer ranks, while Sunnis and Kurds tend to be enlisted soldiers, which “exacerbates existing sectarian divides to the extreme.” Because of this sectarian divide in the ranks, “there is intense tension between soldiers and officers.”

Slater went on to describe the conditions in Syrian military units and explained how so far mass desertions have been prevented, in spite of very harsh conditions and low morale. First, Syrian soldiers are isolated. “Few people know as little about what is going on as Syrian front line soldiers,” Slater said, adding they are not allowed to have phones and have minimal contact with their families. Second are the large number of summary executions of deserters and suspected deserters. Soldiers are made aware of these executions by their officers, and there are deep levels of distrust within the ranks. Furthermore, soldiers attempting desertion would be easily identified by their lack of identification and their haircuts. Beyond these concrete barriers to desertion, “the organization of violence and fear keeps soldiers in the army.” Syrian soldiers fear retribution against themselves and their families, and fear they have no future in Syria except for in the ranks of the military. “The military itself embodies sectarianism and it perpetuates it,” Slater concluded.

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# Karen AbuZayd

International Commission of Inquiry for Syria

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***What is happening in Syria demands a claim on the world's attention. It requires a response beyond compassion and humanitarian aid.***

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Karen AbuZayd spoke as a representative of the International Commission of Inquiry for Syria, which has a mandate to investigate and document all violations of international law during the Syrian conflict. AbuZayd detailed the growing intensity and scope of the violence and humanitarian crisis in Syria. “The landscape of the battle has become increasingly complex,” she said, adding that what began as a single conflict between the Assad regime and opposition forces has spawned into several overlapping conflicts. New violence has broken out between the Islamic State of Iraq and the Levant (ISIS), “which appears to be focused less on fighting the government than on establishing an Islamic state,” and other rebel groups in the north and northeast. Fighting has also intensified between Kurdish groups and radical Islamic armed groups in north. Both of these constitute “distinct sub-conflicts with [their] own military dynamics.” In addition to these new battle lines, non-state armed groups have increasingly resorted to suicide bombings and improvised explosive devices, and thousands of foreign fighters have flooded the border and have joined forces with all sides.

AbuZayd described an increasingly bleak humanitarian situation. She said over 250,000 civilians are currently besieged in their own towns and villages, as civilian areas are relentlessly bombed with impunity by both government forces and non-state armed groups like ISIS and the Islamic Front. Meanwhile, there has been a troubling increase in the use of imprecise barrel bombs airdropped by government planes. The widespread denial of humanitarian aid has led to





disease, starvation and malnutrition. AbuZayd described the regular and systematic use of torture in government detention centers, by intelligence agencies, at checkpoints, and during house raids. Both government forces, and increasingly non-state armed groups as well, have enacted campaigns of deliberate displacement. Women and children are at particular risk. AbuZayd noted widespread instances of rape and sexual violence in government detention centers and at checkpoints. She also documented the recruitment of children by non-state armed groups.

“What is happening in Syria demands a claim on the world’s attention. It requires a response beyond compassion and humanitarian aid,” she said, calling for action from the influential states in the region, the international community, and the UN Security Council. She said a political solution reached by the Syrian people was the only way forward. She concluded by saying the violence in Syria “is not only a political problem, but more seriously a human problem. I hope [the Commission’s] work will inspire those who have power to affect change on the ground.”



# Peter Harling

International Crisis Group



***[The conflict in Syria is] a chaotic transition happening within a chaotic transition in the greater region at large, which is happening itself within a chaotic transition in the international system.***



Peter Harling analyzed the Syrian conflict within the broader context of global politics and the changing international system. He called it an “evolving stalemate” where “very little is happening except people dying like flies.” Rather than focusing on the details of the conflict, Harling explained that the conflict in Syria is “a chaotic transition happening within a chaotic transition in the greater region at large, which is happening itself within a chaotic

transition in the international system.” He said the cause of the conflict at the national level “boils down to a disconnect between the political system and how society has evolved.” In order to solve the conflict, this “profound disconnect” in the system must be addressed, he argued.

Harling called the current political situation “the deepest crisis [the Middle East has] been through in a century or more.” With regard to sectarianism, Harling warned it “should not be blown out of proportion but should also not be ignored.” He identified a “profound crisis” in the “fragmented Sunni worlds” and connected this to an increasingly “integrated arc of crisis and conflict” from Syria to Iraq and Lebanon. He highlighted the “downsizing of the US role in the region,” adding that the US “has no interest in Syria itself.” The lack of an intelligible policy in Syria has “added to the disarray in the sense that traditional US adversaries feel empowered...[and] allies are left to improvise and put themselves in conflict in unhelpful ways.”

According to Harling, the current crisis in Syria and the broader Middle East “points to a collapse or suspension of international governance, at least as we have known it since World War II.” The lack of international action in the brutal conflicts is evidence of an erosion of the institutions and norms established over the past several decades. Harling concluded by calling the conflict in Syria a “strategic absurdity” where battles are fought not over ideology, interests, or values, but rather because of identity politics, cynicism, and US indecisiveness.



# Question and Answer

The discussion session focused on what the international community could actually do about the crisis in Syria. Harling argued that more should have been done diplomatically, saying the West has carried out “public relations more than foreign policy.” With regard to the humanitarian response, he said the international community could be “infinitely more creative in terms of finding ways for aid to actually reach people on the ground.” In terms of military action, he said the West has “never been a proponent of military intervention or arming the Syrian opposition,” but that if this is adopted as a policy, “the notion of do no harm should apply.” Any potential military support should be based on policy, he said, “rather than throwing money and weapons at the problem.” There must also be a clear definition of strategy and objectives. Having experience with the devastating effects of the embargo on Saddam’s regime, Harling cautioned against making the same mistake in Syria.





# Turkey: Internal Developments and External Relations

Moderated by Athanasios Moulakis

President Emeritus of the American University of Iraq, Sulaimani

**Henri Barkey**

Lehigh University

**Ipek Cem-Taha**

Columbia Global Centers, Turkey

**Nuray Mert**

Hurriyet Daily News

**Bejan Matur**

Author and Poet

Much like countries in the Middle East, Turkey is also going through a period of domestic political change, represented by the 2013 Gezi Park protests in Taksim Square, the corruption scandal within the governing Justice and Development Party (AKP) of Prime Minister Recep Tayyip Erdogan, and the ongoing but uncertain peace process with the Kurdistan Workers' Party (PKK). These domestic political challenges and instability in the Middle East are in turn impacting Turkey's foreign policy. This panel included eminent Turkey scholars to discuss topics including Turkey's relations with the European Union and the United States, internal political dynamics, the Syria conflict, the Kurdish issue in Turkey, as well as relations with the KRG.



# Ipek Cem-Taha

Columbia Global Centers, Turkey



***EU membership remains a question given the economic crisis and deep policy divides.***



Ipek Cem-Taha focused on relations between Turkey and the European Union (EU), Turkish foreign policy, and democratization. She likened the Turkey-EU relationship to a reluctant marriage engagement, where neither partner is fully committed to the relationship, but where both partners are interested in the benefits. She

went on to describe the changing internal and external dynamics that have shaped the Turkey-EU relationship. For the EU, there has been an increased focus on the new challenges posed by a revisionist Russia and the crisis in Ukraine, as well as the ongoing effects of the global economic crisis. Cem-Taha also argued that the EU is weary of Turkish membership because of its Muslim population. Meanwhile, she argued Turkey's greater focus on its Middle Eastern neighbors, as well as growing commercial ties around the globe have "undermined the EU's role in the Turkish psyche." Despite growing ties over the past two decades, "EU membership remains a question given the economic crisis and deep policy divides."

Cem-Taha went on to discuss the significance of Turkey's evolving foreign policy. She attributed the rapprochement between Turkey and its Muslim neighbors to the rise of the AKP. At the same time the new AKP leadership moved forward towards improved relations with the EU because at the time it was seen as the next stage for Turkey's development.

The current period is also a crucial one for the development of Turkish democracy, according to Cem-Taha. "One does not feel that we live in a truly democratic society just because we have electoral processes," she said. She noted Turkey is "experiencing a sense of moral bankruptcy" due to the ongoing corruption scandals. Cem-Taha went on to decry the way in which "the media and judiciary are being unlawfully dominated by the executive." She said the "image of democracy has been fading" since the 2013 Gezi protests.



# Nuray Mert

Hurriyet Daily News

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***Unless you have a good command of navigating the challenges of domestic politics, you can't play a positive role regionally or internationally.***

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Nuray Mert's discussion focused on Turkey's foreign policy towards the Middle East. She came out as a staunch critic of the current AKP government and its foreign policy. She expressed a strong desire that Turkey play a positive role in helping to mediate tensions between the KRG and the central government of Iraq, in addition to being a positive force in the greater Middle East. She argued, however, that Turkey lost the opportunity to take on

the role of a “sober political actor” in the region once it started interfering in the sectarian conflict in Syria. Mert criticized the government for “taking sides and supporting armed groups” in Syria, and accused Erdogan and other AKP politicians of adopting a sectarian foreign policy to leverage domestic political gain.

With regard to Iraq, Mert was a strong supporter of improved relations with the KRG. While she wished Turkey could act as a mediator between Erbil and Baghdad, she again said the opportunity was lost due to Turkey's mismanagement of its relations with the central government. Mert concluded by turning to domestic politics. “Unless you have a good command of navigating the challenges of domestic politics, you can't play a positive role regionally or internationally,” she said, calling the current political situation in Turkey a “major crisis” that goes beyond a mere corruption scandal.



# Bejan Matur

Author, Poet and Member of Democratic Progress  
Institute's Council of Experts

Bejan Matur's talk focused on the conflict between the AKP and Gulen movement and its implications for the Kurdish issue. She said Turkey's current political problems go beyond mere corruption and signify a greater struggle for power between the AKP and Gulen movement. Matur noted that tensions between the AKP and Gulen movement have been growing over the past decade. The Erdogan administration increasingly distanced itself from the Gulen movement, trying to increase its own power and preventing Gulen influence within the bureaucracy, going as far to shut down Gulen run university preparatory schools.



***[Turkey's Kurds are] politically organized, and they can create new alternatives via the diaspora, the KRG in Iraq and economic power. Kurds have chances and opportunities now.***



With regard to the Kurdish issue, Matur analyzed the differences and similarities between the AKP and Gulen Movement. “They both have a nationalist, Turkish, neo-Ottoman approach to the issue. They want the 1000 year-long Turkish hegemony to

continue and don't want to compromise," she said. She argued the only difference between the AKP and Gulen movement is their approach. She asserted the AKP is more pragmatic, thinking that "if it can get the power of the Kurds on its side, it can surf towards the Middle East and look assertive." The Kurdish opening in Turkey, therefore, "disturbed the Gulen Movement" because it is competing with the Kurdish nationalist movement. "Gulen is trying to find its place in the power relations as the alternative to the PKK," she said. "Gulen has a slight Turkish assimilation approach, reducing the Kurdish issue in the region to a cultural one."

Matur argued Turkey's Kurdish population actually benefits from the conflict between the AKP and Gulen movement, as it might result in greater political transparency. She also argued that Turkey's Kurdish issue is not a cultural one, but "in fact starts with a request for status, it desires to govern the land in which it is located." While Turkey's current political crisis is diverting attention from the Kurdish issue, Matur argued that it is not in Turkey's interest to delay addressing the issue. Turkey's Kurds are "politically organized, and they can create new alternatives via the diaspora, the KRG in Iraq and economic power. Kurds have chances and opportunities now."

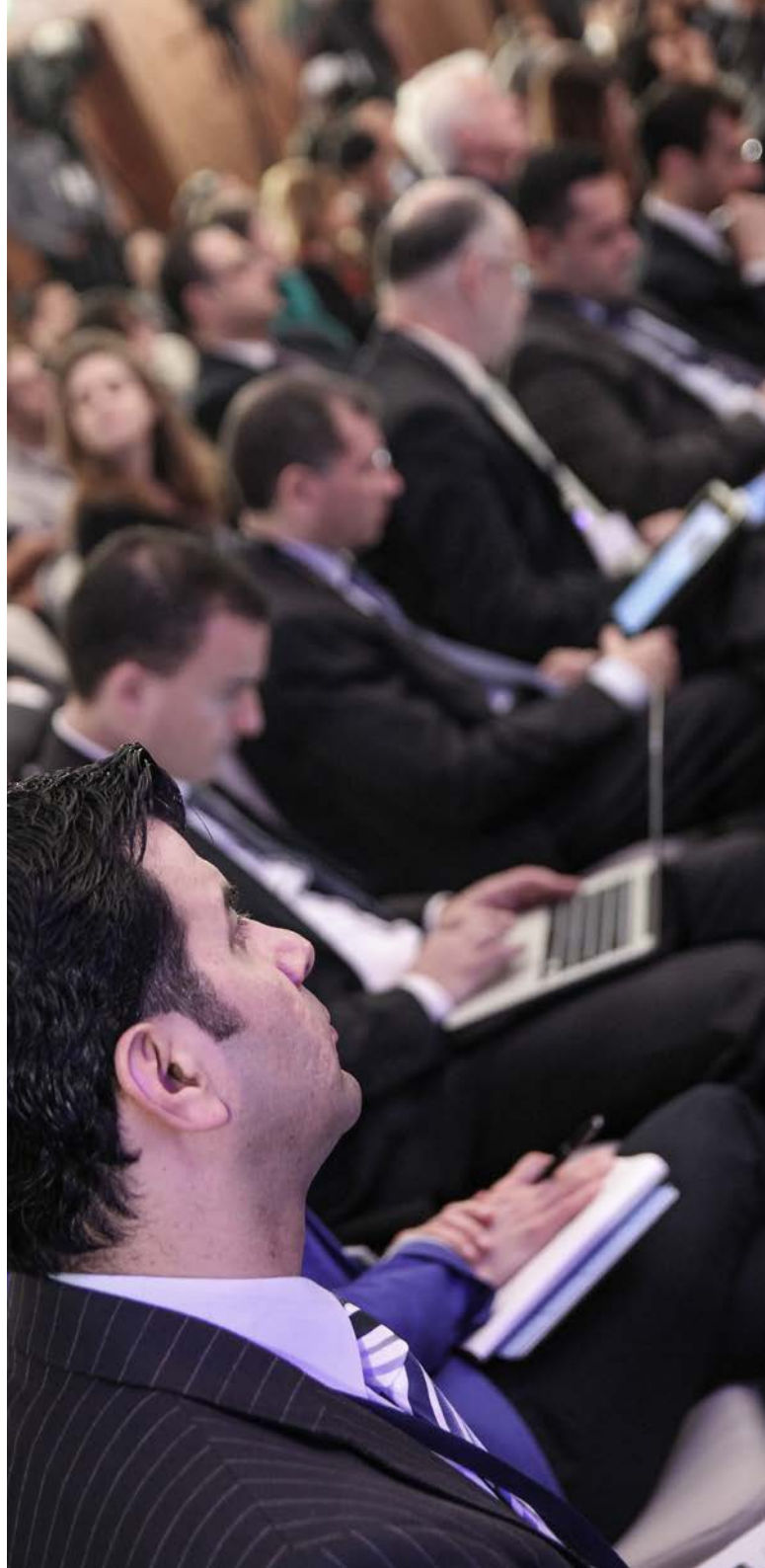
## Henri Barkey

Lehigh University

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***...it wasn't the force that the police used that upset the West, but the discourse that came from the AKP, Erdogan, and AKP newspapers about a [Western] conspiracy to overthrow the Turkish government.***

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Henri Barkey spoke about the impact of Turkey's current political crisis on US-Turkish relations. He noted that just last year he would have described US-Turkey relations as entering a golden age, but in the course of the year relations have gone from a "zenith to a low point." While tensions initially arose over Erdogan's heavy-handed tactics in addressing the Gezi protests of 2013, Barkey argued "it wasn't the force that the police used that upset the West, but the discourse that came from the AKP, Erdogan, and AKP newspapers about a [Western] conspiracy to overthrow the Turkish government." As an example he pointed to the "viciousness of the attack on Turkey's most important ally [the US]" just two weeks after President Obama hosted Erdogan at the White House, which reportedly came as a shock to the administration. Relations took another downward turn with revelation of the massive corruption scandal a few weeks later. Barkey argued that Turkey's involvement in Syria led to a growing level of mistrust in the United States as Turkey's support for Islamist elements in Syria led to the idea that "Turkey cannot be trusted in Syria."

Barkey argued that the US-Turkey relationship is still "very intense," with trade ties, shared NATO membership, and military bases. "Erdogan will remain as a central figure, but he is no longer going to be seen as a transformative figure that the US once viewed him as," he said. Barkey concluded that there is a growing fear among Western leaders that Erdogan will become "increasingly erratic," with detrimental effects on domestic and foreign policy.



# Question and Answer

The Syrian conflict and Turkey's foreign policy orientation were discussed further during the question and answer period. Barkey addressed the issue of the Democratic Union Party (PYD) in Syria, an offshoot of the PKK of Turkey. He said the US is unlikely to enter into talks with the PYD since the PKK is still on the US terror list and there is concern among US policy makers that there is a tacit alliance between the PYD and the Assad regime. With regard to criticism over Turkey's decision to supply weapons to Islamic groups in Syria, Barkey said Turkey made the common, incorrect prediction that the Assad regime would fall quickly. "Turkey got frustrated when it saw the Free Syrian Army could not fight very well, so it decided to support al-Nusra whom they believed were better fighters."

A brief debate followed over whether or not Turkey was returning to an Ottoman foreign policy. Both Barkey and Cem-Taha agreed that Turkey was not trying to renew the Ottoman Empire and that it has adopted a pragmatic foreign policy. Cem-Taha added that references to the Ottoman Empire are directed at domestic audiences for gaining nationalist support. Mert did not agree that Turkey's foreign policy is pragmatic. She argued there is a deep nostalgia for the Ottoman Empire.





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AMERICAN UNIVERSITY OF SULEIMANIA



# The Realities of Investing in Iraq

Moderated by Shwan Taha  
Rabee Securities

## **Faruk Mustafa Rasool**

Faruk Group Holding

## **Ziad Badr**

International Finance Corporation

## **Philip Khoury**

Impera Capital

## **Esra Pelitozu**

Selco Finance and Industrial Group

This panel brought together prominent business leaders from Iraq, as well as experts on Middle East investment strategy and policy. The discussion focused on the unique challenges and opportunities for investment in both Iraq and the Kurdistan Region. Despite violence in Iraq, there are many promising investment opportunities as Iraq remains a frontier market poised for growth over the coming years and decades. The panelists highlighted the challenges that go beyond political risk, most prominently of which are issues with infrastructure and human capital.

# Faruk Mustafa Rasool

Faruk Group Holding



***Rasool outlined his vision of Asiacell and Faruk Group as a ‘national company with national efforts,’ to develop Iraq.***



Faruk Rasool discussed his experience building the telecommunications company Asiacell, Iraq’s largest private sector company. He was first inspired by mobile technology while visiting London in 1999. While there, he reached out to several telecommunications companies, but was turned down since sanctions were still in effect against both Iraq and Kurdistan. He was eventually able to reach an agreement with a small Canadian-American company to import devices and equipment for a small network. Asiacell reached a larger agreement with China’s Huawei in 2001. Though Huawei was also initially reluctant, AsiaCell’s business took off following the end of the Saddam regime and now has a larger network than Huawei. Asiacell initiated a successful initial public offering (IPO) on the Iraqi Stock Exchange in 2010, making it the first successful IPO in the Middle East since 2008.

Rasool outlined his vision of Asiacell and Faruk Group as a “national company with national efforts” to develop Iraq. He highlighted the Faruk Group’s efforts to rehabilitate failed cement factories, and other industrial and agricultural projects, as well as Asiacell’s education centers, which have graduated more than 600 students in the fields of technology, marketing and sales. Rasool was also proud of the Group’s work to construct a modern new hospital, which is “considered one of the best in the Middle East.” He praised the KRG’s investment law, saying he hoped it would extend into southern Iraq.

# Esra Pelitozu

Selco Finance and Industrial Group



***...while senior Iraqi government officials were often helpful in solving many of their problems, junior level staff often lacked the knowledge and institutional capacity to implement solutions.***



Esra Pelitozu described the challenges her company, Selco Finance and Industrial Group, faced in opening a factory in Baghdad for the production of preform plastics used for the production of bottles. Her family company decided to make its first major direct investment following the war. The first phase of the factory project was in operation

in the second half of 2010. It was the first foreign direct investment in Iraq to be granted political risk insurance by the World Bank backed Multilateral Investment Guarantee Agency. Selco Finance entered the Iraqi market for a variety of reasons, including a growing demand for bottled beverages, a lack of local competitors, as well as a strategic competitive advantage over Turkish competitors who were exporting to Iraq. The company was able to find a secure location in Baghdad. It imported quality equipment and backup electricity generators from Canada.

In spite of the early successes in getting the first phase of the project running, Selco Finance faced many challenges. The first among them was difficulty in finding a quality local partner to work with. The company ultimately decided to buy out the local partners. Unreliable power supply also turned out to be a real challenge. Using generators during frequent blackouts was expensive and logistically difficult. There was also the problem of finding qualified local staff, particularly individuals who spoke English and were trained accountants. The company ultimately hired local English speakers and trained them. Selco also brought in employees from Turkey, which only added to the costs of providing expat security. Pelitozu noted that security once again is a growing concern. She also noted that while senior Iraqi government officials were often helpful in solving many of their problems, junior level staff often lacked the knowledge and institutional capacity to implement solutions. The company has not yet begun the second stage of the project and they are currently debating selling the company to Iraqi investors.

# Ziad Badr

International Finance Corporation

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***There are substantial upsides so long as risk is managed. The government is keen to support the private sector.***

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Ziad Badr spoke about the International Finance Corporation’s (IFC) mandate in Iraq, as well as several investment challenges. The IFC portfolio in Iraq is around \$700 million, and is expected to grow to between \$800 million and \$1 billion over the

next three years. Since the IFC’s direct investments usually don’t exceed 20% in any given project, partnerships with international investors could reach as high as \$5 billion in three years. Badr explained that the IFC is concerned about the “developmental impact” of its projects and as such does not invest in oil projects because they generally do not lead to job creation. Instead, the IFC focuses on “power, gas, agriculture, banking, transportation...and anything related to big construction, including cement, steel.”

Badr mentioned reasons why investors should be attracted to Iraq, saying “there are substantial upsides so long as risk is managed. The government is keen to support the private sector.” He cited a high national budget of around \$130 billion, much of which is going towards investments. He also highlighted Iraq’s stable inflation rate and growing levels of foreign direct investment. Badr then turned to the challenges of investing in Iraq. He cited a World Bank investment climate assessment, which asked investors what they experienced as the biggest challenges in Iraq. According to the assessment, the biggest challenge is the lack of a stable electricity supply. Other challenges included political instability, corruption, security, access to finance, a poor legal regulatory framework, and lack of transparency. Badr explained the importance of finding a local partner, and the challenges of proper due diligence to assure the local partner is not “politically exposed.” Finally, he agreed with Pelitzou that a major challenge was a lack of knowledge surrounding international business practices, such as preparing a good feasibility study and proper account audits.



# Philip Khoury

Impera Capital



***[Khoury] classified the Iraqi market as 'off-index' with the capability of becoming a promising frontier market.***



Philip Khoury's presentation focused on portfolio investments in emerging markets, as well as specific challenges and opportunities in Iraq. He classified the Iraqi market as "off-index" with the capability of becoming a promising frontier market. He believes Iraq will be an attractive investment opportunity for a variety of reasons. He noted daily oil production is still low compared to actual reserves and the International Energy Agency (IEA) predicts that Iraq could double or triple its production by 2020. In addition to its energy potential, GDP growth over the next five years is estimated to be between 6-10%. The government is projected to run fiscal surpluses for the next five years, debt is decreasing, inflation and interest rates are relatively low, and the currency is more or less pegged to the dollar. Iraq's stock market performance has so far been immune to violence, and has significantly outperformed other frontier markets. Khoury focused on the investment potential of the banking sector, which is currently the most underdeveloped in the region.

Khoury then turned to ways in which the investment climate could be improved. He first discussed market infrastructure. Typically in emerging markets, investors are able to secure their shares in an international bank of their choosing, but this is not the case in Iraq. He also called for mechanisms to remove broker risk, whereby brokers would still manage trades, but would not actually handle capital. He also called for clearer asset listing rules, greater liquidity, improved governance, financial transparency, and regulations to deal with insider trading and management disputes.

# Question and Answer

The question and answer session focused on the obstacles facing investment in Iraq and the KRG, as well as the banking system, job creation, and the scarcity of accurate data.

Al-Khatteeb discussed public sector employment, pointing out that Iraq's current population of 33 million is expected to increase to 55 million by 2030. If the government continues to mask unemployment through public sector jobs, statistics show it could lead to bankruptcy by 2020. Al-Khatteeb then asked Badr if he thinks this kind of issue could lead to public unrest and threaten business in the region. Badr agreed that Iraq is highly dependent on the public sector and that "a change of mentality is really needed." He explained that if one truly wants to create jobs, the government will need to be more supportive of the private sector.

Badr also discussed the lack of accurate data, considering it to be another serious challenge for businesses and investors. To date the IFC has had to collect its own data. For this reason, Badr believes that centers at universities such as AUIS and IRIS can fill this gap, with researchers gathering and analyzing crucial data and information that can inform and attract investors.

Another member of the audience asked whether investors considered topics such as corruption, democracy, and human rights when making investment decisions. Badr said that this was certainly the case. He explained that when investing, the IFC ensured everything was in line with international and Iraqi laws. The IFC also conducts background checks to be fully aware of a company or individual's sources of wealth. This is why, Badr said, the IFC cannot invest millions of dollars in Iraq at once – each investment takes a year or more to appraise before funds can be disbursed.

One audience member asked how investors and businesses could function without a proper banking system. Rasool responded that while Iraq has several strong banks, the KRG banking system has been weak ever since relations were cut with the two major Iraqi banks, Rasheed and Rafidain. Rasool believes that it is important to restore these relations considering the banks' well-established systems and significant wealth. By and large, though, Mustafa remained critical of Iraq's banking system as a whole, describing it as a moneychanger that makes most of its profit by transferring money between Iraq and abroad.

# The Tigris and Euphrates Dilemma: Water as an Instrument for Cooperation across the Region

Moderated by Virginia Tice  
Nature Iraq Foundation

**Azzam Alwash**

Nature Iraq

**Andrea Cattarossi**

MED Ingegneria

**Mukhtar Hashemi**

Newcastle Institute for Research on Sustainability,  
NIReS

**Monadel Fadel Al Mahdawi**

Iraqi Ministry of Water Resources

The Tigris and Euphrates river basins have long been the lifeblood of Iraq and Mesopotamia, giving rise to the earliest civilizations. Today, however, the fertility that the rivers provide is at risk, as poor water management and extensive damming of the headwaters in Turkey has reduced the flow of water into Iraq and Syria. Unless better strategies for water resource management are established, Iraq runs the risk of running out of water resources in 7-10 years. This panel of experts discussed the water crisis in the region as well as potential solutions.

# Monadel Fadel Al-Mahdawi

Iraqi Ministry of Water Resources

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***We want to reach a comprehensive agreement for the equitable distribution of water.***

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Monadel Fadel Al-Mahdawi's presentation focused on the ongoing disputes between Turkey, Syria, and Iraq over the Tigris and Euphrates basins. He provided an overview of the history of water relations between the three nations. Until the 1970s Iraq was the main user of water from the Tigris and Euphrates. The absence of a comprehensive agreement over the shared water resources did not cause a problem as all countries were able to satisfy their water demands. However, problems began when Turkey began constructing dams and other irrigation projects, which drastically stemmed the southern flow of the Tigris and Euphrates to Iraq and Syria. From 1975 to 2011, annual inflows to Iraq decreased by 52%. Al-Mahdawi described how in 1988 Iraq and Syria proposed a water sharing agreement between the three countries, but Turkey rejected the proposal over disagreements about optimal water use. Turkey proposed an alternate three-stage plan, which was rejected by Iraq and Syria because it did not include a Joint Technical Committee as proposed in the original plan. To this day, a comprehensive water sharing agreement between the three countries has not been reached. Al-Mahdawi concluded by saying Iraq respects the right of Turkey to develop water resources, “but not to cause significant harm to downstream countries. We want to reach a comprehensive agreement for the equitable distribution of water.”



# Mukhtar Hashemi

Newcastle Institute for Research on Sustainability, NIREs

Mukhtar Hashemi's presentation focused on the implications of the Kurdistan Region of Iraq's water use policies, and the challenges of obtaining a sustainable land and water use policy in order to achieve water and food security. Hashemi explained how the Kurdistan Region's official water use statistics do not show water stresses at local levels, adding that "shortages are experienced locally in the KRG."

Hashemi discussed how the KRG has developed a massive water management and development plan, but that it "lacks an integrated and holistic approach." The Kurdistan Region used to be the bread basket of Iraq, but years of war have devastated the agricultural sector to the point that most of Kurdistan's food supplies are imported from Turkey and Iran. Hashemi went on to explain how the Kurdistan Region's current development plan, including urbanization and the development of the oil sector, means "the KRG is increasingly becoming a rentier state, relying on oil revenues for social and economic development." Hashemi argued that the KRG's focus on the oil sector has come at the expense of the development of the agricultural sector.

Hashemi described how the KRG's agricultural development policies come at the expense of water security, since agricultural development is water intensive..

# Andrea Cattarossi

MED Ingegneria



***If the water situation is not taken seriously, Iraq only has 7-10 years before it runs out of fresh water.***



Andrea Cattarossi discussed his work with the Strategy for Water and Land Resources of Iraq (SWLRI), which conducts research and compiles data with the aim of producing an integrated water system. Cattarossi noted that a key challenge in developing an integrated water policy is access to

accurate data on inflow levels and water quality. He called for greater trust and cooperation between the leaders of the countries in the region, and offered shared research and data collection as a means of building trust. “If the water situation is not taken seriously, Iraq only has 7-10 years before it runs out of fresh water,” Cattarossi warned.

In addition to the water crisis, Cattarossi said “urgent action is required” to address the loss of farmlands. According to the UN, Iraq’s arable land is turning to desert at a rate of 2% a year. Of Iraq’s 70,000 sq kilometers of arable land, 77% is currently being cultivated, but “the problem is that not even half of this is being organized and managed by the government, so water losses are very large.” Of the 80% of Iraq’s water which goes towards agriculture, 70% is lost.

Cattarossi proposed a shift in the way Iraq invests and manages water. He noted that while Iraq has traditionally invested in dams, they are a “poor investment” and “no longer the way forward.” Instead of investing in dams, he called for greater investment in the modernization of agriculture to provide for the more efficient use of water resources. He also called for a change in how Iraq uses its water for oil extraction, which accounts for 3-4% of Iraq’s total water use. Instead of using fresh water for extraction, he said investments should be made to see if sea water or drainage water could be used. He also called for new strategies in developing new lands, developing the southern marshes, and maintaining water quality standards. Cattarossi concluded that greater cooperation and coordination between all countries in the region is needed.

## Azzam Alwash

Nature Iraq

Azzam Alwash opened with a hopeful tone, saying that while the Sulaimani Forum had so far highlighted divisions in the region, “we have an opportunity to use water as something to unite us.” He said the geology, geography and biology of the Tigris and Euphrates rivers connect all of Iraq.

In discussing solutions to the region’s water crisis, Alwash stressed the need to think outside the box. “We need to change the dialogue in the region from ‘whose water this is’ to ‘how can we cooperate,’” he said, adding that trade is a useful mechanism to achieve regional cooperation and addressing mutual resource needs. “Trade is an opportunity. We can’t just negotiate on water in Turkey and win. But if we negotiate on trade, electricity and water, we have a better chance of winning. With increased trade there will be less tension,” Alwash said. He also called for greater research and cooperation between scientists in the region to find mutually beneficial solutions to water problems.

“  
***We need to change the  
dialogue in the region from  
‘whose water this is’ to  
‘how can we cooperate.’***  
”

# Question and Answer

Al-Mahdawi began the discussion by describing different legal interpretations over water rights between Turkey, Iraq, and Syria, which have so far prevented a multilateral agreement on the shared use of river resources. He argued that the differences in interpretation were lacking in real substance and should therefore not prevent an agreement. Alwash was skeptical of the power of legal agreements to establish long-term solutions to the problem. He said that instead of arguing over legal water rights, all parties should come together and compromise for an enduring solution. At the end of the day, Alwash said, international law favors the stronger parties, and in this case Iraq is the weak party compared to Turkey. “Iraq can continue demanding our international right and die in the process, or we can compromise,” Alwash said.

Mukhtar Hashemi agreed that bilateral agreements would not solve the problem, advocating instead for a “regional development plan” involving institutions that bring the countries together to work towards a common solution. He also stressed the importance of water demand management and the potential of “virtual water trading,” whereby water is re-imported in the form of food from other countries. While Cattarossi agreed that greater cooperation is needed, he was skeptical that this would offer a solution in the short-term given the complexities of the issue and other pressing matters in the region, particularly the Syrian civil war. He again stressed the need to modernize agriculture as a way to conserve water resources in the meantime.





# SULAIMANI FORUM

دیداری سلیمانی  
ملتقى السليمانية





# The Future of Ethnosectarian Conflicts in the Middle East

Moderated by Bakhtiar Amin  
Former Iraqi Minister of Human Rights

## **Mahdi al-Hafez**

Former Minister of Planning of Iraq

## **Cengiz Çandar**

Former War Correspondent  
and Al Monitor Columnist

## **Fanar Haddad**

National University of Singapore

Ethnosectarianism has come to characterize the social and political landscape of the Middle East, leading to domestic political divisions and intra-regional state rivalries. The tension has led to political paralysis, or worse, radicalization and thousands of violent deaths across the region. In this panel, experts and policy makers discussed ethnosectarianism across the region, offering insight into its origins, causes and trajectory.

# Mahdi al-Hafez

Former Minister of Planning of Iraq



***I don't think that the constitution is correct and valid for Iraq at this period.***



Calling sectarianism “the major problem in Iraq now,” Mahdi al-Hafez identified four elements that contribute to the issue: flaws in the Iraqi constitution, the political balance of power between the various religious and ethnic groups, foreign interference

in Iraq, and the possible division of Iraq and an independent Kurdish state.

Al-Hafez first addressed the Iraq constitution. “I don’t think that the constitution is correct and valid for Iraq at this period,” he said, qualifying the statement by calling it the “the most important mechanism in building the new Iraq.” He highlighted the constitutional problems surrounding Articles 111 and 112 relating to oil and gas extraction and the division of wealth, which contribute to the current dispute between the KRG and the central government.

Al-Hafez then discussed the political balance between the different religious and ethnic groups in Iraq. Under the current situation, politics are structured around balancing the power between the political leaders of the various groups. Taking a position against political institutions based on sectarian division, al-Hafez said the current balancing act between sectarian groups should be abolished. “Balancing is wrong, the alternatives are equal opportunity and professional standards.”

Al-Hafez next discussed the problem of foreign interference in Iraq. He first brought up the example of Iran. While he believes Iran was a friendly nation trying to help Iraq, he said “interfering to the extent of establishing militias and to impose certain people in certain positions” is ultimately detrimental because Iraq is a weak state. Meanwhile, he blamed much of the violence in Anbar province on the presence of foreign fighters and Iraq’s sectarian divisions.

# Cengiz Çandar

Former War Correspondent and Al Monitor Columnist

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***Ethno-sectarian conflict is tearing apart the entire region...we are moving to a very uncertain future and we cannot make a sound forecast of what will replace the Skyes-Picot system that is being undone***

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Cengiz Çandar began his talk by noting the remarkable changes taking place in the region, apparent in the Turkish foreign minister's address in Kurdish at the opening session of the Sulaimani Forum. He continued that the Arab Spring and the “arrival of the Kurdish moment [signifies] the end

of the Sykes-Picot order.” He added that “ethno-sectarian conflict is tearing apart the entire region... thanks to the activities of non-state actors on the ground we are moving to a very uncertain future and we cannot make a sound forecast of what will replace the Skyes-Picot system that is being undone.”

Çandar likened the current “medieval conflict” in the Middle East to the era of the Thirty Years' War and Hundred Years' War in Europe. Just as England and France waged proxy wars throughout Europe in that era, Turkey and Iran do so today in the Middle East. “The sectarian conflict in the region is not only tearing apart Syria but [also] destabilizing Turkey, Jordan and Lebanon equally.” He noted that Turkey's Alevis “are the same sect with different denominations” as Syria's ruling Alawite minority, and because of this “Turkey is particularly influenced by developments in Syria.”



# Fanar Haddad

National University of Singapore

Fanar Haddad began his discussion of sectarianism in the Middle East by disagreeing with the common thesis that it is based over disagreements between Sunni and Shiite over Islamic doctrine. He argued that the invention of the nation state altered the way in which these religious differences were managed politically. “The advent of the nation state radically altered perceptions over group identities and inter-group relations. With the nation state comes a sense of entitlement, a sense of ownership, a sense of belonging... all these things came to shape sectarian competition more so than religion.”

Haddad noted how post-colonial forces in the Middle East pushed for homogenous notions of identity as they sought to forge new independent nation states.

Rather than “recognizing and accepting difference,” the new state notions of citizenship were based on “obliterating difference by seeking to enforce a hegemonic national identity.”

He called 2003 “a Copernican moment for sectarian relations,” where “the Arab world was violently forced to confront a new reality: one in which the Arab world no longer revolved around Arab Sunnis.” He said 2003 marked the “collapse of long established institutions and deep structures of social control.” Today, it is “increasingly difficult to contain sectarian dynamics within the border of a single nation state.”

In spite of the current divisions and violence over sectarian identities, Haddad claimed “the future is not necessarily all doom and gloom... or that these [violent] dynamics are forever self-perpetuating.” He said he was hopeful that the past eleven years may actually “turn out to be the violent, turbulent, divisive, ugly birth of what, in the long term might be the most sustainable framework for sectarian relations.” Instead of looking at pre-2003 formulas, or by trying to depoliticize sectarian identities, Haddad argued the “focus should be on accepting realities and finding out how best to manage political relevant sectarian identities... and working towards a social contract that recognizes and accepts difference.”





# Question and Answer

Moderator Bakhtiar Amin opened the discussion section by noting that sectarian violence is not a unique phenomenon to the Middle East, providing as examples the bloody sectarian conflicts in the Balkans and Rwanda. He asked the panelists about the prospects for peace and reconciliation between the Middle East's sectarian groups. Al-Hafez responded by acknowledging sectarianism's deep roots in Iraqi history. He said the solution to the sectarian problem "lies in establishing a state of citizenship based on equal opportunity and human rights." He attributed Europe and Turkey's success to their establishment of a secular state, with equal citizenship for all.

The discussion turned next to the Iraqi constitution and the issue of quotas. Fanar Haddad described the quota system as "a major problem." He argued that it further solidified sectarian divisions, rather than helping Iraqi's overcome them. He said there is no desire for a common political citizenship, adding Iraq's leaders are not ready to "transcend sectarian and ethnic divisions." He criticized the Iraqi constitution as one particularly difficult to amend, concluding that it "is used to perpetuate the Olympics of victimhood that the new Iraq has turned into." Continuing on the topic of Iraq's future, al-Hafez said "Iraq is heading towards division...a Kurdish state will be established and the Sunnis will seek to build their own entity." He shared Haddad's frustration over the Iraqi constitution and said it was a "delusion" to think that peace can be reached unless sectarianism is eliminated.







# Iraq Oil Policy: Implications for Domestic Politics, Ramifications for Regional Stability

Moderated by Rachel Bronson  
Chicago Council on Global Affairs

## **Michael Howard**

KRG Ministry of Natural Resources

## **Luay Al-Khatteeb**

Iraqi Energy Institute

## **Bilal Wahab**

The American University of Iraq, Sulaimani

## **Murat Özçelik**

Former Turkish Ambassador to Iraq

This panel brought together energy analysts, government officials and scholars to discuss the challenges and opportunities in the energy sector in Iraq and the KRG. Among the issues discussed were the energy development policy of the KRG, the potential of increased trade with Turkey, energy disputes between Baghdad and Erbil, and the nuances of the articles of the Iraqi constitution dealing with hydrocarbon resources.

# Michael Howard

KRG Ministry of Natural Resources



***The foundations for a new sustainable partnership with our geographic neighbors have been laid and Turkey quite naturally has been the quickest to embrace the new reality.***



Dubbing northern Iraq as one of the world's few remaining frontiers for oil and gas, Michael Howard spoke about the opportunities and advantages of the energy resources in the Kurdistan Region. He described the Kurdistan Region as one of the most widely explored hydrocarbon regions in the

world, with an increasing number of international oil companies from 23 countries. Four significant oil fields are already in the production stage and six more are expected to come online by the end of 2014. Production is expected to reach 400,000 barrels per day by the end of the year, most of which will be destined for export to Turkey and the international market. The Kurdistan Region is expected to begin its first gas exports by 2016.

Howard said “the foundations for a new sustainable partnership with our geographic neighbors have been laid and Turkey quite naturally has been the quickest to embrace the new reality.” He added that Turkey and the KRG are currently building a sustainable relationship based on trade, security and energy cooperation. Howard noted that this relationship will be ever more important as Turkey and Europe’s energy demand grows over the coming decades.

Howard then discussed the natural resource disputes between Erbil and Baghdad. He said the development of the Kurdistan Region’s energy resources will also help Iraq as a whole since it will add billions of dollars to Iraq’s treasury. He added that under Iraq’s constitution, “export of oil and gas is not a monopoly of any single centralized entity to be decided in Baghdad. Indeed it is the duty of all of Iraq’s regions, under the federal constitution, to pursue export of oil and gas to secure the future of the country.” He argued that the KRG is committed to working with the federal government according to the constitution, adding “the pro-business policies that have been followed by the KRG are very specifically designed to maximize revenue for Iraq.”

# Luay Al-Khatteeb

Iraqi Energy Institute

Luay al-Khatteeb continued on the topic of the disputes between Baghdad and Erbil over hydrocarbon resources. He bemoaned the continued lack of consensus and ability to reach a federal hydrocarbons law, saying “this is not a vision of state building. This is kind of like ‘My way or the highway.’”

He argued that the dispute comes down to different interpretations of federalism, where Baghdad “looks at federalism in the lenses of centralism,” and in Kurdistan, federalism is viewed more in terms of confederation. He said Baghdad and Erbil are currently at “a challenging stalemate” over this issue. Because of these disagreements, the proper institutions to manage hydrocarbon production have never been established. “Petty politics,” he said, has led to the underdevelopment of the hydrocarbon sector, robbing Iraq of billions of dollars in lost income. He concluded that the only way to move forward is for the constitutional issues to be amended and clarified.

***‘Petty politics,’ he said, has led to the underdevelopment of the hydrocarbon sector, robbing Iraq of billions of dollars in lost income***

# Bilal Wahab

The American University of Iraq, Sulaimani

***The biggest price the industry is paying is the lack of transparency and the weak checks and balances that any energy firm needs in order to perform well.***

Bilal Wahab focused on the harmful impacts of the dispute between Baghdad and Erbil, calling the Iraqi constitution a “broken document” since there is no mutual agreement or shared interpretation of its meaning. He said this disagreement over the constitution and the resulting disputes between the central government and the KRG have “made it more risky for oil firms and the international oil companies to operate in Iraq.” This in turn has slowed down the process of extracting Iraq’s vast energy reserves. “The biggest price the industry is paying is the lack of transparency and the weak checks and balances that any energy firm needs in



order to perform well,” he said. Given the lack of institutions and legal frameworks, Wahab expressed fear that Iraq would fall victim to the “resource curse.” Wahab then turned to the issue of the “personalization” of the industry. He produced analytic charts depicting how particular individuals, as opposed to institutions, exert inordinate control over decisions in the industry.

Wahab argued that the dispute hurts all of Iraq, costing the country \$55 billion in potential revenues, all while the “dependence on oil has been deepening to a very dangerous level.” Rather than working together to find a solution, Wahab accused Iraq’s leaders of engaging in petty blame games.

Wahab continued with comments on the Kurdistan Region’s energy development plan. With the aim of building the industry inside the Kurdistan Region, the KRG adopted a “smaller, faster, and lighter approach,” which focused on signing production sharing contracts with small companies. Wahab said that every move by the KRG created a negative reaction in Baghdad. “The KRG’s hydrocarbon law was called unconstitutional. The contracts the KRG signed were called illegal. The companies they were working with were blacklisted. And the blacklisting was based on political reasons rather than quality reasons,” Wahab said. Rather than focusing on signing empty agreements on paper, the KRG has been working hard to build its industry on the ground. The final phase of the KRG’s energy plan is monetization and export. Wahab hoped Turkey could act as a mediator between Baghdad and Erbil to allow for increased exports of hydrocarbons from the Kurdistan Region.

## Murat Özçelik

Former Turkish Ambassador to Iraq

Murat Özçelik discussed Turkey’s energy needs, and how that relates to its policies towards Iraq and the Kurdistan Region. He observed that following the US invasion of Iraq in 2003, US-Turkish relations were at a low point, and that Turkey was still grappling with how to deal with Iraqi Kurds given its difficulties with its own Kurdish population. He said the international community was looking to Turkey to take action to improve conditions in the region, and as a result, Turkey developed a new comprehensive strategy.

The first part of that strategy was to improve and normalize relations with the KRG. Iraqi President Jalal Talabani and Turkish President Abdullah Gul came up with the idea for a Strategic Operations Council that brought together six crucial ministers from Turkey and Iraq. Energy ministers were not included since the main focus was developing good relations. With the absence of a federal hydrocarbon law, Özçelik said Turkey was still in favor of the Kurdish policy of using production sharing contracts (PSC) because they allowed for the entry of much needed foreign technical expertise. He said the main focus was to “stop the decline in oil production and increase the recovery rate.” He expressed hope that Baghdad would adopt the same contract system. He added that the Iraqi people should not lose out on oil revenues while Baghdad and Erbil remain stuck in disputes. This is why Turkey decided to move forward with bilateral arrangements with the KRG, adding that he hoped this would “also act as an incentive for Baghdad and the KRG to come to terms with one another on revenue sharing.”

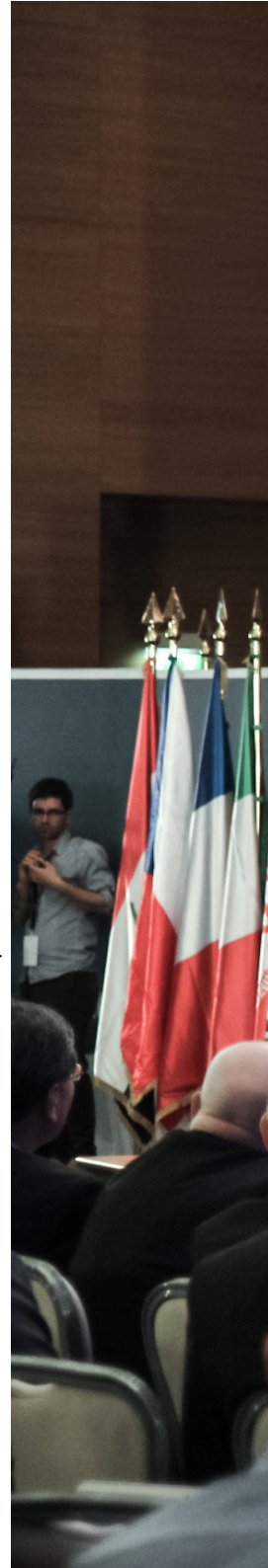
# Question and Answer

During the follow up discussion, Wahab called for a greater policy debate over how to better translate Iraq's oil wealth into societal gains. He said a change in attitudes is important, that the Iraqi people need to stop expecting the government to provide jobs, that Iraq needs to invest more rather than consume more, and that the government should invest in a more diversified economy.

Murat Özçelik addressed a question as to whether or not Turkey's warming relations with the KRG would be an enduring policy, or if it was subject to change with a new Turkish administration. He responded that the current changes are indeed strategic and "serves the mutual interest of Turkey as well as the KRG." As such, he said the policy of enhancing relations with the KRG "will not change" even under a different administration.

Luay al-Khatteeb addressed Turkey's relations with Iraq and the KRG. He said the best thing that Turkey could do for Iraq is respect its constitution and internal matters, adding that only Iraqis themselves can move forward and build their institutions. He noted that the widespread notion that Iraq is being influenced by outsiders only hinders its development. He said Iraq should focus on maximizing the benefits of its energy resources for all Iraqis, rather than being bogged down in a competition. He stressed the importance of developing the gas sector, which is "an economic multiplier," rather than just oil. He also called on the Iraqi government to alter its budget, where currently 70% goes towards expenditures and only 30% towards investment. He said those figures needed to be reversed, with fewer Iraqis on the government payroll and more of the federal budget going towards investment.

Michael Howard spoke more about oil contracts in the Kurdistan Region. He said there are "several layers of transparency." He noted that all of the contracts are reviewed by the KRG Parliament and published online, which is "an historic first." He added that the contracts are negotiated by professionals and that the KRG has been able to secure several excellent PSCs, where a portion of private oil company profits are redirected towards domestic capacity building. He supported Kurdistan's inclusion in the Iraqi Extractive Industries Transparency Initiative (IEITI), which only occurred last year. IEITI improves transparency by reporting on contracts and revenues. The IEITI is currently working with an independent third party to produce a comprehensive revenue and production report.







# Concluding Panel

Chaired by Hoshyar Zebari  
Minister of Foreign Affairs of Iraq

## **Adil Abd al-Mahdi**

Former Vice President of Iraq

## **Abd al-Karim al-Samarrai**

Minister of Science and Technology of Iraq

## **Hassan B. Diab**

Former Minister of Education  
and Higher Education of Lebanon

## **Zalmay Khalilzad**

Khalilzad Associates, Inc.

## **Brett McGurk**

U.S. Department of State



# Adil Abd al-Mahdi

Former Vice President of Iraq

Adil Abd al-Mahdi was optimistic about Iraq's continued transition from dictatorship to democracy. "The path is long," he said, believing that to date Iraq has made solid progress. He praised the Sulaimani Forum as evidence of progress as well as the general political, social, and economic development of the Kurdistan Region. He spoke at length about the development and importance of the Iraqi constitution as well as the need to combat sectarianism. He acknowledged outstanding

challenges in governing the diverse communities that make up Iraq, adding that "the problem is not with the paper of the constitution but with the statesmen and officials." He called for all of Iraq's political factions to respect all aspects of the constitution, and not pick and choose as it suits their own constituency. He called for unity in correcting problems of governance, saying "we are all responsible of these mistakes, not only Kurds, Shiites or the Sunnis separately."

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***The problem is not with the paper of the constitution but with the statesmen and the officials.***

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# Brett McGurk

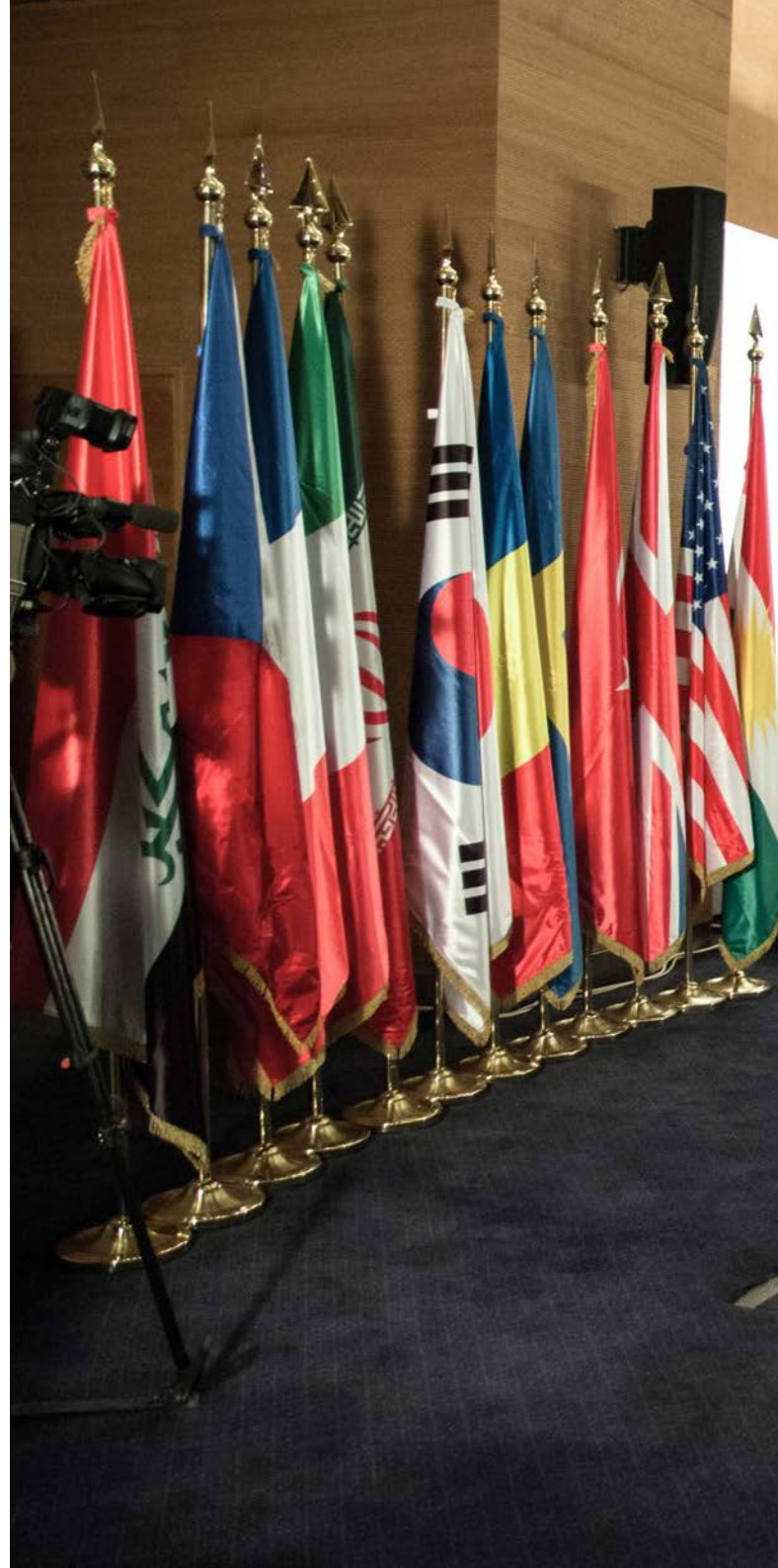
U.S. Department of State

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***Getting Iraq right is essential to getting every other issue in the region right. [US] interests are directly tied up in the future of Iraq.***

”

Brett McGurk focused his remarks on why Iraq still matters for US foreign policy. He began by noting that the US suffered thousands of casualties in Iraq and spent as much as a trillion dollars in the war to remove Saddam Hussein from power. He went on to discuss US interests in Iraq, pointing out that Iraq brings together the “core vital US interests” of combatting al-Qaeda, securing global energy production, addressing the challenges posed by Iran, and containing the ill-effects of regional sectarianism. “Getting Iraq right is essential to getting every other issue in the region right. [US] interests are directly tied up in the future of Iraq... we have no choice but to improve the situation wherever possible and get it right,” he said.





# Abd al-Karim al-Samarrai

Minister of Science and Technology of Iraq

“

***Many participants in the political process have real worries about the collapse of this political process.***

”

Abd al-Karim al-Samarrai spoke about the threat of terrorism in Iraq, particularly in Anbar Province, as well as ongoing constitutional challenges. “The real danger of terrorism is that those terrorist groups have become mercenaries working for the benefit of external agendas and intelligence apparatus,” he said. Meanwhile, he said that demands and protests of citizens of Anbar is a serious issue, which “was then exploited by terrorists.” He called the shelling of Fallujah a “mistake” and expressed hope that the April 2014 national elections would help bring peace and stability. He suggested the solution to the unrest in Anbar is to work with local tribes who are willing to cooperate with the government to fight terrorism. He continued that Iraq should not repeat the mistakes of the similar strategy adopted in 2007 and 2008, whereby the government withdrew its assistance to the supporting tribes. Iraq must ensure the tribes that “if they support the security apparatus today, they will have a future.”

Al-Samarrai echoed al-Mehdi’s concerns regarding adherence to the constitution, adding that he and “many participants in the political process have real worries about the collapse of this political process.” He expressed consternation that although the Iraqiya list won a plurality in the 2010 parliamentary elections, it was denied the right to form a government because of a “wondrous and curious interpretation of the constitution.” He concluded by calling for a national identity based on citizenship rather than sectarianism.



# Zalmay Khalilzad

Khalilzad Associates, Inc.

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***Federalism and power sharing is the only option other than instability and conflict or dictatorship.***

”

Zalmay Khalilzad continued on the theme of the Iraqi constitution and government composition. He noted that one of the greatest challenges in Iraq’s early democratic history was consensus building on important issues. The issue of federalism has long been such an issue where consensus was difficult, but Khalilzad was hopeful that one was finally being reached in favor of federalism. He said until Iraqis could overcome the divisions created by sectarian identities, “federalism and power sharing is the only option other than instability and conflict or dictatorship.”

Khalilzad then addressed the role of the US in Iraq. He said that while the US played a “disproportionate role” in Iraqi politics during most of its post-Saddam history, the US has now “gone too far the other way.” Calling for the US government to be “more engaged and active,” he expressed concern over the vacuum created by the US withdrawal, which has “now been filled in a competitive way by regional powers” resulting in Iraq becoming the “the victim of the rivalries of the region.” Khalilzad also stressed the importance of staying out of regional conflicts such as the one in Syria, adding that “it is very important for [Iraq] to build its institutions and not get dragged into the geopolitical policies of others.” Instead, Iraq should focus on “consensus building, regional cooperation, and staying out of others’ conflicts.” Finally, Khalilzad stressed the importance of the rule of law and an independent judiciary that treats all citizens as equals.

# Hassan B. Diab

Former Minister of Education  
and Higher Education of Lebanon



***The solution  
to many of our  
regional challenges  
lies in three  
pillars: education,  
education,  
education.***



Hassan Diab spoke about the importance of education for building stable and peaceful societies, saying “the best contribution any politician can make is the provision of quality education for his people.”

“Our ultimate and sustainable wealth in the region is not oil, gas or our natural resources...our true wealth is our youth.” He called for improvements to education at all levels with the goal of producing “global citizens who can adapt to the dynamically changing world.”

Diab said modern education must instill graduates with “21<sup>st</sup> century skills,” which go beyond areas of specialization to include language and communication skills as well as “tolerance, respect, and appreciation for the cultures.” He said not enough schools and universities are teaching these skills, and that “ministers of education, higher education, vocational and technical education have the moral responsibility to integrate changes into our educational systems within the region to promote inter-religious and inter-cultural respect and dialogue.” Diab spoke about the importance of citizenship education, which he described as developing common values of citizenship across diverse cultural and religious identities. He called for the implementation of a universal community service program by all first year high school students and the introduction of civic education courses in the curricula.

Diab concluded with his vision for a new Middle East that “one day we will have the courage to form a democratic union among nations of the region while respecting territorial, political, and geopolitical rights similar to the European Union.” He concluded by reiterating that “the solution to many of our regional challenges lies in three pillars: education, education, education.”



# Hoshyar Zebari

Minister of Foreign Affairs of Iraq

“

***The failure of Iraq  
really will impact  
the entire region.***

”

Hoshyar Zebari concluded this panel with optimistic remarks and observations about Iraq's future. He addressed the earlier panelists' concern that Iraq's new and fragile national consensus is under threat. Despite these concerns over a faltering consensus he was hopeful that Iraq would not fall back into dictatorship since Iraq has “the constitutional and legal framework for addressing our problems.” He was optimistic that politics rather than violence is prevailing as a means of solving disputes. Zebari said he believed that the problems between the KRG and Baghdad “can be resolved with goodwill, good intention, and mutual compromise.” Zebari spoke out in favor of federalism, pointing out it is a constitutionally granted right. He called for good relations with the US and Iraq's neighbors, asking for and welcoming helpful engagement because “the failure of Iraq really will impact the entire region.”



# #Sulaimani Forum 2014: The Social Media Aspect



A lively and interactive discussion of the conference occurred on Twitter, as numerous students, panelists, academics, and journalists at the Sulaimani Forum or watching online tweeted about the event. The discussion centered on the hashtag #SuliForum and allowed the live audience and online viewers to pose questions to the panelists and participate in the discussion. By the end of the forum, the event was

trending in the region with over 6,000 tweets with the hashtag #SuliForum posted on Twitter. Additionally, the live stream of the event reached over 10,000 views from all around the world.

The conversation eventually reached into the millions, with #SuliForum displayed 16,669,312 times on Twitter to 4,534,327 unique users. Listed below are some of the tweets that reflected most positively on Sulaimani Forum:



**Barham Salih** @BarhamSalih · Mar 4

interesting, at times tense, exchange among leaders on **#SuliForum** panel. Can Iraq survive w present trajectory? Constitution viable solution



**Ahmet Davutoğlu** @A\_Davutoglu\_eng · Mar 4

I participated in the Sulaymaniyah Forum, hosted by my dear friend Behram Salih, held in Sulaymaniyah-Iraq **#SuliForum**



**Erik Gustafson** @epicEKG · Mar 4

AUIS Chair @BarhamSalih articulates his vision of @IRISmideast's **#SuliForum** & **#Iraq** where cooperation, dialogue & human rights are respected



**Falah Mustafa** @FalahMustafa · Mar 4

Pleased to have attended opening & first panel at the **#SuliForum** where interesting discussions took place on Kurdistan, Iraq & the region



**Luay** @AL\_Khatteeb · Mar 5

The final session of **#SuliForum** 2014 chaired by **#Iraq** frn min.Zibari. Great Forum indeed. Well done AUIS @BarhamSalih



**Hemin Lihony** @lihony · Mar 4

#Turkish media names #SuliForum Kurdish Davos ...  
Davutoğlu Kürtlerin Davosu'nda Kürtçe konuştu İZLE



**Hiwa Osman** @Hiwaosman · Mar 4

#SuliForum brings the Middle East to one room.

📍 from location



**Ipek Cem Taha** @IpekCemTaha · Mar 4

#SuliForum proves a small city can become an important intellectual center!

Expand

↩ Reply ↻ Retweet ★ Favorite ... More



**Prashant Rao** @prashantrao · Mar 5

Just a fantastic #SuliForum over two days at @AUIS\_NEWS. A really great conference, I'm so honoured to have been asked to take part.



**Qubad Talabani** @qubadjt · Mar 4

Enjoyed chairing the panel at #SuliForum. Out of 3 panelists, we had 2.5 different opinions. To summarize in one word: complicated



**Karim Sadjadpour** @ksadjadpour · Mar 5

Thank you @BarhamSalih & students at @AUIS\_NEWS. Kurdistan's #Suliforum is the most vibrant place for discussion in today's Middle East.



**Soma Abdullah** @Soma\_ca · Mar 5

#SuliForum was honestly a great success. Good work @AUIS\_NEWS and everyone that helped out! Already looking forward to next years!



**Brett McGurk** @brett\_mcgurk · Mar 6

Hugely impressed with diversity and caliber of AUIS students; they are future leaders. @AUIS\_NEWS #Suliforum



# Support IRIS and AUIS

AUIS and IRIS would like to thank its sponsors Rabee Securities, Lafarge, Faruk Holding, Sulaimani Chamber of Commerce and Industry, and Invest In Group. This Forum was made possible thanks to their generous contributions.

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AUIS is accepting support to sustain the various activities of the Institute of Regional and International Studies (IRIS) including the *Sulaimani Forum*. In addition, there are numerous other ways to support AUIS: donors can sponsor a new scholarship for students, establish a faculty chair, expand the library's collection, or support the continued development of the campus, among many other opportunities.

Please contact the Office of Institutional Development at [support@auis.edu.iq](mailto:support@auis.edu.iq) if you are interested in discussing ways you or your organization can support AUIS.







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