

# “The Border Does Not Exist:” Solving the Puzzle of Kurdish-Iranian Relations

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Three hundred and eighty-six kilometers of mountains separate the Autonomous Region of Kurdistan from Iran, but however rugged the terrain, it has never impeded a steady two-way flow of trade goods, cash, refugees, migrants and armed insurgents. During the last century of Iraqi Kurdish resistance to centralized Iraqi rule, Iran alternately played the role of friend to Erbil and to Baghdad. Depending on the balance of power at the time, Iran consistently supported the relatively weaker side, supporting Baghdad to ensure that Iraq did not disintegrate—lest an independent Kurdistan fan the flames of separatism in Iran—but also supporting Erbil so that Iraq would not become strong enough to pose a serious challenge to Iran. This policy of maintaining careful balance in Iraq is one that Iran still pursues today, and it has dictated Iranian relations with the Autonomous Region of Kurdistan.

Since the fall of Iraq's Baathist regime in 2003 and the ratification of a new constitution in 2005, the Kurdistan Region has seen stability and economic growth unparalleled elsewhere in Iraq.<sup>1</sup> At the same time, it has exercised disproportionately large influence in Baghdad, and in the case of constitutional ambiguities, it has been able act upon its own interpretations.<sup>1</sup> While Kurdish leaders have stated that they are not currently seeking independence, it is clear that the Kurdistan Region is less dependent on the central Iraqi state than it was before.

Iran has two reasons to fear these recent gains; first, they may be setting the stage for future independence, and second, they may inspire Iran's Kurds to agitate for similar gains under Iran's federal system. Iran has thus taken a three-pronged approach to curbing Kurdish gains in the region. It has worked to exercise quiet influence in the upper ranks of the Kurdish politburo, it has sponsored armed insurgent groups to decrease the region's domestic security and finally, it has waged a military campaign against Kurdish border villages, shelling them nearly every spring since 2003. While Iranian-Kurdish political dealings take place away from the public eye, this paper deals with the latter two Iranian approaches. This article seeks to prove that Iran's sponsorship of insurgents and its campaigns on the

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<sup>1</sup> An example of this has been Kurdistan's foreign policy initiatives, which have been quite active since 2005 despite the constitutional provision that gives the federal state exclusive control over foreign policy. For more on this, see this journal's report on Kurdish Foreign Policy written by Patrick Doherty.

border are not, as Iraqi, Kurdish and Western officials publicly state, thoughtless attempts to sow chaos in the region but are instead attempts at calculated coercion.

In the second part of the paper, cultural ties and economic relations between Iraqi Kurdistan and Iran will be examined. The two neighbors have a great deal of cultural affinity with one another and for many reasons, the Kurdish and Persian populations are closer to one another than with the neighboring Arab population; however, because of the disjuncture between the Iranian people and their government, it is unlikely that good relations between populations will have any effect on relations between governments. With respect to economic ties, Iran and Iraqi Kurdistan have a high degree of economic interconnectivity, with a large volume of trade and essential goods passing between them; however, the theory of complex interdependence, which predicts that high levels of economic trade will raise the costs of conflict and encourage cooperation between states, is not applicable here, as both states have other outlets for trade and can afford reduced cooperation.<sup>2</sup>

This paper advocates a long term, realist view of Kurdish-Iranian relations. Looking at the relationship through a narrow window will lead to an artificially dualistic view of one state as oppressing, leviathan, capricious and untrustworthy, and the other as passive, victimized and consistent. Of course, there are grains of truth in all of those epithets, but it is naive to think that any country can possess a monopoly on virtue. Instead, the Iraqi Kurdistan and Iran can be more accurately viewed as self-interested actors in a regional system, in which the triangle of power relations between Tehran, Baghdad and Erbil has been complex and fluid.

Looking to the future, it is reasonable to expect that Tehran's balancing act will continue. If Iraq should continue on its current trajectory and the Kurdistan Region continues to grow in power relative to the Iraqi state, Iran can be expected to step up its coercion and intimidation. Conversely, if the central Iraqi state should become more stable and able to challenge its neighbor, Tehran might lend a hand of support to the Kurds. One clear lesson emerges: the oft heard Kurdish proverb, "The Kurd has no friends but the mountains" may be true. But the same thing could be said of the Persians, the Arabs and all the other groups caught in the disarray of this regional whirlpool.

## KURDISH NATIONALIST ASPIRATIONS: REPRESSED POTENTIAL

Kurdish nationalism has gained strength as a motivating force over the last century, and both Kurdish and Iranian leaders are acutely aware of the power

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<sup>2</sup> Although Kurdistan is a region of the sovereign state of Iraq, theories that explain relations between sovereign states can still apply to Kurdistan, albeit in modified form. With respect to economic activity and trade, Kurdistan has enough autonomy that its interactions with Iran are similar to those between two states.

of this movement when the political climate has allowed it to gain momentum. The pan-Kurdish movement, which is a relatively recent phenomenon given that the collective Kurdish identity is itself relatively young, mourns the divisions of the Kurdish people at two distinct points in their history. The first division came after a clash of the Ottoman and Persian Empires in 1514 that resulted in the defeat of the Persians and the division of Kurdish lands between the two empires. The second division came after the Ottoman defeat in World War I. Allied forces initially signed the Treaty of Sevres, in which the Kurdish areas of the empire were given the option of declaring independence, but after pressure from Turkey, the allies capitulated and signed the Treaty of Lausanne, which divided Kurdish lands among Syria, Turkey and Iraq. Throughout most of the twentieth century, Kurdish nationalism in Turkey, Iran and Iraq has primarily been a struggle for independence and statehood. At various times, this has been a cross-border movement, with Kurds refusing to recognize existing national borders, and at other times, the struggle has been confined locally.<sup>ii</sup>

Kurdish politicians and military officers in Mahabad, Iran, declared an independent Kurdish republic named after its capital city near the border with Iraqi Kurdistan in 1946. The so called Mahabad Republic, which defied Iranian rule, received military and monetary support from the Soviet Union, which occupied northern Iran at the time. Sympathetic Kurds from Iraqi Kurdistan rushed across the border to take part in the rebellion, and many played key roles in the new government. It was here that the Kurdistan Democratic Party (KDP) was founded; under the leadership of patriarchs of the Barzani tribe, it has dominated Iraqi Kurdish nationalism to this day. Thus, though the movement took place in Iran, it was a shared venture between Iraqi and Iranian Kurds who at the time did not recognize a border between their territories. Less than a year after the Republic's founding, however, the Soviet Union withdrew from Iran due to international pressure, and the Mahabad Republic was crushed. The memory of this uprising is firmly engrained in the minds of the Kurdish and Iranian leaders as an example of the power of united Kurdish nationalism.

After the fall of Mahabad, a number of open Kurdish revolts occurred in Iraq, a testament as much to the organization and determination of the Iraqi Kurds as to the perennial weaknesses of the Iraqi state, permitting the movement to gain strength. Kurdish rebellions against Iraqi rule occurred in 1918, 1930 (under the British mandate), 1961, 1974, 1987 and 1991, and though these were not explicitly pan-Kurdish movements, the nationalist aspirations that were being expressed were shared by Kurds in Turkey and Iran as well.<sup>iii</sup>

Now, after the 2003 toppling of Iraq's Ba'athist regime and the international recognition of Kurdistan as an autonomous entity under federal Iraqi rule, the

Kurds of Iraq profess to be satisfied with their semi-autonomous status.<sup>iv</sup> Kurdish politicians have sought to assuage international fears by giving numerous reassurances that they are no longer seeking independence. At the same time, however, there are reasons to doubt Kurdistan's future within the federal system. While at the surface level Kurdish politicians speak of wanting peace with their Iraqi Arab brothers, it is apparent that there is reconciliation that has yet to take place. The abuses perpetrated by the Ba'ath regime were unspeakably horrific, and although the regime has been ousted, there appears to be a residual resentment and mistrust of the Arab people as a whole.

Although Iraq's constitution lays out a framework for peaceful coexistence between the two peoples, its implementation has been slowed in recent years by disputes over trade, oil contracts and the Kirkuk province, all conflicts that are essentially not struggles for possession of resources, but control of them. If Kurdish leaders foresaw harmonious cooperation with Iraqi Arabs in the future, there would be no need to jockey for control of revenue and oil flows. The importance the Kurdish politicians place on this control speaks volumes about their long term expectations about the Iraqi state. Whether the slow implementation of the constitution is the result of Kurdish or Arab obstinacy is irrelevant; the important thing is that Iraqi Kurds have made it clear that their inclusion in the Iraqi federal project is contingent on basic guarantees by the constitution and central government.

### TEHRAN'S BALANCING ACT

Iran's relationship with Kurdistan has always been dictated by concerns of power balance, which have led Iran to alternatively repress and support Kurdish nationalism in Iraq. Iran's first goal is to maintain its territorial integrity, which means preventing Kurdish nationalism in its own territories, and similarly, ensuring that Kurdish nationalism in Iraq will not spill over the border. The memory of the Mahabad Republic serves as a frightening example to Iranian leaders of Kurdish capabilities. Thus, at times when the Iraqi state has been weak and Iraqi Kurdish nationalism has appeared to have greater chances of success, Iran has acted against it. At other times, however, Iran has found it useful to support Kurdish nationalism.

Iran's other main priority has been to protect its safety, which means balancing the power of the Iraqi state. Iran and Iraq have long had conflicting interests in the region, and an eight-year war that left over one million dead testifies to the dangers that Iraqi power has posed to Iran. Thus, at times when Iran has needed to curb the power of Iraq, it has often found it useful to support the Kurds of Iraq in their struggle. The Shah of Iran supported a 1974 Kurdish rebellion that weakened

Saddam's regime and successfully coerced him into signing the 1975 Algiers Pact which resolved several ongoing disputes between the two countries. Near the end of the war between the two countries in 1987, Iran enlisted the help of Kurdish forces in fighting against Saddam. In fact, Kurdish and Iranian troops fought side by side in some of these battles.

At different periods of history, Iran has supported and repressed the Kurds of Iraq, but what has remained constant is Iran's desire to see balance in Iraq. An Iraq that is too strong would threaten Iran's interests, while a state that is too weak might lose its grip on Kurdistan. Thus, Iran can be described as pursuing a policy of balance, supporting the Kurds when Iraq is strong and opposing the Kurds when Iraq is weak.

### IRAN AND KURDISTAN TODAY

The period from 2003 until today can certainly be described as one of a weak Iraqi state. While the chaos from the invasion has mostly subsided, the country as a whole is plagued by terrorism, divergent political factions, corruption, politicization of the military, ethnic division, economic woes and general political instability. While Iraq is not in a position to threaten Iran or any of its neighbors, it does not have the power to keep a strong hold on its Kurdish population either. Indeed, the Kurdish position since 2003 has been one of confident strength. The Kurds held disproportionately large bargaining power in the constitutional negotiations of 2005,<sup>v</sup> and they managed to forge a constitution that solidified an autonomous region with significant independent powers. Since then, the Kurdistan Regional Government (KRG) has been able to push the limits of these constitutional powers, interpreting vague passages in their interests and pushing ahead on new initiatives with minimal consultation with Baghdad, while Iraq has been mostly unable to prevent them from doing so. Kurdistan's economy is booming, and Iraq benefits from these revenues. International investment dollars, which have been slow to come to Iraq, have been flowing into Kurdistan by the billions. While Iraq has been plagued by terrorism, Kurdistan has been relatively secure. Kurdistan also maintains a military force and several security apparatuses that give it a fair degree of power. In short, Iraqi Kurdistan is now in one of the strongest positions it has ever been in vis-à-vis the Iraqi state.

The diminishing power gap between the Kurdish region and the Iraqi state is often discussed in mainstream media and policy circles and is most likely not a secret to Iranian leaders. Therefore, according to the logic outlined in the previous section, Iran's leadership would most likely want to curb Kurdish power, lest it set a dangerous precedent for Iran's own Kurdish population. This has in fact been the

case since 2003, as Iran has undertaken a protracted campaign of showing its force along the Kurdish border, using limited force against Kurdish border villages under the guise of anti-terrorism operations and sponsoring non-state terrorist actors within Kurdistan.

Iran's use of force along the Kurdish border has occurred in the context of supposed anti-terrorism operations. Iranian Air Force and Artillery units have bombarded Kurdish villages on the mountainous border on multiple occasions in the last eight years following Iranian claims that members of the PJAK, Iran's militant Kurdish organization, have been taking refuge there. Well-documented cases of Iranian attacks on Kurdish soil have occurred in April 2003, May 2006, July-September of 2007, May 2008, May 2009, July 2010, September 2010 and July and August of 2011. In all of these cases, Kurdish and international media have reported the internal displacement of Kurdish citizens and the destruction of homes, businesses and infrastructure. The United Nations Office for the High Commissioner of Refugees (UNHCR) has attested to this internal displacement and disruption of economic activity.<sup>vi</sup>

While Iranian officials have claimed after each attack to have killed PJAK insurgents and disrupted terrorist activities, Kurdish officials have often denied this, responding that only innocent civilians live in the affected areas. Iran and the KRG have negotiated more than once and have reached agreements to stop the attacks in exchange for Kurdish denial of sanctuary to the PJAK, but despite these settlements, attacks have continued. It is important to note that Iran has not been the only state to invade Kurdistan on the pretext of chasing Kurdish terrorists—Turkey mounted a number of similar attacks on northern Kurdistan from 2003 to 2008. Those attacks have largely diminished since Turkey and the KRG reached an understanding in 2008 and made a commitment to cooperation, though the implicit threat of Turkish force is constantly present. Today, KRG officials cite Iranian incursions as their most significant security concern.<sup>vii</sup>

While the KRG does have its own military force, the *peshmerga*, and several intelligence apparatuses, it is in no position to directly confront the Iranian army. Iran has over half a million active duty soldiers,<sup>viii</sup> the ability to call upon massive reserves and firepower vastly superior to that of the Kurds. Given the staggering inequality of power between the two, there is essentially no contest. In addition, Kurdistan lacks the constitutional legitimacy needed to protect its own border with Iran. Section 4, Article 110, Point 2 of the Iraqi Constitution gives the federal Iraqi Constitution the exclusive power of “formulating and executing national security policy, including establishing and managing armed forces to secure the protection and guarantee the security of Iraq’s borders and to defend Iraq.”<sup>ix</sup> Thus, while the KRG *peshmerga* have the legitimate right to maintain security within

the autonomous region, the KRG must rely on the Iraqi National Army (INA) for border protection. INA forces report directly to the Iraqi Ministry of the Interior in Baghdad; thus, when Iran has attacked Kurdish territories since 2005, the Kurds' only recourse has been to submit complaints to the Ministry of the Interior.

The direct use of force is not the only way that Iran has made its power felt in Kurdistan. As in elsewhere in Iraq, Iran has made the use of non-state insurgent groups crucial to its strategy in Kurdistan.<sup>x</sup> The group that has garnered the most attention has been Ansar al-Islam, a marginal Islamist organization that waged low-level campaigns in Kurdistan before 2003. Touted by Colin Powell as a group that was sponsored by Al-Qaeda and Saddam Hussein—a dubious claim in and of itself—Ansar al-Islam was made one of the primary targets of the US invasion.<sup>xi</sup> After being effectively routed by American and Kurdish forces in 2003, it has since maintained a low profile presence and has not posed a significant threat to Kurdish security. Nonetheless, substantial evidence exists to report that the Iranian Revolutionary Guard supports the group, which has caused considerable consternation among the Kurds and their American allies.<sup>xii</sup>

Iran has also made its presence felt in Kurdish politics, although little of this effort has been visible to the public eye. In this way, Iran has been operating similarly in Kurdistan as well as in Iraq as a whole. Both dominant parties in Kurdistan, the PUK and the KDP, have had deep ties with the Iranian government, although the parties have fluctuated in their distance over times, and often, the Iranian support for one party has led to the alienation of the other. Today, it is difficult to find primary evidence of Iranian influence in the government, but clues abound. First, although the KRG and the Iranian government conduct dialogues that are visible at the public level, they are not enough to account for the amount of communication between the two governments. Second, Kurdish officials themselves have attested to Iran's influence in their government. According to one anonymous upper level official in the Kurdistan Parliament, "the current Kurdish cabinet would not be able to stand if it did not have Iranian approval."<sup>xiii</sup>

## EXAMINING THE PURPOSE OF IRANIAN POLICY

While Kurdish officials publicly decry Iranian actions as irresponsible and aimed only at creating chaos and instability in the region, they can in fact be understood in the context of a more strategic logic. Given the Iraqi state's weakness since 2003 and the strength of the Kurdistan Regional Government, Iran would want to ensure that Kurds remain committed to their role within the federal system. There are two ways of doing this: first, by raising the benefits of Kurdistan's sub-state role, and second, by raising the costs of any attempts at independence. The first,

the raising of benefits, has been shown by increased Iranian trade with Kurdistan since 2003. In a strategy similar to that pursued by Turkey since 2008, the Iranian government is, in a sense, rewarding the Kurdish government for its compliance to the Iraqi constitution.

The second, the raising of costs, has been affected by Iran's use of force, support for insurgents and political meddling. In his article "The Diplomacy of Violence," political scientist Robert Schelling offers a compelling explanation for the incentives for a country to use a limited amount of force as a deterrent.

"There is a difference," he writes, "between taking what you want and making someone give it to you, [...] between defense and deterrence, between brute force and intimidation, between conquest and blackmail, between action and threats. It is the difference between the unilateral, 'undiplomatic' recourse to strength, and coercive diplomacy based on the power to hurt."<sup>xiv</sup>

According to Schelling, coercive diplomacy is often desirable over brute force because it saves resources and energy to both sides.

Hypothetically, Iran could physically prevent Kurdistan from becoming a powerful regional force or declaring independence by preemptively disabling its political, military and economic infrastructure, but this would require a massive military operation, cost money and lives and risk a strong international reprisal. Instead, Iran has opted for targeted violence, applying a small amount of violence to Kurdistan's border regions. On one hand, the violence gives Kurds a powerful incentive to bend to Iran's will; if they comply, it is presumed that the violence will be stopped. On the other hand, the violence also gives the Kurds a small taste of the greater violence that Iran is capable of inflicting. Although it is not likely that Kurdish leaders would ever overestimate their own military power, the violence serves as a collective reminder to Kurds across the region of the real horror that comes with Iranian bombs. Thus, with a limited application of force, Iran is able to deter Kurdish belligerence and ensure that its role will be respected.

In the framework of this theory, there are several requirements for coercive diplomacy to be effective. First, the power using violence must make its goals clear, and second, its adversary must understand that the violence is not arbitrary but is instead contingent on misbehavior. In the Kurdish case, both of these requirements hold true. While Iran has claimed to be attacking PJAK militants in the area, it is clear to all that indiscriminate shelling of entire villages is not the most effective method of counterinsurgency available to the Iranian military. Here it may be useful to reexamine the dates of Iranian attacks on Kurdish soil in the last decade. They began in April of 2003, just a few weeks after the invasion of Iraq and the liberation of Kurdistan from Ba'athist rule. They occurred again in April of 2006 after the creation of a federal Iraqi state in which Kurdistan officially received



its autonomy. They have continued each spring since then, as Kurdistan has continued to become more economically and politically independent from Baghdad.<sup>3</sup> Thus, Iran's violence is not arbitrary but is in fact directly related to fears of Kurdish independence, and Kurdish leaders understand this message. In one interview, a senior-level official in the Ministry of Peshmerga was asked about an ongoing visit of Kurdish Prime Minister Barham Salih to Tehran. "It doesn't matter what they are negotiating about. While we are in negotiations, the Iranians will probably shell a few of our villages just to remind us that they can."<sup>xv</sup>

Iran has made its desires clear to Kurds on both sides of the border, and it appears that for now, the KRG is willing to abide by them. Of course, this is not to argue that the threat of Iranian force is the only deterrent keeping Kurdistan in the federal Iraqi state. Other factors include continuing economic dependence on Iraq, the threat of Iraqi or Turkish force and a dependence on continuing legitimacy in the international community. Nonetheless, as Kurdistan's close neighbor, Iran is considerably important in blunting Kurdish aspirations.

#### CULTURAL TIES: STRONG, BUT AT THE POPULIST LEVEL

The Kurds of Iraq have a great number of cultural and economic ties to Iranian Kurds and Persians, so it is important to examine the effects that these have on bilateral relations. Culturally, the Kurdish connection to Iran runs deep. For Kurds in Iraq and Iran, the connection is relatively intuitive; although the development of a common Kurdish identity is a relatively new one, dating back to the sixteenth century, Kurds on both sides of the border have since come to see themselves as one people. Mullah Mustafa Barzani, leader of the Kurdish nationalist movement for a better part of the twentieth century, is said to have once quelled objections to his pan-Kurdish demands by stating simply: "The borders do not exist."<sup>xvi</sup> Although political realities have brought some detachment to Kurds across the border, a shared common identity persists. Families straddle the border, and some Iranian Kurdish families send their sons or daughters to Iraqi Kurdistan for service in the peshmerga.<sup>xvii</sup>

While Iraqi Kurds do not share the same perception of unity with Iran's Persians, they still hold a close cultural affinity, no doubt because they are members of the same Indo-European ethnic and language group.<sup>xviii</sup> Both share a distinctness from the Semitic people and Arabic language, and in recent centuries, their struggles against Arabs have often brought them to common ground. Because Iran and Iraqi Kurdistan share a long border, travel and trade across it have been relatively fluid over the years. Many Kurds have attended secondary school and univer-

<sup>3</sup> While this has not been overtly acknowledged, it is likely that the shellings have occurred in spring due to the thawing of mountain snows and the increased traffic over the border that comes with warmer weather.

sity in Iran or have lived there to find work. Many older Kurds speak fluent Farsi, and stereos in Kurdistan commonly play Iranian pop music. Persian Shiites travel through Kurdistan on their pilgrimages to Iraqi holy cities Karbala and Najaf, and many come to Kurdistan for tourism, staying at its mountain resorts and enjoying the beautiful landscapes.

This degree of cultural affinity would suggest to some, especially adherents of the constructivist theories of international relations, that Kurdish-Iranian relations should be more harmonious than they are. Constructivism, in its simplest form, states that social perceptions can determine national identities and significantly influence power politics; in this case, because the Kurdish people and the Iranian people feel empathy for one another, this theory predicts that their leaders would be more likely to seek mutually beneficial cooperation. In recent years, however, this appears not to have been the case because in the Kurdish perception, there is a wide gap between the Iranian government and the Iranian people. Perhaps because the current leadership has lost its legitimacy from the Iranian people, there exists a duality in the minds of the Kurds: friendly people, unfriendly government. Once that distinction has been drawn, it is possible for the governments to hold animosity, regardless of the people's perceptions of one another.

#### ECONOMIC TIES: CONNECTED, NOT DEPENDENT

Perhaps a more important arena to examine is that of economic ties between Iran and Kurdistan. Trade between the two states is important to both economies. In 2006 the KRG passed a foreign investment law that it calls "the most liberal in the region." It allows foreign firms to retain full ownership over projects within Kurdistan and gives firms generous incentives to invest in the region.<sup>xix</sup> As a result, Kurdistan has seen a flood of investment in the past four years, much of it coming from its neighbors Turkey and Iran. With over 100 Iranian firms present Iran was the second most heavily invested country in Iraqi Kurdistan in 2008. Iranian investment spans many sectors from construction to finance to infrastructure, and both sides continue to indicate a desire for investment. Over 185 Iranian companies participated in a trade fair in Sulaimaniyah in July 2010 to highlight possibilities for investment. The director of the Telecommunication Company in Iran declared an interest in setting up a fiber optic telecom network in Iraqi Kurdistan, and the head of Iranian Kurdistan's Power Distribution Company discussed plans to provide electricity to the Iraqi Kurdish province of Bashmakh.<sup>xx</sup>

The flow of goods across the border is significant and growing. There are three active border crossings from Iran into Iraqi Kurdistan: Bashmakh, Haj Omran, and Qasre Shirin. According to Feiz Ali Khorashid, a member of Iraqi Kurdistan's Legislative Council, trade between Iraqi Kurdistan and Iran through these

three border points currently has an annual value of [approximately] \$2 billion. The same report predicts that the value of the year's trade will increase to \$4 billion by the end of 2010.<sup>xxi</sup>

Kurdistan imports fresh produce and food products from Iran. At the same time, the region has begun exporting some crops to Iran. According to one Kurdish official in Sulaimaniyah, 462 tons of vegetables and herbs were exported to Iran through the Bashmakh crossing.<sup>xxii</sup>

In March of 2010, Iran and the KRG announced plans to build a "joint industrial town" in Iranian Kurdistan on the border with Iraqi Kurdistan outside of Bashmak, east of Sulaimaniyah. KRG Prime Minister Barham Salih, after meeting with the governor of Iran's Kurdistan province, declared, "Iran and Iraq enjoy great deal of interactions. The relations must extend to economic and civil sectors to increase investments in the two countries."<sup>xxiii</sup> The plans, which remain vague, reiterate calls for a border crossing that would be open 24 hours per day, a proposal that has been promoted by Kurdish officials since 2009.<sup>xxiv</sup> Whether or not these plans come to fruition is of little significance; instead they are important because both sides demonstrate a commitment to economic cooperation.

It may be tempting to infer that this high level of trade will cause both sides to work harder for a harmonious future. The international relations theory of complex interdependence, outlined by scholars such as Robert Keohane and Joseph Nye, provides a compelling framework for understanding relations between countries that trade with one another. By trading with one another, countries are raising the benefits of mutual cooperation while simultaneously raising the opportunity cost of conflict. Constituent groups within the countries, including businessmen, traders, people who benefit from imported goods and politicians with ties to trade, may all influence government policies to encourage more cooperation. Countries that trade in essential goods as opposed to luxury items are even less likely to desire conflict due to the prohibitive costs.

Several of these assumptions are true in the Iranian-Kurdish context. Different groups in each society do have vested interests in trade, from private interests to state enterprises, to hybrid enterprises on both sides. And the goods that each country is importing—food, electricity and clothing—are relatively essential. But it does not appear that these economic ties have drastically affected political relations between the two states. This is due to the fact that upon closer inspection, it is revealed that Kurdistan and Iran are interconnected, but not interdependent. Both countries benefit from each other, but right now, neither country needs the other.

Iran is not dependent on Kurdistan for its economic survival. Iran's GDP in 2010 is estimated at \$863.5 billion,<sup>xxv</sup> and it has alternative sources for many of the goods that it receives from Kurdistan. Iran's situation is somewhat unique in

that, pressed by international sanctions, it has looked to Kurdistan for goods that it cannot obtain elsewhere, such as parts for cars and airplanes. In addition, the efficient currency transfer centers of the financial district of Erbil serve as convenient hubs for cash transactions. For now, however, Iran is not dependent on Kurdish trade, which has been demonstrated by Iran's willingness to use a suspension of such trade for political purposes.

Iran has closed its borders with Kurdistan several times in response to political events since 2003. U.S. Forces in Sulaimaniyah arrested an Iranian citizen, Mahmoud Farhadi, in September 2007 accusing him of being an agent of Iran's Revolutionary Guards' Quds force. Iran responded by closing its border crossings with Kurdistan. While the United States, Iran and Iraq wrangled over custody of the man, land transport between the two countries was halted for two weeks, during which time Iraqi Kurds felt the importance of Iranian goods. In one interview, the head of the Sulaimaniyah Chamber of Commerce stated that normally, 60 percent of consumer goods in Sulaimaniyah came from Iran and that the closures were depriving almost 35,000 Iraqi Kurds of work.<sup>xxvi</sup> Prices of goods rose sharply during this period until 8 October, when, after two days of high level negotiations between KRG ministers and Iranian officials, the borders were reopened.<sup>xxvii</sup> Iranian authorities announced in December 2010 that Kurdish vehicles entering the country would be charged a 3,000 dinar insurance tax, which incensed truck drivers and led to a strike that left borders closed for two days until Iran reversed their decision. For Iran's part, it appears that the border with Kurdistan is not considered an economic lifeline.

While Kurdistan imports a large amount of goods from Iran and certainly was hurt in the short term by the suspension in trade in 2007, it has many other economic partners. Its cooperation with Turkey, begun in large part after 2008, dwarfs its trade with Iran; while there are over 100 Iranian firms operating in Kurdistan, there are nearly 500 Turkish ones.<sup>xxviii</sup> It is estimated that 80 percent of goods sold in Iraqi Kurdistan are made in Turkey, and annual trade between the two reached approximately \$6 billion in 2009.<sup>xxix</sup> Reaching out beyond its immediate neighbors, Iraqi Kurdistan has also attracted investment from Europe, the Gulf states and east Asia. While Iran does provide food and electricity to Kurdistan, it is not the sole provider of these goods, and in a time of need, Kurdistan could easily turn elsewhere. When asked about the border closures, Masroor Barzani, the head of Kurdish Intelligence and Security, casually quipped "This is the Middle East, not the United States-Canada border."<sup>xxx</sup>

It is possible that as international sanctions continue to bear down on the Iranian economy, it will become more dependent on Kurdistan as a financial outlet. Or it is possible that should Turkish-Kurdish relations encounter difficulty, Kurdistan would become more dependent on Iranian food imports, but both of these

scenarios are distant hypotheticals. For now, Iran and Iraqi Kurdistan remain independent enough that the economic costs do not make conflict prohibitive; thus, Iran is able to militarily antagonize Kurdistan without risk of massive economic loss.

## LOOKING AHEAD

The future of Kurdish-Iranian relations is closely intertwined with relations between Erbil and Baghdad. In the foreseeable future, there are two possible scenarios: that of a weak central Iraq and that of a strong central Iraq. In the first scenario, Iraq continues on its current course of development: Kurdistan retains its broad constitutional powers over its governance and security, foreign investment continues to bolster the Kurdish economy, the federal Iraqi government remains paralyzed by corruption and infighting and the KDP-PUK coalition maintains solid control over a stable KRG. In this case, even if Kurdish officials continued to deny aspirations for independence, Iran would still frown on such a position of Kurdish power. In Iranian eyes, it would lay the long-term foundations for the development of a more powerful Kurdish enclave which would, after several generations, be prepared for independence. In the short term, the Kurds' success in Iraq might inspire Iranian Kurds to press harder in their demands.

In this scenario, Iran would continue to press harder against the KRG, using its political influence to bring the Kurdistan government in line with its goals, and use strategic application of military force on the Kurdish border to remind the Kurds of Iranian dominance. As time passes and INA forces become better prepared to defend Kurdistan's borders, Iranian attacks may lead Kurdistan to draw closer to the central Iraqi for protection, which would satisfy the goals of Tehran and Baghdad.

The second scenario entails the development of a stronger Iraqi state, one that is capable of exercising more control over the KRG. In this scenario, the Iraqi government is able to form an effective coalition that challenges Kurdish demands; undecided issues such as the disputed territories, Kirkuk and oil revenues are either left undecided or resolved in Iraq's favor, and the KRG is weakened by factionalism. This last proposition seems more likely in light of the recent growing power of opposition movements in Kurdistan such as the Gorran Party. Outside of the political arena, growing dissatisfaction with perceived government patronage and corruption have erupted into mass protests, such as those that rattled Sulaimaniyah in February 2011.

If this were to be the case, it is likely that Iran would adopt a more conciliatory tone with Kurdistan, as there would be far less to fear. There would be no need for displays of Iranian military force or political manipulation. In fact, if the Iraqi

state were stay strong in such a situation, Iran might look to strengthen the Kurdish position to prevent the emergence of a strong Iraq as it did in the 1970s and 1980s. Given the current state of Iraqi politics, however, it is unlikely that Iraq should be in any such position of power in the foreseeable future.

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<sup>i</sup> *The Kurdistan Region: Invest in the Future*, an Official Publication of the Kurdistan Regional Government, 2009, p. 13.

<sup>ii</sup> Edmund Ghareeb. *The Kurdish Question in Iraq*. Syracuse University Press, 1981, p. 13.

<sup>iii</sup> Michael Kelly. "The Kurdish Regional Constitution within the Framework of the Iraqi Federal Constitution: A Struggle for Sovereignty, Oil, Ethnic Identity, and the Prospects for a Reverse Supremacy Clause", in the *Penn State Law Review*, 2010, p. 710-725.

<sup>iv</sup> "Iraqi Kurdistan to Stay Part of Iraq", *ArabTimesOnline*. <<http://www.arabtimesonline.com/NewsDetails/tabid/96/smld/414/ArticleID/163120/reftab/96/t/Qaeda-plots-bomb-attacks-in-US-EU/Default.aspx>>.

<sup>v</sup> Andrew Arato. *Constitution Making Under Occupation: The Politics of Imposed Revolution in Iraq*. Columbia University Press, 2009, p. 47.

<sup>vi</sup> Governorate Assessment Report, Sulaimaniyah. UNHCR, September 2007.

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<sup>xiii</sup> KRG cabinet official. In discussion with the author. January 2011. The official, who is involved in security matters, asked to remain anonymous.

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<sup>xvii</sup> Anonymous Iranian women serving in the Zerevani Peshmerga unit. In discussion with the author. January 2011.

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<sup>xxix</sup> Kevin Philips. Atlantic Council Blog. <[http://www.acus.org/new\\_atlanticist/turkey-and-iraqi-kurdistan-are-strategic-partners](http://www.acus.org/new_atlanticist/turkey-and-iraqi-kurdistan-are-strategic-partners)>.

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