

KRG and PA: Reprioritizing Governance over Symbolism

by [Ghaith al-Omari \(/experts/ghaith-al-omari\)](/experts/ghaith-al-omari), [Bilal Wahab \(/experts/bilal-wahab\)](/experts/bilal-wahab)

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ABOUT THE AUTHORS



[Ghaith al-Omari \(/experts/ghaith-al-omari\)](/experts/ghaith-al-omari)

Ghaith al-Omari is a senior fellow in The Washington Institute's Irwin Levy Family Program on the U.S.-Israel Strategic Relationship.



[Bilal Wahab \(/experts/bilal-wahab\)](/experts/bilal-wahab)

Bilal Wahab is the Nathan and Esther K. Wagner fellow at The Washington Institute.



Brief Analysis

Although Palestinian and Kurdish politics have similarly deteriorated into ineffective blame games, fresh U.S. policies focused on institution-building could restore the promise of progress in both cases.

The Palestinian and the Kurdish people have many similarities: both share a keenly-felt desire for independence and statehood, and both have seen their legitimate aspirations repeatedly thwarted due to the complex international, regional, and domestic political landscapes. In both cases, these realities have fostered a political and governance culture focused on symbolism and victimhood.

Kurdish and Palestinian political leaders have both settled on an unproductive mindset where they bemoan the injustice of their current reality and prioritize the trappings of statehood over the mundane yet essential investment in building institutions. The Palestinian push to join the United Nations in 2011 and the KRG independence referendum in 2017 are both cases in point. This, in turn, has contributed to the diplomatic, governance, and political stagnation—if not erosion—that has pushed them farther away from achieving their objectives.

On the American side, the Biden Administration seems to have no clear policy towards the Palestinians or the Kurds beyond basic relationship maintenance. Shifting towards a policy focused on good governance and institution-building will not only fit with Biden's human-rights oriented foreign policy goals, but will help the Palestinians and the Kurds build the foundation for achieving their national goals in a fashion that also contributes to regional stability.

The Kurdish Case: Squandered Agency

A Kurdish interlocutor would never fail to remind you that Kurds are the largest ethnic group in the world without a state, a fact that has rendered the Kurdish people into oppressed and unjustly treated minorities across four Middle Eastern countries. Short of a state, however, Kurds in Iraq—and increasingly in Syria—exercise significant power over people and swaths of territory.

Especially when it comes to Iraq, Kurds have been well-positioned to seize unique opportunities to carve out greater space for self-governance. With the Saddam regime weakened by the First Gulf War, Iraqi Kurds revolted and, thanks to the internationally-enforced safe haven, created the Kurdistan Regional Government (KRG). The KRG has been nominally ruling the three predominantly Kurdish provinces in northern Iraq since elections held in 1992. During the following years, however, various armed political groups engaged in a series of civil wars, a game of elimination that ended with two victors, each of which monopolizes a family-run fiefdom supported respectively by regional powers Turkey and Iran. Some three decades later, Kurdish rulers have yet to make the transition from guerillas to statesmen. As of yet, the KRG does not have a constitution or a unified armed force, and the two parties that came to power in the 1990s never left.

Even without statehood, Iraqi Kurdish political power has been on the rise. International protection and aid eased the sanction pains of the 1990s in the KRG territories. There, people used a separate currency from the rest of Iraq and openly celebrated Kurdish language and culture. From 2003 onward, Kurdish Peshmerga forces assisted U.S. forces as they invaded Iraq and later fought al-Qaeda. Later in 2014, Kurdish forces became partners in the international coalition against ISIS.

As sectarian violence raged across the rest of Iraq, Kurdistan was stable and its economy was booming. Thanks to some forty contracts signed by international petroleum firms, the KRG today produces close to half a million barrels of oil a day. Kurdish leaders started touting the KRG capital of Erbil as a second Dubai. During this period, a vibrant civil society and free press also thrived. For a short while, meaningful political opposition even held the powers in the KRG to account and had a shot at a hand-over of power via elections. Security and Kurdish power in Iraq might have started accidentally, but for a while, Kurdish leaders had the vision and focus to translate it into meaningful agency. This, in turn, won the KRG influence in Iraq and a reputation at regional and Western capitals.

Such interest-driven, rational approach to politics proved short-lived. Kurdish political leaders ultimately squandered such agency for myopic personal and political goals and, upon failing, reverted to trite blame games and whataboutisms. Today, despite triple digit oil prices, the KRG is billions of dollars deep in debt to a slew of creditors—running a budget deficit and unable to pay its public employees on time and in full. The various Kurdish Peshmerga militia brigades answer to the ruling families and their “big men” instead of the government, despite the threat of ISIS and the \$20 million per month incentive for reforms the Pentagon has been paying since 2016. U.S. government and international monitors openly report on democratic and freedom retrenchment. Once exceptional and seeking to secede from Iraq, the KRG now simply seeks to be seen as better than Baghdad. As the threats on the KRG rise in quantity and severity, the ability of its leaders and institutions to mitigate them have been falling.

KRG leaders would list a litany of reasons and excuses to explain this backsliding: that the Iraqi government has reverted to Saddam-era centralization policies against hard-won Kurdish autonomy. That Baghdad cut the KRG’s share of the national budget, and that the Peshmerga do not get their fair share of the national security resources and equipment. That Turkey and Iran are difficult neighbors who attack Kurdistan regularly and with impunity.

While all this is true, none of these are new issues. Nothing but the KRG itself is missing on its to-blame list, but these governance failures have real consequences. Crony capitalism, corruption, and patronage politics are not mere inefficiencies, but major holes in the KRG’s national security and governance walls. Kurdish leaders admit, for

instance, that there are more generals in the Peshmerga than in the U.S. military. Meanwhile, the private sector simply cannot compete with the bloated and inefficient public sector.

Nation building has always been the pronounced goal of the KRG. However, Kurdish leaders squandered their newfound agency—rather than invest in attainable objectives that would serve as building blocks for a future state, they opted for grandiose nationalist ventures. The KRG independence referendum of 2017 is a case in point. Called for at a time with significant political deficit in legitimacy and unity, the public answered the nationalist call of its leaders and voted in favor of Kurdish statehood. The public was quickly disappointed by the same leadership that lost half of the territory and oil production capacity the KRG controlled before the plebiscite while remaining in power without accountability.

In contrast to the Palestinian case, official international support for Kurdish statehood is absent. Far from garnering international endorsement, Kurdistan's neighbors vehemently opposed the Kurdish referendum. And when Baghdad pushed back against the referendum effort, Kurdish defense lines quickly cracked in the face of the advancing Iraqi forces. For such a grave political, economic, and reputational loss, KRG leaders blame everyone and everything except their own poor judgment. When it comes to their own actions, KRG leaders hail the referendum as the epitome of Kurdish nationalism.

The Palestinian Case: Symbolic Achievements and a Deteriorating Reality

Like the Kurds, the Palestinians are keenly aware that they are one of the few nations that remain under occupation and unable to establish their independent state. For much of the history of the Palestinian national movement, Palestinian political leaders have had to resort to symbolism. For one thing, this symbolism was a potent tool for identity-building and supporting mobilization. It was one of the few political arenas available to them given their lack of control over territory and population.

And also like the Kurds, Palestinians were propelled to the international center stage as a result of the invasion of Kuwait—though in the Palestinian case, Yasser Arafat's ill-advised decision to support Saddam left them with very few options but to pursue direct talks with Israel. But with the signing of the Oslo Accords and the establishment of the Palestinian Authority, the Palestinians came to be at the center of international diplomacy—Arafat boasted that he was one of the world's most frequent visitors to the White House, and with massive international aid corresponding to this diplomatic attention.

Like their Kurdish counterparts, Palestinian leaders pursued diplomatic means to achieve independence almost to the exclusion of all other priorities. Unlike the Kurds, they made measurable progress as the two-state solution gradually became the international diplomatic consensus. Nevertheless, the hope that many Palestinians held of creating the first Arab democracy soon gave way. The resulting Palestinian Authority (PA) was modeled along the lines of traditional Arab governments with which the PLO leaders were familiar—be it Ben Ali's Tunisia or Mubarak's Egypt. Nepotism, corruption, and the use of public sector employment as a form of social security became the norm.

In many ways, the Palestinian public was willing—albeit reluctantly—to give their leaders a pass on governance as long as the hope of independence via diplomacy was alive. Yet with the second intifada and the collapse of the peace process, the PA found itself facing a legitimacy crisis: its promise of liberation through diplomacy was defunct, but its track record of governance was also nothing to brag about. Ultimately, popular frustrations with governance helped lead to the victory of Hamas in the second—and most recent—PA parliamentary elections in 2006 and Hamas's subsequent violent takeover of Gaza.

For a while, under U.S.-led international pressure, the PA engaged in reform and institution-building, achieving remarkable results. Yet because these reforms threatened the status quo, many PA (and Hamas) leaders fought against this process, ultimately ousting reformist PM Salam Fayyad.

Since then, PA leaders have resorted to the tried and tested focus on symbolism. Today, Palestinian officials focus on airing grievances, many of which are well-founded, and blaming everyone—be it Israel’s “bad faith,” America’s “bias,” or Arab “abandonment.” Conspicuously absent in this narrative is any measure of self-reflection. Indeed, PA President Mahmoud Abbas’ most recent UN speech stands out as a perfect example of this rhetoric.

Facing a legitimacy crisis yet unwilling to engage with the painstaking domestic reform needed to reclaim it, PA leaders instead opted to pursue symbolic but ultimately pyrrhic victories in the UN and other multinational organizations. The epitome of this approach took the form of a gimmicky attempt to shortcut its way to statehood. In 2011, the PA launched a campaign to gain admission to the UN. The Palestinian public rallied around this call even as their leaders knew beforehand that these efforts were doomed to fail, since the United States was bound to veto the application in the UNSC. The application ultimately failed to garner even nine votes in the UNSC, while alienating the U.S. administration and leaving a bad taste with the rest of the international community, deepening the image of the PA as an unreliable actor. For their part, the Palestinian public’s trust in their leaders further eroded when this failure dashed their raised expectations.

Palestinian and Kurdish Leaders: Slowly Fading to Irrelevance

Today, both the PA and the Kurds are fading to irrelevance as contesting regional and global crises have shifted international attention elsewhere. Conversely, emerging opportunities have elevated other dynamics—such as GCC economic diversification and the Abraham Accords—which have captured the attention of audiences and decision-makers eager to be part of successful initiatives. The lack of attention has not only manifested itself in the diplomatic arena, but also in the economic and development field. Due to endemic corruption, European and Arab assistance to the Palestinians has plummeted. Similarly, international donors would be hard-pressed to find reasons to channel aid to oil-rich Kurdistan. Today, the KRG has become part of the problem in Iraq, not the solution. Increasingly predatory economic practices are deterring international business from once business-friendly Kurdish markets that the region previously saw as a safe gateway to Iraq.

Yet both Palestinian and Kurdish leaders seem committed to the same trajectory: symbolic gestures, a victimhood narrative, and aversion to building effective, non-corrupt institutions that would both bolster their domestic legitimacy and strengthen their case towards their national aspirations. In this, like the Palestinians, Kurds are quickly expending their hard-won legitimacy and reputation as rational actors in favor of being seen as yet another problem in a region awash with problems.

In the United States, there was a moment when the two issues topped the regional agenda, with engagement at the highest levels in successive administrations since the George H.W. Bush presidency. Both the Palestinian and the Kurdish leaderships were treated as autonomous partners and as pillars of the U.S. Middle East policy.

In contrast, today these issues are relegated to operational-level staff in the U.S. system. Short of supporting an independent Kurdish state, the United States endorsed a Kurdish quest for greater autonomy by supporting federalism in Iraq and KRG’s petroleum management rights. Meanwhile, the Palestinian leadership appears to be even better positioned in Washington—since President George W. Bush, the creation of a Palestinian state under a two-state solution is the declared U.S. policy. In reality, however, this goal is more aspirational than operational. No one in Washington thinks that this policy is even remotely achievable.

Instead, both leaderships are now being engaged largely as subsets of other regional issues: the KRG as part of the Iraq policy and the PA as part of the administration’s Israel and Abraham Accords policy. To the extent that there is direct engagement, it seems primarily in the way of relationship maintenance rather than with any forward momentum.

The American drift away from prioritizing the Palestinian and Kurdish issues is understandable. Any American

high-level reengagement in either case is bound to fail at a time when the United States does not need another failure in the Middle East. Yet the shift from high priority to something resembling neglect is neither necessary nor wise.

In both cases, the United States can instead adopt a policy that emphasizes and prioritizes institution building—neglected for far too long in both cases. To be sure, shifting towards this focus will require the expenditure of some resources, and it will require some high-level engagement to clear internal political blockages and urge key regional actors, namely Israel in the Palestinian case and Baghdad in the KRG case, to facilitate these efforts and reward progress.

Nevertheless, pursuing this policy now will pay future dividends. Poor governance has exacted a cost for the United States—in the Kurdish case, less leverage on Iraq; in the Palestinian case, less likelihood of a two-state solution. The efforts on the American side to encourage better governance would be a modest price to pay for policies that could benefit the Kurdish and Palestinian populations, rebuild the legitimacy of PA and KRG governing institutions, enhance local and regional stability, and contribute to putting the Palestinians and the Kurds back on a path that can lead them towards fulfilling their national aspirations. ❖

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