

Greed in the oil-rich Middle East:

A study on the relationship between economic growth and political instability in Kurdish Iraq.



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Bachelor Thesis

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“Pecunia nervus belli”

By Marcus Tullius Cicero (106 B.C. – 43 B.C.)

“Money is the nerve of war”

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1. Introduction

In the *Nieuwsuur* report of 4th February 2012, the complicated and tense situation in Kirkuk had another demonstration. That day thirty-three innocent bystanders were killed in a bomb attack (*Nieuwsuur*, 2012). The population of Kirkuk, a city just outside the official border of the autonomous region, consists of 48 per cent Kurds, 28 per cent Arabs and 21 per cent Turkish people. Tensions between the Kurds and the Arabs are running high. The higher military alert on both sides does not ease the tension. Politicians fear that a higher state of alert could lead to civil war and increased destabilization of the fragile state of Iraq.

The Economist of April the 20th 2013 describes in the article 'Peace, harmony and oil' that the increased tension is a reaction of the federal army which is already surrounding the city Kirkuk. The city Kirkuk and province that share its name are claimed by both Kurds and Arabs and is a very oil-rich region. The Kurds regard it as keeping control of the land that is historically theirs and this is recognized throughout Iraq, but the government has expanded her official border so that Kirkuk lies in her territory (*The Economist*, 2013).

1.1 Relevance

Nuri al-Maliki prime minister of Iraq commanded the surrounding of Kirkuk because the federal government was afraid of "losing" the control and oil to the semi-autonomous Kurdish region. As a result of this, the Kurdish president, Masoud Barzani, mobilized the Kurdish army to defend its borders. At the same time, Maliki commanded the surrounding of Kirkuk as the Kurdistan Regional Government (KRG) had just completed the construction of a second oil pipeline between Kurdistan and Turkey (*The Economist*, 2013).

The Government of Iraq (GOI) fears that if the Kurdish region becomes more self-sustainable and politically stronger, this could lead to a vast decrease in revenue. This might lead to a



Figure 1. Map of Iraq and Kurdish Iraq including the borders and oilfields. Copyright by The Economist, 2013.

more autonomous Kurdistan and a less unified Iraq. This fragmentation can result in a Kurdish uprising for more autonomy in the neighbouring countries. Moreover, Iran, Syria and Turkey fear that a revival of Kurdish nationalism will not only affects the Kurds but also other minority within their borders. This could lead to a troubled region which is not in favour of the biggest allies of Iraq: the United States (U.S.) and Iran (*The Economist*, 2013).

Eventually increasing oil demands by the U.S. and Turkey led to major business deals concerning the purchase of significant quantities of oil from the above-mentioned countries. The cash flow to Iraqi Kurdistan will increase as a result. Before, all the oil revenues were controlled by the federal government in Bagdad. The GOI is afraid that the semi-autonomous KRG will not send all the agreed revenues to the GOI (*The Economist*, 2013).

The KRG on their account state that they first want the rightful part of oil revenues of Kurdish Iraqi oil that the GOI sold since 2011. This is about 3.5 billion dollar and one of the greatest debts of the GOI towards the KRG. Without an agreement between the GOI and the KRG, about the debts of Bagdad to the KRG and about the Kurdish Iraq oil revenues, the region will destabilize (Live Leak, 2013).

Martin Paldam, Professor at University of Aarhus in Denmark, argues that the possibility of regional instability does not lie within the interest of the "big oil consumers" like Turkey and the U.S., who are advocates of stable governments. The issue is that despite economic growth and opportunities for Iraq and the KRG, the political stability decreases. In literature, there seems to be a general consensus that economic growth contributes to the well-being of the citizens and to political stability. This mechanism can also work conversely, where stable politics can lead to economic growth, such as Japan.

Japan had in 1960 a lower income per capita than Iraq, Ireland and Argentina. It was not even one of the top twenty-five economics of the world. Since 1960 it had one of the fastest growth rates in the world. From 1960 until 1993 Japan had the same political party in office which led to a major political stability. In these years the economy of Japan grew sky high and entered the top ten economics of the world (Alesina 1996:189).

However, this is not the case in Kurdish Iraq, were we see economic growth but absolutely no political stability (Paldam 1998:186). With both armies lining up for a possible engagement, peace is at risk. The question, why an increase in wealth will not automatically result in a more stable society, is therefore the basis of the research question.

Disputes about issues such as minerals, energy, food and water resources were and will always be very important at all levels of politics and economy. It is hard to make a fair distribution of wealth in a society with ethnic, religious and/or linguistic majorities and minorities. This is especially the case in Iraq, a country where access to basic needs is not possible for everybody, an ethnic dispute or conflict can easily arise.

Paul Collier, Professor of Economics and Public Policy at the Blavatnik School of Government at University of Oxford, wrote together with Anke Hoeffler, who is research officer at the Centre of the Study of African Economics the article 'Greed and Grievance in Civil War' of 2004. In their article they state that a high dependence of primary commodity exports and a low Gross Domestic Product (GDP) substantially increase the risk of a conflict (Collier&Hoeffler 2004:588). Why did the Kurdish people not rebel, why did the federal army take action? This will be explained through the greed theory. This research will make a significant contribution to the greed theory, taking Kurdish Iraq as an example. The main research question to approach the Kurdish Iraqi case according to the greed theory follows as: *"How can it be explained that the stability of regional politics decreases, in spite of increased economic wealth in Kurdish Iraq, as a result of increasing oil revenues from Turkey and the U.S?"*

1.2 Theoretical framework

Syed Mansoob Murshed, Professor of Economics of Conflict and Peace at the Institute of Social Studies in The Hague, argues that civil war is not captured by one single factor; it is a multiple-faceted problem. Human tragedies and humanitarian crises are the consequences of a violent conflict with big concerns to the international community causing regional and global insecurity. The reasons, origins, and motivations of civil wars vary and are not captured as a homogenous phenomenon. We can distinguish between four types of civil wars; revolutions or rebellions, genocide, secessionist wars and internationalized wars (Murshed 2009:87).

Some state that civil war is a (rational) choice; it is a form of non-cooperative behaviour. The reasons for ruling out cooperation or other forms that are less destructive can be found in circumstances, mistrust or impatience of one or both parties. Leaders decide to come into conflict when they think it is the optimal choice for them and in the interests of their followers. The reason why leaders or groups engage into a violent conflict is a topic well-described in the academic debate of greed and grievance (Murshed 2009:87).

1.2.1 Greed

The theory of greed states that a form of self-enrichment is the underlying motivation for rebel groups enter into a civil war. According to Collier and Hoeffler (2004) civil wars break out because of the greedy behaviour of a rebel organization that is willing to fight the government to satisfy their greed. In this theory greed means the economic opportunities to rebel or to start a revolution, and is contrary to the socio-political reasons that are represented by the grievance theory. Murshed states that “greed is about opportunities faced by the rebel group”. The greed theory can be disaggregated into four different opportunity components namely; financing, recruitment of manpower, geographical and history of violence. Each indicator of the greed theory will be outlined below (Murshed 2009:90, Collier 2007:202).

1.2.2 Grievance

The theory of grievance or justice seeking, focuses mainly on identity and group formation. Individuality and its utilization, can be related to the idea of identity that includes or excludes persons from a social group. Murshed state that “an individual may derive utility from certain normative forms of behaviour appropriate to his identity but considered deviant by other groups, and may even face sanctions from like-minded group members if he deviates from them” (Murshed 2009:98). According to Ted Robert Gurr, University Professor emeritus at University of Maryland, distinguish three categories of the grievance theory in his book *Why Men Rebel* of 1970; relative deprivation, polarization and horizontal inequality.

1.2.3 Common ground

The common ground between these two theories originates in multiple sections. There is a link between the desire for self-enrichment and relative deprivation, as it is plausible that relative deprivation results in the desire for self-enrichment. Furthermore polarization can be linked with ethnic, linguistic and religious division. A strong division between two groups may results in stronger intra-homogeneity and makes the inter-group relations more heterogenic. The last obvious link described by greed and grievance is a history of violence.

1.2.4 Why focus on greed?

Despite the stronger economic position of the KRG, the political stability of Kurdish Iraq and surrounding countries deteriorates. Following the greed theory, this thesis will examine its possible causes and investigate why there is an increasing possibility that Kurdish will enter into a violent conflict with the GOI. It seems that economic factors, described by Paul Collier and Anke Hoeffler, outweigh other factors that are given by academics on the grievance side of the debate. The existing relationship between the KRG and the GOI is changing as direct reason of the new and direct oil pipeline running from the KRG to Turkey, while most of the oil comes from the disputed area around Kirkuk. The oil pipeline, from a disputed area with belligerents' opinions of the oil revenues brings great political instability in the region.

Looking at the dispute of the oil revenues and their consequences it is logic to discuss mainly economic factors and therefore highlighting greed over grievance. Having said all this, it is important to consider the grievance arguments why violent conflicts occur; after all it is clearly a debate between greed and grievance. The importance of grievance and the whole debate will not be underestimated. Therefore it returns frequently in this thesis, but the greed aspects will be the main focus.

1.3 Research method

The research strategy is a case study in social science and answers questions asked in this case by means of explanatory analysis. To get a more comprehensive understanding of the academic discussion on the greed theory, a literature study with peer-reviewed data has been analyzed and criticized. In the theoretical framework, which includes secondary academic sources, an empirical analysis is made on primary qualitative sources, such as newspaper articles, speeches and information from websites.

The empirical evidence is supported by seventeen academic articles and six books with authors who are well-known and have their credibility on this topic. These sources have been selected after a thoroughly search on Jstor and Google Scholar, which were selected if they had 25 or more citations. The empirical evidence is being used to lay out the debate on the indicators of the greed theory. The evidence gives a good survey on the indicators of the greed theory including the academic discussions, doubts and certainties. Additionally there are multiple websites used for showing the motivation and relevance of this study case, such

as *The Economist*, Unesco.org and Live Leak. The following websites are used for data extraction and analysis: The World Bank, CIA Factbook and Index Mundi.

The four indicators of the greed theory (financing, recruitment of manpower, geography and history of violence) have been researched through data extraction from empirical and non-empirical sources. The indicators 'history of violence' and 'geographical factor', are examined through historical research and statistics around the density and division of the population in combination of data on the geographical composition of Iraq. 'Recruitment of manpower' includes low level of education, economic decline, a growing population, and ethnic and religious composition. Through data of (Kurdish) Iraq on the level of education, economy, population growth and composition statistics it is possible to make a statement around recruitment as the indicator for the possibility of political instability. 'Financing' includes the export of primary commodities and the Kurdish Diaspora. The export of primary commodities is examined through the level of Kurdish Iraq' Gross Domestic Product (GDP) in combination with the level of dependence on the export of primary commodities. Additionally, this researched included the size of the Kurdish Diaspora which can be seen as a factor for financing political opponents of the Kurdish minority.

1.4 Thesis outline

The main research question is *"How can it be explained that the stability of regional politics decreases, in spite of increased economic wealth in Kurdish Iraq, as a result of increasing oil revenues from Turkey and the U.S.?"* To disaggregate the main question, three sub-questions are drafted; each contains a part of the main question. The sub-questions contain the indicators described earlier, which contribute to the risk of political instability.

The first indicators history of violence and the geographical factor are examined through the following sub-question: *"How do the history of violence and the geographical concentrated population make the Kurdish region more prone to violence?"*

The second sub-question contains the indicator recruitment for manpower, which includes the level of education, economics, population growth, and the ethnic and religious composition. Therefore the following sub-question is asked: *"How does the ethnic and religious dominance of the Sunni Muslims in Iraq affect the risk of a violent conflict in the Kurdish region, and how will economic opportunities affect this risk?"*

The final sub-question contains the indicator financing that contains the factors: export of primary commodities and Diaspora. This has been examined through the following question: *“How can it be explained that through the export of primary commodities and a large Diaspora the political stability of Kurdish Iraq decreases?”*

Examination of these indicators is needed so it can be concluded in what kind of degree they are involved in destabilizing the region. Through these sub-questions all aspects of the greed theory are included. Chapter five will include the overall conclusions of the research results.

2. History of violence and geographical factors

This chapter discusses the history of violence and the geographical factor. It is important to understand the context of the history of violence, so some information about the ethnic-, religious- and linguistic composition are provided. Furthermore the Kurdish Iraqi road to semi-interdependency and inter- and intrastate wars which inflicted their situation will be dealt with. Firstly, this section demonstrates the link between history of violence and the chance of new violent conflicts. Secondly, the geographical situation linked to the risk of violence will be outlined in this chapter.

2.1 Academic debate

History of violence is an important factor according to Collier, “because if a country has recently had a civil war, its risk of further war is much higher” (Collier 2007:202). He states that when a civil war has ended the risk start another civil war is 40 percent; this percentage decreases with 1 per cent every year when peace is kept. Collier and Hoeffler state that time heals and that the time since a previous conflict can be interpreted either as greed or grievance (Collier&Hoeffler 2004:589). Furthermore, Francis Julia Stewart, Professor of Development Economics and Director of the Centre for Research on Inequality, Human Security and Ethnicity (CRISE) at University of Oxford, confirms Collier’s findings and explains that “the same structural factors that predisposed to war initially often continue”. In combination of using the group memories it is easy to mobilize people (Stewart 2002:344). The underlying feelings about killed, extorted or raped relatives and or friends in the past can fuel new hatred and violence in the future. The history of violence factor can therefore be interpreted by the greed side of the debate but also as grievance. Collier states that much of the history of violence depends on the size of the Diaspora (Collier 2007:202). The Diaspora will be outlined in the chapter four.

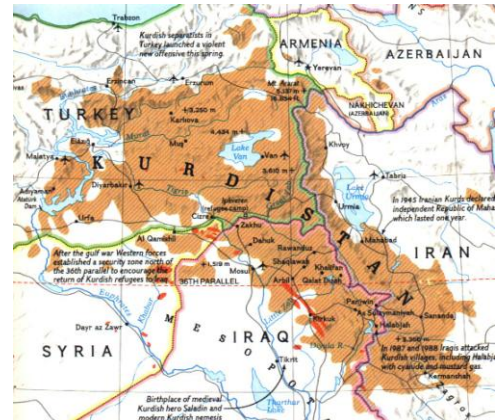


Figure 2. Kurdish region. Copyright by World Press, 2012.

2.2 The Kurds: ethnicity, linguistic and population

The Kurds are scattered over an area that crosses the border of Iran, Turkey, Syria and Iraq. This division was made in the aftermath of the First World War. The Ottoman Empire had lost the war and as a result was broken into different regions: Lebanon, Syria, Palestine and Iraq. The terms of the Treaty of Sevres in the year 1920 promised the Kurds a country of their own, but this promise was rescinded in 1923 (Cornelli&Declercq 2003:41).

The Arabs are in Iraq the dominating ethnicity with 75-80 per cent of the population. The Kurds are the biggest minority with 15-20 per cent and the Turks, Assyrian, and others represent less than 5 per cent of the population. The majority of these ethnic groups are Muslim, with a division of the Shia's and Sunni Muslims with a respectively 60 and 35 per cent (CIA, The World Factbook, 2013). Kerim Yildiz, the Executive Director of Kurdish Human Rights Project, states that the Kurds could be seen as an ethnic group and the result of 4000 years of evolution stemming from tribes such as the Gut, Kurti, Mede, Mard, Carduchi, Gordyene and Khaldi (Yildiz, 2007:7).

Carole O'Leary, Adjunct Professor at the American University and a Middle East expert, states that the Kurds, an Iranian ethno-linguistic group, inhabit an area of more than 230,000 square miles and are the largest ethnic group in the world without a state (O'Leary 2002:17). The Kurds are mainly Sunni Muslims, but also represent minorities such as Shia's, Yezidis, Christians and Jews. The total Kurdish population is estimated about 25 million. Although the Kurds inhabit a compact area, it is not entirely homogeneous and does not incorporate all Kurdish people in this region. Out of the 25 million Kurds four to five million live in Iraq and represent roughly 20 per cent of the whole Iraqi population (O'Leary 2002:17). More than 5.5 million of the Iraqi Kurds live in north of Iraq, the other one to two million live in other parts of Iraq, mainly Bagdad and Mosul (Wolff 2006:34). The Kurds are a good example of a Diaspora because of the scattered habitat that cross borders, and 2 million Kurds living in other parts of the world (O'Leary 2002:17).

2.3 History of violence

After the First World War the Treaty of Sevres the old Ottoman Empire was divided into three regions named Mosul, Bagdad and Basra. Great Britain got the region of Basra which later became Iraq. The British government put Feisal al-Husseini, a descendant of the prophet Mohammed on the Iraqi crown of the Hashemite tribe. It became a British mandate under a

League of Nations and by the delivery of weapons the power of al-Hussein was secured (Cornelli&Declercq 2003:41). Some Kurdish regions, such as Pisdari and Sorchi, failed in their struggle for independence; as a result they turned to rebellion and asked the Turkish government for semi-independence under Turkish power. This request and rebellion was beaten down by the British government with troops from India using air strikes of chemical gases. Till 1932 the British army was well represented and suppressed multiple revolts of the Kurds with heavy bombing (Cornelli&Declercq 2003:43). Charles R.H. Tripp, Professor at the School of Oriental African Studies at University of London, states that the British administration saw two groups as the main contestants to sustain and carry out their vision. The first were the ex-Ottoman administrative elites and secondly the notables got more ownership so that independence and social order would grow. Kurdish and Assyrian leaders were excluded and encountered a great intolerance (Tripp 2007:30-31).

The state and institutions evolved in the twenties of the twentieth century and more responsibilities came in the hands of the local elites. In 1932 Iraq officially gained independence under the rule of Feisal al-Hussein, but after the discovery of oil, the British drafted an obligation to anchor the oil resources in Iraq, and kept much of the power in British hands until 1958. The new placed Iraqi ruling class was content with the control over agriculture, while they were still fully subservient to the West (Tripp 2007:30-31).

David Romano, Associate Professor of the Department Political Science at Missouri State University, describes that the negotiations for an autonomous Kurdish region in the 1970s between Mullah Mustafa Barzani of the Kurdistan Democratic Party (KDP) and then Vice-President Saddam Hussein ended in a refusal to include the oil-rich Kirkuk province in the autonomous Kurdish region (Romano 2010:1346).

In 1979 Saddam Hussein came in to power, where in 1980 the GOI got caught up in a territorial dispute with Iran. They fought an eight year war but both gained nothing because the borders stayed the same. In this war both the Iraqi Kurds and the Iranian Kurds were used to destabilize the other federal army. It led to big repressions from the GOI to the Iraqi Kurds known as the Anfal campaign, which 182,000 unarmed civilians were killed (Cornelli&Declercq 2003:50-51).

Until the 1990s Iraqi Kurdistan was the poorest, least developed region and the Kurds were a vulnerable minority. Their place in society remained uncertain, with big displacements and killings from the federal government. Recognition for Kurdish rights in language, education and local self-governance continued as promises and were largely unfulfilled. Revolts of the Kurds broke out almost throughout the whole nineteenth century whereby the Kurdish people got alienated and which led to a heavier repression (Romano 2010:1346).

At the end of the Gulf War in 1991 the first step to independence of the Iraqi Kurds occurred when northern Iraq became a 'safe haven' under UN security. Between 1991 and 2003 the Kurds accomplished a lot regarding their autonomy, such as the first free and fair elections in 1992 that resulted in an even division between the KDP and the Patriotic Union of Kurdistan (PUK), see Figure 3. Living standards rose as well with the UN's 'oil-for-food' Resolution 986, where between 1997 and 2003 Iraqi oil revenues rose to 13 per cent in Kurdistan (Romano 2010:1347).

A civil war between the KDP and the PUK between 1994 and 1998 almost devastated the Kurdish autonomy. The federal government often used the traditional tribal rivalries between the KDP and the PUK so that the position of the Kurds deteriorated, but after four years of violence both parties signed the Washington Peace Accord in 1998. They agreed on wide KRG elections and began writing a new constitution for the KRG. Because of the collaboration of KDP and PUK the political position of the Iraqi Kurds was strengthened (Romano 2010:1348).

In March 2003 a U.S.-led army invaded Iraq and on the 1st of May of that year the internal violence increased heavily. The Iraqi army was dissolved because of its majority of Sunni's, as well as the Iraqi government where the Baath Party members were not excluded. In the following year's internal struggle between Sunni's and Shia's became fierce and could be classified as a civil war (Collier 2005:1).



Figure 3. The geographical division of KDP and PUK. Copyright by Nation Master, 2003.

Between the years 2005 and 2008 the death rates lay between the 1.189 and 2.834 per month, see Figure 4. This can be qualified as the peak, but still last year death toll was around the 789 deaths per month (Iraq Body Count, 2014). Iraq is officially not engaged in a civil war anymore but the internal conflict is still present and is rising after the last United States troops have left Iraqi soil.

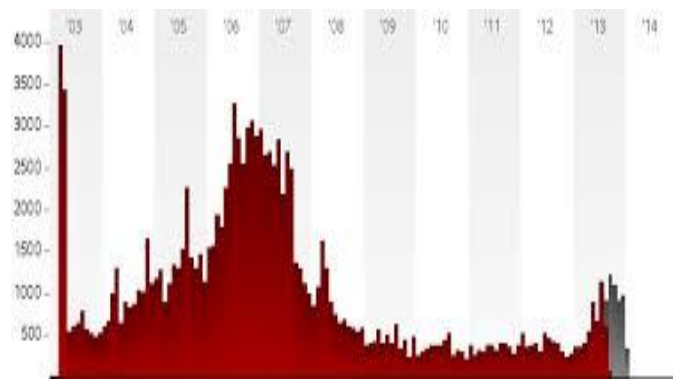


Figure 4. The body counts in Iraq since 2003. Copyright by Iraq Body Count, 2014.

The probably U.S.-led invasion after 9/11 encouraged the leaders of the KDP and the PUK to work together. The internal disagreement had been put aside and they positioned themselves better for the turbulent moment that would come after the overthrow of Saddam. Since 2003 U.S. forces and diplomats tried to mediate between the Iraqi Kurds and the Arabs, with a stable Iraqi Kurdistan as result. Because of the collaboration with the U.S the Kurdish part of Iraq is relatively calm (Romano 2010:1349). But the withdrawal of U.S forces can raise the risk between these groups, this is also confirmed by the fact that both armies are ready to fight (Romano 2010:1345).

2.3.1 Conclusion

The question “How do the history of violence and the geographical concentrated population make the Kurdish region more prone to violence?” was raised to understand how the indicator history of violence affects the current political situation. Looking at the Iraqi case, violence, inter- and intrastate wars have followed this country throughout history. Even now internal violence is present in Iraq and the KRG is on the verge of a clash with the GOI army. The greed theory states that recent civil war means that the risk of a new civil war rises by 40 percent. According to this indicator it can be said that this factor is applicable for Iraq and unfortunately the risk for civil war in the near future is highly likely. With the ongoing dispute over oil exploration through the Kurdistan Iraq Crude Export (KICE) pipeline and land around the city of Kirkuk it is an issue that is about to burst.

2.4 Geographical factor

Although the Kurds are separated through the borders of Turkey, Iran, Syria and Iraq; they don't live far away from each other. The Kurds have a political organization in each country in contrast to other minorities in those countries. Thus the Kurds are better organized and therefore can be a bigger threat to the federal governments than other minorities. Because the Kurdish region is not close to Baghdad, where the federal government is based, it seems easier for the Kurds to revolt. This section will look into the geographical factors related to the risk of violence.

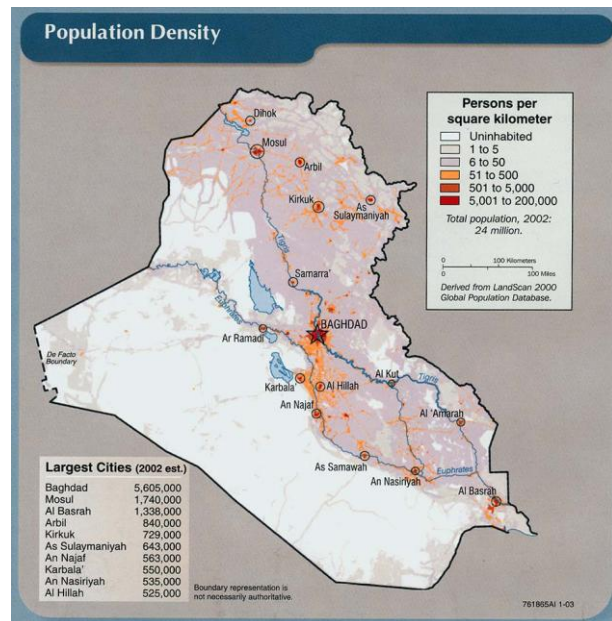


Figure 5. Population Density of Iraq. Copyright by Nation Master, 2003.

2.4.1 Debate and the Iraqi case

In his article 'Economic Causes of Civil Conflict and Their Implications for Policy' of 2007 Collier describes that geographical factors matter in the risk of violence or civil war. He states: "if the population is highly geographically dispersed, then the country is harder for the government to control than if everyone lives in the same small area" (Collier 2007:201). Looking at the ranking of Iraq concerning the disparity its population statics says that Iraq ranks 111 out of the 192 countries that worldatlas.com includes in its findings (World Atlas, 2006). Figure 5 shows the population density of Iraq and clearly displays the division between the west and east, but also the division between Sunni Kurds in the north, Baghdad in the middle and Shia Arabs in the south of Iraq (Nation Master, 2003). It can be said that the dispersion in Iraq is rather big; that the risk of violence is pretty high.

Although the population density of Baghdad is on the 22nd place in the world ranking with more than 5.5 million inhabitants, and it is located in the middle of the country, five out of the 6th biggest cities of Iraq lies on the edges of the country (City Mayors Statistics, 2007). Because the Kurdish region is not closely located to Baghdad where the federal government resides, it seems to be easier for the Kurds to revolt. Collier describes that this dispersion is very hard to govern and that the risk of violence rises by 50 per cent (Collier 2007:201).

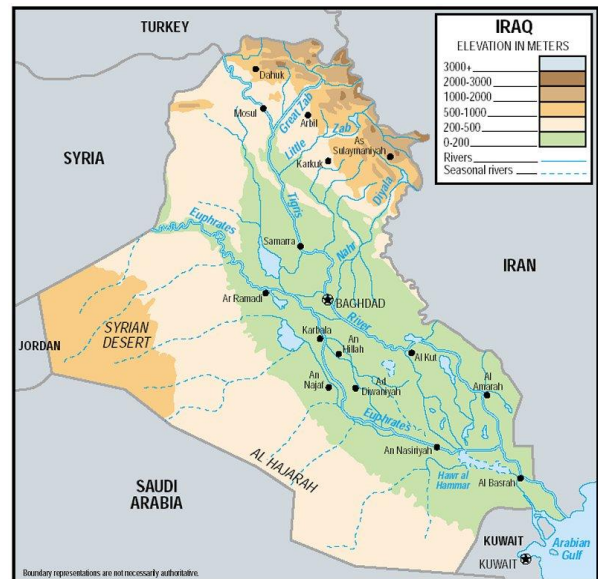


Figure 6. Iraqi's altitude map. Copyright by Global Security, 2011.

Furthermore Collier cites that “mountainous terrain increases the risk, presumably because it offers greater possibilities of safe haven for rebel forces” (Collier 2007:202). If we look at Figure 6, it can be said that the Iraq Kurdish region in the north clearly is a mountainous area, far more in comparison with the rest of Iraq (Global Security, 2011). Consequently, according to Collier the risk of violence for this area is much higher than for another area in Iraq. James D. Fearon and David D. Laitin, both Professors Political Science at Stanford University, confirm Collier's findings in their article ‘beyond greed and grievance: feasibility and civil war’, because they also find a significant higher risk of civil war or violence in countries with more mountain areas than countries which have no mountains (Fearon&Laitin 2003:85).

2.4.2 Conclusion

To examine if the indicator geographical dispersion and features affect the probability of political instability, the following question was raised “How do the history of violence and the geographical concentrated population make the Kurdish region more prone to violence?” The arguments given by the greed theory are clearly present in the case of Kurdish Iraq. Iraq with a highly geographically dispersed population in combination with the mountainous area as safe haven for the Kurdish Iraqi people gives a great opportunity to defend or to rebel. It is therefore difficult for the GOI to rule or to set the demands within the negotiations regarding the KICE pipeline or concerning the oil revenues. The GOI is therefore more likely to turn to the federal army, but this will accelerate the situation into civil war.

3. Ethnic and religious factors

3.1 Ethnic factors

In this research the ethnic and religious factors influencing the risk of a civil war will be outlined. The focus will be on the different aspects of these factors, such as the composition, the dominance, the homogeneity and the degree of a fractionalized civilization. The ethnic composition of a country is of importance. A heterogeneous composition is surprisingly not a factor of a higher risk of a violent conflict, it makes it even safer. The risk of a conflict in a country with an ethnic diversity is only 3 percent. But according to Collier's findings:

“if there is a dominant ethnic group that constitutes between 45 per cent and 90 per cent of the population – enough to give it control but not enough to make discrimination against a minority pointless – the risk of conflict doubles” (Collier 2007:202).

A homogeneous country is dangerous and according to Collier the risk of a violent conflict rises by 23 percent. In Collier's article from 2007 he even speaks about the situation of Iraq itself “The current acute difficulties in Iraq are thus consistent with what might be expected in a society characterized by ethnic dominance” (Collier 2007:210). The composition of Iraq is 75 to 80 per cent Arabs, with the Kurds as the biggest minority with a composition of 15 to 20 per cent, followed by the Turks, Assyrian and others that are accountable for less than 5 per cent of the population (CIA, The World Factbook, 2013).

On one hand, the reason why a dominant composition of 45 to 90 percent is dangerous is because in a democracy permanent control can be achieved for the dominant group. In a “stable coalition” it might be worthwhile exploiting the minority. On the other hand, the minority should have a composition between the 10 and 20 per cent; otherwise it is not worth exploiting (Collier 2007:209). Furthermore Collier states that it makes no difference if the majority or the minority is in power. The reason is that when a minority is in power it will not trust in a democratic process because the other group is a majority (Collier 2007:209). The composition of a majority and minority, whether or not the group is in power, leads to a higher risk of a violent conflict.

Frances Stewart in her article ‘Root causes of violent conflict in developing countries’ from 2002 describes that a democracy based on a majority can lead to oppression. Thereby the

chance of a conflict is greatest in a semi-democracy within countries with a government in transition and is least among established democracies and authoritarian regimes (Stewart 2002:344). Since the U.S.-led invasion of Iraq attempts have been made to establish a democracy, but the weak state is still in transition and therefore, according to Stewart, very vulnerable to a violent conflict.

José Garcia-Montalvo and Marta Reynal-Querol both (research) Professors at the Department of Economics at University Pompeu Fabra, state in their article 'Ethnic Polarization, Potential Conflict, and Civil Wars' of 2004, that on one hand ethnic fractionalization has no evidential effect on the risk of civil war, but on the other hand ethnic polarization does (Motalyo and Reynal-Querol 2004:33). Ethnic fractionalization can even lead to a heterogenic society and thus less prone to a violent conflict. Furthermore they cite Horowitz (1985) and explain that a country with a big minority faces an ethnic majority, an ethnic conflict is possible to take place (Motalyo and Reynal-Querol 2004:4). This in line with the statements Collier makes.

Although a lot of forced displacement of the Iraqi Kurds took place in others parts of Iraq such as the south, most of the Kurds still live in the Kurdish region in the north of Iraq. The three biggest ethnicities, the Sunni Kurds, the Sunni Arabs and the Shia Arabs, are clearly divided and low fragmented. The Sunni Kurds live in the northern region, the Sunni Arabs in the middle region and the Shia Arabs in the southern region.

Alberto Alesina, Professor of Political Economy at Harvard University, describes in his article 'Ethnic Diversity and Economic Performance' of 2004 that "in a highly fragmented environment, the exclusion of minority groups leads to ethnic conflict, further weakening property rights and reinforcing segmentation" (Alesina 2004:14). This is another argument why Iraq has a rising risk for a violent conflict.

3.2 Religious factors

As well ethnic compositions, religious composition of a country are important. A religious heterogeneity composition makes is less likely for a country to fall into a civil war, on the contrary a religious homogeneity society is more prone to civil war (Collier&Hoeffler 2004:588). According to Collier a religiously homogenous society, with a religious dominance between the 45 and 90 per cent, gives a rise of 23 per cent in the risk of to a civil war (Collier 2007:202).

M. Hakan Yavuz, Assistant Professor at the Department of Political Science at The Middle East Center, states that the Iraqi Kurds are not homogeneous in their religion, because they are divided into Sunni, Shia, Alevi and Yezidi religious groups, but the Sunni faith is definitely dominated under the Kurds in Iraq (Yavuz 2004:126). Shown on Figure 7 the north of Iraq is dominated by the Sunni religion and the south by the Shia, where Baghdad is in between these two religions. The dominant religion in Iraq is the Shia (60 per cent), followed by the Sunni (37 per cent). This religious composition of Iraq is therefore more prone to civil war (Global Security, 2011).



Figure 7. Religious and ethnic composition. Copyright by Global Security, 2011.

Collier and Hoeffler (2004) describe that with an ethnic and religious diversity within organizations the ability to function tends to reduce because of the increased difficulty of communication. In Iraq, the KRG and the GOI speak different languages, have other religious backgrounds and have a total other cultures. The organization within the country is therefore less likely to run smoothly as opposed to the KRG where people mainly speak the same language and have the same religion.

Montalvo and Reynal-Querol in their article of 2004 both refer to Fearon and Laitin (2003) and Collier and Hoeffler (2004) who state that a religious fractionalized country is not significant regarding the risk of civil war (Montalvo and Reynal-Querol 2004:4). It makes it even safer regarding to the chance of a violent conflict (Collier&Hoeffler 2004:588). Thereby Fearon confirms that any ethnic or religious fractionalizations are statistically significant (Fearon&Laitin 2003:83). Alesina describes that “countries with more fragmentation are more tolerant ones, whereas in many cases religious uniformity is imposed from the top by coercive regimes” (Alesina 2004:26). Unfortunately it can be stated that Iraq is not a fragmented country, but has a clear division between the two dominant religions and therefore is not safer with regards to a violent conflict.

3.2.1 Conclusion

This part of the research examined two of the five factors (ethnic and religious composition), that construct the indicator 'recruitment', through the question "*How does the ethnic and religious dominance of the Sunni Muslims in Iraq affect the risk of a violent conflict in the Kurdish region, and how will economic opportunities affect this risk?*" The three other factors (level of education, economic and population growth) for recruitment will be outlined in the next part of this chapter. The Iraqi ethnic and religious composition is such that the risk of a violent conflict increases significantly. The society of Iraq is strongly divided and low fragmented. A low fragmented country is less tolerant and combined with a strong division in ethnicity, religion and linguistics makes it more prone to a civil war. The greed theory states in this case that the majority-minority separation is "perfect" for the exploitation of the majority group. The low fragmented Iraqi society will destabilize the political situation because of the possibility of exploration of the minority Kurds by the majority Sunni Muslims, which can lead to rebellion of the Kurds. In the road to the KICE pipeline and exploration of the crude oil, the GOI tries to pin-down the KRG by sending the federal army. The KRG is therefore pushed into the 'corner' of Iraq and is forced to negotiate.

3.3 Economic opportunities

Collier states in the greed theory that there are three economic factors that also increase the risk of a violent conflict. These three economic factors: low level of education, a fast growing population and economic decline, together with the ethnic and religious composition are the indicator 'recruitment'.

3.3.1 Education level

Iraq has always had a high illiteracy rate and today almost 30 per cent of the rural population is unable to read or write. According to the Iraq Household Socio-Economic Survey of 2007 more than 23 per cent of the Iraqi people is illiterate (The World Bank, 2009). The illiteracy of the Kurdish region was even worse. In 2000 the illiteracy was 34 per cent of which over 60 per cent were females (National Strategic Framework for Literacy in Iraq, 2011). In 2009 illiteracy of the population in the Kurdish region decreased to 27 per cent, of which 5.2 per cent of the population held a secondary degree. By then the illiteracy of the population around Bagdad, of which almost 10 per cent finished secondary school, was 12

per cent (CIA, The World Factbook, 2013). Overall, the Kurdish region scores higher regarding illiteracy compared to Bagdad or the rest of Iraq.

Collier states that in a country with 45 per cent or less of its young males following a secondary education the risk of a violent conflict rises significantly (Collier 2007:202). The statistics of Iraq match Colliers findings and it could be said that Iraq and especially Kurdish Iraq is significantly more vulnerable to a violent conflict then other regions because of the higher illiteracy figures.

3.3.2 Population growth

Furthermore Collier describes that a high population growth gives rise to the risk of a violent conflict. He states that for "each percentage point on the rate of population growth raises the risk of conflict by about 2.5 percentage points" (Collier 2007:202). This insinuates that a growth of 2.29 per cent increases the risk of a violent conflict in Iraq with $(2.5 \times 2.29 =) 5.73$ per cent. With 2.29 per cent in 2012 Iraq is country number 39 of the 233 countries that were included in The World Factbook list of the CIA (CIA, The World Factbook, 2013). By comparison, Germany for example had a growth of -0.19 per cent in the same year, so the German population became smaller and according to Collier less prone to a violent conflict. Iraq is one of the top countries according to population growth (CIA, The World Factbook, 2013).

Brendan O'Leary, Lauder Professor of Political Science at University of Pennsylvania, states in his book *The future of Kurdistan in Iraq*, that in 2003 the entire Iraqi population counted 26.7 million people, of which 3.7 million Iraqi Kurds (O'Leary 2005:143). In 2013 the whole population grew to 37.3 million which is an annual growth of 3.9 per cent over the last ten years. In these same years Kurdistan had a population growth rate of 4.9 per cent compared to the central and south of Iraq with a rate of 3.8 per cent (O'Leary 2005:144). According to O'Leary the growth rate of the population in the Iraqi Kurdish region increased to 4.9 per cent, so the risk of a civil war is raised by $(2.5 \times 4.9 =) 12.25$ per cent. Regarding Kurdish Iraq and compare the population growth with the rest of the country, it can be stated that the Kurdish region is more prone to political instability.

Collier and Hoeffler thereby describe that a larger the population linear gives a greater risk of war. This is because they interpret this as an increased attraction of secession

(Collier&Hoeffler 1998:571). Oliver Ramsbotham, Professor at the Center for Conflict Resolution at Bradford University, quotes Edward Azar about his Protracted Social Conflict, and states that “developing countries with a ‘rapid growth and limited resource base’ in combination with a weak state are more prone to a violent conflict” (Ramsbotham 2005:116). Both theories, of Ramsbotham and Collier, can be applied to the Kurdish Iraqi case.

3.3.3 Declining economy

According to the World Data Bank Iraqi citizens had a GDP per capita based on purchasing power parity (PPP) of 4.177 dollar in 2012 and in comparison with 2011 (GDP PPP of 3.884) this was a growth of more than 7.5 percent (The World Bank, 2013). The GDP PPP was number 15 of the 220 countries that were investigated. This is high but in contrast to a GDP PPP of 7.000 dollar, this is low compared to a country like Ireland with a GDP PPP of 40.700 dollar. On the world rank, Iraq was number 140 of the 227 that were included in the list of The World Factbook in 2012 (CIA, 2013). But a high growth rate on a relative small GDP PPP gives not a high growth in the purchasing power in relation to the international market. The difference between The World Data Bank and The World Factbook in the GDP PPP number is not a problem, but both data show that the GDP PPP increased in the years between 2011 and 2012. This rise of the GDP PPP, and not so much the amount of dollars, is important for this research.

The GDP per capita has increased in Kurdish Iraq since 2003 with nearly 1400 per cent, compared to a 178 per cent growth for the whole of Iraq (Investing Group, 2013). These figures make it clear that the economy in Kurdish Iraq flourish after the overthrow of Saddam (Index Mundi, 2011). According to Collier this positive economic growth diminishes the chance of a violent conflict. He states that “each percentage point of the growth rate of per capita income raises the risk of conflict by around 1 percentage point” (Collier 2007: 202). Collier interprets this consequence as the opportunity cost of rebellion. When an economy of a country is rising, it is less interesting for rebellion to start a violent conflict for more wealth or power because according to Collier and Hoeffler “a high income population has more to lose than a low income population during rebellion” (Collier&Hoeffler 1998:565).

Despite the growing economy of the last decennium the political stability is diminished since November 2012. During this period the KRG made plans to extract oil through the U.S.

company Exxon and would distribute the oil through a new pipeline directly to a Turkish harbour.

In *The Washington Post* of December 19, 2012 in the article 'Oil deal foments talk of Iraq civil war' Prime Minister Nouri al-Maliki is quoted: "We do not want war, but we will go to war, for oil and for Iraqi sovereignty". A member of the parliament quoted al-Maliki by saying that "The prime minister has been clear: If Exxon lays a finger on this territory, they will face the Iraqi army" (Van Heuvelen, 2012).

Massoud Barzani reacted by saying: "We do not want war, but if war comes, then all Kurdish people are ready to fight". Barzani spoke these words to his troops on the front lines. Both parties do not want war, but are on the highest state of alert and civil war does not seem far away (Van Heuvelen, 2012).

This example exposes the dispute over oil and land, and the GOI will not accept any 'illegal' oil extraction of foreign companies as Exxon or through the new pipeline to Turkey. Instead of looking to Kurdish Iraq as greedy, it is possible to say that the GOI is 'greedy' for oil in this disputed area. The Iraqi economy is not growing as fast as the Kurdish region and therefore the GOI has the motivation to seek the disputed oil and wealth. Although the economy of Kurdish Iraq is rising, the political situation is not stabilizing. This can be explained through the motivations and actions of the GOI, and not so much through the situation of the KRG.

3.3.4 Conclusion

The three remaining factors of the indicator 'recruitment' are the economic opportunities: level of education, economic and population growth. These factors have been examined through the question "*How does the ethnic and religious dominance of the Sunni Muslims in Iraq affect the risk of a violent conflict in the Kurdish region, and how will economic opportunities affect this risk?*"

When we look at the data around illiteracy, Kurdish Iraq contains a higher level of illiteracy than the rest of Iraq. Together with the high percentage of illiteracy in Kurdish Iraq it can be stated that this region has therefore a higher risk for a violent conflict. Furthermore, Iraq scored high on the population growth scale, and Kurdish Iraq even higher. Kurdish Iraq with a growth rate of 4.9 per cent in the year 2013 is therefore one of the fastest growing

populations on earth. This can conclude that this region is more prone to secession and political instability.

The last economic opportunity that could raise the risk for a violent conflict was the economic decline. "Unfortunately" in the last decade the economy of Kurdish Iraq grew enormously, also when comparing it to the Iraqi economy. On the one hand, it could be seen as an argument that does not confirm the greed theory, because a rising economy should give rebellions less reasons to loot.

But on the other hand, it can be said that the extreme rise of the Kurdish economy led to jealousy within the GOI, because they found (in comparison with the KRG) a stagnating economy. The GOI became greedy because the KRG' economy depends on the disputed oil, or as they state 'Iraqi's oil'. This last indicator is in line with the greed theory, but should be seen through the eyes of the Iraqi government. The GOI is afraid of losing a lot of oil revenues and therefore have activated their federal army.

4. Diaspora and export of primary commodities

4.1 Diaspora

The Kurds are one of the largest groups without a nation and have therefore one of the biggest Diaspora in the world. Figure 2 shows that the Kurds are divided among four different countries, but they do not live far from each other. Compared to other minorities in those countries, the Kurds are very well structured with political organizations in each country. A wide and strong tied Diaspora of 2 million Kurds living outside the Kurdish region of the Middle East are a significant risk for civil war (O'Leary 2002:17, Collier 2007:210).

Collier states that: "if a country that has recently ended a conflict and has a large Diaspora, its risk that the conflict will resume is sharply increased" (Collier 2007:210). This Diaspora often has a romanticized attachment, whose members are much richer than the people in their country of origin so they can finance a war and the Diaspora will not suffer the consequences of a brutal civil war (Collier 2007:210). This makes a Diaspora a very dangerous factor for the risk of violence, especially in Iraq with the big Diaspora and the strong desire to unite all Kurdish regions with the establishment of Kurdistan. This Kurdistan will include all Kurds that are now dispersed over Turkey, Iran, Syria and Iraq.

4.1.1 Conclusion

The Diaspora, together with the export of primary commodities are the two factors which construct the indicator 'financing'. This indicator can lead to political instability or even civil war and is questioned as "*How can it be explained that through the export of primary commodities and a large Diaspora the political stability of Kurdish Iraq decreases?*"

The wish of the Kurds to establish a Kurdish nation, in combination with Iraq as weak state since the U.S.-led invasion of 2003, means that the Diaspora is one of the factors that can make Iraq very prone to a violent conflict. A large Diaspora works cumulative because of the romanticized attachment and financing a civil war becomes easier. In the literature the factor of a large Diaspora regarding the risk for violence conflict is placed as an indicator of the greed theory. The large and organized Diaspora of the Kurds are therefore seen as factors to destabilize the political situation and slowdown a peace process.

4.2 Export primary commodities

In the theory of greed it is stated that a high dependence on the export of primary commodities in combination with a low GDP increases the risk of (violent) conflict significantly. The research will outline the academic debate about export commodities where some nuances are needed from Collier's arguments, and the connection will be made to the Iraqi Kurdish case.

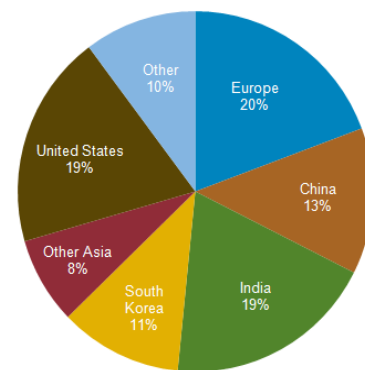
4.2.1 Academic debate

Primary commodities such as gas and oil are the most lootable of all economic activities. A highly dependent economy of these commodities offers plenty of opportunities for predatory rebellion. Like governments, it is easy to highly tax these activities, but when rebels do it, it is called predation (Collier 2007:205). The reason that primary commodities are easy to loot and to tax, is because they are long-lasting and immobile. It is difficult for the state to displace an oil well or pipeline and rebels will continue the welling of the oil because of the profits and the possibility of taxation (Collier 2007:205).

Collier and Hoeffler state that primary exports are indeed highly significant and the risk of conflict peaks when they form around 33 per cent of the GDP. This relationship between the risk of violence and the percentage of dependence on primary exports commodities are not linear, so a higher percentage in the GDP depending on these commodities does not result in a higher risk of violent conflict (Collier&Hoeffler 2004:574). Furthermore Collier and Hoeffler state that oil exports have the most distinct effect on the risk of conflict compared to other commodities such as: food, non-food agriculture or other raw materials (Collier&Hoeffler 2004:580).

In his quantitative research 'What Do We Know About Natural Resources and Civil War?' Micheal Ross, assistant Professor of the Department of Political Science at University of California, describes the relationship between resources and civil war, and through an overview the academic debate becomes more clear (Ross 2004:339). In his conclusion Ross

Iraq crude oil exports, 2012



Source: Lloyd's List Intelligence – APEX database

Figure 8. Division of Iraq's oil exports, 2012. Copyright by U.S. Energy Information Administration, 2013.

suggests that there are four regularities in this academic debate so far. The most relevant for this research are; “Oil dependence appears to be linked to the initiation of conflict”; “There is some evidence that oil dependence is more strongly associated with separatist conflicts than other types of conflicts”; and “the claim that primary commodities are associated with the onset of civil war does not appear to be robust”. These findings concluded that strong oil dependence, with a low GDP can be associated with the change of a violent conflict or civil war, but are not considerable (Ross 2004:352).

4.2.2 Iraqi case

Christopher M. Blanchard, analyst in Middle Eastern Affairs, states that the production and exploration of Iraqi oil began in the 1920s because of a big concession granted to a variety of international oil companies known as the Turkish Petroleum Company, which later became known as the Iraq Petroleum Company. In 1975 the nationalization of Iraq’s oil resources and the production was completed, and until 2003 the oil industry was fully state operated. Since the 1980s until the U.S.-led invasion of 2003 the oil industry suffered a lot from inter- and intrastate war, international sanctions, mismanagement and a shorting of technology investments (Blanchard 2009:1).

In the case of Iraq 90 per cent of the government revenues is dominated by the oil sector, and the percentage of export commodities of crude oil lies around 84 per cent in the year 2012. The biggest export partners are Europe, the U.S., India, China, and South Korea, see Figure 8 (U.S. Energy Information Administration, 2013). The crude oil as primary commodity is already responsible for more than 80 per cent of the Kurdish Iraqi export (Investment Factsheet Kurdistan Region – Iraq, 2013).

According to the *Oil and Gas Journal* Iraq had estimated 115 billion barrels in 2011 and in 2013 more than 140 billion barrels (Oil and Gas Journal, 2013). But the reserves are not equally divided across the sectarian-demographic lines. The south, with mainly Shiite, and the north of Iraq, the so-called Kurdish region, has a high volume of the oil reserves, in contrast with the middle of Iraq. 17 per cent of Iraq’s oil reserves lay in the north of Iraq and the KRG produces around the 400.000 barrels per day. Iraq produces around the 3 million barrels per day in 2012, so the KRG is responsible for more than 13 per cent of the total crude oil production, see Figure 9 (U.S. Energy Information Administration, 2013).

The oil export of the KRG is as described above still an unresolved issue. The KRG exported between the 15.000 and 20.000 barrels per day of crude oil by truck directly to Turkey and soon the pipeline directly to Turkey will be finished. This KICE pipeline will bypass the national export pipeline system and connects the Kurdish region in north Iraq with the border of Turkey. KRG's plan is that the KICE pipelines will double the export of crude oil to 820.000 barrels per day. KRG Prime Minister Mr. Barzani has ambitious plans and wants to rise to 1 million barrels per day in 2015 and to 2 million barrels per day by 2019 (U.S. Energy Information Administration, 2013).

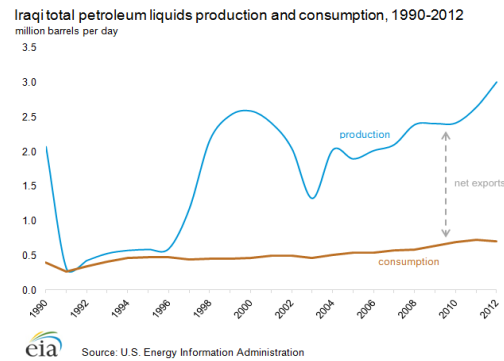


Figure 9. Iraqi's production and consumption, 1990-2012. Copyright by U.S. Energy Information Administration, 2013.

4.2.3 Conclusion

The research of the indicator financing included the factor 'export of primary commodities' that was examined through the following question *"How can it be explained that through the export of primary commodities and a large Diaspora the political stability of Kurdish Iraq decreases?"* Considering the Iraqi case, we see that both Iraq and Kurdish Iraq are highly dependent on its export of primary commodities. With over 90 per cent of the government revenues through the oil sector, the whole of Iraq can be seen as an economy that is vulnerable for looting by rebel groups, because there are plenty of opportunities for predatory rebellion. In this case we can speak of the GOI and the KRG as parties that see and seek opportunities and loot each other. The exploration and transportation of oil from the disputed Kurdish region gives economic prosperity, but also creates political instability regarding the GOI.

The indicator 'export primary commodities' in Iraq and Kurdish Iraq are not applicable because instead of 33 per cent of the GDP, the crude oil exports are responsible for more than 80 per cent. Collier states that the risk of a violent conflict therefore decreases. Collier and Hoeffler explain this non-linear curve like this:

"We interpret this as being due to the taxable base of the economy constituting an attraction for rebels wishing to capture the state. However, at a high level, natural resources start to reduce the risk of war. We interpret this as being due to

the enhanced financial capacity of the government, and hence its ability to defend itself through military expenditure, gradually coming to dominate.”
(Collier&Hoeffler 1998:571)

According to Collier this indicator is not present in (Kurdish) Iraq, because Iraq and Kurdish Iraq are more than 80 per cent dependent of oil revenues. But the distribution of oil, oil revenues and wealth are disputed more than ever. Without an agreement of the revenue distribution and with the continuous extraction of disputed crude oil, through the KICE pipeline, this could lead to a very hostile situation and even civil war.

5. Conclusion

5.1 Problem

The new KICE pipeline, from Kurdish Iraq directly to Turkey, without an agreement with the GOI about the distribution of the oil revenues could lead to a destabilizing process in the country and the Middle East. Despite of the growing economy the political stability decreases through this mutual dispute over oil revenues. The main question followed as “How can it be explained that the stability of regional politics decreases, in spite of increased economic wealth in Kurdish Iraq, as a result of increasing oil revenues from Turkey and the U.S?”

Disputes about natural resources were, are and will become economic and political problems. This thesis tried to qualify the debate between greed and grievance, and focused on the arguments of the greed theory and applied them to the Kurdish Iraqi case. Greed is disaggregated into history of violence, financing, recruitment and geographical components.

5.2 Findings

The stability of regional politics decreases and can be explained by multiple factors. Through answering the three sub-questions I came to a more comprehensive understanding of the problem. The answer of sub-question number one, “How do the history of violence and the geographical concentrated population make the Kurdish region more prone to violence?”, concludes that with the presence of an ongoing (or recent), inter- and intrastate wars, the risk for civil war in the near future is highly likely. Additionally, it can be stated that Iraq with the mountainous Kurdish region and the highly geographically dispersed inhabitants are very prone to political instability.

The answer of sub-question number two, “How does the ethnic and religious dominance of the Sunni Muslims in Iraq affect the risk of a violent conflict in the Kurdish region, and how will economic opportunities affect this risk?”, concludes that the ethnic and religious composition in (Kurdish) Iraq score ‘positive’ for the possibility for political instability or civil war. Iraq, examined on ethnicity, religions and linguistics, has a low fragmented society. Together with the composition of majority Sunni Muslims and a minority Kurds it is an easy ‘target’ for exploration and political instability.

Furthermore the economic opportunities were examined through sub-question number two. These opportunities (a low level of education, economic decline and a population growth) all scored positive in the case of (Kurdish) Iraq. Kurdish Iraq scored higher than Iraq on two of three economic opportunities (low level of education and population growth) and are therefore factors that give rise to the possibility of civil war.

The last economic opportunity, economic decline, is not applicable for Kurdish Iraq. When both economies (Iraq and Kurdish Iraq) are being compared, it shows that, although they are in the same country, there is a big difference between these two regions. Iraq is not (yet) benefitting from the wealth and natural resources that Kurdish Iraq possesses, and the GOI has deployed its army to seek more control on the disputed land and oil. This is seen as an action out of greed and therefore could destabilize the region.

The answer to the last sub-question, "How can it be explained that through the export of primary commodities and a large Diaspora the political stability of Kurdish Iraq decreases?" is two folded. Firstly, the exploration and transportation of the oil from the disputed Kurdish region gives economic prosperity, but also creates great political instability regarding the GOI. Secondly, the large Kurdish Diaspora has the opportunity to finance the Kurds in Iraq and therefore fuel the political instability between the Kurds and the GOI.

The Kurdish Iraq case clearly scored positive on all four opportunity components (financing, recruitment of manpower, geographical and history of violence) that are given by the rational choice or greed theory. All these indicators combined give a good insight that (Kurdish) Iraq is very prone to political instability and civil war.

5.3 Assessments

The greed theory described by Collier has been applied to the Kurdish Iraqi case and explains the growing political instability despite the growing economy. All of the opportunity components as financing, recruitment of manpower, geographical and history of violence have been evaluated and tested positive.

The GOI rule a weak state, with a smaller economic growth than the KRG and is because of the KICE pipeline afraid of losing the control of the disputed oil around Kirkuk. These factors explain the higher state of alert of the federal army to the borders of the disputed area around Kirkuk.

The KRG, with their mountainous area, large Diaspora, faster population growth and bigger illiteracy have all the opportunities which explain that a violent conflict sooner or later will erupt. Together with the long history of violence and low fragmented factors the reaction of the KRG to send their troops is a logical reaction.

This dispute around oil will not be solved as long oil will be extracted through the KICE pipeline by the KRG with no agreement on the unresolved debt of the GOI towards the KRG. Although the KRG and the GOI do not want war the political tension rises. Both parties are ready to fight and willing to stand their ground. Although there is an economic growth, all the factors above explain the decrease in stability of regional politics and sooner or later will result in another conflict.

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