A bitter conflict is developing within the Iraqi parliament over the attempts of Prime Minister Nouri al-Maliki to push through laws that are opposed by the Kurdish and Shiite parties that make up the core of his governing coalition.

Ninety representatives of the Kurdish Alliance (KA) and the Shiite fundamentalist Islamic Supreme Council of Iraq (ISCI) walked out of a parliamentary session last Thursday. The move blocked a vote on two key pieces of legislation that are among the “benchmarks” demanded of the Iraqi government by the White House more than a year ago.

The legislation consisted of a budget and the procedures governing the holding of long overdue provincial elections. The KA and ISCI rejected both bills as an attack on the Kurdish and Shiite ruling strata that they represent.

The proposed $US45 billion budget would reduce the share of federal government revenue paid to the autonomous Kurdish Regional Government (KRG) that rules the country’s three northern, predominantly Kurdish provinces of Irbil, Sulaymaniyah and Dahuk. In previous budgets, 17 percent was paid to the KRG. On the basis of revised population estimates, the Maliki cabinet plans to lower the figure to 14.5 percent.

The budget also ignored a Kurdish demand for Baghdad to pay the wages of the 80,000-strong Kurdish peshmerga. These militia units function as a large de facto army under the command of the KRG, not the Iraqi government.

The legislation on provincial elections, which named October 1 as polling day, included another clause that undercut the powers of provincial and regional governments. Under the law, the federal parliament, rather than the provincial legislature, would have the sole power to remove a provincial governor.

The bill posed another threat to Kurdish ambitions to gain control over the oil-rich northern province of Kirkuk. A referendum on the status of Kirkuk was to have been held by December 2007. However, bitter opposition from the Turkish government and a number of Sunni, Turkomen and Shiite parties, which oppose Kurdish control over the northern oilfields, led to US pressure for the referendum’s delay.

If the situation remains unresolved, the potential exists for the governor and Kurdish-dominated legislature in Kirkuk to unilaterally call for a vote. The legislation being proposed in Baghdad would enable the federal parliament to intervene and sack the governor.

The ISCI opposes federal intervention in provincial affairs for similar reasons. The party is currently seeking to use its control of the Basra provincial government to remove the governor of the oil-rich province. Longer term, ISCI has ambitions to gain control over all nine majority Shiite provinces in southern Iraq in the coming elections and create a southern autonomous region with comparable powers to the KRG.

The various parties supporting Maliki’s budget and the provincial election bill broadly view a strong central government as critical to the sectional interests they represent. These include Sunni parties, the Shiite Sadrist movement that is largely based in Baghdad, the Basra-based Shiite Fadhila party, small Turkomen and Christian parties and the Iraqi List headed by former interim Prime Minister Iyad Allawi.

In January, 145 legislators from the various “centralist” groupings—a majority of the 275-member parliament—signed a joint statement declaring that the federal government had sole power over Iraq’s oil and gas resources. The centralists left little doubt that they would seek to prevent any referendum in Kirkuk until a new oil law was passed that clearly placed the province’s oil under Baghdad’s control.

Such an oil law would effectively repudiate one of the main features of the US-drafted constitution adopted in October 2005. The document gave regions and provinces, not the Iraqi government, the jurisdiction over all new oil and gas developments. The KRG has since used the constitution to legitimise 15 production-sharing agreements signed with at least 20 transnational energy companies for small oil projects in its territory. The KRG’s development of new fields has proceeded in defiance of a declaration by oil minister, Hussein al-Shahristani, that the contracts were...
“illegal”. If the KRG took over Kirkuk, it could claim the right to hand out contracts and control revenues from some of the country’s largest oilfields.

A new oil law was presented to the Iraqi parliament last July but was not passed due to disputes over the division of revenues and entrenched Kurdish opposition to annexes asserting central authority over contracts. Shahristani subsequently provoked Kurdish fury in December when he broke the impasse by offering to sign deals with transnationals on the basis of the laws of Saddam Hussein’s regime. The Kurdish parties denounced the step as unconstitutional but the Baghdad government has proceeded to enter into negotiations over the opening of new fields in southern Iraq.

The tensions between Maliki and the Kurdish parties have become intense. On February 8, the Los Angeles Times reported on behind-the-scenes agitation in the Kurdish and Shiite blocs for a “no-confidence” motion against the prime minister and his replacement with the ISCI leader Adel Abdul Mehdi. Last month, David Ignatius of the Washington Post reported on earlier signs of an anti-Maliki push. According to Ignatius, the Kurdish factions have been seeking to win over the support of the Iraqi Islamic Party (IIP), the largest Sunni party in parliament, and Allawi’s group, to form a new government headed by Mehdi.

A discernable shift in US policy toward the Kurdish parties is underway, however. Washington has supported efforts to curb their regionalist agenda and voiced opposition to their desire to unseat Maliki. According to the Post, US ambassador Ryan Crocker told Kurdish leaders Masoud Barzani and Jalal Talabani last month: “We think everyone should be placing emphasis on making the government more effective, not on changing the government.” The Bush administration’s stance has led Allawi and the IIP to keep clear, so far at least, of the anti-Maliki conspiracies and left the Kurds and ISCI in a minority.

In the initial years of the US occupation, the Kurdish parties were a crucial component of the Bush administration’s plans to transform Iraq into a client-state and pursue its broader plans to dominate the Middle East. Some two years on, the situation has altered and the Kurdish ambitions are becoming an obstacle to American interests.

The US alliance with Turkey—which opposes any strengthening of the Iraqi KRG on the grounds it could encourage Kurdish separatism inside its own borders—is considered critical in preparing for a confrontation with the Iranian regime. A necessary political pay-off has been US opposition to a referendum in Kirkuk and support for Turkish military operations inside Iraq against the separatist Kurdistan Workers Party (PKK).

Within Iraq, the US military has ended much of the fighting by buying off large segments of the Sunni insurgency. As many as 80,000 former Sunni Arab guerillas in western Iraq and parts of Baghdad are now organised into US-paid militias, which collaborate with American forces against groups that are still fighting the occupation. A similar arrangement has been made with the Sadrist Mahdi Army militia in the Shiite districts of the capital. The policy has enabled the occupation forces to focus on crushing the ongoing resistance to the east and north of Baghdad, in cities such as Baqubah, Tikrit and Mosul.

These arrangements have tended to marginalise Kurdish influence. The Sunni and Shiite forces working with the US in what were the country’s most volatile areas oppose the Kurdish claims on Kirkuk and other parts of northern Iraq outside the KRG. They are equally opposed to ISCI’s plans for a super-Shiite region in the south, which would inevitably lead to a reduction in the oil revenues to other areas of the country.

Without US support, the Kurdish factions have no possibility of achieving their ambitions. In Kirkuk, in particular, the result may well be escalating communal conflict and, potentially, civil war between the KRG and the US-backed Baghdad government or a Turkish military intervention. Even as the Bush administration hails its “surge” as a major success, the lurches and shifts in its policies have only fuelled antagonisms between rival Iraqi factions and generated new recriminations against the US occupation.