

T.C.
ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES



**THE IMPACT OF (KRG) ON THE RELATIONSHIP BETWEEN TURKEY
AND IRAQ SINCE 2010**

THESIS
HALGR I. TAIRO

Department of the Institute of Social Sciences
The Political Sciences and International Relations

Thesis Advisor: Prof. Dr. Celal Nazım İREM

MAY, 2018

T.C.
ISTANBUL AYDIN UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES



**THE IMPACT OF (KRG) ON THE RELATIONSHIP BETWEEN TURKEY
AND IRAQ SINCE 2010**

THESIS

HALGR I. TAIRO

(Y1212.110013)

Department of the Institute of Social Sciences
The Political Sciences and International Relations

Thesis Advisor: Prof. Dr. Celal Nazım İREM

MAY, 2018



T.C.
İSTANBUL AYDIN ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ MÜDÜRLÜĞÜ

Yüksek Lisans Tez Onay Belgesi

Enstitümüz Siyaset Bilimi ve Uluslararası İlişkiler Anabilim Dalı Siyaset Bilimi ve Uluslararası İlişkiler İngilizce Tezli Yüksek Lisans Programı Y1212.110013 numaralı öğrencisi **Halgr Inhad Tairo TAIRO**'nın "THE IMPACT OF (KRG) ON RELATIONS BETWEEN TURKEY AND IRAQ SINCE 2010" adlı tez çalışması Enstitümüz Yönetim Kurulunun 08.01.2018 tarih ve 2018/01 sayılı kararıyla oluşturulan jüri tarafından *oynatıldığı* ile Tezli Yüksek Lisans tezi olarak *Kabul* edilmiştir.

Öğretim Üyesi Adı Soyadı

İmzası

Tez Savunma Tarihi :04/05/2018

1)Tez Danışmanı: Prof. Dr. Celal Nazım İREM

2) Jüri Üyesi : Dr. Öğr. Üyesi Özüm Sezin UZUN

3) Jüri Üyesi : Doç. Dr. Ateş USLU

[Handwritten signatures of Prof. Dr. Celal Nazım İREM, Dr. Öğr. Üyesi Özüm Sezin UZUN, and Doç. Dr. Ateş USLU]

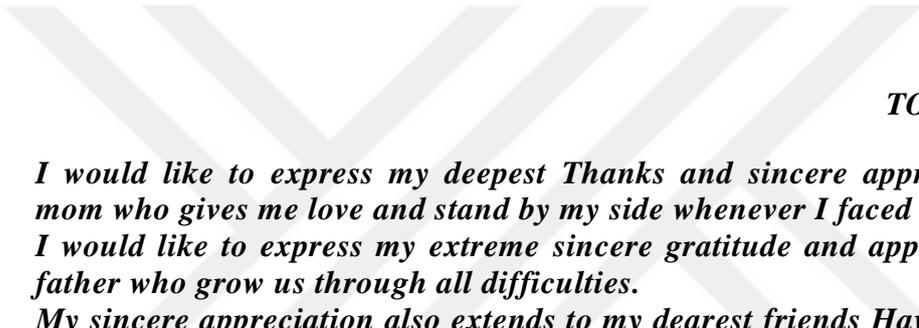
Not: Öğrencinin Tez savunmasında **Başarılı** olması halinde bu form **imzalanacaktır**. Aksi halde geçersizdir.

DECLARATION

I hereby declare that all information in this thesis document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results, which are not original to this thesis. (2/5/2018).

HALGR I. TAIRO





TO MY PARENTS

I would like to express my deepest Thanks and sincere appreciation to my mom who gives me love and stand by my side whenever I faced difficulties.

I would like to express my extreme sincere gratitude and appreciation to my father who grow us through all difficulties.

My sincere appreciation also extends to my dearest friends Havar Hassan and Handren Ahmed for their endless support and encouragement during my writing to this thesis.

FOREWORD

During the time I am writing this thesis the Kurdish region is going through sensitive conditions. However, incidents are taking place so fast and big changes are occurring. After the Kurdish referendum took place in September/2017, the KRG was met with negative reactions from neighboring countries which created tensions between KRG and these countries. Recently, these tensions started to disperse gradually. I would like to express my gratitude to Prof. Dr. Celal Nazım İREM, for his suport. I declare that the findings embodied in this research have not been submitted for the award of any degree in this University or any other University.

MAY, 2018

HALGR N. TAIRO

TABLE OF CONTENT

	<u>Page</u>
FOREWORD	v
TABLE OF CONTENT	vi
ABBREVIATIONS	viii
LIST OF TABLES	ix
LIST OF FIGURE	x
ÖZET	xi
ABSTRACT	xii
1 INTRODUCTION	1
1.1 Theory and research topic	2
1.2 Qualitative Research and Quantitative Research	3
1.3 Data Collecting Procedure.....	4
1.4 The Basic structure of interview.....	5
1.5 Credibility and Responsibility of Findings.....	6
1.6 Dissertation structure	7
2 POLITICAL AND ECONOMIC VIEW OF INTERNATIONAL RELATIONS	9
2.1 The Role of Causal Factors in Constructing International Relationships	9
2.2 The Impact of Foreign Direct Investment (FDI) on Economic and Political International Relations	11
2.3 Neoliberalism Theory in International Relation.....	16
3 INDIVIDUAL REVIEWS OF POLITICAL AND ECONOMIC RELATIONSHIPS AMONG (TURKEY, IRAQ AND KRG)	19
3.1 Brief Comparative Analyze of Economic and political Relations pre-and post-Baath Regime among Iraq, Turkey and KRG	19
3.2 Past and Present Economic and Political Relationships between Turkey and Iraq	22
3.3 The influence of Political Relationship on Turkey and KRG Government pre-and post-Baath Regime	27
3.4 The Importance of Economic Relations between Turkey and KRG (pre-and post-Baath regime)	30
4 FINDINGS AND DISCUSSIONS	35
4.1 Results and Interview	35
4.2 Iraq and Turkey's Relationships.....	35
4.3 KRG and Turkish relationship.....	37
4.4 The Influence of Economic Causative Factors on the Political relations among (Turkey, Iraq and KRG)	38
4.5 Economic and Investment between Turkey, Iraq and KRG.....	41
4.6 Kurdish Referendum and its impact on the relations between Turkey, Iraq and KRG.....	42
5 CONCLUSION	44
REFERENCES	48

APPENDIX..... 57
RESUME..... 58



ABBREVIATIONS

KRG	: Kurdish Reginal Government of Iraq
UN	: United Nations
WTO	: The World Trade Organization
USA	: United States of America
NATO	: North Atlantic Treaty Organization
FDI	: Foreign Direct Investment
EU	: European Union
UK	: United Kingdom
PKK	: Kurdistan Workers' Party
ISIS	: Islamic State of Iraq and al-Sham
PDK	: Party Democratic Kurdistan
PUK	: Patriotic Union of Kurdistan
YPG	: People's Protection Units

LIST OF TABLES

	<u>Page</u>
Table 4.1: Turkish to Iraq with Estimated Exports toKRI.....	42



LIST OF FIGURE

	<u>Page</u>
Figure 4.1: Turkish companies registered in KRI.....	40



KBY’NİN (KÜRD BÖLGESEL YÖNETİMİ) 2010 YILINDAN BERİ TÜRKİYE VE IRAK İLİŞKİLERİ ÜZERİNDEKİ ETKİSİ

ÖZET

Bu çalışmada Irak KBY’nin (Kürd Bölgesel Yönetimi) Türkiye ve Irak ilişkileri üzerindeki etkisi incelenmiştir. Bu çalışma Türkiye, Irak ve KBY arasında siyasal ilişkileri araştırmakla birlikte, ekonomik ilişkilerin Türkiye, Irak ve KBY arasındaki siyasal ilişkiler üzerindeki etkisini de incelemiştir. Araştırmacı bu çalışmaya ait tüm verilerin toplanması amacıyla en uygun literatür taramasını uygulamıştır. Çalışmada bilgileri toplama ve inceleme amacıyla nicel ve nitel araştırma yöntemleri kullanılmıştır. Ayrıca, bu çalışma verilerin Neoliberal teori ağını uygulamıştır. Araştırmacı Türkiye – Irak Kürt Bölgesi ilişkisine ilişkin tecrübe ve bilgisinden yararlanmak amacıyla Erbil’deki Irak Kürt Bölgesi’nin bir temsilcisi ile görüşme gerçekleştirmiştir. Çalışma tamamlandıktan ve mevcut verinin sonuçlarla birlikte incelenmesinden sonra, araştırmacı varolan literatür ve sonuçlar arasında güçlü bir sıçramanın olduğunu ortaya çıkarmıştır. Bu çalışma son onyılıda Türkiye ve KBY arasında çok güçlü bağların olması sonucuna varmıştır. Buna karşın, Türkiye ve Irak ilişkileri, 2010 yılından beri, Türkiye-KBY ilişkileri nedeniyle daha da kötüleşmiştir. Türk-KBY arasında ilişkinin olumlu yönde etkileyen en tesirli faktörlerden birisi ticaret ve Doğrudan Yabancı Yatırım da dahil olmak üzere ticaret mübadelesidir.

Anahtar Kelimeler: *Türkiye, Irak, KBH, ilişki, ekonomi ve DYY.*

THE IMPACT OF KRG (KURDISH REGIONAL GOVERNMENT) ON THE RELATIONSHIP BETWEEN TURKEY AND IRAQ SINCE 2010

ABSTRACT

The impact of KRG (Kurdish Regional Government) of Iraq on the relationships between Turkey and Iraq has been analyzed in this study. This study has examined the political relationship between Turkey, Iraq and KRG and the impact of economic relations on the political relations between Turkey, Iraq and KRG as well. The researcher has implemented the most applicable literature for collecting all the data which are belong to this research. This study used quantitative and qualitative methods in order to gather and examine information. Furthermore, this project has applied Neoliberal theory for analyzing data. A representative from Iraqi Kurdish representative in Erbil has been interviewed by the researcher in order to get benefit from his experience and knowledge concerning Turkish and Iraqi Kurdish relations. After finishing this project and analyzing the existing data with results the investigator determined that there is a strong bound between established literature and results. This study concludes that there is a strong relationship between Turkey and KRG in last decade. In contrast, the relationships of Turkey and Iraq have gotten worse due to KRG and Turkey relations since 2010. One of the most efficacious factors which influence positively on the relationship between Turkish and KRG are the business interchanging including trade and Foreign Direct Investment (FDI).

Key words: *Turkey, Iraq, KRG, relationship, economy and FDI.*

1 INTRODUCTION

This thesis is aim at examining the political and economic relationship among Turkey, Iraq and Kurdish Regional Government [KRG] of Iraq. It has been observed that Kurds in Iraq, since 2003, has established its own government. What is striking is that KRG has grown so fast, acting like a state, particularly in political and economic aspects with Turkey. For instance, the trade between Turkey and KRG reached more than \$8 billion in 2014. This is a new development because before 2007 Turkey defined KRG as a national security threat and that have to be dealt by the military. Besides, so most Iraqi Kurdish politicians or leaders were seen as terrorism supporters or sympathizers by Turkey. Everything has been changed since 2008 from political threat, national security threat and economic sanctions to open trade and political cooperation.

A brief comparative of economic and political relations pre-and post-Baath regime among Iraq, Turkey and KRG will be analyzed by the researcher. Followed by, past and present economic and political relationships between Turkey and Iraq specifically. Finally, it will identify the influence and importance of political and economic relationship between Turkey and KRG pre-and post-Baath regime.

The main goal of this dissertation is to explore the impact of political and economic relations between Turkish government and KRG on the relationship between Turkey and Iraq since 2010.

This will be realized by:

- Investigating how the recent relationship among Iraq, KRG and Turkish government can be characterized by looking at existing data.
- Examining to what point the business interchange has impacted on the political relationship among Turkish government, Iraqi government and KRG.

•Appraising the influence of trade and investment in improvement of the political and economic relations between both governments (Turkey and KRG) since 2010.

1.1 Theory and research topic

Postmodern Earth is plagued with tireless and numerous calls for self determination from minority groups, majority groups both at the macro and micro levels, the international system and from Western imperialism. The gradual but the sure rise and quest for self determination by the KRG reveals their level of interpersonal maturity, the psychological heights their quasi leadership and citizens have attained over the years. It also reveals their tenacity and resilience to attain their objectives despite the many pitfalls that surrounds them. On this note two theories fit rightly to discuss this research topic. They are liberalism which will briefly consider the national solidarity that is shared by all Kurdish people amid the oppositions and neoliberalism which exposes the tremendous might with which the plight for statehood has metamorphosed. It also shows the growing sympathy and the shift of identities that the KRG presently enjoys.

Liberalism is one of the most important theories of international relations because it lays the framework for micro-macro and state-citizen interaction revealing that none is greater than the other-in some respects. More so, showing the interconnectedness involved in having all parties play their role in order to ensure the propagation of a viable national security agenda. Its important therefore to understand the endogenous forces that thrive within the KRG by which elements of their relations with Turkey were established.

DeMichele (2016) defines liberalism to mean “Liberalism is the ideology of governmental, cultural, and economic liberty and equality that generally comes in classical, social, and economic forms. Liberalism comes in many forms, all of which are generally considered “left-wing.” Its opposition philosophy is conservatism”. Summarily it evangelises the freedom of the person and elevates him to the role of a partner of the state. Secondly, it insists that the state must ensure that the bargain between patriotism and state-dependence in exchange for security and other social amenities are respected. If liberalism speaks mostly of freedom, liberty and the right to garner much strength on one’s

personal identity and security though in conformity to the state, then maybe Siroky and Sigwat (2014) are very right to cite Rousseau's property right which liases the state's actions and those of the citizens in a bid to create an equitable environment of trust and to foster national integration.

1.2 Qualitative Research and Quantitative Research

Jankowicz (1991) stated that by using of more than one method it lets the investigator to implement the sequels from one method to get the sequels from another that is also ordinary identified as triangulation. Qualitative and quantitative methods are useful in various methods concentrating on the researcher's method implemented, in order to get their object (Jean Rhodes,2014) Both methods are worthy in disposal social research, as each gives profitable data point. There are various techniques to unite both methods' techniques (Beverley Hancock, Elizabeth Ockleford, Kate Windridge, 2009). Therefore, the integrated methods concept lets the investigator to write believable and valuable research and provides a more inclusive realization of researched social phenomena (Somekh and Lewin, 2005). This research will have adopted qualitative method since this analysis goals to handle discourses in order to assemble the applicable information. According to Jennifer S. Greene (1994) the qualitative research techniques is the right information collecting tool as the characteristic of qualitative research is supported by quality and content of the meaning. Qualitative methods implicate representing variety of humans and events' nature without analyzing them in analytical statues (Beverley Hancock, Elizabeth Ockleford, Kate Windridge, 2009). The investigator selects this exact method because it lets the investigator to analyze issues from their roots. Moreover, according to Hyde (2000) qualitative method is a concept which looks for analyzing the specific issue instead of looking for getting through unspecific drawing. Therefore, this method helps the investigator to concentrate on specific issue rather than unspecific analysis regarding the examination question. Moreover, according to Jennifer S. Greene (19 94) Perspective the qualitative research methods are more pliable than quantitative methods; it helps the study to evolve, as more inputs are collected giving a better realization of the meanings of human world. On the other hand,

the University of Southern California (2016) advocated that quantitative research is the regular research of quantitative information which implements statistical methods and gathering of information supported on theories comes after by the utilization of descriptive statistical methods. This research will choose the quantitative method as well because as Saunders et al (2009) stated that if the quantitative accounting data is favorably quantified then it will be easy for the researcher to find the answers of these questions which s/he tackled in the research. That is why, the researcher wants to figure out the phenomena by analyzing the interrelation between changeable and collecting data which belongs to investment and trade. The references of journals, newspapers, academic text, magazines and government documents has used in order to approach all the theoretical claims that presented .

1.3 Data Collecting Procedure

It is worth mentioning that literature review reveals the importance of theoretical facts. Moreover, it also shows the current research of the approaches based on relationship between both public authorities' Turkish governments and KRG. Furthermore, (Beverley Hancock, Elizabeth Ockleford, Kate Windridge, 2009) the type of the strategy which is chosen by the researcher for the research is directly connected to the type of the formulated research question which can be based on one or more combinations of main research paradigms: qualitative and quantitative. In this research, the multiple methods is utilized by choosing an assorted method for collecting data in order to achieve the goal of the study, which has been noticed in the first chapter. Moreover, the investigator will have direct discourses just to get the right and proved data in order to appraise existing information related to the impact of KRG on the relationship between Iraqi and Turkish governments also investment and trade between Turkey and KRG as well. unstructured interview has been had during writing this dissertation in order to know the impact of KRG on the relationship between Iraqi and Turkish governments and why Turkey look at KRG as a good partner to have strong relations with its. On the other hand, for the aim of this research it was essential to get evidences from the person who has in charge of relation between KRG and Turkish governments in order to approve data. As

explained earlier, the researcher by himself sent a letter to the general director of Turkey department in department of foreign relation in KRG in order to have an opportunity to interview with him personally and analyze the theory with the practice.

1.4 The Basic structure of interview

Regarding face to face discussions are commonly more precise than other information accumulation methods this is how Charlie Marshall (2016) think about the value of having a face to face discussions. Therefore, discourses are one of the most pleasing perceptions of analysis. With respect to discourses are participatory as it implies a reciprocal discourse between the interviewer and the interviewee (Beverley Hancock, Elizabeth Ockleford, Kate Windridge, 2009). As far as discourse is concerned study methods this research has adopted discourse study methods because the investigator wants to get some evidence from someone who is responsible of the relations between both public authorities and in charge of Iraqi Kurdish regional government and Turkish government in order to find the result behind the impact of KRG on the relationship between Iraq and turkey. Thus far, the researcher gets a big benefit from interactive discourse with participant because while the participant answers the questions he involves his experience as well. Therefore, the researcher depends on the interview method in order to get reliable and precise answers from the participant. In another aspect Charlie Marchelle (2016) the structured discussion increases the probability of obtaining truthful and beneficial answers to analytical questions related to the research. Formal interview permits the investigator to concentrate on a certain issue, side by side to this research rather than receiving general idea which might show the researcher to get together unrelated data. Hayden (2006) has highlighted the benefit of face to face discussions; if the discussant does not get the question well or face difficulty to understand the question the investigator can makes his question clear and gives more information and examples just to make the discussant understand the question well. It can be utilized with answerers who would not have an ability to provide data in another initialization. However, it can be used with respondents who would not be able to present the required

information in another format, and provide certainty about who answered the question. In addition, the recent technique depends on how to use closed and open questions in order to identify the perspective of the participator.

To sum, the researcher personally chose questions and statements from existing literature and asked KRG representative in order to appraise the theory with practice and finds the truthful data. Therefore, the interview dated 20-07-2016, at the department of foreign relation- Turkey department in Erbil with the director general of Turkey department Mr. Abdulsalam Rasheed Ismael. On the other hand, the representative did not allow the researcher to record his interview but fortunately the responder permit the researcher to mention his name in this dissertation. Therefore, the researcher wrote his notes according to his answers. The investigator tried to make the interview be objective and avoid technical jargon in order to get benefit from responder.

The results of the primary thesis will be presented in the upcoming chapters. The researcher compared gathered qualitative data using Flick et al (2007) three levels comparison plan: comparison within the category, within the case and between cases. The questionnaires have been asked in interview by the researcher were carefully evaluated in order to get the reliable and right results. Also, collected data was examined in accordance of theories in existing literature in order to prove if this research substantiates theories or not.

1.5 Credibility and Responsibility of Findings

The credibility is a quantification that correctly gives back to the analyzed findings. Therefore, credibility cites to the point to which an observational measure appropriately gives back to the real connotation of the approach under cerebration (Babbie, 2010). However, the responsibility is a matter of whether specific method implemented frequently to the same object would contribute the same results every time (Rubin and Babbie, 2010).

1.6 Dissertation structure

This research study is organized into four chapters. Following this chapter, chapter two, it attempts to analysis political and economic view of international relations. It looks at the role of casual factors in constructing international relations. It also examines the impact of foreign direct investment on state relations. That is to say the chapter gives the details of the Neoliberalism Theory in International Relation. In the following chapter, chapter three examined political and economic relationship among Turkey, Iraq and KRG. It begins with a brief overview and comparative of economic and political relations pre-and post-2003 Iraq, Turkey and KRG. It will attempt to outline the key points and political changes that can be analyzed in chapter three in more detail. It will also attempt to give details about the current political and economic relations between Turkey and KRG. Chapter four is designed for the main findings of the research. The key arguments of Neoliberalism Theory are applied to the case study. This is to find out whether the theory can explain the reason behind changing relationship between Turkey and KRG. The relationship between Turkey and KRG have progressed since 2010 which can be seen as golden years in their relationship. Moreover, the main influential factor behind progressing relations between Turkey and Iraqi Kurdish authority's relations was the interest of economic between KRG and Turkey. The economic relations have impact on political relations between Turkey and Kurdish Iraqi Region and the interest of having economic relations let the Turkish political leaders to look at KRG as an important area in Iraq and have meaningful meetings with Kurdish politicians in order to enhance their relations and become a great partner for each other. As it has been mentioned in the above economic factors have played the most important role because it has created and defined Turkey's national interest. , it has shown that Turkey was more interest in trading with KRG than Iraq. Iraq has become less interested economically and politically as KRG is safer than Iraq and KRG is close to Turkey than Iraq also KRG take a good role on developing private sectors more than Iraq in the final chapter concludes that Turkish political and economic relations have changed towards Iraqi Kurdistan Region since 2010 and these developments have negative influence on Iraq because of several factors, these factors will be presented and elaborated in the

upcoming chapters. While on the other hand, Turkish relations towards KRG have changed positively since 2010.



2 POLITICAL AND ECONOMIC VIEW OF INTERNATIONAL RELATIONS

This chapter will examine the role of causal factors in constructing international relationships. Then the impact of Foreign Direct Investment on economic and political international relations will be analyzed. After that, it will discuss the Neoliberalism Theory in International Relation.

This world will be full of conflicts and misunderstanding without relations. Therefore, relations between countries in general and neighboring countries particularly are very important. Therefore, having a strong relation between neighboring countries will open a gate for states to develop fast and have safe land without having any problems or conflicts. The relationships between Turkey and Iraq since 2010 have gotten cloudy due to the impact of KRG. On the other hand, Kurdish Regional Government of Iraq has tried to build strong relations with Turkey in order to solve all problems, conflicts and enhancing their political relations with other states as well.

In this chapter, the prospective of different author will be analyzed and elaborated regarding the importance of having strong international relations among states and the impact of Foreign Direct Investment (FDI) and trade on the political relations, this will be examined on the impact of KRG on the relationship between Turkey and Iraq since 2010 in the upcoming chapter.

2.1 The Role of Causal Factors in Constructing International Relationships

The Great War (1914-1918) has been destroyed the beauty of nature and killed many innocent people without any mercy. After the Second World War (1939-1945) United Nations (UN) was established an organization on 1945 for the sake of humanity and to stop the violence against civil people around the world. The charter was marked by 50 states. The main goal beyond this international organization was to make a strong relationship among nations in order to tackle main issues such as economic, social and cultural issues and worked hard to

create a peaceful world around the world and ended the conflict (Bookmiller,2008). UN is the one of the successful organizations around the world; therefore, UNRIC (2011) reported that the members of the UN are increasing every year for the evidence today 193 countries are member of this organization. UN could successfully solve many problems and achieve their goals. On the other hand, Hardt and Negri (2000) complained about the role of UN among the nations and blamed them for their carelessness and discovered that there was inequality in the world. Therefore, according to Duignan's prospective (2000) The North Atlantic Treaty Organization (NATO) was founded in 1949 and there were only twelve states formed a military alliance NATO with aim to keep up the freedom security, and stability. Currently, there are 28 states who are member of NATO (Chivvis 2010).

The World Trade Organization (WTO) existed on 1995 that in order to create snug a global economic instead of General Agreement on Tariffs and Trade (GATT), the aim behind the foundation of WTO was to solve all the trade issues, creating trade relations between countries. Also, to make other countries to be involved in global economic national trade policies(WTO,2015).

Anderson declares that the competition has been increased among countries "The competing attitudes and perceptions of political influential, administrative elites, business, technical and cultural elites and the wider population with regard to the desirability of specific goals that may affect global change, affecting the shape of anything from the international economic system and the battle for power" (Anderson,1996).All the same, regardless of all these steps have been taken in the 21st century in order to create a peaceful world and to develop relationship among nations it is not enough to establish internationals relations (Andersonm,1996).

There are many aspects which have been influenced on the issues of Universal preparing and economic catastrophe around the world therefore; Brown and Ainley (2009) declares that these aspects conceivably could be the main causes of more aggressive deals universally. According to Brown and Ainley's prospective (2009) modern international relations has been formed by various aspects; first of all, USA implemented the power of modern international relations. Secondly, the Iraq war made relationships among Europe, USA,

Russia and China. Finally, the 11th September 2001 when terrorist assaults on World Trade Center have been changed the world of International relations Buckley and Fawn (2003). Nanto (2009) suggests that the universal economic failure has not only affected on the political leadership but also state capitalism, stability, and trade preservation. Significantly, this has formed the international leadership and reaction toward the United States. Furthermore, NATO believes that the economic inconstancy is the factor of rising joblessness among people and provide a better circumstance also improvement in protection concerns as well as increasing in poverty for radical groups.

2.2 The Impact of Foreign Direct Investment (FDI) on Economic and Political International Relations

Business can be described as main actor in the societies where they perform and many view business, society and government as the three important factors of advancement (Parker, 1998). Anderson et al (1994) cited in Bach (2007) characterized business networks as a pair of two or more business relationships; it means each exchange relations are between business companies that are found as corporate actors. Cook et. al. (2004) declares networking in international business implicates an investment, money and resources. While on the other hand, Parker (1998) thinks that the states can be close to each other due to the business interchange. Moreover, according to Balaam and Veseth (1996) that there are many factors in political economy which makes states to close to each other and obligate them to expand their collaboration together. Therefore, Stopford and Strange (1992) cited on (Grosse, 2005) keeps up that the internet age has influenced on the changing global economic structure and the global political structure has been changed by the end of the Cold War.

The economic unification could get advantage or have a positive effect on political unification, this is how Balaam and Veseth (1996) think about the importance of the economic unification and have shown a good example of European Union economic unification in the globe. Therefore, If the governments are economically unified there will be a political unification too. While according to Putnam point view due to the trade international state has gained a more systematic global political economy therefore Putnam (1998)

cited in Kapstein (2006), defends that “trade policy has provided a rich setting for a broader analysis of politically-active interest groups”. Therefore, foreign Direct Investment (FDI) as a means of driving knowledge and other business advantages both concrete and understood, in order to draw up production in a foreign country (Hymer, 1960), this is how Hymer defined (FDI) therefore, currently all national and regional governments want to forge right institutions and organizations to rank their internal competitiveness (Grosse, 2005).

Floyd and Summan (2008) accredit that the historical and political factors significantly has been influenced on the investment issue. Zhang (2005) asserted that there are many determinants which dream up the investment climate in one country and conclude its allure for FDI. On the other hand, Hamdani (2001); Maekusen and Venables (1999) and UNCTAD, (1992) cited in Zhang (2005) that the FDI is possible to be an instrument of host economic growth, therefore entering FDI may improve capital composition and employment development, and may encourage industrial reestablishment during competitive demands and bring new ideas, practices or industries to host countries and then rise production trade competitiveness. Due to these factors in particular the policy and corporate groundwork are important to conclusive a country’s allure to FDI (Zhang, 2005). Bento (2009) declared that FDI has influenced on the patterns of trade and it has pretended that the association from the home country trade to the host country trade gets the same advantages. According to Neaime and Colton’s point view (2005) many countries FDI obtain advantage from dissimilar factor benefits and monetary dispensations because of that many prosper countries FDI carries good fortune in order to make their competition of the certain categories.

Another crucial aspect, Kapil (2011) declared that the country's capability to evolve fast depends on the progress of production subdivision. It requires the instrumentality of best accessible technology. The local working class, elements, local capital and equipment can be used in a most desirable way. It means that the trade is reinvented when the investment is attempted from the home country's relatively disadvantages industries into host country's relatively benefit industries.

The impacts of FDI has the significantly impact on both targeting countries. Firstly, the host country during the FDI can attainment their weaker categories and increase their productivity by getting necessary knowledge and approach to best accessible technology. This means both countries the host country and home country are evenly get advantage from FDI. Secondly, as the country implements their resources in a most desirable way the challenging among the markets would be cultivated. Thirdly, by having FDI between countries the rate of unemployment would be decreased. Kurdistan Ministry of Trade & Industry Website (2010) declared that thanks to Turkish business companies, the rate of unemployment of Kurdish people in Iraq had been decreased since 2010 because there were more than 730 Turkish business companies had been registered in 2010 in the Kurdistan Region. According to Kurdistan Ministry of Trade and Industry reports (2013) since 2006, more than 14\$ billion worth of FDI had increased in Iraqi Kurdish Region, according to official figure in 2013 that there were 2300 foreign companies were working in Iraqi Kurdish Region and regarding trade and Investment Turkish companied had gotten first in the top list because the number of Turkish companies were 485 in 2009 while in 2013 out of 2300 foreign companies it was around 1500 Turkish companies in KRG. All the same, this figure shows that 80 % of goods are made by Turkish companies in Iraqi Kurdish Region. For the more evidence of these impacts Sinan Çelebi, the KRG Minister of Trade and Industry declared that “In 2009, trade volume between Turkey and the Kurdistan Region totaled around \$4 billion. In 2012, that number was \$8.4 billion.”. on the other hand, the estimated share of export between Turkey to Iraq was \$11.9 billion in 2013 and out of \$11.9 billion there was \$8 billion from KRG. Before KRG face financial crises the estimated volume of trade between Turkey and Iraqi Kurdistan Region was 8\$ billion in 2013 (Rudaw,2017).

“The Turkish government wants to develop its relations with the Kurdistan Region and that is also the wish of the KRG,” Falah Mustafa the Head of Foreign Relations Office in KRG said in his interview with Rudaw (2017).

All the same, Thanks to FDI, Turkey and Iraqi Kurdish Region become partners in economic relations and also has a significant impact on their political relationships as well. However, the estimated share of export and import among

Turkey, Iraq and KRG since 2013 has not been announced because of several reasons. Firstly, KRG faced financial crisis after arriving ISIS. Secondly, due to the disagreements between Iraqi government and KRG regarding increasing 4% of total budget from Iraqi government to KRG from 13% to 17%, Iraq was not agreed to approve their request and Iraqi parliament did not give any budget to KRG since 2013 (Kurdistan Region, 2013). Therefore, Iraq led the KRG to think about having FDI without the authority of Iraq because of that KRG was obliged to export oil directly from Kurdish region to foreign companies.

The petroleum and gas reserves of Kurdistan leaves it with some level of power and semi autonomy because thanks to the growing demand for energy especially from hungry neighbours like Turkey, Kurdistan though one time securitized by Turkey, puts in a strategic bargaining position to push through its plight autonomy. Balci (2014, p. 8-13) outlines that one of the major reasons why Turkey relaxed its military policies towards Northern Iraq now the KRG, was a result of the discovery of oil. Pusane (2016, p.21) explains in her own words that “Despite this troubled background in Turkey’s relations with the Iraqi Kurds, there has been a sweeping change in Turkey’s northern Iraq policy from the mid-2000s onwards. In a period of a few years, the Iraqi Kurds turned into Turkey’s economic partners; Massoud Barzani, Former president of the Iraqi Kurdistan Regional Government (KRG), began to play an important role in Turkey’s efforts to resolve its Kurdish question through political means; and Turkey allied with the KRG against the rise of Syrian Kurds in the ongoing Syrian civil war. More so, the oil and gas sector regardless of the indignation of the Iraqi central government has created a medium whereby Erbil and Ankara have strengthened relations in the past years. For example in 2014 a cease fire agreement was signed by Ankara and the PKK (is an organization in Turkey which listed as terrorist organization by many countries and Organizations like NATO) under the auspices of Erbil. In addition, the KRG has become Turkey’s third largest export in 2013 reaching over \$5.1 billion exports. As the changing global order continues drive states to sometimes irrational decisions, the shooting down of a Russian plane by Turkey in 2015 further pushed it into the hands of the KRG. By 2015 Turkey had made significant progress which entailed the import of over 16 million barrels and the prospective construction

of a 185km pipeline that would connect Turkey and Iraq though talks to extend it to Kurdistan were on the table (Pusane, 2016, p 22). However, things are going the negative way and despite the over 1.500 companies present in the KRG as Pussane notes, the relations between these two countries is bound to suffer.

Yilmaz (2017) noticed that despite the encouragements from the US to Turkey in its bilateral relations with the KRG, things are going from bad to worse as the US somehow back stabs Turkey by supporting the YPG which Turkey considers to be terrorists. Pousane (2016) reiterates that Turkish president faced with this warned the US "is it me who is your partner, or the terrorists in Kobani?" and this came at a time when YPG and other Kurdish factions repeatedly attacked oil and gas pipelines linking Turkey and Iraq.

As of the materials years of 2017 economic relations between the two nations continued to thrive until the famous declaration of independence by the KRG which strained relations again between Ankara and Erbil. The joint response from Ankara and Baghdad necessitated a contingent response to suffocate the economy of the KRG and hence limits its devastating policy of independence which might create a serious power imbalance in the region. The mussel demonstration of Turkey over the basic amenities that the KRG depends on and the disregard of the declaration of independence by Baghdad all affected the interpersonal relations between the two countries. Moreover, 2018 started rather rough for both Erbil and Ankara following the severe exchanges between Ankara and the YPG in the eastern part of Turkey; a strong indication that Turkey will not readily recognize any independent Kurdish state. Yilmaz (2017) adds that mindful of the fact that "Turkey provides the region with refined products that the region lacks, which has helped the KRG decrease its dependence on the products from southern Iraq, things might get rough for the KRG most especially if it continues to push through with its objectives of self determination. Economically, Turkey is one of its biggest export allies and to lose this ally will put them in a serious situation. Until the Kurdish question is resolved the petroleum and gas politics involved between Erbil and Ankara as well as the delicate geopolitics of the region requires that though the KRG continues to foster its claims of self governance, an attitude which is considered

a treason by Iraq and very provocative by Turkey, the huge economic spoils both nations stand to gain outweigh the security and political dissidents.

2.3 Neoliberalism Theory in International Relation

With this mutual trust that exists between the citizens of KRG its therefore needful to emphasize that the placement of institutional-like organs that seek to address the very needs of the state, quasi-independent from the Iraq suprastructure, ensure the basic security needs of its citizens and open the country to foreign relations is an imperative. The warm social and interpersonal chemistry built through the KRG Leviathan, the putting in place of its social contract and the institutionalisation of laws that bind morally accepted behaviour are indications that the KRG fits well to play on the international scene. It's on this case that neoliberalism comes in to explain the current relations that exist between Turkey and KRG. Mindful of the fact that relations have not always been the best in the past, the sudden change in attitude from the Turkish end is eloquent testimony of the fact that Turkey has firstly, desecuritized the KRG, no longer considers it as a threat to its national security and regional geopolitical interests, and lastly, seeks to establish a mutual win-win relationship with the KRG for ethnic and kin reasons.

But how does neoliberalism advertises this new era of relations between the two states? Firstly, it behooves the researcher to mention that though Turkey pretentuously declares not to recognise the independent entity of the KRG, its diplomatic actions are correspondingly the reverse. In the same light the USA considers Kurdish region a key ally in the region and even harbours thier representative in the US but outrightly denies them a diplomatic recognition (Calanur, 2017). This one sided paracitic diplomacy played by Turkey and the US puts Kurdish regional government in a difficult position and drives thier quest for independence even deeper. Turkey entertains bilateral relations with Iraq, the overall territorial head of the political entity under which the KRG operates. At the same time, Turkey entertains relations with the KRG to mean that Turkey above all odds admits the fact that the KRG has and deserves the right to self determination, has clearly defined international boundaries accordingjk to international law, and though it presently acts as a bonafide attachment of Iraq,

both entities are actually two countries, existing in one. What this means is that somehow and someday, both nations might probably split and Turkey would want to remain a key ally to both in an event that this happens. With this ground work, the theory of neoliberalism simply looks at the mechanisms involved in forming and maintaining relations in the anarchic international system that continues to refute the KRG the right to international recognition.

This subject raises to question the role neoliberalism plays in diplomacy and how both compliment and affect each other. While diplomacy considers the political stability between nations, it also entails cultural and economic relations that bring and bind states together. Jones and Clark (2017) believe that the role of diplomacy in international business is becoming very ambiguous and is putting many top players such as diplomats in a very caricature position. If diplomacy has simply become the bedrock of 'business as usual', then it will certainly draw many setbacks. Furthermore, it questions the reasons forwarded for creating bilateral relations and suspends any doubt that these relations could flawlessly lead to the curbing of a crisis escalation. In the case of Turkey and the KRG, it reveals that the economic and political relations binding them must in most cases prevent any source of conflict either in the KRG, Iraq or any other nation whereby the Kurdish are present. In some way, Turkey might just be playing the 'prisoner dilemma' in the sense that any form of an insurgency within any Kurdish settlement will easily be disregarded by the international system when it's considered that Turkey moderately adheres to the Kurdish plight and goal of self determination.

While liberalism as stated above predominantly centers on the political ideology of the state, the propagation of its agenda to its subjects while at the same time empowering them to support the goals of their statehood, it's important to note that without proper international relations, the state will remain isolated and pushed to the rear. Therefore, as Investopedia (2018) puts it in simpler terms, neoliberalism is simply a state of more liberal and market capitalism whereby the power of the market is transferred from the state's control to that of the private sector. More so, this happens more in a globally changing globe whereby the UN in its fight to end poverty by 2035, seeks to empower people to be self dependent, create jobs and provide employment to the weak and

underprivileged. To achieve this, states must get into diverse partnerships and mutual friendships that will mutually promote their national interests and pacify human interpersonal interactions. Though it is lamentable to note that some countries such as France have and still use excessive force in some parts of Asia, South America and Africa, neoliberalism cannot be said to be performing at its best if people are forced to act against their wish.

Summarily, the political and economic relations that Turkey currently entertains with the KRG are eloquent testimony to the fact that the KRG is directly though pretentiously, regarded as a sovereign entity, a player in international relations having fulfilled all the requirements of statehood and a potential partner and ally of Turkey.



3 INDIVIDUAL REVIEWS OF POLITICAL AND ECONOMIC RELATIONSHIPS AMONG (TURKEY, IRAQ AND KRG)

This chapter will add a brief overview on political and economic relationship among Turkey, Iraq and Kurdish Regional Government of Iraq. Turkey throughout the history has good relations with Iraq but recently Turkey and Iraq have some misunderstanding and their relations can be said are not good as before Baath Regime because of several reasons and these factors will be mentioned in this chapter. However, though Kurds in Iraq has recently established their own government in 2003 but KRG has grown so fast concerning building political and economic relations with other countries particularly neighboring countries like Turkey.

A brief comparative of economic and political relations pre-and post Baath regime among Iraq, Turkey and KRG will be analyzed. Followed by, past and present Economic and political relationships between Turkey and Iraq specifically. Finally, this chapter will identify the influence and importance of Political and economic relationship on the relations between Turkey and KRG pre-and post-Baath regime. Furthermore, the recent relations and the importance of KRG on the relationship between Turkey and Iraq since 2010 will be analyzed in this chapter.

3.1 Brief Comparative Analyze of Economic and political Relations pre-and post-Baath Regime among Iraq, Turkey and KRG

Ismael and Ismael (2005) declared that Iraq was one of the countries which suffered 13 years of sanctions and had been subordinated by a dictatorship for over 35 years. Iraq has been controlled twice, first by Ottoman Empire then by British Empire. Iraq distinguished from other countries by the largest ethnic and religious association. In 1958, the Iraqi republic was created by Karim Kasem. The Iraq Republic had been governed by a nationalist military regime and successfully took a good place among other Arab countries and because of that

Iraq become a debated zone of Arab country. Oil was the main source that helped the Baath regime to make political and economic relations with the other countries. During Baath regime, the prosperity and authority of Iraq was on the hand of some particular owners. All the same, Iraq during that time was followed by capitalism. All the profit of Iraq was controlled by the private owners not by the state. It means only personal relations and capitalism got benefit from the prosperity of Iraq (Middle East Research and Information Project, MER142).

Ismael and Ismael (2005) advocate that the war between Iran and Iraq for eight years (1980-1988) made the government unable to pay their debts; the war's economic breakage to Iraq was at least \$120 billion. They declared that after Iraq controlled Kuwait in 1990 and Iraq was obliged to retreat from Kuwait in the Gulf War when the UN Security Council dictated strictest international green light opposite to Iraq. The Gulf war has been a negative impact on the Iraq. Firstly, the Iraqi people suffered a lot and many people have been killed during the Gulf war. Secondly, Iraq faced financial crisis since the authorizations in 1990. Finally, the rate of unemployment was increased. Therefore, the relations between Iraq and other countries got worst and worst while on the other hand it was a good opportunity for the Kurdish people in the northern Iraq to ask their right and America could successfully give a right to Kurdish people in Iraq (Cordesman, 1999).

According to Cook (1995) the term of Kurdistan goes back to the Turkish Seljuk Prince Saandjar in the 12th century when he made the region with the name. Cook believes that the name of Kurds has been existed two thousand years ago, O'Leary (2002) states that Kurds are an Iranian ethno- linguistic group, since the breakdown of the Ottoman Empire 25 million Kurds are divided into four parts between Turkey, Iraq, Syria and Iran. The Kurds have long been identified internationally as having a definite identity with a familiar heritage and aims to political and regional independence. The Kurdish people are an ethnic group in the Middle East , they have been divided among Turkey ,Iran, Iraq and Syria by the post-World War. Cook (1995) declared that historically, the Kurds enjoyed some autonomy (self-running authority) under the various regional powers seeking to exercise territorial authority over Kurdish areas. The state of Iraq

appeared from the Ottoman provinces of Mesopotamia controlled by the British. Iraqi Kurdish want to have autonomy because they want to govern their area by themselves and develop their political and economic relations with others countries in the future. Through the years Iraqi Kurds tried to obtain the autonomy, basic rights and freedom. The Iraqi Kurds for their freedom have fallen in long fight with Iraqi regimes until 1991, Iraqi Kurdish people have had autonomy with the help of the coaction countries. The autonomous area in Iraqi Kurdistan has rising fears by Iran and Syria and specially Turkey because of several factors. First Turkey was doubt about the Kurdish majority in Turkey and the other countries as well to ask the same demand. Secondly, Turkey thought Kurdish region in Iraq would allow PKK to have their own party in the region. Thirdly, it was unclear whether Kurds in Iraq would encourage and help other Kurdish people in other countries or not. Fourthly, the above-mentioned countries thought autonomy would be a way for Iraqi Kurdish to ask their independence one day. Therefore, all these factors caused Turkey to have suspicion and predictability relations with KRG.

Kurdish Regional Government (KRG) was established on July 1992 (McDowall,1996). Iraqi Kurdistan Region has become a main center to call its neighboring countries attention after the invasion of Iraq in 2003 Among the international world organization Kurdistan Region has been accepted as the other Iraq, region of status, beatific, arbitrage and economic condition (McDowall,1996). The Middle East Report (2008) reported that the Kurds have suffered a lot of violence under Iraqi Ba'ath party for several years while after 1991 a northern no-fly zone was announced by USA, UK and France to defend the Kurds against Saddam's regime. The association protection gave hope to Kurds in Iraq to live in peace and conformity in a semi-autonomous region. In 2003, Kurds in Iraq has a significant role during the invasion of Iraq; they united the US forces and fought against Saddam's regime. Kurdish Regional Government (KRG) is identified as the official government of the districts that were supervised by that KRG government on 19 March 2003 in the governance of Dohuk, Arbil, Sulaimaniya, and wanted to govern Kirkuk, Diyala, and Neneveh as well according to article 140 that these provinces belong to KRG regarding different tribes, religions and ethnic. Kurdistan's foundations exercise

lawmaking and administrative authority in many places, including the share of regional financial plan, policing and security, education and health policies, natural exporters management and basic economy development (Middle East Report,2008). However, still now Iraqi Government and KRG have not agreed that the above-mentioned provenance which called “de facto” are belong to KRG. With reference to the Jacques (2012) the Kurdistan Region of Iraq borders with Syria to the west, Iran to the east, and Turkey to the north. The population of Kurds in Iraq is about 6 million. The capital city of Kurdistan Region is Erbil (Hawler). The largest resource in the region is oil since 2003. The Oil has the big impact on the economic situation in the KRG area. Due to investment funds by the KRG in the local development, and the international companies which come and attracted by the free policies, the relative safety offered in the KRG area (Home Office, 2009).

3.2 Past and Present Economic and Political Relationships between Turkey and Iraq

Bozcali (2008) declared that the relationships between Turkey and Iraq developed and the trade between both governments reached a remarkable level in 1970s. Before Iraq’s invasion of Kuwait, Turkey and Iraq were the greatest trade partners. Moreover, Turkey and Iraq opened Kerkuk oil pipeline in 1976 and their relations progressed. In 1990, the economic political relationships between Turkey and Iraq advanced more and both governments successfully kept up strong economic ties in order to get benefit from each other. Despite all, these steps, the relationships between Iraq and Turkey become ambiguous in 1991 because Saudi and Turkish authorities closed the Kerkuk pipeline and Turkey gave a hand to United Nation in the Gulf war to use its Air Base and the Turkish economy had been affected by the United Nation authorizations therefore the economic and political relationships between Iraq and Turkey got worst (Bozcali, 2008). Many things had changed in 2003, Saddam Hussein regime fall down and the economic and political relationships between Iraq and others countries especially Middle East have been influenced by the events (Blanchard et al, 2010).

Turkey takes a good role in constructing Iraq in the way of rebuilding and developing country and has a big impact on Iraqi government. Therefore, Turkey carried off getting auxiliary and commitment from the Iraqi government to get rid of PKK. In 2008, the Turkish Prime Minister met the Iraqi Prime Minister in Iraq in order to develop economic relations. Furthermore, in 2009, Turkey and Iraq marked announcement of understanding on technical, scientific collaboration and military preparation (Blanchard et al, 2010). Over all, the relationship between both states has been developed and the cooperation between Iraq and Turkey is expanding economically and politically.

In 2009, Turkey developed the capacity of trade goods to Iraq to \$5.12 billion, comparing to \$3.91 billion in 2008 also Turkey exotic \$549 million worth of exports from Iraq in 2009 (WITS,2017).According to BBC News (2010) Iraq and Turkey signed to continue a historic furnish components in order the trade between both states develop very fast. Therefore, Turkey considers Iraq as main source of energy. According to Turunc (2011) prospective that Turkey wants to build an energy bridge between East and West. Therefore, Iraq's natural resources take a good role in the proposed Nabucco pipeline supplying oil/gas from Iraq to Europe. Iraq's natural resources might play an important role in the projected Nabucco pipeline affording oil/gas from Iraq to Europe by the way of Turkey in an achievement to preserve the economic relationship. In 2010, the Iraqi government made a committee to expand trade and economic relationships with Turkey with almost accurate for shared marketing trade reaching \$12 billion by the end of 2011.

Turkish Foreign Trade Minister (2009) declared that in 2007 Turkish companies contacted 39 projects in Iraq in highways, hospitals, waste plants, water, electricity, school and housing construction. While that number of projects grow up to 72 projects with a capacity of \$1.43 billion in 2008. Blanchard et al (2010) declared that Turkey wishes to develop business from \$7 billion in 2008 to \$20 billion by 2011. Day to day almost 3000-4000 merchandises weighted with Turkish properties cross into Iraq. However, Turkey's Minister of Energy and Natural Resources Taner Yildiz in 2015 during an interview with Rudaw said that "Turkey supports all the components of Iraq and wants to cooperate with

them to use the country's natural resources equally in the best interest of all of Iraq" (Rudaw,2015)

Turkey settled a communication for all the Iraqi parties in order to solve all problems that they had through negotiation and agreement. In 2008 Turkey played a main role in trying to bring to an argument with Sunni representatives for the meaning of backing the Status of Forces Concurrence with the USA (Blanchard et al (2010). Nonetheless, Turkey arranged a conference for all Iraqi parties in 2006 in order to build a bridge between Iraq and its neighbors for Ministerial interviews. This opening advancement into the extend Ministerial of neighboring countries meetings, counting the neighbors of Iraq G8 countries, European Union, UN, Arab League and OIC (Turunc, 2011).

However, Turkey and Iraqi's relations have gotten cloudy after Shitti took Iraqi's authority, the authority of Iraq have not taken any steps to continue its relations with Turkey beside that Turkey tried to build its relations with northern of Iraq (KRG) instead of Iraq because Iraq was not willing to develop its relations with Turkey neither economically nor politically. Furthermore, even if Iraq has relations with Turkey it can be said they were not as required as they were intended to be therefore, according to Turunc prospective (2011) that the Shi'ite leaders were unwilling to have a good relation with Turkey and that can be due to various factors. Firstly, Turkey is a Sunni Muslim country therefore it is obvious that the religion has impact on Iraqi government. Secondly, due to Oil gate Turkey had good economic relations with past Iraqi regime during Saddam Hussein's ere. Thirdly, Turkey used to make military invasions into Iraq due to presence of PKK (Blanchard et al, 2010). However, Blanchard et al (2010) declares that in Iraq's policy-making procedures Turkey has been sought a firm, parliamentary and incorporate Iraq and the Turkish Foreign Minister in many occurrents declared that Iraq is an important better half and friendly country for Turkey, and the progress in Iraq would also influence Turkey. Nonetheless, after improving geo-political legitimacy of a post American draw back has obliged both sides to cooperate more. The relationship appears getting more forceful, as in 2010 the Iraqi Prime Minister went to Turkey to search advocate in respect to draw up a government.

Iraq considers Turkey as an essential political power on its neighborhood and a good partner in order to help Iraq to build up again Iraq's economy and for developing sector as well. However, Turkey looks at Iraq as unsafe place for its citizen due to PKK, a rebellious party who engage in the Iraqi Kurdistan. Fortunately, in a short period Turkey could have a great strategy in Iraq in general and in KRG in particular in order to achieve their objectives and increase their economic interests(Turunc,2011).

On the other hand, according to Rudaw (2016) the relationship between Iraq and Turkey got worst since 2011, when the Iraqi Prime Minister Nour Al-Maliki accuses the Iraqi Vice president Tariq Al-Hashimi for being a responsible of terrorism in Iraq. Therefore, the Vice President immediately escaped to Iraqi Kurdistan and the Iraqi Kurdish former President Masoud Barzani promised him to protect him as much as he can. Also, the Turkish president and the Prime Minister welcomed Tariq Al-Hashimi with a good hospitality in Turkey. Therefore, Iraq looked at Turkey as dangerous on its country because Iraqi leaders have not believed that Turkey will act against their rule and law.

Furthermore , Nour Al-Malki in his interview with the Wall street journal said "We welcome [Turkey] to cooperate with us economi-cally, and we are open to them, but we do not wel-come interference in political matters...Turkey inter-feres by backing certain political figures and blocs. We have continuously objected to their previous ambas-sador's involvement in local politics, and officials have admitted their faults" this statement caused both states to face conflict with each other (Soner Cagaptay and Tyler Evans, 2012). Soner Cagaptay and Tyler Evans (2012) reported that in 2012, the Iraqi Prime Minister believed that Turkey deals with Iraq as inimical country. Furthermore, according to (Nathaniel Kern, Matthew M. Reed, 2012) Maliki got upset with the Turkish leaders in general and the Prime Minister Erdogan particularly, when the Prime Minister officially welcomed the Iraqi Kurdish president Masoud Barzani and had a closed-door meeting. Therefore, according to Yigal Schleifer (2013) the relationships between Ankara and Baghdad have been gotten worse and worse than before during the last few years.

Yigal Schleifer (2014) reported that ISIS (the Islamic State in Iraq and al Sham) control the Turkish consulate in Mosul and take 49 hostages including the

Consul general also 31 Turkish truck drivers. This situation makes the Turkish government get upset with Iraqi governments. However, according to Chris Johnson and agencies (2014) 46 Turkish people including three Iraqi people who have been worked in Turkish consulate in Mosul captured by the hand of ISIS but fortunately one month later Turkish government could liberate all of them. All these factors have caused Turkey to not have stable relations with Iraq.

Relations with Iraq continue to dwindle for many reasons, firstly, Turkey has been termed a sympathiser of an Iraqi official who has over four counts of death as charged by the Iraqi High Court. As a result of this Al-Laythi and Latif (2012) reported that the Iraqi government in 2012 expelled a Turkish firm which potentially could have gained the rights to exploit oil in northern Iraq. Instead a Kuwait firm, Kuwait Energy Co. to carry out the task. Secondly, Turkey's direct relationship with the KRG leaves it in a boiling pot of tension over the rich Kirkuk region. Goujon (2018) analysed that this region for thousands of years has been known to be a hot pot for natural gas and in 1927 the British were the first to dig out the oil from the region. She continues that the tensions between the KRG and Iraq on who has the right to control the region and its neighbouring surroundings puts it in direct confrontation with Turkey. The reason is simply though Turkey disregards the independence of Kurdistan, its direct dealing with the KRG somehow means showing solidarity and support to reclaim the territories contested for. In her own words she explains "even as Kirkuk, its oil-rich fields and a belt of disputed territories stretching between Diyala and Nineveh provinces have remained officially under the jurisdiction of the Iraqi central government in Baghdad, the Kurdish leadership has sought to redraw the boundaries of Iraqi Kurdistan". Turkey is currently eyeing the region of Kirkuk though there exists a pipeline which connects Turkey to Iraq and by which Turkey hopes to reach out to the entire Europe, but the political and historic dissensions existing between these two mean if nothing is done to suffocate the tension, Turkey in a larger scale may extend full support to the Iraq government. If this should happen, the KRG which might be having trust issues with Turkey may see it as serious backstab and the message might be wrongly interpreted by the entire Kurdish citizens all over the world. It may lead to a

serious insurrection the likes of which Turkey did not expect. Turkey is presently in a dilemma and must take a wise decision in its policies towards Kirkuk and the other contested regions in northern Iraq.

3.3 The influence of Political Relationship on Turkey and KRG Government pre-and post-Baath Regime

The relationships between Kurds in general and specially Kurds in Iraq go back to the fear that was made obvious by the agreement of Sevres in 1920 which would have achieved the European wearing down of the frontiers of the Ottoman Empire. Therefore, Oleary et al (2005) stated in their research “official Turkish attitudes toward the Kurds in general and the Kurds of Iraq in particular are deeply rooted in the historic fear of territorial dismemberment”. Smith (2010) advocates Turkey’s relationship with the KRG has historically been impelled by dread about its own Kurdish social group, especially after the defeat of Saddam’s regime in 2003 gave encouragement to Kurdish nationalist belief. While Jenkins (2008) supported Smith’s declaration on the other hand, Jenkins thinks that Turkish policy approaching KRG has commonly been formed by three fundamentals: the implement of KRG associated state by the PKK as a step for attacks into Turkey; the persisted acrimony at the failure of the oil fields of Kirkuk; dread that the invention of a Kurdish political identification could promote fuel advocator ideas among its own Kurdish minority.

Oleary et al (2005) examined that the relations between Iraqi Kurds and Turkey get worst in 1998; the Kurdish authority declared that the Turkish government had roughly refused any kind of Kurdish identity also they denied to carry out the Kurdish investigation with political orientation at all cost. While the USA agreed to support the Kurdish Regional Government and Turkish governments were not satisfied and there was an impressive depression among Turkish and USA relations. Turkish rejected to permit USA implement its protectorate to enter Iraq in 2003; on the other hand, the Iraqi Kurds warmly welcomed America and corporate with them to affranchise Kirkuk and Mosul as well from the Iraqi government.

After the downfall of Saddam Hussein's regime in 2003 the Kurd in northern Iraq took a part on diplomatic negotiations superior to the Transitional Administrative Law and driven to attain Kurdistan official identification as a governmental and federative entity. The relationship between both governments was changing for the worse as Turkey blamed KRG for being a partner to PKK. While the tightness between both sides' starts up in 2007 and brought international concentration on the problem (Tol, 2010). Jenkins (2007) declared that in summer 2007, the Iraqi Kurdish authorities' denial to support PKK in the Qandil Mountain therefore the relations were getting better and better than before. Over all, in 2007, many Turkish business involvements in Iraqi Kurdistan were a main reason Turkey did not increase its invasion (Khalil, 2009). Pusane (2016) believes that after 2010 the relationship between Turkey and KRG has advanced economically and politically. Ekurd daily News (2012) Turkey and Iraqi Kurdistan suddenly become vital strategic partners cooperating commercially. "I have always attached a great deal of importance to our relations with Turkey because Turkey is not only a neighboring country but also very important for us." This is how Iraqi Kurdish Prime Minister Nechirvan Barzani in 2009 describes the value of relationship between KRG and Turkey (Ekurd daily News,2012). Therefore , thanks to the Turkish and Iraqi Kurdish leaders to have a several meeting together in order to enhance their economic and political relations and open a new page between the Iraqi Kurds and Turkish relations. Blanchard et al (2010) advocates that the Kurdish people in northern Iraq got the semi self-governing in 1991, Turkey was agreed to discuss with the two significant political parties in the Kurdistan-Iraq (Party Democratic Kurdistan "PDK" and Patriotic Union of Kurdistan "PUK") in order to solve all the problems that both sides have. The Kurdish leaders at the time revealed that they want to open a new door in relations with Turkey and they handled to assure Turkish government that the Kurdish people in Iraq are not warning to Turkey and their ambitions is to set up a partnership of Kurds, Turkmens and Arabs.

Oleary et al (2005) declared that constantly the Turkish authority wished to make both political parties PUK and PDK stand against each other in order to eliminate the PKK. Oleary et al (2005) also states that Kurdish people in Iraq

handled to choose their own representative in Turkey by at the end of 1991, and because of that it can be said this year open a new page in the history of political relationship between Iraqi Kurdistan and Turkey. On the other hand, after a short time the Turkish military and politicians look at Iraqi Kurdistan as a danger because of its anxiety that identification would encourage Turkey's own Kurdish minority to ask the same authority that the Iraqi Kurds have (Oleary et al, 2005).

According to CSIS (2009) perspective thanks to USA that the political relationship between Turkey and KRG gets better and stronger than before therefore USA has taken a good role in strengthen the political relationship between both sides. The Obama's administration wants to make Iraq at peace with it is neighbors countries and wishes Iraq to be able to administer itself. In 2009 the Atlantic Council of the United States brings together Kurdish and Turkish in order to tackle their issues and make a better relationship between both sides (CSIS,2009).

There are communications reveal that Turkey likes to have a good collaboration with KRG and also the political relationship has been developed and progressed between both governments. Therefore, KRG Website (2011) reported that the Turkish Prime Minister decided to open Turkey's Consulate in Irbil (the capital city of Iraqi Kurdistan region) in 2011 and declared that Turkey has opened a new page and has broken up the old Turkish's policy "Turkey has ended the old Turkey's policy which used to deny the humanity of the people". Turkey also gives permeation to Iraqi Kurds and Iraqi to get a visa free. KRG Website (2011) reported that the Turkish Foreign Minister visited KRG in 2011 in order to enhance political relations between both governments. During his visit he declared that after making strong relations in economic and political with KRG Turkey and Iraqi Kurdistan has gained many things and also could successfully solves all issues in cooperation.

According to Cengiz Candar (2013) in 2012 Turkish Prime Minister Recep Tayyip Erdogan for the first time recognized Iraqi Kurdistan Region when he welcomed Iraqi Kurdish President Massoud Barzani "I salute our esteemed brothers in northern Iraq Kurdistan Region" in front of the thousand Kurdish and Turkish people in Diyarbakir, Barzani also said " it is time to accept each

other and to live by means of brotherhood” (Umit Cetin,2013). Barzani visited Ankara in 2014 in order to enhance the relationship between Turkey and KRG also to deal with the economic, political, energy and military collaboration (Christina,2016). Iraqi Kurdish and Turkish leaders take a good role in developing relations between KRG and Turkey. KRG allowed Turkish government without green light from Baghdad authorization deployed roughly 600-1,200 troops and dozens of tanks in Bashiqa region of Mosul in order to train Peshmerga and local volunteers Sunni army forces in order to defend their areas from ISIS (Gallia Lindenstrauss, 2016). Turkey’s defense minister Ismet Yilmaz during his visit to Erbil and Baghdad in 2015 said “We have decided to give train-equip, intelligence and logistics support to the Iraqi Army, the Peshmerga and the Sunnis,”(hurriyetdailynews,2015). On the other hand, Baghdad marked this agreement as illegal and the Iraqi Prime minister Haider al-Abadi threatened Turkey and said that Iraq will implement all decisions concerning writing a report to UN Security Council if Turkey does not drop out its troop from Iraq within 48 hours (Matin Gurcan ,2015). However, "No one has the right to object to Turkey's presence in Iraq when the country is fragmented that much," this is how Numan Kurtulmuş, deputy Turkish prime minister quoted to Daily Sabah.newspaper regarding the presence of Turkish troops in Bashiqa. Moreover, the Telegraph (2014) reported that Turkey helped Peshmerga (Iraqi Kurdish forces) to cross into Kobane through Turkish borders in order to fight ISIS and defend Kobane from ISIS. Therefore, the relationship between KRG and Turkey gets stronger despite that the relationship between Turkey and Iraq gets worse and worse than before.

3.4 The Importance of Economic Relations between Turkey and KRG (pre- and post-Baath regime)

In 1991, the economic relation between Turkey and KRG was not strong as now a day. Therefore, according to Pusane (2016) Turkey put many barriers with KRG just not to pass the oil in Turkey’s border. However, according to Robert Olson (2016) that a year after in 1992 Turkey decided to change its own policy border trade with Iraqi Kurdistan in order to develop economic relations between both governments. Turkey gradually developed economic relations in

general and in trade particular with Iraqi Kurdistan thanks to that their political relations have been progressed as it has been mentioned in the earlier paragraphs. Turkey also notices a growing prosperity level of its own minority Kurdish people in the southeast Turkey (Robert Olson,2016). The development of prosperity level of the southeast Turkey was a cause behind growing economic relation with Iraqi Kurdistan, as turkey realized that the increase of the prosperity level of the southeast Turkey will countermine backing for the PKK. Therefore, the economic collaboration between both governments Turkey and KRG in 1992 was producing income of \$2 million per month for the Kurdish government differentiate with late 1990s were producing \$1 million per day. In late 1990s the number of trucks passing the border each day increased to 1500 in contrast with 1992 the number of trucks was only 500(Bozcali, 2008). Tol (2010) declares that the Turkish government accepted Kurdish Regional Government and had meeting with the Kurdish political leaders in 2009 thanks to that the political and economic relations between Turkey and KRG progressed very fast. Ekurd Daily News (2012) reported that after 2011 the economic and political relationships between Turkey and KRG had been changed in a positive way. Barkey (2010) by mid-2009 the Turkish government started to have a formal discussion with Kurdish region of Iraq and begun to cut its collaboration with Iraqi Turkmen. Therefore, Turkey had marked agreements with the KRG on the commerce of oil. However, it is unacknowledged to what expand the relations between both governments have been developed and what are the reasons that affected both sides to cooperate with each other. The Turkish Energy minister Taner Yildiz and the KRG's Minister of Natural and Resources lunched the energy conference in Erbil in 2012 Hewrami made an announcement that KRG would open a new oil pipeline between KRG and Turkey in order to sell their oil and gas through Turkey borders to the rest of the world (Nathaniel Kern, Matthew M. Reed,2012). Middle East policy (2012) reported the agreement of opening Pipeline between KRG and Turkey had decided without the permission of Baghdad authority when the Iraqi Kurdistan Prime Minister Nechirvan Barzani met the President Abdullah Gul, Prime Minister Erdogan, Foreign Minister Ahmet Davutoglu, and the Turkish Energy Minister Taner Yildiz as well. However, the Iraqi's oil Ministry identified this agreement as "flagrant violation of the Iraqi

Constitution.” On the other hand, KRG persuaded Turkey and all foreign companies that all these contracts had signed according to article 111 and 112 from the Iraqi constitutions (Hurriyet Dailly News ,2016). Also KRG marked these contracts as legal according to article 112 in Iraqi constitution which is stated that “the federal government manages oil and gas extracted from the current fields, in cooperation with the producing districts and provinces, on the condition that it distributes the revenue equitably according to the population distribution throughout the whole country.” (Iraqi Constitution,2005)

In 2007, according to suggestions reported by Turkish exports to Iraq, exports to the region controlled by KRG measured at \$1.4 billion setting the KRG the nineteenth largest export market of Turkey. By the year 2011, the KRG had succeeded to become the third largest export market of Turkey. In 2013, thanks \$8 billion in the Turkish exports. By confrontation, between the Years 2007 and 2014 exporting oil and gas Iraqi exports to Turkey and by KRG exports has been ignorable ranging from \$87 million to \$153 million (Christina, 2016) Khalil (2009) revealed that currently, the Turkish authority has introduced high level discussions with the Kurdish government. The Turkish and Kurdish relationship has changed completely by trade and business, with a huge sector of the Iraqi Kurdistan economy aided by Turkish investment and promising energy transport (Khalil, 2009).

However, according to Ben (2013) perspective that recently the KRG and Turkish government realize the need for practical collaboration with the goal of territorial firmness; hence, Turkey and KRG decided to make a round table and tackle some issues about economic and energy collaboration in 2009. Moreover, as the business between Turkey and Iraqi Kurdistan achievement get \$9 billion, Turkey thanks to that invited Masoud Barzani the former President of KRG in Turkey in order to improve economic and political relations between both governments and also discuss on developing economic integrating (the Iraq Business News Website, 2011).

According to The Iraq Business News Website (2011) point view Turkey and Iran are challenging each other in order to control the Kurdish economy because of that Turkey do their best in order to get advantage from economic opportunities in Kurdish region of Iraq.

Moreover, the Turkish Minister of Industry and Trade visited Iraq Kurdish region in 2010 and declared that Turkish authority marked eight protocols with the KRG in order to guarantee economic integrating between both governments Turkey and Iraqi Kurdish region (The Turkish Ministry of Science, Industry and Technology Website, 2010). Christina (2016) declared that having liberal business and investment in Iraqi Kurdish region goes back to the strong relationship between Turkey and KRG. In 2010, there are more than 730 Turkish publishing companies in the Iraqi Kurdish region, and their advantages are assessed approximately \$621 million yearly (Kurdistan Ministry of Trade & Industry, 2010). Sinan Çelebi KRG Minister of Trade and Industry in 2012 mentioned that 25 new Turkish companies come to Iraqi Kurdistan per month, in 2009 there were around 485 but in 2013 the number of Turkish companies had raised around 1,500 therefore Turkey becomes the first country which had a lot of companies in KRG (Soner, Christina and Ege, 2015).

According to Christina (2016) KRG has faced financial crises since 2014 and has negative impact of rebuilding and constructing region. Also (Ranj , Alxander ,2016) declared that “Iraqi Kurdistan’s economy is a worse threat than ISIS” Iraqi Kurdistan’s Deputy Prime Minister Qubad Talabani in 2016 admitted during an interview with Reuters in Erbil that Iraqi Kurdistan face financial crisis since 2014 and still now have impact on KRG and Iraq as well (Ranj , Alxander ,2016).

According to Olson’s (2010) perspective Turkey was interested in trading and investing with Iraqi Kurdistan because of some reasons; first Turkey wishes to be the bridge to transit oil and gas from KRG to Europe. Secondly, declines the depression of unemployment in Southeast Turkey and also lowering the request of militant Kurdish nationalism and the PKK. Thirdly, Turkey also trying to make strong relations with Bagdad in order to not promote Iraqi Kurdistan control Kirkuk city as their own city. Fourthly, Turkish authority wants to cut the relations between the Kurdish people in Iraq and Turkey Kurds as much as they can. Fifthly, as we known the majority of Kurdish people in Turkey speak Kurmanji therefore Turkey also supports KRG to use the Sorani dialect instead of Kurmanji just to terminate the influence of Kurmanji dialect on Kurdish media. If all these statements enforced, Turkey wants to influence on the

Kurdish people in Turkey and called their attention to the side of Turkish authority and encourage policies directing to the riddance of PKK.

Therefore, according to researcher's prospective Turkey wants to get benefit from KRG in order to increase their incomes and decrease the issue of employments in Turkey due to the free visa people can go and come to KRG easily. However, KRG interests in Turkish investments and depends on Turkish companies for constructing and rebuilding the region.



4 FINDINGS AND DISCUSSIONS

4.1 Results and Interview

The findings of the master research, the comparing between theories conclusively proved in Individual reviews of political and economic relationships among (Turkey, Iraq and KRG) and collected data will be presented in this chapter in order to assure whether this research approve the theory or not. The existing data belonged to politic and economic relations were examined in order to know to what point the economic and political relations have an effect upon the political relationship between KRG and Turkish governments and also to evaluate its efficaciousness improvement of the relations between both public authorities Iraqi Kurdistan and Turkey. Some questions which were based on the theoretical theory in the discourse have been used in the interview in order to analyse the theoretical theories on the present relations between Iraqi Kurdish region and Turkish governments with a practice. The investigator regulated its study and prepared four questions for a representative from Iraqi Kurdistan.

4.2 Iraq and Turkey's Relationships

Obviously, many reports and statement which have mentioned in existing data (Chapter 3) declared that the relationships between Turkey and Iraq got worst since 2011. The Kurdish representative agreed about all the statements which have written in literature review and confessed that nowadays the authority of Iraq is in shitti's hands and Iran has a huge impact on Iraq's authority and as it is obviously clear that all Iraqi's decisions has decided by Iran's authority. Therefore, the majority of Turkey is Sunni and does not look at Iraq as before. If we compare the Iraqi and Turkish relations before 2010 and after the falling down of Baath regime, Shitti obtained the power and authority in Iraq and Iraq faced conflicts and struggle among their tribes since now and became unstable area therefore all these situations had impact on Iraq's relations with others

countries in general and with Turkey in particular. As it is shown Iraqi political leaders were not interested to cooperate with Turkey since 2010 because of different reasons. Firstly, Iraqi government had many problems with Iraqi Kurdish authority throughout the history therefore developing relations between Turkey and KRG had impact on Iraq's relations and because of this reason their relations led the Iraqi government to not cooperate too much with Turkey as before. Secondly, Iraqi government did not expect that Turkey would protect the Iraqi former vice president Tariq Alhashimi, Iraqi government thought that Turkey stood against Iraqi law. Thirdly, Iraq was not a safe place for Turkey especially after capturing Turkish General Consulate in Mosul by ISIS therefore it made Turkey to look at Iraq as unsafe place for its citizen and even for their diplomat as well. Fourthly, Iraqi government thought that Turkish authority pry into Iraqi politics and law especially when Turkey allowed KRG to sell its oil independently through Ceyhan port. Overall, as we have been mentioned several reasons behind having not strong relations between Turkey and Iraqi government. It has found it that the Iraqi and Turkish relation has not seen a huge political development since 2010. However, there were some discussion between Turkey and Iraq regarding developing their relations between both authorities in order to cooperate with each other economically and politically but unfortunately, both authorities have not had any agreement since 2010 to cooperate with each other or to implement their ideas into an action neither economically or politically. Therefore, we can see that relationships between Turkey and Iraq got worse than before For the more evidence and to support the above-mentioned declarations, in 2012, the Iraqi Prime Minister believed that Turkey deals with Iraq as inimical country (Soner Cagaptay and Tyler Evans ,2012). Therefore, Turkey can be recognized as one of the most powerful country and an influential bridge between Asian and European countries, because of that Turkey cannot accept such a compliment regarding their policy or their authority and Turkey is not ready to cooperate with one country like Iraq which has its own political problems among its parliament and even its political leaders. Furthermore, Iraq has not had a unity authority up to present therefore, it can be said that having a negotiation with Iraqi authority can be difficult and hard not only for Turkey but also for many countries. Not having one voice of Iraq and good decision makers as before that could have impact on

the other parties would cause Iraq not to have an agreement that all Iraqi government has one voice and can work for further and develop their economic and politically relations with others countries in general and with Turkey in particular.

4.3 KRG and Turkish relationship

Barkey (2010) declared that after 2009 the economic and political relationships between Turkey and KRG had been changed in a positive way. By mid-2009 the Turkish government started to have a formal discussion with KRI and begun to cut its collaboration with Iraqi Turkmen. On the other hand, in 1991, the economic and political relations between Turkey and KRG was not strong as now a day. The interviewee believes that the economic and political relations between Turkey and KRG developed very fast since 2010 until 2014 but the relations got unstable after 2014 especially when Erbil was threatened by ISIS at the beginning Turkey did not help KRG as the Kurdish leaders expected however, Turkish government used General Turkish consulate in Mousil as a justification when Iraqi government could not have an ability to protect Turkish Consulate from ISIS. After a while, Turkey and KRG through some negotiations and meeting could build their relations strongly again as before and helped KRG in order to stand against ISIS and develop its economic as well. Turkey and KRG could quickly understand each other and develop their political relations as before. Turkish and Iraqi Kurdish leaders could through meetings and negotiations sign an agreement to let Iraqi Kurdish fighters “Peshmarga” go through Turkish borders to Syria in order to protect Kurdish people in Kobane-Syria. This agreement can be an evidence for Turkey and KRG’s strong political and security relations. Furthermore, Turkey trained Iraqi Kurdish fighters Peshmarga in northern Iraq including Sunni fighters in order to fight against ISIS. Therefore, this can approve that Turkey is more interested with authority of Iraqi Kurds and Sunni in Iraq. All the same, the interest of both KRG and Turkey is the same in many fields therefore they try to develop their relationships as much as both authorities can. First, concerning security affairs, both countries are known as the West allies. Secondly, regarding energy, both countries shares interests and Turkey has huge investment in Kurdish Regional

Government. Thirdly, the majority of Turkey and KRG is a Sunni religion and are close to one another. Fourthly, there does exist the “Kurd’s problem” in Turkey, and Turkey observes that this can be solved and a peace solution can be reached with the aid from KRG. In addition, there are Turkemens in Iraqi Kurdistan that Turkey with importance looks after their right to be achieved. Furthermore, both authorities Turkish and Iraqi Kurdish needs each other in order to enhance their incomes and help each other to achieve their political aims because KRG through Turkey would be able to reach and develop their political relations with others countries as well. Also, it is obvious that Turkey and KRG relations develop very fast but still now KRG does not has consulate in Turkey while it has own office in many countries around the world. It means, their relations are cloudy and no one could know that what is going to be happen in the future because we do not know whether Turkey will support KRG and develop their relations as before or will stand beside Iraq and build strong relations with Iraq in order to empower Iraq and keep it united.

4.4 The Influence of Economic Causative Factors on the Political relations among (Turkey, Iraq and KRG)

Parker (1998) defined Business as main actors in the societies where they perform and many view business, society and government as the three important factors of advancement (Parker, 1998) therefore; Parker (1998) thinks that the states can be close to each other due to the business interchange. The interviewee declared that political in general and economic in particular have taken a significance role in developing the relations between Turkey and KRG. Moreover, the representative agreed that the economic activities between Turkey and KRG were growing very fast since 2010 and had a huge influence of political relationships among Turkey, Iraq and KRG. Turkey was more interested to have economic relations with KRG rather than Iraq also he mentioned that Islamic militants in Iraq captured more than 20 Turkish truck drivers in 2014. Therefore, Iraq and Turkey relations got worse in 2014 and also it made Turkish political leader to get angry with Iraqi political leaders for being Iraqi irresponsible to protect Turkish truck drivers therefore Turkish truck drivers felt safe in KRG more than Iraq. According to researcher’s point view

the geography of KRG made Turkey to be more interested in Iraqi Kurdistan for marketing and trade. Therefore, Turkey and KRG political relations developed in 2010 and the economic relations had a huge impact on KRG and Turkey political relations especially when the Turkish Minister of Industry and Trade visited Iraq Kurdistan in 2010 and signed eight protocols with Iraqi Kurdistan government. Turkey wanted to enhance their incomes and KRG was more than Iraq wanted to rebuild their region therefore KRG political leaders asked Turkey to help them to develop and rebuild their region. Also, the agreement between KRG and Turkey regarding opening an oil pipeline to sell oil through Turkish border had a negative impact on the Iraqi and Turkish political relations in contrast the political relations between Turkey and KRG developed through this step. Turkey gradually developed economic relations in general and in trade particular with Iraqi Kurdistan while on the other hand we have not seen any progressed between Turkey and Iraqi government regarding Trade and FDI since 2010.

According to Fidan (2015), Kurdistan Region of Iraq (KRI) has witness a robust Turkish presence through strategic sectors such as infrastructure, exports, banking and finance, oil and gas, and education. Fidan points out that extensive infrastructure projects in Iraq, especially in KRG serve in strengthening the economy of the region, generate more jobs and facilitates the distribution of public services. Additionally, Fidan argues that the construction sector had an increat employment growth rate in 2003, and there was also a substantial share of employment. In a nut-shell, about 75% to 80% of the construction business like tunnels, dams, roads major airports and housing projects was under the supervision of Turkish companies in KRI.

The data in the previous chapter shows that economic relations take a significant role in building relations between Turkey and KRG. the number of registered Turkish companies has been increased year by year and this has impact on KRG relations with Turkey (Graph 1), nowadays it is too difficult to know how many Turkish companies are in KRG because there are a lot of Turkish companies come to KRG per month because Iraqi Kurdistan is interested in their work and it can be said that KRG approve Turkish companies in KRG in general and in Erbil in particular, However, many projects like

Duhok airport and many other projects have stopped in Iraqi Kurdistan since 2014 because of financial crisis therefore not only KRG and Iraq were influenced by financial crisis but also Turkish companies as well because KRG cannot afford their demands.

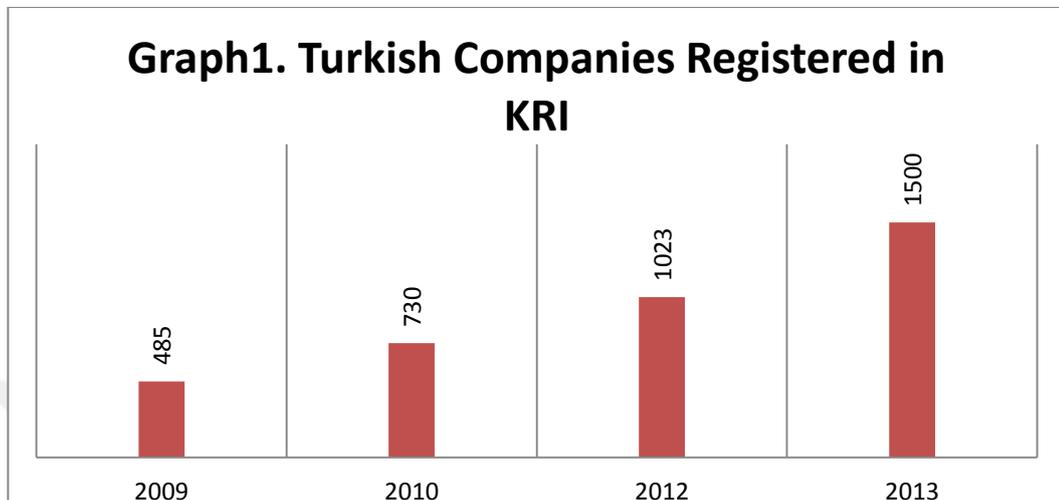


Figure 4.1: Turkish companies registered in KRI

Source: Fidan C. B (2016), Turkish Business in the Kurdistan Region of Iraq, <http://turkishpolicy.com/article/790/turkish-business-in-the-kurdistan-region-of-iraq>

regarding exporting goods from Turkey to Iraq shows that Turkey estimates more than 50% of share of exports to KRG since 2007 but in 2010 there is a big different between the years before and this can be evidence that Turkey concentrates on KRG more than Iraq because Turkey get an idea that Turkey should build their relations tightly in order to achieve their own goal. For example, if Turkey wants to eliminate PKK in Iraqi Kurdish region they should have strong relations economically and Politically in order to persuade KRG that PKK would be dangerous for KRG and Turkey as well. Therefore, trade and FDI are a gateway for Turkey and KRG to enhance their relations and become stronger authority in the future. In the recent years, many struggle and conflicts have appeared within Iraqi country therefore it can be said Iraqi government has been busy with its own political problems and has not taken Trade and FDI in a consideration. Therefore, having strong relations between Turkey and KRG in trade and FDI goes back to political and economic relations between both governments.

4.5 Economic and Investment between Turkey, Iraq and KRG

According to Fidan (2015), there was an increase in economic relations with over 1,300 Turkish companies fully registered by the KRG. In the year 2013, Turkey's trade with Iraq was sum to \$11.9 billion, making Iraq to be Turkey's second biggest export market, likewise Turkey Iraq's, including the KRG's, largest trading partner. This however shows that Turkey's economic relation with Iraq including KRG is very important and it boosts the economic market of both parties.

Just within the first five months of 2014, there was already about \$5.4 billion Turkish exports to Iraq, thus giving an increase rate of 11% (Fidan, 2015). Unfortunately, the strong economic tide between both countries reduced by June 2014, due to the capture of Mosul, Iraq's second largest city, by the ISIS group. As a result of this, major trade routes were blocked toward the south. A report from the Turkish Exporters Assembly (TIM) in July 2, 2014, shows that Iraq's position on Turkish ranking had dropped from the second to the third largest trading partner, coming after Britain. This resulted to a trade decrease of 21% just within a very short period. Fidan points out that, the trade between Turkey and KRI still remains firm as Turkish business representatives makes use of the KRI secured environment to launch more trade with other parts of Iraq facing precarious security problems.

Turkey prefers to widen its relations with the KRG because it depends on about 95% of its natural gas and oil, which are its strategic foreign sources. In order to avoid a debilitating blow on the Turkish economy, this strategy helps in preventing any oil delivery disruption from the Kurdistan Region. Turkish companies increased their market and supplied shares to about 80 % with Iraqi consumer imports like food products, furniture, and textiles. The commercial relationship between Erbil-Ankara-Baghdad became more favorable to the economic growth of Turkey because oil and gas export from Iraq (KRI) to Turkey are more significant, ranging from \$87 million to \$153 million between 2007 and 2014 (Fidan, 2016).

Table 4.1: Turkish Exports to Iraq with Estimated Exports to KRI

Year	Exports to Iraq	KRI's Est. Share	Est. Exports to KRI
2007	\$2,844,767,091	50%	\$1,422,383,546
2011	\$8,310,129,576	61%	\$45,060,868,91
			2
2013	\$11,948,905,271	67%	\$8,029,66,342

Source: Fidan C. B (2016), Turkish Business in the Kurdistan Region of Iraq, <http://turkishpolicy.com/article/790/turkish-business-in-the-kurdistan-region-of-iraq>

4.6 Kurdish Referendum and its impact on the relations between Turkey, Iraq and KRG

According to Strachota (2017), there was an independent referendum in the Iraqi Kurdistan (KRG) in September 25, 2017. Turkey strongly criticised this action and this was seen by the reaction of both the Turkish president Recep Tayyip Erdogan, Prime Minister Binali Yildirim and the Turkish National Security Council who considered it as unacceptable and unlawful. Turkish politicians decided to embark on any economic, political and military measures to counteract the consequences, likewise closure of borders, withholding of flights, imposed economic sanctions and ready to apply force if in case the Turkmen community in Kurdistan face any danger. According to Wasilewski (2017), he argues that the independence referendum in Iraqi Kurdistan was a call for alarm and posed serious dilemma for Turkish politicians. The decision makers had to weigh both the side of their relationship with the KRG and the potential consequences of the referendum. The result of this showed that the approach towards referendum was inconsistent. Wasilewski further his argument by stating that the fear of Turkish politicians was about the destabilization of Iraq and the fear that separatist tendencies will be spread among the Turkish Kurds. More fear came in when the Iraqi Kurds decided to include the Kirkuk as part of the referendum. In line to this, KRG officials argued that Turkish decision-makers' declaration was considered as domestic political instruments with

its aim being to pay attention to the outcry amongst the nationalist constituency which is of great importance under President Tayyip Erdogan.

The Turkish decision-makers' inconsistent approach is argued based on some elements which shows that their aim was mild for any referendum to take place, especially from the onset when they voiced displeasure instead of a warning to the Iraqi Kurds. In addition, the organizations that were promoting the referendum in the KRG to the Turkish public kept operating very freely in Turkey. Also, there were differences in the statements the Turkish Ministry of Foreign Affairs published compare to the English version the pro-government Turkish press "cited". Moreover, Ankara stood firm about the whole idea only a week prior to the referendum. The Prime Minister (Binali Yildirim) of Turkey made it clear that the Republic of Turkey was treating the referendum as a "national security issue" and the President (Erdogan) on his side made a declaration that Turkey would levy sanctions on the KRG if any sort of referendum took place. Wasilewski (2017) also point out that there were no major elements of pressure on the KRG except the military drill on its borders with Iraq that started in September 18, 2017.

According to Chmaytelli & Toksabay (2017), the Iraq's Kurds embarked on an endorsement to secede by nine to one in a vote, and this brought a lot of criticisms from the Central government in Baghdad, Turkey, other world powers, which fear that the referendum could lead to an outbreak of more conflict within the region. After the alarmed about the Iraqi Kurds independence from Baghdad in a referendum, Turkey threatened to restrict oil trading with the Iraqi Kurds. Haider al-Abadi (Iraqi Prime Minister), testified that Turkish Prime Minister Binali Yildirim told him in a call that Turkey was ready to forget about its past practices and concentrate on dealing with the government of Baghdad over oil exports from Iraq. Majority of the oil that flows through a pipeline from Iraq to Turkey is from Kurdish sources, implying that cutting-off oil supply to Turkey will eventually damage the Kurdish Regional Government (KRG). In addition to this, the Turkish government spokesman Bekir Bozdogan denounced that the armed forces of Turkey will cease from training any Iraqi Kurdish peshmerga forces, which guarded the oil fields from being captured by the Islamic State.

5 CONCLUSION

The main goal of this thesis is to analyze the impact of KRG on the relations between Turkey and Iraq since 2010. The current relations between Turkey, KRG and Iraq has evaluated in this research by the researcher. This research applied reasonable idea on relations between countries. After the researching and comparison between the theory and results have been finished, a strong mutual relation between the established theories and results become clearly obvious.

For this study project, the researcher depended on primary data which it is online data and secondary source which it is interview. The researcher analyzed the impact of KRG on the relationships between Iraq and Turkey since 2010 deeply through online data and KRG's representative.

Moreover, the researcher wrote to general Turkish consulate in Erbil many times to have interview with general Turkish consul but due to the current situations the researcher has not gotten any responses from Turkish consulate. Therefore, due to the lack of time limitation the researcher was unable to interview Iraqi representative as well. Therefore, the researcher has not had an opportunity to analyze this research according to interviewees. However, if the researcher has an opportunity to have interview with Iraqi, Turkish and KRG' delegation, data analysis will be analyzed more deeply. The Turkish and Iraqi delegate's perspective might have been different view from KRG's perspective therefore their view might have impact on having different results for this research.

This research shows that the relations between Turkey and KRG were not applicable and enough strong from 1991-2008. Therefore, Turkey was not interested in KRG to have any kind of political or economic relations.

However, the researcher concludes that the relationships between Turkey and KRG have developed since 2009 and KRG has a huge impact on the Turkish

and Iraqi relationships. The strength of Turkey and KRG relations go back to the authorities of both parties AKP in Turkey and PDK in KRG. Despite that, it should be said due to Trade and FDI activities the economic relations have a huge influence on the political relations between Turkey and KRG. On the other hand, Turkey and Iraq have turbulent relations nowadays and the existing data shows that the current relations between Turkey and Iraq are not that good as last decade. Also the interviewee agrees that due to numerous factors Turkey is more interested in KRG than Iraq since 2009.

However, established theory in the second chapter shows that at the beginning Turkey has not had courage to cooperate or settled in any official level with Iraqi Kurdistan and found out KRG as a threat over the decades. Therefore, Turkey thought that if Turkey has significant relations with KRG then KRG might be caused them a huge problem if Kurdish people in Turkey also ask the same demand like KRG in Iraq. Moreover, after the fall down of Baath regime (Sadam Hussain) in 2003 Turkey thought that Iraq is a good neighborhood to make Turkish incomes grow fast, through business interaction with Iraq in general and in KRG particularly.

Therefore, after 2003 Turkey tried to collaborate with Iraq in particular KRG as much as they can in order to solve some issues in Turkey such as to get job opportunities for its own Kurdish minority in Turkey, and to crease Turkish incomes as well. Despite that, KRG developed their economic relations with Turkey and allowed Turkish companies to come to KRG. In addition, KRG concentrated on Turkish companies for rebuilding and constructing the region.

Due to KRG's role Turkey found out KRG is a safe place and there is no fear to collaborate with KRG. Therefore, Turkey does not look at KRG as a threat like before. That is why after 2009 Turkey looked at KRG as safe region. Therefore, after KRG helped Turkey and had meeting concerning Kurdish issues in Turkey in order to find a peaceful solution for all issues. Moreover, KRG tried to convey Kurdish people in Turkey to live in peace and solve all problems peacefully. Turkey understood the role of KRG and changed their policy with KRG. In addition to that, many Iraqi Kurds visited Turkey for tourism or for studying every year. Therefore, Turkey thought that KRG has a huge influence

on Turkish security. Because KRG is close to Turkey and if anything, wrong happen Turkey will be also influenced.

Concerning PKK issue Turkey and KRG have same problem both of them have same aim which is Turkey wants to eliminate PKK in KRG and to ban their party in Turkey. The researcher believes that Turkey might be has two aims when Turkey helped KRG to cross Peshemerga through Turkish borders to Kobane and fight against ISIS. Firstly, Turkey wanted to show that Peshmerga liberate Kobane not YPG because YPG is a party which belongs to PKK. Secondly, Turkey might be wants to convey KRG that both countries are still friends. When Erbil was threatened by ISIS Turkey did not help KRG as Kurdish officials expected but instead of that they helped Peshmerga to cross to Kobane.

The results of this investigation declare that economic factors have strong and positive influence on the political relations between Turkey and KRG since 2009 in contrast it has negative influence on the Iraqi and Turkish authorities' relations. Existing data and results suggest that Iraqi Kurdistan is the safest part in Iraq since the collapse of Saddam Hussain therefore the strategic geography of KRG's location attracts the neighboring countries and international community to cooperate with KRG more than Iraq. In addition, KRG is rich concerning natural resources therefore Kurdish officials could easily convey multinational company in particular Turkish companies to invest in KRG more than the rest parts of Iraq. This can be obviously true because if we look at the existing data we will notice that many Turkish multinational companies invest and cooperate in KRG.

On the other hand, investigator believes that economic factors in general and trade and FDI in particular ties Turkey and KRG close to each other and have direct impact on Turkish and Iraqi Kurdish officials to get close to each other. Due to trade and FDI both authorities Turkey and KRG deny all conflicts and have meeting to solve all problems peacefully and be a good partner with each other. Therefore, Turkey and KRG have different interests concerning economic cooperation. Turkey wants to increase Turkish incomes in contrast KRG wants to build bridge between KRG and International companies through Turkish companies. In addition, KRG wants to build political relations with other

countries through economic relations because as we have mentioned above KRG is a rich part in Iraq. Therefore, KRG uses its natural resources as a means to attract others countries and enhance their political and economic relations with neighboring countries and global as well.

However, the researcher finds out that right relations between Turkey and KRG developed very fast since 2009. However, due to their development since now the researcher thinks that the relationship between KRG and Turkey is cloudy because still now KRG does not have its representation office in Turkey but KRG has its own representation office in many countries such as America, Italy, France, Germany and Egypt as well. On the other hand, after finishing this study project the researcher wants to raise a question which is KRG is planning to have its own independent economic and political relations. Therefore, it is not clear whether Turkey will stand beside KRG and support KRG to develop its relations with other countries or not. Concerning their relations whether their relations will be developed as nowadays or they will stand beside Iraq and have a different attitude with KRG.

REFERENCES

- A. Strauss and J. Corbin.**, (1990). *Methodology and Method. Basic of Qualitative Researcher, Techniques and Procedures for Developing Grounded Theory*. [online] Available at: <http://www.li.suu.edu/library/circulation/Stein/Comm%206020ksStraussCorbinBasicsQualitativeFall07.pdf>.
- Al-Laythi, N., Latif, A.**, (2012), "Iraq Blocks Turkish Investment in Southern Oil", Al-Monitor, website viewed at: <https://www.al-monitor.com/pulse/ru/business/2012/10/iraq-blocks-turkish-investment-in-southern-oil.html>
- Babbie, E.R.**, (2010). *The Practice of Social Research*. 12th Edition. Wadsworth: Cengage Learning.
- Bacli, A.**, (2014), "ENERGIZED' NEIGHBORLINESS RELATIONS BETWEEN TURKEY AND THE KURDISH REGIONAL GOVERNMENT", SETA, website viewed at: http://file.setav.org/Files/Pdf/20140930125632_%E2%80%98energized%E2%80%99-neighborliness-relations-between-turkey-and-the-kurdish-regional-government-pdf.pdf.
- Balaam, D. N., and Veseth , M.**, (1996). *Introduction to International Political Economy*. New Jersey: Prentice-Hall, Inc.
- Ben W.**,(2013).*Turkish-KRG Energy Relations: An Assessment*. The Turkey Analyst. [Online]. Available at: <https://www.turkeyanalyst.org/publications/turkey-analyst-articles/item/22-turkish-kr-g-energy-relations-an-assessment.html> [Accessed on: 30 January 2013]
- Bento, J.P.C.**, (2009). *Economic Integration, International Trade and the Role of Foreign Direct Investment: The Case of Portuguese Manufacturing*, New developments in economic research. Vol (3). pp.23 -38.
- Blanchard,C., Katzman, K., Migdalovitz, C., and Sharp, J. M.**,(2010). *Iraq: Regional Perspectives and U.S. Policy*. Congressional Research Service. DIANE Publishing
- Bookmiller, K. N.**, (2008). *The United Nations; Global Organizations*. New York: Infobase Publishing.
- Bozcali, F.**, (2008). *Managing oil in Kurdistan-Iraq: 1991-2003*. Annual Conference of International Association of Contemporary Iraqi Studies. University of London. [Online]. Available at: <http://www.iraqistudies.org/English/conferences/2008/papers/bozcali.pdf>[Accessed on: 13 July 2011].
- Brown, C. And Ainley, K.**, (2009). *Understanding International Relations*. 4th edition. Basingstoke, UK: Palgrave Macmill
- Buckley, M., and Fawn, R.**, (2003).*Global responses to terrorism: 9/11, Afghanistan, and beyond*. London: Routledge, Taylor & Francis Group.

- Calamur K.** (2017), “Why Doesn’t the U.S. Support Kurdish Independence?”, *The Atlantic*, website viewed at: <https://www.theatlantic.com/international/archive/2017/10/us-kurdish-independence/543540/>
- Cengiz Çandar,**(2013).*Erdogan-Barzani 'Diyarbakir encounter' milestone.* Turkey Pulse. [online]. Available at: <http://www.al-monitor.com/pulse/tr/originals/2013/11/erdogan-barzani-kurdistan-diyarbakir-political-decision.html> [Accessed on : 20 November 2013]
- Charlie Marchelle.,** (2016). *Face to Face interview advantages and disadvantages.* [online].Available at: <https://www.linkedin.com/pulse/face-to-face-interviews-advantages-disadvantages-charlie-marshall> [Accessed on: 15 January 2016]
- Chatterjee, A.,** (2010). *International Relations Today; Concepts and Applications.* New Delhi:Pearson Education India.
- Chivvis, C.,** (2010). *Recasting NATO's strategic concept: possible directions for the United States.* Arlington, USA: Rand Corporation.
- Chmaytelli M. & Toksabay E.** (2017). Turkey raises oil threat after Iraqi Kurds back independence, <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum/turkey-raises-oil-threat-after-iraqi-kurds-back-independence-idUSKCN1C31U8>
- Chris Johnson and agencies,** (2014). *Isis militants release 49 hostages taken at Turkish consulate in Mosul: the guardian.* [Online].Available at: <https://www.theguardian.com/world/2014/sep/20/isis-releases-hostages-turkish-consulate-mosul>[Accessed on: 20 September 2014]
- Christensen, L. B. Johnson and Turner, L.A.** (2010). *Research Methods, design and analysis* (11th ed). Boston, Ma: Allyn and Bacon.
- Christina B. F.,** (2016). *Turkish Business in the Kurdistan Region of Iraq :Turkish Policy Quarterly.*[online]. Available at: <http://turkishpolicy.com/article/790/turkish-business-in-the-kurdistan-region-of-iraq> [Accessed on: 7 March 2016]
- Cook, H.,** (1995). *The Safe Haven in Northern Iraq: International Responsibility for Iraqi Kurdistan.* 1st edition. London: Human Rights Centre, University of Essex
- Cook, T. A., & Alston, R., and Raia, K.,** (2004). *Mastering import & export management.* New York: AMACOM Div American Mgmt Assn.
- Cordesman, A. H.,** (1999). *Iraq and the war of sanctions: conventional threats and weapons of mass destruction.* USA: Greenwood Publishing Group.
- CSIS “Centre for Strategic and International Studies”,**(2009). *Turkey’s Evolving Dynamics Strategic Choices for U.S.-Turkey Relations.* [online]. Available at:https://csis-prod.s3.amazonaws.com/s3fs-public/legacy_files/files/media/csis/pubs/090408_flanagan_turkeyreport_web.pdf [Accessed on: March 2009]
- DeMichele, T.,** (2016), “What is Liberalism?”, FACT/MYTH, website viewed at: <http://factmyth.com/what-is-liberalism/>
- Doborah G.,** (2013). *Inductive and deductive approaches to research.* [Online].Available at: <http://deborahgabriel.com/2013/03/17/inductive-and-deductive-approaches-to-research/> [Accessed on:17 March 2013]

- Ekurd Daily News.,** (2009). *Kurdistan PM says problems with Turkey overcome.* [online]. Available at: <http://ekurd.net/mismas/articles/misc2009/5/independentstate2788.htm> [Accessed on: 27 May 2009]
- Ekurd Daily News.,** (2012). *Iraqi Kurdistan PM Nechirvan Barzani heads to Turkey.* [online]. Available at: <http://ekurd.net/mismas/articles/misc2012/5/state6220.htm> [Accessed on: 16 May 2012]
- Elman, C.,** (2003). *Progress in international relations theory: appraising the field.* MIT Press. Cambridge: MIT Press.
- Flick, U., Kvale, S., Angrosino, M.V., Barbour, R.S., Banks, M., Gibbs, G. and Tim Rapley, T.,** (2007). *Designing Qualitative Research,* London, California, New Delhi and Singapore: SAGE Publications Ltd.
- Floyd, D., and Summan, S.,** (2008). *Understanding the main motives for foreign direct investment, an East-West country contrast: in the host country legislation an important factor?.* Emerald Group Publishing Limited. Vol 8 (5).pp. 661-670.
- Gallia L.,** (2016). *Turkey Bets, yet again, on Barzani: Turkey-KRG Relations in Light of the Regional Turbulence: The Turkey Analyst.*[online]. Available at: <http://www.turkeyanalyst.org/publications/turkey-analyst-articles/item/504-turkey-bets-yet-again-on-barzani-turkey-kr-relations-in-light-of-the-regional-turbulence.html>[Accessed on: 2 February 2016]
- Goujon, R.,** (2018), “Turkey, the Kurds and Iraq: The Prize and Peril of Kirkuk”, Stratford, website viewed at: <https://worldview.stratfor.com/article/turkey-kurds-and-iraq-prize-and-peril-kirkuk>
- Greene, Jennifer C., Denzin, Norman K. (Ed); Lincoln, Yvonna S. (Ed).** (1994). *Qualitative program evaluation: Practice and promise. Handbook of Qualitative research* (pp. 530-544). Thousand Oaks, CA, US: Sage Publications, Inc, xii, 643 pp.
- Grosse, R. E.,** (2005). *International business and government relations in the 21st century.* Cambridge, UK: Cambridge University Press.
- Gupta, K. R.,** (2008). *A study of World Trade Organisation.* Second Edition. New Delhi: Atlantic Publishers.
- Hancock B., Windridge K., and Ockleford E.** *An Introduction to Qualitative Research.* The NIHR RDS EM / YH, 2007. [Online]. Available at: https://www.rds-yh.nihr.ac.uk/wp-content/uploads/2013/05/5_Introduction-to-qualitative-research-2009.pdf[Accessed on :2009]
- Hayden, M. H.,** (2006). *Qualitative Research Methods.* [Online]. Available at: http://www.sip.ucar.edu/wasis/ppt/boulder_2/Thursday.%20July%2020/Qualitative%20Research%20Methods%20-%20Hayden.ppt [Accessed on: 24 June 2011].
- Henri j. Barkey,** (2010). *On The Issues: Turkey and Its Relations with Iraq.* United States Institute of Peace: Centre for Conflict Analysis and Prevention. [Online]. Available at:

- <http://www.usip.org/publications/the-issues-turkey-and-its-relations-iraq#relations> [Accessed on: 07 July 2011].
- Henri j. Barkey,**(2010). *Turkey's New Engagement in Iraq Embracing Iraqi Kurdistan. United State Institute of Peace.*[online]. Available at: https://www.usip.org/sites/default/files/SR237_Turkey's%20New%20Engagement%20in%20Iraq.pdf [Accessed on: May 2010].
- Hudson, L., and Ozanne, J.** (1988). *Alternative Ways of Seeking Knowledge in Consumer Research.* Journal of Consumer Research, 14(4), 508–521.
- Hurriyet Daily Newspaper.** (2011). *First academic research on PKK's demographics.* [Online]. Available at: <http://www.hurriyetdailynews.com/n.php?n=first-academic-study-on-pkk-reveals-grassroots-of-terrorism-2011-07-18> [Accessed on: 12 July 2011].
- Hürriyet Daily News,**(2015).*Turkey extends military training to local Sunni forces and Iraqi army.*[Online]. Available at: <http://www.hurriyetdailynews.com/turkey-extends-military-training-to-local-sunni-forces-and-iraqi-army.aspx?pageID=238&nid=79477> [Accessed on: 15 March 2015]
- HürriyetDailyNews.,** (2016). *Turkish military to have a base in Iraq's Mosul .* [Online]. Available at: <http://www.hurriyetdailynews.com/turkish-military-to-have-a-base-in-iraqs-mosul.aspx?pageID=238&nID=92113&NewsCatID=352>[Accessed on: 5 December2015]
- Hyde, K. F.,** (2000). *Recognising deductive processes in qualitative research.* *Qualitative Market Research: An International Journal.* Vol. 3 (2), pp. 82-90.
- International Crisis Group Report.,** (2008).*Turkey and Iraqi Kurds: Conflict or Cooperation?* [Online]. Available at:http://reliefweb.int/sites/reliefweb.int/files/resources/213029211A_A24AE7C1257500004BF1BB-Full_Report.pdf[Accessed on: 12 July 2011].
- Investopedia** (2018), “Neoliberalism”, website viewed at: <https://www.investopedia.com/terms/n/neoliberalism.asp>
- Iraq Business News Website.,** (2011). *Relations Improving Between Kurdistan and Turkey.*[Online]. Available at: <http://www.iraq-businessnews.com/2011/03/28/relations-improving-between-kurdistan-and-turkey/> [Accessed on: 09 July 2011].
- Iraq business news.,** (2010). *Iraq-Turkey Rail Link Re-Opens.* [online]. Available at: <http://www.iraq-businessnews.com/2010/02/16/iraq-turkey-rail-link-re-opens/> [Accessed on: 12 October2010]
- Isam al-Khafaji,**(MER142), *State Incubation of Iraqi Capitalism.* [Online]. Available at: <http://www.merip.org/mer/mer142/state-incubation-iraqi-capitalism>
- Ismael, T. Y., and Ismael, J.S.,** (2005). *Whither Iraq? Beyond Saddam, sanctions and occupation.* Third World Quarterly. Vol 26 (4-5). Pp. 609-627
- iAnderson, P.,** (1996). *The Global Politics of Power, Justice and Death: An Introduction to International Relations.* London: Routledge

- Jackson, R. H., and Sorensen, G.,** (2007). *Introduction to international relations: theories and approaches*. 3rd Edition. New York: Oxford University Press.
- Jacques, N.,**(2012). *Kurdistan: The Next Flashpoint Between Turkey, Iraq and the Syrian Revolt*. Jerusalem Center for Public Affairs. [online]. Available at: <http://jcpa.org/article/the-future-of-kurdistan-between-turkey-the-iraq-war-and-the-syrian-revolt/> [Accessed on: 5 August 2012]
- Jankowicz, A.D.,** (1991). *Business Research Projects for Students*. London: Chapman and Hall.
- Jean R.,** (2014). *ON Method: What's the Difference Between Qualitative and Quantitative Approaches?*. [online]. Available at: <http://chronicle.umbmentoring.org/on-methods-whats-the-difference-between-qualitative-and-quantitative-approaches/> [Accessed on: 13 October 2014]
- Jenkins, G.,** (2007). *Political Tensions hit Turkish Economic ties with Northern Iraq*. Eurasia Daily Monitor. Volume: 4 Issue: 170. [Online]. Available at: http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=32999[Accessed on: 03 July 2011].
- Jenkins, G.,** (2008). *Turkey and Northern Iraq: An Overview*. Washington: Jamestown publications. [Online]. Available at: <http://www.jamestown.org/uploads/media/Jamestown-JenkinsTurkeyNIraq.pdf> [Accessed on: 24 July 2011].
- Jones, A., C., J.,** (2017), “Assembling geographies of diplomacy under neoliberalism”, TIBG, Volume 43, Issue 1 March 2018, Pages 31–46
- Jonathan H.,** (2010). *Iraq-Turkey railway link re-opens*. BBC NEWS [Online]. Available at: <http://news.bbc.co.uk/1/hi/8518109.stm>[Accessed on: 30 June 2011].
- Kapstein, E. B.,** (2006). *The Political economy of International cooperation: A View From Fairness Economics*. INSEAD and Center for Global Development. [Online]. Available at: http://docs.google.com/viewer?a=v&q=cache:_OygThH57JMj:www.ethankapstein.com/Art/peicrev.doc+The+Political+economy+of+International+cooperation:+A+View+From+Fairness+Economics.Ethan+B.+Kapstein&hl=en&gl=uk&pid=bl&srcid=ADGEEsINMF6nqHXfT3J4Lt8gBHtNz6Vjs4xR3dswMPcbn-zzd8qt8GpNlq4mc9vu8JOzYqAehEBRc3VdafyHPOr64IRXFZ3ydLxkZJpA-dvacAxeV4HSVzHIAbLQj0Bj9zNjXQtDnP_p&sig=AHIEtbSA4JgJwUJAeSAO00DPEXu9xGpnWA [Accessed on: 12 July 2011].
- Khalil, L.** (2009). *Stability in Iraqi Kurdistan: Reality or Mirage?* The Saban Center at The Brookings Institution. [Online]. Available at: http://www.brookings.edu/~media/Files/rc/papers/2009/06_kurdistan_khalil/06_kurdistan_khalil.pdf[accessed on: 03 July 2011].
- KRG website.,** (2011). *Erbil visit harbinger of deeper cooperation with Iraqi Kurds*. [online]. Available at: <http://cabinet.gov.krd/a/d.aspx?l=12&s=02010200&r=73&a=39422&s=010000>[Accessed on: 1 April 2011].

- KRG Website.**,(2011). *Turkish Foreign Ministry Undersecretary meets President Barzani and PM Salih*. [Online]. Available at:<http://www.krg.org/articles/detail.asp?rnr=223&lngnr=12&smap=02010100&anr=39125> [Accessed on: 12 July 2011].
- Kumar, A.** (2002). *Research Methodology in Social Science*. 1st edition. New Delhi: Sarup & Sons.
- Kurdistan Ministry of Trade & Industry.**, (2010). *Investment in Kurdistan Region*. [Online]. Available at: <http://www.mtikrg.org/English.aspx> [Accessed on: 23 May 2011].
- L. Karen Soiferman,** (2010). *Compare and Contrasts Inductive and Deductive, Research Approaches*. [Online]. Available at: <http://files.eric.ed.gov/fulltext/ED542066.pdf>[Accessed on: April/2010].
- Law, J., and Hassard, J.,** (1999). *Actor network theory and after*. Oxford and Malden: Wiley-Blackwell Publishing.
- Lipson, C., and Cohen, B.J.,** (1999). *Theory and structure in international political economy: an international organization reader*. USA: MIT Press.
- Lloyd P. and Jill S.,** (2010)., *An Introduction to International Relations Theory Perspectives and Themes*. 3rd edition. London and New Yourk: Rutledge Taylor and Francis.
- Mackay, J.,** (2006). *State Failure, Actor Network Theory, and the Theorisation of Sovereignty*. Journal of International Studies. Vol 3. Pp. 1-38.
- Manning, J.G.,** (2011). *Networks, hierarchies and markets in the Ptolemaic economy*. In: Zosia Archibald, Z., Davies, J. K., and Gabrielsen, V., *The Economies of Hellenistic Societies, Third to First Centuries BC*. New York: Oxford University Press. Pp.296-319.
- Matin G.,** (2015). *Turkey sticks its neck out again, this time in Iraq: Almonitor*. [online]. Available at: <http://www.al-monitor.com/pulse/originals/2015/12/turkey-iraq-becomes-third-largest-army.html>[Accessed on: 7 December 2015]
- McDowall,D.,**(2004). *A Modern History of the Kurds*. 3rd edition. London: I. B. Tauris
- Middle East Report,** (2008). *OIL FOR SOIL: TOWARD A GRAND BARGAIN ON IRAQ AND THE KURDS*. [online]. Available at: https://www.files.ethz.ch/isn/93379/80_oil_for_soil_iraq_and_the_kurds.pdf [Accessed on: 28 October 2008]
- Millard, J.,** (2009). *Contextualising Public (e) Participation in the Governance of the European Union*. European Journal of ePractice. [Online]. Available at: <http://www.epractice.eu/files/ePractice-Journal-Volume-7.pdf> [Accessed on: 27July 2011].
- Nanto, D.K.,** (2009). *The Global Financial Crisis: Foreign and Trade Policy Effects*. Congressional Research Service. [Online]. Available at: <http://fpc.state.gov/documents/organization/122298.pdf> [Accessed on: 29/ June /2011].
- Nathaniel K., Matthew M. ,** (2012). *Iraq, Turkey and the New Kurdistan Pipeline Deal foreign Reports Bulletin: Middle East Policy Council*. [Online]. Available at: <http://www.mepc.org/iraq-turkey-and-new-kurdistan-pipeline-deal>[Accessed on: 2016]

- Neuman, L. W.,** (2000). *Social Research Methods: Qualitative and Quantitative Approaches (4th Ed.)*, USA: Allyn and Bacon.
- O’Leary, C. A.,** (2002). *THE KURDS OF IRAQ: RECENT HISTORY, FUTURE PROSPECTS*. [online]. Available at: <http://www.rubincenter.org/meria/2002/12/oleary.pdf> [Accessed on: 2002]
- Oleary, B., McGarry, J., & Salih, K.,** (2005). *The Future of Kurdistan in Iraq*. Philadelphia: University of Pennsylvania Press.
- O’Leary, Z.,** (2005). *The Essential Guide to Doing Research*, London, California and New Delhi: SAGE Publications Ltd.
- Olson, R.,** (2010). *Turkey’s Relations with the Kurdish Regional Government (KRG) and Baghdad Government: 22 July 2007 to 29 March 2009*. [Online]. Available at: [http://www.damaskus.dk/fileadmin/PDFer/Turkey s Relations with the Kurdistan Regional Government KRG and Baghdad Government - 22 July 2007 to 29 March 2009.pdf](http://www.damaskus.dk/fileadmin/PDFer/Turkey_s_Relations_with_the_Kurdistan_Regional_Government_KRG_and_Baghdad_Government_-_22_July_2007_to_29_March_2009.pdf)[Accessed on: 03 June 2011].
- P.Y. Thomas,** (2010). *Research Methodology and Design*. [online]. Available at: http://uir.unisa.ac.za/bitstream/handle/10500/4245/05Chap%204_Research%20methodology%20and%20design.pdf. [Accessed on :2010]
- Parker, B.,** (1998). *Globalization and Business Practice; Managing Across Boundaries*. London, California, New Delhi: SAGE Publications Ltd.
- Pousane (2016),** “TURKEY’S CHANGING RELATIONS WITH
- Pusane, O.K.,**(2016). *TURKEY’S CHANGING RELATIONS WITH THE IRAQI KURDISH REGIONAL GOVERNMENT*. IDC HERZLIYA. [Online]. Available at: <http://www.rubincenter.org/2016/09/turkeys-changing-relations-with-the-iraqi-kurdish-regional-government/> [Accessed on: 5 September 2016]
- Ranj A., Alexander M.H.,**(2016). *Iraqi Kurdistan’s Economy Is a Worse Threat Than ISIS*. The Daily Beast. [Online]. Available at: <http://www.thedailybeast.com/articles/2016/04/11/iraqi-kurdistan-s-economy-is-a-worse-threat-than-isis.html> [Accessed on: 4 November 2016]
- Reiners G.M.,** (2012). *Understanding the Differences between Husserl’s (Descriptive) and Heidegger’s (Interpretive) Phenomenological Research*. [online]. Available at: <http://www.omicsgroup.org/journals/understanding-the-differences-husserls-descriptive-and-heideggers-interpretive-phenomenological-research-2167-1168.1000119.pdf>. [Accessed on: 27 August 2016]
- Robert O.,**(2016). *Turkey’s Post-Mosul Calculations in Iraq*. Lobe Log Foreign Police. [Online]. Available at: <https://www.lobelog.com/2016/11/07/turkeys-post-mosul-calculations-in-iraq/> [Accessed on: 07 November 2016]
- Rubin, A. and Babbie, E.R.,** (2009). *Essential Research Methods for Social Work*, 2nd edn. Belmont: Cengage Learning.
- Rudaw,**(2015). *Turkey’s energy minister gushes over KRG oil exports*. [online]. Available at: <http://www.rudaw.net/english/kurdistan/15082015> [Accessed on: 15/8/2015]
- Rudaw,**(2016). *Tariq al-Hashimi, former Iraqi VP, removed from Interpol’s red notice*. [Online]. Available

- at:<http://rudaw.net/english/middleeast/iraq/160520162> [Accessed on: 16 May 2016]
- Saunders, M., Lewis, P. and Thornhill, A., (2007).** *Research methods for business students*, 4th edition. Harlow: Pearson Education Limited.
- Saunders, M., Lewis, P., and Thornhill, A., (2009).** *Research methods for business students*, 5th edition. Harlow: Pearsons Education Limited.
- Siroky, D.S, Sigwart, H., (2014),** “Principle and Prudence: Rousseau on Private Property and Inequality”, Arizona State University and University of Erlangen-Nürnberg, Germany, website viewed at: http://www.academia.edu/7758155/Principle_and_Prudence_Rousseau_on_Private_Property_and_Inequality
- Smith, A. F., (2010).** *Turkey finds a gateway to Iraq*.*The Financial Times*. [Online]. Available at:<http://www.ft.com/cms/s/0/4e027bc0-47e6-11df-b998-00144feab49a.html#axzz1Ree6zC9s>[Accessed on: 12 July 2011].
- Soner C., Christina B. F. and Ege Saccikara., (2015).** *Turkey and the KRG: An Undeclared Economic Commonwealth: The Washington Institute for Near East Policy*. [online]. Available at: <http://www.washingtoninstitute.org/policy-analysis/view/turkey-and-the-krg-an-undeclared-economic-commonwealth>[Accessed on: 16 March 2015]
- Soner C., Tyler E.,(2012).** *Turkey’s Changing Relations with Iraq Kurdistan Up, Baghdad down: The Washington Institute for Near East Policy* . [Online]. Available at:https://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus122_CagaptayEvans.pdf [Accessed on: 15 July 2013]
- Telegraph. , (2014).***Turkey to let Iraqi Kurds across the Syrian border to fight the Islamic State in Kobane*. [online]. Available at:<http://www.telegraph.co.uk/news/worldnews/europe/turkey/11174208/Turkey-to-let-Iraqi-Kurds-across-the-Syrian-border-to-fight-the-Islamic-State-in-Kobane.html>[Accessed on: 20 October 2014]
- “THE IRAQI KURDISH REGIONAL GOVERNMENT”, Middle East Review of International Affairs, Vol. 20, No. 2 (Summer 2016), retrieved from: http://www.rubincenter.org/wp-content/uploads/2016/09/03_Kayhan-Pusane-YC-TM-au-TZ-PDF.pdf
- Thompson, G., (2003).** *Between hierarchies and markets: the logic and limits of network forms of organization*. New York: Oxford University Press.
- Tol, G., (2010).** *Turkey`s Dual Track Approach Toward The Kurdish Regional Government*. Middle East Institute. [Online]. Available at:www.mei.edu/LinkClick.aspx?fileticket=56LLObvftSM%3D&tabid[Accessed on: 07 February 2011].
- Turkish Foreign Trade Minister., (2009).** *Foreign Trade*. [Online]. Available at: <http://www.dtm.gov.tr/dtmweb/indexen.cfm>[Accessed on: 30 June 2011].
- Turkish Ministry of Science, Industry and Technology Website., (2010).***Mr. Ergün Has Accepted Iraq Kurdish Regional Government*. [Online]. Available at: <http://www.sanayi.gov.tr/NewsDetails.aspx?newsID=935&lng=en>[Accessed on: 10 July 2011].

- Turunc Hussain.,** (2011). *Turkey and Iraq Overview*. Turkish Asian Centre for Strategic Studies. [Online]. Available at: <http://www.tasam.org/en/content/3597/turkey-and-iraq.html><http://www2.lse.ac.uk/IDEAS/publications/reports/pdf/SR007/iraq.pdf>[Accessed on: 30 June 2011].
- UNRIC,** (2011). *UN welcomes 193rd member state*. [online]. Available at:<http://www.unric.org/en/latest-un-buzz/26841-un-welcomes-193rd-member-state> [Accessed on: 14 July 2011]
- USC Libraries.,**(2016).*Organizing Your Social Sciences Research Paper: Quantitative Methods*. [Online]. Available at: http [Accessed on: 23 December 2016]
- Wasilewski, K.** (2017). Turkey and Iraq Kurdistan, https://www.pism.pl/files/?id_plik=23581
- Williamson, O. E.,** (1996). *The mechanisms of governance*. New York: Oxford University Press.
- Williamson, O.,** (1995). *Hierarchies, markets, and power in the economy: an economic perspective*.Industrial and Corporate Change. Oxford: Oxford University Press.
- World Integrated Trade Solution** (2017),Turkey Export in thousand US\$ for Iraq between 2006 and 2010. [Online]. Available at: <http://wits.worldbank.org/CountryProfile/en/country/TUR/startyear/2006/endyear/2010/tradeflow/Export/partner/IRQ/indicator/XPRT-TRD-VL>[Accessed on: 3 Jan 2017]
- WTO,** (2015). Understanding the WTO.Switzerland: [online]. Available at:https://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf.
- Yigal S.,** (2013). Turkey: Ankara and Iraqi Kurds Moving Ahead on Energy Ties?:*EURASIANET.org*. [Online].Available at:<http://www.eurasianet.org/taxonomy/term/3836>[Accessed on: 19 April 2013]
- Yigal S.,** (2014). Turkey: ISIS Advance in Iraq Creates New Troubles for Ankar:*EURASIANET.org*. [Online].Available at: <http://www.eurasianet.org/node/68546>[Accessed on: 11 June 2014]
- Yilmaz, R.,** (2017), “Turkey-KRG Energy Relations: Internal and External Dynamics”, Journal of Global Analysis, Vol. 7 | No. 2 July 2017 Summer Issue, website retrieved from: http://journalofglobalanalysis.com/wp-content/uploads/2017/12/JGA_Vol_7_No_2_A_2.pdf
- Zhang, J.,** (2005). *Targeted Foreign Direct Investment Promotion Strategy - Attracting The “Right” FDI for Development*. [Online]. Available at: http://www.policyinnovations.org/ideas/policy_library/data/01179/res/id=sa_File1/[Accessed on: 13 July 2011].

APPENDIX

App A: Questions of interview

- I. Do you think the relationships between Turkey and Iraq got worse since 2011?
- II. How do you see the economic and political relations between Turkey and KRG since 2011?
- III. How do the economic factors have influence on the political relations among Turkey, Iraq and KRG?
- IV. Why do you think Turkey is more interested to have economic relations with KRG more than Iraq?

RESUME

Name Surname: HALGR NIHAD TAIRO

Place and Date of Birth: Erbil/ 18-8-1986

E-Mail: helgr.nihad22@gmail.com



EDUCATION:

- **Bachelor** :2008-2009 Salahadin University, Faculty of Law and Plitical Science.
- **Master**: 2017/2018, İSTANBUL AYDIN UNİVERSİTESY, Faculty of The Political Sciences and International Relations.