

# The Impact of Good Governance on Determining The International Position of The Kurdistan Region

Chiman Omer Salih<sup>1</sup>, Yadgar Kamal Ahmmad<sup>2</sup>

<sup>1</sup>Council of Ministers, <sup>2</sup>University of Kurdistan-hawler

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## Abstract

*This article explores the impact of good governance on the international legitimacy and sustainability of the Kurdistan Region of Iraq (KRI). It addresses the challenges and opportunities in adopting governance standards and how these influence KRI's standing for its internal and external affairs. Using qualitative methods like document analysis and interviews, the article identifies key success factors since 1991, highlighting the support from international powers, particularly the United States. The main argument is that the KRI must polarize international support through applying good governance principles and improving crucial sectors such as security, politics, and socio-economics to meet global standards.*

**Keyword:** Good Governance, KRI, Security, Politics, International Standards, Socio-economy

## 1. INTRODUCTION

Good governance is a set of principles developed by the World Bank and supported by the United Nations for the developing and underdeveloped countries to solve the crisis of governance. Through applying these principles which are based on democratic and inclusionary policies, good governance can build trust between the government and citizens and establish a powerful government locally and in front of the international community.

This article examines the concept of good governance and its implications for the international reputation and long-term sustainability of the Kurdistan Region of Iraq (KRI). It explores the opportunities and challenges associated with implementing internationally recognized standards of good governance in the KRI. This article aims to shed light on the fundamental factors crucial for the KRI's success since its emergence in 1991. As a contribution to this field, the analysis and findings of the article emphasize that two key pillars should exist to establish a stronger KRI and sustain its viability. Firstly, the persistent support of international powers, particularly spearheaded by the United States which has played a pivotal role. Secondly, the KRI garnered widespread support from Western powers only following the mass exodus of the Kurds in 1991, which means the public support for the establishment of a de facto self-governance for the Kurds, was a plan to protect them from the brutal authority in Baghdad at that time.

This article addresses the international and regional dimensions of practicing good governance by KRI, and how the quality of governance impacts the position of KRI within the international community. The central argument of this research is that for the KRI to thrive and solidify its existence, it must maintain and enhance its international backing. The implementation of good governance principles within its borders is essential to attract international support. In doing so, the vital sectors of KRI need standardization to cope with international standards through tailor-made patterns and abstract reforms. To reach the bottom line for the argument, the authors employed qualitative methods with implementing document analysis and semi-structured interviews, with key figures in the decision-making process in the KRI.

## 2. GENERAL BACKGROUND

Good governance was recommended by the World Bank for developing and underdeveloped countries during the end of 1980s and early 1990s when it identified the problem of Sub-Saharan Africa as crisis of governance, and later on, it redefined the concept (Lateef, 2016). The same concept was adopted by the United Nations as a path for its Sustainable Development Goals (SDGs). Other international bodies like the European Council, IFM, and several others also participated in its development. The principles of the good governance theory came from the concept of ethics which the most inclusive one established by the Council of Europe are: the rule of law, efficiency and effectiveness, transparency, sound financial management, accountability, representation and participation, responsiveness, openness, and transparency, competence and capacity, innovation and openness to change, sustainability and longterm orientation, human rights, cultural diversity, and ethical conduct (COE, 2018), noticeably these concepts have close links to exercising actual democracy and ethical orientation as well (Edelenbos & Meerkerk, 2016: 402-415.)

## 3. THE ESTABLISHMENT OF THE KURDISTAN REGION OF IRAQ (KRI)

In the early 1990s, then US President George H. W. Bush declared a unipolar world, upon this change, the international governance and international law were set to be redesigned. For Iraq, after its defeat in the Gulf War II, the Kurdistan Region emerged as a *de facto* administration supported by the international community, humanitarian intervention principles and humanitarian law, it continued until 2003 when the US- led intervention overthrew Saddam Hussain regime to establish a Federal system in Iraq later on. Then the statute has changed, in 2005, the region integrated into the new federal state of Iraq through the Iraqi new Constitution and system while the international community specifically the US was the master. The critical factors in founding the argument of the necessity of establishing this Region were; the support and demand of the public at the internal level, and the second one is upholding which it had from the international community after the public support to establishing a Kurdish-ruled area and rejecting Saddam Hussein regime which was demonstrated in the Kurdistan people massive exudes in 1991, escaping the brutality of that regime.

From 2005 to the present time, the KRI has seen a number of development layers, including challenges, which stems from improper implementations of good governance. Hence, in order

to enhance its strength in Iraq and at the external level, the KRI must meet multiple external factors, through good governance. The closest one is the Region's relationship with Baghdad.

#### 4. GENERAL LITERATURE ON INTERNATIONAL DIMENSIONS OF GOOD GOVERNANCE

Kaufman and Kraay (2000) have mentioned that decisive indicators for gauging governance and gathering information are studied through the opinions of experts, policymakers, policy practitioners, insiders, academics, individuals, survey firms, and NGOs. Whereas, the most accurate result is from aggregate indicators, which balance up the information from different indicators like rules, results, expert opinions, document analyses, etc. They conclude that good governance can be measured using different indicators. The first indicator is called *de jure* which assesses governance based on rules. This involves evaluating the constitutional, legal, and regulatory systems, and determining the presence or absence of essential and quality elements within the legal framework. Next, having relevant agencies like the anti-corruption agencies in the case that what is measured is corruption, *vis a vis* the second indicator which is measuring by outcomes, called *de facto*, which illustrates the extent of the application of these rules on the ground (Kaufmann et al, 2007).

Since 1980s the governance and development have become issues of concern for world organizations.

The Dutch professor and one of the prominent authors in international law and specialized in the field of good governance G. H Addink (2017) argues that he is not quite sure that good governance is an absolute indicator of the prosperity of the people, however, surely it produces development and positive economic and social changes (Addink, 2017). The application of the principles of good governance is to put the developing and underdeveloped countries on the right path towards state-building. The successful state-building based on the elements agreed upon by Ghani and Lockhart (2009) is similar to good governance or it depends on good governance, the principles are: "rule of law, administrative control, monopoly on a legitimate means of violence, investment in human capital, (Ghani and Lockhart, 2009: 124–162)

The international organizations recommended the states to consider adjustment of three areas to be successful in implementing the principles of good governance. One of them is their legal system; the legal system in good governance is adopted to the principles of good governance. The second one is the culture, which is to be enhanced, and the third one to build

effective institutions and departments run by an effective government to invent solutions for the crisis and improve of services and unleash the potential of human resources(Agere, 2000). Amina Mohammad, who serves as Deputy Secretary-General of the United Nations from (2017- present), and **4.1 DEMOCRACY**

The dimensions of good governance policies is based on real thick democracy, which aims at the wide representations, people's participation and inclusiveness. For example; A key objective of good governance is to promote inclusive economic development. Global experiences show that achieving such development requires the implementation of democratic practices. These concepts not only influence the prosperity of the people but also affect the country's standing on the international stage (Addink, 2018).

#### **4.2 ECONOMIC DEVELOPMENT**

Economic development focuses on identifying promising opportunities and enhancing institutional capacities through innovative strategies, all while optimizing the use of resources. This proactive approach aims to foster prosperity and improve the welfare of individuals, while also ensuring the responsible management of public resources (Sen,2001: 12-13). As a result, the socio-economic framework is instrumental in enhancing people's lives and protecting their resources.

#### **4.3 PEOPLE'S SATISFACTION**

To begin with, Ibn Khaldoun (1332-1406) argues that when there is a gap between the people and their rulers, outsiders will intervene. Good governance is primarily designed to fulfill the needs and satisfaction of the people; it focuses on policies that are centered around the community. In the new framework of global governance, both nation-states and societies play essential roles, and people-to-people connections among individuals are increasingly significant. Additionally, the interaction between international institutions and the public is an integral part of this system (Zurn, 2018). Hence, good governance should rely on establishing justice within society through inclusiveness, accountability, and the rule of law (Jong-Sung, 2011).

#### **4.4 SMART DECISION-MAKING**

Decision-making in the public sector involves the policies and choices made by public officials that impact the lives of citizens. Yasir AlRumayan (2022), the Governor of the Public Investment Fund and Chairman of the Future Investment Initiative Institute explains why

corporations often achieve success while governments do not, highlighting the differences in the decision-making processes of both sectors. Stated that corporations rely on data and analysis to reach conclusions and make recommendations, then execute them. In contrast, many governments operate based on ideology, leading to final recommendations that often result in regression instead of progress (AIRumayan, 2022). As the matter of fact, a private project owner is eager to preserve its resources through setting strategies on the base of data and analysis in order to avoid losses, while governments whom operate on the base of a pre-designed ideology they disregard the real situations which are clear through temporary data and analysis, they disregard making losses for the sake of the ideology. The sense of responsibility and affiliation from the officials to the public sectors properties and resources as it's the case for the owner of the private business is essential for the success of the governments.

the sense of responsibility and affiliation from the officials to the public sectors properties and resources as it's the case for the owner of a private business, which the opener is eager to preserve its resources through setting policies on the base of data and analysis in order to avoid losses while the governments whom operate on the base of a pre-designed ideology they bypass the real situations which are illustrated by temporary data and analysis, they disregard making losses in order to implement the ideology.

## 5. LEGAL FRAMEWORK OF GOOD GOVERNANCE

The institutionalization process is going to be achieved through embedding good governance principles in the legal system; constitution, laws, and regulations according to the context and the system which opted to build good governance, all kinds of governments can pick the path and start applying good governance policies if they modify their system with the international standards of good governance (Enrione et al, 2006).

Good governance as a part of the legal system reflects in a number of legislations, for example but not limited to:

### 5.1 INTERNATIONAL HUMAN RIGHTS LAW (IHRL)

The International Human Rights Protection Conventions and good governance are two inseparable concepts. They have the same international source of initiation, which they are from international organizations. The IHRL is the same legal system that governs good governance (OHCHR, 2007). Good governance adds sustainability to the protection of human

rights, broadens it to be a nationwide process, and works on long-term provide-protection, it includes a wider range of protection rights as it includes protection for the national resources. Even some scholars think that human rights declarations and conventions are incomplete without good governance (Kumar, 2003: 259-300).

## 5.2 THE RIGHTS OF MINORITIES AND VULNERABLE PEOPLE

Several United Nations treaties and instruments on human rights highlight good governance as a means to achieve their objectives in terms of minority rights. For example, Article 21 of the Universal Declaration of Human Rights outlines the core principles of good governance, including citizen participation and consideration of the will of the people, as well as the provision of essential services. This article represents a shift from a state-centered approach to one that addresses individual rights (Rosas, 1999:431).

Article 28 of the declaration, again is another element of the declaration which provides that individuals are privileged to a social and global order in which their rights and freedoms are respected and protected (Negishi, 2020: 44-46). The two international covenants of human rights, explain the responsibility of the government to preserve several rights of the people which includes economic, social, political, civil, and cultural rights, including rights to having a fair judicial system and government legal duty in case of violation of rights.

In another document and initiative, the United Nations Human Rights Commission 2011, issued the UN Guiding Principles on Human Rights and Business, in these principles, the United Nations underlines the principles of good governance. These guiding principles give further dimensions to good governance policies by obliging businesses to respect human rights and the governments to pursue their legal duty when international human rights principles are violated even if these rights are not endorsed by national law, which makes it the most authoritative guiding issued on respecting human rights by companies up to date (Smith & Lehr, 2011).

The United Nations Convention against Corruption (UNCAC), which is adopted by the UN General Assembly in 2003, is a remarkable treaty for fighting corruption, UNCAC defined the acts of corruption like bribes, embezzlements, money laundering, concealment, and obstruction of justice, which should be covered by legal systems. It also defines the involvement in corruption. Fighting corruption is the key purpose of good governance (Hechler, 2017 updated). The UN Office on Drugs and Crime compiled all the anti-corruption legal

instruments in a compendium (UNODC, 2005). The connection between combating corruption and human right is inseparable, as the corruption is the violation of public properties, eventually human rights.

## **6. several international modern theories, which embrace good governance and use it as a pathway and mechanism:**

### **6.1 HUMAN SECURITY THEORY**

Human Security theory first came in one of the UNDP reports in 1994, about Sab-Saharan Africa, and then developed to be an international concept for the protection of the security of human beings during times of conflict and natural and man-made crises when they jeopardize human being's life (Jolly and Ray, 2006).

### **6.2 SUSTAINABLE DEVELOPMENT**

Sustainable development (SD) is the highest goal of the United Nations on the current global agenda. The most ubiquitous definition for SD is "The development that meets the need of the present without compromising the ability of the future generations to meet their own needs." (UN, The Brundtland Report, 1987)

## **7. KRI AND THE ESSENTIALITY OF GOOD GOVERNANCE**

Chandler (2006), presents good governance as a kind of practicality to enhance administration in times of political difficulties. When the political parties cannot put an end to their political disagreement, especially when there is a long-term political crisis that mmakes the governmental institutions, important life sectors, and service delivery paralyzed. It will be a good solution to treat good governance as a set of adequate technical decisions which save the entity from collapse and improve the lives(Chandler.2006).

Chandler further elucidates the reason behind the historically externally guided state-building of Germany and Japan after World War II, that Germany and Japan involved the local population in the gigantic process of socio-economic, and political reconstruction and through this effort, they earned public legitimacy and backing. Dr. Roj Nuri Shawayis (2022), described KRI political crisis as chronic and the disagreement between the two ruling parties as split, which is a pretext to the necessity of going through good governance application.

hip being highly politicized, it's going to be governed based on outdated laws. Since 2014, there has been no regular recruitment, so, the civil service is aging year by year and no KRI

budget law, the promotion and remuneration of the civil service staff have been stopped, and a large part of the salaries are saved by the government.

Good governance is a nationwide process. There is a list of three main sectors to go through good governance policies: the state (whole entity), civil society, and private sector. The aim is to build an effective state (Public sector), a mobilized civil society, and a productive private sector (Sam Agere, 2000: 10).

However, public-sector employment in KRI is the most demanded employment because it is the only sector that is regulated by law, the employee feels that they work within the structure of the system and that there are some privileges and permanency including retirement salary. It explains some other shortages in governance like, not having adequate legal regulation for other sectors especially the private sector, which will produce an inability to create job opportunities from diverse sources, and inefficiency in legislation. Upon KRG claimed reform in the public sector after the emergence of the financial crisis in 2014, the World Bank in 2016 prepared a report of 229 pages, which was titled, Kurdistan Region of Iraq, Reforming the Economy for Shared Prosperity and Protecting the Vulnerable. Thereport stated that the government was not able to transfer the desire of the people from the public sector to the private sector.

Another report which addresses KRG challenges, is prepared by Sherko Sharif (2023) who introduced himself as Licensed Professional Canadian P. Eng. (Which is equal to PE in the United States). The report is on the evaluation of the underground water resources previously done projects in KRI. From 2001-2018, almost all of the KRG relevant departments partnered with international organizations, each one of them cost a big budget, a large effort, and time until they collected invaluable data, but all of them were left abandoned after the termination date of the project. The data, results, and recommendations remained on the shelves and inside never being used computers after the last days of the projects. He discovered that, whenever they want to work on the issue they start from scratch. He reveals that there are many devices that have been bought within the budget of these projects or separately they have not been used even one

Coincidentally, with the ISIS war eruption in Iraq and Syria, the security architecture of the Middle East has changed. As Mehran Kamrava (2022) the Professor of Governance at George Town University in Qatar and the director of Iran studies at the Arab Centre for International

Studies elucidated, new alliances have emerged, and the neighbouring countries of Iraq turned to powerful regional players through intervention and proxies.

Next, Dr. Abdulhakeem Khasro, the head of Department of Coordination and Follow up, of the Council of Ministers of KRG, clarified. Indeed, Washington has many partners who compete for funding from the Pentagon and the U.S. government. However, KRG has made significant progress towards reform, such as developing a banking system. He stated that good governance is the key solution for reform, particularly in achieving a unified army in the case of KRI. The unification of the Peshmerga brigades, which belong to the political parties, requires technical steps. They cannot afford to wait for political issues to be resolved, as it may be too late. It has been stated that (KRG) is determined, but the path ahead remains long.

Mira Jasim Bakir in a report to the Middle East Institute (2021), sparked the matter of the necessity of the reform of other security actors in KRI, which are under the Ministry of Interior (Mol). Police, Security (Asayish), Zeravani, and all the forces that act under the Mol collectively called KRI Interior Forces (KRIF), consume about 60% of the security budget, which is more than the Peshmerga forces budget. And, he thinks that they have a major impact on the security of KRI, as they have closer political affiliation to the political parties the Peshmerga reform without the reform of these actors would not work.

David Chandler (2006) presented good governance as the ideal solution and effective state-building tool as it provides for disregarding politics for some time and concentrating on technical decision-making for solving difficult problems away from politics.

Kaufmann (2002), states that, forming a coalition for good governance and for campaigning against corruption among supporters, is a wise action after measuring poor governance (Kaufmann et al, 2002)

## 7.1 THE POLITICO-ADMINISTRATIVE

The politico-administrative, addresses the relationship between political executives and civil servants. The impact of politics on the public sector is common, however, in the sound systems, there is a healthy relationship. Because setting policies, the development of the policies, and the quality of the decision-making process, are dependable on this relationship (Schruers et al, 2011: 6). According to the Weberian theory, the political executive is the source of decision-making and the civil servants are the implementing staff, their competence matters, and they are the vein of the continuity of an effective and efficient government (Schruers et al, 2011).

When the politico-administrative relationships are highly politicized, the political situation outside is extremely charged with crisis (Schrwers et al, 2011). Mamand Bayiz, a retired legal consultant for the KRG, explains the situation of civil service in the KRI. He notes that for most people, public service has become routine because there are no viable alternatives for recruitment. The legal system does not motivate employment in other sectors, and an outdated legal framework governs the public sector.

According to Bayiz, despite the politico-administrative relations

single time. Furthermore, there are devices being purchased while there were no experienced persons to work on them, and the department did not care about building capacity in this field, so, the device is now expired. Sharif explained that the difference between good governance states and the third world is that the former has a well-functioning system, while the latter has an inconsistent system and the dominance of human mood and will.

## **8. SOCIO- ECONOMY:**

Through building a fair economy, based on democratic reform, good governance intends to establish a productive and sustainable socio-economy sector. After Administrative, the socio-economy is responsible of many key areas and government activities within its institutions. The authors cast light on some of them:

### **I. ROUTINES FOR ENTREPRENEURS AND BUSINESSES**

This issue falls under the socio-economy sector, which follows the politico-administrative sector. Routine procedures are often seen as a sign of failed states; typically, as a state becomes more developed, its citizens encounter fewer routine obstacles. Furthermore, developed countries strive to eliminate unnecessary routine processes for their citizens, viewing them as incompatible with the principles of good governance and human rights, while in a country like Sierra Leone, citizens must renew their ID cards every three months. Each renewal process takes about a week to complete (Ghani and Lockhart, 2008: 21).

The ninth cabinet of the Kurdistan Regional Government (KRG) addressed this issue through Resolution No. 1, issued on July 15, 2019. This resolution represents the cabinet's first step towards promoting good governance based on established rules. The government's top priority is to effectively manage routine matters. To evaluate the success of this initiative within the framework of good governance, the outcomes of its implementation are crucial.

Obviously, in the end of the age of the cabinet, routine is still an obstacle against the progress of many sectors. The routine is not only impactful on the life of the people, when they need a personal document, but threatens the financial and human capital and resources of the nation and the weak growth of the private sector. The World Bank report advises the KRG to diversify the resources of the economy and to expand exports beyond hydrocarbons row. The report lists routine as one of the obstacles. For the KRI, there are two types of routines to point fingers at: administrative routines and those on the way of the private sector (The World Bank, 2016: 44).

When it comes to socio-economy, Soran Abubakir (2023) the former deputy president of the Erbil Chamber of Commerce and Industry talked about building factories and industrial development, the traders find it difficult to establish factories within the KRI because of multiple taxes and routines. Richer owners of businesses want to establish their factories in Turkey and Dubai, and they find it easier to export their products from these countries to the world. They compare the legal system with other countries; in Turkey, even, a foreigner can obtain half of the funds from the bank in case of establishing a factory, then, KRI suffers from capital drain in favor of these countries when there is no facilitation. Abdulhakeem Khasro says, the KRI has a big trade exchange with the neighbouring countries, like Turkey its around 23 billion \$ per year, which is a proof of a vigorous economy.

Just like AbuBakir, Hoshyar Malo the human rights activist and entrepreneur, revealed that he will re-establish his business in Dubai due to routine difficulties. Malo stated that when the government make a decision, it should have addressed it. For example; now they prohibit Syrian refugees from driving a motorcycle, while the majority of the people who work in delivery services are from the refugee community. He explained that the local people do not prefer delivery jobs. He believes the government should think about job creation for local people, it will not happen by taking out refugees, it only cripples businesses. Malo suggests job opportunity creations have to be through plans and the government should assign budgets for it, like international organisation projects. Malo complains about not having well-functioning banking systems too, and says that the existing banks in KRI call themselves investment banks while they do not have investment projects.

Next, Emad Mohammad Hussein, a former member of the Kurdistan Parliament who is currently a businessman, finds the system to be odd, unlike the systems that he reviewed in

other countries. In most of the countries, the import procedures are more difficult than export. Export is an easy process. He further clarified that the nearest country is Turkey, everyone is qualified to export a product, and the government will pay back exporter 18% of the already paid tax; to encourage export. In KRI the export process is complicated, it needs decrees and permission from at least four government departments and multiple taxes and duties. Especially since the company is already registered. As a result, the company's name can become excessively long over time.

Explaining available routine from the KRG point of view, Khasro, explains that there are two types of routine, the positive routine and the negative routine. The ninth cabinet pursued new policies about routine, it created positive routines to stop illegal actions in business, previously, some people could obtain permission for a big residency project without having capital, and then they sold only the permission for a million dollars. According to him, the cabinet took action to stop these illegalities and stated that there are several uncompleted and not properly registered projects in Erbil that raise questions on their legalities.

## II .PRIVATE SECTOR

The private sector is the point of focus of good governance because it is considered as the partner of the public sector. The private sector is an independent sector from politics and the public sector, as good governance focuses on individualistic and democratic policies. For (Agere, 2000: 5) not having a clear distinction between what is public and private is one of the characteristics of poor governance which makes the public resources be used for private gains.

Malo emphasizes that in the KRI, the private sector is not considered a real place for working, the people do not understand it and the government does not support it. He claims that the business starter has to spend thousands of dollars to register a company besides several corrupt acts engaged in the process, which was the same under the different KRG cabinets. He states founder has to appoint a ghost lawyer, a ghost accountant to be confirmed in the Syndicates of accountants, a ghost engineer, and an amount of 2500\$-3000\$ to be paid to a lawyer to follow the process of registration in the Companies Registration Department. Additionally, the new company has to open a bank account with sufficient capital, mostly they get it through corruption and private intervention.

### III. TAXES

Taxes, from ancient times are the main source of the states to create revenue, the people accept it when there is a balance between the amount of the taxes and the services they get in return. The World Bank advises KRG to accompany tax increases with service delivery functionality. The most effective indicator to measure that is the value of the services that they should be worthy and indispensable to the customer, in this case, the people pay the taxes happily. (World Bank, 2016: 23). Omed Qaradghi, economist and university lecturer described that in the most developed countries, there are taxes but there are insurance companies too, there are aid and loans, and quality services, yet there is intervention by the government while needed. The taxes system should be dynamic and gradual. The state is the center, it sets policies to change taxes gradually according to the general situation.

### III. FINANCIAL SYSTEM

During the Coalition Provisional Authority 2003-2004, Baghdad enacted a law for public accountancy, this law deals with the KRI as a governorate rather than a federal region, thus, this law is never authorized in the Kurdistan Parliament and KRI has not enacted its law to regulate the financial system. The financial management in the KRI is regulated based on the laws that existed during the period of the Saddam Hussein Regime. Not having a special law is the biggest obstacle to successful financial management and better interaction with the Baghdad government. There is a kind of volume that must be organized and used in Baghdad according to the law, while the Ministry of Finance and Economy (MoF) has yet not been introduced to them, so, the exchange between both governments on financial issues is problematic.

The financial management system in KRI depends on the treasuries system which is as old as the time of the Ottoman Empire. The dependable receipts are only paper signed receipts, in Baghdad both electronic and paper receipts are dependable, but yet they have not reached a fully electronic system, Abdulsattar Younis, a financial expert illustrated that.

From its part, KRG since the time of having an independent administration, when Baghdad yet ruled by Saddam (1991-2003), in the early 2000s started to develop a system to deal with financial issues. This system is in the course of development until today, but it only covers expenditures rather than incomes. Regarding the expenditure the system is now 95% completed, it includes all the accounting units of the KRI from both zones which are more than 1000 units,

it is a part of the reform law number 2, 2020. The expenditures management system accomplishment took 22 years, the work was done by the Mof which pursued an undeveloped system, everything was performed manually and on paper; the teams were shattered and disordered. Not having an effective financial system is problematic for setting strategies and development because in this situation access to correct and sufficient data is difficult, while data is the base of the right decision-making in financial management.

The second part of the project after 22 years, is developing the same financial network for incomes. Younis finds that now the process has become easier because the staffers are trained on expenditures. They apply the same methodology on incomes and the parties expressed willingness to reveal their data. However, Hakeem Wlya (2023), the deputy minister in KRG, clarifies how difficult to deal with the income which is incomparable with expenditure, since the two main ruling parties sponsor the government and it is constant by portion, but they keep the revenue with them and fund the government from it. It is difficult to be a part of an institutionalized system. The absence of the budget law since 2014 is another negative impact on development since the budget law is the map of SD design and right decision-making.

#### IV. THE DEVELOPMENT AND THE INVOLVEMENT OF CIVIL SOCIETY

The World Bank and international agencies, give great importance to the engagement of the civil society, which is one of the effective means of people's participation in decision-making. In good governance strategies and programs, international agencies demand to give a central role to the NGOs to play a buffer zone between citizens and the government. Moreover, international NGOs have a good potential to build relations with the outside world; they are a key component of soft power which is crucial in foreign policy. Malesha lodhi (2023), Pakistan top diplomat describes soft power as an effective mean for building a good reputation abroad. Abdulwahid Taha, a civil activist, explained that from the earliest days of the Kurdistan Regional Government (KRG), the government has benefited from both national and international NGOs. Initially, KRG policies supported the role of these organizations; however, over time, these policies have not evolved into a cohesive national strategy. He prefers specialized NGOs over multi-task NGOs because they are more qualified to grow, secure support from their international counterparts, and effectively serve the specific fields they represent. In a workshop held in Amman in 2022, he was introduced to the staff of an NGO that works in the field of planting and nurturing pomegranates. This organization supports the

product by gathering resources to establish factories, helping to save the produce from spoiling, he admired the work of that specialized NGO. While a multitude of tasks NGOs, would lead to growing one of the parts of the work on the cost of the other parts, for example, the Chamber of Commerce and Industry, works on trade and industry. The traders do not support the establishment of factories and industries because it is going to replace their trade. If the goods are manufactured inside, the necessity of the import will rather be decreased or vanish away, while the industry is the spinal of development. If they operate separately, they will be more effective in the outside world, they can find their peers easier.

### CONCLUSIONS:

The article investigates the impact of good governance on the international position of KRI. It employs a qualitative approach utilizing theoretical frameworks and unstructured interviews to assess governance quality in the KRI, focusing on politics, security sector reform, politico-administrative and socio-economy sectors. This article emphasize the importance of KRI's survival and its inspiration to gets more rights within Iraq Federal and strong reputation at the level of the world, and the available strategies for a powerful governance through application of the good governance principles which is an international initiative and a part of international law. The KRI is strategically engaged with the international community since its establishment in 1991. The article pinpoints good governance as an ideal technique, underscoring the connection of national and international dimensions of the concept of good governance. The article clarifies the measurement methodologies of governance in the governance practices, advocating for compatibility between defcato and dejure, and for tailor- made good governance practices, strengthened with local adaptations. The positive outcomes depend on skilled human resources, smart decision-making process, effective management of national wealth and collaboration with international partners. What is mentioned by these experts on good governance, gives the conclusion that, KRI is a place that needs the application of good governance principles. There is a chronicled political disagreement. The key figure of KRI governance, Dr. Roj Nuri Shawayis, the veteran late Kurdish politician emphazied that the political crisis in KRI has a deep and hard root "The split between the both sides, Kurdistan Democratic Party and Patriotic Union of Kurdistan, grew deeper, it remained unhealed until today" (Shawayis, 2020)

**KEY FINDINGS:**

When asking, how the poor governance undermines the power of KRI? The researchers came to the following findings:

First, good governance is a part of international law, was initially introduced by the World Bank in the early 1990s as the solution for governance crisis in developing and underdeveloped counties.

Secondly, good governance serves as bridge between national and international law and policies. Sometimes, in internationally directed good governance, international law can go beyond being voluntary and become obligatory, like in financial management, and all the Security Council resolutions relevant to combating international terrorism.

Thirdly, the results of the application of good governance principles are, for instance, sustainable economic development, justice, prosperity, the protection of human rights and public resources.

Fourthly, good governance is a tool for empowerment. For instance, China has effectively utilised it to retrieve global power. In the case of small states and sub-states, good governance empowers non-state actors, through creating shared values between government and individuals by establishing firm but fair government. It is an interdisciplinary concept that draws on theories from various fields such as economy, administration, international law, sociology, and philosophy.

Fifthly, corruption is the major aspects of poor governance that widens the gap between the government and the people, wastes public resources, and disrupts social peace. Good governance is specifically designed to combat corruption. It can help the restore of public trust in the government by reducing corruption.

Sixthly, the top officials of the KRI have frequently acknowledged poor governance, and international partners warned about various aspects of it. The researcher identified certain samples of gauging governance through field work, like conducting interviews and reviewing documents and official statements. Furthermore, international tools to define the governance indicators such as Kaufmann and Kraay indicators, World Bank reports, reports from international agencies and NGOs. By applying these international criteria to the political

situation and SSR, politico-administrative, socio-economic, the researcher discovered a significant loss of opportunities resulting from poor governance, deficiency in the legal system, Eighthly, the KRI has a rich pool of human resource, but lacks skilled and empowered individuals in politico-administrative and socio-economic fields.

Ninthly, the health of the private sector is essential for good governance. A productive and neutral private reduces the burden on the public sector. It is a real place for creating shares for the people and the international parties.

### KEY RECOMMENDATIONS

Based on the research conclusion and findings, the researcher recommends following:

Firstly, recommends the KRG to turn the study of good governance into a national project, which covers all the corners of governance, and depend on study and research for making decisions.

Secondly, open debates are required among policymakers and representatives of all the layers and strata of the society.

Thirdly, holding productive debates among policymakers, and representatives of all the vocational organisations and NGOs.

Fourthly setting supportive policies for establishing an active and independent civil society.

Fifthly, the administration has to disconnect itself from the political situation, and it needs to launch a long-term, and inclusive programme towards good governance.

Finally, noticeably, furthestmost of the efforts for good governance were only single-time projects. Therefore, it is recommended to work on the base of consistency and sustainability. The KRG needs to develop a philosophy towards citizenship, civil society, human resources and governance in general.

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