

## Azerbaijan Walks a Fine Line

By

William R. Polk

“Here in the Caucasus,” Azerbaijan Foreign Minister Elmar Muhammadyarov said today, “Azerbaijan walks a fine line. We are surrounded by strong states and are trying to devote ourselves to our development rather than becoming embroiled in wasteful regional conflicts.”

Azerbaijan has played a little known but important historical role in world affairs. Here in the capital, Baku, the international oil industry was born in the last quarter of the Nineteenth century. Then a part of the Russian empire, it became the scene of the most important British invasion of the new Communist state at the end of the First World War and, with the break-up of the Soviet Union, became an independent state in 1991.

The break-up of the Soviet Union unleashed nationalist forces that had long simmered beneath the Soviet dictatorship. Spurred by these, Azerbaijan and Armenia clashed over an anomaly left behind by Russian rule. Inside of Azerbaijan was an isolated Armenian enclave known as Nagorno Karabakh. As the Russians left, they turned over large stocks of arms to the Armenians who took advantage of the relative chaos in Azerbaijan to seize adjacent territories inhabited by Azeris (Azerbaijan Turks) so that Nagorno Karabakh was joined to Armenia. To make the junction, they seized about 17% of the new state of Azerbaijan. Today, despite over a decade of start-and-stop negotiations, that area is still held by Armenia.

“In the territories they seized, the Armenians have engaged in what amounts to ethnic cleansing,” said Mr. Mammadyarov. “The whole population was driven out and is today living in harsh conditions, often in tents, in the central valley on the Kura river of our country. Just now, we are negotiating the release of those few who remained in virtual slavery. We do not want to go to war, but, of course, we are determined to recover our lost lands.”

Asked about the role of outside powers, Mr. Mammadyarov laughed and said that the group of powers charged with negotiating an end to hostilities have done little. “The Russians, Americans and French take the position that they are ready to help when we don’t any longer need them, that is, when we and the Armenians can agree.”

In the meantime, he went on, Azerbaijan is getting military training from its closest ally in the area, Turkey. Turkey cannot enter into a formal defensive treaty with Azerbaijan because it is part of NATO, but it is supplying informal help. Turkey is Azerbaijan’s natural ally because it is joined by cultural, linguistic and religious ties. Now a pipeline, designed to carry one million barrels of oil a day through Georgia and Turkey to the Mediterranean is nearing completion. When finished, it will make a major

impact on Azerbaijan's rising oil revenues whose Gross Domestic Product (GDP) now stands at about \$6 billion.

Having been in production for over a century, Azerbaijan's on-shore oil fields are now depleted, but additional oil has been discovered off-shore in the Caspian Sea. This oil will be relatively expensive – about \$8 - \$12 a barrel – when delivered to the Mediterranean, but even if the price of oil falls to something like the level of two years ago, to \$12 a barrel, the pipeline will still make a significant addition to the economy. If it rises beyond \$30 a barrel, Afghanistan will be rich.

While the country is small – roughly 86,000 square kilometers, about the size of the State of Maine on which some 8 million Muslims, Christians and Jews now live – Azerbaijan is a significant force in the area because so many of its people live in neighboring Iran and Russian territory. In Iran, it is estimated that somewhere between 30 and 40 million people are actually of Azeri origin and use its dialect of Turkish; another 2 million live in Russian-controlled territories. The émigré Azaris send funds to their relatives here on a scale that nearly matches the national budget. Trade, particularly with Russia, constitutes a significant part of the national economy. Even more important will be decisions on distribution of expected revenue from oil under the Caspian and efforts to preserve its marine life. The latter, famously, accounts for most of the world's caviar.

Azerbaijan, the minister said, is at the very beginning of a major boom in tourism. “Our climate is perfect, the Caspian sea beckons; everyone in the world loves our caviar; and prices here are the lowest of any area accessible to the Europeans. Our people are friendly, not only almost completely literate but able to speak various foreign languages. The food is excellent and we have the facilities to cater to visitors. We expect a great deal in the future from them.”

The urgent task is to settle the dispute with Armenia and to continue to tread a fine line in relations with other neighbors. So far, Azerbaijan has managed to stay out of the Chechnya conflict, although it sympathizes with the long-suppressed Chechens. But, Mr. Mammadyarov concluded, “the Chechens have really gone too far. In addition to fighting for their freedom, they have created ‘mafias’ that are engaged, even here in Baku, in activities we cannot accept. We have arrested a number and sent them back to the Russians or to other countries. This is a running sore in our area and must be solved.”

It is to the west, not to Central Asia or China to the east or Iran and India to the south that Azerbaijan is looking. If progress continues here and if Turkey is finally admitted to the European Common Market, Azerbaijan will soon be ready to knock on the door and asked to be admitted itself.

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