### CASPIAN STRATEGY OF AZERBAIJAN

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The geopolitical situation in the Caspian region drastically differs from what it used to be in 1991. After the collapse of the Soviet Union, newly independent states, Azerbaijan, Georgia, Uzbekistan, Kazakhstan, Turkmenistan, Kyrgyzstan, and to some extent Armenia and Tajikistan, emerged in the south and embarked on the process of invigoration of their independence. Neither the Caucasus nor Central Asia (together Caspian region) can be regarded as Russia's backyard any longer. Attempts of the former imperial center (the Russian Federation) to preserve the region in its own sphere of influence are not giving positive results yet, as tendencies for integration with the West are still in place in the region.

Extraction of the Caspian's abundant hydrocarbon reserves has played a catalytic role in the process. The world's major oil companies have already invested over \$8 billion in exploration and development operations in the Azerbaijani and Kazakh sectors of the Caspian, while more than \$100 billion are expected to be invested in the next 25-30 years.<sup>1</sup> The Baku-Novorossiysk and Baku-Supsa early oil pipelines are already in operation. Important decisions have been made on the Baku-Tbilisi-Ceyhan oil pipeline and Trans-Caspian gas pipeline projects. The Tengiz-Novorossiysk oil pipeline is expected to be put into operation in 2001. Sponsored by the European Union and launched in 1993, another major project TRACECA has played a tremendous role in the integration of the Caucasus and Central Asia with Europe. Another illustrative example of the profound political and strategic change was the establishment of GUUAM, the alliance of Georgia, Uzbekistan, Ukraine, Azerbaijan and Moldova.

In addition to the indicated geopolitical developments, it should also be mentioned that these geopolitical processes have not reached their logical conclusion yet. There is still a lot more in the "Great Game". No one can guarantee that geopolitical developments will not change direction. The struggle for the Caspian region has become one of the most pressing issues on the contemporary world. Results of this struggle will eventually affect the future panorama of Eurasia and lead to redrawing of the geopolitical map.

The way Azerbaijan has taken since 1991 is a clear example of the complicated processes that were and still are taking place in the region. Baku has turned into a center of Caspian oil boom and of the regional geopolitics in general. Crucial problems that Azerbaijan is facing today are the same as those faced by all countries of the region. At the same time, Azerbaijan has its own specificity in a number of issues. Just like Central Asian republics and Armenia, Azerbaijan is a land-locked country, which does not have a direct access to the World Ocean. Unlike the majority of newly independent states, Azerbaijan would like to leave the Russian sphere of influence, but, as opposed

to others (Armenia, for instance), Azerbaijan has its own specificity in historical and contemporary relations with the former imperial center.

Similarly to other countries of the region, Azerbaijan started building new relations with another regional power, the Islamic Republic of Iran, after 1991. However, in this issue as well Azerbaijan's individuality is not confined to sharing a long border with Iran. Azerbaijan is second in the world only to Iran for the proportion of the Shiite community. Besides, Azerbaijan is among the very few divided countries and nations in the world. Approximately twice as big as the Republic of Azerbaijan, another Azerbaijan is located in Iran's northwest, which is home to some three fourths of the world Azerbaijanis.

Just like other littoral states, Azerbaijan has oil and gas in its Caspian sector (80,000 square kilometers), but for the richness it is next only to the Kazakh sector (113,000 square kilometers). Oil has always played an essential role in the lives of all coastal countries. But Azerbaijan is noted for being the world's most ancient oil region, as well as the fact that oil has played priority role on all stages of the country's development.

And finally, Azerbaijan is currently in geopolitical blockade imposed by hostile Russian Federation, Armenia and Iran. The neighboring Armenia has occupied approximately 20% of Azerbaijan's territory and there is no end in sight to the 12-year-long Karabakh conflict. In other words, the situation in Azerbaijan, besides being an indicator of the situation in the region, is characterized with some peculiarities as well.

#### Attempts to Break the Geopolitical Blockade

The complicated nature of Azerbaijan's geopolitical location is first of all characterized by its geography. Absence of any natural protection factors or the country's weakness in the north (the Derbent pass) left Azerbaijan unarmed in the face of incessant raids from north to south, and vice-versa. There have been no conditions for a long-term development within this corridor. In addition to geography, two other historical and political events have preconditioned Azerbaijan's current geopolitical predicament. One of them occurred at the dawn of the 16<sup>th</sup> century, when the Sefevids Empire, established on the territory of Azerbaijan, forcefully converted the population to the Shiite creed. The fact that the Shiite creed became official in the reign of Sefevids (1501-1722) played a significant role in Azerbaijan's subsequent development. Thus, Azerbaijan was eventually estranged from the rest of the Sunni Turkic world and as a result of a 150-year-long Sefevid-Ottoman wars Azerbaijan's road to the west and east (Central Asia) was cut off by the Sunni-Shiite standoff. Instead, the Azerbaijanis (Azerbaijani Turks) ideologically and culturally merged with the Persians. The two Iranian-Russian wars at the beginning of the 19th century (1804-1813, 1826-1828) resulted in another tragedy for Azerbaijan: de facto independent Azerbaijani khanates were joined to the Czarist Russia and Gajar-ruled Iran. For about 5 centuries Azerbaijan had to take root in the North-South axis, which limited the country's relations with the East (Turkistan, Central Asia) and West (Georgia, Turkey, Europe).<sup>2</sup>

The new geopolitical situation, which emerged after 1991, divided states of the region in several groups. Russia's historical clients in the Caucasus, Armenians and the Republic of Armenia started taking advantage of a special patronage on the part of the Russian Federation. With the exception of Belarus, of all the former Soviet Union republics Armenia is currently considered closest to Russia. Thus, the Russian Federation began putting pressure on Azerbaijan and Turkey through supporting Armenia in every possible way. The Moscow-Yerevan relations have long assumed proportions of a strategic alliance, and a close economic, political and strategic cooperation between them is flourishing. The fact that Russia supplied Armenia with more than \$1 billion worth of weaponry between 1994 and 1996 is irrefutable.<sup>3</sup>

The newly shaped geopolitical situation, in particular the active role of the West and the growing involvement and authority of its closest ally Turkey in the Caspian basin, have brought the positions of two of the region's historical rivals, Russia and Iran, closer. It is therefore no wonder that the mentioned \$1 billion worth of weaponry, as well as a considerable portion of economic assistance sent to Armenia, passed through Iran. It is widely-known fact that Iran's aspiration to build its own nuclear weapon and the speedy armament of the country is easily explained by Tehran's close cooperation with Moscow.<sup>4</sup> Another reason for the formation of the Moscow-Yerevan-Tehran triangle is the desire of these countries to thwart the process of revitalization of Azerbaijan and to restore the status-quo.<sup>5</sup>

#### Resistance to Russia's Revanchism

Public sentiments in Russia, which have had to retreat for the first time in the last 5 centuries, were seriously shaken by the collapse of the USSR. Disputes over pro-Atlantic or pro-Eurasian preferences were very frequent in Russia's political elite throughout 1992. Whereas the pro-Atlantic forces saw the future of the Russian Federation in the light of integration with the West, pro-Eurasian forces thought the future of the two-headed eagle was bound to restoration of the Empire. Since a Western reader is fully aware of the content of this struggle,<sup>6</sup> let us focus on something worthy of note.

Russia's then Foreign Minister Andrei Kozyrev, who possessed the reputation of an outright pro-Atlantic politician, was the first to use the definition of "near abroad" in an interview with "Izvestiya" newspaper in the first days of 1992.<sup>7</sup> Later that year, speaking to an OSCE (then CSCE) conference in Stockholm, Kozyrev spoke of the necessity to establish a military and economic federation or confederation of former Soviet republics. The plea of Russian democrats to concentrate the "near abroad" countries around Russia again and to re-establish a new global power center received a lukewarm welcome on the part of pro-Eurasians, who, starting from 1993, made this idea a bottom-line of the Federation's foreign policy. Of course, it is possible to find differences in the attitudes of reformer/Atlantic and conservative/Eurasian

forces toward the idea. In general, however, public sentiments on all levels of Russian political elite with regard to a doctrine envisioning preservation of Russian Federation's geopolitical authority were unanimously supportive. The fact that various Russian ministries (Foreign Affairs and Defense on the one hand and Fuel and Energy on the other) pursue differing tactics does not alter the general strategic course.<sup>8</sup> In other words, despite the frequent changes of governments and foreign ministers, Moscow's interest to bring back its previous satellites under the same umbrella has not subsided.

The bottom-line of ideological and propagandistic aspects of Russia's foreign policy on the territory of the former USSR was based on the thesis that the country has historically been "responsible" for stability in the region. According to the thesis, the world community (including the United Nations) was to vest the task of safeguarding peace and stability in the region in Russia.<sup>9</sup> In February of 1993, Russia's then President Yeltsin urged the United Nations to give Russian armed forces the status of peace-keeping troops in order to enable them to interfere in conflicts on the territories of the former Union member-states.<sup>10</sup>

In fact, the document entitled "Recommendations", prepared by Russian State Duma Committee for International Relations (chaired by ethnic Armenian Yevgeny Ambartsumov) and forwarded to the government, clearly stated: "The Russian Federation, which is internationally considered to be the legal successor of the USSR, must be governed by a doctrine (just like the US Monroe doctrine in the Latin America) envisioning protection of its vital interests on the entire geographical and political territory of the former USSR. Russia must also achieve the recognition of its interests by the international community. The Russian Federation must obtain international community's consent for playing the role of a guarantor of political and military stability in ex-USSR. It is necessary to urge the 7 super-powers of the West to assist Russia in this function and provide hard currency aid for the formation of prompt operation forces (blue helmets)."<sup>11</sup>

A particular place in Russia's "near abroad" concept is occupied by the thesis that Russia is obliged to protect human rights of more than 20 million Russians and Russian-speaking population living in the former Soviet republics.<sup>12</sup>

Among most significant obstacles in Moscow's objective of bringing the "near abroad" back under its sphere of influence was the independent Azerbaijan Republic. Despite the absence of pro-Russian tendencies in Azerbaijan (language, religion, historical background, and differences in other spheres), Azerbaijan keeps attracting Russia's keen interest, because:

• Control over Azerbaijan would provide the Russian Federation with the opportunity of strengthening its *strategic interests* in the Caspian region and extend them to Middle East; the strategically important Gabala Radio-Location Station (RLS) that remained in a newly-independent Azerbaijan from the Soviet times has made this country even more luring for Russia; the

territory of Azerbaijan could serve as an important outpost for Russia to keep the Middle East under control with its aviation and ballistic missiles;

- From the standpoint of *geopolitical interests* Azerbaijan plays an important role in Russia's political sentiments; by keeping Azerbaijan under control, Moscow actually prevents the spreading authority of the West in the Caspian region; since Azerbaijan is geographically considered to be the center of the Turkic world, Russia thus puts up an insurmountable obstruction in the way of Turkic integration; in so doing (keeping Azerbaijan under control), Russia also thwarts the spread of Turkey's influence in Central Asia, North Caucasus and along the Volga; this also prevents Iran from influencing Muslims of the former USSR;
- It is believed in Russia that in order to ensure this country's *economic interests* in the Caspian region, it is necessary to keep Azerbaijan within the Russian sphere of influence; in addition to possessing abundant hydrocarbon reserves, Azerbaijan is home to the region's overland, air, information and sea arteries.

Eager to preserve Azerbaijan in its sphere of influence but unable to do so due to the lack of material, technological and ideological capabilities, the Russian Federation has resorted to the means of military and political pressure. Russia's military and diplomatic pressure on Azerbaijan is particularly worth of noting.

- By supporting Armenia and ethnic Armenians in the Upper Karabakh, Moscow is actually retarding the resolution of the Upper Karabakh conflict and trying to turn Azerbaijan into a hostage of this stand-off (see more about this topic in the next chapter);
- Moscow has attempted to spread separatist feud among ethnic minorities and to federalize Azerbaijan;
- Taking advantage of ambivalence among Azeri political forces, Moscow has attempted to undermine the internal stability in Azerbaijan, provided support for disruptive activities of the military opposition, and resorted to various provocative actions, including attempts on the life of the head of state;
- There have been attempts to station Russian military units on the territory of Azerbaijan and border guard troops along the republic's southern frontiers; Russia has tried to hamper the transfer of the Gabala RLS to Azerbaijan in accordance with an existing rule;
- Moscow has tried to thwart major foreign capital investment in the development of hydrocarbon reserves in the Caspian basin, to impose a condominium principle of utilization of the Caspian entrails on other littoral countries, and to prevent the division of the sea into national sectors; when this did not work, Russia attempted to direct the region's oil and gas export pipelines to the West through its own territory;
- The system of economic relations that was formed in the Soviet times made the Russian Federation Azerbaijan's key economic partner; the majority of communication lines pass via Russia; hundreds thousands of Azeris live in

Russia, while Moscow was and still is using this factor as a means to pressure and blackmail Azerbaijan.

Since Azerbaijan gained independence in 1991, three modes of relationship (modus vivendi) with Russia have been empirically evident. The government of Azerbaijan's first president Ayaz Mutallibov (1991-1992) tended to make concessions to Russia under pressure from Moscow in an effort to win Moscow's neutrality in resolving the Armenian-Azerbaijan conflict. For this, he regarded it necessary to sign the document on establishing the Commonwealth of Independent States (CIS). However, after Russian troops perpetrated a brutal massacre in Azerbaijan's town of Khojali on February 26, 1992, president Mutallibov's authority vanished and he stepped down. The objectives of Azerbaijan's first democratically elected president Abulfaz Elchibey and his government were to safeguard and further invigorate the obtained independence. This course was adhered to in political, economic and military fields. Shortly afterwards, Azerbaijan's national currency unit, the Manat, was introduced. The Azeri parliament turned down the October 7, 1992 CIS agreement. The bilateral framework agreement on friendship and cooperation signed with the Russian Federation on October 12 envisioned development of bilateral relationship between the two states. Azerbaijan achieved certain progress in the settlement of the Upper Karabakh conflict. Russian troops left Azerbaijan. At the same time, the negotiations embarked on with foreign petroleum companies were accelerated. Reports were being spread by mass media concerning the future oil export pipeline Baku-Iran-Nakhchivan-Ceyhan. President Elchibey put forward the Azerbaijan-Georgia-Ukraine economic cooperation triangle as an alternative to the CIS integration.

Having experienced the shock of 1992, in early 1993 Moscow embarked on implementation of its "near abroad" concept. In their unofficial talks with the independent Elchibey government, Russia's high-ranking dignitaries were overtly conveying the message that the time of "disobedience" was over and calling on Azerbaijan in an ultimatum-like fashion to join the "integration" within the CIS. After this effort was wasted, Moscow started to step up pressure on Azerbaijan in various directions. Among Russia's 1993 trade tariffs with former Soviet republics, those with Azerbaijan were the highest, even higher than with Baltic states. In late March-early April, Azerbaijan's Kalbajar province was seized by Armenian troops with direct participation of the Russian military units. Although this seriously undermined the authority of the Elchibey government, it was not enough to estrange him from power. After Elchibey brushed off the proposal of returning Russian army to Azerbaijan in the capacity of peace-keeping troops and on the eve of liberation of the Kalbajar province from Armenian troops under the trilateral supervision of Russia, Turkey and US in accordance with a UN-adopted schedule, Moscow made another disruptive move. This time, by supporting an armed opposition in Azerbaijan, it attempted to get rid of Azerbaijan's national democratic government. Another reason behind this move of Moscow was the impending signing of important oil documents by the Azeri president in London following a series of oil negotiations. The insurgency that erupted in Azerbaijan's second largest city of Ganja by colonel Surat Husseinov on June 4 reached as far as Baku. As Elchibey said later on, "in order to prevent a civil war" and "to upset Russia's plot" (to prevent Moscow from bringing Mutallibov to power), he left the capital for a remote Kalaki village.

Having come to power at a very complicated period, an experienced politician Heydar Aliyev first of all had to please the instigator of the Ganja rebellion, or at least to neutralize him. To satisfy Russia, Azerbaijan's new leader immediately suspended talks with Western oil companies. Heydar Aliyev started paying one visit to Moscow after another. In his meetings with Russian president Yeltsin, Prime Minister Chernomyrdin and other leaders of Russia, Heydar Aliyev vowed to pursue a foreign policy differing from that of his predecessor and to try to ameliorate relationship with Russia in every possible way. Besides, he was saying that Azerbaijan could enter the CIS. On September 20, 1993, when the issue of accession to the CIS was being discussed in the Milli Mejlis, Heydar Aliyev said entering the Commonwealth was inevitable. He also asked those opposed to the CIS idea a good question, "But where is your ally?" As soon as the Milli Mejlis approved the entry, Heydar Aliyev left for Moscow to sign for CIS membership and some other official documents, including the agreements on Collective Security and Economic Cooperation. Nevertheless, the still acting president Aliyev was in no hurry to implement the documents signed. Pursuant to the agreement on Collective Security, Russian military units were to be stationed on the Azerbaijan-Iranian border, but he insisted that they be placed on the Azerbaijan-Armenian frontier. Heydar Aliyev was in no hurry either to agree to the provision concerning Russian troops in Upper Karabakh with the status of peacekeeping forces and on the issue of the Gabala RLS.

By making concessions to Moscow in the oil developments (for instance, giving Russian LUKoil a 10% stake in the oil consortium being established), Azerbaijan's new government was counting on creation of a pro-Azerbaijan lobby in Moscow and on an at least neutral position of Moscow in the Karabakh issue. As a matter of fact, Russian energy circles (Prime Minister Chernomyrdin, energy minister Shafrannik, president of LUKoil Alakbarov, etc.) contributed a lot to relaxing pressure on Azerbaijan. This, however, could not alter Moscow's traditional policy in the Caucasus. Despite the concessions made to Moscow, in the period between July and October 5 provinces located outside Karabakh - Agdam, Fizuli, Jabravil, Gubadli and Zangilan - were occupied. Russia failed to change its unilateral pro-Armenian position in the Upper Karabakh conflict. Russia continued insisting on stationing its "peacekeeping" forces in the conflict zone. Furthermore, Moscow wanted to return the Caspian fleet, to place its troops on the Azerbaijan-Iranian border and to establish an anti-aircraft defense system in the South Caucasus. Under such circumstances, further compromises with Moscow would be absolutely useless. In December 1993, President Aliyev, with the mediation of Turkey, turned westwards.

In an effort to strengthen its independence and leave Russia's sphere of influence and pressure, the post-Soviet Azerbaijan covered a long way full of dramatic developments. As a result of an irrational anti-Azerbaijan policy, Moscow has significantly lost its authority in Azerbaijan.<sup>13</sup> It has failed to introduce its "peacekeeping" troops in the Caucasus, to set up military units in Ganja and on the Azerbaijan-Iranian border, to hamper the process of attraction of Western capital to the development of Caspian hydrocarbon resources, to impose its own alternative solution to the Caspian legal status issue on other states, and to build the main oil export pipeline through Russia. A brief overview of Russo-Azerbaijani relations illustrates that Russia has long lost its monopolistic authority in the region and finds it extremely difficult to put up with the role of an equal partner. Moscow's having lost its image in the region is also explained by its unequivocal support for Armenia aggression and ethnic separatism.

### Upper Karabakh Problem/Armenian Aggression

Ever since Azerbaijan restored its independence in 1991, the Upper Karabakh problem has paralyzed the country, having actually deprived the nation of the expectations of joy with independence. At the same time, the Karabakh problem was the bill Azerbaijan had to pay (to Russia) for restoring its independence.

The neighboring Armenia's renewed claims on Upper Karabakh resumed since the period of Perestroika. In 1987, "Save the Karabakh Armenians" rallies were launched in Yerevan. Shortly afterwards, the main organization of the Armenian national movement - the Karabakh Committee was formed. The organization and intellectuals that concentrated in it were spreading speculations that Armenians living in an enclave within Azerbaijan, the Upper Karabakh Autonomous Region (UKAR), are subject to "discrimination". To substantiate the alleged discrimination, it was maintained that UKAR was a backward region in terms of economic and cultural development and that Azerbaijan was seriously inhibiting any relationship between Armenia and UKAR. When these arguments were proven wrong as a result of counter-propaganda and following official statements by Moscow and Baku, new groundless speculations emerged, suggesting that "Upper Karabakh has always been a part of Armenia", and that this region was "presented to Azerbaijan" by Stalin. A particular importance was attached to the fact that the choice of self-determination of ethnic Armenians from Upper Karabakh (78% of the total population of 185,000 of Upper Karabakh) "is giving them the right to join with Armenia". In fact, this right is affixed by the USSR Constitution, they alleged.<sup>14</sup>

The "Karabakh" demands voiced in street rallies in Yerevan and then in Stepanakert raised many eyebrows in the Azerbaijani society. The 250,000 people strong Armenian community of Baku was calling on the population to condemn the "separatists" and "build an unshakable unity of Soviet peoples". The Azerbaijan state television, a monopolist in influencing public opinion, carried on its propaganda in this direction up until 1990. As opposed to the non-constructive position of the communist regime in the Soviet Azerbaijan, in Armenia and Upper Karabakh the dramatic developments were speedily unfolding. These developments can be briefly described in the following way.

In August of 1997, a group of Armenian Academy of Science representatives sent a petition to Moscow demanding that Upper Karabakh and Nakhchivan (according to the 1979 public census, 97% of the Autonomous Republic's population were Azerbaijanis) be separated from Azerbaijan and annexed to Armenia. In November of the same year, Gorbachov's economic adviser Aganbegian, an Armenian national, said in a statement in Paris that Karabakh was "an ancient Armenian territory" and suggested that if it were given to Armenia, "it would be economically appropriate". In parallel with launching the process of ousting Azerbaijanis from Armenia, the local administrative council of UKAR passed a decision on joining the Soviet Armenia. Several days afterwards, Armenians killed two young Azerbaijanis protesting the decision. During the clashes on February 28-29 in Sumgavit city, not far from Baku, 26 Armenians and 6 Azerbaijanis were slain.<sup>15</sup> On the wave of rallies, the Armenian Supreme Council called on Moscow and Baku in June to join the Upper Karabakh with Armenia according to the article 70 of the Soviet Constitution (right of nations for self-determination). In response, the Azerbaijan Supreme Council, governed by article 78 of the same Constitution (borders of a republic cannot be altered without its consent) rejected the plea. In January of 1989, Moscow withdrew the UKAR from Azerbaijan's governance and established a special committee under direct supervision of Moscow. Under unending pressure of rallies in Baku and in many other parts of the republic, the Supreme Council of Azerbaijan adopted the law "On sovereignty", envisioning that only the laws of the Republic of Azerbaijan must be enforced throughout its territory. The law also abolished the special committee for administration of Upper Karabakh. In retaliation, the Armenian Supreme Council adopted a law on December 1, 1989 on joining Upper Karabakh with Armenia. Also in December, in protest to the division of Azerbaijan (between Russia and Iran), local Azeris destroyed the Soviet Union's border with Iran and liquidated Soviet administrations in several southern regions. The developments were factually leading outside the USSR. Faced with such murky prospects, the Soviet KGB took advantage of the ethnic withstanding (Karabakh problem), masterminded the killing of several Armenians on January 13-17, brought considerable troops to Baku on January 20, who brutally slaughtered tens of peaceful residents of the city. The state of emergency was announced in Baku and many other parts of the republic, which actually lasted until the USSR collapsed.

Shortly after Azerbaijan re-established its independence (October 1991), the local administrative council of Upper Karabakh conducted a referendum and announced independence of the "Nagorno-Karabakh Republic". With the aid of Soviet military units stationed there, Upper Karabakh separatists tried to forcefully drive the Azerbaijanis outside Upper Karabakh. In February of 1992, while presidents of Azerbaijan and Armenia were meeting in Tehran,

Azerbaijan's Khojali settlement was obliterated from the surface of the earth by Armenians with the aid of Russia's 366<sup>th</sup> regiment. Almost all of the residents of the former settlement, 700 people, were slaughtered. During the second round of the Tehran talks in May, the most strategic point of Karabakh Azerbaijanis, the city of Shusha, was taken over. Chairman of the Azerbaijan Popular Front Abulfaz Elchibey, who came to power in June 1992, announced that in order to return the occupied territories, establishment of the national army would be his priority policy. As a result of these measures, a considerable part of captured lands was liberated. As mentioned above, in early 1993 the Russian Federation took several steps in an effort to punish Azerbaijan for its aspirations to further consolidate its independence. In late March, with direct participation of Russian military units, Azerbaijan's strategic province of Kalbajar, located outside Karabakh, was occupied following simultaneous attacks launched from two directions (Armenia and Upper Karabakh). Later on, availing themselves of the June rebellion and weakened government in Baku, Armenians seized 6 more provinces beyond the boundaries of Upper Karabakh. Thus, on the eve of signing the Russian-prepared cease-fire treaty in Bishkek in May 1994, Azerbaijan lost 20% of its territory, had about 1 million refugees and displaced persons and more than 20,000 people killed in action.

Azerbaijan and Armenia became members of the CSCE (OSCE) in January 1992 and of the United Nations in March 1992. It was not long before the war between these two countries entered the agenda of the two organizations. After the Khojali carnage, CSCE decided to convene a conference on Upper Karabakh in Minsk to be attended by 9 countries. The objectives of the conference was to normalize relations between Azerbaijan and Armenia and agree on the status of Azerbaijani and Armenian population of the Upper Karabakh. Azerbaijan and Armenia were full-fledged participants of the conference, whereas representatives of Armenian and Azerbaijani communities had to take part in the capacity of interested parties. After the occupation of the Kalbajar province, which was beyond the administrative boundaries of Upper Karabakh, the United Nations Security Council, by its resolution 822, demanded the Armenian aggressor forces immediately withdraw from it. In addition to demanding an unconditional pullout from the occupied territories, this and subsequent resolutions recognized Azerbaijan's territorial integrity. Armenia made a point of rejecting the resolutions and disrupting the Minsk Group conferences. In May 1993, as liberation schedule of the occupied Kalbajar province was being finalized by the USA, Russia and Turkey (Yerevan had given its consent to that), the June 4 rebellion and new acts of aggression of Armenian armed forces frustrated the materialization of the plan. After the UN Security Council vested the Upper Karabakh problem in the OSCE, the issue has permanently been on the Organization's agenda. In Budapest Summit of December 1994 the OSCE decided to station multinational peacekeeping forces after the occupied lands are liberated, which actually meant that Russia was losing a monopoly over the conflict settlement. The OSCE Lisbon Summit (December 1996) outlined three main principles for a negotiated settlement of the stand-off (to ensure territorial integrity of

Azerbaijan and Armenia, to provide Upper Karabakh with a high selfadministration status in accordance with the right of every nation for selfdetermination, and to provide security guarantees to the Upper Karabakh population). Of 54 OSCE members, only Armenia turned down the principles. Although president Ter-Petrossian was inclined to accept the OSCE-proposed stage-by-stage settlement of the conflict, the Armenian government (especially the separatist Upper Karabakh administration) brushed off the offer. Having come to power through a carefully-orchestrated coup d'etat, the leader of Karabakh separatists Robert Kocharian brought the negotiations to an impasse again. Shortly after being elected as president, Kocharian outlined his vision of the conflict solution: to abolish all forms of subordination of Upper Karabakh to Azerbaijan (or to provide Karabakh with complete independence), not to agree to retaining Upper Karabakh as an enclave within Azerbaijan (or not to pull out from the Lachin corridor and, if possible, from the Kalbajar province), to provide Upper Karabakh with reliable security guarantees (or to build the Upper Karabakh army).<sup>16</sup> Armenia's leaving no room for compromise could not but affect the position of the OSCE co-chairs (USA, France, Russia). Then, on the initiative of Russia's then Foreign Minister Yevgeny Primakov, the OSCE co-chairs put forward the idea of setting up a condominium state between Azerbaijan (with population of 8 million and territory of 86,000 km<sup>2</sup>) and Upper Karabakh (with population of 150,000 and territory of 4,400 km<sup>2</sup>). After the Azerbaijan party vehemently dismissed the suggestion, it was withdrawn from the agenda. Then, the presidents of Azerbaijan and Armenia embarked on a series of closed-door meetings...

The brief overview of the 12-year Upper Karabakh withstanding illustrates that it is the very problem that has largely preconditioned relationship between the two countries. Since the two republics have been *de facto* at war with each other, even diplomatic relations has not been established. The continuing state of suspense, which retards the restoration of stability in the region, is only explained by Armenia's Moscow-backed aggression against Azerbaijan.

### Struggling Pressure from Iran

As mentioned above, at the dawn of the 19<sup>th</sup> century Azerbaijan was divided in two parts by the Czarist Russia and Gajar-ruled Iran. The fact that Azerbaijan is among very few divided countries and nations in the world has largely contributed to the relations of the Azerbaijan Republic with its southern neighbor – the Islamic Republic of Iran. This factor has also played a significant role in the formation of the Moscow-Yerevan-Tehran alliance.

The "Tabriz! Tabriz!" slogans were particularly popular in the national democratic movement in Northern Azerbaijan in 1988. This was a voice of protest to the decades-long prohibition imposed on this subject and a symbolic plea by a nation in predicament. Pleas for unification with the South were at times even more powerful than those for independence.

The demolition of the "Berlin Wall" between two Azerbaijans in late 1989 gave an impetus to broadening the national independent movement. The developments were followed by the January 20, 1990 carnage, which claimed lives of tens of innocent people. Iran's Foreign Ministry termed the "Tragic January" as an internal affair of the USSR and expressed its regret with what happened.<sup>17</sup>

Despite the dramatic nature of the evolving developments, the issue of unification was not losing its actuality. Almost all political organizations emerging one after another voiced their attitude toward the idea of a United Azerbaijan. The most popular organization of those days, the Popular Front, was attaching a particular importance to relationship between two Azerbaijans. One of the organization's most pivotal tasks was "to eliminate all obstacles in the way of cultural and economic cooperation with Southern Azerbaijan."<sup>18</sup>

The break-up of the USSR and Northern Azerbaijan's restoring its independence did not receive a universal welcome in Iran, which was in no hurry to recognize the Azerbaijan Republic's independence. It is indicative that in 1991, Iran's Foreign Minister Vilayati suggested to establish a powerful Soviet confederation, which, he believed, would prevent the West from keeping control over independent republics.<sup>19</sup>

The declaration of independence announced by the Azerbaijan Republic in October 1991 caused quite a stir in Tehran. A part of Iranian executives put forward the idea of joining (annexing) what used to be "Iran's ancient land" – the Republic of Azerbaijan – to Iran. The governing circles of Iran, however, did not back the idea. On the other hand, the Persian chauvinism was perturbed with the growing role of Turkic element and a potential threat of Iran's socalled Turkization. Therefore, Iran's theocratic regime was attempting to lure Azerbaijan to its political orbit in order to at least to neutralize Azerbaijan's influence on the Turkic population of Iran, especially South Azerbaijan.

Another sore point for Iran is the national and cultural revitalization on the other side of the Araz River. Iran was making no secret of its categorically negative attitude to the planned change of the Cyrillic alphabet and going out of its way to have the alphabet changed to Arabic. For this purpose, special propagandistic literature was printed in Iran in Cyrillic graphics and then sent to Azerbaijan for being disseminated. Azerbaijan's decision to return to the Latin alphabet was vehemently criticized by Iran.

A particular place in Iran's growing propaganda was occupied by Islamic revolution and Islamic governance. Groups of Iranian clergymen were coming to Azerbaijan to propagate for Islamic values among different categories of the population. The idea of exporting the Islamic revolution was advocated for by newspapers, books and other editions and sent to a newlyindependent Azerbaijan. Besides, to expand its propaganda, Iran even established several newspapers and magazines in Baku.

In an effort to bring Azerbaijan to its sphere of influence, Iran was pursuing the following geopolitical objectives:

- to prevent the formation of an independent and democratic Azerbaijan in every possible way, to nip in the bud its influence over South Azerbaijan thus safeguarding Iran's territorial integrity and internal stability;
- to prevent the growing authority of the US and Turkey in the Caucasus and Central Asia;
- to prevent solidarity and integration of the Turkic world;
- to establish an outpost for pressure on Muslims in the North Caucasus, Central Asia and along the Volga;
- to use the territory of Azerbaijan for marketing Iranian goods;
- to create an Islamic regime in North Azerbaijan pursuant to the "Export of Islamic revolution" doctrine.

The first foreign visit of Azerbaijan's first president A. Mutallibov was to Iran. Official Baku was holding out great hopes that the visit, paid in late 1991, would help enhance relations with Iran. An agreement was reached in Tehran to use the territory of Iran for contacts with Nakhchivan blockaded by Armenians. In addition, documents on setting up a Free Economic Zone in Nakhchivan and expanding comprehensive relations between the two countries were signed. In early 1992, during Iranian Foreign Minister's visit to Azerbaijan, Baku and Tehran signed treaties on broadening trade, economic and political relations. By going to Iran on the occasion of an anniversary of the Iranian revolution with an extensive delegation, Mutallibov made another major step toward rapprochement with Iran. Official Baku made it clear that Azerbaijan had no intention to interfere in the internal affairs of Iran and "ruled out the idea of establishing a united Azerbaijan."<sup>20</sup>

Another step in the direction of rapprochement was Iran's assuming the role of a mediator in the Karabakh conflict settlement and expanding its activities in the first half of 1992. In this period, Iran was cautious of the threat of a war capable of undermining stability in the Caucasus. At the same time, Tehran was not interested in a comprehensive settlement of the dispute, as it wanted Azerbaijan to be preoccupied with this factor. Through brokering solution to the conflict, Iran was also hoping to keep the developments in the Caucasus under control and to promote its authority in the region.

Iran's mediation had tragic consequences for Azerbaijan. In late February of 1992, Armenian and Azerbaijani presidents signed a cease-fire accord in Tehran. However, hardly had the ink on the document dried out, when Armenians surrounded one of Karabakh's largest Azeri populated towns, Khojali, and slaughtered most of its residents. The carnage resulted in Mutallibov's resignation. One day after the signing of a cease-fire protocol by Armenian and Azerbaijani presidents in Tehran on May 7-8 Armenians took over Azerbaijan's strategic fore-post in Karabakh - the city of Shusha. Moscow was behind this occupation, which dramatically changed the course of the war. By activating its forces in the region, Russia thus punished Azerbaijan for turning to someone else, not to Russia itself, for solution. Besides, Russia showed to Iran too where it belonged, making it clear that Moscow is not going to stand Iran's growing authority in the Caucasus. Therefore, this mission of Iran, which gave serious concessions to the Armenian party, caused a sharp public outrage in Azerbaijan. Media publications appeared describing the overlapping positions of Armenia and Iran.

At such a crucial period in the history of Azerbaijan, chairman of the Popular Front Abulfaz Elchibey was elected as president. Still as chairman of the PFA, Elchibey was noted for saying what there was to say, not what was necessary to say, of human right violations of non-Persian nationalities living in a multiethnic Iran, including the prohibition imposed on the study of their native language at school, which he said would bring this country to a collapse. This idea was strongly exaggerated and distorted by Iranian media.

Contrary to the widely spread literary opinion, relations were booming in a number of areas. A special joint commission for economic relations was established by the two governments. Shortly afterwards, Iran was leading Azerbaijan's foreign turnover list. The discontent of the Iranian party and the Islamic regime basically concerned Elchibey's internal and external ethnic policy, including the aspiration to achieve parity in relations with foreign countries. In mid-1992, it was discovered that the overwhelming majority of the 700 minor and major agreements signed with Iran were not operating and that the Iranian party was trying to implement only the deals it considers appropriate. Another direction in Iran's policy toward Azerbaijan was preconditioned by its desire to act as "elder brother". Therefore, the propaganda of proximity between the two nations was not sincere at all. In early 1993, the Iranian authorities passed a decision, which inhibited the process of marriage between citizens of the two countries. Indifferent toward the anachronistic nature of this decision, aimed at thwarting the expansion of relations between the two peoples, and toward the infringement upon a basic human right, the Iranian government did not even consider it appropriate to answer any of the repeated protests on the part of official Baku.

One of the key objectives of Azerbaijan's Iranian policy was to create a favorable environment for the reunion of families and relatives that had for many years been separated from each other and to facilitate the process of migration. The Azerbaijan party was trying to bring the relationship to equal standards. However, the proposal of Azerbaijan on signing a framework agreement on mutual recognition of the two countries' independence and state borders and non-interference with the internal affairs of each other (a similar agreement had been signed with Russia) did not receive a lukewarm response on the part of Iran. Neither did Tehran reply to Azerbaijan's proposal to exchange television broadcasts and ten-day festivities of each country. As if in continuation of the traditions inherited from the Shah period, Tehran was doing its utmost to prevent public awareness and propaganda of Azerbaijan's national and independent wealth in Iran. Besides, the Iranian government was trying to restrain the work of Azerbaijan's embassy in Tehran and prevent the establishment of Azerbaijani consulate office in Tabriz (Iranian one had already existed in Nakhchivan for a long time).

Discontented with Elchibey's policy with respect to Iran, which envisioned broadening of bilateral relations on parity terms, Tehran started supporting the opposition in Azerbaijan and encouraging it to take unlawful action against the legitimate government. In this light, two visits by the then chairman of the Nakhchivan Autonomous Republic's Supreme Mejlis Heydar Aliyev to Iran (in August of 1992 and in March of 1993) are well remembered. Iran's having been engaged even in espionage against Azerbaijan is a proven fact.

One of the countries particularly delighted by the June 1993 coup d'etat against the Elchibey government was Iran, which made no secret of its contacts with the insurgents.

Elchibey's stepping down in Azerbaijan gave Iran the chance to take a breath, as the country started giving Heydar Aliyev its backing in strengthening his authority. As a consequence of the coup d'etat, Azerbaijan's military capability to resist Armenian aggression was weakened and Iran officially warned Armenia to abandon its policy of aggression. Assisting the Azerbaijani refugees, Iran built a refugee camp at its own expense and started to provide other kinds of humanitarian aid. Iranian dignitaries were paying one visit to Azerbaijan after another and signing a great deal of new agreements.

In the meantime, the parity principle in bilateral relations was being violated again, as new concessions were made to the Iranian party. The Azerbaijani state television broadcast a one-and-half-hour program prepared in Tehran and propagating Iran and Iranian values. Representatives of Iran's spiritual leader appointed to all of the country's provinces were being sent to Azerbaijan.

Starting from late 1993, however, Heydar Aliyev's foreign policy priorities changed from Russo-Iranian to Turkish-Western. In September 1994, after Azerbaijan signed the so-called "Contract of the Century" for oil production from its national sector in the Caspian Sea, the Azerbaijani-Iranian relations entered a new stage. Iran's attitude towards Heydar Aliyev and the government of Azerbaijan drastically changed, as Iranian media started applying the label "servant of America and Zionism", which they had invented for Elchibey, to Heydar Aliyev. Iran's demand that Azerbaijan stoped all official relationship with the USA and Israel became a talking point for Iranian officials.<sup>21</sup> Iranian press published a series of stories advocating for joining "14 ancient Iranian cities" to Iran, claiming that such requests were arriving from citizens of Azerbaijan in their letters.<sup>22</sup> The Iranian government started overtly expanding relationship with Armenia, a country at war with Azerbaijan.<sup>23</sup>

In the issue of utilization of Caspian energy resources, Tehran began supporting the position of Russia (although earlier it was vowing to back the position of Azerbaijan). Despite cooperation with the Azerbaijan government in the Azerbaijan sector of the Caspian (on the Shah-Daniz PSA) and intention to tap its own national sector of the Caspian in an established order, Iran took the course of pressure on Azerbaijan in the issue of Caspian oil. The conviction of the leaders of Islamic Party in April 1997 on charges of espionage in favor of Iran triggered the latter's further indignation. The court also ascertained extensive destructive activities that Iran was engaged in on the territory of the Azerbaijan Republic.<sup>24</sup>

The experience of Azerbaijani-Iranian relations of the last several years illustrates that they depend neither on politicians nor on governments. Of course, the personality/government factor does play a certain role in narrowing and even eliminating some of the differences. But the main difference between Azerbaijan and the Islamic Republic of Iran is of a fundamental nature. For a normal development of bilateral relations, either Azerbaijan has to join Iran's political orbit (for this a pro-Iranian Islamic regime must be established in Azerbaijan) or the Islamic regime in Iran has to change its character (for this, it has to show respect for the ethnic rights of non-Persians living there).

### **Seeking East-West Exposure**

In order to preserve its national independence, restore the territorial integrity and get the upper hand in resisting Iran's pressure, Azerbaijan has to break the blockade imposed on it by the Moscow-Yerevan-Tehran alliance. To carry out this task, Azerbaijan has to take an alternative course. In other words, it has to choose its alliance around Turkey, USA and Georgia in order to safeguard its security and insure the future. The experience of the past years has demonstrated Azerbaijan's having taken steps in this direction.

#### Proximity with Turkey, the USA and Georgia

After coming to power in Azerbaijan, President Aliyev was both maintaining extensive communication with Russia's different-level officials and resuscitating contacts with the Western oil companies and countries. Besides, in a move to eliminate the uncertainty in relations with Turkey, President Aliyev opted for enhancement of relations with Turkey, in particular with its President Suleyman Demirel, while he was still in Nakhchivan.

In this period, Turkey was getting a great deal of satisfaction in the establishment of new Turkic states, as several Turkish statesmen were claiming that the new century would be the century of the Turkic world. Turkey was the first country to recognize Azerbaijan's independence. The richness of Caspian littoral states in hydrocarbon reserves made them even more important for Turkey. Having become NATO's coordinator in the region, Turkey was trying to contribute to the Organization's enlargement in the direction of the Caspian region. The political, economic and strategic interests, as well as ethnic and cultural factors, encouraged Turkey to join the struggle for the Caspian basin.

In the period elapsed since Azerbaijan re-gained its independence, bilateral relations with Turkey have been developing in an ever-expanding fashion. On the political front, Turkey, as a member of the OSCE Minsk Group, was aspiring to achieve a fair and impartial solution to the Upper Karabakh problem. However, Turkey's traditional foreign policy in favor of status quo could not make it influential in this area.<sup>25</sup>

A particular attention of Turkish governments in Azerbaijan and in the Caspian basin in general was heeded to the abundant oil reserves. In fact, Turkey's foreign policy over the past several years was largely preconditioned by oil and the Baku-Ceyhan oil pipeline, as the country is soon going to encounter problems with addressing a growing need for energy. In the coming decade Turkey's needs for energy are expected to double. Thus, the country's needs of 20.8 billion cubic meters of gas in the year 2000 are expected to amount to 53.6 billion cubic meters in 10 years from now.<sup>26</sup>

One of the most palpable steps that Turkey has taken to assist Azerbaijan was the support Ankara provided Heydar Aliyev in opening an access to the West. With mediation of Suleyman Demirel, Heydar Aliyev paid his first Western visit to France in December 1993, which was followed by a series of visits to a number of European capitals.

In early 1994, negotiations with foreign companies were resumed. While in London on an official visit in February, President Aliyev signed an inter-governmental agreement with British Government on oil production, whereby British Government obtained the right of financing Azerbaijan's oil production projects. The Azerbaijan and British governments agreed to act as guarantors of the commitments assumed by BP and the State Oil Company of the Azerbaijan Republic (SOCAR). Shortly afterwards, Russian Foreign Ministry sent a note to British embassy voicing its categorical protest to the deal. Nevertheless, during a CIS April Summit in Moscow, Baku overtly dismissed Russia's Karabakh settlement scheme.

In the summer of the same year, the USA started taking interest in the Caucasus developments. The then US representative in the United Nations Madeleine Albright stated in Baku on September 5-6 that the US does not recognize a "special role" of the Russian Federation in the Caucasus and can only agree to the stationing of Russian military units in Karabakh as part of a large contingent supervised by the OSCE.<sup>27</sup>

A successful completion of the talks with the oil consortium and the positive changes in the international environment for Baku accelerated signing of the so-called "Contract of the Century" on September 20, 1994. The contract led to growing interest of Western countries, the United States in particular, in establishing stability in the region. In other words, this meant that Baku eventually reached the pro-Western track in its foreign policy (to achieve growing economic and political interest of the USA to oppose Russia's pressure) that was beaten by the Elchibay government. It was as a result of this policy that Azerbaijan managed to endure the unending pressure on the part of Russia (attempts on the life of the head of state, support for armed opposition, economic embargo, economic ultimatums, etc.) and in November 1997 the republic embarked on exporting its first contract oil to foreign markets. In this period (between September 1994 and late 1997), issues relating to oil pipelines had been resolved and agreements signed one after another on establishment of

new consortia. The interest of the West and its capital in the region surged in an unprecedented way. Finally, as Moscow consistently refused to investigate the arms supplies to Yerevan, Baku had to make its position clear as well. President Aliyev announced that he was firmly inclined toward the Baku-Ceyhan alternative of the main export pipeline and that Azerbaijan would not change its position in the Caspian status issue. The new Constitution of Azerbaijan adopted in November 1995 confirmed that the Azerbaijani sector of the Caspian Sea is an inseparable part of the Republic of Azerbaijan.

The United States thus turned into the main author and advocate for the processes of strategic importance unfolding in the Caucasus and Central Asia. In the words of its dignitaries and through a number of legal documents, the United States announced that the region (Caspian basin) was in the strategic interests of the USA.<sup>28</sup> *Pax-Americana* considers the growing authority of the United States in the Caspian region as a tool for opposing the presumed unity of Russia, Iran and India/or China.

The US State Department's "Energy development in the Caspian basin" report (1997) outlines 4 key directions of the US policy in the region:

- "Solution of regional conflicts". This provision dwells upon the solution of the Armenian-Azerbaijani conflict, other sources of ethnic tension in the Caucasus, as well as the civil war in Tajikistan. According to the authors of the document, these conflicts make it possible for foreign forces like Iran to get down to action. In addition, delaying solution of the disputes creates a favorable environment for the destructive Islamic movements.
- 2. The provision on "Increasing and expanding world's energy-supply" stipulates exploitation of Caspian energy resources in addition to those of the Persian Gulf and pursues the objective of insuring Western energy interests here.
- 3. "Sovereignty and independence of Caspian basin countries". According to the authors of the report, the main problem here is to eliminate the dependence on the oil pipeline going through the territory of Russia. Besides political problems, this dependence enables Russia to raise the fee for the use of the pipeline to an extremely high level. To resolve the problem, there is a need for different oil export routes. From this standpoint, the issue of oil pipeline through Iran emerges.
- 4. "Iran's isolation" needed to limit this country's revenues. These revenues are spent on building mass destruction weapons, augmenting the conventional destruction weapons arsenal and supporting terrorism. Authors of the report see the best way of attaining this goal through preventing Iran's any involvement in Caspian energy developments.

The document also offers the US policies with regard to Russia and Turkey. It is indicated that there is no need for irritating Russia without a reason, because Washington is "sharing a number of [important] interests with Russia pertaining to control over nuclear weapon and NATO enlargement". It is suggested that political pressure should not be applied to Russian companies operating in the Caspian region, because this market "has historically been managed by Russia". As far as Turkey is concerned, the authors propose: by providing assistance to Turkey, a NATO fellow ally, to take control over security in the region surrounded by hostile states and to promote economic revitalization capable of thwarting the discontent that may provoke Islamic movement. For this, it is necessary to provide support for the idea of building the main export pipeline through the territory of Turkey and to assist Turkey in addressing its growing need for energy.<sup>29</sup>

In keeping with its strategic course, the US Government is lobbying for the Baku-Tbilisi-Ceyhan main export oil pipeline and division of the Caspian among 5 littoral states by a middle line. Beginning from 1995, the US government has been noticeably active and coherent in its policy in the region. Thus:

- in January 1995, the US embassy in Azerbaijan announced that its government would not agree to the Baku-Iran-Nakhchivan-Ceyhan oil pipeline alternative, while shortly afterwards the US embassy in Turkey offered another option Baku-Armenia-Ceyhan. It was highlighted that this line would positively affect settlement of the Armenian-Azerbaijan conflict.<sup>30</sup>
- While in Baku in the summer of 1995, the US Energy Secretary first mentioned the "multiple pipeline" idea.
- In the second half of 1997, heads of states that would join the Eurasian transport corridor Heydar Aliyev of Azerbaijan, Edward Shevardnadze of Georgia, Nursultan Nazarbayev of Kazakhstan and the then Turkish prime minister Mesut Yilmaz were invited to Washington to a tumultuous welcome. A little later, President Saparmurat Niyazov of Turkmenistan visited Washington as well.
- In November 1997, the US Energy Secretary Federico Pena visited Trans-Caucasian and Central Asian republics on behalf of the US president and urged leaders of these states to clear up their attitude toward the Trans-Caspian gas pipeline and Baku-Ceyhan oil pipeline projects before October 1998. A little later, the First Lady of the US paid a courtesy visit to Central Asia.
- In February 1998, following an appeal by the US Government, foreign ministers of Azerbaijan and Turkmenistan embarked on negotiations concerning the disputable Kapaz/Sardar field. The US government allocated \$750,000 to Ashgabat to finance the Turkmenbashi-Baku gas pipeline to be

built along the Caspian seabed. At the same time, by appealing to the Turkish government the White House urged it to make the Baku-Ceyhan project commercially viable.

- In the summer of 1998, the US President and Secretary of state established the position of a special counselor for Caspian energy diplomacy and appointed an experienced diplomat Richard Morningstar to the post. The US Congress embarked on active discussions of the "Silk Route Strategy" draft law, which envisioned expansion of cooperation among countries of the Southern Caucasus, increasing US investment in the regional economy and abolition of the notorious Section 907 of the US Freedom Support Act. Pending discussion of this draft law, the White House dignitaries, including the secretary of state, were lobbying for the repeal of the unfair Section in the Congress.
- Besides military forces of Uzbekistan, Kyrgyzstan, Russia, Turkey, Georgia and Azerbaijan, 235 American military men took part in the "Central Asia Battalion, 98" military training in the vicinity of Tashkent in September. This was the first joint military training session to be attended by US military men on the territory of the CIS. In this period, Washington announced that the CIS territory is the area of America's "military responsibility".<sup>31</sup>
- In October 1998, the new US Energy Secretary Bill Richardson and 5 regional countries signed the Ankara Declaration calling forth construction of the Baku-Tbilisi-Ceyhan pipeline. In the same month, the White House administration met with America's largest 15 oil companies in order to convince the latter that the Baku-Ceyhan line was more preferable to others from the geo-strategic and geopolitical standpoint.

The enumerated facts illustrate that the United States, which in 1992-1994 considered that the region was falling under Russia's traditional sphere of influence, did a lot after 1994 to step up its own image in the Caucasus and, just like in the majority of other regions of the world, was held in high esteem. Washington is determined on the Baku-Tbilisi-Ceyhan pipeline and considers it nucleus of geopolitical developments in the region. Expressing the position of the White House in the issue, the US Energy Secretary indicated at the signing ceremony of the Ankara Declaration that it is not the matter whether or not the Baku-Ceyhan oil pipeline will be implemented, it is the matter when it will be implemented.<sup>32</sup>

Since the fate of all geopolitical developments in the region depend to a great extent on Georgia, the United States has attached a particular importance to this country in its Caspian strategy. Georgia's being a transit country for Caspian oil and gas, as well as its determination to invigorate its own independence (intention to leave Russia's sphere of influence), has turned this country into America's and West's most supported state of the region. Turkey

too has displayed keenness on enhancing contacts with this neighbor. Over the past several years, Georgia has received substantial financial, military assistance from the West and won its political backing.<sup>33</sup>

Due to the overlapping vital, economic and political interests, Georgia and Azerbaijan have become even closer over the recent years and assumed the proportions of a strategic alliance. Bilateral relations became particularly warm after the Azeri President's visit to Tbilisi in March 1996. During the visit, Azerbaijan and Georgia signed a declaration "On peace, stability and security in the Caucasus", which rests on the "Common Caucasian House" concept. Besides Azerbaijan, Georgia was also a co-founder of GUAM (Georgia, Ukraine, Azerbaijan and Moldova) and participant in the new Silk Road project (first of all, TRACECA program).

Georgia is currently integrating with political and economic entities of NATO and the West. Regarding Georgia as Azerbaijan's only access to Europe under the geopolitical circumstances, Baku has given preference to this country in its oil and gas exports to world markets. Baku-Supsa and Baku-Tbilisi-Ceyhan oil routes, as well as the Trans-Caspian gas pipeline (or Azerbaijani-Turkish gas pipeline), not only increase Georgia's geopolitical significance, but also promise vast revenues to the country. According to the president of the Georgian International Oil Corporation (GIOC), the country will earn \$200-250 million per year for running the Baku-Tbilisi-Ceyhan main export pipeline (MEP) through its territory.<sup>34</sup> As a result of such course of developments, the union of Azerbaijan-Georgia-Turkey has come to the fore in the region.

Despite vivacious geopolitical developments in the region for the last few years, the process has not yet reached its logical conclusion. Authoritative US experts have pointed out the noticeably weakened interest of the United States (and Western Europe) since 1998. This should not be explained by the fact that hydrocarbon reserves in the Caspian are not as abundant as it had been claimed. The explanation of the withdrawal of the Caspian region from the sphere of US vital interests lies in the very US policy towards the region, Azerbaijan in particular.35

The point is that being the world's strongest superpower, the United States intends to solve three mutually contradicting issues at the same time: to establish normal relations with the future democratic Russia and address its own vital security concerns (the traditional "Russia first" concept); to end Russian influence in Armenia and take South Caucasus into undivided US sphere of influence; and to further connect Central Asia to Western entities using Azerbaijan's hydrocarbon and geopolitical resources. Moreover, Washington's inclusion of Iran in the list of its vital interests has further complicated the already difficult situation. Therefore, despite Azerbaijan's whole-hearted effort to develop strategic, economic and political contact with the United States, the latter has yet to display active involvement both in the solution to the Karabakh problem and other issues relating to the stability and security in South Caucasus. It was agreed by a number of influential experts at a 1999 Harvard conference dedicated to Caspian basin issues that, "...one should recognize that while local powers often want and demand a strong

American role, that does not necessarily mean it is in the US interest to provide it".<sup>36</sup> It should also be highlighted that illogical and unfair Section 907, an obstacle in the way of developing US-Azerbaijani relations, is still in effect.<sup>37</sup>

### Cooperation with Europe

Since December 1991, Western European countries began recognizing the state independence of the Republic of Azerbaijan one after another: Germany on December 12, United Kingdom on December 31, 1991 and France on January 3, 1992. Shortly afterwards, statements were made on establishing diplomatic relations on the level of embassies and diplomatic missions accredited to Baku. In its turn, Azerbaijan appointed diplomatic corps in these countries, though with some delay.

Pending the first diplomatic contacts, the Elchibey Administration put forward the pro-Western course, expressing a hope for expansion of ties with West European countries. However, in 1992-93, the negative stereotyping of Azerbaijan established back in the years of *Perestroika* had enormous effect in Europe. Moreover, Western Europe was still considering former Soviet republics to be the traditional sphere of interest of the Russian Federation. Nonetheless, when visiting Baku, European dignitaries were promulgating that their countries were behind a peaceful solution to the Karabakh problem and recognized the territorial integrity of Azerbaijan.<sup>38</sup>

In May 1993, the European Commission announced commencement of the TRACECA (Transport Corridor Europe-Caucasus-Asia) program at a Brussels conference of 8 trade and transport ministers from the Caucasus and Central Asian republics. The purpose of the program was to establish direct contacts with the Black Sea and Caspian Sea regions, the Caucasus and Central Asia via the East-West transport corridor and to contribute to the political and economic independence of the newly independent republics in the region by opening an access to Europe and world markets. Azerbaijan's geographical status was very sensitive to the program. In September 1998, Baku hosted a "Restoration of Ancient Silk Road" conference attended by 32 heads of state and representatives of 12 international organizations. During the Baku Summit, the agreement on TRACECA and 4 other documents on customs, maritime, overland and railway transport were signed. In addition to the Baku declaration, a communiqué was also included into the list of Summit documents. The conference decided to set up the TRACECA permanent secretariat in Baku. By 1999, 25 technical assistance projects totaling 35,000,000 Euro and 11 infrastructure projects totaling 47,000,000 Euro had been funded as apart of the program.<sup>39</sup>

Another source of attraction of the Caspian region for Europe was its abundant hydrocarbon resources. British Ramco and BP, as well as Norwegian Statoil were among the companies taking a particular interest in Azerbaijan's oil business. Later on, French Total and Elf Aquitaine and Italian Agip joined the process of oil production. After the takeover of Amoco, British Petroleum's activities in Azerbaijan left many other foreign companies behind. Azerbaijan has covered a very long distance in the area political and military integration with the Euro-Atlantic union. In January 1992, Azerbaijan was admitted to the Conference on Security and Cooperation in Europe (currently OSCE). In May 1994, the country joined NATO's "Partnership for Peace" program. Finally, in May 2000, the Council of Europe began the admission process of Azerbaijan to this organization and opened its office in Baku. Establishment of GUAM consultative union (1997) can also be regarded as part of Azerbaijan's integration with Europe.

While underscoring the significance of the above-mentioned developments for Azerbaijan's integration with political, economic and military structures of Europe, it should also be indicated that the process was not always smooth. The insistence of European Union member-states on including the aggressor Armenia into the TRACECA program triggered Azerbaijan's fair discontent. Disagreement over the issue is still in evidence. Despite setting up the Minsk Group to attend to the solution of the Karabakh conflict, the European Union member-states are not displaying due perseverance in reaching a negotiated settlement. European oil companies were for a long time opposed to the Baku-Tbilisi-Ceyhan MEP and deliberately delayed its implementation by supporting the alternative of building the MEP via Black Sea to Europe.

So, since gaining independence, Azerbaijan has done a lot towards economic, political and military integration with Europe. No doubt that all this has had a positive effect on Azerbaijan's economic and political independence. However, the described stage of integration was not sufficient to ensure the irreversibility of Azerbaijan's independence and its territorial integrity. Neither did it give impetus to the solution of the country's vital problems.

### Restoration of Relations with Central Asia

As mentioned above, the course of history separated Azerbaijan, which had taken root in the North-South axis, from the East for decades. In particular, the excessive centralization in the Soviet times envisioned implementation of all contacts through Moscow. Despite being parts of the same empire, Azerbaijan's ties with Central Asia were restrained. Even separate attempts of cultural and literary rapprochement were portrayed as pan-Turkic trends and were nipped in the bud.

The demise of the Soviet Empire prompted restoration of relations between Azerbaijan and Central Asia via Caspian. The Republic also received an opportunity to break through the geopolitical encirclement. The overlapping Caspian oil and geopolitical interests turned into additional factors for materialization of these chances. However, further developments proved that resumption of relations between Azerbaijan and Central Asia, ethnically and culturally close but separated for a long time, is no easy task.

President Elchibey took a peculiar approach in forging relations with what he believed were "fraternal" republics of Central Asia. After being elected the president, the front-runner of the Azerbaijani democracy lambasted Central Asian presidents, termed them as "feudal communist leaders" and supported democratic movements in the region. This could not but lead to a strain in relations with these republics. Things went so far that President Islam Karimov of Uzbekistan ordered to suspend the Baku-Tashkent flights.

In the meantime, Azerbaijan's geopolitical and geo-economic interests demanded the establishment of relationship with the region. One by one, newly independent states of Central Asia opened embassies in Baku. Turkey-led meetings of Turkic presidents led to establishing close relations among the heads of state, as the latter have gathered on six occasions since 1993. During the CIS and ECO Summits, Turkic presidents discussed specific issues concerning bilateral relations and regional problems. Presidents of Kazakhstan and Uzbekistan paid repeated official visits to Azerbaijan. However, the Caspian oil factor proved to be the bottom-line in expanding relations.

Kazakhstan's growing oil exports and search for a reliable route compelled the country to coordinate its steps with Baku. As a result, Kazakhstan began to export a portion of its oil along the Baku-Batumi railway to world markets. For the time being, a part of Kazakh oil is transported to the Black Sea through the railway. 2,200,000 tons of Chevron oil were transported in 1998, while in 1999, the figure was expected to amount to 5,000,000 tons.<sup>40</sup> The Kazakh Prime Minister has announced that 10,000,000 tons of crude will be delivered to Batumi via Azerbaijani and Georgian railways.<sup>41</sup> Besides, Kazakhstan has asked Baku for a go-ahead in using the Baku-Supsa early oil pipeline.

In June 1997, Presidents of Azerbaijan and Kazakhstan signed a letter of intent on cooperation in transporting oil to foreign markets. Pursuant to the document, construction of a pipeline from the Caspian Sea was to commence in 2000 and complete in 2003.<sup>42</sup> President Nursultan Nazarbayev was among those signing the Ankara Declaration on Baku-Ceyhan MEP in October 1998. In December of the same year, according to a contract signed in Washington, Mobil, Chevron and Shell, in conjunction with the State Oil Company of Kazakhstan, embarked on implementation of the Caspian sub-sea oil and gas pipeline to be hooked to the Baku-Ceyhan MEP. \$20,000,000 was allocated for the work.<sup>43</sup> While on an official visit to Baku in April 2000, President of Kazakhstan said, "We support the Baku-Tbilisi- Ceyhan layout and we will immediately join this project as soon as we discover more oil reserves."44 Kazakhstan's world-scale discovery of the East Kashagan field further boosted the chances of Baku-Ceyhan. Shortly after the discovery, President Nazarbayev said in a televised address that Kazakhstan "must actively integrate with the Baku-Ceyhan pipeline project."45

Unlike Kazakhstan, relations with another Caspian nation, Turkmenistan, did not go along a smooth track. Differences and disagreements between Azerbaijan and Turkmenistan affected three mutually intertwined issues, the first and foremost of which was the disagreement over the issue of an international legal status of the Caspian.

Despite Turkmenistan's support for the principle of dividing the Caspian into national sectors in the first post-Soviet years, since mid-1995 Ashgabat started backing the condominium principle proposed by Russia and Iran.<sup>46</sup> It was in this period that Turkmenistan declared itself an "eternally neutral country". In fact, the neutrality in foreign policy was aimed at winning some concessions from Russia and Iran. Despite insignificant successes of Ashgabat's gas diplomacy (for instance, an agreement with Iran on construction of a low-capacity gas pipeline), this conduit proved to be contradicting the logic of regional developments pretty soon. In 1997, Russian "GasProm" suspended gas purchases from Turkmenistan. Having encountered financial constraints, President Turkmenbashi turned to Washington. The White House vowed to assist Ashgabat in construction of the Trans-Caspian gas pipeline to transport Turkmenian gas to Turkish markets via Azerbaijan and Georgia. In the same year, Turkmenistan put forward the idea of dividing the Caspian in 5 "independent seas"<sup>47</sup>, which was not exactly what Baku (and partly Astana) was advocating for but was definitely different from what the Moscow-Tehran alliance proposed.

The second point of disagreement in the Azeri-Turkmen relations is related to Caspian oil fields. The Turkmenian party has had claimed the Chirag, Azeri and Kapaz fields (the last is referred to as "Sardar" in Turkmenistan) – the last two fully and the first partly – belonging to the Turkmen sector of the Caspian.<sup>48</sup> The talks mediated by the US State Department have so far given no outcome.

Another bone of contention between the two countries concerns the Trans-Caspian gas pipeline. Supporting the conduit, Baku maintains that after a recent discovery of immense gas reserves in Shah Daniz, Azerbaijan should have a 15 billion cubic meter quota in the pipeline with a total capacity of 30 billion. However, Ashgabat has turned down the demand, which threatens with a failure (or delay) of the pipeline project.

Azerbaijan's relations with Central Asia's most independent nation Uzbekistan are not directly determined by the oil factor. Geopolitical interests precondition the establishment of amicable relations with this country – the only Central Asian country not to have taken a neutral position in the Karabakh conflict and to have declared Armenia an aggressor state. Of all the Central Asian countries, only Uzbekistan joined the GUAM organization. Besides, Azerbaijan has its embassy only in Tashkent among all Central Asian capitals.

Thus, Azerbaijan's relations with Central Asia, interrupted for many decades, are being gradually restored as important steps have been made. However, the "Eastern gateways" necessary to break the geopolitical blockade have not been fully "opened", while some of the opportunities available have not been duly availed of. In the meantime, close relations with Central Asia, as well as the oil factor, may turn Azerbaijan into a transit state and earn it more allies in strengthening its independence and safeguarding its territorial integrity. For this, first of all, it is essential to expand relations with Kazakhstan and Uzbekistan and resolve outstanding problems with Turkmenistan.

## Azerbaijan's Oil Diplomacy: Pros and Cons

In 1991, when independence was just re-gained, citizens of Azerbaijan were optimistic about the country's future. After Moscow had played its last card in the Karabakh conflict, there was hope for a soonest solution to the conflict. Despite mistrust toward the political elite inherited from the Soviet communist regime, it was widely believed that the economic potential and resources would be sufficient for the country to start flourishing. The hopes were largely connected with oil. By then, Scottish Ramco had opened its representation in Baku (May 1989) and promised to Azerbaijan's "CaspianOilGas", a company engaged in Caspian oil production, to find major foreign partners (August 1990). Then, Amoco chose the Azeri field for operations (June 1991) and had agreed on its joint development with BP, Statoil, Ramco, Unocal and McDermott (September 1991). Later on, the attraction of huge oil companies to Azerbaijan was rapidly progressing and in February 1992, Pennzoil and Ramco launched talks on Gunashli field. In June 1993, the State Oil Company of the Azerbaijan Republic (SOCAR), Amoco, BP, Statoil, Pennzoil, McDermott, Ramco, TPAO and Unocal signed the Declaration of Utilization on a joint development of Chirag, Azeri and Gunashli fields. Finally, in September 1994, a 30-year and \$7.5 billion contract on tapping the Chirag, Azeri and Gunashli fields was signed.<sup>49</sup> The contract was then labeled "The Contract of the Century". It was promising both to lay foundation for a second oil boom in Azerbaijan, an ancient oil center, and to lead the country to prosperity.

As a matter of fact, in continuation of "the Contract of the Century", the country achieved significant progress in oil business in the preceding six years. This includes:

- 19 international contracts have been signed with 33 oil companies representing 15 countries; investment totaling \$60 billion has been envisioned by these agreements; reserves of oil in the contract area are estimated at 4 billion tons. To date, a total of \$3.2 billion has been invested in Azerbaijan's oil sector;<sup>50</sup>
- Early oil of the "the Contract of the Century" was produced in November 1997; currently 115,000 bpd are produced from the license area, while 5.4 million tons of oil was to be produced in 2000;<sup>51</sup> although a total of 14 million tons of oil was to be produced in the year 2000, five years later the figure is expected to amount to 30 million, in 2010 to 70 million and in 2020 to 120 million (pessimists put these figures at 25, 45 and 90 million tons respectively);<sup>52</sup>
- One trillion cubic meters of gas and 300 million tons of oil condensate were discovered from Shah Daniz field, which gave Azerbaijan the opportunity to transform from a country importing gas into a gas exporter. The Azerbaijan

International Operating Company (AIOC) announced its intention to construct a pipeline to export gas to Turkey;<sup>53</sup>

- The "early oil" Baku-Novorossiysk (since 1997) and Baku-Supsa (since 1999) pipelines with combined capacity of 220,000 barrels per day were in operation; preparations for construction of the Baku-Tbilisi-Ceyhan MEP were drifting to a close, while talks between Azerbaijan, Georgia and Turkey were completed in May 2000; shortly afterwards, parliaments of the three countries ratified the MEP-related agreement;
- Azerbaijan stood out for dividing the Caspian in national sectors by a middle line pursuant to the 1970 decision. Despite the suggestion of neighboring Iran and Russia to apply the condominium principle, certain progress was achieved in dividing the Caspian seabed in national sectors. At present, Russia and Iran no longer insist on the condominium principle and in principle agree to the division of Caspian hydrocarbons; their latest suggestion was on an equal division of the resources.

Oil contracts and other oil-related developments contributed to the establishment of political stability in Azerbaijan. It should also be reiterated that the oil factor promoted a profound geopolitical transformation in the country. Azerbaijan obtained the opportunity to shake off the venomous dust of the North-South axis and rapidly integrate with Europe and West. Thanks to the new communication links running through Azerbaijan, the country was also turned into a transit one for Central Asia.

However, the hopes for a crucial role of oil in the solution of the country's vital problems have not been justified yet. In some spheres, Azerbaijan's situation has gone from bad to worse.

Conflicting interests in Caspian oil on the part of Russia and Iran, on the one hand, and US and partly Europe, on the other, brought Azerbaijan's independence and security to jeopardy. If not adequately backed by the U.S. and European countries, the clearly pro-Western Azerbaijan can appear helpless vis-à-vis the pressures imposed by the Moscow-Tehran-Yerevan triangle. This largely results from Clinton's "Russia first", "Dual containment" policy, as well as the ambiguity displayed toward the Karabakh conflict. A renowned U.S. regional expert S. Frederick Starr is very accurate in saying, "U.S. deeds fall short of its rhetorical support for the new countries of the region. Particularly in the crucial energy sector, U.S. actions are having the effect of undermining these countries' sovereignty."<sup>54</sup>

Azerbaijan's oil diplomacy did not prove effective in countering Armenia's aggression either. The policy of reliance on transnational oil companies and countries that have stakes in Azeri oil in the issue of a fair solution to the conflict turned out to be erroneous. Moreover, oil can easily trap the country, while Baku can be compelled to sign an unfair and disgraceful accord entitled "Prosperity instead of Karabakh", which, as a matter of fact, plays into the hands of certain political and business circles (including oil companies).

The oil interests of Western companies and countries (including geopolitical interests of the latter) brought about political stability trends in the republic. The experience of certain countries illustrates that such tendencies may pose a threat not only to the countries in question, but may also undermine the interests of oil companies and Western countries. Therefore, an economic interest should not be transformed into a factor retarding political progress, including democratization, in these countries. Otherwise, the latent contempt for the ruling regime may inevitably turn into overt animosity toward its main partners, Western countries and companies, as well as Western values, including democracy and democratic forces within the country. Needless to say that there are forces in Azerbaijan that are eagerly waiting for their chance and can at least count on support of the Iranian regime. Latest public opinion surveys have ascertained the symptoms of deteriorating reputation of Western countries in the wake of their ambiguous policy in the region.<sup>55</sup> For instance, 21% of respondents believe that foreign oil companies actually represent a threat to the country's sovereignty.<sup>56</sup>

Oil factor is destined to have a direct effect on social and economic status of the country. It can be said that Azerbaijan too has contacted "the oil-dollar disease" that is so widely spread in many oil exporting countries. Symptoms of the so-called "Dutch disease" are already surfacing:

- While privatization is still underway and structural changes in economy just moving off the ground, Azerbaijan has already begun producing profit oil and earning oil revenues, as 30-40% of state budget's income part is made up of oil revenues.<sup>57</sup> Oil products constitute 55-70% of exports.<sup>58</sup> 74% of foreign investment (68% of total investment volume) is made in oil industry.<sup>59</sup> The 1998 international slump in crude prices caused a huge budget deficit in Azerbaijan.
- Living standards of most of the population have reached a catastrophically low level with a minimum wage of only \$1,2 per month (!). An average wage (if paid) constitutes \$ 45, while the subsistence minimum is approximately \$ 80. On the other hand, those in the government are getting richer by the day, thereby further alienating themselves from rank-and-file people. Expensive hotels, luxurious foreign cars and spectacular villas are too dazzling on the background of a deplorable Baku infrastructure, roads in particular. Sharp social stratification is evident, as there is no middle class. The majority of the population lives beyond poverty margin. The temptation to use the oil revenues to balance the social status of the population is very big both for the present government and a future short-signed regime. This is also strengthened by the presence of over 1 million refugees.
- Rife corruption, lack of flexibility and mismanagement are characteristic of the Aliyev Administration. Transparency International has placed

Azerbaijan as 96<sup>th</sup> out of 99 governments in its corruption perception index for 1997, while a joint survey by the European Bank for Reconstruction and Development (EBRD) and the World Bank (WB) ascertained that Azerbaijan is the most corrupt country of Eastern Europe.<sup>61</sup> In 1999-2000, the country faced an acute energy problem following rampant sales of Azerbaijan's heating fuel abroad. Since the republic regained independence in 1991, an effective tax system has not been established. A complete tax collection is not in evidence as lack of discipline reigns the area.

In late 1999, Azerbaijan earned its first \$25 million from the sale of the profit oil. Since then, there have been various conflicting figures as to the speed and volumes of the country's oil revenues.<sup>62</sup> One thing remains certain, however: the role of oil revenues in the future will only rise. Therefore, the proper use of these revenues has become a crucial issue for the present Azerbaijan.

In December 1999, under pressure from the World Bank, President Alivev decreed the establishment of the Oil Fund. According to the decree, the Oil Fund shall accumulate the revenues from the sale of the Azerbaijan crude oil and gas, per acre payments starting from the year 2001, payments for the lease of state property under agreements concluded with foreign companies, money earned through the Fund's activities, revenues from the sale of assets under the contracts, etc.<sup>63</sup> Different suggestions have been made on ways of organizing and managing the Fund, making it directly accountable to the Milli Mejlis in order to ensure transparency in its work and prevent misuse of oil revenues, and having it regulated by a special law.<sup>64</sup> However, the key issue is where the oil revenues will be spent on. According to media publications, President's son, SOCAR vice-president Ilham Alivev is expected to be appointed as director of the Oil Fund. According to him, oil revenues will largely target social needs, elimination of the budget deficit and development of small business.<sup>65</sup> In my opinion, this choice of mentioned fields for potential application of oil revenues is completely wrong and if this or a similar concept that does not take into consideration the existing international experience is accepted in Azerbaijan, there is little doubt that oil revenues will further complicate Azerbaijan's already precarious status.<sup>66</sup>

### Conclusion

The struggle for Caspian oil is not yet over. It would be naive to believe that the Moscow-Tehran-Yerevan triangle can back down from its previous positions. Despite the growing effort and success of the Baku-Tbilisi-Ankara alliance (and then Washington and Tel Aviv) and GUUAM (Georgia, Uzbekistan, Ukraine, Azerbaijan and Moldova), a dramatic change in the geopolitical balance is still not ruled out. The logic of these developments reveals that the region Azerbaijan is situated in is currently on the eve of crucial changes. Azerbaijan has already turned into one of Eurasia's significant geopolitical orbits. Whether or not the Caspian oil and Eurasian corridor ideas will be materialized depends to a great extent upon Azerbaijan. Implementation of the energy corridor project can turn Azerbaijan into a transit country as early as today, which can greatly compensate for its disadvantageous status of a closed country. Implementation of the Baku-Ceyhan project gives a tremendous opportunity for transporting Kazakh and Uzbek oil and Turkmenian gas via Azerbaijan, which would turn the country into a gateway to Central Asian republics.

The experience of last years demonstrates that, unlike previous decades, oil has created favorable conditions for the solution of Azerbaijan's vital problems. At the same time, the oil factor has significantly jeopardized the future of Azerbaijan. Solution of these problems requires the establishment of a constructive and democratic regime in the country.

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### Хцлася

### АЗЯРБАЙЖАНЫН ХЯЗЯР ДЯНИЗИ СТРАТЕЭИЙАСЫ

# Нясиб НЯСИБЛИ

(Хязяр Университяси, Бакы, Азярбайжан)

Хязяр дянизи реэионунда эеосийаси ситуасийа 1991-жи илдякиндян кюклц сурятдя фярглянир. Совет Иттифагынын даьылмасындан сонра онун жянубунда йаранмыш йени мцстягил дювлятляр юз мцстягиллийини мющкямлятмяк истигамятиндя хейли мясафя гят етмишляр. Ня Гафгазлары, ня дя Мяркязи Асийаны (икиси бирликдя Хязяр реэионуну) артыг Русийанын арха бахчасы щесаб етмяк олмаз.

Хязярдя йени зянэин щидрокарбон ещтийатларынын кяшфи бу просеслярдя катализатор ролу ойнамышдыр. Хязярин Азярбайжан вя Газахыстан секторларында нефт ишиня Гярбин нящянэ нефт ширкятляри артыг 8 милйард АБШ долларындан чох сярмайя гоймуш, йахын 25-30 илдя щямин сащяляря сярмайя гойулушунун 100 милйард доллардан артыг олмасы ещтималлары йайьындыр. Бакы-Новороссийск вя Бакы-Супса илкин нефт кямярляри артыг ишляйир, Бакы-Тбилиси-Жейщан вя Транс-Хязяр газ кямярляри лайищяляри щаггында принсипиал гярарлар гябул едилмиш, Тенэиз-Новороссийск нефт кямяринин 2001-жи илдя ишя дцшмяси эюзлянилир. Авропа Бирлийинин спонсорлуьу иля 1993-жц илдян башланмыш даща бир нящянэ лайищя – ТРАСЕКА Гафгазларын вя Мяркязи Асийанын Авропайа интеграсийасында мцщим аддым олду. Сийаси-стратеъи сащядяки дяйишикликлярин диэяр бариз нцмуняси ЭЮУАМ дювлятляр бирлийинин йаранмасыдыр.

Эеосийаси эялишмялярин истигамятляри щаггында эюстярилянлярля йанашы, ону да хцсуси гейд етмялийик ки, бу эеосийаси инкишаф щялялик мянтиги сонуну тапмайыб. "Бюйцк ойунун" баша чатмасына щяля хейли вар. Щяля эеосийаси инкишафын истигамятинин дяйишмяйяжяйиня щеч кяс тяминат веря билмяз. Хязяр резиону уьрунда мцбаризя йашадыьымыз дюврдя дцнйанын ян актуал проблеминя чеврилиб. Бy мцбаризянин нятижяляри Аврасийанын эяляжяк мянзярясинин вя эеосийаси хяритясинин бичилмясиня бирбаша тясир едяжяк.

Азярбайжан Республикасынын 1991-жи илдян сонра кечдийи йол, реэионда баш вермиш вя бу эцн дя давам едян мцряккяб просеслярин бир нцмунясидир. Бакы, Хязяр нефт бумунун, цмумиййятля, реэион эеосийасятинин мяркязиня чеврилмишдир. Азярбайжан Республикасынын щяйати проблемляри реэион юлкяляринин проблемляри иля ейнидир. Бунунла беля, бир сыра мясялялярдя

Азярбайжан юзяллийя маликдир. Мяркязи Асийа юлкяляри вя Ермянистан кими Азярбайжан Республикасы да гапалы юлкядир, йяни ачыг дянизляря бирбаша чыхышы йохдур. Йени мцстягил дювлятлярин чохусу кими, Азярбайжан Республикасы да Русийанын тясир даирясиндян чыхмаг истяйир, лакин яски метрополийа иля тарихи вя мцасир мцнасибятляриндя диэярляриндян (мясялян, Ермянистандан) фяргли юзялликляря маликдир.

Диэяр йени мцстягил дювлятляр кими Азярбайжан Республикасы да 1991-жи илдян сонра реэионун диэяр бюйцк дювляти - Иран Ислам Республикасы иля йени мцнасибятляр гурмаьа башлады. Лакин бу мясялядя дя Азярбайжанын юзяллийи бу юлкя иля (Иранла) бирбаша, эениш сярщядляринин олмасы иля мящдудлашмыр. Азярбайжан Республикасы шия ижмасынын бюйцклцйцня эюря Ирандан сонра дцнйада икинжидир. Цстялик, Азярбайжан дцнйанын азсайлы бюлцнмцш юлкяляр вя бюлцнмцш миллятляр групуна дахилдир. Азярбайжан Республикасындан яразижя ики дяфя бюйцк диэяр Азярбайжан, Иранын шимал-гярбиндядир; дцнйа азярбайжанлыларынын тяхминян дюрддя цчц дя мящз бу мямлякятдя (Иранда) йашайыр.

Диэяр Хязярсащили юлкяляр кими, Азярбайжанын Хязярдя пайына дцшян секторда (80 мин км<sup>2</sup>) да нефт вя газ вар, лакин зянэинлийиня эюря о, йалныз Газахыстан секторундан (113 мин км<sup>2</sup>) эери галыр. Нефт Хязярсащили юлкялярин щамысынын тарихиндя юнямли рол ойнайыб вя ойнамагдадыр. Амма Азярбайжан Республикасы дцнйанын ян гядим нефт бюлэяси олмасы етибары иля, еляжя дя нефтин юлкя тарихиндя ойнадыьы биринжи дяряжяли ролу иля дя фярглянир.

Вя, нящайят, Азярбайжан Республикасы она дост мцнасибятдя олмайан Русийа Федерасийасы, Ермянистан вя Иранын эеосийаси мцщасирясиндядир. Гоншу Ермянистан онун яразисинин тяхминян 20%ни ишьал едиб, 12 илдян артыг чякян Гарабаь проблеминин щялли йолу щялялик эюрцнмцр. Бир сюзля, Азярбайжан Республикасынын вязиййяти бцтцн реэионун вязиййятинин эюстярижиси олмагла йанашы, бир сцрц дя юзялликляря маликдир.

Азярбайжан Республикасынын эеосийаси вязиййятиндяки мцряккяблик илк нювбядя онун жоьрафийасы иля шяртлянир. Тябии горуйужу амиллярин олмамасы, йа шимал тяряфдян онун зяиф олмасы (Дярбянд кечиди) тарихян шималдан жянуба вя яксиня олан щярби

йцрцшляр гаршысында бу юлкяни мцдафиясиз гоймушдур. Бу коридорда узунмцддятли еволйусийалы инкишаф цчцн шяраит олмамышдыр. Жоьрафийадан башга даща ики тарихи-сийаси щадися Азярбайжанын буэцнкц мцряккяб эеосийаси вязиййятини шяртляндирмишдир. Бириси XVI ясрин башларында Азярбайжан яразисиндя йаранмыш йени Сяфявиляр империйасынын ящалини шия мязщябини гябула мяжбур етмяси щадисясидир. Сяфявиляр дюврцндя (1501-1722) шиялийин рясми мязщябя чеврилмяси Азярбайжанын сонракы инкишафында мцщцм талейцклц рол ойнады. Беля ки, Азярбайжан галан сцнни тцрк 150 Сяфяви-Османлы дцнйасындан айрылды, илдян чох чякян мцщарибяляри нятижясиндя Азярбайжанын йолу гярбя, сцини-шия зиддиййятляри сябябиндян еляжя дя шяргя - Мяркязи Асийайа (Тцркцстана) йолу кясилди. Явязиндя азярбайжанлылар (Азярбайжан идеолоъи-кцлтцр бахымындан фарсларла гайнайыб тцркляри) XIX гарышдылар. ясрин башларында олмуш ики Иран-Русийа мцщарибясинин (1804-1813, 1826-1828) нятижяляри Азярбайжан цчцн даща бир фажия иля нятижялянди: фактики мцстягил Азярбайжан ханлыглары ики дювлятин – чар Русийасы вя Гажар Иранын тяркибиня гатылды. Тяхминян беш яср Азярбайжан Шимал-жянуб охуна кюклянмиш олду, ондан шяргдя (Тцркцстан, Мяркязи Асийа) вя гярбдя (Эцржцстан, Тцркийя, Авропа) йерляшмиш юлкялярля ялагяляри мящдудлашдырылды.

1991-жи илдян сонра йаранмыш йени эеосийаси ситуасийа резион дювлятляри арасында груплашма йаратды. Русийанын Гафгазларда тарихян ян садиг елементи олан ермяниляр вя Ермянистан Республикасы Русийа Федерасийасынын хцсуси щимайясиндян файдаланмаьа чалышдылар. Белорус истисна олмагла, кечмиш совет республикаларындан Русийайа ян йахыны бу эцн Ермянистан щесаб едилир. Русийа Федерасийасы бу дювлятдян Азярбайжана вя Тцркийяйя тязйиг васитяси кими истифадя етмяйя вя ону щяр сащядя дястяклямяйя башлады. Москва-Йереван мцнасибятляри стратеъи мцттяфиглик характери дашыйыр вя игтисади, сийаси, стратеъи сащялярдя сых ямякдашлыьы ещтива едир. 1994-96-жы иллярдя Русийанын Ермянистана 1 милйард доллардан артыг явязи юдянилмяйян силащ йардымы тякзибедилмяз фактдыр.

Азярбайжанла Мяркязи Асийа арасында ониллярля кясилмиш ялагялярин бярпасы башланмыш, бу истигамятдя мцщцм аддымлар

атылмышдыр. Лакин эеосийаси мцщасирянин даьыдылмасы цчцн тяляб едилян "шярг гапысы" ЩЯЛЯ тамамиля ачылмамыш, мювжуд имканлардан эяряйинжя, там истифадя едилмямишдир. Щалбуки Мяркязи Асийа иля йахын мцнасибятляр вя нефт фактору Азярбайжаны транзит юлкяйя чевиря биляр, МЦСТЯГИЛЛИЙИНИ МЮЩКЯМЛЯТМЯК ВЯ ярази бцтювлцйцнц бярпа етмяк цчцн она ялавя мцттяфигляр газандыра биляр. Бунун цчцн илк нювбядя Газахыстан вя Юзбякистанла ялагялярин эенишлянмяси, Тцркмянистанла мювжуд проблемлярин щялли тяляб олунур.

Нефт амили юлкянин сосиал вя игтисади дурумуна бирбаша тясир едяжяк. Бу эцн беля дейя билярик ки, Азярбайжан да артыг нефтдолларын бир сыра нефт ихраж едян юлкялярдя тюрятдийи хястялийя дцчар олуб. "Щолланд хястялийи" нин симптомлары артыг цздядир.

1999-жу илин сонунда Азярбайжан щюкумяти илк мянфяят нефтинин сатышындан 25 милйон АБШ доллары ялдя етди. Сонракы иллярдя онун щансы темп вя мигдарда артмасы щаггында бир-бирини тякзиб едян мцхтялиф рягямляр вар. Амма бир шей тамамиля айдындыр ки, артыг нефтя индекслянмиш Азярбайжанын йахын эяляжяйиндя нефт эялирляринин ролу даща да артажаг. Одур ки нефт эялирляриндян истифадя мясяляси Азярбайжан цчцн щяйати мясяляйя чеврилмишдир.

1999-жу илин декабрында президент Ялийев Дцнйа Банкынын исрарындан сонра Азярбайжан Нефт Фондунун йарадылмасы щаггында фярман верди. Бу фярмана ясасян, Азярбайжанын пайына дцшян хам нефтин вя газын сатышындан ялдя едилян эялирляр, 2001-жи илдян башлайараг акрщесабы юдянишляри, харижи ширкятлярля баьланмыш мцгавиляляр чярчивясиндя дювлят ямлакындан истифадя цчцн ижаря щаггы, фондун фяалиййятиндян ялдя едилян вясаит, харижи ширкятлярля баьланмыш мцгавиляляря уйьун олараг Азярбайжан тяряфиня верилян активлярин сатышындан вя башга дахилолмалардан ялдя едилян эялирляр бу фондда топланажаг. Фондун тяшкили вя идаряедилмяси гайдалары щаггында мятбуатда мцхтялиф тяклифляр верилмиш, онун ишиндя шяффафлыьы тямин етмяк, нефт эялирляринин таланмасынын вя гейри-еффектив хяржлянмясинин гаршысыны алмаг цчцн онун бирбаша Милли Мяжлися табе едилмяси вя фяалиййятинин хцсуси ганунла низамланмасы щаггында фикирляр сяслянмишдир. Лакин ясас принсипиал мясяля нефт эялирляринин йюнялдийи сащялярля баьлыдыр.

Игтидардан вя мцхалифятдян олан бир сыра шяхслярин вердийи бяйанатлара эюря, нефт эялирляри ясасян сосиал ещтийажларын юдянилмяси, бцджя кясиринин гапанмасы вя йерли сащибкарлыьын инкишафына сярф едиляжяк. Бизим фикримизжя, нефт эялирляринин йюнялдиляжяйи сащяляр арасында эюстярилянляр ян уьурсузудур вя бу, йа да дцнйа тяжрцбясини нязяря алмайан бунаохшар диэяр консепсийа гябул едилдийи тягдирдя, нефт эялирляринин Азярбайжанын йахын эяляжякдя проблемлярини даща да мцряккябляшдиряжяйи шцбщя доьурмур.

Хязяр нефти уьрунда мцбаризя щяля битмяйиб. Москва-Тещран-Йереван цчлцйцнцн асанлыгла юз мювгеляриндян ял чякяжяйини дцшцнмяк реаллыгдан узаглашмаг оларды. Бакы-Тифлис-Анкара (даща сонра Вашингтон вя Тел-Явив) иттифагынын, еляжя дя ЭЮУАМ дювлятляр бирлийинин артан жящдляриня вя укурларына бахмайараг, эеосийаси просеслярдя драматик дяйишмялярин мцмкцнлцйц щяля истисна едилмир. Анжаг бу просеслярин мянтиги исрарла нишан верир ки, бу эцн Азярбайжанын йерляшдийи реэион чох мцщцм, талейцклц эеосийаси дяйишмяляр яряфясиндядир. Артыг бу эцн Азярбайжан Аврасийанын мцщцм эеосийаси мящвярляриндян бириня чеврилмишдир. Хязяр нефти вя Аврасийа дящлизи комплексинин эерчякляшмяси хейли дяряжядя Азярбайжанын гятиййятли мювгейиндян асылыдыр. Артыг бу эцн енеръи коридору лайищясинин эерчякляшмяси Азярбайжаны транзит юлкяйя чевирир. Бу, онун гейри-мцнасиб гапалы юлкя вязиййятини хейли компеісасийа едя биляр. Бакы-Жейщан дяряжядя лайищясинин Юзбякистан эерчякляшмяси Газахыстан ΒЯ нефтинин, еляжя ДЯ Тцркмянистан газынын Азярбайжандан кечмяси цчцн реал ясас йарадыр. Бу да Азярбайжаны ейни заманда Орта Асийа цчцн килид нюгтя мювгейиня чыхарыр.

Сон иллярин тяжрцбяси сцбут едир ки, нефт яввялки ониллярдян фяргли олараг мцстягил Азярбайжанын бир чох щяйати проблемляринин щялли цчцн ялверишли шяраит йаратмышдыр. Ейни заманда нефт фактору Азярбайжан Республикасынын эяляжяйини тящдид едян хейли проблем дя йаратмышдыр.