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CHAPTER 1: GEOGRAPHY

Introduction

Azerbaijan lies on the eastern side of the South Caucasus, which is part of the mountainous region that separates the Black Sea and Caspian Sea. The country is bordered by the Caspian Sea to the east, Iran to the south, Armenia to the west, and Georgia and Russia to the north.1 Azerbaijan also holds a number of exclaves (regions separated from the main portion of the country). The largest and most significant of these exclaves is Naxçivan, which is separated from the rest of Azerbaijan by the rugged mountains of southern Armenia. Iran lies to the south of Naxçivan, with the Aras River separating the two regions. At the far western edge of Naxçivan lies a short stretch of border with Turkey, where the Aras River again is the boundary.2, 3

Geographic Divisions

Although Azerbaijan is smaller than the state of Maine, it is nonetheless a nation of diverse terrain.4 Approximately half of the nation is covered by mountains. To the north lie the mountains of the Greater Caucasus; the Lesser Caucasus Range lies to the south and west. The slopes of the mountains are a mixture of forest and pastureland, except for in the extreme northeast near the Caspian Sea. Here, the soil is less fertile and the mountains slope into an arid plain.5, 6 These mountain ranges are separated by a central lowland region that serves as the drainage area for the Aras and Kura rivers. Much of the eastern portion of the Aras-Kura Lowlands lies beneath sea level.7, 8

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At the far southeastern corner of Azerbaijan are the northernmost reaches of the Talysh Mountains, which run roughly parallel to the Caspian Sea coast and extend southeast into Iran.9 To the southwest, many of the highest peaks of the Lesser Caucasus Mountains are either within the Azerbaijani region occupied by Armenia (Nagorno-Karabakh and adjacent areas to the west and south) or near the cease-fire line. Straddling the Naxçivan-Armenia border region, the southeastern end of the Lesser Caucasus Mountains includes the Zangezur Range. The highest point of this range is Kaputjukh at 3,904 m (12,808 ft).17

Just east of the high peaks of the Greater Caucasus Mountains lies the Abşeron Peninsula, which extends 60 km (37 mi) into the Caspian Sea.12 The narrow marine plain of the Abşeron Peninsula contains both Baku, Azerbaijan’s capital and largest city, and Sumqayit, the nation’s third-largest city and one of the world’s most polluted cities.13

To Azerbaijan’s far northeast is a coastal lowlands area lying between the northern slopes of the Greater Caucasus Mountains and the Caspian Sea. By the most common definition of continental landmasses, this northeastern section of Azerbaijan is the only part of the country that lies within Europe.14

Topographic Features

The Greater Caucasus Mountains dominate the northern region of Azerbaijan, where the country’s highest points are found. Bazardüzüdağ, whose peak lies on the Russian-Azerbaijani border, is the nation’s highest point at 4,485 m (14,715 ft).15 Nearby, and only slightly lower in elevation, are the peaks of Shahdağ at 4,243 m (13,921 ft) and Tufandağ at 4,197 m (13,770 ft).16, 17

References:

ft), a peak that lies astride the border. Nearby is Gamigaya, which rises 3,726 m (12,224 ft), a remote mountain peak known for the ancient rock drawings on its cliffs.18, 19, 20

Climate

Most of eastern and central Azerbaijan has a dry subtropical climate, with mild winters and hot, mostly dry summers that may last for 4–5 months.21, 22 Average summer temperatures in this region are 27°C (80.6°F); highs above 37.8°C (100°F) are not uncommon.23, 24 The regions near the Caspian Sea tend to be the driest, with annual rainfall totals averaging between 20.3 and 30.5 cm (8 and 12 in).25 But to the far southeast, this precipitation trend changes dramatically in the Länkäran Lowlands. Here, rainfall averages between 120 and 140 cm (47 and 55 in), producing climatic conditions suitable for the cultivation of crops such as tea and cotton.26, 27

Inland regions experience colder winters than the coastal regions.28 In the Greater and Lesser Caucasus ranges, winter snowfalls can keep mountain passes closed for several months per year.29 At elevations above 3,048 m (10,000 ft), the climate in these high mountain regions is similar to that of tundra. Annual precipitation in the foothills of the mountain areas is higher than in the adjacent central and eastern lowlands, with the highest rainfall totals occurring in a strip of foothills running southeast from the Georgian-Russian border into Azerbaijan.30

Bodies of Water

Rivers and Lakes

Azerbaijan has more than 1,000 rivers, but two in particular—the Kura and the Aras—dominate the nation’s landscape and support large-scale irrigation. The longest river is the Kura, which flows 1,364 km (848 mi) from its headwaters in northeastern Turkey to its mouth in the Caspian Sea. The river enters Azerbaijan near the point where the Armenian, Georgian, and Azerbaijani borders meet and thereafter flows southeastward toward the Caspian Sea. Near the middle of its passage through Azerbaijan, the Kura fills the Mingäçevir Reservoir behind a large hydroelectric dam built in 1953. Numerous reservoirs have been built on the river to manage irrigation, control floods, and provide hydroelectric power.

The Aras River forms the border between Armenia and Azerbaijan. Near the town of Sabirabad in the eastern lowlands and about 121 km (75 mi) from the Caspian Sea, the Aras River flows into the Kura River. Well before this junction, the two rivers are connected by the Upper Kabarakh irrigation canal, which is fed with water from the Mingäçevir Reservoir. Like the Kura, the Aras River originates in the eastern Turkish highlands, marking the boundary between Naxçivan and Armenia.

There are approximately 250 natural lakes in Azerbaijan, but none of them is significant, especially when compared with the country’s large reservoirs. Lake Hajikabul, located near the eastern lowland city of Āli Bayramlı, is the nation’s largest lake, with an area of 15.5 sq km (6 sq mi).

The Caspian Sea

The Caspian Sea, the world’s largest inland body of water, is a vast salt lake that forms 713 km (443 mi) of Azerbaijan’s border along the Abşeron Peninsula. The lake is an

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important economic resource, providing nearly 80% of the world’s sturgeon catch and its highly valued caviar. Oil and natural gas are also significant resources in the Caspian Sea region. For the capital of Baku, the Caspian provides an important transportation route for the region’s products. Many products are ferried from several port cities along the Caspian coast before being loaded onto railway cars for transit through the nation.39

### Population and Cities

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<td>Gäncä (Ganja)</td>
<td>321,100</td>
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<tr>
<td>Sumqayit</td>
<td>318,700</td>
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<td>Mingäçevir (Mingechevir)</td>
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<td>Naxçivan City</td>
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</table>

**Baku**

Baku, Azerbaijan’s capital city, is the largest city in the Caucasus region.41 It’s population of more than 2 million people overshadows that of all other Azerbaijani cities. Although Baku has long been settled and is located on a natural harbor of the Caspian Sea, its explosive population growth came during the late 19th century when it became the center of one of the world’s first oil rushes.42

Baku has been associated with oil since ancient times when caravans from around the world came to Baku to trade for oil.43, 44 In 1806, Baku and the Abşeron Peninsula became (once again) part of the Russian Empire, and 40 years later, the first modern oil well was drilled near Baku.45

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During the 1870s, the Russian government began auctioning Baku oil reserves to private parties, thus triggering an oil rush that brought in representatives from oil firms throughout Europe and Russia. By the turn of the century, half of the world’s oil came from wells around Baku.

Because of the influx of foreigners and outsiders and the huge disparity of wealth among its residents—demonstrated by the contrast between the slum dwellings of oil field workers and the grand mansions of the oil barons—Baku became a hotbed of ethnic conflict and labor unrest in the early 20th century. The Bolshevik wing of the Russian Social Democratic Labor Party, which later transformed into the Communist Party of the Soviet Union, was very active in the city during this time. Yet control of the city was wrested from the Bolsheviks in September 1918, and Baku became the capital of the short-lived Azerbaijan Democratic Republic. In April 1920, the Red Army marched into the city, launching Azerbaijan’s Soviet era.

Baku’s importance as an oil center declined during the second half of the 20th century as the Soviet Union pursued new oil ventures in Siberia. But since Azerbaijan regained its independence in 1991, Baku’s economy has recovered because of large amounts of foreign investment in the area’s onshore and offshore oil resources.

Gäncä (Ganja)

Azerbaijan’s second-largest city is Gäncä, which is located in the western region of the country on a tributary of the Kura River. Known as Kirovabad during the Soviet era, Gäncä lies at the center of a rich agricultural region that supplies cotton for the city’s textile factories and food crops for its processing plants. The city, which became a semi-industrial center during the Soviet era, has one of Azerbaijan’s two aluminum industry plants.

50 Mark Elliott, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 42–43.
Gänca’s long history includes several incidents in which the city was leveled by various forces, either human (invading Persians, Arabs, and Mongols) or natural (an earthquake in 1139 C.E.).

For a brief period in 1918, the city was the capital of the newly created Azerbaijan Democratic Republic, until Baku was wrested from Bolshevik control by a combined force of Ottoman Turks and Azerbaijani volunteers. The city’s most famous local writers are the 12th-century poets Nizami Gänjävi and Mehsati Gänjävi.

**Sumqayit**

Sumqayit is located on the northern coast of the Abşeron Peninsula, roughly 30 km (18.6 mi) from Baku. The city was founded in 1944 as an industrial hub for the Soviet war effort, and, fueled by the oil and natural gas fields around Baku, it quickly grew into a major chemical and metallurgical industrial center. During the height of the industrial development of Sumqayit, environmental safeguards were minimized for the sake of production quotas, and the city subsequently suffered the effects of rampant pollution. Birth defects and first-year deaths of children in Sumqayit have long exceeded average levels, and at one point, the city had the world’s highest infant mortality rate. Cancer rates in the area continue to be 22%–51% higher than those in other regions of Azerbaijan, a phenomenon that contributes to the city’s frequent inclusion on lists of the world’s most polluted places. Even upbeat tourism guides today describe the city as a “dystopian industrial nightmare” and “environmental wasteland.”

Many of the worst-polluting industries in Sumqayit closed down during the nation’s post-Soviet recession. But despite such closures, the city’s population has continued to grow, in part because many internally displaced Azerbaijanis from Nagorno-Karabakh and surrounding regions under Armenian control have relocated to the area. In 1988, a pogrom (an organized ethnic attack) directed against Armenians in Sumqayit violently escalated the mounting political crisis over the

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status of Nagorno-Karabakh. It has been estimated that about 593,000 persons are internally displaced in Azerbaijan.

**Mingäçevir**

The Mingäçevir region has been inhabited for at least 5,000 years. The construction of Azerbaijan’s largest dam and hydroelectric plant provides the foundation for the current city of Mingäçevir. Thousands of people came to the area in the late 1940s to build the dam, and the city of Mingäçevir formed downstream from the dam site on the Kura River. The dam was completed in 1953, and since then, the city’s light industry (textiles, consumer goods, household items) has used the abundant hydroelectric power to help spur the local economy. The dam is especially important for flood control and irrigation management, along with the production of hydroelectric power. The city’s dam is the most extensive in the nation.

**Naxçivan City**

As the capital of the Naxçivan Autonomous Republic, an exclave of Azerbaijan, Naxçivan City is the most isolated of the country’s large cities. Besides its geographical separation, the region is further isolated from the rest of Azerbaijan by travel restrictions through Armenia or Armenian-controlled areas of Azerbaijan. Thus, Naxçivan City residents have access to only two land border crossings: one to the northwest on the Turkish border and another to the southeast into Iran. During the late 1980s and early 1990s, when Naxçivan was briefly threatened by Armenian forces, the exclave was led by Naxçivan native Heydar Aliyev, who later served as president of Azerbaijan for more than a decade.
Naxçıvan City lies on a plateau adjoining the Aras River near the Araz Su Reservoir, created by a large hydroelectric dam. Grain, tobacco, cotton, and fruit are cultivated on nearby irrigated lands. Naxçıvan City has suffered economic decline since Azerbaijani independence, largely because of the Armenian-enforced blockade between it and the rest of the nation. The city has a limited light industrial base consisting of mining, food processing, cotton ginning, and the production of furniture and silk textiles.

Environmental Concerns

Like other former republics of the Soviet Union, Azerbaijan has no shortage of environmental problems. The nation’s tainted environmental legacy largely stems from the poor condition of the Abşeron Peninsula, where years of quick and cheap exploitation of oil reserves have left pools of oil and sludge on land and oil slicks that wash onto the beaches. Labeled the most ecologically devastated area in the world, the peninsula suffers from air, water, and soil pollution. Air pollution arises largely from oil plants and refineries, engine exhaust, and the burning of waste and garbage. Untreated waste from many of the nation’s factories is dumped directly into rivers and the rising salinity of the Caspian Sea has seeped into water tables. Oil spills, DDT, and toxic defoliants used in the nation’s cotton industry are largely responsible for toxic soil levels and pollution.

Efforts have been made to clean up lingering soil and water pollutants and to mitigate the dangers caused by hazardous wastes that continue to be generated by working factories. But economic considerations have often worked against the cleanup effort. For example, the World Bank worked with the Azerbaijani government to fund a disposal site near Sumqayit for mercury-laden industrial waste. But there have been several reports that some factories are not using it because they cannot afford the site’s usage fees.

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The country is working toward improving its environment. Laws are now in place to protect the environment, and monitoring efforts have increased. But budgetary constraints indicate that the nation is likely to make little progress in the near future.84

Natural Hazards

Azerbaijan lies in an active seismic zone and has frequently been struck by earthquakes. In November 2000, Baku was rocked by two successive jolts registering 5.9 and 6.3 on the Richter scale. As a result of the quake, 26 Baku residents died and 412 others required medical attention.85 Nineteen earthquakes struck the country in 2011, most of which were in the north along the nation’s border with Russia. On 7 May 2012, the country saw its largest earthquake of the year (magnitude 5.6) near Zaqatala.86

The most seismically active zone, where most earthquakes have occurred, is along the Caucasus Mountains from the Black to the Caspian seas. Two major faults lie there. Increased buildup of tension in the country’s central region could lead to a devastating earthquake similar to the one in 1859, which destroyed much of the region. Data show that the city of Baku, the oil reserves, and the Caspian Sea could be threatened.87

The country is also afflicted with other types of natural disasters, including floods and landslides.88 Floods are the most common natural hazard in the nation followed by earthquakes. In May 2003, several cities in northern Azerbaijan suffered landslides after intensive rainstorms; at the same time, thousands of homes in cities along the Kura River were flooded.89, 90 In 2010, the nation experienced several weeks of intense flooding in the central region.91 Avalanches in the Greater Caucasus and in the Naxçivan Autonomous Republic are not uncommon.92

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85 International Federation of Red Cross and Red Crescent Societies, “Azerbaijan: Earthquake” (Emergency Appeal No. 35/00, 6 December 2000), http://www.ifrc.org/docs/appeals/00/3500.pdf
Risk analysis studies reveal that both the frequency and the intensity of natural disasters are increasing. Heavy winter snows melt during the spring, sometimes causing flash floods and mudslides, particularly in the southern and northeastern slopes of the Greater Caucasus and the southwest and northeastern slopes of the Lesser Caucasus. As the country continues to undergo climate change, mudflows in the mountainous regions are likely to increase.93

Chapter 1 Assessment

1. Azerbaijan has a number of exclaves, or territories that are separated from the main portion of the country.
   **True**
   The largest and most important of these exclaves is the Naxçivan Autonomous Republic, which is separated from the rest of Azerbaijan by the mountains of southern Armenia.

2. Most of eastern and central Azerbaijan has a cool and rainy climate.
   **False**
   Although southeastern Azerbaijan experiences significant precipitation, most of the eastern and central regions of the country have a dry subtropical climate with mild winters and hot, arid summers.

3. Of Azerbaijan’s many rivers, the Kura and the Aras are the most important in terms of water supply and energy production.
   **True**
   The Kura and Aras rivers support the country’s large-scale irrigation projects; they fill massive reservoirs contained by hydroelectric dams.

4. The Azerbaijani city of Baku has only recently developed its oil industry.
   **False**
   Baku has a long history of oil production. It was one of the major hubs of the world’s oil industry in the late 19th and early 20th centuries.

5. The city of Gäncä is located in an important agricultural region of western Azerbaijan.
   **True**
   The rich agricultural area surrounding Gäncä supplies cotton and produce for the city’s textile and food processing plants.
CHAPTER 2: HISTORY

Introduction

Azerbaijan’s history is marked by conflict and political strife. Located near overland routes that once linked Anatolia and the Middle East with Central and Eastern Asia, the region has experienced few prolonged periods of stability. Its history and culture reflect the influences of the many dynasties that ruled the region. For centuries, the area of modern-day Azerbaijan was linked with its namesake, a province in Iran. Many historians believe that the name Azerbaijan derives from the ancient Persian word for this region. For stretches of its early history, Azerbaijan was known by the name Albania, even though Azerbaijanis have no cultural or linguistic connections with the Balkan nation. Turkish invaders also had a major influence on Azerbaijani culture, with the Seljuks and Ottoman Turks ruling at various times. The Soviets controlled Azerbaijan from the early 18th century until the late 20th century, except for a brief period (1918–1920) when Azerbaijan was an independent nation. The Red Army reconquered Azerbaijan in 1920 and incorporated it into the Soviet Union. The nation regained its independence in 1991 when the Soviet Union collapsed.

Thus, the Azerbaijani national identity developed late and is, in many ways, inconsistent. For example, the modern Azerbaijani language is Turkish based, but the legendary poets of Azerbaijan’s golden age wrote in Persian. Today, such disharmony continues. Some Azerbaijanis wish to emphasize the Turkish elements of their national identity, while others favor a more inclusive approach that acknowledges the region’s many cultural and ethnic influences.

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Prehistory

The Caucasus region is one of the cradles of human civilization. In Azerbaijan, there are several sites of ancient rock carvings that have been traced to the Stone Age through Iron Age periods. Perhaps the best known of these sites is Qobustan (located south of Baku on the Caspian coast), which is famous for its petroglyphs of hunting scenes, animals, constellations, boats, and other subjects. Some of these carvings have been estimated to be 40,000 years old. In 2007, the Qobustan Rock Art Cultural Landscape was designated a World Heritage Site, one of only two such sites in Azerbaijan. (The other is the ancient Walled City of Baku.)

Early History

Very little is known about the societies that occupied the region of modern-day Azerbaijan before the first millennium B.C.E. According to ancient historical sources, the kingdom of Media emerged during the 7th century B.C.E. when Cyaxares united the tribes of ancient Iran and defeated the armies of Assyria. Ultimately, the Median Empire extended into the southernmost areas of modern Azerbaijan, most notably the Naxcivan region.

The Median Empire quickly faded in the 6th century B.C.E. as another Iranian empire—the Achaemenian Dynasty centered in Persis—usurped the power of their former Median overlords. Led by Cyrus II (Cyrus the Great), the Persians forged a vast empire that included all of present-day Azerbaijan. The Persians imported the Zoroastrian religion, bridging ancient polytheistic (multiple gods) religions and later monotheistic religions represented by Judaism, Christianity, and Islam.

Around 330 B.C.E, the forces of Alexander the Great conquered the Achaemenian Empire and destroyed its fabled capital, Persepolis. Before Alexander continued his conquests, he installed loyal Persian satraps (governors) to oversee the former Achaemenian regions. One such ruler was the Persian general Atropates, whose area of control was later named for him (Atropatene). This region constitutes the northern portion of modern Iran that was formerly

included in Azerbaijan. Many historians believe that the name Azerbaijan derives from the Middle Persian word *Aturpataka*, a form of the Greek word *Atropatene*.109

To the north of Atropatene, a group of tribes called Albanians began to slowly unify under a single ruler.110, 111 But even as the tribes coalesced, external powers continued to exert influence over the area. Among these powers were the Seleucid Greeks, the weakened successors to Alexander’s empire, and, later, the Parthians, another dynasty from Iran. The Romans arrived in the 1st century B.C.E. and made several incursions into the region.112 In the 3rd century C.E., the Albanian region was annexed by the Sassanids, the last of the pre-Islam Persian dynasties.113, 114

**Islam, the Seljuk Dynasty, and the Mongols**

Arab invaders entered the Transcaucasus in the 7th century, bringing their Islamic faith, which eventually replaced both Christianity and Zoroastrianism. Although Islam became the predominant religion in Azerbaijan, it was not universally accepted. In the 9th century, the non-Muslim Khorramites, led by Babek, began a popular uprising. For two decades, both peasants and gentry rose in opposition to Arab rule, but they were eventually defeated and Babek executed.115, 116

The Arabs continued to rule the area of modern-day Azerbaijan until the 11th century when the Seljuk Turks replaced them, ruling until the 13th century. During this time, the Azerbaijani language was created. Its literary tradition grew to rival those of Persia and the rest of the Muslim world. In the 13th century the Mongols poured into the region. In the late 14th century, the Mongol leader Timur (Tamerlane) led a particularly bloody and vicious campaign, destroying much of Azerbaijan and its infrastructure.117

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15th Century–Early 20th Century

After Tamarlane died, a series of city-states, or khanates, developed in the region. Often feuding among themselves, these city-states remained fragmented. The Safavids, a Sufi group originating in Persia, eventually defeated the khanates in the 16th century. But the Ottoman Turks posed a serious threat to the Safavids, and from 1580 to the early 1600s Ottoman armies frequently seized control of areas of Azerbaijan. By 1612, the Safavids reclaimed the region.118 These persistent battles, as well as infighting among the Safavid elite, weakened the dynasty.119 In 1722, invaders from Afghanistan defeated the Safavids, ending their rule.120

Taking advantage of the power vacuum, the forces of Peter the Great of Russia swept down from the north, and in 1723 occupied the areas of Azerbaijan adjacent to the Caspian Sea. Twelve years later, the Persian leader Nādir Shah expelled the Russians and began a brutal reign over the region.121, 122 After Nādir Shah’s assassination in 1747, Azerbaijan once again divided into several khanates and sultanates that jockeyed for supremacy among each other throughout the remainder of the 18th century.123

The Russian Empire

In 1795, Russian troops captured the Shirkan khanate capital of Shamakha, but were quickly forced out by Persian troops. The first Russo-Persian War (1804–1813) left the Russians in control of all of modern-day Azerbaijan, with the exception of Naxçivan, which came under their control during the second Russo-Persian War in the 1820s. The 1828 peace treaty split greater Azerbaijan between the two empires. Today, this division continues to mark the border between Iran to the south and Azerbaijan and Armenia to the north.124 One effect of the Russian annexation of these regions was an increase in the migration of ethnic Armenians from Persian- and Ottoman-ruled areas to the Russian-controlled areas of Nagorno-Karabakh and modern-day Armenia, where they felt safer.125, 126, 127

118 Mark Elliot, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 41.
122 Mark Elliot, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 41.
123 Mark Elliot, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 41.
126 Mark Elliot, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 42.
This division became significant as development in the north and south diverged. In the Russian north, industrialization was rapid and Baku, the capital, became the center of an oil boom. The oil boom in Baku, beginning in 1872, opened a new chapter in Azerbaijani history. Although the Tsarist government in Moscow originally saw the region as only a remote outpost suitable for political exiles, Azerbaijan suddenly became the major source of oil for all of Russia. Azerbaijani were quickly outnumbered and soon constituted less than half of the population of Baku as ethnic Armenians flooded in to take advantage of jobs and the new oil wealth.128, 129, 130, 131

During this period, the concept of an Azerbaijani identity began to take hold among urban nationalists in Baku. Because the region had long been broken up into a number of local kingdoms that were often subservient to larger empires, the native population saw themselves first and foremost as Muslims rather than as any particular ethnic group. (At the time, the Russians incorrectly referred to the native Muslims as Tatars.) As a political and economic pecking order developed in Baku (placing Europeans on the top, Russians and Armenians in the middle, and Azerbaijani Muslims at the bottom), ethnic divisions arose and ultimately erupted into interethnic bloodshed between Armenians and Azerbaijanis in 1905 and in 1918.132, 133

The Azerbaijan Democratic Republic

In the wake of the Russian Revolution of 1917 and the removal of Russian troops from the Caucasus region, Georgia, Armenia, and Azerbaijan formed the Transcaucasian Federation. But the alliance fell apart within a matter of months. Azerbaijan declared itself an independent republic in May 1918, although the Bolsheviks continued to control Baku, the economic heart of the country.134

The battle for control of Baku is remembered today for the vicious ethnic violence it unleashed. The Bolsheviks, allied with Armenian soldiers, staged a massacre of thousands of Baku Muslims during their capture of Baku in March 1918. In September of the same year, the

130 Mark Elliot, Azerbaijan, with Excursions to Georgia, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2001), 42.
Ottoman Army, with the assistance of local Azerbaijani forces, carried out a reciprocal massacre of Armenians when recapturing Baku from the Bolsheviks.\(^{135}\)

Shortly after capturing Baku, the Ottoman Turks, having suffered a crushing defeat at the hands of British troops in Palestine, were forced to sign an armistice, thus ending their participation in World War I. As the Azerbaijan Democratic Republic attempted to gain traction in the postwar period, it earned de facto recognition from the Allied leaders. Nonetheless, Bolshevik troops entering Baku in April 1920 met with limited opposition.\(^{136}\)

**Soviet Dominance**

For the first 15 years of the Soviet era, Azerbaijan was part of the Transcaucasian Soviet Federative Republic. In 1936, the republic dissolved into the Soviet Socialist Republics of Georgia, Armenia, and Azerbaijan. Because of its oil resources, large amounts of economic and industrial investment poured into Azerbaijan during the early years of the U.S.S.R., particularly on the Abşeron Peninsula.\(^{137}\)

Baku’s oil resources made the city a key target for the German Army during World War II, but German advances into the region were halted during the Battle of Stalingrad in 1942–43.\(^{138}\) During the war, Soviet forces occupied the southern portion of Azerbaijan that was part of Persia (Iran). This occupation briefly spurred a Pan-Azerbaijan nationalist movement. But after the war ended, other Western Allies insisted that the U.S.S.R. withdraw from the region.\(^{139}\)

Baku’s geographic vulnerability to attack and the declining supply of easily drilled onshore oil resources prompted the Soviet Union to invest heavily in Siberian oil fields after World War II. Baku’s share of Soviet oil production declined from 70% to 2% between 1940 and 1970.\(^{140}\) But despite the declining investment in oil, the Soviets continued to target areas of Azerbaijan for industrial development during the post-WWII period. The metallurgical-chemical complex at Sumqayit represented the centerpiece of this investment. Canning and textile industries were also expanded to take advantage of Azerbaijan’s agricultural output.\(^{141}\)

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Religious practice, particularly that of Islam, suffered under Soviet rule. The Soviets closed most mosques, banned religious education, and imprisoned many Muslim clerics. Before the Soviets came to power, an estimated 2,000 mosques were actively operating in Azerbaijan, but by the 1980s the number had fallen to fewer than 20.

Ethnic Tensions

As the Soviet empire began to unravel during the late 1980s, Azerbaijan found itself in the midst of an escalating ethnic conflict. Violence began in February 1988 when 32 people, mostly Armenians, were killed in an ethnic riot in Sumqayit. The riot occurred after Nagorno-Karabakh Armenians demanded a merger with the Armenian Soviet Socialist Republic. In 1989, the Supreme Soviet of Armenia passed a resolution unifying Nagorno-Karabakh with Armenia. With ethnic conflicts mounting, Azerbaijanis fled from Armenia and Armenians left Azerbaijan.

Baku soon became the central stage for the next act in the escalating crisis. Although most Armenians had left Baku by the end of 1989, strong anti-Armenian feelings simmered in the city. Such emotions were further stoked by a faction of the anti-government opposition group, the Popular Front of Azerbaijan (PFA). Pogroms against the city’s Armenians began on 13 January 1990 and continued for several days. During this time, the Soviet Ministry of Interior forces did little to intervene against the ethnic violence. Six days later, after the pogroms had largely subsided, Soviet Premier Mikhail Gorbachev finally declared a state of emergency in Baku. Ministry of Interior forces in Baku immediately clamped down on anti-communist and anti-Soviet protests led by the PFA. At least 130 citizens died in this crackdown, known by Azerbaijanis as Black January. Five years later, Gorbachev described his decision to send troops into Baku as “the biggest mistake in my political life.”

The Nagorno-Karabakh War

During the spring and summer of 1991, in the waning days of the Soviet Union, Soviet Army and Ministry of Interior troops joined forces with Azerbaijani militias to carry out Operation Ring, a mission intended to disarm Armenian guerilla groups operating in the provinces of Azerbaijan that lie immediately north of Nagorno-Karabakh. The forced relocation of many

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Armenians to Armenia sparked a new wave of violence as Armenian irregular forces fought to reclaim the villages. By the spring of 1992, full-scale fighting had broken out between Nagorno-Karabakh Armenians and Azerbaijanis. By that time the Soviet Union had officially dissolved, and Armenia and Azerbaijan had become independent nations. Nagorno-Karabakh had also declared its independence.148

The Armenia-Azerbaijan-Nagorno-Karabakh war continued until May 1994, devastating numerous villages in the region. Agdam, a city of 100,000 populated mostly by Azerbaijanis, had become a ghost town by the end of the war.149, 150 The remains of its buildings were salvaged to rebuild the Nagorno-Karabakh capital of Xankändi (Stepanakert). To this day, hundreds of thousands of Azerbaijani and Armenian refugees remain distant from their prewar homelands. Enemy forces killed some residents of Nagorno-Karabakh—most notably the villagers of Khojaly—before they could reach a friendly border.151

Political Chaos

The Nagorno-Karabakh War created political instability in Azerbaijan during the nation’s first years as a post-Soviet independent state. The country’s first leader, Ayaz Mutalibov, a former head of the Azerbaijani Communist Party, won the nation’s presidential election in September 1991. He remained in power only until May 1992, when the People’s Front party overthrew the government. A month later, Abulfaz Elchibey, the People’s Front candidate for president, became Azerbaijan’s first democratically elected non-communist leader.152, 153

Elchibey’s presidency lasted only slightly longer than that of Mutalibov. After an Azerbaijani counteroffensive in Nagorno-Karabakh sputtered, a paramilitary rebellion led by Suret Huseynov, a former Azerbaijani troop commander, compelled Elchibey to flee to his native province of Naşıvim in June 1993. He did not resign, however.154 Naşıvim parliamentary leader, Heydar Aliyev, became the new chairman of the Azerbaijani legislature and the country’s acting president.155 Aliyev defused the rebellion by bringing Huseynov into the government. One month later, he solidified his hold on power by organizing a national referendum that resulted in

an overwhelming vote of no confidence in the Elchibey government. In October 1993, Aliyev was elected to a 5-year term as president, winning 99% of the vote in a contest that many international observers criticized as biased.

Aliyev was much more than a provincial authority figure. During the 1970s and 1980s, he had been one of the most powerful men in the Soviet Union and the only Azerbaijani to have been appointed to the Soviet Politburo. He suffered a serious reversal of fortune during the Gorbachev regime when he was removed from the Politburo and placed into forced retirement. But as the Soviet Union began to crumble in 1990, Aliyev returned to his native Naxçivan and reinvented himself as a fierce Azerbaijani nationalist, resigning from the Communist Party shortly after the Black January events.

The Aliyev Era

In May 1994, Azerbaijan agreed to a Russian-brokered cease-fire with Armenia and Nagorno-Karabakh. The agreement remains in place because both countries have rejected several subsequent proposals aimed at resolving the conflict. In Azerbaijan, great frustration remains because nearly one-seventh of the country’s territory is under Armenian control. Both the Azerbaijani and Armenian sides invested heavily and suffered greatly over the course of the Nagorno-Karabakh dispute. Therefore, both sides have been unable to take the first step during repeated attempts to negotiate a settlement.

In 1994, active hostilities with Nagorno-Karabakh subsided and the Aliyev government sought to improve Azerbaijan’s moribund economy. In September 1994, the country signed a Production Sharing Agreement with an international oil consortium, the Azerbaijan International Operating Company (AIOC). The agreement, frequently referred to as the “deal of the century,” addressed developing three offshore oil fields in the Caspian Sea. Offshore oil production increased slowly, but by 2007 production in the AIOC fields made Azerbaijan the largest contributing nation to non-OPEC oil supply growth that year. The resurgent oil industry has played a major role in the country’s improving economy.

In 1995, Azerbaijan held its first parliamentary election since independence, with Aliyev’s New Azerbaijan Party winning a majority of seats. In 1998, Aliyev was reelected president, although once again the election suffered from voting irregularities. During his decade in power, Aliyev’s

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government strongly suppressed all forms of dissent, which may partially explain why Azerbaijan has not developed domestic Islamic militant groups.160

Azerbaijan Today

By 2003, Aliyev’s health had begun to deteriorate, and he cancelled his plans to run for another term. (About two months after the October 2003 election, Heydar Aliyev died in a Cleveland hospital.) His son Ilham, groomed for several years to succeed his father, was appointed prime minister and became the New Azerbaijan Party candidate for president. Not surprisingly, he won the election in a landslide. But his victory was not a convincing one for everyone: some believed that he would only be a transitional figure because he lacked his father’s charisma and political skills.161

Five years later, in April 2008, serious fighting again broke out in Nagorno-Karabakh, with Armenia and Azerbaijan accusing each other of starting the worst conflict in years. Still, in October 2008, the younger Aliyev won reelection to the presidency and a month later the two sides signed an agreement seeking an end to hostilities. By November 2009, no significant progress on the agreement to end the fighting had been reached.162 The violence along the border continues today. In June 2012, several incidents between Azerbaijani and Armenian forces left three Armenian and five Azerbaijani troops dead. The area remains one of the most militarized in Eurasia and experts fear an escalation.163

Tensions with Iran worsened in February 2012 when Iran accused Azerbaijan of providing a safe haven for Israeli agents crossing into Iran. In March, Azerbaijan arrested what it claimed were two dozen Iranian-trained agents planning to launch attacks against Israel and U.S. embassies. Both countries traded allegations and arrested alleged participants in various plots until Iran recalled its ambassador in May 2012, although he returned to Baku in late June.164

Protests by opposition groups are increasing. These groups are demanding, among other things, political reforms and the resignation of the president, who appears poised to win a third term in October 2013. Opposition activities and threatened boycotts of the upcoming election have done little to reduce Aliyev’s chances of reelection.165, 166, 167

Chapter 2 Assessment

1. After its incorporation into the U.S.S.R., Azerbaijan received little investment or development opportunities from the Soviet state.
   **False**
   Azerbaijan’s rich oil resources compelled the Soviet government to heavily invest in the region, and the country ultimately became an important industrial center for the U.S.S.R.

2. The Azerbaijani sense of national identity began to develop shortly after independence in 1991.
   **False**
   The 1872 oil boom in Baku opened a new chapter. During this period, the concept of an Azerbaijani identity began to take hold. Before that time, people saw themselves as Muslims rather than as any particular ethnic or political group.

3. Azerbaijan’s first few years of post-Soviet independence were stable and relatively prosperous.
   **False**
   During this time, the conflict with Nagorno-Karabakh contributed to the country’s political instability. In addition, coups and power transfers transformed the Azerbaijani government.

4. Tensions between Armenia and Azerbaijan have significantly lessened in recent years.
   **False**
   The conflict between the two countries continues. The border area remains one of the most militarized in Eurasia and experts fear an escalation. In June 2012, deadly violence erupted between Azerbaijani and Armenian soldiers.

5. Azerbaijan became an independent state for a brief period between 1918 and 1920.
   **True**
   In 1918, after the Russian Revolution, Azerbaijan designated itself as an independent republic. But two years later the country was invaded by the Bolshevik Red Army.
CHAPTER 3: ECONOMY

Introduction

The collapse of the Soviet Union led to the decline of the Azerbaijani economy. The economy stagnated, leaving the country with inefficient factories, serious pollution, and a lack of infrastructure. As Azerbaijan transitioned to a market economy, the nation experienced rapid economic growth, often in the double digits. But the global financial crisis slowed growth to 3–4%, resulting in layoffs and rising unemployment. Over the last few years, Azerbaijan has worked to integrate itself more fully into the global economy and to reduce its dependence on oil by diversifying its economy. Nonenergy sector growth has far outpaced the energy sector since 2011. The government’s successful economic transformation earned it a top ten ranking as a global reformer by the World Bank in 2009.

Although agriculture and heavy industry have been the chief economic drivers, the economy is now shifting toward light industry and engineering. But the industrial sector remains the main economic engine, accounting for 62% of GDP (gross domestic product) followed by agriculture (5.5%) and services (32%). Despite being the least developed of the Transcaucasian republics, the nation’s economic outlook is bright even with its challenges. Azerbaijan’s tremendous oil and gas reserves represent a double-edged sword. On the one hand, economic reliance on oil makes the nation susceptible to global demand and price fluctuations. Ongoing disputes and tensions over the ownership of the Caspian Sea fields could escalate tensions with Turkmenistan, Iran, and other countries. On the other hand, future investments in the sector are poised

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to increase both production and revenues. Other challenges for Azerbaijan include modernizing its industries, improving its business environment, addressing serious environmental threats, and securing international investment. Bureaucratic barriers and corruption need to be reduced and the legal system requires strengthening.

Agriculture

Despite its many mountains and semi-arid regions near the Caspian Sea coast, Azerbaijan is a surprisingly rich agricultural region. Roughly 40–50% of the nation’s land is suitable for agriculture, and nearly 50% of arable land is currently under cultivation. The agricultural sector employs about 38% of the nation’s labor force. Much of the farming is done in the Lankaran region in southern Azerbaijan, the Quba-Xacmaz region north of Abseron, and the Gancq-Qazax region along the borders with Armenia and Georgia. The Shirvan Plain and the Mugano-Salyan area in the Mili and Mughan plains are other important agricultural centers.

Significant changes in agriculture occurred following the collapse of the Soviet Union. Nearly 100% of farms are privately owned and most produce is consumed domestically, changes from the Soviet economy.

The nation’s primary agricultural products include grains, walnuts, hazelnuts, tobacco, and fruit and vegetables. Although production of cotton has decreased significantly since the 1970s and 1980s, when about one million tons were produced annually,
cotton remains an important cash crop. Wine grapes are an increasingly important crop although most of the wine is exported.

The agriculture sector has been plagued by low productivity, a lack of modern technology, proper land use, and a lack of coordination between producers and processors. Still, new government initiatives designed to increase productivity have fueled rapid growth in the sector.

While most agricultural activities involve growing food crops, approximately 39% of the sector is devoted to livestock production. Yet the industry is able to meet only half of domestic demand for meat, dairy products, and poultry. Much of the livestock ranching is concentrated in more mountainous regions, particularly in the Nagorno Shirvan and Kelbeger-Lachin regions. Cows constitute most of the livestock, but there are also a significant number of buffalo, sheep, and poultry.

**Industry and Manufacturing**

Although the industrial sector employs only 12% of the nation’s labor force, industry accounts for the bulk of GDP. The Abşeron Peninsula, which is home to Baku and Sumqayit, is the nation’s center of industrial activity, followed by the cities of Gâncâ, Ali Bayramli (Şirvan), and Mingâçevir. Oil and natural gas extraction form the largest and most significant component of the Azerbaijani industrial sector. Oil production provides nearly 50% of the country’s GDP revenues and

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sustains a number of other important industrial sectors, such as petroleum refining, oilfield equipment manufacturing, and petrochemical processing.\textsuperscript{195}

Outside the oil and gas industry and its related sectors, the most important areas of the industrial economy are mining and manufacturing. Food processing, power production and distribution, light industries (including textiles), chemical products, and metallurgy are all key subsectors.\textsuperscript{196, 197, 198} Since 2004, construction has been one of the fastest-growing areas, expanding by 37%. Much of this expansion is centered near the capital of Baku, but infrastructure and housing projects are ongoing throughout the country.\textsuperscript{199}

**Energy and Mineral Resources**

*Energy*

It is hard to overstate the importance of Azerbaijan’s oil and natural gas resources to its overall economy. Since 1999, the country’s oil revenues have been flowing into a State Oil Fund (SOFAZ), which has been used to invest in areas such as education, poverty reduction, and the improvement of rural living standards.\textsuperscript{200}

Relatively little of Azerbaijan’s oil comes from land-based drilling. The majority of the oil production comes from the Azeri-Chirag-Guneshli (ACG) field in the Caspian Sea, which is operated by a consortium known as the Azerbaijan International Operating Company (AIOC). Recent estimates place Azerbaijan’s oil reserves at 7 billion barrels, the ninth largest among non-OPEC-member countries.\textsuperscript{201, 202} Several older fields in the Caspian are managed by the government-owned State Oil Company of Azerbaijan Republic (SOCAR), but production from these fields is in decline.\textsuperscript{203}

Azerbaijan’s significant natural gas reserves have made the country a net exporter of natural gas. Most of the gas is produced offshore at the ACG complex and the Shah Deniz fields. Oil for


export is transported primarily through the South Caucasus Pipeline. Gas is also transported to Russia via the Gazi-Magomed-Mozdok pipeline, and a relatively small amount is piped to Iran through the Baku-Astara line.\(^{204}\)

Most of Azerbaijan’s electricity needs are generated by oil- and gas-powered plants.\(^{205, 206}\) State-owned Azerenergy controls electricity generation and operates eight thermal power plants, six hydropower plants, and seven module-type power plants. Production is insufficient to meet domestic demands, especially in the winter, when blackouts are common. Some parts of the country have electricity for only a few hours a day.\(^{207}\)

**Minerals**

Although Azerbaijan maintains some natural resource wealth beyond its oil and gas reserves, the country’s mineral extraction industries have been overshadowed by the energy sector. In 2012, however, more than three-quarters of industrial production was in the mining sector.\(^{208}\) Azerbaijan’s metal deposits are mostly located in the Lesser Caucasus Mountains in the western part of the country. A factory in Gäncä produces alumina using nearby alunite deposits, and some of this alumina is subsequently shipped to Sumqayit to be processed into aluminum.\(^{209, 210}\)

Azerbaijan’s iron ore deposits are also located in the mountainous regions near Gäncä. Recently, these mines were auctioned by the government, and the purchasing company has announced plans to upgrade and expand the mining operations.\(^{211}\) Azerbaijan’s steel production facilities have historically been located on the Abşeron Peninsula, but construction has begun on a large steel-making facility in Gäncä, which will use iron ore condensates from local mines.\(^{212, 213}\)

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\(^{208}\) Nijat Mustafayev, “78% of Industrial Production Belongs to Mining Sector in Azerbaijan,” Entrepreneurship Development Foundation (EDF), 23 April 2012, [http://edf.az/ts_general/eng/aktual_e/ar-495.htm](http://edf.az/ts_general/eng/aktual_e/ar-495.htm)


Trade and Investment

In 2011, Azerbaijan had a positive balance of trade equaling more than USD 17 billion, due mainly to its oil and natural gas exports. Its main export partners are Italy, France, the United States, Russia, Indonesia, and Ukraine. More than 90% of Azerbaijan’s exports involve oil and gas while machinery, cotton, and foodstuffs make up the rest. The country imports machinery and equipment, oil products, foodstuffs, metals, and chemicals from its primary import partners, which include Russia, Turkey, Germany, the United States, China, France, and Ukraine.

In spite of its trade surplus, several issues constrain trade with Azerbaijan. In a 2012 World Economic Forum report, the nation ranked 57th in market access, 123rd in import-export procedures, 69th in infrastructure, and 59th in business environment out of 132 countries assessed. Other serious obstacles, particularly to foreign direct investment (FDI), include corruption, cronyism, and insider monopolies. International companies have invested huge sums in the country’s oil and gas industry to develop drilling and transportation infrastructure. Since 2007, FDI has fallen off because of concerns about corruption, inadequate legal protections, and bureaucratic barriers. The largest investments have come from the United Kingdom, the United States, and Turkey, with significant but smaller investments by

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Germany and the United Arab Emirates. Beyond the energy sector, smaller amounts of FDI have gone primarily to breweries, soft-drink companies, telecommunications, and the hotel industry. In 2011, about 18% of all FDI went to Azerbaijan’s construction industry.

**Transportation**

Azerbaijan has a relatively functional transportation network, with most major cities connected to Baku by both road and railway. But significant portions of the road system are in need of repair or upgrades. A major highway runs roughly parallel to the Caspian coast, extending from the Russian border in the north to the Iranian border in the south, with Baku serving as the central hub. Another highway runs east-west and connects Baku to the Georgian capital of Tbilisi and, ultimately, to the Black Sea. Both routes are also followed by the rail system. Much of the rail system is in disrepair, but several major projects are underway to improve the transportation system.

Azerbaijan’s international airport is Baku Heydar Aliyev international Airport in the capital city. Many airlines operate out of the airport, providing good local and international access. Smaller airports exist throughout the nation. Although Azerbaijan is technically a landlocked nation, it maintains the largest port of the Caspian Sea at Baku.

**Tourism**

Azerbaijan ranks 83rd out of 139 countries on The Travel and Tourism Competitiveness Index for 2011, rating a score of 3.8/7.0. Slightly fewer than 1.5 million international tourists arrived

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in the county in 2009 and about 2 million in 2010. The numbers for domestic tourism are also low. But despite the tourism sector’s small size, it accounts for 10% of the nation’s GDP, and the government recognizes its importance in reducing economic dependency on oil.

Significant factors work against the Azerbaijani tourism industry. A stark example is the lack of tourism infrastructure. Water, gas, electricity, and basic sanitation are often substandard. In 2009, only 425 hotels and hostels existed throughout the nation, with a particular lack of 2- and 3-star facilities. General travel costs, including hotel rooms, are high for the region. Hotel and tour services are below world standards. The professionalism of travel professionals is low, and many speak no second language. The difficulty of securing a visa is also problematic.

Despite these obstacles, the Azerbaijani government has channeled resources into further development of its tourism industry. An Azerbaijan Tourism Institute has been created to train tourism specialists who will help guide the developing industry. The government is also establishing Tourist Information Centers in Baku, Gäncä, and the country’s other probable tourist destinations. Other recent efforts include the development of a ski resort below Shahdağ Peak in the Caucasus and projects to develop Caspian beaches.

Banking and Finance

The National Bank of the Republic of Azerbaijan was established in February 1992 and is the principal authority responsible for implementing monetary policy, regulating the banking industry, and functioning as a reserve bank. Ninety-nine percent of the nation’s 44 operating banks are privately owned. In 2010, 5 banks controlled approximately 61% of total assets. The National Bank controlled approximately 42% of all assets.

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The National Bank is in the process of implementing banking rules compliant with shari’a law. Such banks prohibit the lending of money for practices prohibited by the Quran (e.g., arms sales, alcohol purchase) and the charging of interest on loans or the payment of interest on deposits. The current set of laws governing the industry does not yet allow a full range of Islamic banking facilities. Plans are to implement the new rules gradually. Currently, Kovsarbank was the only facility offering a wide spectrum of Islamic products until its license was revoked by the National Bank.248, 249

The new manat (ISO code: AZN) is the national currency of Azerbaijan; in September 2012, USD 1 was equal to about AZN 0.78.250 At the beginning of 2006, the country introduced a new version of the manat, with an exchange rate of 5,000 “old manats” (ISO code: AZM) to AZN 1. The change was made in part to bolster confidence in the new manat because the low value of the old manat (in comparison with the U.S. dollar) made it unwieldy for large cash purchases, thus encouraging the use of USD.251

The country also operates a securities market, the Baku Stock Exchange (BSE), which began operation in 2000. Its main function is to be the tool of trade for all securities currently permitted under the law. In 2009, 89% of the exchange’s market allocation was government bonds/equities and the remaining 11% were corporate bonds/equities.252

Standard of Living and Employment

According to the United Nations annual living standards report, Azerbaijan’s rank of 91 out of 187 countries places it in the high human development category, just above Turkey.253 Wages in the nation are growing steadily; in May 2012, real income of workers grew by 1.8%.254, 255, 256

Nearly 60% of women are active in the nation’s labor force compared to about 67% of men.\textsuperscript{257} In 2001, 49% of the population lived below the poverty line, but today the number is about 9%.\textsuperscript{258}

As oil revenues have increased in the last few years, the Azerbaijani government has made substantial investments in social services and infrastructure. But long before this recent expansion of public development projects, Azerbaijan had initiated similar projects with the help of foreign investors. Since its independence in 1991, Azerbaijan has received economic assistance from several international finance groups, including the World Bank and the Asian Development Bank, with a share of this lending targeting improvements in health, education, infrastructure, and economic institutions.\textsuperscript{259} The success of these initiatives can be seen in improved life expectancy, which is about 71 years (68 for males vs. 75 for females), virtually 100% literacy, and an average of 12 years of school completed.\textsuperscript{260} A slightly higher proportion of women (65%) complete secondary school than men (62%).\textsuperscript{261} Unemployment is relatively low, hovering between 5% and 6%. Even during the global economic crisis, Azerbaijan continued to reduce its overall unemployment rate. The nation’s population is young with a median age of 29 years; about 20% of the population is 15–24 years of age. About 36% of the young, who are particularly vulnerable to unemployment, were unemployed in 2008. The largest number of persons are employed in the agricultural sector, followed by trade, education, and construction.\textsuperscript{262, 263}

Trade unions and collective bargaining have a long history in Azerbaijan. Workers and employers enjoy the right to participate in collective bargaining and to organize freely, with membership in trade unions voluntary. About 85% of workers belong to one of the nation’s more than 18,600 trade unions.\textsuperscript{264}

**Economic Outlook**

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The economic outlook for the near term is positive. Petroleum and hydrocarbon product exports are likely to remain strong, although the pace of growth will likely slow. Growth in the nonenergy sector is expected to grow even faster, helping fuel the economic recovery; the overall economy is expected to expand roughly 2.5% through 2013.\(^{265, 266}\)

But several economic risks could affect growth. The European crisis could lead to economic downturns in Azerbaijan as well as other economies in the region. Rising oil prices and instability in the Middle East are potential sources of risk. Inflation represents another stumbling block to economic growth and security. According to the IMF, inflation is expected to rise 5.6% by the end of 2013 and increase to a rate of 6.5% by 2017. At the same time, GDP is predicted to rise by only 3.1% in 2012 and contract to 1.9% in 2013. Unemployment is expected to remain around 6% through 2016.\(^{267}\)

Economic diversification remains a cornerstone to long-term economic growth and stability. An essential element in that effort is FDI. Azerbaijan has been working on important reforms to attract additional investment, but the nation ranks as one of the most corrupt for doing business and has received one of the lowest rankings in the World Bank’s 2011 Doing Business Report. The Azerbaijani government has already taken legal and regulatory steps to address some of these issues, but enforcement will be the key to success.\(^{268, 269}\)


Chapter 3 Assessment

1. The Abşeron Peninsula, home to the cities of Baku and Sumqayit, is the center of Azerbaijan’s industrial activity.
   True
   Historically, Baku and Sumqayit, both located on the Abşeron Peninsula, have served as the country’s major oil and industrial hubs.

2. Half of the population is employed in the agricultural sector.
   False
   Agriculture accounts for about 5.5% of GDP and employs about 38% of the nation’s labor force.

3. Azerbaijan’s trade surplus is largely a product of the country’s oil and natural gas exports.
   True
   In 2011, Azerbaijan had a positive trade balance equaling more than USD 17 billion, due mainly to its oil and natural gas exports. More than 90% of Azerbaijan’s exports are related to oil and gas. Machinery, cotton, and foodstuffs make up most of the rest.

4. Azerbaijan’s attempts at diversifying its economy have largely failed.
   False
   Azerbaijan has worked to reduce its dependence on oil by diversifying its economy. Its success in transforming the economy earned it a top ten ranking for global reformers in 2009. Since 2011, nonenergy sector growth has far outpaced the energy sector.

5. Azerbaijan’s oil industry has attracted large amounts of foreign investment, but many of the country’s other economic sectors have received limited investment.
   True
   International companies have invested huge sums in the country’s oil and gas industry. Beyond the energy sector, smaller amounts of FDI have gone primarily to breweries, soft-drink companies, telecommunications, and the hotel industry.
CHAPTER 4: SOCIETY

Introduction

Azerbaijan is an ancient land with archeological evidence of human settlements dating back nearly 1.5 million years. Located at a strategic crossroads on an important trading route, the area of modern-day Azerbaijan was part of Arab, Greek, Mongol, Roman, Turk, Persian, and Soviet empires before the nation achieved final independence in 1991. The peoples of these empires left their imprint on Azerbaijanis and their culture.270, 271

The population of Azerbaijan is primarily Azeri, but there are as many as 40 other ethnic groups throughout the nation.272, 273 Azerbaijanis are predominantly Muslim, with little tension existing between the Shi’a and Sunni communities. Religion does not play a significant role in the Azerbaijani identity. As a result, the society is more tolerant than others in the region.274, 275, 276

Among Azerbaijanis, who are proud of their country, there is a resurging pride in their ethnic language and culture. Azerbaijanis have worked to establish a national identity that embraces both their Turkic and Persian roots as well as some uniquely Azerbaijani elements. This identity helps unite the nation’s diverse peoples and maintain a sometimes fragile political and religious balance.277, 278

278 Alberto Priego Moreno, “The Creation of the Azerbaijani Identity and Its Influence on Foreign Policy” (UNISCI Discussion Papers, University of Madrid, May 2005), http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=5&ved=0CEEQFiAE&url=http%3A%2F%2Frevistas.ucm.es%2Findex.php%2FUNIS%2Farticle%2Fdownload%2FUNIS0505230007A%2F28190&ei=UFVbUJqWf1DtiQKB2oGoAg&usg=AFQjCNFVmNUp1c9EL2ImijQzgiTNkpPpRAQ&sig2=tZTPXwpPmgMr-Oo2xjKjVg
Ethnic Groups and Language

Azerbaijan lies in a region conquered and occupied by numerous powers throughout its history. Varying degrees of integration of local inhabitants and foreign invaders and migrants has created a complex cultural mix. Some ethnic classifications of Azerbaijanis recognize such complexity by using the primary language as the distinguishing factor in determining ethnic groups.279

Azeris

The largest ethnic group, Azeris, make up 80–90% of the country’s population.280, 281 Azeris are predominantly Shi’a Muslims and speak a northern version of the Azerbaijani language closely related to Turkish. (The southern version of Azerbaijani is spoken in northern Iran.) The written Azerbaijani language changed from a Cyrillic to a modified Latin script at the end of the Soviet era. Prior to Soviet rule, several versions of Arabic script were used.282, 283

Azeris are an amalgam of Persian and Turkic influences. A common view is that Azeris were a Caucasian people who were assimilated under ruling empires, including those of the Turks and the Persians. For the most part, Azeris today see themselves as Turkic rather than Persian. Even though Azeris share close religious ties with Shi’a-dominated Iran, Azerbaijan has better foreign relations with Sunni-dominated Turkey. This closeness underscores an important aspect of Azeri life. Religion is not a central feature of daily life and takes a backseat to ethnic identification.284

Kurds

The Kurds of Azerbaijan are part of an ethnic group spread across Iran, Iraq, Turkey, and Syria. Their language and cultural heritage is distinct from other groups in the nation. Kurds are Muslims, and those in Azerbaijan are generally Shi’a.285 For centuries, the Kurds have sought to establish an independent Kurdistan. Kurds cluster in the areas around Kalbajar and Lachin. Following suppression by Stalin, they remained under the radar. But the situation changed when the war with Armenia over the Karabakh region broke out. Many Kurds fled the area, and the Armenians used the opportunity to appeal to Moscow to establish autonomous Kurdish zones as a means to end the violence. Although the proposal was ultimately rejected by Moscow, Kurds have been invited by Armenia to resettle in the region. Armenia’s intent in making such an

invitation is not clear, but some suspect it is to provoke Azerbaijan’s government. Of all the Kurdish groups, those in Azerbaijan are under the greatest pressure to maintain their cultural heritage and identity. But the government in Baku is actively trying to assimilate minorities. By failing to recognize or use Kurdish as an official language and by designating Kurds as Azerbaijanis in the most recent census, the government is trying to force assimilation.

Lezgins (Dagestani)

The Lezgins, who account for about 2% of the population, are the second-largest ethnic group. They are Sunni Muslims, and most speak Azerbaijani as well as their native tongue. Russian is a common third language. Although the Lezgi language once used a Latin-based script, today the language is still written using a modified Cyrillic script that was implemented in 1938.

The Lezgins live on the southern slopes of the Greater Caucasus Mountains, in the Qusar rayon (district) adjoining the Russian republic of Dagestan. The Lezgins believe they are descended from the historic kingdom of Albania and want to reunite both their Azerbaijani and Russian communities by creating a new Lezghinistan. Widespread support for the movement does not exist, but the group occasionally carries out terrorist activities to help accomplish its goals.

Russians and Armenians

Constituting less than 2% of the population and steadily shrinking, the Russians are a reminder of the Soviet era. Some argue that the Russian presence has kept the Azerbaijani national identity from becoming completely Turkish. Russian influence helped Azerbaijan remain a secular nation with few of the interreligious tensions and rivalries afflicting other nations. The Russian

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language is still widely used throughout the country, although in an unofficial capacity. Most Russians are followers of the Russian Orthodox faith and live in the nation’s urban centers.\textsuperscript{294}

Just before Azerbaijan’s independence, most of the Armenian population lived in the area of Nagorno-Karabakh with other significant enclaves in Baku and Sumqayit. By the mid-1990s, few Armenians remained in Azerbaijan. Most were settled in Nagorno-Karabakh, which remains overwhelmingly an Armenian region. Armenians in Karabakh have established their own self-rule (which remains unrecognized by the international community), electing their own leaders and legislature. Armenians and other Azerbaijanis have little interaction, and tensions between the Armenian minority and Azerbaijani government remain high.\textsuperscript{295}

\textit{Tats}

To the southwest of the Lezgins live the Tats, who make up about 1\% of the population. Tats are Muslim, Christian and Jewish but, regardless of religion, all speak a language closely related to Farsi.\textsuperscript{296, 297} The Judeo-Tat dialect is spoken by the people referred to as Mountain Jews, who inhabit the all-Jewish village of Krasnaya Sloboda, located just outside the northern city of Quba.\textsuperscript{298, 299} The Jewish Tats are considered a closed group based on their adherence to a policy of ethnic purity.\textsuperscript{300} In spite of their relatively small numbers, this group plays a significant role in national politics. The Jewish Tats are an important bridge between the governments of Azerbaijan and Israel, with whom relations are strong and positive.\textsuperscript{301}

\textit{Talysh}

The Talysh, who live in the far southeast of Azerbaijan along its border with Iran, represent about 1\% of the population. They are mostly Shi’a Muslims of Persian ancestry who speak an Iranian-based language.\textsuperscript{302, 303, 304, 305} This largely rural group is broadly bilingual, speaking both

\textsuperscript{297} Paul Goble, “Azerbaijan’s Other Ethnic Minorities: Between Politics and Geopolitics,” Azerbaijan Diplomatic Academy, 1 June 2008, \url{http://ada.edu.az/biweekly/issues/149/20090327123147200.html}
\textsuperscript{298} Azerb, “Krasnaya Sloboda,” n.d., \url{http://www.azerb.com/az-krasnaya.html}
\textsuperscript{299} Mark Elliott, \textit{Azerbaijan, with Excursions to Georgia}, 2nd ed. (Hindhead, Surrey, UK: Trailblazer Publications, 2004), 165.
\textsuperscript{301} Paul Goble, “Azerbaijan’s Other Ethnic Minorities: Between Politics and Geopolitics,” Azerbaijan Diplomatic Academy, 1 June 2008, \url{http://ada.edu.az/biweekly/issues/149/20090327123147200.html}
their native language and Azerbaijani. The Talysh do not have a written language, but Arabic script is used whenever it is necessary to write something. In 1993, a Talysh-Mughan Autonomous Republic was briefly declared in this region by Talysh separatists before government forces intervened. The Talysh continue to claim their right to an autonomous region, although not as aggressively as the Lezgin.

Religion

Islam

Between 91% and 96% of the people in Azerbaijan identify themselves as Muslim, with 65%–75% Shi’a and the remainder Sunni. Sunni Muslims are more predominant in the north while the Shi’a tend to reside in the south. This regional difference is rooted in cultural bases rather than strictly religious ones. Differences between Azerbaijani Shi’ites and Sunnis have historically been less clearly defined than in other Muslim regions, and Muslim identity tends to rest more on culture than on religion. Although Azerbaijan has experienced something of a religious resurgence since the dissolution of the Soviet Union (numerous mosques have reopened or been constructed), the majority of Azerbaijani Muslims do not actively practice their religion.
In Azerbaijan, Islamic practices retain some elements of ancient animist and Zoroastrian traditions. Azerbaijani Muslims, especially those living in rural mountainous regions, are as likely to visit sacred shrines (pirs) and the graves of saints as they are to visit mosques. Such practices have been branded as contrary to the tenets of Islam by Salafist Muslims, who practice a strain of the religion associated with fundamentalist Islam. In areas of northern and western Azerbaijan, where Sunni Muslims are more prevalent, Salafist organizations have made some progress in promoting a less tolerant, “purer” form of Islam. But opinions differ regarding the extent to which Azerbaijan’s more secular brand of Islam is threatened by these groups.

**Christianity**

Christianity once enjoyed a wide following in Azerbaijan. Some Christians began leaving the country around the end of World War II, coinciding with Russia’s development of Siberian oil sources. In 1991, with independence, concern over the future caused many of the remaining Christians to leave. Today, most Christians in Azerbaijan are followers of the Russian Orthodox or Armenian Orthodox (Armenian Apostolic Orthodox) traditions. Armenian Orthodox churches are found in Nagorno-Karabakh and adjacent areas under Armenian control. Russian Orthodox churches are primarily located in Baku and on the Abşeron Peninsula.

Eastern Orthodox Christianity developed because of a split in the 11th century between Rome and Constantinople, the two main centers of world Christianity. The division centered largely on how the two centers viewed the nature of Christ. The split resulted in a new type of Christianity—Eastern Orthodox—of which both the Russian and Armenian churches are members.

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317 Anar Valiyev, “Azerbaijan Increasingly Caught Between Salafism and Iran,” Jamestown Foundation, 24 October 2007, [http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4468](http://www.jamestown.org/single/?no_cache=1&tx_ttnews%5Btt_news%5D=4468)
Judaism

Approximately 20,000 Jews live in Azerbaijan, the majority in Baku. Much of Baku’s Jewish population consists of Mountain Jews who have moved to the area. Besides Krasnaya Sloboda, small pockets of Mountain Jews can be found in the small villages of Öğuz and Privolnoe. Mountain Jews observe customs somewhat different from Jews in other parts of the world. Mountain Jews remove their shoes before entering a sanctuary. Few speak or read Hebrew, learning the verses of the prayers and chants by memory. Women are not allowed to attend services nor are they allowed to work.

Cuisine

Kebab, known locally by the Russian word *shashlyk*, is ubiquitous in Azerbaijan. The typical kebab consists of skewered chunks of marinated meat (*tika*), but, unlike in the United States, the meat (typically lamb) is grilled on separate skewers from the vegetables. A variation is the *lülə* kebab, in which minced lamb is mixed with spices and herbs, shaped into a ball, and grilled on skewers.

Another popular Azerbaijani dish is dolma, which comes in several varieties based on the type of casings and ingredients. Spiced lamb and rice mixtures wrapped in grape leaves are known as *yarpaq dolması*, whereas cabbage leaves are used as the wrappings for *kalam dolması*. Tomatoes, sweet peppers, and eggplants are also sometimes used as dolma casings.

Other traditional Azerbaijani dishes include *dovğa* (hot soup made with yogurt, rice, spinach, and onions), *doğrama* (cold soup with sour milk, cucumbers, potatoes, and onions), *piti* (lamb stew with chickpeas and potatoes and sometimes spiced with saffron), *plov* (a meat and rice pilaf), *baliq* (a fish kebab, often using sturgeon, served with a sour plum sauce), and *duşbara* (small dumplings filled with minced lamb and served in a hot broth). A regional dish from the

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Länkäran-Talysh region in southeastern Azerbaijan is lâvângi, which consists of baked chicken stuffed with walnuts, pomegranate seeds, raisins, and rice.³³⁰

Seventy years of Soviet rule have left a culinary imprint on Azerbaijan as well. Under the Soviet planned economy, which designated certain regions as suppliers for the rest of the country, rice fields in southern Azerbaijan were shifted to cabbage, potatoes, and wheat. Russian dishes such as borscht (beet-and-cabbage soup), stolichni (potato salad with shredded chicken and diced vegetables), goulash, salad vinaigrette (beans, potatoes, carrots, beets, cabbage), meat cutlets, and shi (fish soup) largely replaced many traditional rice-based dishes, such as rice pilaf, which were thereafter reserved for special occasions.³³¹, ³³² Common desserts shifted from shakarbura (a crescent-shaped pastry filled with nuts) or pakhlava (baklava) to cake and ice cream. Alcohol consumption also became more common, particularly at social celebrations such as weddings.³³³

**Traditional Dress**

Today, Western dress is the common style throughout Azerbaijan. Full traditional costumes are generally reserved for dances or other types of folk performances and for special occasions such as weddings. Some older men still wear the papah, a round wool hat.³³⁴ Rural women sometimes wear traditional clothing consisting of a long pleated skirt, long-sleeved blouse, and a long piece of cloth (charshab) wrapped around the skirt. Some Azerbaijani women, mostly younger ones, wear kerchiefs (orpack).³³⁵ Women may also wear head scarves or other types of head or facial coverings. Although women in many Muslim countries face great pressure to follow strict Islamic traditions concerning appropriate dress, Azerbaijani women have occasionally found themselves in legal battles over their rights to wear headscarves, particularly in photos for use in identity papers.³³⁶, ³³⁷, ³³⁸

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Gender Issues

Since independence, Azerbaijan has wrestled with the role of women and equality for women. Women are still regarded primarily as homemakers and the keepers of tradition, despite a 1994 decree by the president to increase the role of women in the nation. The national constitution guarantees gender equality. In 2006, the nation adopted a law on Guarantees of Gender (Men and Women) Equality in an effort to end discrimination and sexual harassment. Nevertheless, it has been difficult to end traditional ideas about gender. Although women work outside the home, they are overrepresented in lower and middle management positions and have few senior positions in government. Women have fewer employment opportunities than men and tend to be concentrated in female-type occupations, such as education; the average salary for a woman is only 57% of a man’s.

Under Soviet rule, there was nominal equality between men and women. After independence some of that legacy remained, although traditional patriarchal values, suppressed during the Soviet years, began to reemerge. Popular folk sayings, such as “Give me seven sons and a single daughter,” often suggest that women are less valued than men But these views exist alongside acknowledgment of a matriarchate of strong and influential women who helped rule the country centuries ago.

Yet the traditional patriarchy of the nation has been particularly resistant to change. Family gender roles make men the breadwinners and the family authority figure. Women are responsible for domestic chores, raising children, and passing on the culture and traditions of the country.

Both men and women tend to take these roles for granted and appear not to challenge the situation. Gender roles are particularly strong in rural areas. Traditional views about a women’s reputation often result in restrictions on a woman’s freedoms, inhibiting, for example, travel and educational opportunities. Girls sometimes marry at a young age to secure financial stability for themselves and their families. Azerbaijan’s constitutional guarantees of freedom and equal protection for women are inconsistently reinforced. Patriarchy often wins out, leaving the goal of equality between men and women unfulfilled.

Arts

Literature

Most of Azerbaijan’s classic poets wrote in Persian. The 12th and early 13th centuries were a golden age of poetry in the region, when Khagani Shirvani (1120–1199), Mehsati Ganjavi (precise dates unknown), and Nizami Ganjavi (1141–1209) all practiced their craft. Nizami, who was born in Gāncä and lived his entire life there, is considered by many to be the greatest romantic epic poet to write in the Persian language. His epic Khamsa includes five poems inspired, in part, by legendary love stories. Today, virtually every town in Azerbaijan has a statue of Nizami.

Four centuries later, poet Mehmed bin Suleyman Fuzuli (ca. 1498–1556) composed his own version of Layli and Majnun (one of the five stories of Nizami’s Khamsa) in Azeri-Turk. This and other poems by Fuzuli are generally considered some of the first important written works in the Azerbaijani language.

During the 19th century, following Russia’s conquest of the Azerbaijani khanates, Azerbaijani writers began exploring new formats and themes. Notable among this generation of literary talents was Mirza Fatali Akhundov (1812–1878), who wrote some of the first plays in the Azerbaijani language. Akhundov’s stage works were comedic social critiques that compelled

some contemporary commentators to compare him with the French playwright Molière.\(^{357}\) Akhundov played a significant role in lobbying for a Latin alphabet for the Azerbaijani language rather than an Arabic script.\(^{358}\)

One of the most renowned works by an Azerbaijani writer of the 20th century is the novel *Ali and Nino* (or *Layli and Majnun*). Similar to *Romeo and Juliet*, it is a story of doomed love set in Baku and other parts of the Caucasus during 1918–20. Originally published in 1937 in German, the book has been translated into 28 languages and is still widely read. The author, known under the pseudonym Kurban Said, is thought to have been Baku-raised Lev Nussimbaum.\(^{359}\) More recently, the novels and stories of Azerbaijani writer Anar Rzaev are credited with helping break down the narrow literary boundaries of socialist realism from the Soviet era.\(^{360}\)

**Music**

*Mugam*, a traditional Azerbaijani musical form described as part poetry and part song, remains popular. *Mugam* compositions utilize one of seven different tonal scales, each invoking a different mood or emotion. Improvisation within the musical and lyrical forms is a characteristic element of its performance.\(^{361, 362, 363}\) Various instruments are used, with the *tar* and *kamança* being two of the most common. The *tar* is a long-necked lute-like instrument that has 5, 11, or 13 mostly paired strings.\(^{364, 365}\) The *kamança* is similar to a spike fiddle and has 3, 4, or 5 strings played with a bow.\(^{366, 367}\)

*Mugam* compositions are typically accompanied by lyrics derived from Persian, Arabic, or Azeri poetry, often with a theme connected to the search for divine love. *Mugam* singers play the *gaval*, a tambourine-like percussive instrument used to set the tempo of the piece.\(^{368, 369}\) One of


\(^{363}\) “Mugham Documentary 1 Unique Music to Azerbaijan Only!” YouTube video, 10:04, uploaded by azerimusic on 10 July 2007, [http://www.youtube.com/watch?v=FNwJxsIwetw](http://www.youtube.com/watch?v=FNwJxsIwetw)


\(^{365}\) Azerbaian Republic, Garabagh Region, “Tar,” 2012, [http://garabagh.net/content_238_en.html](http://garabagh.net/content_238_en.html)


Azerbaijan’s foremost mugam singers is Alim Qasimov, a Baku resident who was named the laureate of the prestigious UNESCO Music Prize in 1999, placing him in the company of past winners such as Dmitri Shostakovich, Leonard Bernstein, Ravi Shankar, Benny Goodman, Miriam Makeba, and Oscar Peterson.370

Another ancient Azerbaijani musical tradition that continues to this day is practiced by wandering minstrels known as ashugs. Ashug music has been compared to mugam, but several distinctions separate them. Instead of a mugam trio, ashugs are generally soloists, accompanying themselves on a large lute-like instrument known as a saz. Ashug songs tend to be more rhythmically focused, and the lyrics are more improvisational, reflecting an oral, folkloric tradition rather than mugam’s more classical, written tradition.371

A more modern musical form that is popular in Azerbaijan is jazz. Improvisation, an element linking both mugam and ashug music, makes the newer art form a natural fit in Azerbaijan’s musical scene. An international jazz festival is held in Baku each April, attracting world-renowned artists such as the Azerbaijani jazz pianist Aziza Mustafa Zadeh, whose innovative father, Vagiv, fused mugam and jazz traditions into a uniquely Azerbaijani form in the 1950s–1970s.372, 373

Folk Culture and Folklore

Between 1906 and 1931, a Baku-published satirical journal titled Molla Nasreddin regularly addressed the social and political issues and injustices of the day. This influential journal took its name from a significant and well-known character in Azerbaijani folklore, Molla Nasreddin. Surprisingly, this magazine was able to survive through a tumultuous quarter century that featured the Bolshevik Revolution, the founding of the first Azerbaijan republic, and the subsequent fall of the republic to Bolshevik forces.374

For centuries in Azerbaijan and adjacent regions, Molla Nasreddin has been known as the sometimes foolish but often sage character of countless folk stories and anecdotes. Different cultures, from the Mediterranean basin to Central Asia, have modified or developed their own versions of the Molla Nasreddin stories, which are used to convey morals or traditional wisdom.375

Folktales have long been important worldwide for teaching children valuable cultural lessons, and Azerbaijani tales are no exception. One popular story known to most Azerbaijani children is “Jirtdan,” in which a small, weak boy defeats a monster by using his intelligence. Another traditional story, “How the Dove Became the Bird of Peace,” was published in an Azerbaijani reader for fifth-graders in 1994, the year that a cease-fire was called in the bloody Nagorno-Karabakh war, which left Azerbaijan with hundreds of thousands of internally displaced refugees. One of the themes of the story is the need to consider the consequences of warfare.

Sports and Recreation

If Azerbaijan were to pick a national recreational activity, the most likely selection would be *nard*, one of the world’s oldest board games and a slight variant of backgammon. Another popular Azerbaijani board game is chess. Garry Kasparov, considered by many to be the greatest chess champion of all time, is a Baku native. Of the country’s active chess players, Teimour Radjabov of Baku, Gashimov Vugar, and Shakhrisyar Mamedyarov of Sumqayit are ranked among the top 25 players in the world. Eltaj Safarli is the world’s 10th-ranked junior player.

Football (soccer) is popular in Azerbaijan and is the top spectator sport. Azerbaijan has won at least one medal in various sports at every summer Olympics since 1996. They have won gold medals in the sports of judo, Greco-Roman wrestling, skeet, and freestyle wrestling. They have also medaled in weightlifting and boxing.

Several traditional sports remain popular, including a style of wrestling known as *gulesh*. The sport combines mental and physical strength and is regarded as a symbol of Azerbaijan’s culture. The warmup is a ritual dance in which bare-chested men, wearing loose embroidered pants belted with cloth, circle each other swinging their arms. After several salutatory gestures, the competitors hit each other three times, alternating shoulders, and then jump away from each other.

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other signaling their readiness to fight. *Gulesh* competitions are held throughout the country.\(^{387, 388}\)

Other popular games, especially in rural areas, include Cockfight for boys and Seven Beauties for girls. In Cockfight, two teams face each other in a circle. One team stands on their left legs and the other on their right with hands on their hips. They then try to force each other out of the circle.\(^{389}\) In Seven Beauties, seven girls crochet stockings; the winner is the young woman who completes the highest quality stocking in the shortest amount of time.\(^{390, 391}\)

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Chapter 4 Assessment

1. The Azeri ethnic group represents the majority of Azerbaijan’s population.
   **True**
   Azeris, who speak a northern version of the Azerbaijani language, account for between 80% and 90% of the country’s population.

2. In Azerbaijan, many followers of Islam incorporate ancient animist and Zoroastrian elements into their religious practices.
   **True**
   Although there are some fundamentalist sects of Islam in the country, many Azerbaijani Muslims observe ancient religious traditions, such as visiting sacred shrines and the graves of venerated figures.

3. There are strong religious tensions between the Sunni and Shi’a Muslims in Azerbaijan.
   **False**
   Although Azerbaijanis are predominantly Muslim, little tension exists between the Shi’a and Sunni communities. Religion does not play significant role in the Azerbaijani identity.

4. One of the most popular board games in Azerbaijan is *gulesh*.
   **False**
   If Azerbaijan were to pick a national recreational activity, the most likely selection would be *nard*, one of the world’s oldest board games. *Gulesh* is a style of wrestling.

5. Because of many years of Soviet rule, Azerbaijani cuisine reflects significant Russian influences.
   **True**
   As Azerbaijan became an important agricultural supply center for the rest of the Soviet Union, the nation’s crops (and thus its food products) shifted from rice to traditional Russian staples such as potatoes and cabbage.
CHAPTER 5: SECURITY

Introduction

Azerbaijan lies in a region of complex and often adversarial political interests and histories. Iran, Russia, and Turkey, with their conflicting regional strategies, are among the nations that border Azerbaijan, compelling the Azerbaijani government to work toward a balance in pursuing and establishing policy. In addition, the region’s ethnic diversity has made the government’s task of establishing an Azerbaijani national identity especially difficult. The challenge is to unify the populace without neglecting the cultural and linguistic rights of minority citizens, many of whom live near the Russian and Iranian borders. Threats from radical Islamist groups are also a concern, although the nation’s religious tolerance and lack of a sharp Sunni-Shi’a divide have created conditions that are not particularly conducive to the spread of Islamic fundamentalism.

In recent years, Azerbaijan has made efforts to form a greater military and economic alignment with the West, as evidenced by its participation in NATO’s Partnership for Peace Program and its construction of oil and gas pipelines that bypass Russia and Iran. These efforts bring both rewards and risks. Foremost among potential risks is a strain in relations with Russia and Iran, both of whom are opposed to increasing Western military influence in the southern Caucasus. Russia’s intervention in Georgia’s conflicts in South Ossetia and Abkhazia in August 2008 have raised concerns that Azerbaijan’s own stalled conflict—the Nagorno-Karabakh War—could lead to outside intervention from Russia, a key ally of Armenia, if fighting were to resume.

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U.S.-Azerbaijani Relations

Relations between the United States and Azerbaijan are cordial. The United States regards continued good relations with Azerbaijan important, particularly in view of its strategic location. The U.S. government has promoted broad American investment in the Azerbaijani economy, although to date most of the funding has been directed toward the energy sector. The United States, along with Russia and France, is a co-chair of the Minsk Group, which is providing the framework for negotiations to end the standoff in Nagorno-Karabakh.

Relations between the two countries have been tested somewhat by Washington’s unhappiness with the slow pace of reform in Azerbaijan. Corruption in business, periodic crackdowns and restrictions on political dissent, and judicial interference with independent election-monitoring groups have all been subjects of criticism made by U.S. government representatives.

The two countries have important strategic reasons for maintaining strong relations. For the United States, Azerbaijan is a significant supplier of oil and gas to European markets through the Baku-Tbilisi-Ceyhan (BTC) pipeline, which was built by a consortium of oil companies that included the U.S. firms ConocoPhillips and Unocal. The United States government lobbied strongly for the Azerbaijan-Georgia-Turkey route, rather than routing Caspian oil through Iran to the south or through Russia to the north.

Azerbaijan, for its part, looks to the West and, in particular, to the United States as an important geopolitical counterweight to Russia. Although Azerbaijan has maintained workable relations with Russia since independence, its long history of forced integration into the Russian state has given Azerbaijani leaders strong reason to develop economic and security ties to the West.

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Relations with Neighboring Countries

Armenia

Azerbaijan views Armenia as the main threat to its national security, and relations between the neighbors are hostile. The two countries officially remain at war because of the failure to negotiate a peace treaty in the Nagorno-Karabakh conflict, and the border remains closed.\(^{408, 409, 410}\) Since 1992, negotiations to settle the Nagorno-Karabakh dispute have been carried out through the Minsk Group, an ad hoc body representing the Organization on Security and Cooperation in Europe (OSCE).\(^{411}\) The negotiations have not included any representatives of the self-declared Nagorno-Karabakh Republic (NKR), which is not recognized by any country, including Armenia. With little indigenous economy left, the NKR is heavily dependent on Armenia and the large worldwide Armenian diaspora for economic assistance.\(^{412}\) Both sides continue to blame each other for the protracted war, which shows no sign of ending. Cease-fire violations in 2012 left several troops dead, leading to fears that the situation could escalate.\(^{413, 414}\)

Complicating the situation in Nagorno-Karabakh is the sensitive geopolitical nature of the region. Since independence, Armenia and Azerbaijan have devoted time and energy to cultivating relations with their powerful neighbors.\(^{415, 416, 417}\)

Georgia

Azerbaijan and Georgia have cordial relations and a strong strategic partnership cemented by shared economic and political interests.\(^{418, 419}\) The BTC oil pipeline runs from Baku through

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Georgia to Turkey’s oil terminals on the Mediterranean Sea (near the city of Ceyhan). A gas pipeline follows the BTC route for a portion of the distance. The two countries are further linked economically through a bilateral free trade agreement that went into effect in 1996. Relations are sometimes strained by complaints of discrimination from ethnic Azeris in the Kvemo Kartli region of southern Georgia. A somewhat contentious border issue concerns the status of an ancient Georgian Orthodox monastery complex known as David Gareji in Georgia and as Keshish Dagh in Azerbaijan. The Soviet-drawn boundary runs through David Gareji, and Georgia has made efforts to negotiate a boundary settlement giving it sovereignty over the full area in exchange for a tract of land located elsewhere along the border. Azerbaijan has been hesitant to cede its portion of the complex because of its strategic value as the highest point in the region. Recently, both sides have agreed to settle the dispute, although a conclusion has not yet been reached.

In spite of these occasional problems, relations are stronger now than in the past.

Iran

Even though Iran and Azerbaijan are both predominantly Shi’a Muslim nations, the two neighbors have had cautious relations for much of the last two decades. Relations reached their lowest point in 2001, when Azerbaijan accused Iran of trying to destabilize the Azerbaijani government through its support of radical Islamic sects. In 2012, tensions escalated further following Iranian accusations that Azerbaijan provided safe havens to assassins targeting Iranian nuclear scientists.

Azerbaijan has followed a secular path since independence, quite

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Unlike Iran’s theocratic government, although some Azerbijani officials have periodically accused Iran of trying to spread Islamic fundamentalism or sponsor terrorism in Azerbaijan, there is little evidence that Iran has actively tried to subvert the Azerbijani government. Nonetheless, in December 2007, the Azerbijani government convicted 15 Azerbijani citizens accused of spying and plotting a coup with assistance from Iran’s Islamic Revolutionary Guard Corps, but Iran vigorously denied the charges. In 2012, Azerbaijan arrested Iranian-trained terrorists and discovered two Iranian spy networks. In partial response, Iran accused Azerbaijan of providing a launch base for Israeli military attacks against Iran.

Iran’s repression of Azerbijani cultural and linguistic rights among the Azeri minority inside Iran has fueled tensions. Azeris are the largest ethnic minority in Iran, representing 16% of the nation’s population. Although the leaders in Baku, wishing to maintain improved relations between the two countries, have been relatively quiet on the crackdown on cultural rights groups in Azeri areas of Iran, some nationalist groups in Baku have tried to stage protests.

Iran and Azerbaijan have yet to settle a territorial dispute concerning oil rights in the Araz-Alov-Sharg oil field in the Caspian Sea. In 2001, this lingering issue led to a confrontation between an Iranian warship and an Azerbijani oil research boat, but the dispute has been less antagonistic in recent years because of improving relations between the two countries.

Russia

Of the 15 new countries that emerged from the dissolution of the Soviet Union in 1991, Azerbaijan was one of the quickest to cut ties with Moscow. It was the first Soviet republic in the

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Transcaucasus to declare independence, distribute its own currency, and evict Soviet armed forces from its lands. Azerbaijan initially declined to join the Commonwealth of Independent States (CIS), an alliance of post-Soviet nations, although it voted to become a member of the CIS in 1993. The Russian Cyrillic alphabet used for the Azerbaijani language was abandoned for a modified Latin script. Azerbaijan’s rush to separate completely from Russia stemmed from several likely causes, including memories of 1920, when the first independent Azerbaijan Republic was conquered by the Bolsheviks, as well as the Nagorno-Karabakh War, which forged a strong sense of nationalism in Azerbaijan.  

Relations between Russia and Azerbaijan have improved since the early 1990s, although some issues remain, including Russia’s increased military presence in Armenia, which resulted from the closure of its military bases in Georgia. It is estimated that about 3,500 Russian troops are now deployed in Armenia, primarily at the military base in Gyumri. Cross-border ethnic tensions also periodically stress Russian-Azerbaijani relations. Representatives of some of the ethnic groups in northern Azerbaijan—most notably, the Lezgins, Avars, and Tsakhurs—have attracted attention with statements condemning “forced assimilation” into Azerbaijan. Each of these ethnic groups has a significant population in Russia’s Dagestan Republic as well. Suspicions exist in Azerbaijan that the separatist feelings have, in some cases, been stirred by Moscow, primarily as a means to exert influence on Azerbaijan. 

Economically, Russia is the largest source of imported goods and products for Azerbaijan. Prior to 2007, when production began in the Shah Deniz natural gas field in the Caspian Sea, Russia provided Azerbaijan with a large percentage of its natural gas imports. Since that time,
Azerbaijan has ceased importing gas from Russia, and in a reversal is selling some of its Shah Deniz natural gas to the Russian energy giant Gazprom.450

Turkey

Although Turkey and Azerbaijan share one of the world’s shortest borders (9 km, 5.6 mi), the two countries share deep cultural, linguistic, and economic connections. Common regional interests, including Turkey’s historical feuds with Armenia, further strengthen ties.451, 452 Azerbaijan enjoys warm relations with Turkey, which it regards as a counterbalance to Russian and Iranian influences in the region.453 The recent completion of oil and gas pipelines running from Baku to Turkey have further cemented the countries’ close relations. New agreements to construct the Trans-Anatolian Pipeline were completed in 2011.454 Construction on a railway connection from Baku to the eastern Turkish city of Kars, via Georgia, is scheduled for completion in 2013.455 When completed, the new railway will link Baku to the Turkish rail system for the first time since the Turkish-Armenian border closed.456, 457 The construction of a branch line from Kars to the isolated Naxçivan region has been proposed by Turkey and Azerbaijan.458, 459

Turkey remains an important trading partner with Azerbaijan. The balance of trade between the two nations favors Turkey, which is Azerbaijan’s second-largest import partner.460 Turkey has also been one of the top providers of foreign direct investment (FDI) in Azerbaijan, especially in nonenergy sectors.461

Although the population of both countries is overwhelmingly Muslim, Azerbaijan’s population is mostly Shi’a while Turkey’s is mostly Sunni. The two governments appear to be heading in different directions related to questions of religion and its role in government. Turkey also claims that Azerbaijan has provided help and shelter to anti-Turkish Kurdish rebel groups.  

Military

Azerbaijan’s military consists of three branches: the Army, the Navy, and the Air and Air Defense Forces. Current troop strength is estimated to be around 67,000 (Army, 57,000; Navy, 2,200; Air, 7,900). Eighteen months of active military service is mandatory for men aged 18–35, although university graduates are only required to serve 12 months. Roughly 20% of the Azerbaijani Armed Forces are professional personnel, with the remainder consisting of conscripts. Many of the senior officers are Soviet cadre personnel. A significant number of the junior officers are graduates of the military academy in Baku or are enlisted men who have completed their military obligations. The lack of professional troops in the enlisted ranks seriously degrades operational effectiveness and is reflected in high levels of abuse, desertion, and mutiny. Several instances of fragging have been reported. In 2011, there were many cases of soldiers and conscripts murdering colleagues or officers, poisoning-related deaths among conscripts, and arrests and violent deaths of mid- and senior-level officers.

The army, the largest service branch with approximately 80% of personnel and equipment, comprises five corps headquarters located throughout the country. Most of the ground forces are deployed in Nagorno-Karabakh along the border with Armenia. A new restructuring plan is replacing the old Soviet model. Brigades will have 3–5 battalions, each with around 500 troops, and some smaller support units.

Much of the military’s equipment is aging and poorly maintained. A lack of spare parts leaves much of the equipment nonoperational. Uneven modernization and availability of equipment create widely varying levels of readiness across military units. Increased budget allocations

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for the military have helped, and the president promised an additional USD 3.3 billion in 2011.474 Most money is allocated to the purchase of equipment at the expense of training. Azerbaijan’s ability to effectively deal with threats from Armenia has not improved since 2003.475

Police

Azerbaijan’s police force is under the direction of the Ministry of Internal Affairs.476 Most citizens view the police as corrupt, and according to the U.S. State Department corruption is rampant in the force. Government efforts to reduce corruption through increased salaries have had little effect.477 Businesses often complain that the police fail to reliably uphold and enforce law and order.478, 479 The president wields a great deal of influence over courts, exercising excessive control over the judiciary. Judges sometimes follow the president’s instruction in court cases, regardless of the merits of a case.480, 481

In 2007, the heads of the antidrug and organized crime units were fired for “gross violations” of procedure, and 197 police officers were charged with various legal violations.482 Nevertheless, police are typically exempt from prosecution for criminal acts, perhaps because appointments to the higher ranks are often based on political connections rather than on merit.483

Terrorist Groups

In the past, Azerbaijan was used by international mujahideen (Muslim guerilla fighters) as a base for a logistics network designed to supply funds, personnel, and arms to the Caucasus region, including to operatives involved in the nearby separatist conflict in Chechnya.484 But since 2001,

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Azerbaijan has increased its interdiction efforts and has made moderate gains in disrupting such activity.\(^{485, 486}\)

Azerbaijani security officials have confronted a wide array of mostly indigenous terrorist groups, although in some cases members of these organizations have been led or inspired by foreign terrorist groups or operatives.\(^{487}\) One active group appears to be the Armenian Secret Army for the Liberation of Armenia (ASALA), which issued recent credible threats against Azerbaijani embassies.\(^{488}\)

Numerous arrests and convictions of members of terrorist groups have taken place over roughly the last decade. In 2000, 13 members of a group known as Jayshulla were convicted of terrorist activities, including the suspected planning of a bomb attack on the U.S. Embassy in Baku.\(^{489}\) The group was a militant Salafist (Sunni Muslim fundamentalist) organization that reportedly received training in Chechnya.\(^{490}\) In 2005 and 2006, two groups allegedly associated with al-Qaeda in the Caucasus were convicted of terrorist plots.\(^{491}\) In 2007, 11 Azerbaijanis were arrested for planning attacks against the U.S. and British embassies. This group was led by Kamran Asadov, a radicalized Azerbaijani army lieutenant who, when he deserted his unit, took a cache of military arms to support the group’s plan.\(^{492, 493}\) A month after Asadov’s arrest, Abu Jafar, an ethnic Arab with alleged ties to the al-Qaeda and al-Jihad terrorist networks, was arrested in Sumqayit (along with 11 Azerbaijanis) on terrorism charges.\(^{494, 495}\) In 2008, several individuals were arrested and tried for taking part in the Afghan insurgency after attending insurgent training centers in Pakistan.\(^{496}\) In 2012, several people


suspected of planning attacks against foreigners, including attacks against U.S. and Israeli embassies in Baku, were arrested.497

Issues Affecting Security

Nagorno-Karabakh

The standoff between Armenia, Azerbaijan, and the self-proclaimed Nagorno-Karabakh Republic continues to be the most significant threat to Azerbaijani stability. Underlying this “frozen conflict are historical debates over the region’s ownership, which go back hundreds of years.498 The stalemate has generated a war of words between Armenia and Azerbaijan, including periodic Azerbaijani threats to resort to military action to regain its lost territory. But a resumption of hostilities would have an even greater impact on regional order than it did in 1994. Since the cessation of fighting, Azerbaijan has developed oil and gas pipelines that pass not far from northern Nagorno-Karabakh. If these pipelines were attacked and disrupted, Azerbaijan would suffer devastating economic losses. Renewed conflict could also attract the unwelcome attention of larger nations with regional interests in the southern Caucasus.499, 500

In Azerbaijan, hundreds of thousands of internally displaced persons (IDPs) and refugees continue to draw from the nation’s economy. The majority of Azerbaijani displaced in the Nagorno-Karabakh War (a group that makes up nearly 10% of the population) have yet to be resettled, although the Azerbaijani government has increased assistance to its displaced population since the beginning of its current energy-driven economic boom.501, 502, 503

Democratic and Business Reforms

The United States and other countries have expressed concerns about Azerbaijan’s mixed record on fighting internal corruption and providing important democratic rights, such as unhindered

and freely monitored elections and media freedom.\textsuperscript{504} Improvements in these areas are needed to ensure that political opposition in the country does not become radicalized and that the Azerbaijani economy diversifies beyond the energy sector.\textsuperscript{505}

The Azerbaijani government practices repression to maintain order and stability in the country. Since 2009, there have been many arrests of activists and journalists criticizing elections and policies.\textsuperscript{506, 507, 508} Continued repression of opposition groups and violations of human rights risk alienating the population and radicalizing some groups.\textsuperscript{509, 510}

Corruption is pervasive throughout the nation and poses a serious risk to future economic growth. Foreign companies must often pay bribes and are disadvantaged by domestic companies that enjoy political connections.\textsuperscript{511, 512} Since 2007, FDI has fallen off because of concerns about corruption, inadequate legal protections, and bureaucratic barriers.\textsuperscript{513, 514, 515} A positive sign is that the government has demonstrated greater initiative in addressing these problems, although the implementation and enforcement of new anticorruption measures has progressed slowly.\textsuperscript{516}

Organized crime groups are becoming increasingly problematic. Although they remain largely involved in organized begging, burglary, small-scale drug operations, and protection rackets, a new kind of organized crime is developing. Some of


Azerbaijan’s more marginalized groups, such as the Chechens, appear to be creating criminal gangs.\(^{517}\)

**Outlook**

Azerbaijan regards the ongoing conflict with Armenia over the Nagorno-Karabakh region as the single greatest threat to its political stability, as well as a key determining factor in foreign policy and future economic growth.\(^{518, 519, 520}\) Tensions between the two nations are escalating. Although the Azerbaijani and Armenian foreign ministers met in Paris in June 2012, negotiations failed, and the situation is still fragile enough to be a cause for moderate concern.\(^{521}\) Recent armed skirmishes along the border have created concerns among some in the international community that war could erupt. Some analysts believe the current spate of escalations are being provoked by Russia and are related to energy issues in the region as well as to Azerbaijan’s generally pro-Western policies.\(^{522, 523}\)

Azerbaijan’s economy shows signs of positive growth, and the government is progressing in diversification. The nation’s economic plans include continuing economic diversification, improving the market structure and investment climate, modernizing transportation infrastructure, and developing human capital, particularly through investments in education. Issues related to environmental protection, establishing and upholding the rule of law, and the development of civil society present major challenges.\(^{524, 525}\)

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\(^{525}\) Azerbaijan Diplomatic Academy, School of International Affairs and Business, “Azerbaijan as a Regional Hub in Central Eurasia: A Conversation with Taleh Ziyadov,” *Azerbaijan in the*
Chapter 5 Assessment

1. The majority of Azerbaijani troops are professional soldiers.  
   **False**  
   Only approximately 20% of Azerbaijani troops are professionals, with the remainder consisting of conscripts.

2. The United States has encouraged economic and political reforms in Azerbaijan.  
   **True**  
   U.S. officials would like to see Azerbaijan implement a series of reforms, particularly in terms of liberalizing election processes, freedom of the press, and business practices.

3. Although its rival, Armenia, has developed close ties with Russia and Iran, Azerbaijan has looked to Western powers for economic and political alliances.  
   **True**  
   Despite Azerbaijan’s strong relations with local allies such as Turkey and Georgia, it has also developed ties with Western powers in order to offset Armenia’s close connections to Russia and Iran.

4. A key component of Azerbaijan’s relationship with Georgia has been the development of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline.  
   **True**  
   Georgia serves as the intermediary country on the BTC pipeline route, which runs from Azerbaijan’s oil-rich properties on the Caspian Sea to Turkey’s oil terminals on the Mediterranean.

5. Azerbaijan maintained close connections with Russia for many years following the dissolution of the Soviet Union.  
   **False**  
   After declaring its independence, Azerbaijan quickly cut ties with Russia by issuing its own currency, expelling Soviet troops from its territory, and adopting a non-Russian alphabet for the Azerbaijani language.
FINAL ASSESSMENT

1. The industrial town of Sumqayit is known for its extremely poor environmental conditions.
   True / False

2. Residents of Naxçıvan City in the Naxçıvan Autonomous Republic are allowed to travel freely through Armenia in order to reach the rest of Azerbaijan.
   True / False

3. The Abşeron Peninsula of eastern Azerbaijan is now largely free from pollution because of intensive cleanup efforts.
   True / False

4. The widespread use of toxic herbicides and pesticides in Azerbaijan has had a lasting effect upon the environment.
   True / False

5. Because Azerbaijan is located in an active seismic zone, earthquakes continue to pose a natural disaster risk to the region.
   True / False

6. The ancient Albanian tribes who lived for many centuries in the region of modern-day Azerbaijan maintained full political autonomy throughout their history.
   True / False

7. Because of their long historical and cultural ties, Azerbaijan and Iran enjoy warm relations.
   True / False

8. In January 1990, the city of Baku experienced a series of ethnic riots in which Armenian and Azerbaijani ethnic tensions flared.
   True / False

9. In the 19th century, a peace treaty between Russia and Persia divided the Azerbaijani region between the two empires.
   True / False

10. Azerbaijan’s resurgent oil industry has played a major role in the country’s improving economy.
    True / False

11. Islamic banks are generally unavailable in Azerbaijan.
    True / False

12. Azerbaijan produces sufficient electricity to meet domestic demand.
    True / False
13. Collective bargaining and trade unions are illegal in Azerbaijan.
   True / False

14. Two key issues facing the Azerbaijani economy are inflation and economic diversification.
   True / False

15. Azerbaijan’s oil and natural gas resources are predominantly extracted from onshore drilling sites.
   True / False

16. The majority of Azerbaijan’s predominantly Muslim population follows the Sunni sect of Islam.
   True / False

17. The traditional Azerbaijani musical form of *mugam* is typically accompanied by poetic lyrics.
   True / False

18. Azerbaijani women are required to wear veils in public.
   True / False

19. The second-largest ethnic group is made up of the Lezgins, who live near the Russian republic of Dagestan.
   True / False

20. Since Azerbaijan’s independence in 1991, there has been a resurgence of traditional patriarchal values.
   True / False

21. Azerbaijan’s close relations with Turkey have been buttressed by a series of cooperative energy and transportation development projects.
   True / False

22. Azerbaijan and Iran are involved in an ongoing territorial dispute concerning energy rights in the Caspian Sea.
   True / False

23. In roughly the last decade, Azerbaijani security officials have made very few arrests in connection with a number of planned or executed terrorist attacks in Azerbaijan.
   True / False

24. The unresolved conflict over the Nagorno-Karabakh region remains the greatest threat to Azerbaijan’s stability.
   True / False

25. The widespread practice of corruption in Azerbaijan poses a serious risk to economic growth and stability.
   True / False
FURTHER READING


