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A Message from the Executive Director

Having just completed the first full year of our Caucasus Program, we begin the new year with a full agenda for 1998. In the 1990s, the Caucasus emerged as a major zone of geopolitical interest and political instability. Our research theme for the 1997-1998 academic year, "The Geopolitics of Oil, Gas, and Ecology in the Caucasus and the Caspian Sea," aims at uncovering the complex linkages between political instability, ethnic conflict, and energy policies in the region. Our Program's spring calendar is brimming with talks on energy, politics and society in the postcommunist Caucasus and Caspian littoral, and we will explore the topic in depth during our third annual Caucasus conference, to be held on May 16.

This fall, many of you had the pleasure of meeting our second Caucasus Visiting Scholar, Dr. Levon Abrahamian. Dr. Abrahamian is Professor of Anthropology and Head of the project "Transformations of Identity in Armenia in the 20th Century" at the Institute of Ethnography of Yerevan State University. While in Berkeley, Dr. Abrahamian led a seminar for faculty and graduate students on identity-formation and nationalism in the Caucasus; gave numerous talks in the Anthropology Department and for the Armenian Studies Program; taught two classes, one in the Department of Anthropology, and the other in his capacity as the William Saroyan Chair in Armenian Studies at UC Berkeley; and conducted research for his work on mythology, ethnicity and identity in Transcaucasia. Whether analyzing Soviet security organizations as secret societies, or exploring relations between forms of public festivals and patterns of postcommunist identity formation, Dr. Abrahamian's talks always proved insightful and original. Later this year, we will publish two research papers by Dr. Abrahamian, "Mother Tongues, Cults of Translation, and the Language of Nationalism in Armenia" and "The Mythology of Soviet and Post-Soviet Leaders," providing an opportunity for a broader audience to benefit from Dr. Abrahamian's distinctive ethnographic approach to nationalist politics in the Caucasus.

I am pleased to announce that Dr. Leila Alieva, the former Director General of the Center for Strategic and International Studies in Baku and currently the National Coordinator of a United Nations program for humanitarian assistance and human development in Azerbaijan, will be our Caucasus Visiting Scholar for the 1998-1999 academic year. In her capacity as head of the Center for Strategic and International Studies, Dr. Alieva directed a number of research projects on state-building and economic transition in postcommunist Azerbaijan. She has published numerous papers on topics ranging from the psychological analysis of ethnic stereotypes to the foreign policy of post-Soviet Azerbaijan. She is currently writing a manuscript on political instability in the contemporary Caucasus. We look forward to welcoming Dr. Alieva to Berkeley next fall.

Two presentations given this fall as part of our ongoing Caucasus Speakers Series shed particularly interesting light on the complex interface between ethnic identity, nationalism, and the politics of oil in the long-running conflict between Armenia and Azerbaijan over Nagorno-

Karabakh. Vartan Oskanian, First Deputy Foreign Minister of the Republic of Armenia, and Jayhun Molla-Zade, President of the US-Azerbaijani Council in Washington, DC, both emphasized the intricate relationship between struggles to control regional petroleum export routes and the course of the Karabakh negotiations. Summaries of their talks are included in this issue. In upcoming series talks this spring, Liz Sherwood-Randall, a former staff member of the US National Security Council; Armen Aivasyan, a historian from Yerevan and an expert on Nagorno-Karabakh; and Nasib Nasibzadeh, former Azeri Ambassador to Iran, will all speak on the intertwining of regional conflicts and the politics of oil in the Caucasus.

As word of our unique program on the Caucasus and Caspian littoral spreads, talented graduate students interested in working on the region have turned their attention to Berkeley. This year, our program welcomes Jarrod Tanney of the History Department, who is working on Soviet nationality policy in the Caucasus during the Stalin era. Jarrod joins an already robust contingent of young scholars working in the region. Catherine Dale (Political Science) has just begun her dissertation field research on persons displaced by the Abkhazia conflict in Georgia and the Nagorno-Karabakh conflict in Azerbaijan. David Hoffman, also of the Political Science Department, has just completed a dissertation prospectus on the politics of pipelines and the impact of oil and gas revenues on state-building in Azerbaijan and Kazakhstan, and will soon depart for

Baku to begin his dissertation field research. Other affiliated students working on the Caucasus include: Adam Cohen-Siegel of Linguistics, interested in the minority languages of the regions; Keith Darden of Political Science, interested in the impact of regional institutions on the Commonwealth of Independent States; and Serge Glushkoff of Geography, interested in ecological problems in both the Caucasus and the Black Sea. Our program is thus attracting a diverse range of graduate students from various disciplines.

You can subscribe to our quarterly Caucasus calendar, sent out over the internet, by e-mailing the Program at bsp@socrates.berkeley.edu. Please include your own e-mail address and a short description of your current position and interests in the region. If you would like us to publicize a Caucasus-related event on our quarterly calendar, please e-mail the above address with details. Our quarterly calendar now goes out to over a hundred scholars around the world. For more information about the program, including an archived copy of our calendar, please check our Caucasus website (<http://socrates.berkeley.edu/~bsp/caucasus/caucprog.html>).

Marc Garcelon
Executive Director

The Caspian Sea Demarcation: From Stalemate to Fait Accompli?

David I. Hoffman

David Hoffman is a second-year Ph.D. candidate in the Department of Political Science at UC Berkeley, and a Senior Associate of Cambridge Energy Research Associates. He has spent the previous two summers traveling in the Caspian region.

Over the past eighteen months, the Caspian Sea has gone from the status of a little-known, seldom-discussed body of water to the focus of international attention and intense geopolitical competition. Whereas a year and a half ago, the Caspian was the purview primarily of Western energy companies and a relatively small circle of policy analysts in Washington, it has now become the focus of intense scrutiny by the general media, the American public, and, finally, American policy-making circles at the highest levels. The *New York Times*, as well as virtually every other major American newspaper, has dedicated considerable attention to the Caspian Sea region in recent months, while in Washington President Clinton has prominently welcomed various presidents of non-Russian Caspian littoral states to the White House, including, most recently, President Nursultan Nazarbayev of Kazakhstan. Five years ago, the opening of an offshore oil rig outside of Baku, Azerbaijan, probably would have raised nary an eyebrow in Washington; when the first Azerbaijani “early oil” began to flow from the Chirag oil field this November, the event was witnessed by an American contingent led by Secretary of Energy Frederico Peña. The Caspian Basin, encompassing the Caspian Sea and the hydrocarbon-rich coastal regions of its five littoral states^{3/4}Russia, Kazakhstan, Iran, Turkmenistan, and Azerbaijan—is emerging as the first big “oil boom” of the 21st century, with all the attendant economic risks, political pitfalls and potential payoffs associated with the term.

The newfound publicity of the Caspian Basin has prompted a rush to term the international political and economic interactions accompanying the region’s development as either a geostrategic “New Great Game,” or a commercial “Deal of the Century.” Both of these perspectives, however, tend to overlook a critical fact, namely that the development of the Caspian Basin ultimately hinges on the resolution of a number of critical obstacles, each of which represents a potential stumbling bloc on the road to any rosy hydrocarbon future. Per-

haps

none of these problems is more significant than the demarcation of the Caspian Sea.

The division of the Caspian Sea has been a contentious issue since the dissolution of the Soviet Union. The legal battle over the status of the Caspian Sea pits Iran and Russia (and increasingly Turkmenistan), who claim the body of water legally qualifies as a lake, against Azerbaijan and Kazakhstan, who have maintained that the Sea is, in fact, a sea. This debate carries implications far beyond mere semantics, however, since according to international law, the resources of a lake are considered the joint property of all littoral states, whereas a sea may be divided into separate zones of exclusive development rights. Russia and Iran’s intransigence on this issue is clearly understood, given their relatively oil-poor endowments in the Caspian. In direct conflict with Russian and Iranian interests, Azerbaijan and Kazakhstan, with massive oil and gas deposits off their coasts, clearly have the most to gain from the division of the Caspian into zones of exclusive development.

Legally, the status of the Caspian Sea presents a particularly thorny problem. For example, it is unclear which, if any, legal definition currently applies to the region. The most recent agreement governing the status of the Caspian is the 1941 Soviet-Iranian Caspian treaty. The dissolution of the Soviet Union fifty years later, however, has dramatically changed the geographical underpinnings of this treaty: instead of two Caspian littoral states, there are now five, with different hydrocarbon endowments and geographical coastline features. The resolution of this demarcation dilemma is further complicated by a lack of consensus as to who, in fact, has the authority to negotiate a binding, comprehensive treaty concerning the status of the Caspian Sea. Should negotiations be bilateral, multilateral, or held under the aus-

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pices of one or more international agencies?

For the countries bordering the Caspian Sea, the stakes at hand are obvious: oil reserves in the Caspian Basin could ultimately run as high as 100-150 billion barrels, although at present proven reserves are closer to 30 billion barrels. According to some estimates, by 2010, the Caspian Basin could be producing approximately 4.5 million barrels of high-quality oil per day—a figure which, at today's prices, would be worth nearly \$40 billion per year. However, other countries have an interest in the delimitation of the Caspian Sea, and with good reason. The US government has recently identified the Transcaucasus and Central Asia as a region of national interest, and supports a plan to construct an East-West "Eurasian Transportation Corridor" that will link oil-rich Kazakhstan and Azerbaijan with Turkey. This support for a non-Russian, non-Iranian export route for Caspian Basin oil and gas is a hallmark of the US government's strategic reorientation towards a more proactive role in the non-European Soviet successor states, and relies on the construction of a pipeline along the bottom of the Caspian Sea that will connect Kazakhstani oil deposits with Azerbaijani refineries and transportation infrastructure. Clearly, the political and legal feasibility of this project will be contingent on the legal demarcation of the Caspian Sea, as pipeline security, transit tariffs, and other issues will vary across international (albeit underwater) boundaries.

For Western oil companies, the past year has been one of optimism. Two Western-led consortia have scored considerable successes in their efforts to exploit the oil deposits of Kazakhstan and Azerbaijan. Offshore production of Azerbaijani oil by the Azerbaijan International Operating Company (AIOC), which began in November 1997, has ushered in the conversion of that country's sizable potential wealth into actual export earnings. Meanwhile, in Kazakhstan the Caspian Pipeline Consortium (CPC) has completed the final stages of an internal reorganization and external negotiations with Russian regional governments that together have cleared the way for construction to proceed on an export pipeline from western Kazakhstan to the Russian port of Novorossiisk.

In pushing ahead with the development of oil and gas resources in their respective sectors of the Caspian Sea, the Azerbaijani and Kazakhstani governments have attempted to present the issue of Caspian demarcation as a *fait accompli*. There are many indications that this strat-

egy is working. Turkmenistan, by vehemently opposing what it

views as Azerbaijani encroachments into its sector of the Caspian, has provided de facto recognition of the Caspian's division into exclusive sectors. Furthermore, the Turkmen government has recently held a tender for exploration of oil fields within its sector, providing further evidence of a shift on the issue. Meanwhile, whereas the Russian government four years ago threatened military action against any moves to divide the Caspian into exclusive sectors, the present Russian government has shown an increasing willingness to concede to littoral states the management of their own mineral resources.

By October 1998, the AIOC is scheduled to decide upon a "main export pipeline" (MEP) route for long-term, large-volume exports of Azerbaijani, and possibly Kazakhstani, crude oil. This decision on an export route for "big oil" (as opposed to the "early oil" flow inaugurated in November) is sure to prove one of the most important in the young history of the Caspian littoral states. Driven by visions of almost limitless transportation tariffs, virtually every country in the region has nominated itself as the "best" transit route ("best" varying in meaning between cheapest, safest, shortest, etc.). As mentioned above, the United States has weighed in on the side of an East-West transportation corridor, connecting Kazakhstan with Azerbaijan via a trans-Caspian pipeline, then Azerbaijan with Turkey, and Turkey with the West via the Mediterranean port of Ceyhan. Any decision by the AIOC to support such a policy by opting for a Ceyhan MEP route would give tremendous momentum to the trans-Caspian pipeline, thus presenting Russia and Iran with the most serious *fait accompli* yet.

Ultimately, a treaty settling the legal status of the Caspian is a necessity. In the long-term, the construction of a vast oil extraction and transportation infrastructure on politically-ambiguous territory is an inherently unstable prospect. Oil pipelines are incredibly lucrative, and incredibly vulnerable projects in and of themselves. When juxtaposed with a political environment characterized by weak states, violent conflicts, and a regional power lacking a clear Caspian littoral policy, they become ever more important to the economic and political sovereignty of the Caspian littoral states. If oil is to prove the economically profitable and politically stabilizing force envisioned by some, certain tough issues—and especially the demarcation of the Caspian—will need to be ad-

Oil and Instability in the Contemporary Caucasus

Vartan Oskanian

On November 13, Armenia's First Deputy Foreign Minister Vartan Oskanian gave a talk entitled "Oil: A Stabilizing or Destabilizing Factor in the Caucasus?" Drawing on his experience as leader of the Armenian delegation to the OSCE negotiations in Minsk on the Nagorno-Karabakh conflict, Oskanian described in detail the interdependent relationship between Caspian oil, the peace process, and international relations. The following is based on a summary of his talk prepared by Jarrod Tanney.

The discovery of copious amounts of oil in the Caspian Sea near Baku has added another dimension to the already complex and often violent world of Transcaucasian politics. Possessing sufficient resources to meet a significant portion of the world's energy needs well into the next century, the Caspian littoral has captured the attention of both regional governments and the major powers of the globe. Indeed, the survival of Transcaucasia's young republics and the economic well-being of the industrialized world may hinge upon the efficient extraction and proper use of the area's oil reserves.

Most of these reserves, however, are possessed by Azerbaijan, and the desire for access to the Azeri national reserves on the part of OSCE countries has entangled the issue of Nagorno-Karabakh's status with the politics of oil. In particular, the need to decide on a suitable pipeline route to move this oil westward has put enormous pressure on Armenia to settle the Karabakh conflict. For these reasons, any understanding of the complex politics of postcommunist Transcaucasia presupposes an understanding of the interdependent relationship between Caspian oil, the peace process, and international relations and geopolitical considerations.

US geopolitical concerns play a particularly important role here. The United States strongly favors building an East-West pipeline route, from Baku through Georgia and then down through either Armenia or Turkey to the Turkish coast of the Mediterranean, thus diminishing the influence of both Iran and Russia in the region. Obviously,

Russia and Iran have opposite interests, though the Iranians have been effectively frozen out of the decision-making process. A pipeline scenario favorable to current US policy, however, largely depends on the realization of regional stability, which is unlikely absent a resolution of the Nagorno-Karabakh conflict. In any case, the enormous size of the Caspian oil reserves guarantees that the region will remain a focus of intense geopolitical interest for many years to come.

Ironically, the Transcaucasus in general, and Armenia in particular, is experiencing a severe energy crisis. Armenia possesses few natural sources of energy and its sole nuclear power plant must be shut down for safety reasons by the year 2004. This lack of indigenous energy resources has been compounded by the after-effects of the collapse of Soviet-era economic arrangements between Armenia and other areas of the former Soviet Union, and especially by the economic blockade imposed on Armenia by Azerbaijan and her allies in recent years. Armenians today thus suffer from continuous power shortages, energy rationing, and so forth, a situation which has gravely hampered our ability to revive the industrial capacity Armenia developed in the last decades of the Soviet era. Given Armenia's dire economic situation, Caspian oil is her potential key to salvation. The fundamental question is whether Azerbaijan will exploit the oil as an instrument of pressure to force Armenia into relinquishing her claims on Nagorno-Karabakh, or whether Azerbaijan will use it as a means of promoting regional stability.



*Map Reprinted from U.S. News & World Report, November 10, 1997

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I would emphasize that Azerbaijan and Armenia are not the only players involved, and that the policies of other states will have a direct impact on the outcome. At the global level, both the United States and Russia are flexing their muscle in the region. As I have already mentioned, both powers are working for solutions amenable to their respective interests. US goals are manifold and complex. They include securing as much oil as possible protecting the sovereignty of the Transcaucasian states (and thus minimizing Russian influence in the region), peacefully resolving the various ethnic conflicts currently plaguing the region, and promoting the democratization of Iran. Conversely, Russia is primarily concerned with extracting oil from the Caspian and with keeping the United States out of the Caucasus. At the regional level, the states bordering the Caspian (Azerbaijan, Iran, Turkmenistan, Kazakhstan, and Russia) are involved in a heated debate over the legal status of this body of water in international law, as the question of whether the Caspian falls under the category of "sea" or "lake" remains unresolved among the principals. This designation carries enormous legal, political, and economic consequences, as under international law, each designation assigns different rules for distributing oil rights to states bordering the Caspian. If designated a sea, Azerbaijan and Kazakhstan stand to gain, while Russia and Iran stand to lose.

Frankly speaking, it is difficult not to be pessimistic about the short-term prospects for regional stability. International disputes over rights and privileges, compounded by the unresolved Karabakh conflict and other persistent ethnic hostilities, have impeded the construction of the pipeline needed both to ease the regional energy crisis, and to export significant quantities of Caspian oil to more distant consumers. Until the Karabakh issue is settled,

investors will be reluctant to begin construction, fearing a resurgence of warfare, which would endanger their investments.

Nevertheless, I believe that regional stability can be attained in the long run. Nagorno-Karabakh, though a very difficult problem, is not insoluble. Even if agreement on Karabakh's ultimate status is presently unfeasible, an interim settlement modeled along the lines of the "no peace, no war" situation in Cyprus has emerged as a workable interim solution. Unfortunately, the adoption of the resolution recognizing Nagorno-Karabakh as subordinate to Azerbaijani sovereignty at the recent OSCE conference in Lisbon has greatly complicated, even obstructed, the realization of this interim solution. As President Levon Ter-Petrosian has emphasized, the only workable approach to resolving the Karabakh conflict is one that evolves through a step-by-step set of interim arrangements. This means delaying the question of the final status of Karabakh until the end of the peace process, as with the Oslo accords between the Israelis and Palestinians. The OSCE's Lisbon resolution has undercut this approach, putting Armenia in a very difficult position at the negotiating table. One must bear in mind that the Karabakh leadership is an independent entity at the negotiating table, and therefore it is crucial that Karabakh be given some security assurances at the outset. Again, the Lisbon resolution has played a very negative role here.

Nevertheless, so long as a way around this misguided resolution can be found, the presence of the United States as a mediator in the OSCE-sponsored negotiations holds out hope such an interim arrangement might soon become a reality. Caspian oil could then develop into a real boon for the Transcaucasus, though it will also likely continue to be a source of instability.

ANNUAL CAUCASUS CONFERENCE

The Geopolitics of Oil, Gas, and Ecology in the Caucasus and Caspian Sea

Saturday, May 16, 1998

**The Toll Room in the Alumni House at the
University of California, Berkeley**

Sponsored by the Berkeley Program in Soviet and Post-Soviet Studies

US Strategic Interests in the Caspian Region

Jayhun Molla-zade

Jayhun Molla-zade is President of the US-Azerbaijan Council in Washington, DC, and editor-in-chief of Caspian Crossroads magazine. He presented a brown bag lunch talk at BPS on Monday, December 1, 1997.

In 1994, a group of oil companies from Europe, the United States, and Russia joined with SOCAR, the State Oil Company of the Azerbaijan Republic, to form the Azerbaijan International Operating Company (AIOC). This consortium was created to develop and exploit three major Caspian oil fields off the shore of Azerbaijan. The project was dubbed the "Deal of the Century," with overall revenue estimates of eight billion dollars. Despite initial skepticism that AIOC oil would ever actually flow to Western markets, in November 1997, new oil flowed from an independent Republic of Azerbaijan for the first time since 1918. This event intensified US geopolitical interest in the region generally, and in Azerbaijan particularly.

Since 1994, nine deals worth a total of thirty billion dollars have been signed between large US oil companies (Chevron, Amoco, and Penzoil, among others), European companies, and SOCAR. Under the AIOC project, the Azeri, Chirag, and Gūneshli oil fields will be developed over the next fifteen to twenty years. The other contracts will fund geophysical research and extraction of any oil fields that are found as a result of the research.

When AIOC found itself ready to export "early oil" in November 1997, the only available pipeline was part of the Russian Transneft system that runs to the Russian Black Sea port of Novorossiisk via Chechnya. This pipeline sustained heavy damage during the Russian-Chechen conflict, but was repaired in time for the "early" oil flows, as the Russians hoped to attract support from AIOC leaders for making this system the main export route for all future AIOC oil. The successful use of the Transneft system was not thought to be possible as late as fall 1996, and other developments have made the search for alternative pipelines all the more important.

How commercially and geopolitically viable are the different pipeline proposals? Currently, the Transneft pipeline is the only one ready and able to transport AIOC oil. In 1995, however, a dual-pipeline policy was formed in response to difficulties in getting access to the Transneft

pipeline and Azerbaijan's desire to decrease Russia's influence over Azerbaijani economic and political affairs. A second proposed pipeline was to transport oil through Georgia to its Black Sea town of Supsa by late 1998; it is under construction now. The main decision currently pending is which pipeline will be the primary carrier? The various parties must decide by October 1998. In making this decision Azerbaijani and Western officials must bear in mind several considerations.

First, the Russians have proposed to build a larger pipeline to Novorossiisk via Dagestan. On the other hand, the Georgians argue that their pipeline is the shortest, and therefore, the fastest route. However, even taken together, these pipelines lack the capacity to effectively move the main flow of Azerbaijani oil, once the fields are mature. It is expected that at its peak, the AIOC oil project will produce 40-50 million tons of oil per year.

A third possibility is a pipeline that will bring Kazakh oil to Baku via the Caspian Sea floor. From Baku, it would then be transported to the Black Sea, and eventually the West, via one of the pipelines mentioned earlier. However, a problem for any Transcaucasian/Black Sea route is the fact that oil will need to be shipped via the Bosphorus Strait, which is already one of the most heavily trafficked waterways in the world. Turkish officials have indicated that they do not want the increased traffic and attendant environmental risk that such a transportation system would bring to the Istanbul metropolis and the already damaged Black Sea ecosystem.

The latest plan, announced in November 1997 and backed by the United States, is to extend the Caspian Sea pipeline to the Turkish coastal town of Ceyhan, in the Southern Mediterranean, via Azerbaijan, Georgia, and Turkey. A pipeline that would travel down to the Persian Gulf via Iran, also recently proposed by Azerbaijan and Kazakhstan, was strongly opposed by the United States, as was another pipeline to transport Turkmen oil to Tur-

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key via Iran. For the time being, Iran appears to be isolated, in spite of regional countries' willingness to work with it. The Baku-Ceyhan pipeline is the one that the United States backs above all others, and this has at the very least given the other nations involved a clearer picture of US interests and desires, which appeared uncertain at the beginning of the project.

Boris Nemtsov, First Deputy Prime Minister of the Russian Federation, recently claimed that the main pipeline will go through Russia. This conclusion, however, remains questionable, as it has received essentially no support from the other nations involved.

The direct flow of Caspian oil to the world market for the first time in decades obviously increases the geopolitical importance of the Caspian countries. First, it provides an alternative source of energy for Western markets, and consequently decreases Western reliance on oil from the Persian Gulf states. The movement of oil also requires political and economic stability, and opens the door for increased US involvement in promoting democracy, human rights, market-based economics, and other US values. So what is the potential for future stability in the region?

When the Soviet Union collapsed, the Commonwealth of Independent States (CIS) was formed with the goal of setting up collective security and economic linkages among the newly independent states of the region. However, this goal has not been realized. In 1997, five years after the creation of the CIS, no stability-keeping institutions exist. The Russian military, the most obvious institution to take over the role of regional stabilizer in the early postcommunist period, was weakened terribly by its failure in Chechnya. Consequently, its influence throughout the Caucasus has relentlessly declined. This is most evident in Azerbaijan, which is the only country of the former Soviet Union to have removed all Russian military bases. The Russian military's failure in Chechnya has contributed to skepticism among Caucasus leaders towards the long-term viability of the CIS. Azerbaijan's President Aliev has pointed out the inability of the CIS to resolve the situation in Nagorno-Karabakh, and Georgian President Eduard Shevardnadze has likewise highlighted the CIS's failure to conclude a peaceful and permanent resolution to the conflict in Abkhazia. Only now are some CIS countries beginning to build bilateral, trilateral, and multilateral relationships with each other, such as the Central Asian-Eurasian Transport Corridor project,

involving the countries of the Caucasus and Central Asia, and an agreement on cooperation and conflict resolution signed in Baku by the foreign ministers of Azerbaijan, Georgia, Moldova, and Ukraine in November 1997. However, these have been largely regional relationships, and Russia is notably absent. Thus, when the question of integration was put forth by Russia at the latest CIS summit in Moldova, it was met with surprise by other CIS leaders, since the CIS is basically seen as a dying structure.

In terms of the Nagorno-Karabakh conflict, the peace process since 1992 has escaped CIS control, as the involvement of the Organization for Security and Cooperation in Europe (OSCE), Britain, France, and the United States (within the Minsk Group) has overshadowed CIS efforts to achieve a resolution of the conflict. The Minsk Group's peace proposal has been well received by Azerbaijani President Heidar Aliev, and Armenia's President Levon Ter-Petrossian acknowledges that it is time to move toward a settlement of this conflict. Although there is strong opposition to the Minsk Group proposal within Armenia, Nagorno-Karabakh, and to a lesser degree, in Azerbaijan, this opposition is rooted primarily in nationalist rhetoric and ideology, rather than in strategic considerations, and the two countries should eventually find a way to overcome nationalist intransigence to reach a workable agreement within the framework of the Minsk Group plan.

With the November announcement that AIOC oil was flowing and a seeming consensus on a pipeline route that avoids Iran, the oil companies involved in the deal are gearing up to use the pipeline through Georgia, which doesn't suffer from the crippling trade blockades that Armenia still faces. But with an apparent resolution to the Nagorno-Karabakh conflict in sight, Armenia now has a small window of opportunity, between now and October 1998, to become more involved in the various oil-related deals that are on the table. However, the more time that is lost, the more marginalized Armenia will find itself in the various Caspian oil deals.

What is the prospect for democracy in the Caspian region? Most countries in this region are still quite autocratic. Kyrgyzstan is moving towards democracy at perhaps the fastest rate, while Uzbekistan is probably the most autocratic. In 1992, Azerbaijanis experienced the first fair presidential elections in the region, which brought Abulfaz Elchibey to power, only to be displaced a year later by Aliev.

In spite of Aliev's sometimes autocratic methods, including a significant crackdown on the media and other political freedoms, Azerbaijan is moving slowly towards democracy. There are some signs of democracy, but there are still no democratic institutions in place. For example, the media has a certain freedom of expression; it can attack government corruption and the way privatization is being handled, but criticism of Aliev is not tolerated.

While the Azeri oil boom at the end of the nineteenth century led to political and cultural freedoms and the more democratic Azerbaijani free state of 1918-19, today Azerbaijan is not really close to an oil boom, despite hopes and expectations to the contrary. On the one hand, in the next five to six years, oil revenues will only cover the AIOC consortium's investment costs. The investment of consortium money in Azerbaijan is clearly not the panacea for Azerbaijan's economic woes. On the other hand, each dollar invested in the oil projects brings two to three dollars for social services and infrastructure-building projects, as well as new jobs. In addition, Azerbaijan is ranked sixth among all the former communist countries (including Eastern Europe) in terms of Western investment. In ten or fifteen years, inevitably Azerbaijan will start earning money. Whether this surplus is stolen by the elite in government or reinvested in the economy depends on the wisdom of the elite and on outside aid in building a meaningful civil society in Azerbaijan.

This, naturally, raises the question of how Azerbaijan and other Caspian littoral countries will use their windfall of new oil wealth, when it eventually materializes. If we compare Azerbaijan with other oil-rich states, which of these states represents a possible model for the future development of Azerbaijan? For the sake of argument, I will take as alternatives Nigeria, Norway, and the Persian Gulf states. In all probability, neither Nigeria nor Norway

represent probable models for Azerbaijan's future. If the Caspian littoral countries follow the Persian Gulf states model, we may see authoritarian or even monarchist tendencies emerge. I remain hopeful that in Azerbaijan's case, the existing seeds of democracy will bear fruit and keep Azerbaijan on a democratic course.

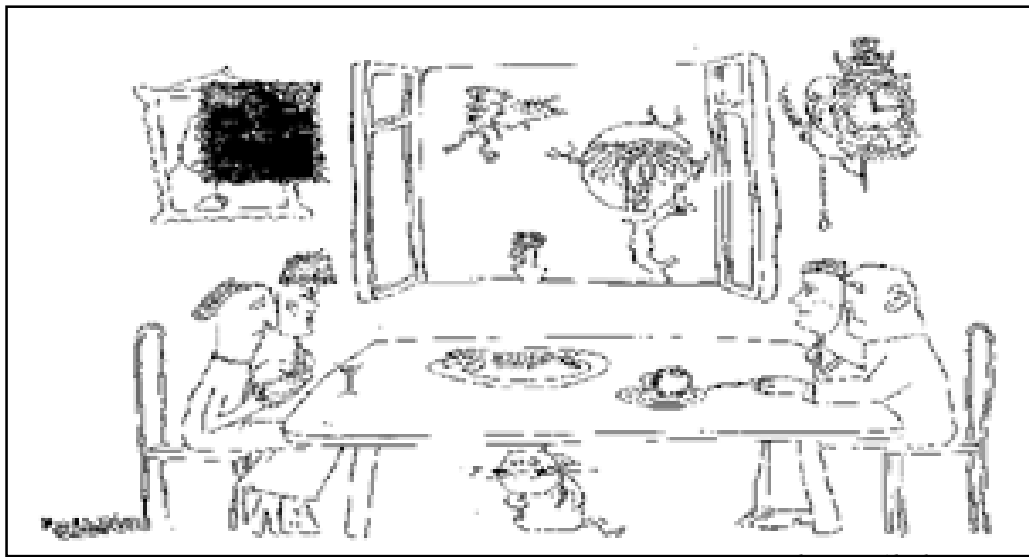
The shorter-term future of Azerbaijan will be determined in October 1998, when both key decisions will be made on which pipeline routes the AIOC will use, and presidential elections will be held. Aliev is far and away the favorite candidate. Thanks to IMF and World Bank programs, under Aliev's watch the economy has stabilized, and there has been macroeconomic improvement and budding economic growth. Azerbaijan is still three to four years behind Kazakhstan and Russia in terms of privatization, but Aliev's approach towards economic stabilization has put less emphasis on privatization, in favor of economic stabilization first, followed by oil exportation and the revenue that it will generate. This, in turn, will allow for subsequent privatization.

As for the 1998 presidential elections, many people believe that Aliev will be reelected, whether or not elections are fair. But there is also a belief among the populace that even if the elections are totally democratic, Aliev will still be the victor. He enjoys broad popularity and support; even those who do not like or support him now still regard him as the lesser evil when compared to his likely opponents. Undoubtedly, deals will be cut to ensure that Aliev is reelected in a smooth and democratic race. Although less favored in Nagorno-Karabakh and even Baku, Aliev enjoys regional support in Nakhichevan and elsewhere. Aliev wants to be the Azerbaijani Atatürk, so he has an interest in being reelected in a democratic and fair race. His only problem is Nagorno-Karabakh; if he can ensure that refugees will be allowed to return to the six regions currently occupied by Armenia, then he will win the Karabakh vote.

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"Institutions, Identity, and Ethnic Conflict:
International Experience and Its Implications for the Caucasus"**

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Drawings by Levon Abrahamian

The Changing Invariants Of Armenian Identity

by Levon Abrahamian

Our Visiting Scholar for the fall of 1997, anthropologist Levon Abrahamian heads a project on “Transformations of Armenian Identity in the Twentieth Century” in the Department of Ethnography at Yerevan State University. He gave a talk at UC Berkeley on September 24 1997. The following is based on a summary of this talk prepared by Jarrod Tanney.

The collapse of the USSR along territorial and ethnic lines has led the various peoples of the former Soviet Union to begin reconceptualizing their sense of nationhood. The idea of a supra national Soviet people has thus been superseded by a variety of forms of ethnic particularism and national ideology. The future remains uncertain, as the content of national identities has yet to take a definite shape in most of the newly independent nations. However, citizenship disputes, bloody ethnic conflicts, and refugee problems have left many observers wondering if nation-building in the region is doomed to be chauvinistic and authoritarian, rather than open and democratic.

Armenia today finds herself struggling with these alternative futures. What makes this struggle particularly interesting from an ethnographic perspective is the way that past struggles over Armenian identity figure in the story. Indeed, Armenian cultural history is marked by oscillations between more inward and more outward notions and representations of its national culture. Recurrent patterns of shifting emphasis on this or that more nativist or more cosmopolitan element of Armenian identity in Armenian culture over the centuries provides the clue to the title of my talk today. By taking a broad historical perspective and paying attention to recurrent patterns of identity formation in the Armenian past, we can better un-

derstand the reasons behind post-Soviet Armenia’s ambiguous sense of nationhood. Indeed, the tensions and contradictory tendencies evident in the process of national identity-formation in contemporary Armenia indicates the degree to which the eventual form Armenian national identity may take today remains open.

Historically, two seemingly contradictory aspects of Armenian identity have repeatedly asserted themselves. First, Armenians have long demonstrated a receptivity to foreign cultures. The Armenian language is the most visible example of this tendency: over the course of centuries, numerous Turkic and (especially) Persian words have crept into the Armenian tongue, to such an extent that linguists for many years erroneously considered Armenian a branch of Persian. Similarly, Armenians have often adopted foreign costumes, such as their propensity for wearing the Turkish Fez during the nineteenth century.

Second, Armenians have often sought to prove their historical uniqueness. Armenia’s “myth of origin” is particularly revealing in this respect. At the center of this legend lies Mount Ararat, which—despite its location within the borders of the contemporary Turkish state—serves as Armenia’s most important national symbol. Ararat’s centrality as an

icon of Armenian identity is reflected in its depiction in Armenia's coat of arms and its immortalization in the nation's poetry. As tradition has it, Noah's Ark came to rest on Mount Ararat, and it was in this region that Noah's descendants fathered the various peoples of the world (including the Armenians) who subsequently multiplied and spread across the globe. Thus, Mount Ararat places the Armenian homeland at the epicenter of civilization.

Armenia's conversion to Christianity in the fourth century AD embodied both of these tendencies. On the one hand, the adoption of Christianity reveals a receptivity to foreign ideas. On the other hand, the Armenian church has long traveled an independent path in world Christianity, having rejected the politically crucial theological decision on the nature of Jesus Christ taken by the Fourth World Council at Chalcedon in the mid-fifth century. This rejection established ecclesiastical uniqueness as an intrinsic element of the Armenian people's national identity. More significantly, having been the first nation to adopt Christianity as its official state religion, the Armenian people early on developed a "pioneer complex"—a desire to be the first at everything. For instance, nationalist discourse—at times supported by the research of social scientists—posits the Armenian people

as the progenitors of all Indo-Europeans. Thus, nativism in Armenia has been steeped in the language and symbolism of a pioneer people ever since.

Intriguingly, this preoccupation with historical uniqueness and the pioneering spirit have been reinforced by the path-breaking role Armenia at times played both during perestroika, and in the early post-Soviet period. Thus, the first anti-Soviet rallies of the Gorbachev period took place in Armenia, while Armenia was the first among the former republics of the USSR to introduce land privatization in the postcommunist period.

How are these tendencies reflected in Armenia's current situation and what do they suggest for the future? Having endured several years of warfare, economic collapse, material deprivation, and regional isolation, Armenia is presently looking to the past (both real and mythical) to demonstrate her uniqueness. Nevertheless, I believe that Armenia's historical predilection toward openness is merely dormant—not extinct—and remain hopeful that a greater receptivity to foreign ideas will soon become the order of the day, and will ultimately help forge the character of Armenia's evolving national identity in an open and democratic direction.



The Cola Caucasus

Ivan Ascher

Ivan Ascher is a graduate student in Political Science at UC Berkeley. He spent the summer of 1997 studying Azeri in Baku.

A few years back, when Americans developed a peculiar nostalgia for the fifties, the Coca-Cola Company thought of bringing back its glass bottle, old style. I remember finding the message of the ad comforting at the time: “Coca-Cola: Always”—like a reassurance that some things never change. In Azeri, I found, the ad has a different ring to it, and there is something ominous about Coke ads adorning every kebab shop in Baku. “Coca-Cola: Everywhere” seems more like it.

That was the point I was trying to make to Rabadan, my nineteen-year-old friend in Azerbaijan, as we drank our sodas and watched Russian tourists walk along the Caspian seaside. Rabadan evidently did not find my remark very compelling, since he replied with a non sequitur: “*Braveheart*. The best movie of all times.” I had heard his point before, about the mountain peoples of the Caucasus and their solidarity with the Scottish struggle, so I didn’t bother to respond. Looking for another topic, Rabadan pointed to my pocket radio; this time his expression was inquisitive: “When you go back to America, will you get station 102?” His question startled me at first, but it made a good deal of sense: there were only two stations to be heard in Baku, 102 and 104. That should leave plenty of bandwidth for the rest of the world. We discussed the matter over another Coke (the fourth can that day), and I set off to meet Elmir at the Conservatory.

Elmir was a young composer I had called earlier in the summer, at the recommendation of a friend. As I explained to him at the time, his number had been given to me by friends in Paris—neighbors of my parents whose colleague’s sister-in-law knew Elmir’s brother. And knew him quite well, I hastened to add. This made for an awkward first conversation, but no matter: we met on the Conservatory steps the next day and almost every day thereafter. Often he came with Samir, a pianist, and Nizami, a clarinetist. Together they played in an avant-garde music ensemble, and in the off-season they roamed the city in search of entertainment.

They appeared to be friends with the whole world of culture in Baku, and spent day after day introducing me to countless musicians, painters, actors, and theater directors. From them I learned something about high culture in Baku and the history of Azerbaijan, with its successive invasions and resulting complexities. Russian was our *lingua franca*, and as we spoke with local artists, Sufi mystics, or actors of the national theater, I could describe the mores of their Western colonizer as they told me of earlier legacies, whether Soviet, Turkish, or Iranian.

As I waited for Elmir on the Conservatory steps that day, I thought back to my conversation with Rabadan. Could I really fault him for liking *Braveheart*? I had just hoped Mel Gibson wouldn’t make it as far as the Caspian. Somehow I had expected cultural oddities and excesses in Azerbaijan to have more of a local twist, and instead I found *Braveheart* and Coca-Cola. I guess in my search for the exotic I was not unlike an American expatriate I had met earlier that week—the wife of a Texan oil executive, who told me proudly of her new hometown: “Ah, Baku, the untouched city. No McDonald’s, no Baskins & Robbins here...” Yeah, right. Untouched my eye. What about the metro cars and escalators? The notebooks in the schools or the pastries in the shops? She never noticed the same in Moscow? St. Petersburg, Novosibirsk, or all over the former Soviet Union, for that matter?

It took a jarring sight to draw me away from my cynical daydreaming: Elmir, in his favorite flower silk shirt, flanked by his grungy-looking friends Samir and Nizami, grinning as they each carried a bottle of vodka. That day we were to celebrate my departure by first attending a play and then visiting a painter friend of theirs on the outskirts of the city, where there would be some final rejoicing. This excursion, I think, was designed to dislodge the pessimism I must have voiced at times about the future of culture in Baku. As far as I could tell, the comic theater still drew a crowd (that afternoon), but its decrepit restrooms behind the velour curtains

gave the place a decidedly tragic feel. Likewise, what income some painters could boast, they owed mostly to the few hundred dollars spent by Royal Dutch Shell or Chevron on decorating their boardrooms. As for younger artists like Elmir and his friends, they hoped to win prizes in international contests, but the postal service was unreliable and their applications rarely made it on time.

Despite all my efforts, my friends could tell I feared the impending cultural onslaught of the West and the ill effects of capitalism, and they decided to show me I was wrong. Nizami, Samir told me, had once considered selling his clarinet and leaving for Poland, but they all drank to his health in such quantities that he decided to stay where his heart was, and kept his clarinet. Where there was life, there was hope, he figured, and by the end of the day he'd make sure I

thought the same. I must admit, after a long evening spent with my talented drinking buddies, I came to temper my pessimism with a certain sense of awe: state subsidies might not get them very far, but this peculiar mix of resignation and determination might permit them to survive. Such was my hope, anyway, as my last evening in Baku drew to a close. There was music, I recall, and Elmir was sitting at a table, smoking. We listened to the harpsichord and I watched his cigarette: it emitted an orange glow in the dark, as he drew from it an occasional smoke. A few drinks into the evening, and even Rabadan's fascination with *Braveheart* seemed redeemed—after all, there was something distinctly Caucasian about it. Trying my best to keep my eyes on the lit cigarette, I realized that if Elmir could write an adaptation of Guillaume de Machaut's 14th century motets, perhaps Coca-Cola would learn one day to change the cultural references for its future ads in Baku.

UPCOMING EVENTS

Wednesday, MARCH 4. Brown Bag Lunch: Bruno Dallago, Visiting Professor of Economics. "The Economic Consequences of Nationalism: The Case of the Former Yugoslavia." 442 Stephens Hall, 12:00 Noon. Sponsored by CSEES

Monday, MARCH 9. Conference: "NATO Expansion: The Pros and Cons." Toll Room, Alumni House, time TBA. Sponsored by CSEES, Center for German and European Studies.

Tuesday, MARCH 10. Public Lecture: Aleksandr Leskov, Head of the Department of Archaeology and Ancient Art, Museum of Oriental Art, Moscow. "Scythian Gold in the North Caucasus." location TBA, 4:00 p.m. Sponsored by CSEES, the Indo-European Language and Culture Working Group.

Friday, MARCH 13. Annual Berkeley-Stanford Conference: Various, speakers TBA. "Religion and Spirituality in Eastern Europe and the Former Soviet Union." Oak Room, Student Union, Stanford University, all day. Sponsored by CSEES, Center for Russian and East European Studies, Stanford University.

Wednesday, March 18. Brown Bag Lunch: Oleg Grinevsky, Stanford University. "Comparing Soviet and Russian Decision-Making in Afghanistan and Chechnya." 442 Stephens Hall, 12:00 Noon. Sponsored by BPS.

Monday, March 30. Public Lecture: TBC: Marek Zvelebil. location and time TBD. Sponsored by CSEES, the Indo-European Language and Culture Working Group.

Tuesday, March 31. Colloquium: John Lukacs. location "TBD", 4:00 p.m. Sponsored by CSEES, Department of History.

Wednesday, April 15. Brown Bag Lunch: Nasib Nasibzadeh, "The Politics of Oil in Azerbaijan." 442 Stephens Hall, 12:00 Noon. Sponsored by BPS.

Saturday, MAY 16. Annual Caucasus Conference. Various, speakers TBD. "The Geopolitics of Oil, Gas, and Ecology in the Caucasus and Caspian Sea." The Toll Room, Alumni House, all day. Sponsored by BPS.

Please call the Berkeley Program in Soviet and Post-Soviet Studies (BPS) for information on these and other events at (510) 643-6737. You may also e-mail at bsp@socrates.berkeley.edu. BPS offers a weekly e-mail calendar of all public events that are sponsored by BPS and/or the Center for Slavic and East European Studies (CSEES). If you are interested in receiving the weekly calendar please specify in your message.

Letter from John S. Schoeberlein from *the Forum for Central Asian Studies at Harvard University*. **Please direct all inquiries and responses directly to Mr. Schoeberlein at the address provided below.**

Dear Colleague,

Several years ago, I and colleagues from Central Asia and Russia compiled information for a guide to scholars of Central Asia. Our goals were to promote contacts and cooperation among specialists in this field and to lead researchers to relevant scholarship. This appeared as The Guide to Scholars of the History and Culture of Central Asia (Harvard University, 1995). The first edition has found a substantial demand and has gone through two printings, with orders coming in from dozens of countries worldwide. We have been assured by scholars throughout the world that it has played a very useful role in promoting integration and cooperation in this field.

We are currently preparing a revised edition of the Guide, and request your assistance in this effort. Our goal is to improve on the previous edition in several ways: a) by updating and supplementing information on scholars included in the first edition; b) by including scholars who may have been missed in the first edition as well as new scholars in this growing field; and c) by making a systematic effort to improve both geographic and disciplinary coverage. This work is made possible by a grant from the International Research & Exchanges Board (IREX), which is also making the Guide available in a searchable electronic edition on the World Wide Web.

The new edition will be entitled more simply and comprehensively: Guide to Scholars of Central Asia. Where the emphasis has been previously on fields related to history and culture, the Guide will now include all fields of the Humanities and Social Sciences. And while the first edition focused mainly on the “core” of Central Asia - Kazakstan, Kirghizstan, Tajikistan, Turkmenistan and Uzbekistan - the new edition will seek to cover more comprehensively the entire region of “Greater Central Asia”: from the Volga Basin and the Caucasus, to Southwestern Siberia, Eastern Turkistan, Mongolia, Northern Iran and Afghanistan.

The aim of the Guide is to be inclusive, and we encourage submissions from all scholars who have produced at least three scholarly works (articles, books, and/or a dissertation). In order that we should not miss any relevant scholar, we ask your assistance in distributing our questionnaire to your colleagues, as you know best the scholars in your field and your region. If you can copy and pass on the questionnaire or send us addresses of relevant scholars, we would most grateful. As in the previous edition, we will also give remembrance to scholars in the field who are recently deceased, so please help us to know whom we should thus honor.

Note that we plan to complete data-gathering by April 1998. Shortly thereafter, the revised Guide will be available at a minimum cost (with a special low price for scholars in Central Asia and countries with similar economic conditions). Please see the accompanying questionnaire for further information on how to ensure inclusion of your complete and current information, including how you may submit your information via e-mail or the World Wide Web. If you were included in the first edition of the Guide, you may simply provide updated information as indicated on the form.

I would like to take this opportunity to acknowledge the very valuable assistance provided by generous scholars throughout the world in helping to make the first edition as complete as possible. With your assistance, we will be able to make the new editions an even more comprehensive and useful tool. Thank you very much for your help.

*Sincerely,
John S. Schoeberlein*

*Direct all inquiries and responses to: John S. Schoeberlein
Forum for Central Asian Studies
Harvard University
1737 Cambridge Street
Cambridge, MA 02138 USA*

FOR THOSE WHO WERE INCLUDED IN THE FIRST EDITION: To update your entry rather than providing all new information, you can a) send a photocopy of your Guide entry with changes, b) send us a request for a form with your information via e-mail at centasia@fas.harvard.edu or post, or c) visit the Forum's web page for further information at http://www.fas.harvard.edu/~centasia/guide_qu.htm.

FOR RUSSIAN-SPEAKERS: Wsli Vy predpochitali by zapolnit; anketu porusski, to možhno zdes', ili soobschite nam, I my Vam Prishlem russkii variant.

IMPORTANT NOTE: Submissions that lack key information (e.g., contact information., bibliography) **MAY NOT BE INCLUDED** in the Guide. Also: you may omit personal information and indicate if you wish certain data not to be included in the world wide web edition. Please use English, Russian, French or German - except addresses, bibliographical information, titles, and degrees which should be in their own languages.

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