

# Azerbaijan

*Since*

## INDEPENDENCE



SVANTE E. CORNELL



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*Azerbaijan Since Independence* offers a comprehensive introduction to modern Azerbaijan, a post-Soviet republic located on the western shore of the Caspian Sea. This small country has outsized importance due to its strategic location at the crossroads of Europe and Asia, its energy wealth, and its historical experience as an early modernizer in the Muslim world.

The book begins with six chapters on Azerbaijan's history from pre-Soviet times to the present, with an emphasis on the past twenty years. The next four chapters are thematic, covering the conflict over Karabakh, the political system, the oil-dominated economy, and societal changes and trends including the role of Islam. The remainder of the book surveys Azerbaijan's foreign relations, with an analysis of the foreign-policy-making context complemented by chapters on relations with Iran, Russia, Turkey, and the West. The book closes with a brief epilogue discussing the country's future.

## *Studies of Central Asia and the Caucasus*

Books in this series are published in association with the Central Asia–Caucasus Institute of the Johns Hopkins University’s Paul H. Nitze School of Advanced International Studies, under the editorship of S. Frederick Starr.

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SVANTE E. CORNELL

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**For Anna**

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# Preface

This book seeks to introduce the reader to a small but fascinating country at the crossroads of Europe and Asia, the Republic of Azerbaijan. My interest in the country, and the wider region of the Caucasus, dates to the early 1990s, when I lived in Turkey and attended the Middle East Technical University in Ankara during eventful years that featured the collapse of the Soviet Union and the wars in the South Caucasus, as well as the Gulf war and Turkey's own Kurdish insurgency. Among my classmates were a dozen students from the newly independent Soviet republics, Azerbaijanis prominent among them—epitomizing the fact that a large area that had previously been all but closed was now opening up to the world.

My knowledge of Turkish helped me acquire a proficiency in Azerbaijani with relative ease, something that proved a valuable asset in understanding a society that most others had to approach through intermediary languages—Russian, or even English.

Throughout the years of my acquaintance with the region, I have often been struck by the lack of comprehensive studies covering the Caucasus and its countries. This led me to compile, ten years ago, a study of the conflicts of the Caucasus, entitled *Small Nations and Great Powers*. The present volume aims to focus in more detail on one of these small nations, which is also the largest and arguably most important country of the Caucasus: Azerbaijan.

If Azerbaijan had to be defined by a single word, that word would have to be “crossroads”—an observation made by the perhaps greatest historian of Azerbaijan, Tadeusz Swietochowski. Azerbaijan epitomizes the fact that being at a crossroads, it does not have to choose between identities—in fact, it cannot choose between them. Azerbaijan is both European and Asian at the same time.

Azerbaijan's importance is much greater than its small size. Located at the crossroads of Europe and Asia and endowed with substantial energy reserves, Azerbaijan cannot escape being at the center of the high politics of Eurasia in the early twenty-first century. But Azerbaijan is more than an area of geopolitical confrontation and intrigue. It is a fascinating culture, which stands out in the Muslim world for its progressive nature and accomplishments.



Not only was Azerbaijan host to the first democratic and secular republic of the Muslim world, it was also leading in terms of modern literary works and cultural accomplishments, including the first opera produced in the Muslim world. As such, the future of Azerbaijan matters much more than its size on a map would indicate.

The structure of this book seeks to combine a chronological and thematic approach, in order to grasp the complexity and interrelated character of all the domestic and external issues that are included in this book. Thus, this book has three parts. Chapters one through six form a chronological narrative of Azerbaijan's development from the pre-Soviet period to the present—and as the reader will see, the attention to detail grows incrementally as the narrative nears the present. This first part provides the context for the following, thematically organized chapters. Chapters seven through ten constitute the book's second part, and discuss the domestic affairs of present-day Azerbaijan. First among these, the focus of chapter seven, is the unresolved conflict over Nagorno-Karabakh, which more than anything else has made an imprint on the country. Chapter eight attempts to go behind the veil of Azerbaijan's opaque political system, while chapters nine and ten, respectively, study Azerbaijan's oil-led economy and its society in rapid evolution. The third and final part of the book, chapters eleven through fifteen, focus on Azerbaijan's foreign relations. After a chapter on the context of foreign policy-making in Azerbaijan, attention turns in sequence to the country's relations with Iran, Russia, Turkey, and the West.

I would not have been able to devote time to research and write this book had it not been for the support of several sponsors. The Swedish Ministry for Foreign Affairs and the Smith Richardson Foundation have provided generous institutional support for the Stockholm and Washington offices, respectively, of the Central Asia-Caucasus Institute & Silk Road Studies Program Joint Center. I am also grateful for the additional support provided by the U.S.-Azerbaijan Chamber of Commerce for this project.

This book is a project fifteen years in the making, and my gratitude is due to scores of people that have in some way contributed to my quest to understand Azerbaijan. Most important among these are those Azerbaijanis that have shared their knowledge and time with me, and have provided their various perspectives on their country, in turn enriching my own.

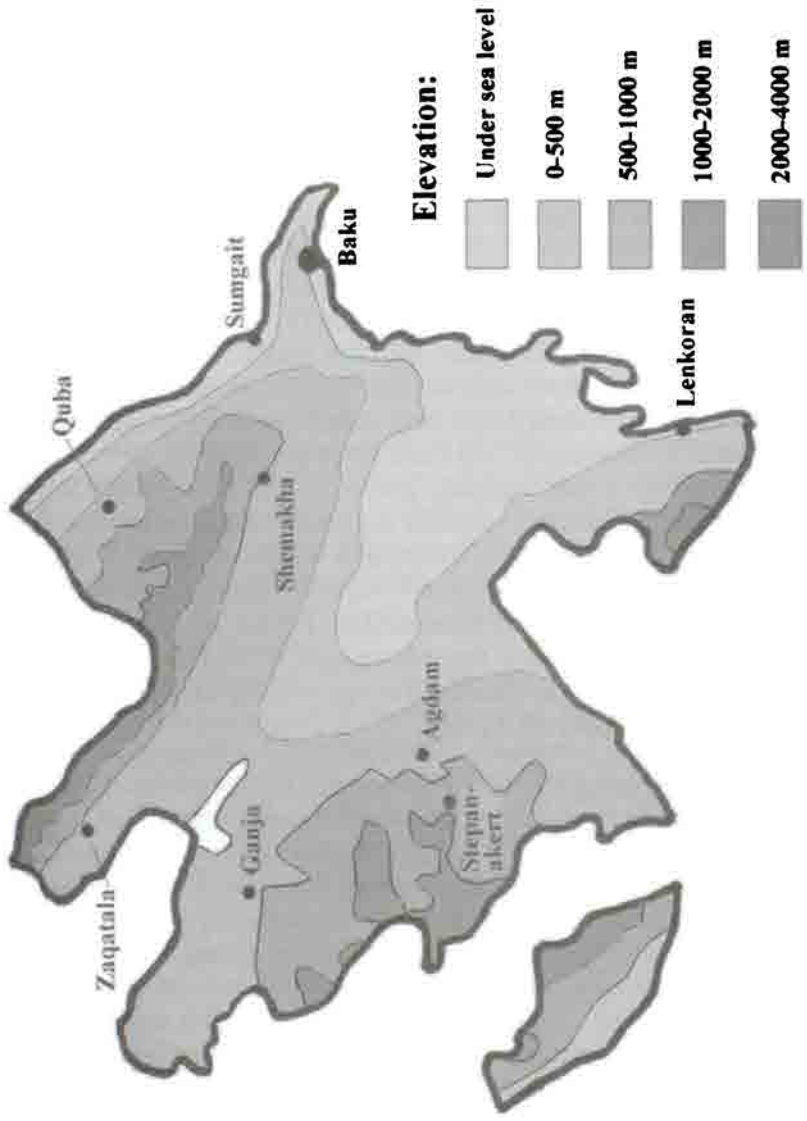
Fariz Ismailzade has been an especially close friend and associate in a number of joint projects, and numerous ideas and arguments in this book are a result of our joint writings on Azerbaijan and the Caucasus. With Elin Sulleymanov, I have shared countless lengthy conversations on every conceivable aspect of Azerbaijan over the past decade. I have also benefited greatly from the friendship and insights of Eldar Ismailov and Seymour Khalilov.

My thanks go also to Hafiz Pashayev, Elmar Mamedyarov, and Araz Azimov, as well as Tofiq Zulfugarov, Niyazi Mehdi, Chingiz Sultansoy, Galib Mammad, Taleh Ziyadov, and Tair Faradov.

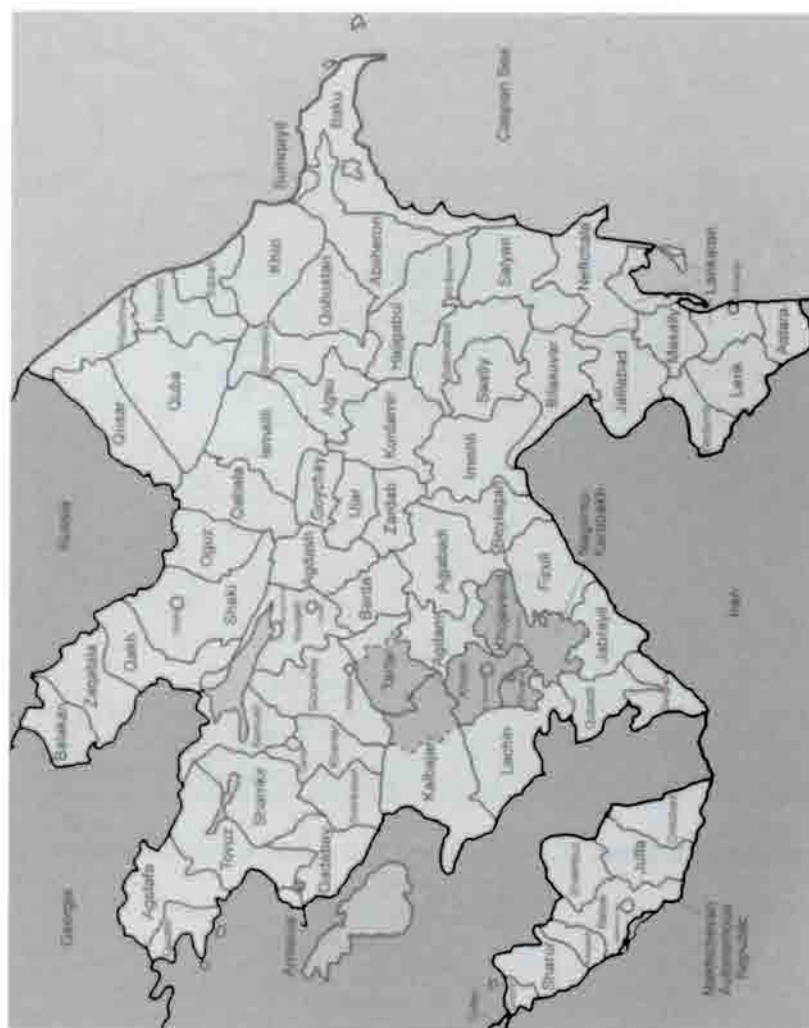
During my trips to Azerbaijan over the past decade, a number of Azerbaijani politicians have been very generous with their time. First and foremost, I am grateful to President Ilham Aliyev and First Lady Mehriban Aliyeva for receiving me on several occasions. I would also like to thank Isa Gambar, leader of the *Müsavat* party, and Ali Kerimli, leader of the Popular Front Party, for generously receiving me over the years.

A word of thanks also goes to those few but notable western scholars of Azerbaijan whose works, written long before I took an interest in the country and in much more difficult circumstances, have inspired my own research. Historians Tadeusz Swietochowski and Audrey Altstadt, and writer Thomas Goltz stand out among them. Zeyno Baran, Jonathan Elkind, and Brenda Shaffer have all read parts of this book and provided valuable comments. S. Frederick Starr, Chairman of the Central Asia-Caucasus Institute, has been tireless in his encouragement for this project, and I owe him a debt of gratitude.

At the Joint Center, I am especially grateful to Alec Forss, whose help in editing and layout was crucial to produce this book. The manuscript also benefited greatly from the arduous style editing by Vincent Ercolano. The cover of the book was designed by Anna Starr Townsend, featuring a Karabakh rug in the author's possession. Dena Barmas, Rena Efendi, and Tim McNaught also graciously provided some of their photographs for the illustrations to this book, as did Betty Blair. Any remaining errors, which I am sure readers are bound to find in this book, are my own.



**Topographic Map of Azerbaijan (Central Asia-Caucasus Institute)**

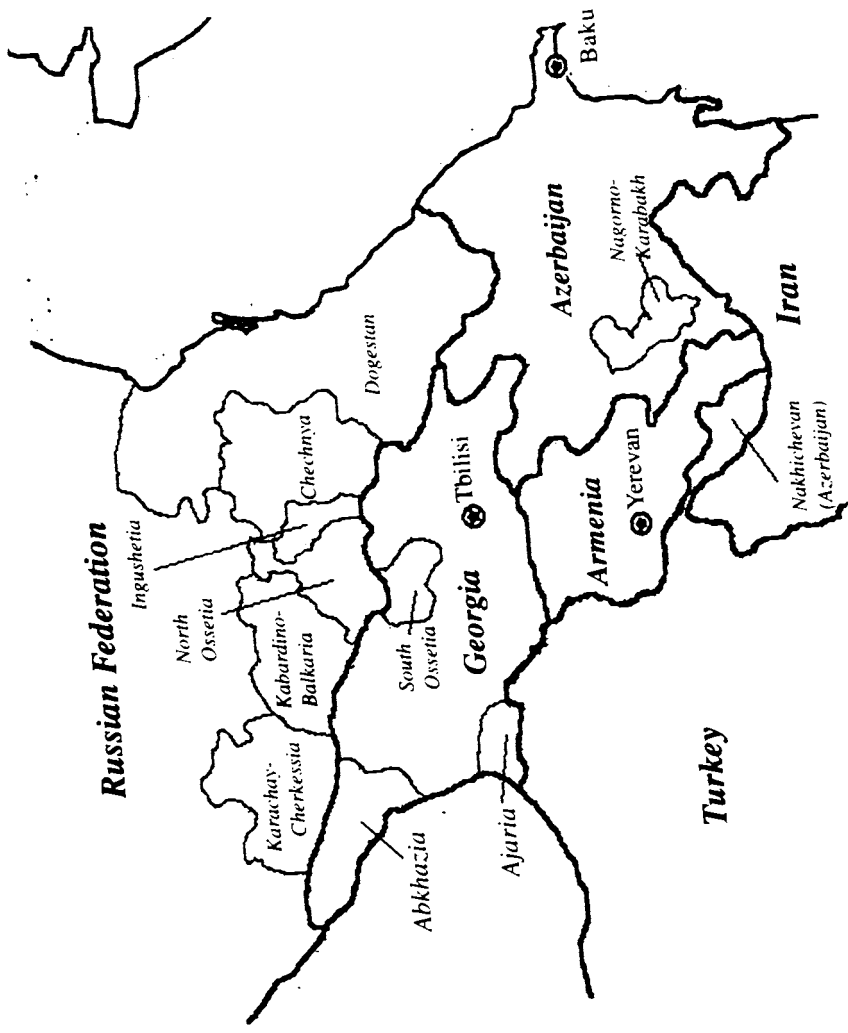




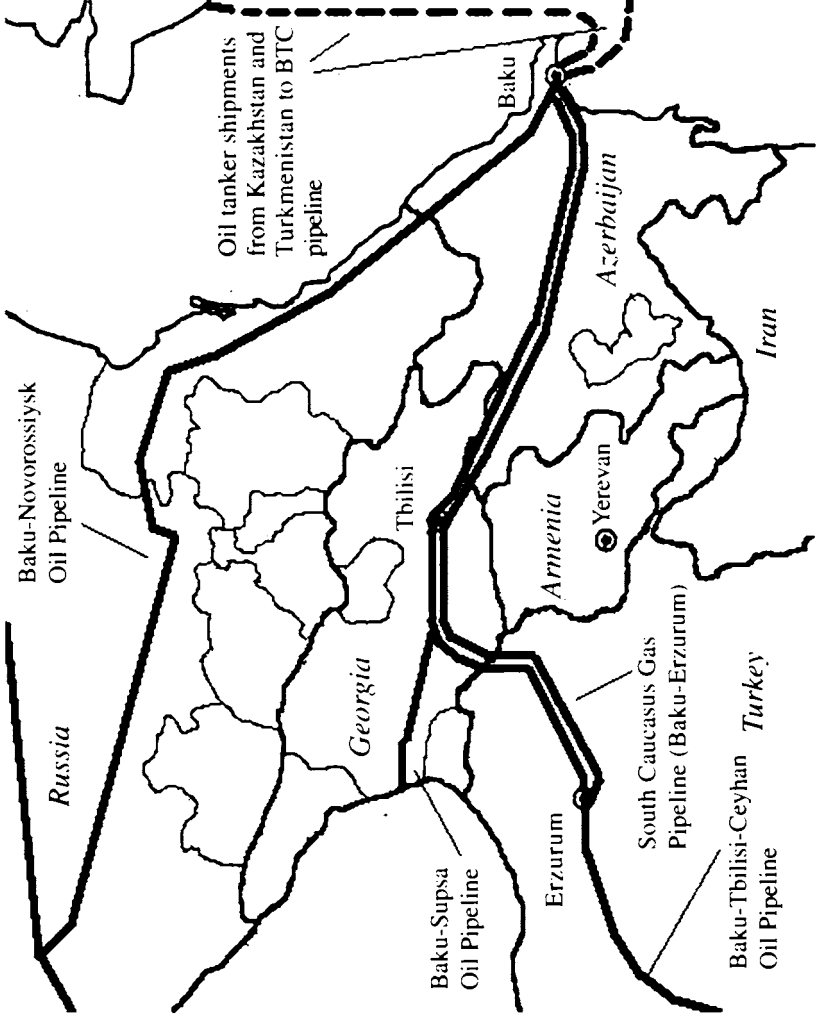
**akhchivan Exclave of Azerbaijan** (Central Asia-Caucasus Institute)



**Lines of Control in Armenian-Azerbaijan Conflict, May 1994**  
(Central Asia-Caucasus Institute)



Map of the Caucasus Region (Central Asia-Caucasus Institute)



**Oil and Gas Pipeline Infrastructure in the South Caucasus (Central Asia-Caucasus Institute)**





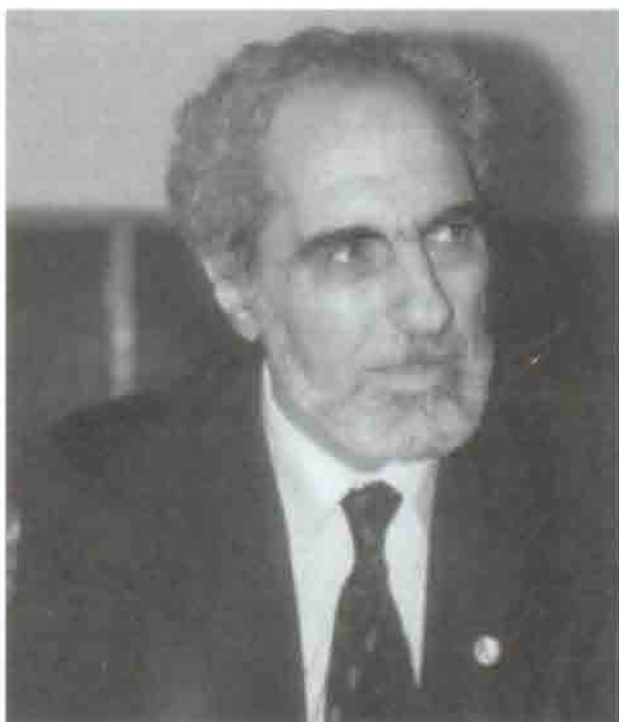
Memmed Emin Rasulzade



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**Heydar Aliyev as leader of Soviet Azerbaijan in 1979**



**Abulfəz Elçibey**



Heydar Aliyev as President of Azerbaijan, 1997



**Ilham Aliyev in 2008**



**Heydar Aliyev, Ilham Aliyev, and Heydar Aliyev Jr.**



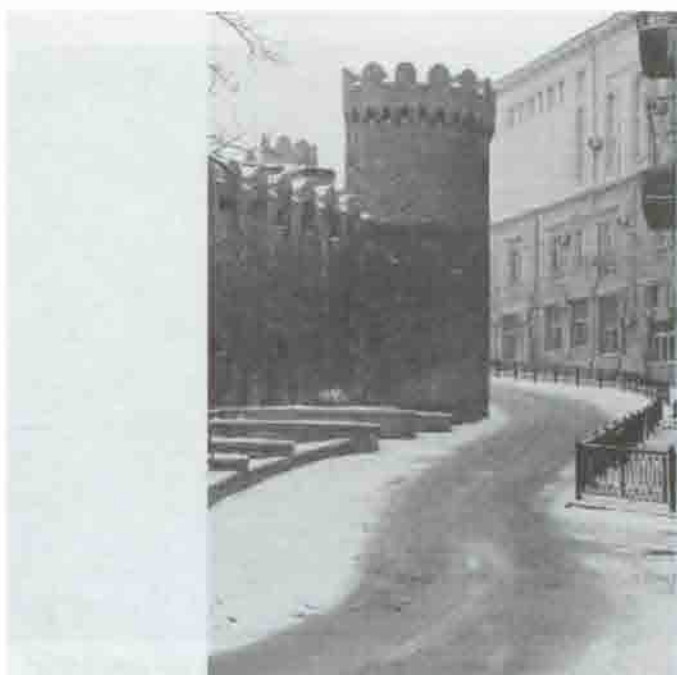
(Courtesy of Betty Blair, Azer.com)

Baku at the Turn of the Twentieth Century



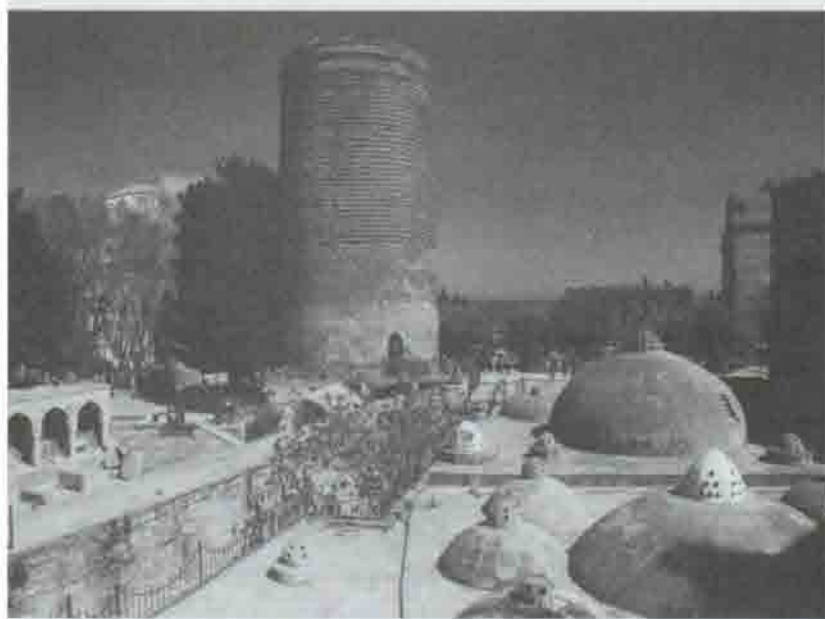
(Courtesy of Dema Barmas)

Baku in 2010



(Courtesy of Deniz Burmas)

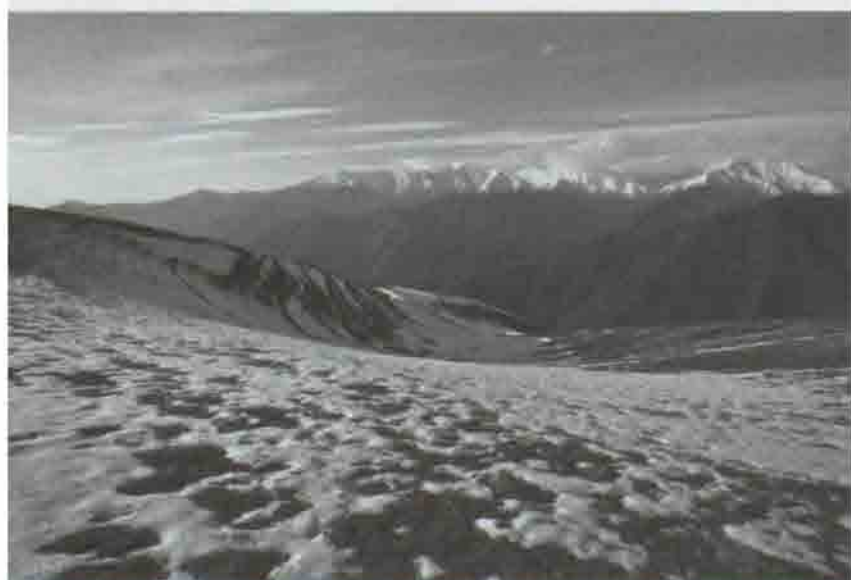
Baku's Historic Old Town



Baku's Maiden Tower



The West Azeri platform, developed and operated by BP/AIOC  
in the Azerbaijani sector of the Caspian Sea



A View of the Greater Caucasus near Zaqatala in Early Spring



The Besh Barmaq (Five Finger) mountain in northern Azerbaijan



Mud Volcano in the Gobustan State Preserve





(Courtesy of Rena Efendi)



(Courtesy of Rena Efendi)

Displaced Persons from the war with Armenia

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# 1

## Azerbaijan Before Soviet Rule

If Azerbaijan's history from the earliest times to the present were to be characterized by a single word, the most appropriate would be *crossroads*. Situated between Europe and Asia, Azerbaijan is marked by major routes of migration, conquest, and trade that transit the country from east to west and north to south. This circumstance has shaped Azerbaijan's history and demography, not least its complicated and contested ethnographic history. Evidence of protohuman activity dating back more than a million years has been discovered in Azerbaijan, with the first traces of agriculture found in Nakhichevan.<sup>1</sup>

Azerbaijan can be geographically defined in at least two ways. On the one hand, its territory can be understood as constituting that of the Republic of Azerbaijan, which was defined as a nation-state in 1918 and, with a slight loss of territory, as a Soviet republic from 1922 to 1991, and, since 1991, as an independent state. But a historic definition of Azerbaijan—and an ethnographic one, if the country is understood as the territory populated mainly by Azerbaijani Turks—encompasses a considerably larger area including parts of neighboring countries, most prominently a large portion of northwestern Iran. Indeed, until the decisive division of Azerbaijan between the Russian and Persian empires in 1828, there was little rationale for making distinctions between the lands north and south of the Araks River (which forms much of the present-day border between Azerbaijan and Iran).

### **Azerbaijan From Antiquity to the Turkic Invasions**

For much of human history, the focus of settlement and the emergence of states in the region occurred mainly south of the Araks River, that is, in present-day Iranian Azerbaijan (also referred to as southern Azerbaijan). This circumstance was due in large part to the area's proximity to Mesopotamia, an early center of intense social, commercial, and political development. The northern part of what is now the independent state of Azerbaijan experienced political development somewhat later, with human settlement

concentrated mainly in the fertile delta at the confluence of the Kura and Araks rivers.

### *Atropatena and Caucasian Albania*

Two states that existed in antiquity have been especially crucial to the historiography of Azerbaijan. The first is Atropatena, which existed south of the Araks River in the first centuries BCE. Atropatena was named after a satrap of Alexander the Great, and provides one of several possible origins for the term *Azerbaijan*. An alternative explanation is that the name derives from the combination of *azer*, Persian for “fire,” and *baygan*, Persian for “protector.” This definition is closely connected to the role played by Azerbaijan in the emergence of the Zoroastrian religion. Southern Azerbaijan is believed by some scholars to be the birthplace of Zoroaster, though many present-day scholars dispute that claim, suggesting instead a Central Asian location.<sup>2</sup> The second crucial historical state is Caucasian Albania, also known as Aghvania. This entity, unrelated to the Albania of the Balkans, developed north of the Araks River in the fourth century BCE, in a territory roughly coterminous with the present-day state of Azerbaijan. Especially since the early Soviet period, Azerbaijani scholars have emphasized their people’s direct link to Caucasian Albania, arguing that the present-day Azerbaijani population derives from Albania’s population, which was later intermixed with Turkic tribes and became linguistically Turkified. Building on the works of Strabo and Ptolemy, among others, these scholars have identified Albania as the land between the Caucasus Mountains and the Araks River, and between “Iberia” (Georgia) and the Caspian—making it an ideal fit with the territory of northern Azerbaijan post-1828.

Azerbaijan’s history up to the seventeenth century is a bewildering tale of innumerable short-lived principalities, competing empires, and sequences of settlers, conquests, and migrations. Such a tumultuous history undoubtedly caused large-scale, continuous suffering on the part of the land’s population. The few periods of peace and development that occurred seldom lasted more than several decades.<sup>3</sup> The Sumerians, Lullubians, Akkadians, Kutians, Cadusians, Caspians, Zamoans, Mannaeans, Assyrians, Urartians, Medians, Scythians, Armenians, and Alans are only some of the peoples who ruled parts of Azerbaijan in the centuries that preceded the Arab—and later, the even more significant Turkic—invasions. The Arab invasions of the eighth century spelled the beginning of the end of the Albanian state, as they led to the Islamization of Azerbaijan. As a result,

the Albanian church—a monophysite church very similar to the Armenian but independent from it—gradually was incorporated into the Armenian one. Presently, great historical debate surrounds this issue, as Azerbaijani scholars claim that ancient Christian monuments in Karabakh are Albanian, not Armenian, something vigorously contested by Armenian scholars.

Most of Azerbaijan gradually came to adopt the Shia version of Islam, in great part because of its greater tolerance of mysticism, which was more suitable to the syncretism that had evolved (as in many other Turkic lands) among Zoroastrian, Christian, and shamanistic practices. But on the slopes of the Caucasus Mountains in northern Azerbaijan, in part because of their proximity to the staunchly Sunni North Caucasus, Sunni Islam remained dominant.

### *The Arrival of the Turks*

While Turkic tribes certainly ventured south of the Caucasus Mountains long before, it was really in the ninth and tenth centuries that a significant Turkic element established itself in Azerbaijan. The process began with warrior clans entering the service of the Sassanid dynasty of the Persian Empire, and gained impetus in subsequent centuries with the emergence of the Oghuz Turks' Seljuk dynasty, which gradually established its suzerainty over much of the Islamic world, making distant Baghdad its capital. Azerbaijan may have been a crossroads, but it was also a backwater for both the Seljuk dynasty and the Byzantine Empire, which before the battle of Manzikert in 1071 controlled Anatolia to Azerbaijan's west. As a result, imperial control was weak and inconsistent, depending on changes in the relative strength and interest of the two empires at a given time. One consequence of this situation was instability and constant competition for local power among native as well as nonnative princes and vassals. Native principalities developed, the most significant being the Shirvanshahs, who originally had their seat at Qabala but were dislocated by the Arab invasions and moved to Baku a few hundred miles to the southeast, then only a village. The Shirvanshahs developed a remarkable capability for survival, allying themselves most often with the victorious empires that projected their influence into Azerbaijan. Hence, through "resilience and adaptability," they were able to survive the destruction of both the Mongol invasion of 1235 and the Timurid invasions 150 years later.<sup>4</sup>

If native Caucasian, Iranian, and Turkic populations—among others—dominated Azerbaijan from the fourth century CE onward, the Turkic element would grow increasingly dominant in linguistic terms,<sup>5</sup> while the

Persian element retained a strong cultural and religious influence. Turkic tribes of the Oghuz lineage began arriving in Azerbaijan probably as early as the sixth and seventh centuries CE. An Oghuz presence in pre-Islamic Azerbaijan is suggested by one of the most important Oghuz Turkic historical documents, the *Book of Dede Korkut*, which was probably written in the ninth century, though the final version is several centuries more recent.<sup>6</sup> The dominance of the Oghuz Turkic tribes, of which the Seljuks constituted a part, provided for the development of a Turkic vernacular language that would eventually become the present-day Azerbaijani language. Azerbaijani Turkish is closely similar to the Turkish spoken in Turkey and the Turkmen of both Turkmenistan and Iraq, but also has a strong Persian influence in its vocabulary. In fact, Persian retained its status as the language of culture among Azerbaijanis for centuries. Azerbaijan's most famous and venerated poets, such as Nizami Ganjevi, wrote mainly in Persian. Following the Seljuk great power period, the Turkic element in Azerbaijan was further strengthened by migrations during the Mongol onslaught of the thirteenth century and the subsequent domination by the Turkmen Qaraqoyunlu and Aq-qoyunlu dynasties.

### **From Safavid to Russian Rule**

Throughout Asia, Turkic dynasties played a central role in the building of statehood and empire, dominating India, the Middle East, Asia Minor, and parts of Europe for the better part of the second millennium CE. The Ottomans came to dominate Asia Minor and eastern Europe, the Mamluks left their mark on Egypt, the Ghaznavids and Moghuls ruled the Indian subcontinent, and the Seljuks controlled the Middle East. Likewise, in the sixteenth century, a dynasty with roots in Ardebil in southern Azerbaijan emerged as the leading force in the building of the modern Iranian state: the Safavids.

#### ***The Safavid Dynasty***

The Safavid dynasty—which was based on a mystical Sufi order—was founded by Shah Ismail Khatai, who is best known for establishing Shia Islam as the state religion of Iran. The Safavids stood out in comparison to the Ghaznavids and other Turkic conquerors by being a local, not an invading, dynasty. Established in 1501, the Safavids fought to evict the Ottoman rule that had been imposed on parts of the region. Historians indeed argue that one reason Shah Ismail imposed Shia Islam on his state was to sharpen

the differences between his rule and that of the ethnically and linguistically closely related—but Sunni—Ottomans. Shah Ismail himself wrote poetry in the Azerbaijani Turkish vernacular, which remained the court language of the early Safavid rulers. Azerbaijani Turkish developed into a literary language in a form close to that used today, as is shown by remarkable works of the time such as the prose and poetry of Muhammad Fuzuli.

The long tenure of the Safavid dynasty helped integrate Azerbaijan into the Persian world while giving the Azerbaijanis the distinction of being the only Turkic people that is predominantly Shia. As Brenda Shaffer observes, this “contributed to the formation of their distinctive and common Azerbaijani identity.”<sup>7</sup>

From its capital in Tabriz, the Safavid court gradually moved its seat southward in the face of Ottoman attacks. In 1592 Isfahan became the capital, and would remain so until 1795. The seventeenth century saw the gradual disintegration of Iranian power, beginning in earnest with the collapse of the Safavid dynasty in the face of an Afghan invasion in 1722. The Safavids were gradually replaced by the equally Turkic Qajar dynasty after a short stint in power by Nadir Shah. One of the most direct results of the weakening of Iranian central power was the growing independence this granted to the khanates of both northern and southern Azerbaijan. Most powerful among them after the destruction of the Shirvanshah khanate by the Safavids was the khanate of Quba, ruled by Fath Ali Khan; other khanates included Shamakha, Sheki, Gandja, Baku, Talysh, Nakhichevan, and Yerevan.

### *Russian Conquest*

The late eighteenth century also saw the emergence of a new, powerful actor in the politics of the South Caucasus. This was Russia, which benefited greatly from the weakness of both the Ottoman and Iranian empires. Peter the Great sent an initial expedition down the Caspian coast past Baku in the 1720s, but business on the European side of the empire prevented Russia from focusing on the Caucasus until the 1780s. In 1783, under attack by both Iranians and Ottomans and receiving no support from the European powers in spite of continuous pleas, King Irakli II of Georgia signed the Treaty of Georgievsk with Russia, effectively making his realm a Russian protectorate and giving Russia a foothold south of the Caucasus. In return, Russia made three promises, none of which would be kept: Irakli and his descendants would be guaranteed the Georgian throne; the Georgian Orthodox Church would retain its independence; and Russia would

defend Georgia from any attack from Turkey or Iran attributable to the treaty. In 1801, the eastern Georgian kingdom of Kartli-Kakheti was annexed to Russia, becoming the Tiflis Gubernia, and nine years later western Georgia was conquered. Also in the first decade of the nineteenth century, Russia extended its reach from Georgia into the rest of the South Caucasus, conquering the Shirvan and Karabakh khanates in 1805.

These expansionist moves led to two successive Russo-Persian wars, one fought from 1812 to 1813 and another from 1827 to 1828. Russia emerged victorious from both, cementing its control over the South Caucasus by means of the treaties of Gulistan (1813) and Turkmanchai (1828). Much of the fighting was done not by armies deployed from central Iran but by the local khans and their subjects, who often strenuously resisted the Russian onslaught.<sup>8</sup> To this day, the border delimiting Azerbaijan and Armenia from Iran is the one devised under the Treaty of Turkmanchai, which led to the division of Azerbaijan between the Russian and Iranian empires.

Once in control of the South Caucasus, Russia moved to administer its new territorial gains. This generated a debate on how best to deal with the conquered lands. One option was to maintain colonial rule over them, and hence not incorporate them outright into the Russian state. That would follow the general model of the Western colonial powers, with some exceptions such as French Algeria or Portuguese colonies. The other option was to designate the territories of the South Caucasus as provinces of the Russian Empire like any other. Russia first tilted toward colonial status, which would be less costly because it would permit local rulers to handle internal matters as long as their loyalty to the czar was unquestioned. But by the 1840s, Russia had reversed this policy and began to impose direct rule over the South Caucasus, which in practice meant maintaining a Russian administration and spreading the use of Russian as the official language.<sup>9</sup>

Direct rule was imposed through the creation of various provinces or *gubernii*, whose composition and delimitation changed over time. The one thing they had in common was their artificial character, having little relationship with local conditions and loyalties or preexisting entities.

Russian rule meant the imposition of Russian law, and a concomitant onslaught on the role of religion and the clergy as they had existed in Azerbaijan. With brief exceptions, Russian rule was heavily anti-Muslim. Religious properties were confiscated, and Azerbaijanis were proselytized to convert to Orthodox Christianity. On the other hand, the Georgians and Armenians retained numerous privileges, especially as far as religious properties and government staffing were concerned. Armenians, in particu-



lar, came to play an important role in the administration of the Caucasus region. As Tadeusz Swietochowski has observed, the Armenians played a role for Russia similar to that of the Lebanese Maronites for the French: “a strategic foothold in the Middle East with the large proportion of Christians as the mainstay of the colonial rule.”<sup>10</sup> Simultaneously, Russia tried to co-opt segments of the local elites, focusing in particular on the increasingly powerless beys and aghas, providing them with opportunities for civil service careers and granting them title to land—the latter measure constituting the introduction of private landownership in Azerbaijan.<sup>11</sup>

One important consequence of Russian rule, particularly with the gradual centralization of power in the second half of the eighteenth century, was the unification of the former khanates of northern Azerbaijan in both economic and political terms. Though three *gubernii* (Baku, Elizavetpol, and Erivan) covered the area populated by Azerbaijani Turks, Russian rule imposed a uniform system of administration, provided for a single currency and an increasingly monetarized economy, removed tariffs and other impediments to trade among the khanates, and standardized weights and measurements.<sup>12</sup> But as Swietochowski has noted, though it brought one portion of Azerbaijan under European rule, Russian conquest was a case of one pre-industrial society conquering another. Hence, until the industrialization of the 1870s, it therefore had only limited economic impact. In fact, the lack of attention to maintaining irrigation systems set Azerbaijan back and indirectly provided the basis for the large migrations to Baku that were to follow.<sup>13</sup>

### **Industrialization and the Baku Oil Boom**

While the oil boom did not arrive until the 1870s, the area around Baku had been known for its oil resources since the ninth century, when Arab travelers noted the use of oil for heating purposes in the Apsheron Peninsula. Marco Polo wrote of Baku’s oil being exported to Middle Eastern destinations, and two British travelers in the mid-sixteenth century described Baku as follows: “Which town is a strange thing to behold, for there issueth out of the ground a marvelous quantity of oil, which serveth all the country to burn in their houses. This oil is black and is called ‘nefte.’”<sup>14</sup>

The oil industry developed gradually over the course of the nineteenth century, with the production of kerosene and distillation of oil. But the boom came following an 1872 law that changed the prevailing system of state-granted oil concessions to long-term commercial leases. This attracted businessmen to Baku from both the Russian Empire and abroad; the most

important of these were the Nobel brothers, who would eventually come to control more than half of Baku's production. The Nobel company and other foreign investors such as the Rothschilds brought not only capital to the industry but also new technologies, many of which were tested first in Baku before spreading across the world. The first oil-carrying steamer, the *Zoroaster*, was built by the Nobels in 1877; in 1883, the Rothschilds built the Caucasus Railway, which transported oil from Baku to the Black Sea port of Batumi; In 1907, the world's first oil export pipeline was built, also running between Baku and Batumi. By 1898, Baku was producing more oil than the United States. But as so often occurs in the Russian context, the industry developed in an inefficient way, leading to declines in productivity but, more important, an environmental disaster across the Apsheron Peninsula that is plainly visible to the contemporary visitor but is only beginning to be addressed.

Baku's role in the oil industry began a slow but steady decline around the time of the aborted Russian revolution of 1905. This decline would last until the early 1990s, with the renewal of international investment and participation in the oil industry. The oil boom had immense implications for Azerbaijan, and specifically for Baku. As always, Swietochowski's observations are to the point:

The overall result of the "oil revolution" was a dichotomy not uncommon in a colonial situation: a generally traditional but lopsided economy, with a single rapidly growing industry based on mineral resources rather than on manufacturing, geared to external markets, owned largely by foreign investors, and operated by nonnative skilled labor. Typical also was the contrast between the city rising out of the industrialization and the countryside unshaken from its timeless pattern of existence.<sup>15</sup>

Yet Azerbaijan remained overwhelmingly rural, as the immigration into Baku did not come primarily from the adjacent countryside. While the number of Azerbaijani Turks in Baku stayed relatively stable from 1897 to 1913, the Russian population increased more than 100 percent, surpassing the native population in size by about 1900. The number of Iranians in the city (presumably mainly southern Azerbaijani Turks) almost tripled, while the population of Armenians doubled, making them practically as numerous as the natives. Hence, industrialization helped make Baku increasingly cosmopolitan, thereby creating the gulf between the metropolis and the countryside that remains a key issue in present-day Azerbaijan.<sup>16</sup> As shown in the next chapter, it would take until the 1950s for Baku to become a truly Azerbaijani city in ethnic terms.

The oil boom affected the different ethnic groups in Azerbaijan vastly differently. With the exception of a few notable native self-made industrialists such as Zeynalabdin Taghiev, Musa Naghiev, and Shamsi Asadullayev, Azerbaijani Turks either remained peasants in the countryside or became involved in unskilled labor in the oil industry. Among Armenians, the urbanized portion was prominent in administration, skilled labor, and trade. Also, a large number of the industrialists were Armenians: at the turn of the century, a third of industrial companies belonged to Armenians, while less than a fifth belonged to Azerbaijanis. Russians dominated administration and were prominently represented among technicians and skilled labor. But the various groups did not mix: within Baku, they lived mostly in separate quarters, which grew increasingly homogeneous after local riots associated with the 1905 revolution.<sup>17</sup> But despite being gradually outnumbered, the Azerbaijani Turks were native to the land and commanded informal networks and ties to the countryside that the settling communities did not. Hence, it would be wrong to conclude that they were being marginalized; rather, with the help of native industrialists who supported education, publishing, and the arts, the Azerbaijani Turks were gradually acquiring a voice.

As Audrey Altstadt has observed, a crucial corollary of the emergence of the oil industry for Azerbaijan's future was the formation of a native working class.<sup>18</sup> This led Azerbaijan to become one of the few Muslim areas where some, albeit marginal, support for socialist ideologies was to be found and subsequently exploited by the Bolsheviks. Meanwhile, among Armenians, national sentiment found an outlet in the radical Dashnaktsutiun, the Armenian Revolutionary Federation (ARF). Drawn equally to socialism and nationalism, the ARF grew in strength in parallel with a short-lived attempt by the czarist authorities to curry favor in the Azerbaijani community. Meanwhile, the tensions between the Armenian and Azerbaijani communities had grown due to a mix of factors. A prominent one was a competition for resources and economic profit that developed along ethnic lines, with different sectors of the economy dominated by one or the other ethnic group. Also, as Kari Strømme has observed, the Western oil barons controlled a lot more of the oil industry than the Armenians did; but not being locals, the Westerners were not perceived as an impediment to the ambitions of Azerbaijani Turks seeking to establish themselves in the oil industry—while Armenians, supported by discriminatory Russian policies, were.<sup>19</sup>

As Altstadt concludes, "The root of conflict must be sought in historical differences manipulated over decades by tsarist colonial policies meant to