Conclusion
French Revolution provided the base for the growth of modern nation-state. The notion of “nation-state” has been influenced by different cross currents, which is affecting the viability of the system as a whole. In the post-second world war phase, the emergence of many Afro-Asian states provided opportunity to scholars to think effectively about nation state in a different socio-cultural milieu.

The process of nation building is a combination of several kinds of objective relationships such as economic, political linguistic, cultural, ethnic, religious, geographical, historical and their subjective reflection in collective consciousness. Nonetheless, many of these ties are mutually substitutable, while some influence more important than others in nation-building process. The modern nation state is one particular form of the territorial state taking its geography, history, language and population into consideration. In the modern nation-state system, the process of industrialization, modernization and development are terms frequently used in the discussion of social changes that ultimately shape the real course of nation-building. A strong and viable state is in fact the basis for good governance, since a stable social structure provides the impetus for this.

Azerbaijan emerged from the Soviet debris that resulted in sea changes in the geo-political landscape of this region. Azerbaijan turned out to be at the centre of the geopolitical interests of the regional and super-powers: Russia, USA, Great Britain, Turkey and Iran. It was thus destined to pass through the vicissitudes of post-Soviet realities. The present thesis is an attempt to examine some of the issues associated with the process of nation building in the post-soviet Azerbaijan.
The notion of a "nation" may be described simply as comprising people sharing the same historical experience, a high level of cultural and linguistic unity, and living in a territory they perceive as their homeland by right. In this regard each nation has its own notion to define its characteristics. The most significant elements in nation building are language, religion, and historical experience, but there are also more unquantifiable ones such as custom and usage or the sense of togetherness.

Another important invisible aspect that gave a concrete meaning to the nation-building process in Azerbaijan is religion. In fact, religion acted as an important component of nation-building process in this transitional society.

The formation of every nation took place due to a unique combination of factors, yet some themes are common, though occurring in many different guises. First, there is the recurrent theme of a fear of or a threat from outside pressures; second there is the frequent case of a desire to be rid of foreign domination, the desire to be able to do one’s own thing'; third, there is the urge for a separate identity because of ‘being different’. The process of nation-building also involves at times deliberate effort by an external power to construct or install, its own model of governance. The foreign power, employ both political and ideological instruments to advance this goal.

The problems of nation building thus seem to reside in the political culture and which reflects both the historical evolution of the society and the psychological reactions to social change of the society’s political actors. In transitional societies, the mixture of sentiments and modes of calculation governing the flow of decisions and actions and providing the substance of the political culture is determined in part by the universal qualities of the modernization process and in part by the essence of the particular culture. The
immediate problems of nation building are clearly a part of profound historical developments in which the spirit of traditional communities must give way to the ethos of modern forms for organizing human life, and this calls for a multidimensional and multidisciplinary approach. Although nation building is essentially a domestic process, it comes about in response to international forces.

Nation building efforts in the Caucasus that followed the breakup of the Soviet–Union led to increased emphasis on religious identities. The most important task before post-Soviet states are how to create a new identity for themselves in the post-soviet space. In this process, religion has played an important role. During the Soviet period, centre was engaged in institutional state-building and creating all-Union symbols of nationhood. As a result of union republic status, each of the borderland republics was provided with a degree of institutional protection that enabled their native languages and cultures to flourish.

Looking at the history of Azerbaijan, one may notice that the clan based social relations had a strong impact on social history of Azerbaijan. Azerbaijan's historical links with Russia and Iran have greatly determined the internal and external polity of the country. As part of former Soviet Union, Azerbaijan's state formation had already started as a province of the mighty USSR. More favorable conditions were created for mutual interaction influence of progressive Russia and Azerbaijani culture. Between 1830s to 1850s, the Tsarist government made attempts to adapt Azerbaijani economic and social institutions to the purpose of colonial exploitation. A characteristic feature of the post-reform period in Russian history was the development of capitalism not only vertically but horizontally, which led to the economic integration of the people. Despite the presence of capitalist methods of operation in several
branches of the national economy, Azerbaijan was on the whole an agricultural country and had not, for the most part, entered the stage of industrial capitalism during the annexation by Tsarist Russia. However, the growth of industrial structures in Baku resulted in substantial changes in the social structure of Azerbaijan. New classes arose, the bourgeoisie and the proletariat. The leading force among the bourgeoisie in Azerbaijan was the economically powerful commercial and industrial bourgeoisie. During the Soviet period, Azerbaijan was transformed into a highly developed industrial republic with a collectivized agriculture. Gorbachev's Glasnost and Perestroika changed the entire face of Azeri economy. The political and constitutional development of Azerbaijan in post-1991 phase has been very significant in giving a more concrete shape towards the nation and state building process. The economic development of Azerbaijan has also provided a boost to the consolidation of the nation/state building process.

In today's world, energy and oil are the cornerstone of some country's economy. Azerbaijan is also no other exception. Under these circumstances, oil became more than just another source of energy within the global energy space. The possession and management of the international oil industry became a great source of economic and political power. Whether for war or for peace, economic development or income distribution, domestic use or international trade, the role of oil resources became an essential part of the national policies of the industrially advanced countries. Oil also has played important role in determining the geo-politics of the nation. Getting the Caspian oil out of the region and into the international market is a key issue that will ultimately deeply affect the political and economic fate of the countries concerned. This is the area in which domestic complication in each of these countries combine both with the strategic competition among the region's powerful neighbors and
with over-arching technical and infrastructure problems, to produce a seemingly intractable puzzle. The substantial profits and powers at stake, however, continue to attract a spectrum of entrepreneurs and international political player to this country. The signing of the “Contract of the Century” by Azerbaijan in 1994 with major oil companies is a good example of this. Today, Azerbaijan is experiencing an investment boom in the petroleum sector and the construction and service sectors. The successful implementation of several pipeline have transported Azeri oil to the world market and thus generated enormous wealth for the country. Azerbaijan has created an extra budgetary Oil Fund, which has become the main pocket of nation’s economic development.

Apart from natural resources, ethnic factor also plays an important role, so far as Azerbaijan’s nation building process is concerned. Problems like ethnicity, ethnic identity and nationalism pose numerous challenges to state and society. Ethnic problems concern basically with the question of relationship between diverse groups of people often characterized by distinct race, culture and religion living within the boundaries of a state. The task of a strong state is how to reconcile the diversity. For instance, the rise of ethno-politics was a major factor in tearing apart the unitary Soviet state and undermining its communist ideology. Nationalist movements fueled concerns about cultural integrity among ethnic groups and mobilized citizens demanding democratic reform and self-governance. And today, in it’s cultural and political forms, ethnonationalism is contributing to the process of state-building from the wreckage of the old Soviet system. On the other hand, ethnonationalism has made the post-soviet space an arena of destruction, ethnic cleansing and uncontrolled violence. In this regard Azerbaijan is no exception, to the above mentioned trend.
Despite its theoretical proclivity towards maintaining social harmony, the nationality policy of erstwhile Soviet Union created some sort of disharmony in nationalities relations. Rather than a ‘melting pot’, the Soviet Union became the incubator of new nations. By 1990, Armenia and Azerbaijan were almost completely ethnically homogeneous, or mono-ethnic, societies. By the eve of perestroika, Transcaucasia was governed by powerful ethnic leadership that both fostered local nationalisms and encouraged the rise of second economies. The inter-ethnic hostility in Azerbaijan can be traced back in history to 1905 and in 1918.

In the post Soviet phase there are two facets which cause inter-ethnic conflict. First, the established practice of designating managerial cadre and leading specialists in the areas of production, trade, security organs, public health, etc. only ‘from the top down’, by the higher organizations in the republic, is a primary source of inter-ethnic conflict. Secondly, a particularly important role in the formation of conflict situations was played by the voluntary ethnic migrations that took place during 1950s-1980s. The Karabakh conflict is a product of these two above mentioned strands.

The dispute over the claim to independence by the enclave of Nagorno-Karabakh in Azerbaijan, populated by ethnic Armenians, is the longest running conflict in the former Soviet Union that started in the year 1987. Azerbaijan maintains that the conflict is a direct consequence of aggression by Armenia. Azerbaijan’s essential demands are recognition by Armenia of Azerbaijan’s territorial integrity, a complete and unconditional withdrawal of Armenian combatants from its territory and the return of refugees. If these conditions are met, Azerbaijan would be prepared to grant a significant degree of autonomy to Nagorno-Karabakh. No doubt, ethnic factor is playing an important role in
sustaining the conflict scenario of Caucasus. However the external players are also partly responsible for aggravating the present conflict.

In the course of the Great Game, in the 19th century Russia gained control of both the Caucasus and Central Asia. This was maintained and reinforced during the Soviet period. The break-up of the Union, however, left Russia with a set of new and theoretically self-determining states in its backyard, forming a cordon between it, China, Turkey and the broader Islamic world. This required the evolution of a new strategic regional policy. In Nagorno-Karabakh, an ethnic Armenian enclave in the middle of Azerbaijan - the context of the Armenian-Azerbaijani conflict that began in 1988 is a good example of of Russia’s emergent policy towards the Caucasus and Central Asia, designed to maximize Moscow’s role in ending the war. Apart from strategic and security issues, Russia has a vital stake in Azerbaijan’s energy sector. It does not want any other power to control and subvert the oil industry. Russia’s anxiety increased due to growing presence of America in the neighboring Caspian states like Turkmenistan and Kazakhstan.

In the post-soviet phase new security threats emerged from this region, which affected Russia’s security interest. Azerbaijan has taken the strongest stand among the littoral states against Russia to establish a condominium division of the Caspian, mainly because this would affect its immediate interests.

Oil is said to be the key, determinant of American policy towards the Caspian region. It is argued that since the region is richly endowed with oil and gas and has even the potential to emerge as alternative to be Persian Gulf Region, and America and its allies will continue to import oil, therefore the region becomes strategically important for them.
The US has three main policy goals in the region. The first is support for the sovereignty and independence of the countries of the region. The US takes the view that oil is the key to the economic viability of several of these countries, particularly Azerbaijan and Kazakhstan, and that oil development in those two could also bring benefits to others, such as Georgia and Armenia, depending on export routes. Second, the US supports its own commercial involvement in the region’s oil production and export, on the basis that its domestic companies’ involvement can help to further the growth of free market economy. Such commercial involvement could also enhance the US presence in the Caucasus and Central Asia, and in developing a highly valuable resource to which private companies bring necessary capital, management and technology. Finally, it is hoped that the involvement of US companies in successful and lucrative oil deals will bring economic benefits to the US. US policy as such supports the diversification of world oil supplies to reduce future dependence on Persian Gulf oil.

Like Russia, the US is also pursuing a pro-active policy in this region. The core objective of Washington is to maintain hegemony in the Caucasus by controlling the oil resources and their transportation to the outside world.

Turkey has historically had strong ties to the Caspian region, particularly to Turkic ethnic groups there. These ties, however, were considerably weakened during the Soviet period. The demise of the Soviet Union has given Turkey an opportunity to renew its historical association with its co-ethnic groups in the Caucasus and Central Asia, and to increase once more its influence in the region. This has been established as a priority for Turkish foreign policy. Turkey has presented itself as a development model for the newly independent states, and has been generally keen to play a leading role in the area. Turkey has concluded a number of political, military and economic
agreements with the Caucasian and Central Asian states, and commercial ties have deepened.

Like other traditional regional powers, Iran has complex historical ties with the Caucasus and Central Asia. For example, an estimated 16 million ethnic Azeris live in northern Iran - nearly twice as many as in Azerbaijan. Iran’s geographic position offers opportunities for influence over the region’s natural reserves. It does not have the economic capacity to offer significant aid but it has pursued with great zeal wider economic contacts and joint ventures particularly in the area of oil and gas. Specific Iranian goals in the region could be characterized as exerting political influence, profitable economic and commercial relations, spread of religious ideology, procurement of former Soviet weaponry and the acquisition of nuclear expertise and material. In order to contain Russia’s influence in these new states Iran has been repeatedly talking of the revival of these routes.

Nation-building is a complex process and it requires adoption of a pragmatic, coherent and consistence policy by the political elite. Interaction between regional and international actors is a must for giving teeth to this process. The rivalry among external powers intensified due to the energy resources in the Caspian states. This rivalry also found expression in various ways in the conflict situation over Nagorno-Karabakh. Foreign power’s involvement further complicated the inter-ethnic situation. As a result the nation-building is based on a single ethno-national identity rather than on multi-ethnicity.