Chapter II

AZERI NATION BUILDING PROCESS:
A HISTORICAL PERSPECTIVE
Azerbaijan is situated in eastern Transcaucasia, on the western coast of the Caspian Sea. To the south it bordered Iran, to the west Armenia, to the north-west Georgia, and to the north the Republic of Dagestan, in Russia. The Nakhichevan Autonomous Republic was part of Azerbaijan, although it was separated from the rest of Azerbaijan by Armenian territory. Azerbaijan declared independence from the Soviet Union in October 1991. Of total land area of Azerbaijan, some 50 per cent was agricultural land, 2.5 per cent was urban and forests cover was 13 per cent of the country's total land area. The republic was divided into 60 regions and had 57 cities (in 1913, there were 13) and 119 urban-type settlements. The ancient name for the area of Soviet Azerbaijan was Albania, called "Arran" by the Arabs. It was long an important transit area for the migration of peoples and was the battleground of Arabs, Khazars and Turks. An important part of Soviet oil production was centred in Azerbaijan, where oil was discovered in the 19th century. (Prokhorov, 1973, p. 541)

AZERBAIJAN'S ETHNIC MAKE UP

Ethnic Azeris constitute around 73.8 per cent of the total population, numbering around 3,777,000 as per the 1970 census. A considerable portion of the urban population was composed of Russians (510,000) and Armenians (484,000). Armenians were found in the Nagorno-Karabakh Autonomous Oblast, the mountainous part of the Nakhichevan ASSR and a number of cities. People who speak languages of the Caucasian family - including 137,000 Lezghins, 17,300 Avars, 3,200 Udins, and 2,900 Tsakhurs - lived in northern Azerbaijan. In the eastern parts and on the Apsheron Peninsula, there were 5,900 Tats. In the southwest, there were 1,500 Kurds. Other inhabitants included Ukrainians, Jews, Tatars and Georgians. More cities with a population
of more than 100,000 as of 1969 were Baku with 1,236,000 inhabitants, including municipal settlements coming under the jurisdiction of the city Soviet, and Kirovabad with 180,000 inhabitants. Under Soviet rule, new cities had arisen, Stepanakert with 39,000, Ali-Bairamly with 28,000 and Dashkesan with 11,000 inhabitants. Azerbaijanis constituted the basic population of the Azerbaijan SSR in the Soviet Union - 67.5 per cent according to the 1959 census (73.8 per cent according to the 1970 census). There are Azerbaijanis in the Georgian SSR, Armenian SSR; and Dagestan ASSR and also in the Uzbek SSR, Turkmen SSR, Kazakh SSR, and Ukrainian SSR. The total Azerbaijan population in the USSR in 1959 was 2.94 million; a population of 3.6 million is estimated for early 1965 (4.38 million in 1970). More than four million Azerbaijanis live in Iran, principally in the north, and in Iraq; they all speak Azerbaijani. (Prokhorov, 1973, p. 541)

According to the 1989 census - the most recent survey of ethnic origin- Azerbaijanis constituted 82.7 per cent of the population, Russian and Armenians six per cent and Lezghins, a Muslim Caucasian people who also lived in Dagestan, 2.4 per cent. Other minorities include Ukrainians, Georgians, Tatars, Jews, Tats, Talysh and Kurds. Since the census, almost the entire Armenian population outside Nagorno Karabakh has left as a result of the war, while the republic has received an influx of 192,000 Azerbaijanis from Armenia. The government says 853,000 Azerbaijanis were displaced within the country as a result of the war. (Prokhorov, 1973, p. 541)

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1 Stepanakert is the capital of the non-recognised Nagorno-Karabakh Republic and the former Nagorno-Karabakh Autonomous Oblast. The city is today officially called Khankendi by Azerbaijan.
According to the 2007 estimate, the population of Azerbaijan was 8,120,247, ("Azerbaijan" Online: Web) out of which Azeris\(^2\) constitutes 90.6 per cent, Dagestanis 2.2 per cent, Russians 1.8 per cent, Armenian 1.5 per cent (almost all Armenians live in the separatist Nagorno-Karabakh region), and others 3.9 per cent. ("Azerbaijan", Online: Web)

Azerbaijanis were considered as Turks or Tatars in historical literature and in official documents of the 19\(^{th}\) and early 20\(^{th}\) centuries. Caucasian Albania mixed with Azerbaijanis, and also with the Iranian-speaking and Turkic-speaking tribes - the Cimmerians, Scythians, Huns, Bulagar, Khazars, Oguz, and Pechenegi - who invaded that are in the first millennium BC and the first millennium AD. The formation of the Azerbaijani people was basically completed in the 11\(^{th}\) to 13\(^{th}\) centuries, as a result of invasion and the settlement of a new wave of Turkic-speaking peoples, particularly the Seljuk, in Azerbaijan. Ethnographically distinct groups of Azerbaijanis formed, differing in some features in their economy, culture, and mode of life. These groups include the Airumu, Karapapakhi, Padary, Skakhseveny, Karadagi, and Afshary. Some of these groups lived within the borders of the USSR and others in Iran and Turkey. Those groups living within the USSR became part of the socialist economy and culture of the Azerbaijanis. The Airumy settled in the western Azerbaijan SSR - in the districts of Kirovabed, Daskhesan, and Kedabek - and in the mountain areas of the Lesser Caucasus. They were mountain stockbreeders and farmers. Some archaic features have been preserved in their life and economy - for example, the use of underground

\(^2\) Azeri is used to refer to the ethnic group which speaks the Azeri language, whether in Azerbaijan, Iran, Russia, Turkey or elsewhere. The language they speak is known as Azeri Turkish or simply Azeri. Citizens of Azerbaijan (officially the Republic of Azerbaijan) are referred to as Azerbaijanis, whether ethnic Azeris or not. See ICG Europe Report N\(^{°}\)156, op. cit, p. I.
dwellings and poor road conditions which prevent the development of wheeled transportation. (Prokhorov, 1973, p. 544)

The Karapapakh ("black papkh" or black sheep skin-hats), the best known ethnic group of Azerbaijanis, inhabit the western portion of the Azerbaijan SSR, some parts of the Georgia and Armenia. Most of them live outside Azerbaijan, in Turkey and partially in Iran, where they constitute a national minority; they are farmers and, to some extent, stockbreeders. The Padar live in the eastern portion of the Azerbaijan. Old traits were retained for a longer time in the economy and mode of life of these people than in other ethnographic groups of Azerbaijanis, in particular, the semi-nomadic pastoral mode of economy and related features of daily life. The Shakhseveny live principally in Iran, but some of them live in the southern Azerbaijan (Mugan Steppe). Their main occupation is cattle husbandry and agriculture. Their material and intellectual culture show some characteristic features. The Karadagi are scattered over the mountainous plateau known as the Karadag (or black Mountains) in northwestern Iran. They lead a semi-nomadic mode of life, which is mainly pastoral. In their traits they are closely akin to the neighbouring Shakhseveny. The Afshary are scattered throughout all of Iran where they lead a semi-nomadic pastoral life. (Prokhorov, 1973, p. 553)

More than 80 per cent of Azerbaijan's population is Muslim which includes Azerbaijanis, Georgians and other indigenous groups such as Lezghins and Kurds. Most Azerbaijanis (around 70 per cent) are Shia Muslims and 30 per cent Sunnis. As per an estimate in 1995, Islam is followed by 93 per cent of Azerbaijan's populace, Russian Orthodox by three per cent, Armenian Orthodox by two per cent, and other two per cent. ("Azerbaijan", Online: Web)
LANGUAGE OF AZERBAIJAN

Azerbaijani is a Turkic language closely related to Turkish, and more distantly to Turkic languages in Central Asia. Until the 1920s, the Arabic script was used and was replaced later by the Latin alphabet in 1929. But ten years later, the Cyrillic script was made compulsory, as a way of increasing dependence on Russia. A modified Latin alphabet derived from Turkish was introduced in early 1992. Following independence the government began to phase out the use of Russian, but it is still spoken widely.

Azerbaijani is the language of the Azerbaijanis, who live in the Azerbaijan, Georgia, Dagestan, Uzbekistan, Kazakhstan, Ukraine, Iran and Iraq. According to an estimate in 1995, Azerbaijani Turkic language is spoken by 89 per cent, Russian by three per cent, Armenian by two per cent and others six per cent. ("Azerbaijan" Online: Web)

The Azerbaijani language was spoken by about 2.94 million people in the USSR in 1959; 3.6 million speakers were estimated for the beginning of 1965. Azerbaijani belongs to the southwestern brand of the Turkic languages. It is derived from the language of the Oguz tribes of Central Asia of the 7th to 10th centuries which is considered as the precursor of several modern Turkic languages, including Azerbaijani and Turkish. In the process of development, these languages underwent changes in their phonetic structure, grammar, morphology and vocabulary. Besides, a large number of dialects are noted in spoken Azerbaijani, and these are assigned to the following groups: the eastern group (Kuba, Derbent, Baku, Shemakha, Mogan, Lenkoran); the western groups (Kazakh, Karabakh Giandzhinskii, and Airumy); the northern groups (Nukha and Zakatalo-Kakhi); and the southern group (Nakhichevan, Ordubad, and Tabriz, dialects, and the Yerevan speech). Special groups of Azerbaijani
constitute dialects - the Kashka, Avsa in Iran and Afghanistan, and Terek in the Armenia and Georgia. Azerbaijani literature began to appear in the 11th century, whereas modern Azerbaijani literature was formed in the mid-9th century based on the Baku and Shemakha dialects. (Prokhorov, 1973, pp. 544-554) Azeri language is written in any of three alphabets. Until 1924, it used the Arabic alphabet, as usual in Muslim countries. From 1924 to 1940, the Roman alphabet was used officially. In 1940, the Cyrillic alphabet was made official by Soviet authorities. Since the early 1990s (officially from 2001), it has been written in the Turkish version of the Roman alphabet with an extra letter. (ICG Europe Report No. 156, 13 May 2004, p. 8.)

SOCIO-CULTURAL MILIEU AND MULTIETHNIC SOCIETY

Among the Azerbaijanis living in the USSR, new elements of material culture - the socialist ways of social and family life was formed during the Soviet era and patriarchal dominance and inequality of women were minimized. The old types of dwelling - traditional stone houses, raw brick and burnt brick dwellings, and wood and earthen dwellings known as Karadam are being replaced by modern dwellings. The old forms of national clothing, displaced almost completely by modern dress, are only partially retained by women living in rural areas, who wear short shifts or jackets and long skirts, a bright wool socks, high boots, and silk handcrafted kerchiefs. The Azerbaijanis have created a remarkable indigenous culture: folklore, literature, graphic art, sculpture and music. Form ancient times the wares produced by local masters who were developing traditional crafts-rugmaking, working in gold, woodworking, stonework - have been famous.
AZERBAIJAN: A HISTORICAL OUTLINE

Azerbaijan has traditionally straddled the divide between Europe and Asia. Between brief periods of independence, it has been successively fought over by the Persian, Arab, Muslim, Seljuk, Mongol, Ottoman and Russia empires. Azerbaijan combines the heritage of two famous civilizations - the Seljuk Turks of the 11th century and the ancient Persians. Its name is thought to be derived from the Persian phrase "Land of Fire," referring both to its petroleum deposits, known since ancient times, and to its status as a former centre of the Zoroastrian faith. (Online: Web, www.azembassy.com)

The territory of contemporary Azerbaijan was settled and made habitable by human beings as early as the Paleolithic period. In the Neolithic period these people learned to make more finished and functional stone implements. In the Aeneolithic period, the inhabitants of Azerbaijan first began to use metal implements in their work and copper weapons of war. Agriculture and herding, originating in the Neolithic period, became the basis for the economy of communal clan society. At the end of the third millennium and the beginning of the second millennium BC, metal implements and weapons of bronze came into widespread use. Iron implements gradually came into use near the beginning of the first millennium BC, the culture of the inhabitants of the country developed in close interrelation to the cultures of the neighboring countries and peoples. During the first half of the first millennium BC, primitive communal society began to disintegrate, creating the conditions for the development of private property and commercial trade, which in its turn stipulated the appearance of classes and the rise of the state. (Online: Web, http://www.azerb.com/az-hist.html)
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communal relations and the arising slave-owning relations. The latter were strongest in Atropatena, although here too most of the producers were members of communal clans. These states played an important role in unifying the tribes living on Azerbaijan territory. The language of the territory was, apparently, the same as what later became known as Azeri. Eventually, the Albanian tribes and other ethnic groups also became part of the nationality that was forming itself in Azerbaijan. (Prokhorov, 1973, p. 560)

From the third through the fifth centuries, feudal relations were essentially established in Azerbaijan. The basic classes of feudal society took shape—feudal lords and dependent peasants. The majority of the feudal lords did not occupy their own estates, which would have required considerable expense because of the need of artificial irrigation. Thus they were directly interested not so much in the land on which the dependent peasants dwelled as in collecting rents from the peasants who worked the land. The result was that payment in kind was the predominant form of rent. In the beginning of the fourth century, Christianity was adopted as the state religion in Albania. The feudal lords used it to strengthen their domination.

Azerbaijan was frequently subjected to raids by foreign conquerors. In the middle of the third century it was partly conquered by the Sassanids, who had established a powerful state in Iran, in the fourth century Azerbaijan, as well as Armenia and Georgia, became an arena for the ruinous wars between Rome and Iran. Raids via the Derbent Pass by nomadic Turkic-speaking tribes were more intense. Oppression by foreigners aroused resistance among the masses of the people. In the second half of the fifth century and in the sixth century a wave of anti-Sassanid uprisings spread through Transcaucasia. The struggle against foreign oppression was frequently combined with anti-feudal outbreak among the people. Peasants refused to pay tribute and fled to the
mountains and forests. In the late fifth and early sixth centuries, the Mazdakite movement became widespread in Azerbaijan and neighboring Iran; to a certain extent it represented a protest against feudal dependency. (Prokhorov, 1973, p. 551)

In 642 AD, the region was conquered by the Arabs. The Arab conquest in the seventh century brought Islam to the region. Azerbaijan prospered under in the Khanates of Shirvan and Mughan. Little is known about Azerbaijan's history until its conquest and conversion to Islam by the Arabs in 642 AD. Centuries of prosperity as a province of the Muslim caliphate followed. After the decline of the Arab Empire, Azerbaijan was ravaged during the Mongol invasions but regained prosperity in the 13th-15th centuries under the Mongol II-Khans, the native Shirvan Shahs, and under Persia's Saffavid Dynasty. (Online: Web, www.azembassy.com)

In the mid-seventh century Azerbaijan was invaded by the army of the Arabian Caliphate. During the resistance to this invasion, the prominent Albanian military leader Dzhevanshir covered himself with glory. Chief of the feudal domain of Girdyman, he had become the ruler of Albania. The Arabian Caliphate broke the resistance of the masses only by the beginning of the eighth century; it then subjugated Azerbaijan, along with the rest of Transcaucasia, and established the heavy yoke of its rule in this region. The conquerors implanted Islam by force. The taxation policies of the conquerors and the arbitrariness of the officials aroused the peoples' hatred for the foreigners and for the powerful local feudal lords who were in alliance with them. The most significant popular uprising in Azerbaijan against this dual oppression was the peasant war led by Babek.
In the second half of the ninth century and first half of the tenth century, when broadly based popular movements shook the foundations of the Arabian caliphate's rule, a number of feudal states took form and consolidated themselves in Azerbaijan: the most notable one was the domain of the Shiravanshahs, with its center at Shemakha. The feudal dependence of the peasants increased still further, and a considerable portion of the best lands came into the hands of the most powerful feudal lords and their vassals.

In the middle of the 11th century Azerbaijan was invaded by Turkic speaking tribes, including the Oguzy, headed by the Seljuk dynasty; this invasion led to a decline in the economic life of the settled population. As the ruling Abbasid dynasty weakened 11th century, the Seljuk Turks gained ascendancy, taking control of Azerbaijan in 1060 to 1070 AD. Seljuk rule reunited the former Abbasid lands and brought a measure of stability to the region. The Seljuk era was marked by large migrations of Turkish settles into Azerbaijan and Central Asia. While governing as Sultans, the Seljuks did not claim universal rule, and local khanates had a measure of autonomy, which they retained even during the Mongol invasions of Transcaucasia under Timur (Tamerlane) in 1236 AD-1242 AD. And only after the weakening of Seljuk power and the rise of the states of the Shirvanshahs, Kesranids, and Il'degizids in Azerbaijan in the 12th century a new rise in agriculture, handicrafts, and trade and a revitalization of city life be observed. (Online: Web, www.azembassy.com)

Changes took place in the social structure as well. Over the source of time the forms of feudal landholding were modified. The most stable of them was inheritable landed property, the so-called mulk, and landed property owned by religious institutions, the so-called waqf, originating as early as the period of Arab rule. Under the Arabs and later under the Seljuks, conditional grants of
land, the *ikta*, became a widespread form of property. Lands belonging to the state were called *divani*. Vast estates, the *khasse*, belonged to members of the ruling dynasty. In Azerbaijan three forms of feudal rent existed -payment in kind, in money, and in service; payment in kind was the most prevalent.

From 7th century onward number of Turkic tribes arrived to settle in this part of the world and this trend continued till 11th century. As a result of which Turkic became the lingua-franca of Azeri society. Gradually this socio-linguistics process becomes part of the Azeri culture. One can trace the origin of Azeri identity from 7th Century, as it traversed through Kara-Koiunly and Ak-Koiuny social system. Gradually, Shirvan, the main center for the production of raw silk, played an important role at that time in Azerbaijan's trade with other countries. Commercial, economic, and diplomatic ties between Azerbaijan and Russia grew stronger. The Shirvanshahs sent delegations to Moscow, and delegations from the Muscovite state visited Shirvan.

**The Birth of a State**

The term Azerbaijan has been used since early medieval times to refer to the area of both the present day Republic of Azerbaijan and Iranian Azerbaijan. The Iranian language originally spoken in Azerbaijan was supplanted by Turkic (the forerunner of modern Azerbaijani) as the Seljuk Turks conquered the region in the 11th century. However, Azerbaijan retains a close cultural affinity with Iran to this day. In the 16th century AD, the territory of Azerbaijan became a battleground between the Persian Saffavid dynasty and the Turkish Ottoman Empire. An important role in the history of Azerbaijan was played by the formation in the 16th century of the Saffavid state, which originated on Azerbaijan territory and soon became a mighty empire covering a vast territory from the Syr Daria to the Euphrates River. Its founder was Shah Ismaili, who
ruled from 1502 to 1524 AD. By the middle of the 16th century, almost all of Azerbaijan had come under Saffavid rule. The unification of the country promoted an upsurge in economic and cultural life and facilitated the struggle of the people and against foreign conquerors. (Prokhorov, 1973, pp. 560-572)

Under Shah Abbas I, who ruled during 1587-1629 AD, the Saffavid state underwent a certain process of Iranization. In the tenth year of his rule, Abbas I moved the capital from Kazvin to Isfahan, deep in the heart of Iran, thus strengthening the influence of the Iranian nobility at court and in the government apparatus, the Iranian feudal lords became more and more the base of the Shah's support. The main positions at court and the higher administrative posts passed into their hands. Many Azerbaijani military leaders were removed from the army. Azerbaijan began to be turned into just another borderland region of the Iranian state.

In 17th century, it faced incursion from the Tsarist Russian empire in the west. The troops of Catherine the Great invaded the Caucasus in 1770 AD; by the beginning of the 19th century, parts of Azerbaijan were already under Russian protection. In 1828 AD, Persia ceded the northern part of the country (which now constitutes the republic of Azerbaijan) to Russia, while retaining the southern territory. Modern Azerbaijan was formed from the territory ceded by Persia to Russia in 1828 AD, although some two-third of historic Azerbaijan lies in present-day Iran. At the beginning of the 18th century, fighting between Iran and Turkey over Azerbaijan and the rest of Transcaucasia broke out anew. The expansionist policies of Iran and Turkey represented a great danger for the peoples of this region, since the policies not only entailed worsening the area's social and economic backwardness, fragmenting its economic and political systems, and establishing the most savage forms of feudal oppression, but also threatened a considerable part of the population with physical extermination.
Uprisings against both Turkey and Iran occurred in Transcaucasia during 1715-1731 AD. By the mid-18th century, a number of Khanates existed as semi-independent states in what is now the Republic of Azerbaijan. Russian began extending its influence in the region in the early 18th century and in 1828 AD, the Treaty of Gulistan established the present border with Iran, placing northern Azerbaijan, today's independent republic, within imperial Russia.

**HISTORICAL LINKS WITH RUSSIA**

The economic and political interests that linked Azerbaijan and the other countries of Transcaucasia to Russia and the need to seek protection from the Iranian and Turkish enslavers strengthened the leanings among some Azerbaijanis, especially city dwellers, toward Russia. This coincided with the interests of tsarist Russia, which was attempting to extend and strengthen its influence in the East. The Russian government wished to secure itself on the Caspian coast and regarded the taking of Baku, the best port on the Caspian, as especially important. Russia troops landed at Baku in the summer of 1723 AD and shortly overcame the resistance of the local garrison and occupied the city.

England and France, the Western European powers that were attempting to enlarge their colonial possessions in the East, tried to oppose this strengthening of Russia influence in the Caucasus by every means. Turkey began to prepare for war with Russia at the instigation of the European states. In the summer of 1723 AD, the Sultan's troops invaded Georgia and by early 1724 AD had already seized many parts of Transcaucasia. Russia, which had just emerged from a war with Sweden, was not able to undertake a new war with Turkey. By the terms of the treaty between Russia and Turkey signed on 12 June 1724 in Constantinople, Russia secured the Caspian coastal areas of Azerbaijan including Baku, Sal'iany, and Lenkoran. The rest of Azerbaijani
territory remained in the hands of Turkey and Iran. This situation lasted until 1735 AD, when Russia was forced to yield the Caspian regions to Iran in order to avoid a new war with both Iran and Turkey. In March 1735 AD Iran and Russia signed the Gandzha Treaty; according to its terms the Russia force withdrew from Baku and Derbent. The Caspian coastal regions once again came under Iranian rule. The government of Nadir-Shah imposed intolerable oppression there. In the late 1730s and early 1740s, major anti-Iranian uprisings erupted in Shirvan, Sheki, and other regions of Azerbaijan. In the second half of the 18th century, some 15 states-khanates were formed on Azerbaijani territory. The largest of these khanates were those of Sheki, Karabakh, and Kuba. The cities of Azerbaijan in the late 18th century had early 19th served primarily as administrative centers for the khanates. (Mahmudov, 2002, pp. 72-86)

Incorporation of Azerbaijan into Russian Empire

Given the existence of a permanent threat from Iran and Turkey, Transcaucasian feudal leaders like Kuban Khan Fatali Khan and Vagif, the vizier of the Karabakh khanate tried to forge an alliance with Russia. Even though the Azerbaijani feudal lords frequently pursued a vacillating policy in relation to Russia and even though some of them were oriented towards Iran and Turkey, the progressive elements among the Azerbaijanis favored unification with Russia. From 1803 to 1805 AD, the Karabakh and Sheki Khanates were peacefully annexed to Russia. The Gandzha khanate was annexed to Russia in 1803 AD after the Russian siege and occupation of Gandzha, which was renamed Elizvetpol in 1804. During the Russia-Iranian War of 1804-13AD, the Kuba and Baku khanates came under Russian control in 1806 AD and the Ralysh Khanate in 1809 AD. The Gulistan Peace Treaty was concluded between Russia and Iran on 24 October 1813. Iran abandoned
its claims over the Karabakh, Gandzha, Shirvan, Sheki, Baku, Derbent, Kuba, and Talysh khanates as to eastern Georgia and Dagestan. According to the Treaty, all of the southern khanates of Azerbaijan remained under the shah’s rule. At the end of the Russo-Iranian War of 1826-28, under the terms of the Turkmanchai Peace Treaty, the Nakhichevan Khanate, the ordubad Okrug, and other territories came under Russian rule. (Mahmudov, 2002, pp. 553-570)

The incorporation of northern Azerbaijan into Russia proved to be an important turning point in the history of the Azerbaijan and brought a respite from foreign invasions as well as form feudal fragmentation and internecine strife. More favorable conditions were created for mutual interaction influence of progressive Russia and Azerbaijani culture. The positive influence of progressive Russian culture and of revolutionary-democratic ideas was manifested in the works and creative activity of connoisseurs of Azerbaijan culture such as A. Bkikhanov, M. Topchibashev, K. Zakir, and M. F. Akhundov.

Between 1830s and 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 peoples and to the strengthening of their economic and cultural ties. Through limited reform measures, Tsarist authorities tried to preserve patriarchal and feudal backwardness in many of the outlying areas, including Azerbaijan. Only in 1870 AD, the peasant reforms were carried through in Azerbaijan, and then with numerous restrictions. In contrast to the situation in the central Russian provinces, the Tsarist government did not grant loans to the Azerbaijani peasants with which to purchase their plots of land, and the purchase price was there was not one
Azerbaijani peasant purchasing his land during the 25 years after the reform. Feudal-dependent relations persisted in Azerbaijan right up until the October Revolution in 1917. The majority of peasants suffered form land hunger and landlessness and had to lease land on heavy terms. At the end of the 19th century, 30 per cent of all land in use by the peasants of Elizabetpol province were rented lands. (Prokhorov, 1973, pp.544-546)

ECONOMIC DIMENSIONS OF AZERI NATION BUILDING PROCESS

The growth of commercial types of agriculture, such as cereal crops, cotton, livestock, silk, and tobacco, as well as of extractive and processing industries such as oil extraction and refining, processing agricultural produce, and rock-salt produced a tremendous impact upon the growth of national consciousness among the Azeri people and facilitated the growth of constructive economic development.

The laying of a railroad track from Tbilisi to Baku in 1883 and the linking of the Transcaucasian railway with the all-Russian rail system in 1900 were of great importance to Azerbaijan. The expansion of commercial shipping on the Caspian also made Baku a major rail center and port for the entire Caspian regions. The development of Baku's petroleum industry was connected with the general process of Russia's capitalist development in the latter half of the 19th century. Before 1872, the leasing system prevailed in the Azerbaijan petroleum industry and the amount produced was insignificant (6,500 tons in 1863). With the abolition of this system in 1872, the basis was laid for Baku's petroleum industry to develop more rapidly. The first large-scale industrial undertakings had begun. The high rate of profit attracted domestic and foreign capital to the petroleum industry of the Baku region. Petroleum out-outs rose from 26,000 tons in 1872 to 11 million tons in 1901, which constituted roughly 50 per cent
of world petroleum output. Other branches of industry also developed in Baku. (Prokhorov, 1973, pp. 580-590)

Capitalist relations in agriculture did not mature sufficiently for the feudal mode of production to be replaced by the capitalist mode. Azerbaijan was one of this border territory of Tsarist Russia in which poorly developed capitalist relations were intermixed with disintegrating but still surviving feudal relations and patriarchal remnants. 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. Still, the rapid growth of capitalist industry, primarily 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.

Beginning of Class Division

After the construction of many industrial projects and processing of raw materials, some form of capitalist mode of production developed there. The proletariat of Azerbaijan took shape as one of the strongest detachments of the working class of Russia. Its most numerous and militant vanguard element (over 6,000 at the beginning of the 20th century) was the Baku proletariat, which included representatives of about 30 nationalities - including Azerbaijanis, Russians, Armenians, Georgians, Dagestanis and Tatars. Azerbaijani workers engaging in heavy labour alongside Russian workers and those of other nationalities in the oil fields and refineries, on construction sites, in railroad and maritime work, and in agriculture more readily acquired class consciousness and feelings of international solidarity. The multinational
proletariat of Azerbaijan was drawn into the overall revolutionary and emancipatory movement of Russia. In the 1870s, the Kedabek workers participated in strikers and in the 1880s and 1890s there were outbreaks among the Baku workers.

The first Social Democratic circles arose in Baku at the end of the 1890s in the first few years of the 20th century. There was lively correspondence between the Social Democrats of Baku and the Editorial board of *Iskra*, headed by Lenin, and in 1901, in *Iskra* groups were formed in Baku. The Baku Social Democratic Committee was established in 1901. In the second half of the 19th century and the beginning of the 20th century, a democratic-minded Azerbaijan intelligentsia formed, primarily in Baku, absorbing the progressive cultural traditions of Azerbaijan and the advanced ideas of Russian social thought and of all world culture. The historical basis was laid for the consolidation of the Azerbaijanis into a nation. (Prokhorov, 1973, p.547)

During the epoch of imperialism and the bourgeois-democratic revolutions in Russia (1900-17), the Azerbaijanis waged a struggle against Tsarist autocracy and the power of the bourgeoisie and the landlords. The economic crisis of 1900-03 severely affected Baku's industry: petroleum output fell sharply, wages were reduced, and there were massive layoffs-all leading to a sharpening of the class struggle. The revolutionary struggle of the Baku proletariat attained a very wide scope in the years 1903 and 1904. Stubborn strike struggles were characteristic of the Baku proletariat in the years of the revolution of 1905-07. The first trade union organizations appeared in Azerbaijan in October 1905. In 1913-14, there were general strikes in Baku. Prominent members of the Bolshevik Party led the revolutionary struggle of the Azerbaijanis and the rest of Transcaucasia. The Bolsheviks of Azerbaijan served as transmitters of the ideas of proletarian internationalism and friendship
among all peoples. They exposed the bourgeois nationalists-the pan-Islamists, the Pan-Turkic, the Dashnaks, the Musavatiss (the Musavat Party was founded in 1911), the Socialist revolutionaries and the Mensheviks. The Bolsheviks gathered the workers and toiling peasants around the Russian proletariat as the leading force of the revolutionary movement in Russia. During the Great patriotic War of 1914-45, the Azerbaijani people together with all the other peoples of the Soviet Union defended the socialist fatherland. During the war the Baku region produced as much as 70 per cent of the country's total petroleum output. Baku was one of the arsenals of the Soviet Armed Forces. Various kinds of defense materials were produced in the republic. After the war, the Azerbaijan people returned to their peaceful labor of completing socialist construction and building communism. The twentieth through twenty-third party congresses, which restored Leninist norms in Party and government spheres and which outlined the teaks of building the material and technical base for communism, were major milestone in the life of Soviet Azerbaijan and the rest of the Country. (Prokhorov, 1973, pp.pp.551-553)

After the victory of the February Revolution of 1917, dual power appeared in Baku as in all of Russia. On the one had, there was the Executive Committee of public organizations - the organ of the petroleum industrialists and the landlords, which served as the local organ of the provisional Government-and on the other hand, the Soviet of Workers' Deputies, founded on 6 March 1917. On 20 March 1917, the Workers' Soviet merged with the Soviet of Officers' and Soldiers' Deputies. In the spring and summer of 1917, Soviets were also formed in Elizaetpol' Shemakha, Nukha, Lenkoran, Nakhichevan', and Shusha.

The Great October Socialist Revolution brought the Azerbaijanis deliverance form social and national oppression. The primary center of the
struggle for the victory of the socialist revolution in Azerbaijan and all of Transcaucasia was proletarian Baku. On 27 October 1917, at a conference of the Soviets, Bolsheviks put forward a resolution that the Soviet takes power. However, the deputies from the petit bourgeois and bourgeois nationalist parties managed to deflect the resolution. The Baku Committee of the RSDLP (Bolshevik) then appealed to the working class of Baku to take power into its own hand.

Under the pressure of the workers and revolutionary soldiers, the Baku Soviet proclaimed Soviet power in Baku in 31 October 1917 and on 2 November 1917, it passed a resolution on taking power into its own hands; a new executive committee was elected. Under military pressure from the counterrevolution on every side, the Bolsheviks began early in 1918 to build up their own revolutionary armed force: in March they had, 6,000 in Baku During the spring the Soviets took power in the Baku, Lenkoran', Dzhavad and Kuba districts. The Central Committee of the Russian Communist Party (Bolshevik) and the Council of People's Commissars (Sovnarkom) of the RSFSR headed by V. I. Lenin, rendered great aid to the Bolsheviks of Azerbaijan. S. G. Shaumain was appointed Special Commissar for Caucasian Affairs by the Soviet government. (Prokhorov, 1973, p. 556)

The struggle for Soviet power in Azerbaijan unfolded under conditions of complex social and economic relations with population. In March 1918, the Kusavatist staged an anti-Soviet uprising in Baku and organized armed attacks in other areas of Azerbaijan. From 30 March to 1 April, conflict occurred in Baku with as many as 20,000 participants on both sides. The Red Guard units and the fleet crushed the rebellion with the active support of the revolutionary workers. On 25 April 1918, the Baku Soviet established the Baku Sovnarkom, Presided over by S. G. Shaumain. The Sovnarkom laid the foundation for
socialist transformations in the economic and cultural fields. It published decrees nationalizing the petroleum industry, the banks, Caspian commercial fleet and confiscating the lands of the beks and the Khans. The Baku Sovnarkom’s goal was to improve the situation of the workers and to provide them cultural and social services and medical care.

The situation in Azerbaijan and in Transcaucasia as a whole was an extremely difficult one in the summer of 1918. Turkish troops, having captured a considerable part of Armenia in April and May 1918, invaded Azerbaijan. Simultaneously, the German imperialists began the occupation of Georgia. The Baku commune was the only stronghold of Soviet power in Transcaucasia. From 4 August to 14 September 1918, the English interventionists occupied Baku; on 15 September 1918, they were driven out by Turkish troops. The Musavatists found support from the Turkish interventionists and with them restored the power of the bourgeoisie and landlords. Under the Moudros armistice concluded between the Allied powers and Turkey in 1918, the Turkish troops withdrew from Baku in the autumn of 1918. In November 1919, the city was once again taken. Turkey and England cooperated, together establishing a regime of savage terror. The English interventionists plundered the country of its oil wealth and other resources. The Bolsheviks of Azerbaijan worked deeply underground. In early 1919, a directing nucleus for the Baku organization of the Russian Communist Party (Bolsheviks) [RCP (B)] was formed once again. A new permanently proletarian organization, the Baku Workers’ Conference, also was established at that time under Bolshevik leadership.

In order to organize support for the worker of Azerbaijan and all Transcaucasia, the people’s Commissariat for Nationalities was established on 16 January 1919. Towards the end of 1919, the Bolsheviks of Azerbaijan
succeeded in establishing an alliance between the proletariat and the working peasants. The growing struggle of the toilers of Azerbaijan and of all of Transcaucasia, the disaffection appearing within the English occupying units as result of revolutionary work by the Bolsheviks, and the defeat of the White Guard armies of Kolchak, Denikin and Yudenich by the Red Army. English were forced to withdraw their troops from Azerbaijan in the autumn of 1919. On 11 and 12 February 1920, in Baku, the First Congress of Communist Organizations of Azerbaijan was held illegally and adopted a resolution calling for the preparation of an armed uprising against the counterrevolutionary Musavat regime and the establishment of the dictatorship of the proletariat.

FORMATION OF A SOVEREIGN SOCIALIST STATE

On 26 April 1920, the Provisional Revolutionary Committee of Azerbaijan was established. On the night of 27 April 1920, an insurrection was carried out in Baku which overthrew the Musavat capitalist-landlord power. All power passed into the hands of the Azerbaijan Revolutionary Committee (Azrevkom), which proclaimed Azerbaijan a Soviet Socialist Republic. The Azrevkom immediately appealed to the government of Soviet Russia with a proposal for an alliance. Four armoured trains with an expeditionary force under the command of M. G. Efremof were sent to the aid of the insurgent workers of Azerbaijan down the railroad line from Petrovsk to Baku.

For the first time in their history, the Azerbaijan people had their own sovereign socialist state. On 5 May 1920, Lenin sent the Azrevkom a telegram which ended with these words: “Long live the workers and peasants of Azerbaijan! Long live the alliance between the workers and peasants of Azerbaijan and Russia!” On 30th September 1920, a military and financial-economic alliance was concluded between the Azerbaijan SSR and the RSFSR.
After the establishment of Soviet power in Azerbaijan and the funding of the Azerbaijan SSR, socialist transformations of great importance were begun: for the benefit of the toiling peasants the lands of the beks and khans, church lands, waqf lands, monastery lands, and other-over 1,300,000 desiatinas in all-were confiscated; petroleum and fish industries, the Caspian commercial fleet, banks, and so on were nationalized. The work of constructing a Soviet state got under way. The multiplicity of rural social and economic patterns, the sharp contrast between the highly developed industry of Baku and the backward Azerbaijan villages, and the variegated national composition of the population, all of this required an exceptionally flexible policy in the period of socialist constructions, strictly taking into account the peculiar features of local conditions. With the victory of the socialist revolution and the establishment of Soviet power, socialist relations in production were introduced (as in the entire Soviet country) which provided unlimited scope for the development of the economy and culture of the Azerbaijanis. (Prokhorov, 1973, p. 560)

In the spring of 1921, a general transition took place in Azerbaijan from revolutionary committees and poor peasant committees to Soviets. On May 19, 1921, at the First Congress of Azerbaijan Soviets, the first constitution of the Azerbaijan SSR was adopted. The Communist Party of Azerbaijan consistently fought for the realization of the Party’s Leninist nationalities policy and for the strengthening of a fraternal alliance among the peoples of Transcaucasia. On 12 March 1992, Azerbaijan, Armenia, and Georgia signed an agreement on the founding of a federal union. From 12 March 1992 until 5 December 1936, Azerbaijan was part of the Transcaucasia Federation (the Transcaucasia Soviet Federated Socialist Republic-TSFSR). On 30 December 1922, Azerbaijan joined the Soviet Union as part of the TSFSR. As component part of Azerbaijan, the Nakhichevan Autonomous Soviet Socialist Republic (1924)
was founded. In 1936, when the TSFSR ceased to exist, Azerbaijan like Armenia and Georgia, became part of the Soviet Union directly, having the rights of a union republic. On 14 March 1937, a new constitution was adopted by Azerbaijan SSR which reflected the successes of socialist construction.

During the years when the economy was being reconstructed and socialist industrialization was beginning, the Soviet government attempted to provide faster rates of industrial growth and capital investment for the national republics than for the union as a whole. The petroleum industry in Azerbaijan was one of the first in the country to enter the stage of technological modernization. The aim of providing quick and effective support to the Baku oil industry was given highest priority by the All-Union Sovnarkom in 1921. New and rich oil fields were discovered and brought into production, such as Bkukhta II' Icha, Kara-Chukhur, Lok Botan and Kala. Work on electrification and mechanization of the petroleum industry got under way. Azerbaijan at that time provided 60 per cent of the total Soviet petroleum output. On the basis of new technology, oil refining and machine-building plants were built in Baku. Towards the end of the second Five Year Plan (1933-37), Azerbaijan emerged in third place in the USSR in terms of volume of capital investment, gross output, and electric power production. Modern branches of industry arose, such as enterprises were built in Baku, Gandzha (in 1935 renamed Kirovabad), Khachmas, Nukha, and elsewhere. In 1938, over 96 per cent of all industrial production came from enterprises that had been newly built or fundamentally reconstructed under Soviet rule. By 1940, petroleum productions had increased nearly three times in comparison with 1913, and gasoline production had increased by 39 times; industrial production as a whole had increased by six times over 1913. By the time of the first Five Year Plan, unemployment had
been eliminated. The material welfare of the workers improved considerably. (Prokhorov, 1973, pp. 556-558)

The task of socialist transformation in agriculture was accomplished. The collective farm system brought about fundamental changes in the way of life of the Azerbaijan peasant. During the pre-war Five Year plans, Azerbaijan was transformed into a highly developed industrial republic with a collectivized agriculture.

The Leninist nationalities policy and the friendly support of the entire Soviet people helped to carry through the Cultural Revolution in Azerbaijan - to liquidate illiteracy, to develop qualified national cadres of the working class and national intelligentsia, and to establish higher educational institutions and scientific and cultural institutions. Soviet Azerbaijani literature and art arose and devolved. A major achievement of the revolution in Azerbaijan was to draw women into all areas of socialist constructions. Socialist industrialization, collectivization of agriculture, and the Cultural Revolution radically changed the appearance of this formerly backward country. (Mahmudov, 2002, pp. 57-65)

The accession of Stalin in Soviet politics marked a rapid change. During this period, known as the "Red Terror", thousands of people were killed, including notable Azeri figures such as Huseyn Javid, Mikail Mushvig, Ruhulla Akhundov, Ayna Sultanova etc. Directing the purges in Azerbaijan was Mir Jafar Baghirov, the First Secretary of the Communist Party of Azerbaijan, who followed Stalin's orders without question. His special target was the intelligentsia, but he also purged communist leaders who had sympathized with the opposition or who might have once leaned toward Pan-Turkism or had contacts with revolutionary movements in Iran or Turkey. Under Soviet rule,
women in Azerbaijan and other predominately Muslim republics were encouraged to “throw off the veils that imprisoned them.” During the 1940s, the Azerbaijan SSR supplied much of the Soviet Union's gas and oil during the war with Nazi Germany and was thus a strategically important region. The German invasion of the Soviet Union in June 1941 reached the Greater Caucasus in July 1942, but the Germans never crossed into the territory of Azerbaijan. Many Azerbaijanis fought in the rank and file of the Soviet Army (about 600-800,000) and Azeri Major General Azi Aslanov was twice awarded Hero of the Soviet Union. About 400,000 Azeris died in World War II. (Online: Web, Wikipedia)

During the Brezhnev period, Azerbaijan was ruled by Aliyev, then the Chairman of the republic’s Communist Party. Hyder Aliyev was installed as First Secretary of the CPA in 1969. He greatly increased the all-Union sector of the economy at the expense of republican industry, while retaining popularity with his liberal attitude to local corruption. Attempts to address corruption in the CPA followed the accession to power of Mikhail Gorbachev, who became leader of the USSR in 1985. Aliyev was dismissed in October 1987. Public grievances over economic mismanagement and the privileges enjoyed by the party leadership were expressed at demonstrations in November 1988. Azerbaijan gained a reputation for economic stagnation, political repression and rampant corruption. Mikhail Gorbachev, the reforming Soviet leader, sacked Aliyev in 1987 as part of sweep against politicians who had presided over decades of stagnation and corruption.

The accession of Gorbachev in the power politics of Soviet Union marked a rapid transformation in Soviet politics. Gorbachev’s policy of “Glasnost” and “Perestroika” had a tremendous impact upon Soviet politics.
In the late 1980s, the decrease in repression by Moscow allowed separatism to come out into the open in all the Soviet republics. The ethnic Armenian majority in Nagorno Karabakh began pushing to leave Azerbaijan and to be united with Armenia. Azerbaijani nationalism grew in response with the founding in mid-1989 of the Popular Front of Azerbaijan (PFA), a broad-based opposition movement. In September 1989, under pressure from the PFA, the Azerbaijani Supreme Soviet (parliament) declared that republican laws took precedence over Soviet legislation and called for the withdrawal of Azerbaijan from the USSR. Divisions between the Azerbaijani and Armenians widened irrevocably as inter-communal violence broke out in Nagorno Karabakh, but especially after anti-Armenian riots in Sumgait in 1988 and in Baku in January 1990. The riots killed, on the most conservative estimates, dozens of Armenians. (The Europa World Year Book – 2000, volume I, 2000, p. 540)

The January 1990 massacre of Armenians in Baku prompted a dramatic and bloody Soviet military intervention on 20 January 1990. At least 150 people, mostly Azerbaijanis, were killed. Moscow installed a front man, Ayaz Mutalibov, as leader in 1990. The election to parliament later that year gave the PFA a symbolically important 9 per cent of the seats despite a rigged vote.

When the elections did take place, in September-October 1990, the CPA won an overall majority. The opposition Democratic Alliance (which included the PFA), however, questioned the validity of the elections. In addition, the continuing state of emergency, which prohibited large public meetings, severely disrupted campaigning by the opposition. When the new Supreme Soviet convened in February 1991, some 80 per cent of the deputies were members of the CPA. The small group of opposition deputies united as the Democratic Bloc of Azerbaijan.
Unlike the other Caucasian republics (Armenia and Georgia), Azerbaijan declared a willingness to sign a new Union Treaty and participated in the all-Union referendum concerning the preservation of the USSR, which took place in March 1991. Official results of the referendum demonstrated a qualified support for the preservation of the USSR, with 75.1 per cent of the electorate participating, of whom 93.3 per cent voted for a ‘renewed federation’. In Nakhichevan, however, only some 20 per cent of eligible voters approved President Gorbachev’s proposal. Opposition politicians also contested the results of the referendum, claiming that only 15-20 per cent of the electorate had actually participated. (The Europa World Year Book – 2000, volume I, 2000, p. 540)

The decline of the Soviet Union weakened the Mutilibov regime further. In 1991, Mr. Mutilibov was forced to agree to PFA demands for the creation of a new 50-members legislative body, the Milli Majlis (National Council), half of whose members were drawn from the Supreme Soviet and half from the PFA. Following the failed coup in Moscow in August 1991 Azerbaijan declared itself independent.

In August 1991, when the State Committee for the State of Emergency seized power in Moscow, Mutilibov issued a statement that appeared to demonstrate support for the coup. Despite denials that he had supported the coup leaders, large demonstrations took place, demanding his resignation, the declaration of Azerbaijan’s independence, the repeal of the state of emergency, and the postponement of the Presidential elections, scheduled for 8 September Majlis (legislature) of Nakhichevan, who had become increasingly critical of Mutilibov’s leadership. Mutilibov responded by ending the state of emergency and resigning as First Secretary of the CPA. On 30 August 1991, the Azerbaijani Supreme Soviet voted to restore the independent status of
Azerbaijan'. Despite continued protests from the PFA, the elections to the Presidency proceeded, although they were boycotted by the opposition, with the result that Mutilibov was the only candidate. According to official results, he won 84 per cent of the total votes cast. At a congress of the CPA, held later in September, it was agreed to dissolve the party.

Independence was formally restored on 18 October 1991. The Supreme Soviet voted not to sign the treaty to establish an economic community, which was signed by the leaders of eight of the Soviet republics on the same day. In a further move towards full independence, the Supreme Soviet adopted legislation allowing for the creation of national armed forces, and Azerbaijan began to take control of the Soviet Army's military facilities in the republic. However, Azerbaijan did join the Commonwealth of Independent States signing the Alma Ata Declaration on 21 December 1991. From 1992 the war over Nagorno Karabagh dominated Azerbaijani politics, with success or failure on the battlefield determining the fate of political leaders. Mr. Mutilibov was forced out from power in March 1992 after a massacre of Azerbaijani civilians in the village of Khojali. In May 1992, after Azerbaijani forces lost their last strongholds in Karabakh, the PFA seized government building in Baku and a leading member, Isa Gambar, became acting President. The PFA leader, Abulfaz Elchibey, won the Presidential election in June 1992. Elchibey neglected the economy and Azerbaijan's foreign investment potential, and proved a poor administrator. Armenian troops took control of the whole of Nagorno Karabakh and went on the capture more and more territory in Azerbaijan proper.
POLITICAL DEVELOPMENT IN AZERBAIJAN AFTER 1995

The period since 1995 was marked by the consolidation of power by Heyder Aliyev and the establishment of a more stable but dictatorial government. The parliamentary election in November 1995 unsurprisingly gave a large majority to Aliyev's New Azerbaijan Party. A new constitution was approved by a rigged referendum at the same time. The managed election also demonstrated the weakness of the opposition, which consistently engaged in petty strife rather than uniting to form a cohesive anti-Aliyev front. In 1998 five leading opposition politicians led by Rasul Guliyev, a former speaker of parliament who fell out with Aliyev and fled abroad, Elchibey of the PFA (now the Party of the popular front of Azerbaijan or PPFA) and Gambar of Musavat formed a pact to boycott the Presidential election of 11 October 1998. In the run-up to the election the opposition organised impressive rallies but by failing to run a candidate against Aliyev the opposition ended up having him an easy victory. (Country Profile of Azerbaijan, 1999-2000, pp.8-9)

Aliyev made some minor concessions to give the impression of a greater measure of democracy in the 1998 Presidential election. These concessions were designed to lessen embarrassment to countries such as the US and the UK, which had so effusively supported Aliyev for commercial reasons (British and American companies dominate the oil sector). The opposition boycott meant that only one plausible opposition candidate ran - Etibar Mammadov, head of the Azerbaijan National Independence Party (AIP). Mammadov came second with just 11.6 per cent of the vote. Aliyev won with 76.1 per cent of the total votes, which meant that there was no need for a second round ballot. Aliyev announced in September 1999 that he may stand for a third Presidential term in 2003.
**Constitutional Mechanism**

The new constitution of independent Azerbaijan was adopted in November 1995 by a referendum. Azerbaijan became a democratic republic with the President assuming wide powers. The President is the head of state and is directly elected for a term of five years. The President appoints the Cabinet of ministers, which is answerable to him. In coordination with the Parliament, the President appoints the Prime Minister and the heads of local government. Under the Constitution of November 1995, the President of the Azerbaijan Republic is Head of State and Commander-in-Chief of the armed forces. The President holds supreme executive authority in conjunction with the Cabinet of Ministers, which is appointed by the President and is headed by the Prime Minister. (The Europa World Year Book – 2000, volume I, 2000, p. 540)

Supreme legislative power is vested in the 125-member *Milli Majlis* (National Assembly), which is directly elected (under a mixed system of voting) for a five-year term by a mixture of straight majority and proportional representation. The *Milli Majlis* can impeach the President following representations from the Constitutional Court and can pass a vote of no confidence in the government. The highest organ of state power is the presidium of the Supreme Soviet of the Azerbaijan SSR. The Supreme Soviet appoints the government of the republic—the Council of Ministers—and legislates for the Azerbaijan Republic. (Banks and Muller, 1998, p.62)

**Political Parties in Azerbaijan**

*New Azerbaijan Party (NAP)*

Founded in 1992 the NAP has been led by a close-knit group of insiders from Nakhichevan with Heyder Aliyev as the Chairman. Another powerful
group within the NAP is the former Communist elite. After Aliyev seized power in 1993, the party grew rapidly as one of the ways in which Aliyev consolidated his grip on the country. NAP members hold all the key positions in the executive branch, and the NAP emerged as the largest single party in the parliamentary election in November 1995. Ultimately, Aliyev's personal power transceeds the base provided by his party.

**Party of the Popular Front of Azerbaijan (PPFA)**

Founded as the Popular Front of Azerbaijan (PFA) in 1989, it led the campaign for Azerbaijani independence and the economic blockade against the Armenia. The PFA members include disgruntled Communist Party functionaries to extreme Azerbaijani nationalists and pan-Turkic forces (favouring the union of all Turkic peoples from Bulgaria to China). After the PFA seized power and Elchibey was elected President, but was overthrown in 1993. The PFA survived and remains a significant political force, despite functional differences. In 1995, a PFA Congress renamed it as the Party of the Popular Front of Azerbaijan (PPFA), which won three seats in Parliament in the 1995 election.

**Musavat**

Musavat is led by Gambar, a former leader of the liberal wing of the PFA and Speaker of Parliament during Elchibey's office. Musavat proclaims itself to be the successor to the Musavat Party founded in 1911 by Mamedemin Rasulzadeh, one of the founders of the Azerbaijan Democratic Republic (1918-20). In the 1995 parliamentary election, Musavat won just one seat.
Azerbaijan National Independence Party (ANIP)

Founded in late 1991, ANIP is chaired by Mammadov, the former leader of the nationalist wing of the PFA. Since its foundation, the ANIP has been at odds with the PFA. In June 1993, the party opposed Elchibey and backed Aliyev’s accession to power. Mammadov declined Aliyev’s offer of a government position. (The Europa World Year Book, 2000, pp. 541-545)

The cultural and political traditions of the Azerbaijan khanate became the basis for regional protectionism during the Soviet times. However, in modern Azerbaijan it is difficult to single out regional clans in politics (while there are regional differences). Therefore, as distinct from Tajikistan, Chechnya or neighbouring Georgia, one cannot clearly identify political leaders with specific regions, although the example of Aliyev or Hsseinov seemed to have shown the opposite. In fact, in the political establishment, a whole range of politicians act without the support of a particular region: for example, Rasul Guliev (Head of the Milli Mejlis), Gassan Gassanov (Minister of Foreign Affairs). At the same time the only famous politician identified with his region, Sruet Jusseinov, walked out of the political game in the Republic. The same Mutilobov who was leaning on the Mafia and clerical structures of Baku and Shemakhin region, supported by specific circles in Russia and Iran, pulled strings for Husseinov (from the Gianje Clan) against Guliev (Nakhichevan clan) and Gassanov (born in Tbilisi, worked in Gianje for a long time). At the same time, the NFA has quite strong positions in the Nakhichevan region, despite the fact that it is Aliev’s stronghold. In another region, Talish - Aliev’s actions to suppress Husseinov’s protégé Aliakram Gumbatov, who proclaimed a Talish-Mugan Republic, were approved by an overwhelming majority of the Azeris as well as the Talish people.
Thus, the modern elites of Azerbaijan are based not only on regional differentiation. The main leaders of the political groupings were Aliev, Guliev, Gassanov, Husseinov. Already in 1990 Gassanov aspired to power in the republic, along with Mutalibov (who became the first leader) and Vagif Husseinov (Chairman of the KGB of Azerbaijan). Some consider Gassanov to be the most pro-Western leader in Azerbaijan (among those who have real power). Guliev (in the past the manager of the largest oil refinery) concentrated in his hand nearly half of the real power of Azerbaijan. After the signing of the contract, the political orientation was defined: the President's team could be symbolically called a pro-Western one. Russian peacekeeping forces were to be brought in, the prospect of actual federalisation of Azerbaijan (on the pattern of Georgia) could become absolutely possible: while its territorial integrity would be officially recognised, with the creation of autonomies politically and economically oriented towards Moscow, the threat of their destabilisation could be used as a lever of pressure upon the central government. (Shorokhov, 1996, Online: Web)

AZERBAIJAN'S ECONOMY

Azerbaijan is an economy in transition in which the state continues to play a dominant role. It has important oil reserves and a significant agronomic potential based on a wide variety of climatic zones. Azerbaijan produces oil and has oil reserves in the Caspian Sea, second only to Kazakhstan. The other states that border the Caspian are Russia, Iran and Turkmenistan. The Caspian region is composed of five heterogeneous oil basins in terms of hydrocarbon types and reserves: the North Caspian, the North Usturt, the Amu-Darya, the South Caspian, and the Mangyshalk. It ranks among the twenty most oil-rich countries in the world, on a par with Angola, Algeria, Brazil and Oman, with estimated

The State Oil Fund (SOFAZ) was established as an extra-budgetary fund to ensure macroeconomic stability, transparency in the management of oil revenue, and the safeguarding of resources for future generations. All oil revenue profits from the development of new oil fields now flow into SOFAZ. For more than a century, the backbone of the Azerbaijani economy has been petroleum. Now that Western oil companies are able to tap deepwater oilfields untouched by the Soviets because of poor technology, Azerbaijan is considered one of the most important spots in the world for oil exploration and development. Proven oil reserves in the Caspian Basin, which Azerbaijan shares with Russia, Kazakhstan, Turkmenistan, and Iran are comparable in size to the North Sea, although exploration is still in the early stages. Azerbaijan has concluded 21 production-sharing agreements with various oil companies. Azerbaijan celebrated first oil for the Baku-Tbilisi-Ceyhan (BTC) pipeline (excluding the Russian route) in May 2005, and the official completion ceremony was held in Turkey in July 2006. The BTC pipeline is now operational and has a maximum capacity of one million barrels per day. A parallel Baku-Tbilisi-Erzurum gas export pipeline opened in September 2006, but, due to technical issues in the offshore Shah Deniz gas field, has operated only intermittently. Eastern Caspian producers in Kazakhstan also have expressed interest in accessing this pipeline to transport a portion of their production. (Online: Web, www.azembassy.com)

Azerbaijan is an industrialized republic with a developed agriculture. It is distinguished within the economy of the USSR primarily by is vast petroleum, petroleum-refining, and related chemical and machine-building industries, including machinery for the rapidly growing natural gas industry.
Also of Union wide significance are the silk, textile, wine-making, and tobacco growing, silk production, tea production, and livestock pasturing are its most highly developed agricultural enterprises. Occupying 0.4 per cent of the USSR's petroleum manufactured 46 per cent of its industrial equipment for the petroleum industry and 17 per cent of its synthetic alcohol, and grew 10 per cent of its tobacco, 5.6 per cent of its raw cotton, and four per cent of its grapes in 1967.

Industrial production of natural gas began in Azerbaijan in 1928. The deposits being exploited are located primarily in the Karadag-Duvannyi and the Zyria-Giurgian areas. There are large natural gas deposits also in the Sal’iany-shirvan region and under the Caspian Sea. Pipelines for natural gas run from the gas fields on Zhiloi Island to the mainland. Gas is also obtained as a by-product from the production and refining of petroleum. A major pipeline carries Azerbaijan's natural gas to Armenia and Georgia as well. The chemical industry, including petroleum refining, has become one of the main branches of Azerbaijan's economy. The present-day refining plants, besides producing various types of fuel, industrial oils, and oil additives, yields intermediate products for the chemical industry, such as gases for petrochemical synthesis, propane and butane fractions, and raw olefin. (Prokhorov, 1973, pp. 563-572)

Role of Azeri Agriculture

Apart from oil, agriculture sector play a prominent role in establishing the country's economic potential. Agrarian reforms held in Azerbaijan are related with the name of Heydar Aliyev. During his second leadership in the Republic of Azerbaijan the country was in deep crisis. The crisis was the logical result of the negative processes the former Soviet Union. Other republic of former Union also suffered from the economical and social crisis. The position of
Azerbaijan was complicated by unjust war, the occupation of about 20 per cent of its lands by Armenians, more than million refugees and casual attitude of the previous government to the economy.

To find the ways out the President held nine meetings in 1994 related to the problems on agriculture. Not only the chief employers, but the scientist, specialists and the members of the international organisations participated at the meetings as well. At the meeting held in the Palace of the Republic on 23rd of December of 1994, the President stated: "...the agrarian reforms, change of the form of the property, land reforms and to provide favorable conditions for the independent economy are important and responsible steps in the life of our people." Soon was established the legislative base for implementation of agrarian reforms. Laws about the agrarian reforms were adopted. More than 100 normative-legal acts on the agrarian sphere were also adopted during 1995-2004. (The Ministry of Agriculture of the Republic of Azerbaijan, Online: Web)

The state policy on agrarian reforms founded by the national leader Heydar Aliyev was successfully carried out by his deserved successor Ilham Aliyev. The second Decree of the President "About acceleration of the social-economic development in the Republic of Azerbaijan" dated November 24, 2003 supposed the next level of the agrarian reforms and acceleration of the necessary measures. The abovementioned Decree followed by the "State Program on social-economical development of the regions of the Republic of Azerbaijan"(2004-2008) which reflected the measures and the implementation, of which should cause deep agrarian changes and wide development of the ownership in this sphere. The State Program also supposes re-establishment of the activity of agrarian processing enterprises, establishment of new manufacturing firms, increase of profitable use of native resources,
establishment and development of necessary infrastructure for regional
development, acceleration of the second level of agrarian reforms, to establish
technical service centers in the regions, to extend seed age base and so on. (The
Ministry of Agriculture of the Republic of Azerbaijan, Online: Web)

With the purpose to remove the disorder in agrarian management and to
establish the government system, providing regular development of this sphere
the President of the Republic of Azerbaijan issued Decree from October 23,
2004, that re-established the Ministry of Agriculture and established new
entities near it. They are the State Melioration and Water Economy Agency, the
State Veterinary Service, the State Service of Phytosanitar Control and the
State Agency on the Agricultural Credits. The Decree also liquidated the
Committee on Melioration and Water Economy near the Cabinet of the
Ministers of the Republic of Azerbaijan.

The Decree of the President from October 23, 2004 established
"Agroleasing" Open Stock-Company and determined additional measurements
for extension of leasing in agrarian sphere. To organise the works of
"Agroleasing" OSC 100 billion and 150 billion manats allocated in 2005 and
2006 accordingly.

As the result of successful implementation of the agrarian reforms, the
agriculture of the country got out of the agricultural crisis and started dynamic
development. In comparison with 1995 the grain growing increased by 2.3
times in 2004, potatoes by 5.9 times, water-melon products by 8.5, vegetables
by 2.5, fruit and berry by 1.3, meat by 1.9, milk by 1.4, eggs by 1.5, the
quantity of the cattle heads by 1.3, the quantity of ship and goats by 1.6 times.
Successful agricultural policy and dynamic development, wide and purposeful
measures taken for the establishment of new vacancies will serve to change the
appearance of the villages, increase the agricultural showings and speed-up
development of the social-economic development. (The Ministry of
Agriculture of the Republic of Azerbaijan, Online: Web)

Economic Reforms in Azerbaijan

Since gaining its independence in 1991, Azerbaijan has started to
implement market oriented reform policies. The transition to the new political-
economic order has not been smooth, but instead accompanied by political
cataclysms and military conflicts.

The post-Communist transition in Azerbaijan can be roughly divided
into three stages: (1) first years of independence (1991-94), the state of nature;
(2) powerful autocratic regime and stabilization (1994-2003), the state of
Heydar Aliyev; and (3) Heydar Aliyev's death and the election of his son
Ýlham Aliyev as the new President (post-2003), the post-Heydar Aliyev state.
(Aliyev, Spring 2008, Online: Web)

1. First Stage of Reform:

After gaining its independence in 1991, Azerbaijan faced a huge
economic decline and a considerable socioeconomic crisis. Disparities in
income and poverty significantly worsened as well. Furthermore, the country
has been locked in territorial disputes, ethnic and civil conflicts, and military
actions since the late 1980s, which have had strong negative effects on the
implementation of reforms. As a result of the military conflict with Armenia
over the Dağlıq Qarabağ region of Azerbaijan (better known as Nagorno-
Karabakh) 20 per cent of the republic's territory was occupied by 1993 and the
number of refugees and internally displaced persons reached almost one
million. This political instability, paired with a lack of internal and external
support for reform, was the principal obstacle for the implementation of market-oriented reforms.

After the resignation of Azerbaijan's first President, Ayaz Mütallibov, in the spring of 1992, the Popular Front of Azerbaijan (AXCP) government, headed by new President Ebulfuz Elçibey, attempted to accelerate reforms to liberalize the economy. Toward this goal, the government made the decision to introduce a national currency - the manat, liberalize most prices, initiate financial sector reforms, and begin developing the necessary legal and institutional framework for these reforms to be carried out. In August 1992, Azerbaijan finally joined the IMF and started its negotiations with the institution.

During the first stage the structure of the financial system was rather primitive and underdeveloped. Azerbaijan was in still in the ruble zone in 1993, even the ruble was also depreciating. Circulation of the Russian ruble within the country added to the National Bank of Azerbaijan's (NBA) difficulty in implementing exchange rate policies. Thus, because of institutional weakness of the government and the failure of the NBA to create sufficiently effective monetary and exchange rate policies, it was unable to control inflation and the exchange rate of the manat.

2. Second Stage of Reform

Political conditions for macroeconomic stabilization in Azerbaijan were achieved only after Heydar Aliyev came to power in June 1993. A ceasefire in Qarabağ and an agreement with multinational oil giants regarding the oil fields in the Caspian sector of Azerbaijan—which resulted in the signing of a $7 billion contract in 1994 - contributed to further preparing the environment for radical economic reforms. At the same time, Azerbaijan accelerated negotiations with
the IMF about funding the country's economic reforms. Experts of the IMF prepared a stabilization program, which included the distribution of $46 million in April 1995 to be used for its implementation. This was the beginning of a long and fruitful relationship between the IMF and Azerbaijan. This initial program aimed to limit the decline in real GDP to 6 per cent, reduce monthly inflation to about two per cent by the end of 1995, limit the external current account deficit to below 10 per cent of GDP, and restore a sound external reserve position to the central bank.

3. Third Stage of Reform

In general, political stabilization and reaching (or sometimes enforcing) consensus among main actors, macroeconomic stabilization in Azerbaijan have been successful and altogether framed the achievement of macroeconomic stability in Azerbaijan: tackling inflation (average less than 2 per cent annually); stabilization of the exchange rate of the manat; GDP growth average annual 8-10 per cent (mainly due to the oil boom); surplus in foreign trade balance; and decrease of the state budget deficit (1.5-2 per cent of GDP).

The International Monetary Fund (IMF) and World Bank are providing necessary support to Azerbaijan for the successful implementation of economic reforms, which, contributed to both successful macroeconomic reforms and the subsequent "hold back" reforms. The political reasons for the relative success of reforms have prevailed because of the geopolitical competition for dominance in the region and control over Caspian oil deposits and their transportation. (Aliyev, Spring 2008, Online: Web)
The socio-economic dimension of Azerbaijan is an important basis for looking at nation building process; this is due to the fact that, these factors provided the basis for sustaining the state system. Even Marxian approach looks at nation building process from an economic perspective. It is in this context the economic factor is an important component for looking at the Azeri nationalism. In the absence of any pragmatic ideology, the economic factor is generating the necessary vibes for generating group solidarity.