

CIRPET Osservatorio sul Caucaso (OC)

Università degli Studi di Torino

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Country	Azerbaijan
Title	A view in Azerbaijan area
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Interview with Dr. Pavel K. Baev from PRIO International Peace Research Institute (Oslo, Norway)

1. *A short presentation of PRIO, you and your activities:*

PRIO – the International Peace Research Institute, Oslo – is an independent, multi-disciplinary institute engaged in a wide range of research projects focused on advancing world peace; it was founded some 50 years ago by Johan Galtung.

I am Dr. Pavel K. Baev, a Research Professor at PRIO, which I have joined some 16 years ago. My research interests include energy security and conflict management in the former USSR. For more info, visit my page at the PRIO website (<http://www.prio.no/People/Person/?oid=65168>).

2. *At the moment, how is the economical and social situation, in Azerbaijan?*

The colossal increase of oil revenues since 2006 has resulted in a strong economic growth, which is particularly visible in Baku. While the income gap is huge, there is some trickling down of the ‘oil dividend’, so the social situation is becoming less tense than it was at the start of the decade. There is no noticeable increase in radical Islam, and the refugees problem step by step becomes less painful.

3. *How is the social and economical impact of the BTC pipeline in the area?*

The export of oil through the BTC generates most of the income in Azerbaijan (the parallel Baku-Erzurum gas pipeline adds more), so the economic impact is very strong. The worries about ecology have not materialized in any significant damage. The interesting question here is about the reserves of oil in Azerbaijan and the production in the mid-term.

4. *Russia or US are involved in the area and have any political or economic influences with Azerbaijan or Armenia? And if it's yes, how and why?*

Both Russia and the US certainly have influence in both Armenia and Azerbaijan, and are involved in various ways. One interesting feature here is that neither of the two ‘great powers’ is involved in any significant way in production or export or consumption of oil and gas in Azerbaijan, which is the main element of the political economy of the region. In my opinion, the fact of Russia’s military

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presence in Armenia is often over-rated, and the speculations about the US military ‘penetration’ into Azerbaijan are often blown out of proportion.

5. What about the political situation in the country? And the relationship between Armenia and Azerbaijan?

Political situation in Azerbaijan might appear more stable and controllable than it actually is, as the pressure of expectations is very high and growing, while the change of oil fortunes is entirely possible. The political situation in Armenia, while seemingly less stable, has more space for competition between different forces and platforms, and so is generally more healthy. As for the relations between the two states, the deadlock appears to be quite firm, and it is mostly the external factors, in particular the situation in Georgia and the trajectory of the Russian-Georgian conflict that could change it.

6. Could be possible a new conflict between Armenia and Azerbaijan?

There are always scenarios where an unresolved and deadlocked conflict might escalate and register a new escalation, but in the short-term the probability appears low. The main issue here is the military build-up in Azerbaijan, which could be accelerated with the inflow of the oil money, and that could increase the risk of a new violent clash. The Russian-Georgian tensions are the main destabilizing factor in the near future.