



ADA UNIVERSITY

BAKU DIALOGUES

VOL. 1 | NO. 1 | AUTUMN 2014

***EU-AZERBAIJAN STRATEGIC PARTNERSHIP:
LOOKING TO THE FUTURE***

Dr. Jose Manuel Barroso, President, EU Commission

CHINA'S GEOSTRATEGY IN EURASIA

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***FROM THE MILLENNIUM DEVELOPMENT GOALS TO
A NEW SET OF GLOBAL DEVELOPMENT PRIORITIES***

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***INNOVATION AND ENTREPRENEURSHIP:
THE KEYS TO 21ST CENTURY DEVELOPMENT***

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***SECURITY MATTERS IN THE MIDDLE EAST:
PALESTINIAN PERSPECTIVES***

Dr. Riad al-Malki, Minister of Foreign Affairs, State of Palestine

ABOUT THE ADA UNIVERSITY: THE ADA WAS ESTABLISHED IN 2006, TRANSFORMED INTO A UNIVERSITY BY A DECREE OF THE PRESIDENT OF THE REPUBLIC OF AZERBAIJAN ILHAM ALIYEV IN 2014, AND IS ACCREDITED BY THE MINISTRY OF EDUCATION OF THE REPUBLIC OF AZERBAIJAN. ADA UNIVERSITY IS DEDICATED TO PREPARING INNOVATIVE GLOBAL LEADERS AND TO PROMOTING USEFUL COLLABORATIVE RESEARCH ON DIPLOMACY, PUBLIC AND INTERNATIONAL AFFAIRS, BUSINESS, HUMANITIES AND SCIENCES, INFORMATION TECHNOLOGIES AND SYSTEM ENGINEERING.

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AIMS AND SCOPE:

“Baku Dialogues” is a series of events featuring leading world personalities who will address subjects of current international interest by presenting their views and participating in discussion of these subjects with interested Azerbaijani and international figures. These presentations and discussions, along with other submissions, will be recorded in the “Baku Dialogues”, ADA University's new journal of record for academic and policy research.

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EDITORIAL ENQUIRES:

11 Ahmadbay Agha-Oglu Street, Baku, Azerbaijan, AZ1008. E-mail: baku.dialogues@ada.edu.az

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SUBMISSIONS

To submit an article, authors are advised to follow these guidelines:

We publish several categories of material. In the print magazine, comments are 2,000-3,000-word pieces that make a single, provocative point. Articles are more extensive 4,000-5,000-word pieces of analysis or reportage that comprise the body of the journal. Book Reviews are 2,000-3,000-word discussions of new books.

A summary of up to 200 words should be included with the article. A short one or two line biography of the author should be included. Submissions should be made by e-mail, in Microsoft Word format to the Editor.

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MESSAGE FROM THE RECTOR

Dear Readers,

We are very proud to launch this “Baku Dialogues” review as a record of the many new ideas and discussions which take place at ADA University, among our faculty, staff and students, as well as the many distinguished and creative people who visit us and share their ideas on our campus.

With this first edition of “Baku Dialogues,” ADA University is setting out to establish itself as a true “research university,” with the ambition to encourage individual and group scholarship, new ideas and research in the areas which we cover. Universities around the globe encourage research by faculty members, students and associates in order to expand our intellectual horizons and to contribute new ideas and practical possibilities to the societies we serve. It is these efforts to stretch our minds, to conceive new ideas and new ways to do things, which give research universities a unique place in our societies, drive our economies forward, and inspire our young people.

In this issue, we have picked several key topics that are essential for the foreign policy of Azerbaijan as well as regional and global political trends. First, the presentation by the President of the European Commission, Dr. Jose Manuel Barroso, is an interesting insight into EU-Azerbaijan relations, the development of the European Union’s policy towards the former Soviet republics, and the current discussions about the enlargement policy of the EU.

The presentation about China’s geo-strategy in Eurasia is, in my opinion, one of the untapped topics for discussion, and as Beijing continues to pursue the policy of economic and political engagement with the Caspian region, we will need to focus on this topic more and more. For the moment, the presentation by Dr. Jisi Wang was an excellent opportunity to bring the issue to the attention of Azerbaijani and regional policy makers.

The presentation by the head of the United Nations Development Program, Ms. Helen Clark, was a brilliant focus on the internal developments of the young nation of Azerbaijan, its successes in terms of eradication of poverty and utilizing IT technologies to improve the performance of the civil service. This presentation also highlighted the remaining challenges for the global community to achieve the

completion of the Millennium Development Goals.

Palestinian Foreign Minister Dr. Riyad Al-Malki gave us a first hand insight into the nuances of the negotiation process between Israel and Palestine, the core causes of the conflict in the Middle East, the tragic consequences for ordinary citizens, and a way forward to achieve long-lasting peace in the region.

Finally, as ADA University expands to establish a new school of IT and Engineering, we have dedicated a special discussion to the issue of innovation, technologies, entrepreneurship and how they affect modern-era national development strategies. Dr. Iqbal Quadir has done an excellent job, bringing his personal experiences from Bangladesh and around the world to our campus.

Research is often in the form of “thinking out loud”, or formulating ideas for publication, and that is the reason why it is important for a university to be able to record ideas, to publish and share them with the society at large. This is also a way to stimulate thinking and to encourage the young, and not-so-young, to study, to reflect, and to create — to drive our societies forward with innovation and new approaches for the benefit of the human race and our planet.

I hope you will find this publication interesting and stimulating.

Ambassador Hafiz Pashayev
Rector of ADA University

THE EU-AZERBAIJAN STRATEGIC PARTNERSHIP: LOOKING TO THE FUTURE

JOSÉ MANUEL BARROSO

José Manuel Durão Barroso is the former President of the European Commission (2004-2014), the eleventh person to occupy the post. He served as Prime Minister of Portugal from 6 April 2002 to 17 July 2004, when he was nominated by the European Council and elected by the European Parliament to the post of President of the European Commission. In June 2009 the European Council unanimously nominated him for a second term as President of the European Commission, and he was re-elected by an absolute majority in the European Parliament in September 2009.

THE EU-AZERBAIJAN STRATEGIC PARTNERSHIP: LOOKING TO THE FUTURE

LECTURE BY JOSE MANUEL BARROSO

First of all, Mr. Rector, thank you very much for your kind words of introduction. Indeed, I am pleased to be back here in Baku and I am happy to have contributed during these years as Commission President to the reinforcement of the relationship between Azerbaijan and the European Union. I very much respect your country. I know that you are a relatively young country that has been very successful at forming its statehood. Now and on the path of modernization, I believe the European Union and Azerbaijan can do wonderful things together.

Thank you also for your references to my career. Indeed one of the points I remember well was when as a foreign minister I was hosting the OSCE conference in Lisbon. It was an important conference also for Azerbaijan. I am sure that students of ADA will study many of the decisions that we have taken together in the OSCE, in the European Union, in the United Nations. Today I am not giving you a study course - as this is a diplomatic, political speech, I prefer to have free flowing discussions because of the possibility for analyzing different viewpoints. Nevertheless, I hope that what

I am going to present will contribute to the studies that I know you are pursuing here, Mr. Rector, with great commitment to academic excellence. And it is extremely important that this kind of institution has the criteria of academic excellence at the core of its activities.

Coming here after 2011, I am discovering the tremendous changes that have taken place and feel for myself the dynamism of this country.

Azerbaijan is a country that has undergone radical and rapid change in a way that would have been unimaginable 25 years ago. Baku is a vibrant and modern city with energy in more than one sense of the word; building on its rich history but with an eye on the future, with skyscrapers sprouting on the shoreline of the Caspian Sea.

This university - ADA - has undergone remarkable growth since its inception, with a wonderful new, and environmentally friendly, campus. I also know that you encourage open and frank debate and this is the way it should be in a University. This University is testament to the recent commitment to education in Azerbaijan, and we are delighted in the European Union to have played our part

** José Manuel Barroso gave this speech at ADA University on 14 June 2014, when he was President of European Commission. This text is an edited version of the speech based on the video record. The title and other small clarifications have been added by the Editorial Team as required.*

here – through our Jean Monnet Program and the Centre for Excellence in EU studies, as well as access to European Universities through Erasmus Plus.

As you said, Mr. Rector, it was in fact during the visit to Azerbaijan that President Aliyev and I decided to provide further support to educational exchanges between Azerbaijan and the European Union. Just today, we both witnessed the signature of an agreement that opens new possibilities for Azerbaijan to benefit from European Union programs. From my conversations with the [Azerbaijani] president, it is clear that he shares my commitment to making education a priority.

Because education unlocks doors and opens the mind, it enhances diplomatic and economic relations between countries and regions, and helps to overcome prejudices and fear and nurtures tolerance.

With this openness, your desire to look to the future and to recognize the challenges and opportunities around you in a globalized world, in Europe and in the Caucasus, this Diplomatic Academy is certainly the perfect setting to discuss some of the issues I want to raise with you today.

A changing world order: Globalization

As academics, future diplomats, business leaders, representatives from civil society and journalists, I do not need to tell you that we are going through a period that could be characterized as an acceleration of history.

We are more interconnected and hence interdependent. Communication technologies and better, and more affordable, travel mean that we all live virtually next door to each other. Travel to different continents today is done as easily as travel within a country twenty-five years ago.

Our world has changed: the 20th century alone saw our global population quadruple. It took 39 years to go from 3 billion to 6 billion people in the world, having taken thousands of years to reach the first 3 billion in 1960. Our economic output has increased by a factor of forty. This change has been rapid, the context ever-evolving, whereby we moved from a bipolar world during the Cold War; to a unipolar world; and now – in a globalized 21st Century – to a multipolar and many would say, a polar world, where the international political and economic landscape is no longer led by one single power; and where our decisions, as individual actors, have an impact across the world, and not just on ourselves and our physical neighbors.

Globalization represents this new world order, a new context in which we must make decisions. I know that this concept of globalization is sometimes controversial. It is also a subject of debate among some European countries - some are in favor, some are against it. My position is that being against or in favor of globalization is like being against or in favor of the wind. You have it. You have it because it is not politically controlled. You have it driven by science and technological decisions. So, unless

there are catastrophes - and catastrophes can always happen, as we have seen recently - we may count on the fact that the future world will become more interconnected and more globalized. The best thing to do, I think, is not to have a theoretical discussion about globalization, but rather to engage. We should make the most of what globalization has to offer - the possibilities, for instance, in the field of education. Thanks to the Internet, young men and young women today can access information all over the world. My generation in my native Portugal could not. I was living in a non-democratic state, and we could not read all the books we wanted. Nowadays, anybody in the world, even in authoritarian systems, has access to so much more information. There are great things that globalization brings. There are also problems that globalization brings, as we have seen in the financial crises. We also have the problems of energy and security, we have the problems of international terrorism. So, there are good and bad aspects of globalization, but I think the message should be that young people should be open. Hiding ourselves or creating new walls is not the best response to globalization; we have to accept this context. We should accept this context in order to secure the essential ingredients that our countries and citizens are looking for: peace, prosperity, and freedom. I think these are the main issues for today's world.

But, as we have also witnessed in recent weeks, months and years, globalization is not a panacea for peace and collective

prosperity. The flattening of the physical distances of the world has not ironed out our political and societal differences. It has not guaranteed the acceptance of universal values. In a globalized world, where demographics play a vital role for our future prosperity, we know that smaller countries, who do not have the population of the United States, China or India, must find other ways to succeed. So we must defend our ideals, our values and interests in a smarter way, in a way that keeps some of the great traditions we have in our countries alive. I think you should cherish those traditions, but at the same time be open-minded towards the changes in the world.

The European Union as a laboratory for globalization

Ladies and Gentlemen,

This has been the motivation of the European Union, a laboratory for globalization, a collection of Member States who have decided to come together, in the first instance to avoid the sheer destruction and devastation of war. As we know, the EU was created immediately after the Second World War, based mainly on establishing reconciliation between France and Germany. The [European project] started with six countries. But what was the most important motif? Peace - achieving peace by economic integration or through economic integration. It had an economic nature; indeed it started with the Community of Coal and Steel, the materials that fuelled the war. And the idea behind the founding fathers of the

European Community and the European Community of Coal and Steel was indeed very simple, and therein lies its genius. If we make the countries interdependent around the materials of war, war will be unimaginable or impossible. Subsequently, the idea developed and the original European Coal and Steel Economic community became the European Union; from the six original members we are now 28. That was the first distinctive feature – the aim of avoiding war.

In the second instance, the EU was a way to collectively improve our living standards and wealth by working together, not against each other, tackling collective problems and benefiting from the success of each country.

Thirdly, in the 21st Century, we are upholding the goals of peace and prosperity, but also trying to contribute to the global world by sharing our core values.

Our project has resulted in 70 years of peace, for which we received the Nobel Peace Prize in 2012, a prize with a connection to Azerbaijan having been originally partly funded by the Nobel Brothers' Petroleum Company here in Baku.¹

We look back on 70 years of stability and democracy. We have grown, as I said, from six countries in 1957 to 28 in 2014; from individual countries, like Sweden, Hungary, the Czech Republic, Portugal

with population sizes similar to your own here in Azerbaijan, to a collective 507 million; representing 23 percent of the world's GDP, and a 12.6 trillion Euro economy, the largest in the world – bigger than the United States or China.

And despite recent events and pessimistic predictions by market analysts or populist forces, who think that looking back is the solution to today's and tomorrow's problems, the European Union has remained open for business and open for membership, with Croatia joining last summer. The Eurozone did not see any of its members quitting; on the contrary, Latvia joined and now Lithuania is expected to join us next year. So, something that is important for your studies -it's important not just to read the daily newspapers. Because when you open the newspaper, it can sometimes seem as if everything is crumbling. The predictions were that the Euro would implode; we lived with that mantra for two or three years. I was together with my colleagues from the EU saying that it would not happen. You can trust in the resilience of the Euro. But that popular view was fashionable. I call this the intellectual glamour of pessimism. It was fashionable to say that everything was going to crumble, not only in Europe, but also outside of Europe. We had discussed this issue in G20 with the American president, with the Chinese president, with the Russian president, the prime minister of Japan, the Brazilian president, explaining to them that yes, we have a

¹ *The Petroleum Production Company Nobel Brothers, Limited, or Branobel, was an oil company set up by Ludvig Nobel and Baron Peter von Bilderling in 1876 in Baku, Azerbaijan*

problem - a very serious problem. We were very open and honest about it. We assured them that we would overcome this existential crisis. Not only were those ideas of exiting the Euro proved wrong, we now having more members joining the Euro-Zone.

But it has not been plain sailing. It would be dishonest to pretend otherwise. There have been inevitable challenges and setbacks.

The European Union is a Union of 28 democracies and decisions take time, decisions are complex, as in any democratic system. You cannot have one decision fully implemented within a day. As Commission President, I was dealing with these issues day and night; sometimes at very difficult moments. I never had any doubt that the commitment of the European leaders from European institutions - of our member states from the biggest to the smallest countries, from the richest to the most vulnerable - was to go on with determination. The resilience of the European Union is indeed something that should be understood.

The formula for overcoming these challenges has been to stick together, to engage, to compromise - in some languages, that word carries negative connotations. "To compromise" may indicate that we are giving away something important, but in European culture, it is a good word. "Compromise" means that we cannot always have everything we want, but we should accept what others want, to reach a

positive result. The European compromise is a part of our methodology. Europe is now stronger than before, more united - no one quit, and in fact, we remain open. We are now more prepared; our economies are becoming more competitive for the globalized world.

Collective, regional and global challenges

In the European Union model, the word openness is very important. This is the model of democracy, open societies, open economies and open regionalism. History teaches us that the countries and nations who thrive are the ones who embraced change, who resisted protectionism and autarchic models, who opened themselves to the world and influenced, and were influenced by others.

The countries that have tried to exist in isolation could not adapt to changing times. And sooner or later they were in deep trouble, in deep crisis.

This is why we in the European Union support the principles of multilateralism and international cooperation. It is in our DNA. We support those principles not just through words but also deeds. The European Union (and its member states) is the major contributor to the United Nations system; we are the largest development and humanitarian donor, contributing more than half of the overall international assistance.

We are also the largest trading bloc in the world and the largest source, and

recipient of, overall foreign direct investment. We have signed more free trade agreements in these last five years than at any other time, and we are putting much focus on future agreements, for instance with the United States, Japan, and an Investment Treaty with China.

We were at the origins of the creation of the G20, following the financial crisis, as a way to involve emerging economies in the issues of global economic governance.

For the European Union, both internally and internationally, economic and political integration have always been a means to bring people, societies and countries closer together, with an objective of promoting the common values of democracy and the rule of law, and of establishing peace and cooperation.

These were also the principles that formed the basis of our Eastern Partnership, initiated in 2009. What happens in the countries in Eastern Europe and the South Caucasus matters to the European Union. The countries of this region are now closer neighbors, and their security, stability and prosperity are also a strategic interest of the European Union. We have therefore proposed a framework for closer cooperation based on principles and values, which establishes four major objectives: political association, economic integration, mobility of people and increased sectoral cooperation.

This was always an offer, a proposition - never an imposition. This was also designed to promote more regional cooperation between Eastern Partner members and their neighbors. We have added a multilateral dimension into the Partnership to this effect. We are also open to the idea of differentiation. Ideally, all countries would be closely associated with the EU, but depending on their circumstances and specificities, we were ready to accommodate. So, it is not a one-sided, fixed model. We are looking for mechanisms to suit different circumstances, and that is what we proposed to Ukraine.

We negotiated an agreement over more than five years. The agreement was initialed. And then at the last moment the previous government decided not to sign it because of outside pressure. They said to us very openly that they wanted to sign it, but they could not, because of outside pressure. We were extremely disappointed but we also respected their decision, just as we have respected with other countries that did not want to sign an agreement. The case of Armenia is well known. They have that right to choose. However, the Ukrainian people reacted; they felt betrayed by this decision and decided to take their future in their own hands. And you know how the story unfolded.

From our side, this was never meant to be a power game with Russia. We do not seek exclusivity in our relations, for instance in trade. We see trade as a win-win. We are not trying to reach exclusive trade agreements with any country. On

the contrary, we have heavily invested throughout these years in a good relationship with Russia. Russia is, of course, a very important country, which I personally consider a part of the great European civilization.

We also offered Russia a new agreement, which was aimed at bringing our strategic partnership to an ambitious level. Our agreements with Eastern Partner countries are perfectly compatible with the existing FTAs (Free Trade Areas) that Partner countries have with Russia. We remain interested in having good relations with Russia. We are also neighbors. No one is interested in going back to a past of confrontation. At least, no one in the European Union. But for that to happen, Russia, as well as all our partners, needs to abide by international norms and values and it needs to respect the sovereign decisions of our common neighbors.

EU- Azerbaijan: Looking ahead

Ladies and Gentlemen,

This wider picture shows that - globally, and in the European Union, the Eastern Partnership, and here in Azerbaijan - we have common challenges, which require the appropriate national, regional and international responses. Historically, Azerbaijan was always a gateway. This is, I think, partly of the country's charm. When you look at the literature and history of this transition, this capacity to be related to different countries and civilizations, forms a part of your identity, your personality. I like to look at countries

as I sometimes look at people. Each person has a personality - different by definition. Countries also have different personalities, and I think that is a good thing. If all countries looked alike, I think it would be boring - at least for foreign policy analysts and foreign policy experts. But you have this characteristic. Azerbaijan is a land of in-betweenness where the West meets the East. What we have proposed to you is precisely a partnership that reinforces that status; that brings Azerbaijan closer to Europe while remaining a bridge to other parts of the world. I am sure that is in the interests of Azerbaijan, as opposed to having exclusive relations with one country or one bloc of countries.

We are already close partners in many respects. We have a strategic partnership on energy, which is the backbone of our relationship, and the EU also remains Azerbaijan's main trading partner with bilateral trade flows worth 17.9 billion Euros in 2013 (i.e. more than 42% of Azerbaijani trade). Nearly 50 percent of your exports go to the European Union, and 30 percent of your imports come from the EU.

But I think we can do even better.

In the framework of the Eastern Partnership, we have made a proposal to Azerbaijan to conclude an Association Agreement.

This agreement should be based on values such as democracy, fundamental freedoms and rule of law - these are the common values of Eastern Partnership. This is very important. We believe that

the long-term stability and prosperity of a country can only be achieved in the context of multi-party democracy and a free civil society. Sometimes it seems easier to go to authoritarian rule. This is a mistake. Because, eventually, tensions will appear. It is much better for long-term stability to invest in a society where every man, every woman understands that it is in his or her own interest to live in that society. It is able to protect if there are attacks, fundamentalist attacks, or attacks of any kind. This is what I believe is so important. Today we had a very open and friendly discussion with President Aliyev about these important issues. We believe it is important for the country to have a real multi-party democracy, and a free and independent judiciary. This is true not only politically, but also economically, because it creates and reinforces confidence in the long-term stability of the country. That is why we are able to discuss these issues with Azerbaijan, in relation to how we can give a form to our relationship. Based on today's discussions with President Aliyev we have agreed that we should now conclude a Strategic Modernization Partnership, which can serve as a guiding document for our practical cooperation. We are interested in supporting the political, economic and societal modernization of Azerbaijan, as expressed in Azerbaijan's 2020 Strategy.²

This Strategic Modernization Partnership needs negotiations to start sooner rather than later. Together with President Aliyev

today, we have agreed that the agreement should be concluded in the coming months, so that we can sign it very soon.

I think it could be a very good way of giving the relationship between EU and Azerbaijan the solid framework that it needs. It is true that our relationship has been evolving without new agreements. But if you look at the last agreements, they are outdated. They were reached in another context that is no longer relevant to modern Azerbaijan.

As part of our relationship, we are also interested in developing a strategic energy partnership, but I want to make it clear this is not the only interest in play. That is so vital for both of us. It is very important economically, but also from a strategic point of view in terms of security of supply. We have made good progress towards making the Southern Gas Corridor a reality, a vision that I launched with President Aliyev three years ago, to link the world's biggest single market to the world's largest concentration of hydrocarbons. At that time, many people said it would not work. When there is a vision, there are always people who raise objections. But the reality is that it is happening. This project can encourage greater economic cooperation, improve energy security and create over 30,000 jobs in all the countries along the Southern Gas Corridor.

² For this reference, see: Development Concept "Azerbaijan-2020: Outlook for the Future", Office of the President of the Republic of Azerbaijan, available at http://www.president.az/files/future_en.pdf

Our objective remains that the entire infrastructure project along the corridor will be operational as scheduled (by 2019). This is as important for European energy security as it is for the future economic development of Azerbaijan.

We also want to go beyond official contacts and foster closer links between our people and societies, and I count very much to build on our Visa Facilitation Agreement, Readmission Agreement and a Mobility Partnership Agreement for progress in this respect.

I also know that Azerbaijan and the countries in the region will not be able to prosper fully and tap into all the potential of their youth if we do not reach a solution for the conflicts that still affect the region. In addition, I know that here, closer to home, there remains the thorny issue of Nagorno-Karabakh.

Twenty years after the ceasefire, peace remains elusive, but it is clear that the status quo is simply unsustainable. The EU calls on Azerbaijan and Armenia to embark on result-oriented negotiations with a view to reaching a peace agreement, and stands ready to do all it can to play a constructive role and bring about this peace and its implementation in line with the principles agreed, and of course encouraging the role of the Co-Chairs of the Minsk group.

Ladies and Gentlemen,
Globalization means that we share common opportunities and challenges more than ever.

As you look towards the future, as you make

the necessary reforms in your country, the European Union remains ready to support you as an equal partner.

Our partnership can grow from strength to strength, bilaterally, regionally through the Eastern Partnership as we start to look towards the next summit in Riga, and internationally, through organizations such as the WTO.

It is in our interests to make the necessary changes and reforms to shape the new world order.

A Partnership underpinned by a similar vision of peace and prosperity; a Partnership of human rights, democracy, justice, social and gender equality, and a properly functioning civil society; a partnership that is forward-looking, ready for the digital age, with the necessary infrastructure, and with sustainable energy at its core. A partnership that looks towards investing in education, innovation and research. A partnership that looks to promote these shared objectives internationally and in our collective neighborhood.

This coming year is an exciting year for Azerbaijan, a year when big decisions can be made.

A year that will offer European countries and the world a better view of Azerbaijan. Next year's first ever European Games provide a wonderful opportunity to showcase what you have to offer, so that everyone can appreciate Azerbaijan in the same way

as Reza Deghati³, who said:

“Baku is like an old forgotten book that you discover in your grandmother's attic. Once you have wiped off the dust and delved into its pages, you stand amazed at its treasures. Azerbaijan's intellectual resources far exceed its natural resources. The real prize here is not oil but rather, history, culture and people”.

Thank you very much.

DISCUSSION

[Ambassador Hafiz Pashayev](#),
[Rector of ADA University](#), moderator:

Thank you very much, President Barroso, for giving us this comprehensive picture of the overall EU vision for EU policy and future opportunities for Azerbaijan in cooperation with the EU. It was very good for our students and I believe that we will use your speech in the future in our programs. Now, I will give the floor to a couple of questions, if you do not mind. I will give preference of course to our students.

[Uldis Villeruss](#),
[Alumnus of ADA University](#):

My question is about the results of the EU PA elections. How do you see the outcome of those elections affecting the direction, policies and effects the future of the Eastern

Partnership program in the short term?

[José Manuel Barroso](#):

Very briefly, we were expecting increased representatives of some extremists from the far-left parties. As you know, in some EU countries there is dissatisfaction on EU-related political issues. This provides a background for these extremist forces to put the blame on the European Union. In fact, they do not only oppose the European Union. These negative forces existed well before the crisis; they do not like the other, they do not like foreigners, some of them are very protectionist, and some of them are even ultra nationalist. I sometimes say, these are the kind of people my mother would not like to see me with. They have an idea that their identity should be in opposition to others. Of course, we respect the identity of all countries, all people. But the identity should not entail an expression against others. These ideas have led to terrible moments in the past. We should not be arrogant; awful things have happened during our history. This idea gains traction among some people during times of crisis. That is what happened. That is not just true for Europe. We discussed this issue with President Obama at our summit in Brussels and also more recently in the G7 in Brussels, and we agreed that precisely because of globalization, there are now such forces in many countries of the world, including

³ *The internationally renowned photojournalist Reza Deghati is a French-Iranian journalist of Azerbaijani origin, who has covered much of the globe for National Geographic Magazine. Several films about Reza's work have been produced by National Geographic Television, most notably Frontline Diaries, which won an Emmy Award in 2002.*

the United States. Distances are too close, people are insecure, they need the some kind of safety to guide them in future. This is a very risky environment for democracy. We need to encourage leaders to say we are not going that way, we are going to uphold European values. I hope the conditions are there for this in the European Parliament, because these forces do not amount to more than 20-22 per cent in the Parliament. So, we have a clear majority of these center-right, center-left, centrist-parties that are committed to the European project. They have different ideologies, but they are European and they oppose this kind of ugly nationalism. I have been saying this to the European Parliament and to the European leaders; some of them should leave their comfort zones, and start to engage. Because if people criticize the European Union from Monday to Saturday, they will not vote for Europe on Sunday. You have to explain what we have been going through. I do not see a major problem. There are some things of which we have to be mindful, but I really believe that the forces of integration in Europe are much stronger than the forces of disintegration. Regarding the future of the Eastern Partnership, I think the basic concept will be upheld. Politics always entails challenges, but we can tackle those problems.

Toghrul Novruzlu,
Bachelor student at ADA University:

A couple of days ago I was in Germany for a study program funded by the DAAD program. In a couple of German universities, we had a number of

interesting discussions about the EU, and the parliamentary elections. It is also clear that within academic circles there is concern about what is going on in Ukraine around Crimea. Overall, we can see that the EU has strongly upheld the principle of territorial integrity, in Moldova and Georgia too. But when it comes to Azerbaijan, the EU is merely calling for the parties to the Nagorno-Karabakh conflict to make more compromises. There is less emphasis on international law, and the violation of Azerbaijan's territorial integrity. Would you regard these as different stances?

José Manuel Barroso:

As you can imagine, this question has already been addressed to me several times today. In regard to Ukraine, Crimea and so on we are recommending that Ukraine and Russia engage constructively to deescalate the situation. Just yesterday, I had a very long phone call from President Putin, before he met with President Poroshenko. We are mediating on the issue of energy as a Commission. So, we are doing everything we can to uphold respect for international law. You are right that this annexation of Crimea caused serious indignation in Europe. Why? Because one of the biggest countries in the world annexed part of a country that is much smaller, and that only recently gained independence. This flagrant violation of international law generated a great deal of indignation not only in Europe, but also across the international community. For instance, we have seen this in the vote in the GA as

well as the SC, where only one country abstained – China. In addition, this is a very hot issue, while the other issues you mentioned are considered frozen conflicts. So, it is true. The same kind of attention is not being accorded to the very painful issue of Nagorno-Karabakh. I have said today, not only here at ADA, but also in my press conference with the President of Azerbaijan, that we should do whatever is in our capacity, the international community's capacity, to help resolve this issue, in accordance with all the principles of international law. This is our goal. That is what I can tell you at this moment. You know well that in these matters there are no easy solutions. One thing is clear; it was not the EU that created this problem. Others have created this problem. Others are supporting this status quo. Others are failing to respect the basic principles of international law. The European Union probably cannot solve this issue on its own; nor can other key members of the international community. But you should not put the blame on EU for a problem that the EU has not created. We hope that a solution will be found in accordance with all the principles of international law.

[Laman Azizova](#),
ADA University staff

Your Excellency, thank you very much for your speech. My question is about the Trans-Caspian gas pipeline, the realization of which is linked to the legal status of the Caspian Sea. Russia and

Iran state that implementation of this project requires the consent of all the Caspian states. I would like to hear your views on this.

[José Manuel Barroso](#):

We have already expressed our opinion on this. I met separately with Azerbaijan and Turkmenistan and we discussed this matter. I have also expressed the EU's position to Russia, to President Putin. I have not had so many opportunities to speak with Iran. We believe that for gas transit, the agreement between the country of origin, Turkmenistan, and the country that receives is sufficient. We have received legal confirmation from highly respected international lawyers. It should not be necessary to have the agreement of all the Caspian littoral states on this matter. The argument that due to its size and other factors, Caspian Sea issues should be decided collectively by all the littoral states is not valid. Of course, proponents of the Trans-Caspian Pipeline need to respect basic rules, including the need to protect the environment. In fact, we are now conducting studies on environmental impact. This is our position, and I believe that the Trans-Caspian Pipeline represents an important opportunity to connect Europe with this part of the world. The political situation may change. In terms of investments in energy, we cannot think only about this year or next year - we should think proactively. These possibilities will bring more value to the Southern Corridor.

CHINA'S GEOSTRATEGY IN EURASIA

JISI WANG

Dr. Jisi Wang is a professor and dean of the School of International Studies, Peking University, who was listed as one of the Top 100 Global Thinkers by *Foreign Policy* magazine in 2012. He is also director of Peking University's Center for International and Strategic Studies. He is president of the Chinese Association for American Studies, a vice president of the Chinese Association for International Relations, and a guest professor of the National Defense University of the People's Liberation Army. He is an International Council Member of the Asia Society in New York City, an Advisory Council Member of the Center for Northeast Asian Policy Studies of the Brookings Institution in Washington D.C., an advisor to the East Asian Security Program of Stanford University, and an Adviser to the Asia Center, Harvard University. He serves on the Global Advisory Council of the journal *The American Interest* and on the editorial board of the journal *Global Asia*.

CHINA'S GEOSTRATEGY IN EURASIA

MODERATOR'S INTRODUCTION MR. FARIZ ISMAILZADE

Thank you very much Mr. Ambassador, thank you very much ladies and gentlemen, and welcome to Baku Dialogues. As Ambassador Hafiz Pashayev said, Baku Dialogues is a new project at ADA University. This is a project aimed at in-depth discussion of international issues, international affairs, and creating research around these topics at our university. The first topic is China: Chinese Geopolitics and Geostrategy in Eurasia. This is a very important topic in our opinion because China is a major world power. This is a power that is in our neighborhood, and I think Azerbaijan and Azerbaijani people should think more about the role of China in the future of our Caspian Basin. Unfortunately, until now, there has been limited discussion about China from this perspective, and therefore we have decided to dedicate our first Baku Dialogues to this topic. Thank you very much for showing interest and for coming. The way our panel will proceed is that Professor Jisi Wang will make a presentation, and then we have an excellent panel to discuss the presentation.

This panel consists of Dr. Taleh Ziyadov from ADA University. Dr. Ziyadov is also a research fellow, doing research on a

transport corridor in Eurasia, linking Azerbaijan to Asia and to Europe, with Baku as a transport hub, so he will be an excellent addition to this panel. We have Dr. Hamlet Isaxanli, Founder and Rector of Khazar University. He has written extensively about Azerbaijan's foreign policy and Azerbaijan's linkages to Asian countries. Thank you for coming, Dr. Isaxanli. And finally we have Dr. Rashad Karimov, who has spent twelve years in China, undertaking research studies. Currently he is a senior research fellow at the Centre for Strategic Studies under the President of the Republic of Azerbaijan, and I think he is the best Chinese expert in the country.

Without further ado, I am honored to present to you Dr. Jisi Wang.

LECTURE BY JISI WANG

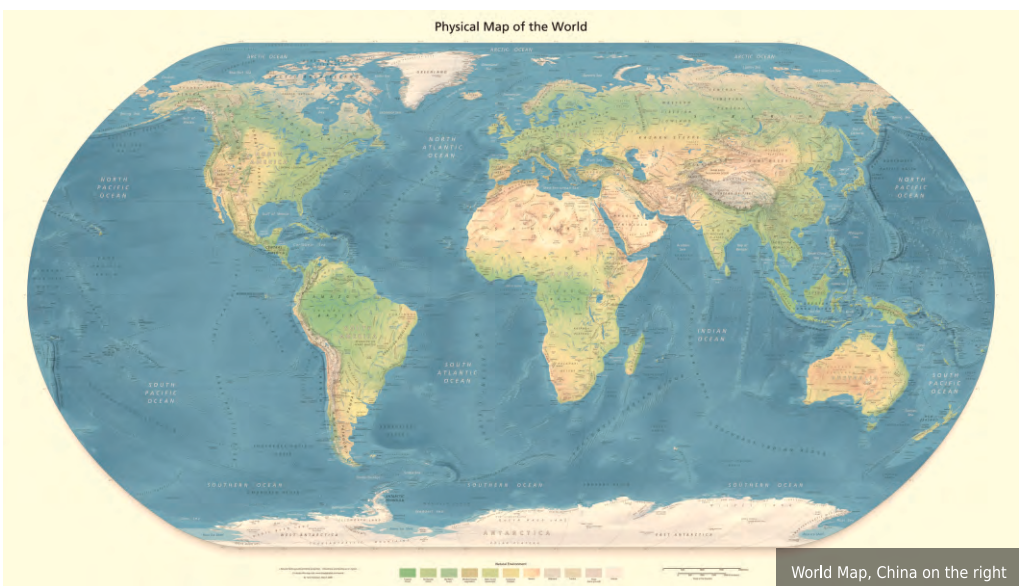
Thank you very much Ambassador Pashayev, and Mr. Ismailzade, and thank you all here for attending this event and listening to me. I cannot claim to know much about this region, or about Azerbaijan. All of you have some knowledge about China, and I have to humble myself to your knowledge base, so I will present my views about China's geostrategy and then I will welcome your remarks, questions, and criticism. I will be very brief, and I will discuss China's geopolitical position by dividing my

my remarks into three paths: firstly, China between east and west, then China between the north and south, and finally China's geopolitical strategy.

We call ourselves “Zhōngguo” in Chinese, which means “Central State”. But China was invaded and humiliated in the 19th century, and when China called itself “Zhōngguo” that was 1911; before that, China was known by its Dynasties: Qing Dynasty, Ming Dynasty. By the time China called itself the “Central State”, it was actually marginalized by world politics because at that time, the center of world politics and economics was Europe and then the United States. So China was regarded as a Far Eastern country at that period, and during the Cold War, China was considered alongside the Soviet Union as one of the eastern, socialist countries. Mao Zedong said in 1957 that “the eastern wind prevails over the western wind”, meaning that socialism will prevail over capitalism. So

that was China's identity as a part of the Soviet Block, but that changed in the 1960s and 1970s when China broke off relations with the Soviet Union and began to improve its relations with the United States. Mao Zedong put forward his very famous “three worlds” theory, and China was no longer identified as a very distinctive “eastern” country.

These are two maps. I don't know which map you use in your description of the world, but China uses the second, meaning that China is in the middle. But in the second map, I think China should see the United States as the “Far East”, rather than “Far West”. Geographically, the United States is located in the Far East. Japan should be identified as the “Near East”. That is also the position of Korea. Hawaii is the “Middle East”. Azerbaijan is our Midwest. And Europe is Far West. So, in this map, China is more than an “Eastern” nation, because part of China is located in Central Asia and



World Map, China on the right



World Map, China in the middle

South Asia. And in Xinjiang and in Tibet and in the South West, you see more similarities with China's western neighbors, rather than Japan or Korea.

Now is the time to reconsider China's geo-economic and geopolitical position because in the past, we were too much influenced by the United States. I spent much of my time studying the United States, and I confess, I was too much influenced by the US geopolitical conception of China as an East Asian country. In the State Department, in the National Security Council, and in the Pentagon, China until today is still regarded as part of East Asia. This has some negative impact on China's strategic thinking, as if China was only part of East Asia, rather than being a Eurasian power or an Asian Power.

Because in the US, the decision-making bodies in the State Department and Pentagon put China in the general framework of Japan, China, Korea, and Southeast Asia. Also, those people who are dealing with China are East Asian specialists, or people who have been

dealing with East Asia for a very long time. These people do not necessarily know much about the Middle East, South Asia, or the South Caucasus, and that means a lot, now that the United States says it should move its strategic focus back to Asia. But what is their conception of Asia? It is still very much East Asia. To me, the East Asian community, although some people are still seeing it favorably, is no longer very fashionable and has met with increased obstacles because, as you know, China and Japan have tensions. China also has territorial disputes with a few South East Asian countries, and it is very difficult to have a very tight, integrated economy in East Asia because of these obstacles.

The United States is putting forward its TPP program, the Trans-Pacific Partnership, and China is not part of it. So East Asian community has met with a lot of obstacles. And the East Asia Summit is diluted by the participation of United States, Australia, New Zealand, India, and Russia. So I think we should look more at China's own West, and beyond China's West; that is, to this region, and Central



Asia, and the greater Middle East, all the way to Africa and Latin America and, of course, Europe.

We also have to look at regional organizations. Some we participate in together with Azerbaijan. The most meaningful one is the recent conference held in Shanghai called the Conference on Interaction and Confidence Building Measures in Asia. Your president, President Aliyev, participated in it and had a wonderful meeting with our president, Mr. Xi Jinping.

So the conclusion of all this is that China should move from being a Far Eastern country, or an Eastern country, to an Asian power, or even a Eurasian power. But I also want to emphasize that we have some debates in China as to what our identity should become. And we also have debates in our strategic studies circles about whether China should become, first of all, a maritime power, or if

we should remain a continental power. To me, I think we should be both. We should not put one thing against the other. We should be both a continental power and a maritime power. Many people are talking about the Diaoyu Island crisis with Japan and China's different claims in South East Asia, but I think that this region [Central Asia] is gaining importance.

So that is the discussion of China between the East and the West. Now I will move on to talk about China between the North and the South.

Geographically, China is a Northern country, most of it is in the North, but China identified itself as a developing country, having very good relationships with the group of 77 (G-77, UN). But China has moved remarkably from the South, in several dimensions. First of all, China's economy, in terms of size, is the second largest in the world, and the economy grows very fast, probably as

fast as Azerbaijan's. China also has great potential to develop itself. China's GDP is larger than India, Russia, South Africa, and Brazil put together, so some people, such as my friend in the United States, Graham Allison, say that China should forget about its identity as a BRICS country because China is too large. So if we describe Russia, India, Brazil and South Africa, it becomes RIBS rather than BRICS. Allison's idea is not very favorably received in China, of course, but he describes the fact that China's exports double the rest of the BRICS countries, China's currency reserves triple the rest, and China's carbon emissions double the rest. China's foreign currency reserves have reached three trillion US dollars, and it remains number one in the world. That is very remarkable. Many people who travel to China see the major cities and will say "well, China doesn't look like a developing country." And China also suffers an aging problem because of the one child policy, which also differs remarkably from other developing countries - for instance India, Egypt, and Turkey. Their populations grow quite fast, but China has the aging phenomenon. That is to say that in some social dimensions, China is more like a developed country.

We also have differences in economic structure. Most developing countries depend on producing energy and other natural resources, while China depends on its manufacturing industries. We are an energy importer, and one of the biggest consumers of energy. And because of all of this, China's attitude towards the existing economic and

political order has moved from its previous position of opposition to the international economic order to being a reformer, being a beneficiary of the international order.

Now the last part, which is about China's geostrategic strategy in Eurasia. If we look at the Eurasian area, at large, we have the United States still very relevant to events here, and then we have the European Union, India, Russia, Japan, and others. I want to emphasize that we do have greater tensions with Japan and the United States in Eastern Asia, but if we look at this part of the world, there is no danger in the near future of having conflict with any of the great powers, between China and other great powers. Basically, these great powers are in harmony in Central Asia, the South Caucasus, and the Eurasian Continent. In Iran, relations with the US are improving, and that is to China's benefit. So, when I put forward the idea of going West, I have several purposes in mind; first, we should avoid confrontations in East Asia and look West for our energy supply and geo-economic gains, and we should seek cooperation with other great powers in Eurasia. I call it "rebalancing" because we balanced too far toward East Asia. The United States is rebalancing from the Middle East to East Asia, so I think we should move our focus somewhat from East Asia to this part of the world.

We also should develop China's own west. China's economic center of gravity is in the East Coast: Shanghai, Jiangsu, Fujian, and so on. The Western part of China is still somewhat underdeveloped. So it is

important that we secure energy supplies without any doubt and that is why China put forward the idea of a New Silk Road Economic Zone, and also we should look at the corridors all the way from China to Europe and Africa, through Central Asia, the greater Middle East, and your region.

Finally, China has faced a very great task of counter terrorism, and we see troubles in some areas of China, especially Xinjiang. We should rethink some of our principles of foreign policy. The policy of non-interference is great, I think we should stick to that, but in practice, we should also do some research about other countries, we should look at the political situations in the Middle East. And that is one of the principal reasons for my being here, which is strengthening scholarly exchanges and enhancing mutual understanding between China and your country. And we should maintain balance in regional affairs – we don't want to take sides in any possible regional conflict. And finally, we should strengthen military and security ties for security reasons.

So my conclusion: China is a Eurasian power, and we should be a responsible power in Eurasia and the Caucasus, which are increasingly important for China's geostrategy for the reasons I just described. We should continue our domestic reform, because to become a full-fledged market economy, we have a long way to go, and we should maintain our economic growth while looking after problems like climate change. Finally, we should remind ourselves that we are still

developing, and we should remain modest and prudent in our relations in the region and toward the outside world at large.

Thank you very much.

DISCUSSION

Mr. Fariz Ismailzade:

Thank you very much Professor Jisi Wang. We always hear about the “peaceful” rise of China, but in your presentation I felt some connotations of assertive policy. You mention that China is a Eurasian power, and you mention that it is bigger than the other BRICS powers, taken altogether, so China is looking at itself as bigger than others, as more powerful, and trying to be assertive. In this regard, I would like to give the floor to Dr Hamlet Isaxanli, and ask this question: How do you perceive the rise of China from our side? Will it be a peaceful rise, or will it be a more conflictual rise?

Dr. Hamlet Isaxanli:

Thank you very much, it is nice to be here among distinguished people, scholars, and students at the first meeting of Baku Dialogues, a new project of ADA University. And it is a great pleasure to meet Professor Jisi Wang, a well known Chinese thinker on the geostrategic chessboard, where China is in the middle. I think each country has its own idea, many countries, even small ones, try to perceive themselves as the center of the planet, or claim that they are a

“bridge” between East and West – including countries like Azerbaijan. But they may have forgotten that the size of the bridge is very important. China is a huge country in every sense of the word: population, territory, sea, culture, energy, and so on. That is why I think China can play a “middle role”. It is quite different from the old European view because according to the old Greco-Roman worldview, the center was not land- it was the Mediterranean Sea. North was Europe, South was Africa, East was Asia. That is why, from the European viewpoint, according to the French philosopher Renault, the East, in the big sense of Asia, failed to pass through Isaac Newton's school and then the industrial revolution, that's why they fell behind and for many years they were behind. This was the Eurocentric viewpoint.

It is quite interesting indeed to see the Chinese viewpoint on where is the East, where is the West, the North and South. Also I like the idea of the “March West” because at the beginning it was formulated as Central Asia [rather than “West”] because of being so close to China. But even from this Asian viewpoint only, Azerbaijan, as any country, has multiple identities. It is a Caucasus country, former Soviet, Islamic, and so on, and it is a Central Asian country from an ethnic and cultural viewpoint, as well as from an energy viewpoint, if you see it from China's side. So I hope we will come back to the topic of China/Azerbaijan relations as well.

[Mr. Fariz Ismailzade:](#)

We have here Dr Rashad Karimov. You have spent 12 years in China; can you tell us how much China knows about us here in Azerbaijan, and how much we are still on their political radar at this moment – how important is Azerbaijan for Chinese policy makers?

[Dr. Rashad Karimov:](#)

Thank you very much Mr Ismailzade, for giving me this privilege today to express my opinion about China. Actually, Azerbaijan is a very important country for China. You mentioned Chinese foreign policy earlier, and its doctrine of a peaceful rise. This concept has roots in the strategy to calmly secure your position, hide your capacities, and bide your time. The president of the PRC Xi Jinping is placing more importance on the relationship with Azerbaijan because, as Dr. Jisi Wang mentioned, China has been following a “Go West” strategy and using a New Silk Road strategy to reshape Asia. This is going to enhance cooperation with Central and Southern Asian countries.

China, as you know, is the largest developing country in the world. The 1.3 billion Chinese population wants to take a peaceful road and play a positive role in the development of the region. I would like to say that Chinese development is not just benefiting the 1.3 billion people in China. Chinese development has also brought a big market and opportunities for countries throughout the world. Also, China promotes dialogue and cooperation, and economic exchange with neighboring countries, which

affects regional security and stability.

We could talk about many things regarding Chinese foreign policy, but for China, Azerbaijan is a very important country. Some people say that China is very far from Azerbaijan, but actually this is not the case; between China and Azerbaijan there is just one country, Kazakhstan. Azerbaijan is very close to China.

Mr. Fariz Ismailzade:

During this Baku Dialogues, everyone is talking about cooperation and the role of China in this region. Dr. Jisi Wang also mentioned cooperation with world powers. But traditionally, our region has been a region of rivalries, geopolitical rivalries, between Europe and Russia, Iran and the West. Do you think that China can enter this region peacefully, on the basis of cooperation? Or do you think that Chinese entry will bring jealousy and competition from the West?

Dr. Jisi Wang:

I don't think that we should involve ourselves [hastily] in the region, but we should move in very carefully and very slowly. Slowly because we don't have a deep knowledge about the regional affairs of your country. As a scholar I should say: we should first learn your language, your culture, and your economy. And then we will cautiously and modestly move into the region, because we have our interests here. We have more people coming, and I hope that in the near future, we will have more

tourists coming. And we also have our companies doing business here. So, from economic terms to political participation, we will move ourselves into the region. It is inevitable. It is in the interest of you, and especially in the interest of us.

Will we come here peacefully? Yes, by all means. We don't have a common border with you, we don't have a territorial dispute with you, and we don't have any historical issue to resolve between the two countries. So there is no reason why China would come here with its military force or its weaponry. But we will have to deal with – very carefully – the influences of other great powers. The US is moving into the region, and whether you like it or not, it is a global power. It also looks jealously at what China is doing here. Another factor is of course Russia. When I put forward my idea of moving toward the West, some people in Russian studies said “well, this is not a good idea, this offends Russia's influence, Russia's interests.” I don't think that is necessarily true. We do our business here. We don't have any design, any desire, or any aspiration to drive other countries out. If Russia wants to join with us in developing the region, it should be welcome.

How about Europe? Europe is doing its own things. There is some interest in this country in joining the European Union. What's wrong with that? So we should keep a very balanced position, as I said in my remarks. You know, I see some South Korean economic presence here, maybe Japan is interested in coming. Why don't we join them, and then we'll have

competition. I would call this “benign competition” - this is not like our competition with Japan over some small islands. This is not like our competition with the United States in the South China Sea, or in Taiwan. In those regions, we have to do some military preparations, but in this region, China must be very peaceful.

Mr. Fariz Ismailzade:

This is interesting, this idea of entering the region through economic partnerships, and here I would like to give a word to Mr Taleh Ziyadov because he just recently published a book about a transport corridor between Asia and Azerbaijan, with Baku as a transport hub of a New Silk Road - maybe this could be a way toward economic cooperation?

Mr. Taleh Ziyadov:

Thank you Fariz. China is a very important country for most people around the world, but for Azerbaijan, the implications of a rising China are far greater than we think we know. If you

recall, the Ministry of Transport of Azerbaijan and the Ministry of Railroads of China signed an MoU a couple of years ago, where the Chinese party committed to supply ten million tons of goods to the upcoming railroad through Baku, Tbilisi, Kars, and Akhalkalaki. Obviously, Azerbaijan is building its strategy: a big hub in this region, it is going to become a hub, inevitably, whether some like it or not. But for it to work, you have to have goods to be transported. If you look at Azerbaijan's economy, and the Central Asian economy, it is primarily dominated by oil. This is not a bad thing, it is good. But we have adopted a conscious economic policy to diversify it. The Azerbaijan government has invested more than 13 billion dollars in infrastructure, just in Azerbaijan. They are building a wonderful port in Alat. Turkmenistan, on their side are doing the same. Aktau is expanding as well.

So the question is: what is the next step? Where are the goods going to come from that will go through the Kars-Akhalhalaki railroad? This is where China comes in, and other neighboring countries. In that



sense, we have to look very closely at China's economic development strategy in its western frontiers, particularly Xinjiang, etc. As you know, China has made the decision to assign a special economic zone to a lot of these places. In the next ten years, I bet, most of this realization of China as a middle or central power is going to become even more visible, with Xinjiang becoming more productive, and most of these goods are not going to the East, so obviously they will have to be shipped this way. And you know very well that Rynart is probably making about 2 billion dollars every year. Most of these goods, you won't be surprised to hear, come from China. So if we find a way to facilitate a transition from the maritime routes that are generally used to railroads, that is going to tremendously increase Azerbaijan's turnover. Plus, there is some indication that Chinese companies would be involved in the free economic zone activities in Azerbaijan, and that would also be welcome. But before we do so, we certainly need to learn about each other, and we look forward to establishing more contacts with China.

Mr. Fariz Ismailzade:

Dr Isaxanli, we traditionally look to the West when it comes to our foreign policy. We talk about integration with the European Union, with Euro-Atlantic structures. Are we ignoring China in our foreign policy?

Dr. Hamlet Isaxanli:

Nothing of the kind. I like China very

much. Also I would like to mention a few issues that Professor Wang did not touch upon because geopolitical strategy concentrated on economy, finance, and energy is very important, but it is not enough. There are other areas such as research, education, technology, and culture. I will briefly touch on some Chinese advancement in these areas. First, a few years ago, The Chronicle of Higher Education, a weekly American journal devoted to education, published a report which found that the number of PhD students in China has surpassed that of the US. They wrote on this topic with great concern, carried out analyses, and presented this issue almost as a tragedy, because PhDs lead to research and technology, and that is where China is advancing. Second, culturally, there has been a spread of Confucian Institutes all around, including Azerbaijan, which is of great interest to China. That is the "March of China to the West" at work - it is more than a "middle" policy.

Lastly, four or five years ago, at the request of the Open Society Institute, I did research about differences among technical parks development in North America, Europe, and what they called "Far East" countries - I included China, Japan, and Korea mainly, and partially Taiwan and Singapore. What was the idea? Indeed, there is real correlation between manufacturing power and innovation in China. Tsinghua University, a very well know university, made an interesting proposal - a revolutionary proposal - to large companies: "Don't waste time on research and development. Why bother

to keep a special team, a division for R&D? We can do this job for you.” The success of some of these Chinese Technological Parks irritated some American researchers. They argued that Chinese Universities may weaken their academia by being so close in industry. Of course, this was simply a statement of envy.

So, we are looking to China for many areas of advancement, including of course, the areas of research, education, and technology.

Mr. Fariz Ismailzade:

I would like to ask one last question of Dr Jisi Wang. In relation to Turkmenistan and Kazakhstan, how do you evaluate the situation at the moment? I know that there are some concrete Chinese energy projects at the moment with those two countries. Would you say that China's presence in Central Asia right now is much stronger than it is in the Caucasus? What is the state of the Chinese relationship with Central Asian countries?

Dr. Jisi Wang:

I think it is natural that Central Asia gains more importance [for China, in geostrategic terms] than countries like Azerbaijan, because they are closer. So we are strengthening our relationship with Kazakhstan very fast, and we have energy supplies and also infrastructure projects with Turkmenistan, and they supply a lot of natural gas to us. This is also the case with other Central Asian states, where we have, at various levels and to various degrees, security cooperation. One very

important linkage there is what I mentioned as “counter terrorist cooperation”. Some people in China are concerned about radicalism in some of those countries. Also - and this is not Central Asia, but it is related - we should talk about Afghanistan and Pakistan.

So, I think that while we are strengthening our relationships with Central Asian states, we should not forget about Azerbaijan and other regional powers, all the way to Eastern Europe. We have a lot of investments in Romania, Bulgaria, and now, increasingly, in Iran. So all these countries are linked to each other, and what we are interested in is to serve as a bridge, through our businesses. I was very impressed with Mr Ziyadov's book on the “corridor”, and I think that we should do something together there.

Mr. Fariz Ismailzade:

It is interesting that you mention radicalism and counterterrorism because we generally think of China's interest in Central Asia in terms of energy, but it looks like fighting terrorism and radicalism in the region is also part of China's foreign policy.

I think our first Baku Dialogue program turned out to be a good one, it was a good discussion. Of course China is such a country that we cannot discuss everything in one session, but this was a good start. Let me thank our wonderful panel, and our distinguished guest, Dr Jisi Wang.

Thank you all very much.

JOHN J. MARESCA

Advisor to the Rector on External Affairs, ADA University

FOREIGN DEVILS ON THE SILK ROAD - TAKE TWO*

There is a wonderful book, written in 1980 by Peter Hopkirk, which describes the fierce competition among international archeologists in the early 20th century, to find and claim credit for discovering the ancient cities of the historic “Silk Road” in the deserts of Xinkiang, China's vast and remote Western domain.¹ The effort brought distinguished academic figures into an energetic and creative race, in which some participants won big by hauling away caravan-loads of artifacts and were inscribed in archeological history, while others came home empty-handed and were forgotten. Their stories, and the artifacts they took home, are exhibited in some of the world's most distinguished museums, far from the Central Asian sand-dunes where they were found. Some of those long-abandoned desert cities have become tantalizing, barely-accessible attractions for the rare visitors to the remote regions where they are located.

With the break-up of the Soviet Union in 1991, vast areas of the ancient Silk Road region were once again open to “foreign devils” and their competition. But this time the exploration efforts have been in other domains — for political influence, trade opportunities, investments in potentially rich energy and mineral deposits, tourism, and the authorizations needed to develop the oil

and gas resources which abound here, and to deliver them to world markets. The region has gradually become one of competition among outside players, with substantial prizes for the winners, in a new “Great Game” with unknown rules.

In 1991 I was asked by then-Secretary of State James Baker to visit each of the capitals of the newly-independent states from the former Soviet Union, with the mission of explaining to the leadership in each country how the United States would see its relationship with them as sovereign countries. The exceptions to this general mission were the three Baltic States — Washington never recognized their forced incorporation into the USSR, so these were not “new” relationships for the US. But Central Asia was indeed a new region for America; in one Central Asian capital the Prime Minister noted that I was the first American he had ever seen. The region had effectively been closed to foreigners, certainly to foreign investors, for about 70 years, and before that its general remoteness discouraged all but the most intrepid visitors. In 1991 the countries of this area were under-populated and under-developed - even tourism was unknown. In the languid squares of the historic cities there were timeless scenes of older men lounging in shady tea stations, playing backgammon.

But now, just twenty-three years later, these areas have changed. A sort of race is on, between American, Russian, European, Chinese and other Asian investors, as more

* This article was first published in Chinese in the *International and Strategic Studies Report of the Institute of International and Strategic Studies, Peking University, August 2014*

¹ *“Foreign Devils on the Silk Road”, by Peter Hopkirk, Oxford University Press, 1984*

and more business people, and governmental leaders, realize the enormous potential of the region. There are a number of factors which have brought about this dramatic change of status for Central Asia, from Soviet backwater to potential bonanza:

The first is simply the gradual awakening of outsiders to this region, its history, its peoples, its varied landscapes, access routes, languages, and cultures. A new book by Professor Fred Starr of Johns Hopkins University² positions Central Asia as the most advanced region of the world, more than a thousand years ago. At the same time there has been a learning process, about the resources which lie under the soil, and the fact that these newly-independent peoples have their own identities, cultural attractions, and issues. One key milestone was the decision by the Organization for Security and Cooperation in Europe (OSCE), which includes the US and Canada, to offer these new states membership, on the grounds that they had already been OSCE members as part of the USSR. This brought OSCE missions of various kinds to the region, as well as contacts, assistance programs, and possibilities for involvement in regional undertakings. Mongolia has also now joined the OSCE. Tourism has grown dramatically, especially to historical sites like Samarkand and Bukhara. And the war in Afghanistan opened a whole new episode for the region, as the US scrambled to supply its army in what is perhaps the remotest region in the inhabited world.

There was also a rush to exploit the oil and gas resources in the area, particularly in Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan. The oil industry is particularly accustomed to risk, and so was immediately prepared to consider new resource prospects in these regions, even if they were remote. Companies of all nationalities entered the competition, from the US, Europe, China, Japan, and even Argentina. The so-called "Contract of the Century," signed in Baku, in the Caucasus, in 1994 between a consortium of Western and other companies and the government of Azerbaijan, showed what was going on: basically, major companies were buying or leasing the rights to exploit energy resources in these new areas, and the governments were planning to use the new wealth from commercial development to improve their own national situations. China also bought unilateral rights to oil and gas resources - in Kazakhstan and Turkmenistan - to supply its rapidly growing economy through pipelines so lengthy that they might be considered uneconomical by Western companies. The recent announcement of a huge deal to supply natural gas from Russia to China over the next several decades shows the dimensions of what is at stake.

The gas will likely come from Russia's vast arctic resources, and can only be developed in partnership with western companies such as Exxon Mobil, which have the required technologies and know-how to exploit them.

At the same time there were political

² "Lost Enlightenment; Central Asia's Golden Age", by Professor Fred Starr, Princeton University Press, 2013

and strategic factors at work. Russia, through its giant gas monopoly Gazprom, which still controls about ninety percent of all gas pipelines in the former Soviet space, kept all local gas producers in line through their control of gas exports from their countries. Without the use of Russian pipelines, gas could not be exported, at least not in major quantities. By entering into a number of local conflicts, in various roles, Russia gained leverage on some other former Soviet republics, with the overall objective of retaining control throughout the “near abroad,” the Russian term for its former adjacent colonies. Control of the “near abroad” space is an on-going general priority for Russia. Al Qaeda appeared in Afghanistan, sheltered by the hierarchy of the Taliban movement, making it impossible for foreign companies to work there. China began a two-pronged effort to assert its presence in the Eastern part of Central Asia by maintaining stability in the minority Uighur autonomous region in its West, while encouraging migration from Eastern to Western China. It is worth noting that Iran's 1979 revolution effectively took that country, an essential regional player, out of the Central Asian game, at least until things change and normal international relations are restored.

And then, suddenly, the overall Central Asian equation changed, as the 9/11 attacks on the World Trade Towers in Manhattan in 2001 obliged the United States to go to war in Afghanistan, in pursuit of the leaders of Al Qaeda who

had organized the attack. This was about as remote from the US as it is possible to be, both culturally and physically, and also in terms of supplying an army in full combat in the field. An American army is very heavy, logistically speaking; it needs everything from flack jackets, night-vision glasses and ammunition to TV sets and beer. Very early it became clear that transiting Pakistan was not the ideal route for supplying the troops in Afghanistan, so the US Army developed another route, called the “Northern Route,” through Russia, Khazakhstan and Uzbekistan to northern Afghanistan. Bases were developed across Central Asia to support this new supply route. It was an up-dated version of the Silk Road, although it was largely one-way — there may now be a million or so empty cargo containers lying about in the vacant spaces of Afghanistan.

In the aftermath of the Afghan war, many new opportunities emerged, such as the “TAPI” (Turkmenistan-Afghanistan-Pakistan-India) gas pipeline project now being advanced by the Asian Development Bank. This project, previously canceled when Al Qaeda bombed two American Embassies in East Africa, is now being developed again, reflecting the growing need for energy of the rapidly expanding economies of South Asia. The prospect that India and Pakistan will cooperate to construct this pipeline reflects its importance for both countries. The message here is that Central Asian resources are being sought not only by players to the East and West, but also by the dynamic economies to the South.



Iran, which is currently edging cautiously back into the commercial world, will, at some point, be an additional - and very big - player in this vast new game, both as a supplier and as a consumer of resources and products, as an investor and as a target for investments, and as a regional leader with political and cultural influence throughout the region.

These and other factors have called the attention of many Western business and national interests to the potential of the ancient Silk Road trade route. The growing map of pipelines for gas and oil, which currently extend from Azerbaijan to the Turkish Mediterranean coast, as well as from Turkmenistan and Kazakhstan to China, and are now planned to reach across the Adriatic Sea to Italy, has inspired conventional traders and transporters to think in terms of road and rail transport from Europe through Turkey, Georgia and Azerbaijan, transiting across the Caspian Sea, and on through Turkmenistan and/or Kazakhstan to China's Central Asian border. A modern rail line is, in fact, being built which will cross Turkey and Georgia to Azerbaijan. Baku is preparing itself to be a dynamic hub for air, land

and cross-Caspian Sea transportation - from Europe to Asia and vice versa. After all, would it not be cheaper, and more reliable, to ship Chinese manufactured goods across such a mythical rail line to Europe than it would be to transport them by sea around Vietnam, Myanmar, and India, to transit the Suez Canal? In addition, Central Asia is rapidly becoming a market itself, a destination for consumer goods and heavy equipment, in states with rapidly increasing buying power.

There are potential future issues which pose difficult questions. China and Russia are thought to have the largest potential shale oil and gas deposits in the world, so the development of those resources could affect the region in new ways which deserve careful study. And the way long-distance pipelines are becoming routine suggests that, at some point, fresh water pipelines may become economically viable in this region, as a way to convert desert areas to agricultural production. And what about the instabilities emerging from Syria, Iraq, and the growth of Islamic fundamentalism; will that affect the current fragile stability of Central Asia?

In this situation China has been looking over its shoulder toward the vast regions to its West. An article by influential Professor Jisi Wang, former Dean of the School of Foreign Studies at prestigious Peking University, citing a quote from Mao, suggested that, rather than pushing and shoving with Koreans, Japanese and Americans to its crowded East, China should "March West." The

phrase and the concept resonated. Statistics now show that the Chinese are, in fact, marching west in huge numbers. They are leaving the overcrowded Eastern coastal regions and re-locating in the relatively under-populated areas of Xinjiang, China's Central Asian far west.

Statistics on growth in the Central Asian region are not easy to find, partly because there are a number of different countries, and also because none of them has strong traditions in statistical disciplines. Some, in fact, are only now emerging, or have not yet emerged, from the status of developing countries. But regardless of the situation on the ground, a race is beginning, or has already begun. It is a race for access to resources and the rights to develop them, for new markets trading new goods such as super TV sets, computers, phones, and air conditioners, for the development of transit routes, and for the maintenance of the sort of stability which will make development of all this possible. The Foreign Devils are back, in force, and the competition is just as fierce for business now as it was for antiquities a hundred years ago.

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TALEH ZIYADOV

Senior Research Fellow and Adjunct Professor, ADA University

ENVISAGING THE FUTURE OF CENTRAL EURASIA: THE ROLE OF AZERBAIJAN*

Planning in the twenty-first century

involves building strategies to address the challenges of the next 20, 30 and even 50 years. Domestic issues and country strategies can no longer be tackled without looking beyond national borders and assessing the increasingly interdependent nature of the global marketplace and its various influences. In today's globalized world with all its complex interactions, the countries of the Caucasus and Central Asia (i.e. Central Eurasia) are trying to find new synergies through which they can develop and secure their positions in the international economic and political arena of the future and become Eurasia's indispensable transport and logistic hubs.

The countries of Central Eurasia have traditionally acted as a land bridge along the major commercial routes between Europe and Asia. The Silk Road trade brought wealth and prosperity to the region's inhabitants at different stages in history. The exchange of goods introduced new ideas and technologies, enriching and advancing the development of these societies. The disruption of the ancient trade routes, however, brought suffering and hardship to the region with long-lasting impact. Some regions were gradually able to recover, while others never did. Over time, a number of commercial cities faded away as they lost the prominence they once held in the Silk Road trade, and new vibrant megacities emerged in their places. Euro-Asian trade was the economic backbone of Central Eurasia for centuries.

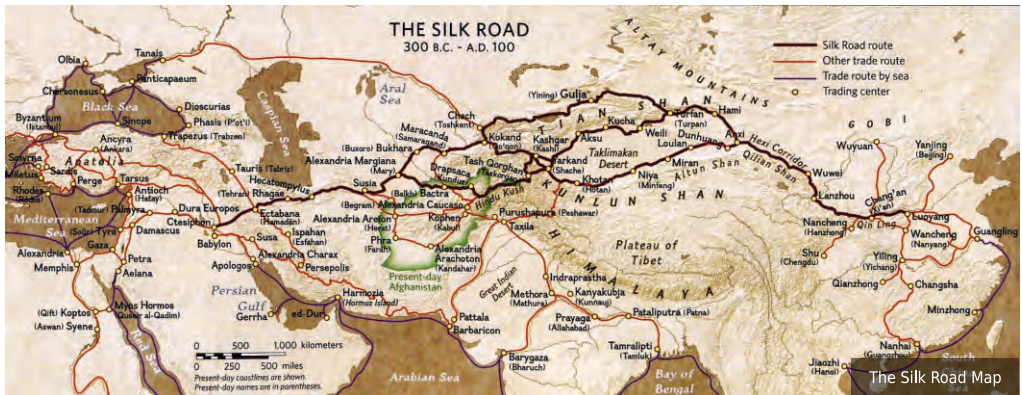
* Some segments of this article are from the author's recently published book "Azerbaijan as a Regional Hub in Central Eurasia" (Baku: ADA University, 2012).

Today, the majority of this trade bypasses the region, and so do the attendant benefits. Large ships that can carry thousands of containers at a time have replaced the ancient caravans of the Silk Road. Most of the trade between Europe and Asia is conducted by maritime transportation via the Suez Canal, which makes up more than 90% of the total cargo exchanged between the two continents. Therefore, the success of a modern-day Central Eurasian hub strategy largely depends on the ability of the regional states to attract some of this Euro-Asian continental trade by creating integrated and competitive intermodal transportation and logistics networks across Eurasia.

Unlike the world's great seaports, the prominent commercial cities of Central Eurasia have historically been land-based hubs. It took months and even years for the ancient Silk Road traders to travel between Europe and Asia, and Central Eurasia's hubs served as critical regional logistics and distribution centers. Each of them had a number of caravanserais, where goods and ideas changed hands, and

people and cultures met and mixed. These trading centers were connected with other regional hubs and megacities through a vast network of corridors across Eurasia and the Middle East. The Silk Road corridors were for centuries the source of prosperity for many nations in Central Eurasia.

As a result of technological advances in the twenty-first century, Central Eurasia is now poised to regain its former prominence as a land-based hub between Europe and Asia. By 2030, a tourist will be able to jump on a high-speed train in Istanbul and arrive in Baku the same day; he will even have time to take a free bus tour of Tbilisi en route. He will continue his trip on an express ferry to Turkmenbashi, from where another high-speed train will take him all the way to Urumqi in China's Xinjiang Autonomous Region. The entire territory of Central Eurasia will be covered with a great infrastructure of highways, railways, airports, and logistics centers that will handle goods and passengers moving between Europe and Asia.



Azerbaijan is located at the crossroads of major Eurasian land and air transport corridors - a feature that plays a vital part in formulating its long-term hub strategy. Potentially, the country could serve not only as a commercial bridge between Europe and Asia, but also as a major distribution center in Eurasia. It has and will continue to shape a common vision for the region and to facilitate its transformation. Its vast natural resources could stimulate the development of its non-oil economy and revive non-oil trade in the region, restoring its historical position as a commercial hub along the ancient Silk Road. By 2030, the country could be a prosperous regional hub in Central Eurasia - but for this to occur, Azerbaijan and other regional partners need to set out a comprehensive regional strategy for sustainable development.

For many countries in Central Eurasia, however, envisioning the future and building an interdependent regional strategy is a complex matter. Political, economic, and social crises caused by the sudden collapse of the Soviet Union have dominated the relatively short history of independence enjoyed by these states. In 2011, they celebrated only the twentieth anniversary of the end of Soviet rule. Memories of wars, unresolved conflicts, economic hardships, and coups still haunt the generation old enough to remember the days of communist control. Fortunately, the most difficult times have been left behind, though a few crucial challenges persist.

The countries of Central Eurasia are now at the stage of development where they must complete their political and economic transitions and choose a path that would lead them into the ranks of prosperous developed nations. To do this, they need to re-build and re-connect different modes of transportation through effective logistics and infrastructure networks.

Re-Building Logistics and Supply Chain Networks

In the twenty-first century, the independent development of different modes of transportation in isolation from each other and without integrated logistics and supply chain management is no longer an option, particularly for countries aspiring to become regional hubs. Today's customers buy white and red grapes in a single sealed package without wondering much about how these grapes, one kind from South Africa and another from Chile, ended up together, or how they have managed to stay so fresh and delicious. All this is possible thanks to an advanced global supply chain and logistics network that needs to expand to Central Eurasia.

The ancient Silk Road caravans used to travel 35-40 km per day, stopping en route at small caravanserais to re-supply. While the travelers rested, the camels were fed and the caravan was made ready for the next morning. In today's terms, these small caravanserais were the motels of the ancient Silk Road, offering value added logistics services. It was every 120-150

km, a 3-4 day journey, that the caravan would reach a local trading town, which would have larger caravanserais where merchants could trade and exchange goods. These local trading centers were in turn connected to regional hubs and megacities, forming a vast trading network across Eurasia. History recalls very few Chinese who traveled all the way from China to Venice, and very few Europeans who ended up in China. It was in the regional hubs and megacities in Central Eurasia and the Middle East where the real action took place, where goods and ideas changed hands, and people and cultures met and mixed.

Throughout history, the territory of the present day Azerbaijan has hosted a number of important caravanserais and big regional trading centers. These included regional hub cities like Mingachevir and Qabala (during the Caucasian Albania), Barda and Ganja (during the Islamic Caliphate), Shaki, Shamakha, Nakhichevan and Baku (in the Middle Ages). The territory of Azerbaijan was famous for the production of silk, natural dyes, animal (fish) glue, oil and salt, as well as carpet weaving and jewelry making. The Azerbaijani cities and caravanserais acted as commercial nodes along both the East-West and the North-South axes. The management of caravans and caravanserais was a lucrative business, making their owners 'logistics oligarchs' of their time.

The Silk Road caravans used an apparently simple yet effective supply chain that was set up along the entire route between China and India to the

Middle East and Europe. The local caravanserais and regional hubs constituted the backbone of this ancient supply chain, providing essential services from board and lodging to marketing and security. Some of the caravans were state sponsored, others belonged to private entrepreneurs. Similar to the interstate block trains today, the ancient caravans had set schedules and dedicated routes. It was a multifaceted operation that involved caravans stretching for several kilometers, and it was this vast network that made it possible to travel safely through the enormous Eurasian territory, across various states and principalities. In addition, a number of ancient routes were multimodal corridors involving intermodal transportation, such as land-sea-land.

Hence the goal of reconnecting Europe and Asia and creating customer value necessitates the effective synchronization and harmonization of all supply chain activities along the entire chain, from the production factory in China or India to the customer's home in Europe, the Middle East or the Americas. In this process, logistics services and intermodal transportation would play a critical role, and logistics centers in particular would act as fundamental connections between each node along the route.

SPECIAL LEGAL REGIME AND INVESTMENT ENVIRONMENT

In addition to promoting intermodal transportation and interconnectivity in the region, a successful integrated hub strategy would require a flexible and sustainable legal regime that would

guarantee long-term investments and knowledge transfer. In particular, incorporating a Special Economic or Logistics Zone (SEZ) concept into the development of national and regional transport hub strategies would generate trade and attract Foreign Direct Investment (FDI) and know-how. This would allow the governments to set up logistics zones at any location across the country, regardless of the zone's size or specialty; to choose more than one developer and/or operator for each zone depending on the zone's features and specialization area; to set up a state-backed zone corporation that could participate in regional development and international competition; to apply different PPP investment models to each zone based on the specific needs and priorities of the state; to share the cost of site construction with the private sector; and to create efficient and effective regulatory mechanisms and guarantees for the zone's administration and non-oil

sector FDI inducements. More importantly, this would create a web of special logistics zones across Central Eurasia, as it once was, strengthening interoperability and interconnectivity between the countries in the region as well as the producers and end-users.

With respect to Azerbaijan, two key projects – the new Baku Port at Alyat and Baku Heydar Aliyev International Airport – constitute the backbone of its future hub strategy. By incorporating a special legal regime concept (analogous to Production Sharing Agreements in the energy sector) into the hub strategy, Azerbaijan would construct a flexible and effective legal framework guaranteeing the flow of goods and trade. This approach could be duplicated by other neighboring countries along the Silk Road and help harmonize and shape the regional hub strategy that is bound to bring benefits to all.

FROM THE MILLENNIUM DEVELOPMENT GOALS TO A NEW SET OF GLOBAL DEVELOPMENT PRIORITIES

HELEN CLARK

Helen Clark was appointed as Administrator of the United Nations Development Programme in April 2009, and is the first woman to lead the organization. She is also the Chair of the United Nations Development Group, a committee consisting of the heads of all UN funds, programs and departments working on development issues.

Prior to her appointment with UNDP, Helen Clark served for nine years as Prime Minister of New Zealand, serving three successive terms from 1999-2008. Throughout her tenure as Prime Minister, Helen Clark engaged widely in policy development and advocacy across the international, economic, social and cultural spheres.

FROM THE MILLENNIUM DEVELOPMENT GOALS TO A NEW SET OF GLOBAL DEVELOPMENT PRIORITIES

LECTURE BY HELEN CLARK

Thank you very much, Ambassador Pashayev, for the introduction. Greetings to Faculty, students and other visitors to today's lecture.

And thank you again to the Rector, Ambassador Pashayev, and to ADA University, for inviting me to come and speak today. Because there was so little traffic this morning, we have had the chance to look around the campus. It is not so often one gets to design a new university from the very beginning, and what a beautiful university this is with its facilities. I really congratulate you. Who would not want to study in such a campus?

I am told that this university began its life with the objective of training students for diplomatic careers, and it still does that. I'm told that the university today offers a wide range of courses across public and international affairs, the humanities and sciences, business, and engineering and ICT. So, a very well rounded set of disciplines and crucial, of course, to building a diversified and sustainable economy and a cohesive society, and for enabling Azerbaijan to play its important role in regional and global affairs. I have also noted that a number of international students study here.

Today's lecture is about moving from the Millennium Development Goals to a new set of global priorities, called the Sustainable Development Goals, yet to be fully defined. This agenda will be negotiated by diplomats in New York. The post-2015 global development debates are very relevant to anyone aspiring to serve as a diplomat for Azerbaijan or their own country.

Of course, the future success of Azerbaijan - and indeed all countries - is closely linked to the state of the global economy and global ecosystems, and to peace and security in our world. Countries need economies that generate jobs and opportunities, especially for the young generation today, which is the largest the world has ever known: 1.8 billion adolescents and youths. Many are born into societies - in both developed and developing countries - where job and livelihood prospects are uncertain. Countries need inclusive and cohesive societies. They need healthy ecosystems. They need peace. Development plays a major role in advancing all these ends.

Back in 2000, the UN member states got serious about having a prioritized global agenda for development. For those of you who can remember back to the year of 2000, apart from all the anxiety, it was actually a time of great hope. A hope that perhaps the 21st century would be better

than the 20th century, which was a very bloody century. So, in September 2000, Secretary General Kofi Annan invited heads of governments and heads of states to come to the UN in New York and sign up to the Millennium Declaration. I ended up there as a young Prime Minister, and put my signature on the Millennium Declaration. The relevance of that is that the Declaration contained most of the elements that were later launched as the Millennium Development Goals (MDGs). These goals were embraced by countries around the world. They were embraced by developing countries; many went on to include the MDGs in their national constitutions, and certainly into national development plans, with targets and indicators.

The MDGs set out to tackle extreme poverty and hunger; protect the environment; expand education; advance health, gender equality, and women's empowerment; and foster global partnerships for development. Countries have anchored the MDGs in their development plans, pursued very deliberate strategies to achieve them, and mobilized external support around them.

But here we are in late 2014, and these goals will have run their course by the end of 2015, so there are under 500 days to go. The debate on what follows next is underway, and in that regard we also need to look at what was achieved with the MDGs and what needs to be carried over to the next agenda. We also need to assess what the MDGs missed, and thus

what the new agenda should pick up. If we look at areas like:

- The proportion of the world's people living in extreme poverty – the goal was to eradicate extreme poverty, but the target said “cut it in half”. Well, half has been achieved five years ahead of the target, according to the World Bank's declaration in 2010. This is great for the people who have been lifted out of extreme poverty, but half have been left behind. That's unfinished business that needs to be carried through.
- The target of halving the proportion of people without access to safe drinking water sources has also been met.
- On average across the world, gender parity in primary education has been achieved, and most children now enroll in primary schools, although completion rates are not universally high.
- The lives of many urban slum dwellers have improved, and levels of infant and child mortality have decreased significantly. There is a downward trend of tuberculosis and global malaria deaths, and the tide is turning on HIV.

Yet global trends tend to disguise the significant unevenness in achievements both between countries and within them. For example, the huge movement of many hundreds of millions of people out of extreme poverty in China has driven up the level of global progress on extreme poverty reduction. However, some countries have seen very little

poverty reduction. In others, marginalized groups have been excluded from their country's socio-economic development. Another specific area that warrants particular mention is the slow progress in reducing maternal mortality rates and providing universal access to sexual and reproductive health- these goals have not done so well, and that points to ongoing challenges in achieving gender equality and in relation to the empowerment of women.

Around one billion people continue to live in extreme poverty. Many go to bed hungry and undernourished every night - with lifelong repercussions for the children affected. Lack of sanitation leaves many people vulnerable to the rapid spread of disease - particularly in the aftermath of the increasingly frequent and severe natural disasters our world is experiencing.

I remember being on a panel, several years ago, with the Minister of Rural Affairs of India. He pulled his cell phone out of his pocket and said, "What's wrong with us in India? Far more people have access to a cellphone than to a toilet. What is wrong with our priorities?" In addition, a number of our world's ecosystems are under serious stress, which threatens the ongoing supply of the ecosystem services we all need.

So, there is work to be done on the next global development agenda to ensure that no one is left behind, and that the route to higher human development is a sustainable one.

From the MDG experience, a number of conclusions can be drawn about what helps countries to make fast progress:

- There is no substitute for effective leadership and governance and strong national ownership of development strategies;
- Development strategies and plans must be supported by the capacities required for implementation;
- Funding is essential. But looking to the future of development financing, while official development assistance will continue to play an important role particularly for the low-income countries, it must increasingly play a catalytic role. Alongside increased trade, investment, and the volume of remittances, the contribution to development from the growth of economies and rising domestic resource mobilization dwarfs Official Development Assistance (ODA);
- The roles of subnational governments, the private sector, and civil society are important in driving development.

Post 2015 process

For the most part, the MDG agenda set targets for developing countries to meet. Goal 8 was a partnership goal, and its indicators included reaching high levels of efficient development assistance, having better trade rules, debt relief (there has been a lot of very significant debt relief), affordable essential drugs, and access to new technologies, especially ICTs. Azerbaijan is a very progressive country in relation to ICTs. It is certainly playing a full role in that respect. But the Sustainable

Development Goals agenda is much more transformational than what I have just described. It is about encouraging all countries to transition to sustainable economies and societies, while also focusing on the mechanisms for developing countries to make that transition.

Already, the UN Member States have agreed that the post-2015 agenda should have “a single framework and set of goals – universal in nature and applicable to all countries (developed and developing), while taking account of differing national circumstances and respecting national policies. It should promote peace, and security, democratic governance, the rule of law, gender equality, and human rights for all.” Those were the words of the outcome document of the leader-level meeting on the MDGs and post-2015 in September last year in New York.

The UNDP and the broader UN development system have reached out to the world's citizens for input into the post-2015 agenda. We have launched large-scale consultations through 88 national dialogues, including here in Azerbaijan, and eleven major thematic consultations. The worldwide survey, MyWorld¹, has had an especially wide reach: so far, around five million people have participated by voting on their priorities for the new agenda.

Here in Azerbaijan, two rounds of

consultations have reached out to women and men, youth and children, people with disabilities, internally displaced persons, academics, entrepreneurs, business associations, journalists, and non-governmental organizations, and to rural areas.

There has been a strong focus here on youth issues, with more than 800 young people engaged, including, I understand, through a Model UN workshop hosted here at ADA University. I thank all who have taken part, and I thank the Government of Azerbaijan for its support for this inclusive process. I am told that out of the consultation here there were three areas identified as priorities: the need for economic diversification and inclusive growth; rural development and quality infrastructure; and enhanced quality of and access to healthcare.

Around the world, the feedback was that the areas covered by the MDGs remain very important, and that the unfinished business – high levels of extreme poverty, hunger, and so on – need to be tackled. In country after country, people have prioritized health, education, and jobs. Interestingly, the next biggest priority after that tended to be honest and effective governance. I think it is the genuine understanding among global citizens that that helps drive the positive development agenda. But interestingly, in the consultation, people have been very clear: it's not just about numbers. It

1 In order to provide a platform for Azerbaijani and international students to share their desires for a better world, UNO Baku in cooperation with UNDP conducted the “My World” Global Survey at ADA University on 5 May 2014.

is not just about quantity in the fields of education, jobs or health. It is also about quality. You send children to school because you want them to learn something. You have a health system; you'd like it to provide effective treatment. If you are going to have a job, you'd like it to be decent work. So, meeting their desires for better quality as well as quantity is quite important. In addition, people have stated their desire to live without fear of violence or conflict in fair and just societies that do not discriminate or exclude people because of their minority status or membership of a group that is traditionally discriminated against.

Overall, the consultations have been strongly supportive of keeping the focus on the eradication of poverty in all its dimensions, and of doing this in a way which does not compromise the functioning of the ecosystems on which human life depends.

In terms of formal processes, the UN General Assembly established an Open Working Group on Sustainable Development Goals, which has started meeting in the last year. It reported in July, proposing 17 goals and 169 targets. The report builds on the legacy of the MDGs, covering the unfinished business, but it also broadens the scope with goals in inequalities reduction, infrastructure, energy, peaceful and inclusive societies, and other new areas. The agenda would be applicable to all countries, and aimed at shifting the world towards sustainable consumption and production.

As UNDP, we believe it will be important to prioritize addressing the factors that perpetuate underdevelopment and cause development setbacks. High levels of extreme poverty are increasingly concentrated where there is conflict and/or poor governance, a weak state, low social cohesion, and/or high exposure to natural disasters. Think Somalia. These factors can also drive setbacks in states that have made progress – but where there are underlying development weaknesses. Some of the worst conflicts we see around the world at the moment are not in the poorest countries; for instance, Syria was a fairly solid middle-income country. Iraq has the petroleum-based potential to be an upper-income country when stable.

The underlying development deficits about which UNDP has been writing in its Arab Human Development Reports for the last decade point to these underlying issues which are causing huge setbacks. There are development solutions that help build better governance; establish the rule of law and human rights, including women's rights; strengthen social cohesion and resilience to shocks (whether a natural disaster or conditions that might lead to conflict); and build capacities for peaceful mediation and resolution of differences. We work around the world in these areas, as well as on inclusive and sustainable growth.

The MDG experience suggests that the new agenda will be most powerful if it is measurable, clear and concise. That suggests there is still work to be done in prioritizing the new agenda. The UN

Secretary General's forthcoming synthesis report on the debate so far, requested by the General Assembly, can give guidance on these matters.

Next July, a conference on financing for sustainable development will take place in Addis Ababa, Ethiopia. This conference will be critical in ensuring that the issue of the 'means of implementation' is fully addressed. Compared to the MDGs, this new agenda will be much more about making policy choices that positively contribute to development at the local, national and global levels. The availability of official development assistance, however, will still be particularly important for low-income countries. Overall, the commitment of developed countries to provide ODA at adequate levels is an important trust-building signal to developing countries.

The post-2015 era in Azerbaijan and the region

The outcomes of the post-2015 national consultations in Azerbaijan are broadly consistent with the priorities articulated in the 'Azerbaijan: Vision 2020' national strategy, which aims to move the country to a knowledge-based and diversified economy.

Later this month, Azerbaijan will host the First Global Forum on Youth Policies, in partnership with the Office of the UN Secretary-General's Envoy on Youth, UNDP, UNESCO, and the Council of Europe. We hope that the momentum generated here in Baku will have a

powerful impact on national and global policies, and will feed into the post-2015 priority setting process.

The groundwork is now being laid for the next five-year cooperation plan between the UN development system and the Government of Azerbaijan. The priorities of the new UN-Azerbaijan Partnership Framework for 2016-2020 will be aligned with 'Azerbaijan: Vision 2020', with a focus on promoting sustainable employment, enhancing environmental management, strengthening resilience to disasters, and building local capacities to advance human development.

We enjoy really strong partnerships here and we think that Azerbaijan is in an exciting period of its history, with big opportunities to share its knowledge and experience, innovations, lessons learned from its own development, and furthermore to support other countries to achieve their development goals. The new Azerbaijan International Development Agency has recently been launched, and we are very happy to work alongside this organization and to strengthen our cooperation.

So, Rector, that is my summary on where we are on this transition from MDGs to SDGs. I thank our government counterparts, development partners and the people of Azerbaijan for the strong partnerships, which the UN development system enjoys here. Azerbaijan is in an exciting period of its history, with big opportunities to share its knowledge and experience, and to

support other countries in achieving their development goals. UNDP stands ready to work with this country in these efforts.

As the floor has now been opened, I invite you to tell me what you think Azerbaijan's contributions to development and global priorities should be. I would also welcome your ideas on how Azerbaijan and UNDP can work together as champions of global development.

Once again, my thanks go to ADA University and Rector Dr. Pashayev for inviting me to speak here today.

DISCUSSION

[Ambassador Hafiz Pashayev:](#)

Madame Clark, you touched upon Azerbaijan's overall position, and what Azerbaijan has done in this program up to now. I listened to you also yesterday; you mentioned a couple of special programs you did with Azerbaijan, and the ways in which Azerbaijan contributed to development. I think Azerbaijan's experience might be useful for implementing change in some countries. The Millennium Development Program will after 2015 become the Sustainable Development Program. During these fifteen years you have accomplished a great deal, and now the word "sustainable" is very close to our minds and hearts here in Azerbaijan. For example, at ADA, we are always discussing ways to improve our sustainability. Azerbaijan: Vision 2020 is helping to guide us in the right direction. I

think there will be some questions for you, and so the floor is open for questions.

[Shahin Panahov](#)
[Chair at UNEP - ECORES NatCom](#)
[Azerbaijan](#)

You mentioned in your speech that MDGs are actually a pre-condition for UN member states and by now, seven MDGs goals have been achieved. You also described what kind of environment should be created by national governments and national stakeholders. One of the key issues was commitment by developing countries to produce MDG reports outlining what has been done and what should be done. There was also a commitment by developed countries to produce their own MDG reports. How many MDG reports have been produced by developed countries? I know that there was one from Denmark, if I am not wrong.

[Helen Clark:](#)

I have never seen an MDG report from a developed country. What will change with the Sustainable Development Goals is that they are for everybody.

[Question from ADA student:](#)

Thank you for your speech. I am an international student from Kyrgyzstan. MDGs are mainly focused on eradication of poverty, mainly in Africa. You mentioned that the new post-2015 Sustainable Development Goals will be focused on and applicable to all countries.

* Where possible, the names of those submitting questions have been included.

But when we gathered in Sri Lanka for the World Conference of Youth, when we talked about post 2015 Sustainable Development Goals, we - the youth - came to understand that in every continent and in all the countries we have different goals, problems, issues that need to be solved. But from your speech I understand that there will be goals that apply to all problems. How are you going to achieve this goal? And is it possible? If not, will the main issues be focused on a single continent? Is it possible to present universally applicable goals?

Helen Clark:

With the MDGs there are some developing countries that may take advantage of all of them, and some may not. There are obviously local contexts and conditions. There is an understanding with this new agenda that there is a continuous adaptation to what can be achieved locally. For example, some countries have not yet achieved the goals of getting every child into primary school, or every child completing primary school. I think the agenda will be more ambitious, aimed at getting people through primary school and into the secondary school and then into ongoing training and education. That's going to be a long stretch for the poorest countries, of course. But for middle-income countries developing their people's skills and knowledge, sometimes called human capital, is going to be critical for getting out of the middle-income trap. Many countries are trapped in the middle-income bracket, because the education system, human development, prevents further development. But there is definitely also an issue of quality, as I said. Access to primary

education has spread very rapidly, but the quality has not increased with the access. And there have been quite disturbing studies looking at a range of countries in Africa and assessing how much a child learns in these four or five years in school. Some do not learn to write or read or do basic mathematics. The point of education is to learn something, not just to sit in front of a teacher. So, I think we have to be ambitious. But we have to recognize that people start from different points. There needs to be more support for those who start from much further behind.

Question from ADA student:

Thank you for your speech. My question is about the proactivity of this organization. You probably use a range of tools to address potential problems in countries. I believe that the goals for most countries are similar. So, taking into account your experience, what is your proactive strategy in the future in order to address the range of potential problems, for example in Azerbaijan.

Helen Clark:

There has been a lot of progress in development, and growth in emerging economies in the least developed countries; they are very ambitious. The issue is not the level of development assistance funding, which is irrelevant to Azerbaijan, because it is an emerging economy. For me, the emphasis is shifting to more the currency of development, being the currencies of ideas, knowledge, innovation, experience sharing. That is why in my speech yesterday at the Humanitarian Forum, I emphasized the

importance of what Azerbaijan is thinking about in terms of its own development cooperation. Because this country has done some very exciting things: pension system modernization; its one-stop-shop public service hubs and so on. The use of ICT for the provision of government services is a key innovation. The disaster risk reduction has reached quite a high level. I was impressed yesterday with our discussion at the Ministry of Emergency Situations. But, there is still work to do. With climate change, you expect more extreme and unpredictable events. Many countries are very interested in what is happening here. How did you modernize this pension system so that 99 percent of people get their money electronically, without having to queue at the local post office? How did you create these one-stop-shops? How did you roll out these e-governance systems? How did you build this level of resilience to adverse events and disasters?

We see our job as helping to share experience, knowledge and innovation. We continue to operate in countries from the upper-middle income bracket, like yours, as well as in the poorest countries on earth, like Somalia. We have seen the whole range. Often what developing countries are looking for is not how it's done in New Zealand or in Netherlands, but how has it been done in a country like their own. How has a similar country dealt with the challenges we are facing now? In the context of the overall move to sustainable development, take a country like Ethiopia, one of the world's poorest countries, but with enormous potential. If Ethiopia can think like that, any country

can think like that. We want to improve conditions for people without damaging the environment. Our role is not to help prepare the strategy, but to help to understand what needs to be done, and to share experience. Then Ethiopia will look to what other countries are doing. A lot of this is about sort of overcoming the imaginative barriers. We all are limited by our imaginations. So, what is the best practice? We see our role as encouraging and enabling knowledge sharing across the world.

[Shahmar Movsumov](#),
[Executive Director of SOFAZ \(State Oil Fund of the Republic of Azerbaijan\)](#):

Thank you, Madame Clark, for your very insightful and interesting discussion of the MDGs. I think one of the important elements of their success stems from their clarity, concision, and straightforwardness. This is a success of the first globally coordinated policy, and I really would like UN, in particular UNDP, to comment on this success. But this conciseness of the goals is actually a little bit loose when you mention seventeen priorities and 169 indicators, especially taking into account that the new STGs including areas that are not as straightforward. For example: governance or human rights or any other civil society engagement. These are very hard to put indicators on and to monitor. Monitoring is important because countries look at the MDGs and in the future at the SDGs as lighthouses, marking where they should move. They need this measurement in order to move forward. So, how do you see the process continuing in terms of tackling this problem and trying to reduce the number

of priorities, trying to make them more concise and set measurable indicators, so that the success of the MDGs can be repeated.

Helen Clark:

We work on the principle that if it cannot be measured, it does not count, unfortunately. The MDGs were measurable and people did monitor and measure. So, measurability has always been an important criterion for us. In terms of trying to get something more compelling, I think we need to look at these seventeen proposed areas; there is a tremendous amount of duplication within them. The head of the Japanese International Cooperation Agency (JICA) came to see me several months ago with a condensed list of six goals. I had a look at them and said, "We cannot leave out the women, and there are other aspects we cannot exclude." But, basically, you could, with good will, get to about eight areas. We are very much dependent on the engagement of member states, because New York has its own sort of rhythm which can diverge from the practical realities of what it takes to drive a development agenda on economic and social progress and environmental sustainability. I really hope that capitals take a close interest in the Secretary General's forthcoming report. What is the Plan B? If we end up with seventeen goal areas and 160 targets, the UN will have to then come up with some kind of communication strategy that simplifies and presents them in a digestible way. But I prefer not to use a Plan B; I prefer

Plan A.

International student from Kenya:

How feasible are the SDGs? The MDGs, so far, have only been covered in a few countries. Why move on to SDGs if you still have so much to do with the MDGs? How will this impact quality? As you just said, measurability is central. But if 1000 people go to school and only one learns something, then you've done nothing. How you will measure quality? I would also like to ask whether issues such as terrorism or Ebola are included in your plans, given that they have a spillover effect on the goals.

Helen Clark:

I think the important thing about global goals is that they influence national priorities. So countries do take this seriously. Countries will take this and say yes, we have got to here, and now we are going to raise ourselves. This agenda is also about empowering the countries to move in that direction. It is not that anybody is going to do that for someone else. I think there has been demonstrably faster progress in health and education. That would not have been seen without them; they were clear priorities. There are still 16 million children in the world who are not enrolled in school, but that is a fraction of what it was. Sometimes I look at a very poor country like Guinea-Bissau, which has made significant progress since 2010 on education: now 66 percent of children population attend

school². But then you look at the level of literacy, which is just 28 percent. So, we have to build on that partial success and support the country. If you look at the health goals, the rate of reduction in avoidable mortality in targeted areas - infant and child rights, maternal mortality rights, HIV, malaria - is much faster than any trend observed before the MDGs. A lot of money - countries' own money and donor money - has been spent on this. If we take HIV, the spread of medication for people living with HIV is absolutely phenomenal. In low-income countries there was very little access before. There is still a way to go, but there has been progress. I think it is all about the global discussion leading to clear priorities that will inspire countries to move in a certain direction. Of course, you mentioned something like Ebola. Where has Ebola broken out, and where is it devastating communities and economies? In three of the poorest countries on Earth. It is a problem of underdevelopment, lack of capacity and health system, poverty, and ignorance. What is happening with Ebola is a function of multidimensional poverty that brings us back to focus on eradicating extreme poverty, education, and basic primary healthcare capacity. Terrorism is a lot tougher. It is not as simple as just saying that this is an upgrade of poverty, because then you will not be able to explain why people who come out of professional jobs and developed countries join terrorist groups. There is always a context to that as well. We have seen such

a wide range of reactions to demands to change. Some systems have accommodated those demands and opened a dialogue and a process of constitutional change. Others reject those demands and conflict continues. But for development to be sustained, you do need peace. There is no peace without development, and no development without peace. They are deeply interconnected. If you look at the countries that end up on the Security Council's agenda, which are embroiled in terrible side conflicts, there is always a development deficit somewhere that could be addressed proactively.

Tugra Shukurova
Staff member at ADA University:

As you probably know, Azerbaijan was the first Muslim country to provide universal suffrage, back in 1918. There is a lot of change going on in the Middle East right now. How do you think Azerbaijan can be a role model in promoting gender equality and help increase the importance and influence of women in the Middle East and the Muslim world?

Helen Clark:

I think there can be enormous experience-sharing out of Azerbaijan, as a country where most people are Muslim, a country that is modern and progressive with very good legislative framework around women' rights. There are still issues to

² *The education system in Guinea-Bissau faces many challenges. While enrollment in primary education has grown, the retention rate is poor with less than one child in two completing primary education. Marked inequalities exist in terms of access to education: children from the urban areas have an 86 percent chance of accessing school, as opposed to 65 percent for those from rural areas. More information can be found at: <https://www.globalpartnership.org/country/guinea-bissau>*

address. The participation of women in Parliament is quite low. But the legal framework is good. Azerbaijan can serve as a very powerful role model in my opinion; it is something we should think more about. When I was in Georgia a couple of days ago, there was interest in a meeting to share experience among Azerbaijan, Georgia, and possibly others. We think this will inspire women leaders to make their voice heard. So, congratulations on being the first country to give women the right to vote. I should put up the flag for my own little country, New Zealand – the first country in the world where women fought for and gained the right to voting back in 1893.

Shalala Valiyeva
Junior Diplomat and participant in the Advanced Foreign Service program 2014:

We know that the UNDP has been working in Azerbaijan for twenty years and that it supports the Azerbaijan government in

sustainable development relating to women rights and youth development. They are also supporting a number of projects in Azerbaijan. I would like to know about your expectations in terms of project implementation post-2015.

Helen Clark:

We are discussing with the government what the shape of program will be. We look at where UNDP can add some value. We have very strong relationships with a number of ministries: The Ministry of Communication and Technologies, a very go-ahead ministry with a big role to play in the ongoing modernization in public administration and services. We are happy to work alongside that and with the whole e-governance agenda. Disaster risk reduction, as I said, is also very advanced here now. We are continuing to work with Azerbaijan on an expanded range of cooperation areas/issues.

INNOVATION AND ENTREPRENEURSHIP THE KEYS TO 21ST CENTURY DEVELOPMENT

IQBAL QUADIR

Dr. Iqbal Quadir is a long-time champion of the critical role of entrepreneurship and innovation in creating prosperity in low-income countries. He is an accomplished entrepreneur who more than two decades ago saw the potential of mobile telephone technology to transform low-income countries.

He is currently the Founder and Director Emeritus of the Legatum Center for Development and Entrepreneurship at the Massachusetts Institute of Technology (MIT), and the founding co-editor of *Innovations: Technology, Governance, Globalization*, a journal published by MIT Press. He is also a former fellow and lecturer at the John F. Kennedy School of Government at Harvard University.

INNOVATION AND ENTREPRENEURSHIP THE KEYS TO 21ST CENTURY DEVELOPMENT

LECTURE BY DR. IQBAL QUADIR

Thank you, for having me here. It is great to be in extraordinary, beautiful Baku in this region which is the cradle of civilization. Let me start by thanking Fariz Ismailzade for inviting me; Ambassador Pashayev, and Dr. Maresca for their kindness. It is great to be here. I hope that this will be an informal conversation. I want to present my thoughts on Azerbaijan and its tremendous potential, its history, location, strategic position and other factors.

However, let me start with where I am coming from. Currently, I am living in Massachusetts. It is a small state in the United States with a population of 6.5 million; the US has about 320 million people. But there is something interesting about Massachusetts. Again, my view is based on where I am coming from and what kind of insights this may generate for Azerbaijan. There is something interesting about Massachusetts. Its per capita income is 90 percent higher than California and 27 percent higher than the rest of the United States of America. Why is that, one may wonder - especially if you compare Massachusetts to California, because California has Silicon Valley;² it is

a big state with big powerful companies and it has very famous universities like Stanford. Still Massachusetts has a higher per capita income. So one theory I have is that the mystery can be resolved with the fact that although California is six times bigger than Massachusetts in terms of population, Massachusetts actually offers 2.5 times more bachelors, masters and PhDs. Because after all those educated people come, pick up degrees in Massachusetts, then they go wherever they need to go. They go back to their countries or their states. They are not all absorbed by Massachusetts.

The provision of education in Massachusetts leaves an impact on the state. This is what I want to focus on. It is like when you open a restaurant. People come, they eat and go home. But there is a lot of cooking in the restaurant, and that cooking teaches the chefs how to cook better, and maybe they become better cooks simply because people come to their restaurants. It creates a hub. Students go away, but they leave a positive impact because those professors become maybe consultants, or scientists, producing other things. So even if you see education as a process whereby someone comes, picks up a degree and then leaves, the process of

² *Silicon Valley is a nickname for the southern portion of the San Francisco Bay Area of Northern California in the US. It is home to many of the world's largest technology corporations, as well as thousands of tech startup companies.*

education benefits from that cycle. This is an important point I want to make. In other words, there are profound advantages in being a hub of ideas, and that is my first message to Azerbaijan. Simply because I live in Massachusetts, I thought this was an important point to make.

Now, Azerbaijan has already been a hub of ideas for thousands of years, but the point is that it has potential to be a greater hub than it is today. Of course, its leadership can consider which direction to follow in terms of being a hub of ideas. If we look at its history, we can see that it has tremendous depth. It has a history and a future and we are in between; we are also in the middle of Western Asia and Europe. And this place can become a hub for a transportation network that already exists, and is being developed; an education hub, trade and commerce, communication facilities, and etc. All these things can contribute to becoming a great hub of ideas. Among other things, what is key to note is the importance of creative people and ideas. The more creative people and ideas you have, the more you will attract other ideas and people. It reinforces itself. The fact that you are in a strategically located place with so many educational opportunities, facilities and educated population - that creates potential for development. All the potential is there, and if the government throws in more resources, it can achieve what many other countries cannot pursue because of the lack of resources. They do not have sufficient educational capital, but Azerbaijan is well positioned to absorb,

invite and reinforce itself.

Let me point out that I grew up in Bangladesh. I have learned a few things from Massachusetts, but my real education comes from Bangladesh. Let me make few points in relation to what I learned from Bangladesh. Bangladesh is known to be a very low-income country. It has twice the landmass of Azerbaijan, 15 times more people, 1/8 of its GDP per capita, and 1/5 of its purchasing power. In addition, people know that Bangladesh is very low-income country, so often they do not study it. I will read a paragraph from an American book. It says, "Bangladeshis must never forget that by 1757 they were producing more than 1/3 of all cotton textiles used in Europe, and had developed almost all the cotton and textiles known today." Indeed, 16th century Bengal, which was the previous name of Bangladesh, was called the paradise of nations, the land of wealth, known for its agricultural surplus and manufacturing wealth. And Dacca, not Manchester, was the home of cotton, silk textiles, and Dacca was able to dictate the terms of trade when the Dutch, Portuguese, British, and French came. As Bengalis had little need for European goods, but Europeans wanted products from Bengal, the foreigners had to pay in cash. The reason I want to note this is not because of national pride, but because it is a fact that many of us do not know. What I wish to say is that Bangladesh has taught me that countries can go up or down. Nothing is static. You can be up one time and down another time; I know that Bangladesh is poor now, but that was not always the

case. Frankly, belonging to an empire, one or another, in the case of Bangladesh was kind of challenging. We have been in the Moghul Empire, we have been in the British Empire, and belonging to an empire is costly.

Let me also make the point that low income actually stimulates innovation. Low income means poverty, so people think that charity is required. Actually, it is a stimulant for innovation. Let me clarify that. I read history whenever I can and what I get from that is that we can correct for circumstances that arise, but when the average person is diminished in some way, then a country usually declines. When the average person does well then the society as a whole picks up in all possible ways, in art, in culture, in many other ways. This is my overall reading of history.

So let me show you how low-income is a stimulant for innovation. As a child, I saw that there was a lot of poverty in Bangladesh. Many people did not have enough purchasing power. Indeed, as I am saying, we generally think that this kind of situation requires aid, charity and volunteer work. One of the key points I want to make is that actually those circumstances are stimulants for innovation. So now, I will take you to that point. For example Johannes Guttenberg. He slashed the cost of book production by 100. Books were there before him, but he found a way to produce the books at a very low cost - so many more people could afford to buy

books. Let us take Benjamin Henry Day,³ when he started in the 1830s in America, newspapers used to be sold for 6 cents, but he found a way to make a newspaper available for one penny. He innovated. This is what gave rise to mass media; Benjamin Day producing newspapers at a very low cost. Alternatively, before Henry Ford founded the Ford Motor Company, cars were there, but people saw them as a luxury good for the rich. But Ford tried to improve access for the average person, and he slashed the cost of car production to a tenth of what it had been. The same applies to Ray Kroc, founder of McDonald's. He not only did not invent hamburgers, he did not even invent the McDonald's store. He took it over from another group of people who did it. Here, too, he slashed the cost of the hamburger production.

So what did all these people do? They did not invent books, cars or hamburgers; they were serious about cost reductions. That was the major innovation which we may discuss at length. It boosted the economy, because many people could buy these things. Not only were their lives improved, but also more resources were released for other things in society, which gave rise to other dimensions of production. So these people did not make money from the poor, they made money with the poor. Another example is Isaac Singer, who invented the first practical, commercially successful sewing machine, and the first multinational company. He made sewing machines available for people.

3 Benjamin Henry Day was an American newspaper publisher best known for founding the New York Sun.

Therefore, a normal, so-called “poor person” could sew clothes and sell them at a high price. The combination of a person and a sewing machine became far more productive, and therefore they could pay for the sewing machine. In fact, Singer invented an additional thing called consumer finance. People could buy a sewing machine and pay over time. You might call it micro credit today. That was a major innovation at that time. These people innovated, created innovations, improved, leading to accountable businesses, price reduction, and many other effects.

Even today, there are many examples. For example, Bridge International provides excellent education for kids in Kenya, for which the parents are paying 3 to 5 dollars per month. Through IT and many other platforms entrepreneurs have radically reduced costs. Another example is Bkash, a full-scale mobile phone-based payment system in Bangladesh.⁴ People are sending money over hundreds of miles for a few pennies - another huge cost reduction.

There is an Indian hospital performing heart surgery for a thousand dollars, much cheaper than other hospitals and at very high quality.

So what I wish to say is that we are living in a new era. We have many technologies; these technologies are giving rise to completely new possibilities in many ways, which can inspire entrepreneurial minds, like those in attendance today. Let

me give an example. Let us take cell phones; I know this industry a bit. Cell phones are spread all over the world. Not just in poor or rich countries. Actually, there is more or less parity. If you go to a rich country, there are beautiful nice roads that poor countries may not have. In rich countries they have good electricity; in poor countries not so much. But in the cell phone industry there is a rough parity between rich and poor countries. Why is that? This was a cover story in the Economist magazine. Indeed, it is like a miracle; it is just a tool like a sewing machine that somebody can use to earn more and can pay for the phone service. Because somebody is paid for it, another person can create a company and provide a service. Therefore, a tool that makes people more productive unleashes also forces through which it can spread. New technology can give rise to it, creating a win-win-win model. The consumer wins because he becomes more productive, the entrepreneur wins because he has a viable business, and a country wins because its economy grows. In addition, foreign countries win because they export those tools and help those entrepreneurs.

There is another interesting phenomenon in relation to new technologies. If you see the future and a new wave coming, then you as a potential entrepreneur can plan how you will surf that wave - because an entrepreneur cannot create a wave by himself. If you understand new technologies, these new possibilities

⁴ A joint venture between BRAC Bank Ltd., Bangladesh, and Money in Motion LLC, US.

allow you to see the wave coming and prepare your surfing strategy.

In developing countries, there are also many first mover advantages. The landscape is not exhausted; all sorts of businesses have not yet taken form, and a new entrepreneur has the pioneer's advantage. Twenty years ago fax machines suddenly spread. Now hardly anybody uses fax machines. Now you can skip over and send pdf attachments as opposed to fax. There is also an advantage of youth in low-income countries. The population is young, and young people are better at new technologies. That is another interesting advantage.

Now I want to move to another point. We often think in great universities that we have much to teach to low income countries. I disagree with that. If we are engaged in this kind of innovation hub, we have to incorporate that. At least, this is my view, because when I went to the United States to study when I was 18 years old, I learned one big thing. The developed country has money, they have resources, and knowledge, and all of these should be spread to developing countries. We do not see that poor people can actually help the world, including the developed countries. The point I was trying to make through the innovations led by Ford or Guttenberg was that we missed the motivating factor of the poor people, who compelled inventors to think about reducing cost to improve access. If these people were all rich, honestly these innovations would not happen. Society would not enjoy the

release of the resources enabled by creating goods more cheaply by reducing production costs. So low-income people actually are a crucial stimulant for innovation, because unless they push us towards that development trajectory, we will be consuming greater amounts of resources to gain the same benefit. Thus, low-income people are actually teachers. And that is the point I want to make now. One of the lessons I learned having come from Bangladesh to New York was seeing Bangladeshis coming to New York and driving taxis. I had been taught that America needed to help Bangladesh because it does not have any resources. What I saw was that Bangladeshis are crossing the oceans, coming to US and taking a job. In other words, the drive to improve one's conditions is always there; if we are trying to provide a tool, then that tool will be seized as a means of advancing one's lot. That was the major observation.

So, far from seeking aid, people are seeking to advance their lives, like the taxi driver. I was always told that poor countries need better food, medicine, shelter, etc. But I saw that immigrants coming from Bangladesh to Dubai or some other place need access to communication, because they are leaving their families behind. I could see that on the plane because I was sitting next to all those people who were going to work. They need communication. That is another fundamental mechanism whereby they could go to drive a taxi, earn money, and send remittances home. What I am trying to say is that the experts were sometimes passing on the

wrong message. The experts told me that when poor countries need a service, they need it at very low cost or at zero cost. A poor person told me that it is not true. I will tell you a quick story. I settled down to create a mobile telephone company in Bangladesh. One time we had a cleaner at home, and she asked me to mail a letter for her. I said please give me the letter and I will put a stamp on it and send it. She said, "Please don't put any stamp on it." I asked why. She replied, "if you put a stamp then it might not get to my mother because the mail carrier can throw it away somewhere, but if you do not put a stamp, then it gets registered and then the mailman will collect twice as much from the recipient, and that's why he will definitely deliver the letter." I realized that, far from seeking free services, poor people actually want to pay twice as much. Again, this cleaner taught me that the mail carrier has to be made to go to the right place, and she would rather pay twice as much for getting the service than getting it free.

Every little thing that I learned from the actual person living in the problem was contradictory to what I had been told. People told me that I should determine how many phones a village needs by looking to the gross national product per capita of that village. Actually, that is not true because a poor person showed me that he was able to pay. So existing income did not really matter; it is rather providing a tool that enhances that person's ability to earn, enabling them to

pay. Now I just want to read a paragraph from Henry Ford.

He says, *'I do not recall any one who thought that the internal combustion engine could ever have more than a limited use. All the wise people demonstrated conclusively that the engines could not compete with steam. They never thought that it might carve out a career for itself. That is the way with wise people—they are so wise and practical that they always know to a dot just why something cannot be done; they always know the limitations. That is why I never employ an expert in full bloom. If ever I wanted to kill opposition by unfair means I would endow the opposition with experts. They would have so much good advice that I could be sure they would do little work.'*⁵

This is another important reason why we need to engage with the actual problems. We cannot just be "experts" and tell people what to do. How do we need to do that? I want to say that we make our models and then the models drive us. How do we free ourselves? Low-income people do not know our models. We know our models, and they push us to break our models. An entrepreneur's job is to break all models, to think about it, and this is why low-income countries, which constitute much of the world, can be a good teacher in solving the future problems of the world. Now the entrepreneur must listen to the sufferings of those people and then create a solution. The sufferers provide a key to innovation. In order to creatively

5 See William A. Levinson, *Henry Ford, Samuel Crowther, The Expanded and Annotated My Life and Work: Henry Ford's Universal Code for World-Class Success* (Productivity Press; 2013), p. 8.

solve the problem you need to get involved.

At least for ADA University - and this is what I did in MIT - you take students from different countries, help them to see what the problem is, and they find practical mechanisms for successfully designing and implementing a business plan. It could not be done in isolation. The problems themselves can teach the professors and students how to create a solution. To conclude, I want to say that you participate to innovate and to innovate you elevate. Let us take the Bangladesh telephone company that I initiated. I solved the problem by asking a Norwegian telephone company to get involved, which took me years. But the Norwegian telephone company now owns a company in Bangladesh and indeed hundreds of millions of dollars in profit go back to Norway. Even though Norway is a rich country and indeed, it deserves to earn those dividends, I believe Norway now receives a lot more help from Bangladesh than the other way around. People may not want to hear this, but it is a fact. It is true that Norway helps Bangladesh, but I believe Bangladesh helped Norway. That kind of relationship is what the world needs. It should not be one-way but rather two-way. That creates a more stable and healthy world, a give and take world.

DISCUSSION

Fariz Ismailzade,
Vice-Rector of ADA University,
moderator:

Thank you Dr. Quadir. It is a very interesting concept that low-income societies are

opportunities for business. There is a joke that a person went to Africa and came back saying that nobody wears shoes, so it is impossible to sell shoes there. But the other businessman said, "If nobody wears shoes, there are a lot of opportunities to sell them there." So, you see low income countries as an opportunity for entrepreneurship and entrepreneurship, as the key for development. Your presentation seemed quite optimistic to me. Because now in my head I have images of Syria, of what is happening in the conflict zone in Iraq, of the total destruction of world order; we see some developed societies entering chaos, conflict and degradation. Therefore, your presentation seemed to me like a magic key to success, which you only need to turn to reach that magic solution, to make the world a better place. What do you think about the situation around the world? How much are some societies utilizing this opportunity? Why are other parts of the world still suffering due to development issues?

Dr. Quadir:

Well, I will just give an analogy. Let us think about our health. I am saying that we can be healthy by eating vegetables and exercising. This is the healthy way of making progress. This is a long-term thing. Of course, if you do that, you may not develop a serious disease. When you already have developed a disease, then frankly, this slow-moving process may not work. You might need an operation or other solution. Those problems cannot be solved this way. But had you had a healthy lifestyle over that last hundred years, then you might not have those problems. I think

what I can say through this analogy is that my concept is not about when you need an operation right after you discover cancer, but rather that you could avoid cancer by making healthy lifestyle choices.

Question to Urkhan Alakbarov (F. Ismailzade)

Usually, poor countries are regarded as countries that need assistance, which usually comes from developed countries. This has become a traditional approach to developing countries. You worked with UN for many years, and you know how policy papers and recommendations are developed. Now Dr. Iqbal Quadir is presenting his new concept whereby instead of traditional aid, maybe entrepreneurship, business opportunities and technologies offer the real key to success. What do you think about this approach, humanitarian assistance vs. entrepreneurship?

U. Alakbarov:

Thank you for your invitation.

I have to say that ADA is a fantastic place for hosting these kinds of speaker events, and I am happy to see young people here who will drive our future innovation. Of course, if we are talking about development, the best way is participation, involvement, initiatives and knowledge. It is based on human capital and knowledge. Knowledge might be traditional knowledge, which comes from historically proven knowledge, or more recently acquired knowledge. Only

this can provide success both for developed and poor countries. I would like to offer the example of Azerbaijan. You know we are transferring from black gold to human gold. This central concept was proposed by President Aliyev in 2003. And if you consider the results that we have achieved since 2003, we can see where the knowledge in management and technology went. I would like to note that our GDP per capita tripled during this time, the highest rate not only among former Soviet Union countries, but also among OECD, G 20 and G 7 states. I can provide you with some figures from international institutions like the UN, World Bank and CIA. We have indicators on sustainable development and development based on knowledge as GDP per unit of energy use. These are very important indicators because they demonstrate a local, national and global problem related to climate change issues. In 2003, Azerbaijan produced 2.1 US dollars per unit of energy use, equal to one kilogram of oil. Why is a kilogram of oil taken as an energy unit?⁶ Because the price of oil is same everywhere in the world. It gives us a chance to compare results. And these results are good from an economical view. You spend less than one dollar and receive 2.1 dollars. In 2012, the latest data shows that it reached 11.5, increasing by a factor of more than 3.5. You can think that maybe it is related to oil production; the price of oil increased, energy is not much needed for oil production. I compare data from different oil exporting countries. Last year we ranked second, this year we become first. Last year Norway was more effective but now GDP per unit of energy use in Azerbaijan is

⁶ Kilogram(s) of oil equivalent, usually abbreviated as kgoe, is a normalized unit of energy.

highest among the oil exporting countries. If you compare the Caspian littoral states, again you see that Azerbaijan is in the first place. In my understanding, this is absolutely because of the knowledge-based development, which leads to poverty reduction. Poverty in Azerbaijan has been reduced from 94 percent to 5 per cent and according to the Gini⁷ coefficient, Azerbaijan is doing well compared to many other countries such as Greece, Russia, Spain, Italy, and so on.

F. Ismailzade:

Dr. Alakbarov, you have mentioned that poverty in Azerbaijan has been reduced from 94 percent to 5 percent, but that was mainly done through a state program. Is there a way to analyze how much of that was achieved through entrepreneurship? Because I understand that in Azerbaijan, efforts were made by the state, not entrepreneurs.

U. Alakbarov:

In Azerbaijan, the President implemented the policy and he transferred state programs to national programs with the participation of government and non-governmental institutions and the private sector. That is why when we are talking about the private sector, we need to note that the state should create opportunities. I think in our case there is no need to separate who is doing what. We are working together.

F. Ismailzade to Tahir Gözel:

Can you give us a couple of examples in relation to whether the things that Dr. Quadir talked about like using entrepreneurship and innovative ideas to elevate poverty, have been effective in Azerbaijan, based on your experience?

T. Gözel:

Thank you very much.

One of the examples I can give is from the banking sector. For example, Access Bank of Azerbaijan issued microcredit loans to very low-level income people. Now they are one of the most profitable banks in the country. Because apparently we never focused on that market, but today the rate of loan returns from low-income consumers is much higher than from the high-level income earners, and actually it is a very profitable sector.

Now what did we do which was very innovative and surprising to me? As you know, we have been here before and talked about my agricultural investment in the Greenhouse. The whole idea was that I would set up large green house complexes, which are now being developed. This is my own entrepreneurial contribution to the country. It is 20,000 m² now and it will be 400,000 m² next year. It is growing at a healthy rate, and we are competing with Turkey, Iranians and Russians as Azerbaijani entrepreneurs to export to these markets. So it was all planned - but one thing was very interesting. When we

⁷ The Gini coefficient (also known as the Gini index or Gini ratio) is a measure of statistical dispersion intended to represent the income distribution of a nation's residents.

set what we call a propagation unit in the green houses before a tomato plant becomes a flower you need a seed to be a seedling. We called that the propagation center because obviously we need seedlings. The first target was a large producer. But then around our neighborhood there were one or two small farmers; they were shy and I encouraged my manager to go and meet them. One of them said, "I have a small plot of land here. Would you mind having my seeds also propagated with yours? We were not sure and we had doubts, but then we said, "Let's do it." It was intended to be an act of charity because they were our neighbors. But what we then realized was that those people needed more than seeds and service from us. We said to them, "Why don't we come and follow up the growth of this baby plant with you. And we will teach you how to do this." Once we did this with these three small farms, 30 more people came asked to be our clients. We said yes, but you have to pay little extra for that. We promised that this little extra was nothing compared to the increased productivity. We helped them with very simple ideas. They were watering the plants at the wrong time. They were mixing fertilizers in the wrong rations. Now this small farmer community is becoming our largest profit-making segment. It is a great joy for us to work with them.

F. Ismailzade to Ambassador J. Maresca

Why is it that the idea of using entrepreneurs and innovation in poverty reduction in developing countries has been so neglected?

J. Maresca:

We tended to think about developing countries as countries that need help. Therefore, there is a tendency to send money to those countries, whereas one of the lessons from Iqbal's presentation was that they are the places with lots of opportunities. There are poor people that need things and poor people do not only need things, they are also inventive and try to find solutions to their needs. Another factor, which we have now realized, is the economic growth rate. In poor countries the level of economic development is going to be much higher than in countries that are already wealthy. So what we are seeing now is that a new generation is taking advantage of new technologies and offering them to poor countries, in order to take advantage of potentially high growth rates. This is the vision of how the world can work; taking advantage of new ideas and the energy of people in poor societies. It has been proven in Bangladesh, in Africa and many other places. So the lesson has been learned.

Fariz Ismailzade:

Dr. Quadir, you have mentioned that you have been managing a center which is now a teaching concept. Could you give us a couple of examples of your alumni who went back to the real world and have conducted successful projects in different developing countries?

Dr. Iqbal Quadir:

Our program has been running for about 6 or 7 years. We have had 200 students and,

by the way, they are regular MIT students who are pursuing a normal degree program at MIT but they associate themselves with us; we give them scholarships, training and various facilities that help them. There are examples of people leasing tractors in Tanzania; there are people who have created a chain of diabetic clinics for low income people, providing information and medicines for managing diabetics at a very low cost in Mexico. We have examples in India of big data research that can help retailers target customers. There is also an interesting cellphone based product that analyzes your behavior based on your call pattern, and takes action based on that analysis. So, if you suffer from depression, the phone can detect developments in your call pattern that suggest you might be depressed right now, and calls your doctor. There are many examples like this. Another student, an agricultural engineer, has designed a drone to fly over agricultural land and assess the fertilizer needs of the land, thereby saving a lot of money in terms of fertilizer to be applied. There are many ideas in play; we do not necessarily tell them what to pursue. Each student comes with his or her own idea and we help with the process of developing it.

Fariz Ismailzade:

So imagine a poor, rural community somewhere in India. A person has a very innovative idea, so he goes there and wants to do business. How would you avoid the stereotype that the local people would likely have, of the stranger coming to make money from them? Because I am

sure, the problem exists. How would you avoid this kind of miscommunication?

Dr. Iqbal Quadir:

Yes, it is a problem. As Mr. Gözel was saying, you did this to three people, and then more people wanted to come. That is the solution because people see a benefit in that, and they see that the benefit is much bigger than the cost that you charge them. Because they are combining their brainpower and their labor with the tool you are providing them, their investment is immediately rewarded. It spreads like a brush fire. What I want to say is that the difference between a charitable way of looking at people and this approach that we are talking about, is seeing the power, labor and brainpower of those other people, of the consumers. The interesting thing about the world is that everybody has a brain and they are democratically distributed. Nobody has two, nobody has zero, and everybody has one. That brainpower is not often utilized.

Fariz Ismailzade:

This is relatively a new concept in the international development sector. Do you find it difficult to convince stakeholders such as the UN, governments, major transnational corporations, donor agencies, foundations... do you find it difficult to change their way of thinking?

Dr. Iqbal Quadir:

Yes, there are some difficulties. But it is not difficult to show it to poor people. That part is easy, actually. They grab it as they want

to and see an improvement in their lives.

Fariz Ismailzade:

What kind of things do you do? Do you meet policy makers or something else?

Dr. Iqbal Quadir:

When I have a chance, I try to tell them, and I come to forums like this and share my experiences. There is a debate, you can Google it and find out. They were talking about potable water, drinking water and the title was “willing to pay, but unwilling to charge”. What I am trying to say is that people are willing to pay, you know why? Because I spend one rupee to get good quality water and I do not get sick and I can work and earn 100 rupees. I am making one very critical point: that so-called poor people are actually easy to convince. It's the rich people who are providing things who are harder to convince.

Fariz Ismailzade:

Urkhan muallim, you are the Rector of the Academy of Public Administration, and this is an academy that trains policy makers and public administrators. How much do you like this new concept? How much should we incorporate into our curriculums?

Urkhan Alakbarov:

It is already included in our curricula. Knowledge-based development, development of human potential, and sustainable development issues are part

of our national policy. I would like to provide an example. The absolute priority of the 21st century is sustainable development. Knowledge and training in this field is very important, and UN and UNESCO announced that 2004-2014 was the decade for education on sustainable human development. The director of UNESCO, Koïchiro Matsuura, signed the document in New York, March 1. In Azerbaijan this process started in 2000. Why am I talking about this? Because our academy is under the auspices of the president and we are directly working based on the government decisions. In Azerbaijan, this process started four years early. The sustainable development concept was included in the curricula of the general secondary schools in 2000. Not in institutes of higher education. In 2003 in Azerbaijan, the first textbook on sustainable human development was published for secondary schools. The UN has shared this as an example of innovative action.

Dr. Iqbal Quadir:

Can I make a point? I am just going to provoke you with a point. I very much appreciate the knowledge. I am from a university. We produce knowledge, and I myself came to the US from a poor country. Only through knowledge did I achieve what I did. On the other hand, we do not appreciate how the ignorance is helpful. Ignorance is very helpful. One man saw that Africans do not wear shoes and he thought there was no business there. Another man sees that Africans do not have shoes, and concludes it is a great business opportunity. That diversity of

perspective comes through different people watching different things and proposing different solutions. The struggle between different people is producing the knowledge. The struggle against each other shapes various perspectives and gives rise to new knowledge. Otherwise, we would not know what we know.

Ambassador John Maresca:

I would pick up on that too, because I think we are in whole new era now. And the reason we are in a new era is because all of the technologies have changed. What we have found is that younger people understand these technologies better than older people do. Therefore, what you find is that people are leaving Harvard to establish companies; that will affect the way the world approaches things more broadly. These ideas are coming from people who are not graduates of universities in many cases. So one has to ask oneself, what is the relevance of our system of education in an era when people who abandoned those systems of education - even the best ones like Harvard - are the ones who are innovating to meet new needs. This is the question before educators. In the educational world, there is a process of internal review going on, informal, formal, whatever you want. Because people have to question whether the old patterns of education are still sufficient for the new times. For example, I was rector of a University in Costa Rica, and I was always bothered by the long vacation times. The school was closed down in the beginning of June and we did not open again until halfway through September. And this complaint came from the students. They

would say, what are we going to do during this time? So I think a lot of things are being reviewed and the new technologies are such that someone comes in with an idea, sees the new technologies and changes the world. So in California they say “fail early and often”. The idea is not to go and study forever; it is to try things and if they do not work, so what? Try something else. So I think there is a whole new perspective out there in terms of innovation and the way it is with the new technologies which are available, and the way they can affect the world.

Fariz Ismailzade:

Yes, good point. Because some of the best inventions of today with Facebook, Microsoft and few others, they came really from college dropouts and people without formal education, but very strong critical faculties and analytical thinking abilities. Well, we are approaching the end of the discussion and I want to give the floor to our audience in case there are any questions or comments.

**Chandru Sirumal Rajwani,
President of the Caspian Shipyard
Company:**

I just would like to beg to differ on the point about the education in relation to college dropouts. Whether you need a college degree to proceed in life entails two different questions. Education is still important; you need to be educated, but more importantly, you need to know about people and how they react. I tend to agree with Professor Iqbal and Dr. Maresca to see, to do things differently. If you fall, pick

yourself up, try again, if you fall again, pick yourself up and again try and finally you will succeed because if you try and try again that is what life is about. The thing about looking at opportunities from the poor country's perspective - I agree with most of what panelists have said - that actually that is where the opportunity is. In 1965, we gained our independence from the British. Actually, until 1959, we were part of Malaysia, and then we broke away in 1965. Then we had nothing, and now Singapore has the second highest GDP after Qatar. Qatar has gas; Singapore has nothing. We have only people. And not many people, a few people. But what we saw is that everybody was poor in Singapore and there were plenty opportunities, to create, to innovate. Just like Azerbaijan, the government helped us a lot because they came out with the policies. There I agree with Professor Alakbarov that the government must do something, and let us not split the private and public roles. Because somebody has to start this. But if too much is provided then entrepreneurship will not flourish, and that results in a different kind of model. In Singapore's case, they started telling people to be innovative, to be creative and some of our creative guys came out and did great things, creative technology and all this (they were all also the college dropouts). But in order for them to get into the university they already had to be smart. Education is still important, that is my point.

[Professor Rahila Geybullayeva,](#)
[Lecturer Baku Slavic University:](#)

My question is maybe not directly connected to the topic of your presentation,

but as a person who is engaged in innovations, and as a person from MIT and the MIT area, do you have any suggestions for us on how to avoid traffic jams around universities? I have never seen any traffic around MIT or Harvard. Do you have any innovative or maybe old ideas on how to avoid this problem in Baku?

[Dr. Iqbal Quadir:](#)

Between Harvard and MIT we take the subways to avoid the traffic jams. The thing is that there is no easy solution to these things. This depends on the state providing adequate highways and things like that. At least in Bangladesh there are extremely bad traffic jams. In general, the private sector thinks that it is the state's responsibility to fix this type of problem. I would like to add, and this is not the serious part of the answer, but mobile phone and the cash transactions that we are providing over the mobile phones are allowing people to work while they are sitting in their cars.

[Fariz Ismailzade:](#)

So, you are utilizing this problem for a business idea.

[Dr. Iqbal Quadir:](#)

Yes, telephone companies are making money out of it because people are. But again remember they do not have to talk; they are making good use of their time when they are waiting in the traffic jam. I am not making fun of it. I am just saying, you can still be engaged with your community by phone. It indeed produces revenue for telephone companies. Honestly, the traffic

jam problem is a state problem; an individual entrepreneur cannot solve that problem. This is the problem that the state needs to solve. By the way, an important point is that an entrepreneurial solution is not a solution to all problems, defense, healthcare; many other things need to be taken care of by the state. However, the entrepreneur can provide things and provide economic means for the state to tax the entrepreneur, tax the citizens who are earning more through entrepreneurial growth, and that tax income contributes to other kinds of development, including providing highways. I think these are all tied together. But entrepreneurs cannot solve all problems; that's for sure.

Fariz Ismailzade:

Although - there are many applications, programs that are developed by entrepreneurs to tell people where traffic jams are, how to avoid traffic jams. You can have minute-by-minute updates on road locations and things like that, on nearby restaurants. The app developers are responding to the traffic jam problem very aggressively, and they are making million of dollars.

Dr. Iqbal Quadir:

It is my personal view that people get

confused about what comes first. I do not think that people are going to think, "Oh this will not work in this culture". I disagree with that. Although these are interactive things, we are all in some or other way part of society, so culture affects business, businesses affect culture. But what we need to see is that the technology, a tangible, economic, physical thing, impacts the culture, not the other way around.

The Internet has changed American culture, and cell phones have changed our culture, and how we behave. How can we change a culture? You cannot go around and change somebody's culture. But if you look at all the social media, communication devices, various highways... all these things have changed culture or even economic activities.

My view is an entrepreneur simply capitalizes on an existing social problem and tries to find a way to monetize that problem into a solution that can benefit the people and himself. When you have done that, people behave differently and cultures begin moving. So one thing to emphasize is that I do not think that a culture is a hindrance to entrepreneurship, but rather under the right circumstances, you might find that a solution triggers a change in culture.

SECURITY MATTERS IN THE MIDDLE EAST: PALESTINIAN PERSPECTIVES

RIAD AL-MALKI

Dr. Riad al-Malki served as Minister of Foreign Affairs, Minister of Information, and Official Spokesperson for Palestine from September 2007 to June 2009. He was reappointed as Minister of Foreign Affairs in May 2012. Dr. Riad al-Malki has been awarded the European Peace Prize in Copenhagen (2000), the Democracy Courage Award, South Africa (2004) and the Italian Peace Prize (Lombardi region; 2005).

SECURITY MATTERS IN THE MIDDLE EAST: PALESTINIAN PERSPECTIVES

LECTURE BY DR. RIAD AL-MALKI

Good afternoon to all of you,

It is my great pleasure to be in Baku for the third time in five years, and in this distinguished institution for the second time. I was here last year visiting the institution: touring the campus and sharing my admiration for what it represents and what it offers. I am truly privileged to have the opportunity to speak before you here today.

Believe me, it is not an easy task to talk about Palestine. It is a deeply complicated issue, but I would like to start by saying that when the occupation began in 1967, when Israel occupied West Bank, including Jerusalem and the Gaza district, I was twelve years old. I had my first encounter with Israelis as occupiers, as soldiers. Today I am 59 years old; I have finished school, university, taught at the university for 15 years, helped educate generations, got married, started a family, and had three kids - right now, one is 24 years old and has finished his Master's. I was a technical professor at the electro-mechanical nanotechnology university and other institutions -- and we are still where we were when I was 12 years old. We thought that occupation would pass by, an issue that would affect our lives for a couple of months, maybe a couple of years, not our whole lives, for generations to come. We thought

that the occupation was a military one, reflected in the hundreds of military checkpoints, roadblocks every two kilometers all across the occupied Palestinian territories. At each of these soldiers ask for your identity cards, questioning your reasons for travelling within your own country. "Where are you heading?" "What are you doing?" The inconvenience is one thing; the humiliation is another.

We thought that this would pass. Well, it has now lasted for more than 47 years, and it seems as if it will continue for many years to come. If we do not invest time and effort in trying to resolve the conflict, then it is not going to be resolved. It is not a matter of what I want; it is not a matter of characterizing the Israelis in one way or another. It is a matter of what the international community would like to see happening in Palestine as part of a wider conflict, not only between Israel and Palestine, but also between Israel and the Arab states and indeed the whole region. Therefore, we consider the resolution of the conflict to be a matter of great importance. Before 1993, many countries came to us and said: "Well, we do acknowledge that you as people under occupation have the right to use all kinds of measures to liberate yourself from the occupiers, including by armed struggle." This is even enshrined in

international law. "But why don't you try to go through a political process based on negotiations?" And they convinced the Palestinian leadership that if we engaged in this process - the process that became the Oslo process - then by 1999 we would get our freedom and independence, we would be rid of the occupation. By 1999, they said, Palestine will become an independent state. We bought into that argument and we worked hard, expecting that the international community would fulfill its promise, and that in 1999 they would deliver a Palestinian state of Palestine. Well, we worked very hard; we waited, we responded positively to all the requirements and expectations put forth by the international community. And as 1999 approached, they came to us and said, "We might need more time."

Okay, we left 1999 behind us, and here we are today, in 2014 - and we are still waiting for the international community to fulfill its promises to the Palestinian people, promises of freedom, liberty and an independent state. The problem is with the occupation, the ways in which Palestinians are treated as subhuman. The problem with the international response is the belief that the problem can be managed rather than resolved, and so they have turned to management rather than conflict resolution. The international community believes that providing us with financial aid to sustain our existence fulfills any ethical and legal obligations. Well, we are not okay. It does not matter how much money you contribute; it does not matter how nice or smiley you are - this is not going to

replace our need for freedom and for independence, and to have our independent state.

I look at my son, who was 18 years old when he finished high school, and ready to continue his education at a university. We lived in a city called Ramalla (Ramallah), which is currently the seat of government, only 10 kilometers from Jerusalem. Ramalla is an occupied city, like Jerusalem is an occupied city. My son is 18 years old and he has never had the opportunity to go to Jerusalem, only 10 kilometers from Ramalla. Why? Because Israel has proclaimed occupied east Jerusalem as an internal capital of the State of Israel, and has illegally annexed the occupied city to Israel. As a result, in order for us to go to Jerusalem we need a special Israeli military permit. Well, my son has never had the opportunity to go to Jerusalem to see the city, although the city opens its doors to millions of tourists from all around the world - just not to the Palestinians, the inhabitants of the city and the Palestinian occupied territory. This is a serious problem.

So, when we talk about my decision to enter politics and serve as Foreign Minister, it is because I felt obliged towards my son more than anybody else. When he left Palestine, he went to study in Dublin, in the Republic of Ireland, because he found that they had a very good engineering school. The first thing that he said when he called was, "You know what, father?" I said: "What?" "This is the first time in my life that I can walk freely; no one stops me; no one asks for my ID; I don't see roadblocks; I

don't see checkpoints; and I don't see soldiers anywhere." And he told me, "I have discovered what freedom and liberty mean." I was happy for him, but I was also saddened, because I felt in that particular moment that I have lost my son. My son is not going to come back to Palestine if Palestine is not going to deliver him the freedom, liberty and independence that he has discovered in Dublin.

So, it becomes my double obligation as a father, as a human being, to work hard to guarantee that one day my son will come back to Palestine, to the free and independent state of Palestine. This is a story of Palestine personalized in my life and in my son's life. It is really very difficult.

Today, in 2014, we have undergone several rounds of negotiations, because after 1999 when we were promised to be delivered the state of Palestine and we did not get it, they told us: "Well, just engage in this round of negotiations, and then you will get it." And since 1999 we have been engaged in so many rounds, and rounds, and rounds, and rounds of negotiations... with no result whatsoever. The last round, if you remember, was when President Barack Obama came to us in Palestine, visited us officially, and he said that he had appointed Secretary Kerry to engage with us in negotiations. And so, we started the process of negotiations, which, according to John Kerry should have lasted six to nine months. At the end of six to nine months, we should reach a peace agreement that would put

an end to the conflict, and create an independent Palestinian state within the 1967 borders, meaning the West Bank, Gaza and East Jerusalem, the capital of the state of Palestine.

"Okay?" - "Okay." "It is a promise. Need guarantees? Okay, we will give you guarantees."

Secretary Kerry delivered us a written guarantee promising this would be the outcome. I should remind you that since 1967, since the Israeli occupation began, Israel has been building settlements in the occupied Palestinian territories, moving and bringing their own settlers to live in the Palestinian occupied territories, in these settlements, and, of course, creating new realities on the ground in total violation of the Geneva Conventions. The Conventions state clearly that an occupying power cannot move its own citizens into the occupied territories. And they cannot use force to push the indigenous people out. The Geneva Conventions. Since then we have been trying very hard with Switzerland, as the depository of the Geneva Conventions, to hold conferences in order to review the obligations of Israel as an occupying power, and to force Israel to respect its obligations as an occupying power. We have also reminded Switzerland that all the countries that have signed the Geneva Conventions are individually obligated to monitor whether the Geneva Conventions are being respected and implemented in the occupied territory. It is not only that Israel has to respect the Conventions,

but also that the signatory countries have to oversee the implementation of the UN Security Council resolutions in the occupied territory. They have to act. Nothing like that has happened. Recently we sent them a letter demanding that they should restart consultations with different countries in order to organize the conference before the end of the year, to provide protection to the Palestinian people. They have reacted positively. They have assigned an ambassador to implement consultations, but we see huge difficulties in convening those conferences by the end of this year.

What we are asking for is respect for and application of the international conventions, nothing else. Maybe it is applicable to this or that country, and to NATO. But unfortunately, few countries will stand up for the international legal rights of Palestine, and as such they are abetting Israel in its continued violation of numerous international legal instruments. Well, this is our reality.

Since Oslo in 1993, and before that, the Madrid Conference [1991] 23 years ago, which I think all of you remember, we have engaged in all the different kinds of negotiations requested of us by the international community. [We have done this] in order to safeguard Palestinian interests, end the Israeli occupation and see the establishment of the independent Palestinian state as a part of a two-state solution.

We want the State of Palestine to be recognized within the 1967 borders, and

to live side-by-side with the state of Israel in peace and security. We believe in this, and we are willing to reach this historical compromise. Before 1947, Palestine was totally, exclusively Palestinian. Then the UN decided to divide Palestine into two states: one Israeli and one Palestinian Arab. Who gave them the right to do so? Well, this is really part of a wider historical narrative. Anyway, the state of Israel was established; the state of Palestine was not established yet. And so, what we are seeking is the implementation of the plan to establish the Palestinian state next to the state of Israel. If the international community, including the United States and EU, believe in the two-state solution option, then we cannot maintain this unbalanced negotiation process, where the occupier sits in a closed room negotiating with the occupied. This process lacks balance, because during all these rounds of negotiations, inside the room there is no witness, there is no third party, there is no one who can objectively report or is responsible for the failure of the negotiations. Israel is an occupier. If I want to go as part of a Palestinian delegation to this room to negotiate - [because] I am living under their occupation, I need a special permit to allow me to leave my territory, my country, to travel to a third country, to enter that room, and to engage in negotiations. And if they don't want me to be a part of that delegation they will never issue me a permit. So, that is why we said that this mechanism is not right, this mechanism is equal to failure, and still the international community is blind.

They said: "No, this is the only mechanism that we believe in." And every time they ask us to engage through the same mechanism, and every time we see the same failure, with no result whatsoever. From 1993 until 2014, we have failed. Why we have failed? First of all, there is no third party involvement. We need a third party to be involved, to play a role. Without third party involvement and participation there is no possibility for any progress, because if one party out of two does not want progress, there is no progress.

And Israel, you know, does not want any progress. The occupation is profitable to Israel. Economically it is profitable, because when Israel occupied our territories in 1967 they destroyed our economy. Our economy became totally dependent upon the Israeli economy. Today the Palestinian market is the second largest consumer after the EU. We are consuming 5 billion dollars of Israeli products annually. That means that the occupation is profitable. The occupation is militarily profitable, because Israel is the only country in the world that has not yet defined its own borders. And so, if they prolong the occupation one day more, they could annex more Palestinian territory, two days more - even better, a year more - much, much better, a generation more - even better. Nothing is left for the Palestinian state to establish its own borders on its own territory because Israel continues confiscating and annexing parts of the Palestinian territory every day. They claim that the territory is disputed and they have the

right to annex it, they have the right to build settlements, to move their own people inside the Palestinian territory, to create new facts and new realities. Who are we to defeat this mentality and this military power? And when Hamas sends rockets here and there, everybody is saying: "Oh, they are sending the rockets to disturb the livelihoods of the Israelis." I am not supporting Hamas; I am condemning that because this is stupid, this is really not feasible, and it is really a suicide mission.

But, you know, we expected the international community to be more understanding and to support the application and the implementation of international law, but that has not happened. Now, after so many years of trying, trying, trying, and not succeeding... Every time they tell us: "Go to a new round of negotiations", and we go, and nothing really happens because Israel wants negotiations for the sake of negotiations. And while we are negotiating, Israel keeps building settlements; it never stops building settlements. So, right now we have around 600,000 Israeli settlers living in the Palestinian occupied territories. This is very problematic.

So, when we said we need a third party presence, it is very important to correct the mistakes. If we want to learn from our mistakes, and to see why we have failed in the last 20 something years of negotiations, we should revise, review the process. I am not so blind as to say: "No, we have to keep repeating the same process, even if the process is a

failure.” So, third party involvement is important. Beyond third party involvement, we have to define a timetable. We cannot keep this process open-ended. That is best for Israel. We cannot afford an open-ended process, for Palestinian territories are being eaten up day by day. The two-state solution option is becoming impossible to implement, because with settlement construction Israel will impede the establishment of a contiguous, viable state of Palestine. A timetable is important.

That is why we say: “Let us take Timor-Leste as an example versus Kosovo as an example.” We approached Timor-Leste by defining a timetable for the independence. And look what happened. Timor-Leste¹ is today an independent state while in Kosovo we said, we need to reach certain achievements, build on these achievements - but these achievements will be achieved through what? The collaboration relies on two parties, and if one party is not interested, achievements cannot be reached. That is why we are stuck with Kosovo. A timetable is important. The endgame is important. We have to define the endgame, what we want to achieve by ending the occupation; the establishment of Palestinian state is in the two-state solution option.

What are the terms of reference? We have to define terms of reference. They are these: 1967 borders, Jerusalem - capital of the state, territorial exchange, swaps - these have to be identified. If we do not define these elements, the whole exercise

is fruitless. And this is exactly what Israel wants. To maintain the fruitless exercise, buying time, creating new facts on the ground, and making a two-state solution option an impossibility by the end of the process, if there is an end to the process.

That is why we decided after the last failure, when John Kerry could not deliver based on his promise, that we, the Palestinians, must change our own strategy. Very simple! We are not going to change the strategy per se, but want to change the way in which we want to act. Instead of being stuck at the starting point for the last 20 something years, and not being able to progress one centimeter, we want to jump to the end, to the conclusion, and to do reverse engineering. Why? Because the end goals are clearly identified. What is the end? Ending the occupation and the establishment of an independent Palestinian state as part of the two state solution option. Everybody agrees. How to do that? By defining a timetable. We have said this: “How long does Israel need to achieve this and to end the occupation, like Timor-Leste?” And through the discussions we have had with our brothers and friends, we said maybe November 2016. We have defined a timetable, November 2016 is a deadline for us, when we should achieve a peace agreement through a negotiated process. We are not replacing negotiations. At least if we pass that resolution in the Security Council - we want to present it as a resolution of the Security Council - if we get it passed, it means that we can go back to negotiate with Israel.

¹ *East Timor or Timor-Leste, officially the Democratic Republic of Timor-Leste, is a country in Maritime Southeast Asia.*

Regarding how we are going to implement it, we want to move gradually from now until November 2016. I wish Israel will by then complete its withdrawal from the Palestinian occupied territories, and the Palestinian state will become independent. This is exactly the approach that we want to have. And, of course, we started circulating this resolution. Everybody started telling us: "Well, we should take into consideration the midterm elections in the United States because if we present it before this, it might affect the outcome of the elections and this will anger the Americans to a certain degree."

Others will tell us: "Maybe if you present it today, you might not get the minimum nine votes in the Security Council. Even if you get the nine votes you might get a US veto, so why don't you wait until January 1st 2015, when there will be a change in the [non-permanent] Security Council members, five will leave, and five will get in. You will have a better chance, etc." So, different ideas were floating around. What is important to us, is getting a minimum of nine votes, and that is why we started speaking to all 15 members of the Security Council. Unfortunately, Azerbaijan is no longer a [non-permanent] member of the SC²; we could have gained the support of Azerbaijan in that context. But, you know, we are talking to all the 15 together, we hope we will be able to achieve nine votes, and when we will get that, we will start talking to the

Americans in order to avoid a US veto. An abstention is much better than a veto. At the end of the day, we are using that draft resolution language, the same language the Americans used in the guarantee letter they gave to us, in order for us to enter that last round of negotiations. We hope the US will not veto the same language they used in their letter when it is transformed into Security Council resolution. We will see. It will be an embarrassing moment for the US to do that. We are not trying to embarrass anyone. We are not trying to confront anyone. We believe that we are defending our rights, and we are seeking at least partial justice for the Palestinians and to the Palestinian cause. That is why we want to go in that direction. We hope we will succeed.

Moreover, part of my visit here, in Azerbaijan, in Baku, is aimed at explaining to the leadership this new strategy, and at getting their support for what we are intending to do.

As I have said, the moment that the resolution is passed, then we are ready to sit and to engage with Israel over a period of time, until November 2016, in order to agree all elements of the implementation of the resolution. Everybody agrees that resolving the conflict is overdue. It is the responsibility of the international community. We have sensed a wave of change sweeping Europe. We have seen the decision taken by the Swedish government to recognize the state of Palestine; we hope it will

2 Azerbaijan was a two-year non-permanent member of the United Nations Security Council during 2011-2013.

happen next month in November. We have seen a non-binding vote in the UK parliament, the British Parliament, when 274 members have voted in favor, 12 against asking their country to recognize Palestine as a state. We have heard French officials speaking about this issue. We have seen huge demonstrations taking place in EU capitals during the latest Israeli aggression against people in Gaza. The destruction was beyond any kind of imagination. 2,322 people were killed. The majority are children and women. More than 11,000 have been injured, the majority of whom are children and women, left with permanent disabilities. More than 15,000 houses were destroyed partially or totally. All the infrastructure has been destroyed: schools, mosques, churches, infrastructure, electricity, water and everything. Instead of responding positively, Israel, obliged as an occupying power under the Geneva Conventions to provide security and protection to the people under occupation, has done exactly the opposite. And that is why we feel that our request to Switzerland to organize that conference on providing protection to the people is necessary, and should reflect how irresponsibly Israel is behaving toward its obligations under the Geneva Conventions. We always believe that in order for stability to thrive in the region, the Palestinian issue has to be resolved. We also believe that resolving the Palestinian problem should come through negotiations, but the process of negotiations has failed us totally and miserably over the last 20-something

years. The United Nations is a multilateral system that was intended in the first place to serve cases like ours, but the international community fails us. We seek to live alongside the state of Israel, to coexist with the state of Israel as part of a two-state solution. There are so many challenges ahead of us, and these challenges cannot be undertaken unless justice prevails, unless we resolve the Palestinian problem. That is why we are ready as Palestine to engage to the fullest with the international community to see how such problems are really being addressed and resolved. In order for that to happen we need first to get justice, and to get our own independent state, at least in order to guarantee that my son can come back and live next to us.

DISCUSSION

Question from ADA student:

What do you think will be the impact of the current difficulties and realities in the Middle East? For instance, in relation to ISIS? ³ How will this impact your current expectations in solving this problem?

Dr. Riad al-Malki:

Thank you. Yes, we have very close mentality, but the question is, why we were that close? We didn't go the extra mile and achieve an agreement. But they do want it. I just want to remind you that when Yitzhak Shamir, Prime

* Where possible, the names of those submitting questions have been included.

3 The Islamic State of Iraq and the Levant (ISIL) also translated as the Islamic State of Iraq and Syria (ISIS), a terrorist group, siezed some territories of Iraq and Syria, and have plans to set up a so-called "Islamic State".

Minister of Israel, was presiding over the Israeli nation at the Madrid Conference [October 30-31, 1991], the microphone was open, and they caught him saying: "We will keep Palestinians negotiating for hundred years and never deliver anything to them." This was Shamir who had been negotiating and supposedly in good faith. We do remember also leadership, strong leadership. When James A. Baker, III, Secretary of State of US, was telling the Israelis: "You know my number, if you want, just call me back." And the Israelis then called him back and really participated in the conference. I believe we need strong leadership from the international community. Why we have failed despite being so close? Because the international community lacked strong leadership just to take that decision and to take that action. Now with the new threats in our region - we used to talk about Al-Qaeda as the main threat. Nobody talks about Al-Qaeda now; everybody talked about Al-Nusra⁴, and then Al-Nusra was no longer a threat. Right now everybody is talking about ISIS, or ISIL or DAIISH⁵. In seven months we might be talking about something else. ISIS, ISIL, or DAIISH⁵ represents a threat to all of us, not only in Syria, not only in Iraq, but also in the whole region, and it will spill over, because, you know what, ISIS - they are not Palestinians, they are not Syrians, they are not only Iraqis, they come from 100 countries, including Europeans, Americans, Australians, Canadians. And these people are beheading and

killing innocent people. They will be coming back to their home countries, when this phenomenon ends and a new phenomenon starts. If they are used to killing, to violence, what will these people do when they go back to their own countries, living among their own families, neighborhoods, and streets? That will be a dangerous situation. Yes, we have to solve the problem. Today it is imminent. From my point of view, this alliance was not really created or serious. I do not think attacking ISIL on the ground will eliminate it. I think we have to go deeper, understand why such phenomena are created, taking place; instead of attacking the outcome, we have to attack the source. If we kill this ISIS, who will guarantee that another phenomenon will not appear? When we look at what is happening in Iraq or Syria, our hearts are torn apart, because they are killing innocent people, destroying countries, ending lives. What is happening there is affecting everyone else here. It is important for us to be a part of a coalition, not a military one that intends to destroy, target and kill one or two, but a coalition that should look deeper into the roots, the problem, try to identify the roots, try to work to create better atmosphere in such countries.

Question from ADA student:

We have seen several Oslo Summits, and also the Oslo Accords during the last two decades in relation to negotiations between Israel and

⁴ *The al-Nusra Front or Jabhat al-Nusra is a branch of Al-Qaeda operating in Syria and Lebanon.*
⁵ *"DAIISH" is the Arabic shorthand for ISIS or ISIL, not commonly used in the English-language press.*

Palestine. What can we expect in the future - a new Oslo? Do you find Hamas⁶ a reliable partner for negotiations?

Dr. Riad al-Malki:

I recall when George J. Mitchell Jr (the Obama administration's former Special Envoy for Middle East Peace) came. He was brought in by the administration because of his success in resolving the Ireland conflict. After a few visits he came up with the roadmap; it was very clear. The first element of it was that Israel had to cease all settlement construction in the Palestinian occupied territory, including what is called "natural growth".⁷ The Israelis immediately said: "We have reservations about this element, plus other elements." As a result, nothing really happened. After a while, George Mitchell came to us and said: "The Israelis have failed me. I cannot take it anymore, I have to quit." He did quit. This is exactly what happened. John Kerry told us and he said it in Congress that the Israelis are responsible for his failure. Even Martin Indyk said more than once that the Israelis are responsible for that failure.

Anyway, we believe that the roadmap constitutes a very good reference for negotiations. The roadmap was an integral element of UN Security Council (SC) Resolution No. 1515 (2003) on The

situation in the Middle East, including the Palestinian question. Right now, every time that we make reference to any UNSC Resolution, we make reference to the Arab Peace Initiative, which is important. We make reference to the roadmap; we make reference to Territorial Peace; we make reference to many SC resolutions as preamble to any kind of Security Council resolutions that we talk about. So, yes, we are in favor of resuming where we have stopped with the roadmap, but also, we do not want to be nostalgic and to look backwards. Because, remember, the quartet was established, as you have said, and we have been trying for the last year. And one party within the quartet is refusing. We were promised that alongside the General Assembly meeting in September 2013, there would be a meeting of the quartet at the ministerial level. But it did not happen. We were told that the quartet will meet at the level of permanent representatives, but that did not happen. It is very clear that there is an interest among certain elements not to see any real progress, to keep things dormant for a while. They do not want to create too much expectation. On Hamas being an unreliable partner: at the end of the day, an unreliable partner or not, we have reached a certain understanding with Hamas that Palestinian President Mahmoud Abbas has demanded to negotiate with Israel on behalf of the

6 *Hamas is a Palestinian militant movement that also serves as one of the territories' two major political parties, with its rival party, Fatah, which dominates the Palestine Liberation Organization (PLO). The United States and the European Union consider Hamas a terrorist organization*

7 *The Palestinians claim that there is no difference between the creation of new settlements and expanding existing ones, and determine that Israel should cease all building in the settlements, even that intended for what Israeli officials describe as "natural growth." The Israelis' assertion is that Jewish construction is aimed merely at housing natural population growth.*

Palestinian people. And any agreement that he reaches with Israel through the process of negotiations will be presented to the Palestinian people in the form of a referendum. And if the Palestinian people approve that agreement through the referendum, then Hamas will respect this agreement. So, regardless how Hamas sees it, how it behaves, this is not the issue. The issue is that we have the mandate; the president has been elected by the people, and Hamas accepts that he negotiates on behalf of the Palestinian people. This, for us, is the most important element.

Dr. Anar Valiyev,
Assistant Professor, ADA University:

Mr. Ambassador, in relation to Palestinian politics, people talk about dispute resolutions, independence for the Palestinian state, internationally recognized borders. That is fine. But nobody talks about what will happen afterwards. One of the latest news stories is that the Palestinian administration will inherit, if they gain independence, Jewish settlements in the West Bank and Jewish quarters in east Jerusalem, the famous French Hill and other artificially created neighborhoods. Does the Palestinian administration have some kind of plan how to incorporate those Jewish settlers into the Palestinian state? On the other hand, the Palestinian president does not envision that Jewish settlers will ever live in the Palestinian state. What are the plans about these Jewish settlers?

Dr. Riad al-Malki:

Frankly speaking, it is not acceptable that

any illegal activity should find a legal solution. If the presence of the settlers is illegal, their presence in the Palestinian territory is illegal. And you cannot, in order to be practical, turn everything illegal into something legal because then you destroy the basic elements of your principal position and the principles of international law. That cannot happen. This should not be part of the peace agreement. We cannot accept this. We cannot accept that within the peace agreement. What we might undertake - only after the establishment of the independent Palestinian state, the sovereign right of the state of Palestine to open its borders and its territory to foreign nationals if they would like to come, to stay, to pass through or even reside. And then we may look at that on a case-by-case basis. If that is the case of an Israeli or an Azerbaijani, well we will be looking into that. But we cannot, as part of the agreement, legalize the presence of 600,000 Israeli settlers living inside Palestinian territory, in the Palestinian occupied territories. Israel is saying openly and clearly that they reject the right of return whereby, according to international law, the Palestinians who were expelled from their lands as a result of the creation of a separate Israel, have the right to come back to their country, to their lands and to claim their property.

Now we have millions of Palestinian refugees who are living outside, who are waiting for their right to return to their own houses, to their own lands, their own territory. If we are going to bring all these Palestinian refugees back into the state of Israel, we are going to destabilize the

demographic nature of the state of Israel. If we are talking about peace with Israel, then one has to consider what to do and to look at it seriously in the same way. Moreover there is no comparison between the Palestinians who were expelled from their lands and a settler who has been an occupier and occupied the Palestinian territory. If we are going to accept 600,000 settlers today, tomorrow it might be 700,000; this will destabilize the demographic nature of the state of Palestine. We cannot afford to accept that. Each national should live in his or her own territory because that country was created in the first place for that person. But as I said, we will be open when we have our own independent state within our sovereign rights. We will consider requests, individual requests, by any national from any country to live among us, to reside among us, to stay for a while or permanently among us, as long as he or she respects Palestinian laws.

Question from ADA student:

What is Palestine's stance on the deployment of international peacekeepers to Palestine as part of a peace agreement?

Dr. Riad al-Malki:

We have no problem with that. It could be US, EU, or any country whose foreign policy is not friendly towards us. It could be UN, the SC, the GA any other ad hoc group that is established for this particular purpose. We have no reservations whatsoever. On the presence of the third party - also, I

forgot to mention that in order to provide sufficient guarantees to the Israelis, because Israelis always talk about security concerns, we have said that we will agree that from now on the State of Palestine will be a totally demilitarized state, with only a police force with personal pistols, nothing else. But in order for that to happen, we need international guarantees that Israel will not be tempted to invade our territory every other day. So we need international guarantees. This is important. In order to prevent that from happening, we have said that we are ready to accept and to host international forces within the Palestinian territory to provide enough security or guarantees to the state of Israel that no activity against the state of Israel will be initiated from the Palestinian territory, and to provide us with the security guarantees we require. And we have said that in order to provide further guarantees to Israel, we accept that that force will be NATO, the best friend of Israel. And we have said that we agree to this, whether the force consists of 1000 soldiers or 50,000 soldiers. They can stay for a year or they can stay forever. This international force can be composed of Jewish soldiers, but not Israelis.

Ambassador Hafiz Pashayev:

Mr. Minister, be careful, 50,000 troops, it might be also be an occupation... (joke).

Dr. Riad al-Malki:

No, no, no... Their mandate is very clear.

The Ambassador of Indonesia in Azerbaijan:

I would like to express my country's support for the struggle of the state of Palestine. Now we live in a globalized world, a globalized society. That is important. So how we can connect the power of civil society to support the independent state of Palestinians? You did mention the case of Timor-Leste. But of course the case of Timor-Leste in a sense is a totally different situation. Is it expected that the state of Israel is ready to do the same as Indonesia did?

Dr. Riad al-Malki:

I only made reference to Timor-Leste in relation to the timetable issue. Nothing else. All leaders that I have met in Timor-Leste, in Jakarta, in Bali make it very clear that a good relationship exists, even after independence [of Timor-Leste from Indonesia]. God forbid, I cannot really compare the position of Indonesia to the position of Israel. Not at all. It is good that you have raised this. Just to clarify, absolutely not. I believe that you know that this is really the longest occupation ever. The Palestinian people have really suffered the most prolonged occupation. It is time for the Palestinians to enjoy, like your people, like people here in Azerbaijan, such freedom. What we are trying to achieve is exactly that. Now, we think that going to the SC might help us to take a shortcut. If we fail – and probably we will fail because of the position of the US Administration - then we might take the same resolution and go to the United Nations General Assembly and ask for a “united for peace” meeting. We can call for that meeting and raise this issue

there and get a resolution. And if this resolution is passed there, it will have the same authority as the SC resolution. We will say that instead of facilitating peace in the world, the SC is blocking peace. So we have a good argument to go back to the GA and to ask it for a “united for peace” meeting. This is really an important matter. But I also believe that there is a need for mobilization. Palestinians should feel that despite opposition from some countries to giving the Palestinians their rights - Israel, the US to a certain degree - we should feel that the international community supports us. When we met on December 12th, 2012 and we got 138 votes against 8 or 9; it is time for mobilization at all levels. Official and unofficial - grassroots, civil society, parliaments, political parties etc., in order to create bottom-up pressure on their own governments, which might be hesitating to take a decisive and strong position when this issue comes back either to the SC or the GA.

Leyla Abdurrahimova, ADA Student:

As of November, 2012 Palestine was eligible to join the ICC, and in the light of the July events, this implies that Palestine would seek to bring Israel in front of the criminal court for alleged war crimes relating to the expansion of settlements. So my question is whether it is likely that in the near future Palestine will join the ICC?

Dr. Riad al-Malki:

In a meeting with the Americans in New York, someone said that going to the ICC

is like using a nuclear bomb. You can use it once; you have to know how and when to use it. And this is important. I think some times waiving it is more effective than using it. We can use it once, it explodes, that's it. So, we have to be very well prepared. Now, the Arabs and the OIC have of course asked us to join ICC, so we can take Israel to the court for the crimes that they have committed - war crimes and crimes against humanity. We have to be very prepared. But if Israel closes all the doors and prevents us from achieving our objectives through the classical approach - the SC, GA, negotiations etc. - then they have to be prepared for that.

In relation to Hamas' willingness to put down its arms, there are different schools of thought in Palestine: one is, we represent President Mahmood Abbas of Palestine and I share that with them, that we should go with the peaceful resistance approach, but of course with a strong political and diplomatic approach internationally. For us this is important. We do believe that through negotiations we can achieve these objectives, and we still believe that the two-state solution is the right approach, and that should come through the negotiations. And we have been convincing our public for so many years to adopt this approach. What happened is that Israel has failed us, and the international community has failed us. When we failed, then our approach has also failed. We cannot show our people positive results. We cannot. For the last 23 years of being engaged in this process, we cannot show them progress. This really affects our credibility among our own people. On the other hand, look what Hamas has done: Hamas kidnapped one Israeli soldier and

was able to release this prisoner in exchange for 1000 Palestinian prisoners. And this really has created a huge reaction among the people. We have tried to refrain from applying to international organizations as members or signing treaties or conventions in exchange for the return of 1000 Palestinian prisoners who were prisoners before the Oslo agreement in 1993 - and they were supposed to be released, but never were. We said we will refrain from applying to these organizations and treaties, and 104, not 1000, but 104 prisoners were meant to be released. Israel has failed us in this. At the last minute on March 29, the group of 30 were not released. So what are they telling us? They are telling us that through the process of negotiations you cannot get anything, but through violence and through releasing our soldiers you can get whatever you want. This is the real message that every simple, ordinary citizen receives in the Palestinian occupied territories. How will Hamas put down their arms and ideology? The thing is that they are making progress. Who is really helping them in this? Israel. Israel is not interested in strengthening a moderate country in Palestine. They are strengthening the extremists in Palestine because they want to use the extremist groups in Palestine to sustain their occupation and the settlements. That is why for Israel, it constitutes added value to continue their occupation and their settlements while our policy exposes their anti-peace stance. That is why for them we are enemies, Hamas is an added value to their own policy. How could we really change, their - Hamas's - ideology? The moment when Israel withdraws its occupying forces, the moment Israel

ceases its settlement activities, the moment the international community stands next to us, supports, empowers and helps us to achieve. That will be the

moment that Hamas can be pushed to put down their arms. As long as they do not do that we have no leverage with Hamas.

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