

ABSTRACT

Since the disintegration of the Soviet Union, Baku has undergone a tremendous transformation. In this context, demographic trends for the last decade have been quite favorable toward the development of Baku, with a constant increase in population due to the high net-in migration from the rural areas of Azerbaijan. Consequently, it is not surprising that Baku exerts a disproportionately significant influence on the national economy. The city continues to be the leading recipient of investment, most of which is funneled into the construction industry. The post-Soviet transition toward a market economy has enabled Baku to make tremendous progress in urban development and to become one of the fastest growing cities in the region. This chapter looks at the development pattern of Baku, and its attempts to emulate Gulf cities. It will try to answer the question of whether Baku will be able to copy the pattern of the “Pearl of UAE” successfully, or if it will fail because of indigenous and exogenous factors.