

THE SOUTH CAUCASUS EMERGES FROM REGIONAL DIFFICULTIES. Published in The Morning Call, Allentown, PA, July 16, 1998, as "Nations Of The Caucasus Suffer Poverty, Chaos In Post-Soviet Era"

In the southeastern regions of what was once the Soviet Union, the republics of Armenia, Azerbaijan, and Georgia are new sovereign states. Between Iran on the south, Russia on the north, the Black Sea and Turkey on the west, and the Caspian Sea on the east, these nations have endured many traumas in the last decade.

Like other former Soviet republics, they have experienced considerable economic dislocation. This region has also, however, had some unique regional problems which have created considerable human suffering.

In December, 1988, Armenia suffered a major earthquake which killed 25,000 and displaced 530,000 people. There are estimates that as many as 1.3 million (one in three Armenians) emigrated in the last ten years.

In 1993 and 1994, Armenia and Azerbaijan fought over the Nagorno-Karabakh enclave, pushing 800,000 ethnic Azeris into Azerbaijan. While a ceasefire holds, the Armenian-Azeri border is closed, and the refugee problem is severe.

Since 1994, the political situation in Georgia has been tense, with two assassination attempts on President Shevardnadze. Georgia faces secessionist movements in Abkhazia and South Ossetia which produce floods of tens of thousands of refugees.

Across the region, various human development indices show life expectancies many years lower than in the U.S., and widespread poverty. In sum, the southern Caucasus region has been a nexus of human vulnerability and suffering.

A recent nine-day mission to the region showed some economic and social transitions. They are desperately needed. In Armenia, economic activity is at a very low level. The demise of the Soviet Union, while it removed an onerous political system, created economic chaos.

Statistics show deep and rapid drops in economic output and employment. Annual purchasing power per person is about \$235. Retail activity in the capital, Yerevan, is confined to small kiosks and shops. Construction projects are frozen as they were in 1991. The roads are horrid.

From 40 miles away, Mount Ararat -- the landing place of Noah's arc, and a symbol of Armenian nationalism -- is visible, like Rainier over Seattle. It is a reminder that the borders of the Armenian state are much smaller than the habitat of the Armenian nation. Over its history, Armenia has lost territory to Turkey, Iran, and Azerbaijan.

Our team is evaluating a program that the American Red Cross has been running to help the Red Cross national societies in Armenia and Georgia, and the Red Crescent in Azerbaijan. The Red Cross movement, as well as many other humanitarian organizations (Oxfam, the European Community Humanitarian Organization, World Food Programme, United Nations High Commission on Refugees), has a significant presence in the region.

During our visit, we saw a diversity of Red Cross operations. Across the region, we learned of housing camps for refugees, trauma hospitals for earthquake victims, visiting nurse programs for the elderly vulnerable, first aid training, anti-malarial vaccination programs, and more.

Our team includes two Americans and a Swede, a microcosm of the international nature of the movement. While in the region, we meet American, Finn, Russian, Yugoslav, and English Red Cross delegates. During our meetings, delegates talk among themselves about other delegates from other countries whom they last saw in Tirana, or Budapest, or Bonn, or Geneva, or Seville, or Washington.

Nor is the international response just humanitarian. We met many economic development types in various commercial and investment ventures. In a small plane from Yerevan to Tblisi, Georgia, all but

one passenger was an American on an economic development mission.

In Tblisi, they may find more fertile ground. A very European-looking city, Tblisi shows more retail diversity, more familiar brand names and billboards (in the airport: the Marlboro man, with product information in the attractive Georgian alphabet). But inside what used to be the main department store downtown are only small kiosks, more like a flea market. Some merchants tally up sales using an abacus.

From Tblisi to Baku, the capital of Azerbaijan, is a 450-mile drive. In Georgia, we see mostly subsistence farming, and many abandoned buildings and farms.

Outside Tblisi, a large city of identical ten-story apartment blocks can be seen. This is Rustavi, built entirely during the Soviet period. Every building looks the same, and there are at least one hundred of them. The manufacturing plant whose workers they housed stands idle at the side of the city. Many occupants are alone and elderly. With frequent power and water outages (which we experienced in Tblisi), they live in very difficult conditions. This underlines the importance of the visiting nurses program.

Azerbaijan is different in many ways. There is more agriculture, and it seems more for market than just subsistence. Baku has more rampant commercialism, along with beautiful seaside promenades, downtown plazas, and an active cafe society. European, Asian, and American brand names are very visible. There are supermarkets and ATM machines (though one I tried didn't work).

Increasingly, the Azeri economy is driven by oil, which attracts much international investment. But overall, its condition is uneven.

Here, too, are row on row of uniform apartment blocks. It is clearly a police state. In Baku harbor, an island holds the ruins of a Stalinist-era prison and death camp. Democracy seems less secure here. Baku stands on a peninsula in the Caspian sea which is apparently one of the most polluted places on earth, though idle industrial sites now add less pollution than before.

Overall, these economies and societies have a long way to go to reach western standards of health and economic welfare. However, the humanitarian and economic development efforts which have begun are likely to generate major benefits in time. I expect that in the future, Americans will know of the Caucasus more as market and travel destination, and less as global trouble spot.

Roland J. Kushner

Roland J. Kushner is assistant professor of economics and business at Lafayette College. In June, 1998, he visited Armenia, Georgia, and Azerbaijan on an evaluation mission for the American Red Cross. Additional information on the trip can be found at: www.rjkushner.com/caucasus.htm