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# CASPIAN STUDIES PROGRAM

Kennedy School of Government  
Harvard University



## NEWSLETTER

October 2002

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### CASPIAN LEADERS AT THE KENNEDY SCHOOL

This edition of the Caspian Studies newsletter profiles three of the six students from the Caspian region who are studying at the Kennedy School of Government in 2002-2003.



**Nurlan Kapparov** (email: [Nurlan\\_Kapparov@ksg.harvard.edu](mailto:Nurlan_Kapparov@ksg.harvard.edu))

Nurlan Kapparov is Kazakhstan's former vice-minister of energy and a former president of KazTransOil. He is currently an MPA student at the Kennedy School.

**Issues Kazakhstan Faces.** Coming from the oil and gas sector, I would say that the biggest challenges are behind us — Kazakhstan's crude production and exports are growing, the biggest multinational companies compete for licenses in the Caspian offshore, and the first export pipeline is now operational. However, these recent successes have also created our biggest challenges — my main concern is that the national economy is becoming too dependent on the energy sector, which is cyclical. For more, see **Nurlan Kapparov Profile** on page 2.



**Farid Shafiyev** (email: [Farid\\_Shafiyev@ksg.harvard.edu](mailto:Farid_Shafiyev@ksg.harvard.edu))

Farid Shafiyev is a second secretary for security affairs in Azerbaijan's Ministry of Foreign Affairs. He is currently an MPA student at the Kennedy School.

**Issues Azerbaijan Faces.** Issues like economic growth, democracy, and social welfare are urgent, but they are knotted with the Armenia-Azerbaijan conflict. Outside players — particularly Azerbaijan and Armenia's immediate neighbors — are playing a tremendous role in this conflict and will need to play a more positive role to untie this knot. In addition to Nagorno-Karabagh, I believe that Azerbaijan should move quickly toward economic and democratic reforms and increase its military capacity. For more, see **Farid Shafiyev Profile**, p. 2



**Murad Sofizade** (email: [Murad\\_Sofizade@ksg.harvard.edu](mailto:Murad_Sofizade@ksg.harvard.edu))

Murad Sofizade of Azerbaijan — who most recently worked as a brand manager for Procter & Gamble in Central and Eastern Europe — is currently pursuing a joint MBA/MPA degree at Harvard.

**Issues Azerbaijan Faces.** The conflict with Armenia over the Nagorno-Karabagh region remains by far the single most important issue for Azerbaijan for the foreseeable future. The status of the nearly 900,000 Azerbaijani refugees from Armenia and the Nagorno-Karabagh region of Azerbaijan is closely related to the resolution of the conflict, has hindered strong economic opportunities in Azerbaijan, and has disrupted the country's overall macroeconomic stability in the recent years. For more, see **Murad Sofizade Profile**, p. 3

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## NURLAN KAPPAROV PROFILE (continued from page 1)

**Issues Facing Kazakhstan.** *(continued)* It is a blessing to have rich mineral resources, but we need to manage our resources wisely and use them to develop other sectors of the economy to diversify beyond oil and gas.

**Issues Facing the Caspian Region.** I believe that security is the number one issue in the Caspian region. Without security, there will be no economic growth and hence no improvement in people's standard of living in the region. The Caspian has enough resources to make everyone happy, but there are a



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### **The Kennedy School of Government**

*Home to six students from the Caspian region during the 2002-2003 academic year.*

number of issues that have to be resolved in order to maintain security in the region. Kazakhstan, Russia, and Azerbaijan have already agreed on the terms for division. At the same time, Turkmenistan and Iran are arguing for a “fair” division of the Caspian — 20 percent for each country. There is no question that the stakes are very high in this game, but it would be sad to see our nations fighting over these resources.

### **Career Lessons and Post-Graduation Plans.**

After graduation, I intend to go back to Kazakhstan and I hope to be invited to work for the government once again.

In my opinion, my assignments at KazTransOil, KazakhOil, and the Ministry of Energy have helped me to grow as a leader and a “crisis manager.” At KazakhOil, my team of young managers streamlined revenues, cut costs, and executed a major corporate restructuring in the energy sector, but was also able to deliver exceptional value to the Kazakhstani government. This turnaround required a lot of energy and a vision for the future at a time when all of us had to live through financial stress, cultural differences with the former management, and political pressure to deliver results quickly. For me personally, it was a great lesson on how to lead people by example and hold them accountable for results.

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## FARID SHAFIYEV PROFILE (continued from page 1)

**Issues Facing the Caspian Region.** There are a number of issues on the Caspian agenda — natural resource development, drug trafficking, ethnic tension, social reforms, etc. We have recently received some positive signs in the sphere of economic cooperation in the region — for example, agreement on the delimitation of the Caspian seabed among Azerbaijan, Kazakhstan, and Russia provides some hope for the countries of the region.

**Post-Graduation Plans.** Actually, I am too superstitious to plan my life. But for the immediate future I intend to continue my diplomatic career in the Ministry of Foreign Affairs of Azerbaijan. In ten to fifteen years, I want to represent a genuinely independent country with all of its territories under control and a stable economy. With wise management, we will be able to reach stability and sustained growth.

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## MURAD SOFIZADE PROFILE (continued from page 1)

**Issues Facing Azerbaijan** (continued). From the economic perspective, the Azerbaijani government must work harder to encourage the development of the non-oil-related industries in Azerbaijan, especially those that produce complex manufacturing goods with the strong linkages to other local industries. Azerbaijan must not rely solely on the oil industry as the locomotive of its development. In order to achieve aggressive development goals, the management of the economy needs to be streamlined; a younger generation of experienced managers should be brought into various government agencies and ministries.

**Issues facing the Caspian Region.** The most important recent development on the Caspian geopolitical stage has been the change of power

in the Kremlin and the ongoing adjustment of Russian foreign policy in the region. Now that a more pragmatic government leads Russia, the accent of Russian policy has been changing to reflect the mostly politico-economic agenda of the new Russian administration. From that perspective, Azerbaijan — as the strongest economic partner and largest market for the Russian economy in the Caucasus — has a definite advantage.

**Plans after Graduation.** After graduation from the Kennedy School of Government and Harvard Business School, I would like to assume responsibility in either a public or private sector capacity for developing projects in my region — perhaps in the IMF, World Bank, or the Azerbaijani government.

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## CSP PROGRAM PUBLICATIONS

### **Shaffer Writes about Nagorno-Karabagh In *Wall Street Journal Europe***

In the July 26 edition of the *Wall Street Journal Europe*, **Brenda Shaffer** published “One Conflict that Can Be Solved.” In this op-ed article, Shaffer talked about the virtues of preventative diplomacy and argued that proactive diplomatic efforts by the United States, Europe, Armenia, and Azerbaijan could lead to a resolution of the lingering Nagorno-Karabagh conflict — still a major security concern in the Caspian region.



### **CSP Director in *Christian Science Monitor* on Kazakhstan-Uzbekistan Agreement**

In the October 11 edition of the *Christian Science Monitor*, **Brenda Shaffer** wrote on the recent border delineation agreement between Kazakhstan and Uzbekistan. According to Shaffer, the United States and Europe need to acknowledge important signs of progress in Central Asia, including the prevention of conflict over border issues.

### ***Borders and Brethren: New Book from CSP***

In October 2002, MIT Press published **Brenda Shaffer's** book *Borders and Brethren: Iran and the Challenge of Azerbaijani Identity*. Visit [mitpress.mit.edu](http://mitpress.mit.edu) or [amazon.com](http://amazon.com) for information.

### **Is There a Muslim Foreign Policy?**

The November 2002 edition of *Current History* will publish **Brenda Shaffer's** “Is There a Muslim Foreign Policy? The Role of Culture in Foreign Policy.”

## CSP SEMINARS AND OUTREACH



On May 29, **Kakhki Kenkadze** gave a talk at a Caspian Studies Program seminar on the political situation in Georgia leading up to the country's June 2 local elections. Kenkadze has served as a foreign policy adviser to Georgian President Eduard Shevardnadze and has also worked with the Organization for Security and Cooperation in Europe.

On June 13, the Caspian Studies Program and the Center for Strategic and International Studies (CSIS) held a forum on Capitol Hill about "Recent Developments in the Caspian Region: Pursuing U.S. Interests." This forum featured a panel that included **Brenda Shaffer**, **Dan Rosenblum**, deputy director of the Office of the Coordinator of U.S. Assistance for Europe and Eurasia, and **Zeyno Baran**, director of the Caucasus Project at CSIS.

On July 11, **Mehmet Ogutcu**, head of the Non-Members Group and Global Forum on International Investment for the Organization for Economic Cooperation and Development (OECD), spoke at a Caspian Studies Forum on "Turkey's Energy Policy and Eurasian Energy Geopolitics."

On September 18, the Caspian Studies Program hosted a seminar at the Kennedy School of Government on the topic of Chechen diaspora communities in the Middle East. This seminar featured **Wasfi Kailani**, an anthropologist at the University of Yarmouk who has studied Jordan's Chechen communities.

Policymakers continue to consult with **Brenda Shaffer** on Caspian issues. Some of her recent conferences and briefings include:

- A presentation at the "Security and Insecurity in Central Asia and the Caucasus: A Regional Challenge with Global Implications" conference at the Yale Center for the Study of Globalization. This conference took place from September 19-21 and was hosted by **Strobe Talbott**. Participants included Azerbaijani Foreign Minister **Vilayat Quliyev** and Armenian Foreign Minister **Vardan Oskanian**. Azerbaijan's President **Heidar Aliyev** and Kyrgyzstan's President **Askar Akayev** participated via videophone.
- A presentation on "Strategic Interests in the Caspian Region" to a **Russian Duma delegation** that was attending a National Security Programs seminar series at the Kennedy School in September.
- A September 10 briefing with Senator **Conrad Burns** (R-MT) on energy security issues and Caspian energy developments.
- A June 13 meeting with Ambassador **Rudolf Perina**, the U.S. State Department special negotiator for Nagorno-Karabagh.

**The Caspian Studies Program** seeks to locate the Caspian region on the maps of the American policymaking community as an area in which the United States has important national interests and where U.S. policy can make major differences. Through its research and teaching, the program helps raise the profile of the region's opportunities and problems and utilizes Harvard resources to train new leaders who will shape the future of the region.

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