Building Boom THE NEW BAKU

A Disaster in the Making



by Thomas Goltz

hey're destroying my city—our city. Not New Orleans. That was August. Hurricane Katrina was a predictable natural phenomenon assisted by human neglect. No, I'm talking about the looming catastrophe facing Baku, which one might best describe as the phenomenon of criminal human neglect assisted by predictable nature.

"The Baku which was built by the First Oil Boom is being destroyed by the Second Oil Boom", said my friend Fuad Akhundov, when comparing the phenomenon that that took place in Azerbaijan's capital between 1885 and 1920, with the one that we are facing today which began in the mid-1990s. Fuad is that well-known, extraordinary guide to the side streets and secrets of the cosmopolitan city of Nobels, Rothschilds, Taghiyevs and other Oil Barons of 100 years ago. "It's breaking my heart," he complained.

Fuad was speaking about the 500-odd towering travesties currently under construction in greater Baku, many of them being built upon the rubble of century-old houses in the area of town, familiarly known as the Oil Baron Quarter. This quintessentially "Baku" part of Baku is a vast, unmarked historic district, as distinct as the Inner City [Ichari Shahar], but enjoying none of the protection of the old town inside the walls.

And it is now under massive assault by short-sighted, greedy members of the new-moneyed elite of post-Soviet Azerbaijan, who have become so detached from the society at large as to be oblivious of the fact that they are engaged in the willful destruction of the city of Baku by burying it under tons of hideous concrete.

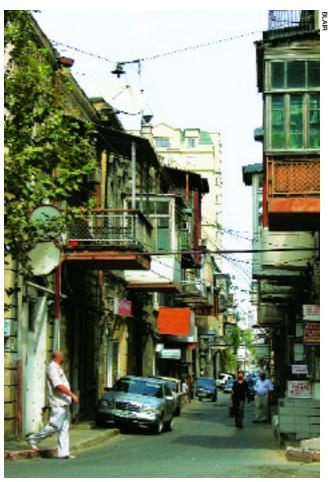
"Nothing short of a command from the highest level of government for an immediate stop of all construction, followed by a rigorous inspection by international experts in urban planning with a legal mandate to tear down offenders of construction codes and substandard materials can save the city now," said another old friend and lover of Baku, Deputy Foreign Minister Araz Azimov. And then he admitted: "My fear is that it is just too late because no one wants to admit what is happening."

The architects who built the czarist-period city used the natural "amphitheater" setting of Baku bay to address specific urban needs, such as a natural "air-conditioning" system. Wide avenues funneled the breezes from the sea to the heights above, ensuring air circulation and cooling of the city even during the hottest summer days.

Baku's forefathers also insisted on certain aesthetic standards. Now, some might quibble about the often-ostentatious architectural style of some individual buildings designed by the likes of the first Oil Boom millionaires. But collectively, they represent an absolutely delightful combination of neo-Gothic, late Renaissance, Moorish and "My-wife-justwants-that-because-she-saw-it-on-our-grand-tour-to-Europe-circa-1899" structures. But that's what makes Baku—well, Baku.

ISLAM SAFARLI STREET

One such street is Islam Safarli, previously known as Voronsovskaya during the Czarist era, having been named after a count and governor of 19th century Caucasus. Running north from Fountain Square to Fuzuli Square, the street is lined with trees and mostly two- and three-story buildings of limestone that delight the eye with architectural detail. There



In Baku, sidewalks are nearly a thing of the past because cars use them for parking.

are playful gargoyles supporting balconies, gratuitous onion domes decorating roofs, and foreboding lions and graceful gazelles carved into the stone facades.

True, Islam Safarli could use a bit of sprucing up. The stone gargoyles propping up the balconies that extend out over the street could be sandblasted to remove 90 years of accumulated smoke and crud. The (often ridiculously) elaborate ceiling moldings inside the stairwells could use a bit of plaster and paint, and the stained-glass windows might benefit simply from the liberal application of soap and water. But, all in all, Islam Safarli is a pretty little street, lined with pretty 100-year old houses that are part of a pretty little neighborhood with a history told in stone and glass. It's also a street that is rapidly becoming victim to the wrecking ball and sledgehammer.

One of the handsome, old buildings on Islam Safarli Street targeted for destruction happens to be where some of my friends live in a second-story apartment with soaring, high ceilings, lattice windows and a completely renovated kitchen and bath. They have a study, three bedrooms and a living room, with windows overlooking the Malikov Mansion across the



street. Additional light comes in from a bank of windows overlooking the central courtyard shared by the three other traditional buildings on the block.

It's a very pleasant, airy apartment, and cost my friends a substantial amount when they bought it three years ago. I mention the price because I want to stress that it is not some dump or romantic tenement. Nor are my friends without resources. He is an expatriate employed in the oil sector; and she, a local lass, who has two businesses of her own. And yet they are so worried about what might happen to them if I used their real names that they have insisted on anonymity. To say they are afraid would be an exaggeration; but not to mention their concern would be to skirt the element of nastiness that pervades the current building boom. So let's just call them "Hans" and "Seva".

"The only thing we've been able to find out about our enemy is its name—Park Company," Hans explained as we sat in his pleasant, designer kitchen on a recent autumn Sunday. Outside, the drone of a cement truck meant that more liquid rock was being pumped into the frames of the monstrosity that are literally enveloping their home. "When they started the demolition of the building next door to clear way for their foundation, we went to the municipality to find out what was going on."

What was happening was the piece-meal purchase, apartment by apartment, of all the residences in the quadrant of which Hans' and Seva's apartment made up a quarter. Once Park Company owned an entire structure; the 100-year old buildings were pulled down. Thus began a summer of dust, noise, despair and outrage as the mysterious Park Company began building a 14-story high-rise monstrosity, with each additional floor encroaching further and further into the "air space" represented by the courtyard shared by all. If this wasn't bad enough, the very proximity of the construction zone outside his kitchen window enabled Hans to study the incredibly shoddy building methods employed by the workers of Park Company.

CRACKS IN THE CONCRETE

"I work with cement; it's my job," spat an exasperated Hans. "And without conducting a thorough, chemical testing of the concrete, I don't very, very low. But what is truly insane is that they have been pouring it in the middle of one of the hottest summers in Azerbaijani history—40 degrees! [more than 100 degrees Fahrenheit]—and without even bothering to splash on water during the drying process before slapping up the next level. That's a guaranteed recipe for disaster." Within weeks, cracks began to appear in the foundation of the new building—and Hans and Seva decided to sue Park Company through their insurance company for flagrant building code violations. But as concrete floor after concrete floor rose above their kitchen window, my friends were unable to find out any information about the construction company other than vague and veiled references to its owners being "very well connected" and not the type of folks to fool around with.

"Everyone is afraid," Seva told me. "They're either afraid of the consequences of talking, or afraid of not being able to sell their apartments to the developers if there is a stink. I'm not sure which is worse."

Finally, Seva called in the local media to make a stand—only to be informed that the television station was not interested in investigating the story as long as Park Company was part of the picture.

"The only thing we can hope for at this point is to make a windfall profit by being the last legal residents in the quadrant, and forcing them to buy us out at a maximum price," said Hans. "That might sound good to some people, but the fact of the matter is that we are being forced out of our home."

That was mid-August.

By mid-September, Seva had finally discovered who was the money behind Park Company: suffice it to say that it is one of the "untouchables"—an individual of wealth and influence. Here is a recent email from Seva expressing her despair:

NO RECOURSE

"Thomas, it's getting worse and worse. Some months ago, I made my claim at the (ABC) District Court. They were supposed to answer me within two weeks (according to law), but the judge sat on it for one month and made the decision to send it to another court—this time in the (XYZ) district. But the judge there is afraid of the case and doesn't want to take it.

"Then today Park Company wrote a letter to the court refusing to have the case heard in the (XYZ) District because the apartment building is really in the (ABC) District.

"But you see, they're doing this deliberately to stall for time so that they can finish construction prior to

Top: Ornate monogram "M" atop the elegant Malikov residence on Islam Safarli Street. This building, like most original residences on this street, dates back to Baku's Oil Baron period (about 1880-1920). Today many such elegant buildings are being demolished and replaced with 15-25 story towers.

Right: Many of Baku's streets in the center of town are so narrow that only two cars can pass. And yet towers are being built with no facilities for parking.



Building Boom



Above: The new skyline in downtown Baku: more than 500 towers have been constructed since 2000. Right: Many of Baku's old buildings of two and three stories which date from the Oil Baron period (1880-1920) are being replaced with poorly designed towers of strange eclectic architectural styles.

elections [Parliament elections on November 6, 2005]. They're building like crazy now; sometimes they complete an entire floor in a single day. We can't sleep at nights because of the noise. Now the Appellate Court has to decide whether the case will be handled in the (ABC) district or the (XYZ) district. That decision could take up to another two months.

"I want to hold a press conference with my lawyer and, if possible, get my insurance company involved, too. If you would be here, you could help me. You're a professional. I don't know what to do, I'm completely lost.

"So, Thomas, this government does everything to make people go against them. If someone is their friend, he doesn't have to pay attention to the law or the Constitution, he can do whatever he wants. He is king."

Hans and Seva's dilemma is not unique. Up and down Islam Safarli and most other byways in the historical Oil Baron town, Park Company and its ilk are buying up family homes for flash cash, destroying the neighborhoods, and gutting the one- and two-story buildings they acquire without reference to anything remotely resembling a growth policy plan.

Cement trucks clog the narrow streets as they fill in shallow foundations for new sky scrappers—morning, noon and night. The happy workers are paid between \$10 and \$20 per day, depending on their tasks, and without access to any sort of safety equipment. All of those interviewed in the course of this investigation declined to give their full names, lest they be fired. But all of them agreed: none would ever have enough money to live in the monstrous structures. Which brings up the obvious question: for whom are these new buildings being built? One price quoted is that a square meter now costs \$3,000, which translates to something on the order of a million dollars for a flat the size that my friends Hans and Seva currently live in. Who, aside from the elite few, has that sort of money or access to a mortgage?

And as for monthly rental fees, I was quoted a cool \$1,300 for a onebedroom apartment on the fourth floor in a soulless, 20-floor structure slapped up on Fuzuli Street. Which young professional Azerbaijani can afford such a monthly fee? As for the foreign market, the corporate types are already ensconced in gated communities, and the idea that the apartments can be sold as an "investment" can be dismissed as ridiculous. With so many "brand new" units going up, who in their right mind would even think of buying a second-rate apartment that is already falling apart, even if they had the money?

More likely, confidential sources in law enforcement tell me, many of the new structures are being built less for the lure of profit than as a means of "laundering" black money acquired through corrupt business practices, easy oil and possibly even narco-trafficking.

The most damning—indeed, the most criminal—aspect of the new building boom, however, is the fact that many of the structures thrown up, night and day, are being built of substandard concrete, thanks to the admixture of seashore sand that contains corrosive salts. Whole beaches along the Absheron Peninsula have now become quarries exploited by contractors more interested in quick profits than the long-term structural integrity of the buildings (or the people living inside them).

And as for reinforcement rods, a best-left nameless friend of mine



informed me that the contractors only use high-stress steel produced in Ukraine for the first six or eight stories, and then switch to cheaper, locally produced steel for the upper stories. I shudder to think what the next minor earthquake will do—no pun intended.

INADEQUATE INFRASTRUCTURE

And even if the new buildings do not fall down like a house of cards, life within the new towers will not be very pretty. How will the power grid handle thousands of juice-sucking air-conditioners and elevators? Even now the city's water pumps are on their last legs. And whether there will be sufficient water for dishwashers, washing machines and showers is an unanswered question. And what about the impact on the sewage system when 10,000 new toilets all flush at once?

Meanwhile, out on the streets, heat and smog will increase exponentially. The sheer number of new apartments will triple or quadruple the number of residents, and will thus invite double or triple the number of cars to squeeze into the narrow streets that were designed for pedestrians or horse-drawn carriages. The streets are already clogged, due to the surge in automobile ownership over the past few years. Sidewalks are already almost a thing of the past.

So where does it all lead? And where and when does it all end?

In a recent Open Letter to First Lady Mehriban Aliyeva, in essence, pleading for her intervention, Azerbaijani journalist Sultan Sultanoghlu took issue by liberally (and quite appropriately) quoting Karl Marx: "Capital is happy with a 20-percent return, delighted with a 50-percent return, ecstatic with a 100-percent return, delirious with a 200-percent return. And with a 300-percent return, Capital becomes insane. And the return rate in the building boom in Baku is 300 percent.' Something must be done before it is too late."

According to a good friend of mine who has friends investing in the construction craze, the numbers quoted above are not even true. "In two years, my friends hope to make a \$50 million profit on a \$3 million investment," my source wrote. "It's a chance of a lifetime!"

But at what cost!

Stop!

Thomas Goltz, who lives in Montana, is the author of "Azerbaijan Diary" (M.E. Sharpe 1998/99) and "Chechnya Diary: A War Correspondent's Story of Surviving the War in Chechnya" (St Martin's Press, 2003). A new book about Georgia is scheduled for 2006 (M.E. Sharpe). This will be Goltz' third book related to Post-Soviet ethnic conflicts in the Caucasus.

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