

Iran is seeking to extend its influence in the region, but is relying more on business and cultural ties than on militant Shia Islam in this traditionally Sunni area.

The Transcaucasus remain a region in crisis. Low-level fighting continues to take place in Nagorno-Karabakh and along the Azerbaijani-Armenian border. The Conference on Security and Cooperation in Europe has organized a peace conference

in Minsk to discuss ways of resolving the conflict. Canada was instrumental in launching this process.

The government of Azerbaijan is undergoing major changes as it seeks to complete the democratization process. Georgia, under the interim leadership of former Soviet foreign minister Eduard Shevardnadze, is moving toward new elections scheduled for October.