

Nations in Transit 2007
Azerbaijan

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	5.50	5.75	5.75	5.75	6.00	6.25	6.50	6.50
Civil Society	4.75	4.50	4.50	4.25	4.50	4.75	5.00	5.25
Independent Media	5.50	5.75	5.50	5.50	5.75	6.00	6.00	6.25
Governance	6.25	6.25	6.00	5.75	5.75	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	6.00	6.00	6.00
Judicial Framework and Independence	5.50	5.25	5.25	5.25	5.50	5.75	5.75	5.75
Corruption	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.25
Democracy Score	5.58	5.63	5.54	5.46	5.63	5.86	5.93	6.00

EXECUTIVE SUMMARY

Azerbaijan had a brief period of independence between 1918 and 1920, and eventually regained independence when the Soviet Union collapsed in 1991. The transition was particularly complicated by the massacre of several hundred civilians by Russian forces on January 20, 1990, as well as a war with Armenia and separatist Armenians over the Nagorno-Karabakh enclave, which began as a low-level conflict between 1988 and 1990 and resulted in massive social problems and more than one million internally displaced persons. The sides signed a cease-fire agreement in May 1994 under President Heydər Əliyev, a former member of the Politburo and First Vice-chairman of the Soviet Cabinet of Ministers in Moscow.

The rule of Əliyev, who had spent three isolated years in Naxçıvan prior to his regaining power, was preceded by the presidencies of Ayaz Mutallibov in 1991-1992 and Əbülfəz Elçibəy in 1992-1993. Elçibəy was the country's first democratically elected president and was ousted by a national referendum in August 1993 following a military intervention.

The country achieved a period of relative political and economic stability under Əliyev, who continued to strengthen his hold on the country through an enormous concentration of power in the presidency. During his 10-year term in office, Əliyev pursued a balanced foreign policy aimed at maintaining close ties with the United States, Russia, Iran, and Turkey and struck oil and gas deals with Western energy companies. A secular state with a population composed primarily of Shiite Muslims, Azerbaijan has been a member of the Council of Europe since 2001.

The presidency changed hands in October 2003. Former prime minister İlham Əliyev, son of Heydər Əliyev, assumed the presidency following controversial elections that his ailing father could not participate in and that were deemed not free and fair by the Organization for Security and Cooperation in Europe (OSCE). The president has so far maintained political and economic stability in the country and has pursued a successful foreign policy, enhancing ties with the United States and the European Union (EU); its neighbors, Russia, Iran, and Turkey; and other former Soviet republics. Nonetheless, the Əliyev administration has yet to push forward a genuine democratization program, hopes for which were weakened by the irregularities observed in the November 2005 parliamentary elections. The country's economic growth prospects remain favorable, although income disparity and the diversification away from the oil and gas sectors of the economy continue to be challenges for the authorities. Meanwhile, chances remain low for a Nagorno-Karabakh agreement with Armenia.

National Democratic Governance. President Əliyev continued to enjoy significant authority in Azerbaijan's governmental system in 2006 and was able to sustain political and economic stability thanks to a high level of economic growth. There was little change in the Council of Ministers in 2006, while the National Assembly, Azerbaijan's legislative branch, maintained a low profile. Opposition participation in parliamentary proceedings has been low, owing to a limited number of active opposition deputies and a continued boycott of the Parliament by others. *Owing to no significant changes in the balance of power between the president and the legislature in 2006, Azerbaijan's rating for national democratic governance remains at 6.00.*

Electoral Process. The reruns of the November 2005 legislative and December 2004 municipal elections, held in May and October 2006, respectively, registered a number of technical improvements that were noted by international observers. The dual elections also witnessed irregularities, although their impact was difficult to assess owing to a boycott by a number of opposition parties. Continued intimidation of the political opposition and irregularities in vote tabulation favored ruling party candidates. *Technical improvements in the campaigning period were offset by continued pressure on the national opposition, leaving Azerbaijan's rating for electoral process unchanged at 6.50.*

Civil Society. Little progress was made in 2006 in Azerbaijan's civil society sector, with nongovernmental organizations (NGOs) still facing registration, tax, and funding problems. While the Justice Ministry registered an increased number of NGOs, cases of state pressure on NGOs also increased, particularly among youth groups affiliated with the opposition. *Owing to the expulsion of student activists, police detainment, and warnings issued to civil society leaders and youth organizers, Azerbaijan's rating for civil society worsens slightly from 5.00 to 5.25.*

Independent Media. The media continued to operate under governmental and legal pressure, despite a number of positive steps such as the annulment of newspaper debts to the state-owned printing house and the president's pardon of two editors who received one-year sentences for libel. The investigation regarding the tragic March 2005 murder of opposition journalist Elmar Hüseynov proceeded, but its apparent link to a parallel trial

against former Interior Ministry officials raised questions. *Owing to the government's closure of ANS TV and ANS CM radio, continued mistreatment of opposition journalists, and legal and other pressure on independent media, and despite the presidential pardon of newspaper debts and the sentences of two opposition journalists, Azerbaijan's rating for independent media worsens from 6.00 to 6.25.*

Local Democratic Governance. Local governance in Azerbaijan is not democratic, as the government continues its practice of directly appointing local administrators. The government continued to dominate local governance in 2006 as President Əliyev made a significant number of replacements to the heads of local executive committees, and the ruling party won an overwhelming majority of municipal council seats in the local election reruns on October 6, which showed technical improvements according to international observers. *Reflecting the ruling party's continued authority in local governance despite some improvements to the local election processes, Azerbaijan's rating for local democratic governance remains at 6.00.*

Judicial Framework and Independence. The government maintained substantial authority over the judiciary in 2006, particularly as the trials of Fərhad Əliyev and former health minister Əli İnsanov for an alleged plot to overthrow the constitutional order remained unconcluded more than a year after the arrest of the former government ministers. The investigation of the 2005 murder of Elmar Hüseynov continued to make headlines during 2006, although it was not completed by the end of the year, and its links to the Fərhad Əliyev trial raised some questions. *Owing to the judiciary's continued enforcement of trial processes that violate political rights and civil liberties, Azerbaijan's rating for judicial framework and independence remains 5.75.*

Corruption. Corruption continued to be a problematic issue for Azerbaijan in 2006, as the auditing capacity of the legislative branch remained weak and government investigations of former officials and civil servants appeared to be politically driven. The country registered some improvement in combating corruption at the local level with a number of policemen expelled on the grounds of corruption and the conclusion of the trial of a former high-level presidential administration official. The country demonstrated some improvement in Transparency International's Corruption Perceptions Index as the government continued to enforce the Extractive Industries Transparency Initiative. *Though more time is needed to assess whether the aforementioned improvements represent a long-term trend that is sustainable independent of political infighting and international pressure, the government continues to enjoy strong influence in anticorruption commissions. Therefore Azerbaijan's rating for corruption remains 6.25.*

Outlook for 2007. President İlham Əliyev is expected to maintain his position thanks to Azerbaijan's impressive level of economic growth from substantial oil revenues, which will increase even further as the Baku-Tbilisi-Ceyhan pipeline steps up oil exports and a sister pipeline begins operations carrying natural gas from the Shah Deniz field in the Caspian Sea through Georgia to the Turkish town of Erzurum. Rising inflation and the overwhelming share of oil exports in the national economy will continue to pose challenges to the authorities. The government seems unlikely to push forward a genuine

democratization program in 2007, while infighting between and within opposition parties should continue to weaken them. There appears to be little chance of progressing toward a resolution of the Nagorno-Karabakh conflict in 2007, as Armenia faces parliamentary elections in which the Karabakh issue is expected to feature prominently, although the possibility of a military standoff between Azerbaijan and Armenia is also remote.

Author

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