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Presidential Elections and the Democratization Process in Azerbaijan¹

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Summary

As was largely expected, incumbent Ilham Aliyev has overwhelmingly won the presidential elections of October 15, 2008 in Azerbaijan in the first round of voting and thereby secured office for a second five-year term. According to official results, Aliyev received almost 89% of the votes while his six challengers did not receive more than 2% of the votes each. This election campaign has been the least competitive in Azerbaijan since 1993. The government effectively limited the visibility of the election campaigns by reducing the volume of accessible campaign materials on TV and on the streets. Voters were unable to witness any real debates between the candidates nor listen to important campaign issues. Despite the relative stability over recent years, the already limited powers of political institutions such as parliament, the judiciary, and political parties have been increasingly eroded, while President Aliyev has focused on strengthening the presidency. The potential to undermine Azerbaijan's political stability derives from five key sources: i) the growing tensions between official Baku and the West on democracy and human rights issues; ii) high inflation; iii) the developments over the nuclear programme of neighbouring Iran; iv) rivalry among the ruling elite; and v) growing tension in Russia's competition with the West over the South Caucasus after the recent conflict in Georgia. These threats exist in and of themselves as destabilizing factors as well as on the backdrop of a potentially renewed war over Nagorno-Karabakh.

¹ The views expressed in this paper do not necessarily represent the views of FES

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The 2008 Presidential Elections

As was largely expected, incumbent Ilham Aliyev has overwhelmingly won the presidential election of October 15, 2008 in Azerbaijan in the first round of voting and thereby secured office for a second five-year term. According to official results, Aliyev received almost 89% of the votes while his six challengers did not receive more than 2% of the votes each.

This election campaign has been the least competitive in Azerbaijan since 1993. The overall campaign atmosphere was sombre, without any ground breaking developments. Before the election campaign the government effectively limited the visibility of the election campaigns by reducing the volume of accessible campaign materials on TV and on the streets. Voters were unable to witness any real debates between the candidates nor listen to important campaign issues.

The major opposition parties decided to boycott the presidential elections in August, however a serious lack of resources, an apathetic population as well as suppression by the government did not allow them to organize any visible protests. The boycotting opposition parties were denied the right to hold a protest in the centre of Baku, after which the parties indefinitely postponed the protest. A report published by the OSCE and a Council of Europe joint monitoring mission has expressed mild criticism for the unequal conditions in the election campaigns of the incumbent and his challengers.

These elections have not changed the political landscape in Azerbaijan and serious changes are not expected in the short or mid-term.

The Political System of Azerbaijan

The current president, Ilham Aliyev, is the son of the previous president, Heydar Aliyev, and has been in power since October 2003, when he

gained a sweeping majority in a flawed election.

According to the 1995 constitution, the president is the head of state and commander-in-chief of the armed forces.

The constitution also establishes the principle of the separation of powers, but in practice all powers, including the judiciary and parliament, are subordinate to the president. The president appoints the cabinet of ministers, which is answerable to him, although it still presents an annual performance report to the parliament. In coordination with parliament, the president appoints the prime minister.

Despite the relative stability over recent years, the already limited powers of political institutions such as parliament, the judiciary, and political parties have been increasingly eroded, while President Aliyev has focused on strengthening the presidency. Even the ruling New Azerbaijan Party (NAP) plays only a limited role in the decision-making process.

Corruption remains widespread throughout Azerbaijan's bureaucracy and judicial system despite international efforts to assist the authorities in reforming them. In the rare cases when courts or ministries must decide on issues that are of interest to powerful stakeholders, their decisions reflect the balance of power between these groups rather than the law. In addition to the absence of an independent parliament, the lack of a functioning judiciary has left the executive branch unaccountable. The absence of reform within the government combined with the huge inflows of oil revenue will diminish chances for the effective and transparent use of the revenue for the long-term benefit of the country.

New political players have emerged over the past four years, just as Ilham Aliyev has built up a network of supporters who, like him, grew up as part of a privileged Baku elite, having spent time working or studying abroad. However, these new political players do not represent anything ideologically new or alien to the

system. These figures are gradually replacing the older generation of political actors who served under Heydar Aliyev. Yet, despite the highly centralised system of decision-making, there remain doubts as to whether Ilham Aliyev is in full control of the oligarchs, who have strengthened their monopolies in certain trade and industrial sectors and many of whom occupy senior state positions.

So far the European Neighbourhood Policy (ENP) does not seriously impact the democratisation process of Azerbaijan. Unlike Georgia or Turkey, the Azerbaijan government does not show serious interest in European integration and therefore ENP is not a real incentive for Baku to implement real democratic reforms. The European Union also expresses a much bigger interest in the stability of Azerbaijan and the energy resources that Azerbaijan and Central Asia supplies than a concern over human rights and democratic shortcomings. The October 15 elections will not bring Azerbaijan closer to Europe.

Threats to Political Stability

The potential to undermine Azerbaijan's political stability derives from five key sources: i) the growing tensions between official Baku and the West on democratic and human rights issues; ii) high inflation; iii) the developments over the nuclear programme of neighbouring Iran; iv) rivalry among the ruling elite; and v) growing tension in Russia's competition with the West over the South Caucasus after the recent conflict in Georgia. These threats exist in and of themselves as destabilizing factors as well as on the backdrop of a potentially renewed war over Nagorno-Karabakh.

Since 2006 President Aliyev is increasingly suppressing the freedom of speech as well as any political opposition. All Azerbaijani television channels as well as local radio stations are under the control of the government. There are several opposition newspapers, however the print media industry is in serious decline in the country; newspapers' circulation is low and the newspapers do not play a

significant role in affecting public opinion. The opposition has all but disintegrated. The absence of economic freedom in Azerbaijan has left political opposition forces with a dearth of financial resources, restricting their ability to function efficiently. The huge inflows of oil revenue into Azerbaijan and extensive government spending has led to an increased apathy among the population for the political process and democratization. The oil boom is expected to last for at least five more years, in which time the Azerbaijani political landscape will not seriously change in the short and mid-term.

The human rights record has also significantly deteriorated since 2006, causing tensions with the United States and the Council of Europe (COE). President Bush has named Azerbaijan among the top five jailers of journalists in 2007. COE is strengthening its criticism over Azerbaijan's non-compliance of its basic democratic commitments.

High inflation will become an ever increasingly heated topic of public debate as government spending continues to keep inflation above 20% over the next few years. In 2007, hundreds of isolated protests were held directly or indirectly as a result of the level of inflation. These kinds of protests will be more actively used by political forces in the future.

Tensions between Iran and the United States, in particular, have been increasing over Iran's uranium enrichment programme. Iran has repeatedly warned that any military operations against it would lead to retaliation. In the case of Azerbaijan, Iran would probably seek to destabilise the country by pressuring religious groups in the capital city of Baku, and its suburbs such as Nardaran, in addition to the population in the country's southern provinces, which are traditionally more vulnerable to Iranian influence. Furthermore, any U.S.-led military operation against Iran (where ethnic Azeris constitute around one-quarter of the population) would result in a potentially

destabilising influx of refugees into Azerbaijan.

The impact of the Russian-Georgian crisis on the future course of Azerbaijan

The recent Russian-Georgian war intensified tensions in the South Caucasus, increasing pressure on Azerbaijan from both Russia and the West and complicating Azerbaijan's independent energy policies.

President Aliyev demonstrated a well-articulated neutrality in the conflict between Georgia and Russia that has unfolded since August 8. While he spent the most critical days of the conflict at the Olympic Games in Beijing, the spokesman for the Foreign Ministry expressed Azerbaijan's support for Georgia's territorial integrity. Azerbaijan also provided humanitarian assistance to the Georgian population and allowed the presidents of Poland, Ukraine, Latvia, Lithuania and Estonia to travel to Georgia via Azerbaijani territory so they might express their solidarity.

Azerbaijan's strong support for Georgia's success was more strongly reflected in public opinion: practically all independent media supported Georgia, several rallies were held by activists in front of the Russian embassy, and the half-million strong ethnic Azerbaijani community within Georgia showed an exceptional loyalty to Tbilisi. Supporters of the Georgian cause in Azerbaijan argued that if Moscow were to take control of Georgia, Azerbaijan would be forced to align its energy policy, oil and gas exports and foreign policy along lines set by Moscow and would lose its independence. In addition, the separatists' success in South Ossetia and Abkhazia would set a bad precedent for Azerbaijan in the Karabakh conflict.

The Russian ambassador in Baku, Vasiliy Istratov, stated that the entire region must draw lessons from the events in Georgia and come to terms with Russia, leading to speculations that Russia is threatening Azerbaijan by referring to

the conflict in Karabakh. A similar statement was made by Armenian President Sargsyan at a meeting of defence ministers from the Collective Security Treaty Organization in Yerevan. The outcome of the ongoing conflict between Russia and Georgia will no doubt shape the perceptions dominant in Azerbaijani society and the elite about possible resolutions for the Karabakh conflict.

The Russian-Georgian crisis increased the significant role Azerbaijan plays for both Russia and the West. In September, the schedule of foreign policy meetings in Baku intensified. The increased number of meetings began with the sudden visit by U.S. Vice-President Dick Cheney to Azerbaijan. The press widely reported on Cheney's cold reception in Baku, although the U.S. embassy refuted these speculations, calling the visit "a success".

Mr. Cheney then flew to Tbilisi, Kiev and Rome, underscoring the energy agenda of his trip. Security cooperation with Baku was among the official topics during his discussions in Azerbaijan, and Cheney emphasized the U.S. interest in the secure development of Azerbaijan in the context of the recent Russian invasion into Georgia. However, the main focus was on the possibility of gas supply and transport from Azerbaijan to Europe. Apparently, the U.S. vice-president raised the question of Azerbaijan sending its own and Turkmen gas via Armenia to Turkey, and then on to Greece and Italy. This pipeline is competing with the Nabucco project, as well as with Russian South Stream, for early access to the natural gas resources within the region.

The idea of a gas pipeline via Armenia is supported by Turkey as well. However, Azerbaijan has set conditions related to the Karabakh conflict. An alternative to Azerbaijan is gas sales via Russia at a European market price. Gazprom made such an offer to Baku earlier this year.

The success of a natural gas pipeline via Armenia depends heavily on the implementation of a trans-Caspian pipeline. In response to this, immediately following Cheney's visit, Iranian Foreign Minister Mottaki visited Baku and received the Armenian Foreign Minister in Tehran apparently to express his dissatisfaction with the potential export route while the legal status of the Caspian Sea has not been resolved.

On the same day, while meeting with Cheney in Baku, Aliyev received a phone call from the Russian president. Two weeks later he visited Moscow for talks with President Medvedev. Interestingly, on the same day as Aliyev was visiting the Kremlin, Azerbaijani Foreign Minister Mammadyarov, while in Brussels, discussed the prospects for a deeper engagement with NATO. Azerbaijan is seeking the best deal with the global powers in regards to the Karabakh conflict.

Since the revenue from oil and gas lies chiefly in the hands of the ruling family, and because of the authoritarian nature of the political system, the Azerbaijani government does not seem to be worried about the routes for its export of oil and gas. The ruling family would benefit financially in any case. Even if Russia managed to obtain total control over Georgia's export infrastructure, the Azerbaijani leadership would only want to have its exports uninterrupted, be it under Russian control or a price set by Russia.

President Aliyev's seemingly neutral stance during the Russian-Georgian crisis shows that he is unwilling to commit to playing a greater role in a European strategy for energy security. In the past, he has supported Western initiatives in the energy sector in exchange for political indulgence within the country. After the crisis, if the West retains control over Georgia's export infrastructure, President Aliyev will be more vulnerable to Western political pressure; he will not be able to maintain his recently acquired "resource nationalism" style of governance in the framework of a new dialogue with Western partners since he will be obliged to them for the continuation of the oil revenue windfall. As a

result, greater economic and political opportunities may follow which will improve the business climate.

Scenarios for the Future

The most likely scenario for Azerbaijan's future political development is based on the further deterioration of its democratic standards and modest, superficial improvements in its bureaucratic administration. High inflation and international pressure stemming from Azerbaijan's non-compliance with democratic standards could force some changes, but no fundamental reforms will occur.

In addition, the government will have to consider adjustments to its economic policy aimed at reducing its dependence on oil. This process will also lead to an improved business environment.

Ilham Aliyev is only 47 years-old and the issue of his succession is not yet relevant in Azerbaijan. In the meantime, the growing presidential ambitions of First Lady Mehriban Aliyeva over the last several years is strengthening antagonisms within the ruling elite, between her rising faction (Pashayev's clan) and the long-time ruling bureaucracy. A lack of ideological differences in this rivalry attracts little popular sympathy to either side. However, any rivalry between these groups is unlikely to create serious problems for Ilham Aliyev until the end of his second term as president in 2013.

The Azerbaijani government has committed itself to some elements of democratisation as part of the country's obligations arising from its accession to the Council of Europe. However, since 2006 the country's human rights and democratic record has continued to worsen and there is little hope for improvements in the near future as Azerbaijan's role as an energy supplier to Europe and problems stemming from its geopolitical location increase.