# Azerbaijan

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Capital: Baku
Population: 8.7 million
GNI/capita: US\$7,770

Source: The data above was provided by The World Bank, World Bank Indicators 2010.

## Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75
Civil Society	4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75
Independent Media	5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75
Governance*	6.25	6.00	5.75	5.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50
Local Democratic Governance	n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25
Judicial Framework and Independence	5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25
Corruption	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50
Democracy Score	5.63	5.54	5.46	5.63	5.86	5.93	6.00	6.00	6.25	6.39

<sup>\*</sup> Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

# Executive Summary

Zerbaijan had a brief period of independence between 1918 and 1920, and regained sovereignty as the Soviet Union disintegrated in 1991. Its early transition years were overshadowed by a war over the breakaway region Nagorno-Karabakh with Armenia and separatist Armenians from the enclave. An estimated one million people were displaced by the conflict. Although a ceasefire agreement was signed in 1994, the conflict remains unresolved; Azerbaijan does not control some 16 percent of its territory. President Heydar Aliyev came to power in 1993 and during his ten years in office he strengthened the hold of the presidency on the country through a concentration of powers in the executive. In October 2003, his son Ilham Aliyev succeeded him following disputed elections that were deemed neither free nor fair by the Organization for Security and Cooperation in Europe. The 2005 parliamentary elections, the reruns in 2006, and the October 2008 elections that secured President Ilham Aliyev's second term in office failed to meet a number of international standards.

There were further setbacks to Azerbaijan's democratization in 2009. A March referendum eliminated the constitutional limits for two consecutive presidential terms, potentially paving the way for Aliyev's life-long presidency. New detentions of journalists marked further backsliding of freedom of expression standards. Along with rights and watchdog groups, youth activists were under governmental pressure, with two young bloggers sentenced to prison terms on charges believed to be politically motivated. These developments were accompanied by the government's increasing readiness to ignore the international community's criticisms of its democratic performance.

National Democratic Governance. The Azerbaijani authorities deepened their authoritarian grip on the country and governed with increasing impunity. A March 2009 referendum approved 41 constitutional amendments and removed limits for two consecutive presidential terms. The vote featured no genuine public debate and was widely seen as a rubber-stamp exercise, with the opposition crying foul at the reported official turnout and results. The executive wields full control over the legislature and the judiciary, and has taken steps to dominate local self-governance, especially during the December municipal election and in the Nakhchevani Autonomous Republic. The space for pluralistic debate and civil society activity continued to shrink. Thanks to its booming oil and gas revenues, Azerbaijan was not dramatically affected by the 2009 world economic crisis, and as a result, the government's self-confidence in domestic and international affairs increased. War rhetoric dominated the official discourse on the Nagorno-Karabakh enclave, despite President Aliyev's six meetings with his Armenian counterpart during the year. The international community's insistence on Azerbaijan's democratization and reform

commitments has had minimal resonance. Owing to the government's steps to increase its grip on power, and further intimidation of opponents, Azerbaijan's national democratic governance rating worsens from 6.25 to 6.50.

Electoral Process. No election in Azerbaijan has been assessed as free and fair since the adoption of the country's constitution in 1995. Irregularities have included the abuse of administrative resources, intimidation and harassment of the opposition, and election day violations. The March 2009 referendum approving controversial constitutional amendments was criticized by opposition parties as deeply flawed. Opposition parties lacked representation in election commissions at all levels. The lack of media independence has undermined the fairness of Azerbaijani polls and thwarted public debate. Municipal elections held in December were perceived as marred by violations and fraud. Owing to the authorities' unwillingness to provide conditions for free and fair elections, Azerbaijan's electoral process rating stagnates at 6.75.

**Civil Society.** The space for civil society has continued to shrink in Azerbaijan. The authorities do not countenance dissenting voices and have sought to silence critics with both financial incentives and intimidation ranging from tax inspections to jail terms. There was significant pressure against human rights defenders, independent media outlets, and watchdog organizations during the year. Youth activists were also targeted, including two young bloggers who were detained in July and sentenced to prison terms on apparently trumped-up charges. A controversial draft law on nongovernmental organizations (NGOs) was discussed in Parliament in June, and the most restrictive provisions were toned down after strong domestic and international opposition. The Council on State Support to NGOs increased its funding, but it is believed that most funds go to government-organized or noninfluential NGOs. Demonstrations protesting the detention of elders celebrating a religious holiday in the Nakhichevani village of Bananyar were violently suppressed by the Interior Ministry forces in late December. Owing to the increasing multifaceted pressure against civil society and official attempts to trample civic and human rights and freedoms, Azerbaijan's civil society rating worsens from 5.50 to 5.75.

Independent Media. Azerbaijan's media landscape is not pluralistic; authorities seek to silence critical voices in the broadcast, electronic, and print media, and there is significant self-censorship among media professionals. Although three imprisoned journalists were released in April, the rest of the year saw several others sentenced to jail terms for freely expressing their opinions. Libel continues to be considered a criminal offense, and authorities have used libel/defamation charges to impose severe punishments on critics, despite strong international condemnation. Journalists were harassed and subject to physical attacks during the year. The December 2008 law banning foreign broadcasting on national frequencies was implemented as of January 2009, effectively putting a stop to BBC, Radio Free Europe/Radio Liberty, and Voice of America. Owing to the authorities' continued

crack down on all forms of independent reporting and harsh treatment of critical media professionals, Azerbaijan's independent media rating remains at 6.75.

Local Democratic Governance. Executive appointees continue to play a more significant role in local governance than elected municipal authorities, and municipalities remain severely underfunded. Local governance structures are an extension of the patronage-based national governance system dominated by the ruling party. The March 2009 constitutional amendments have sanctioned some control over local governance structures by the executive and legislature. Despite calls by the Council of Europe, the mayor of Azerbaijan's capital city, Baku, is appointed, not elected. Municipal elections held in December; although well-organized and calm, were marred by reported violations and shortcomings. The low voter turnout was a further indication of the lack of a genuinely pluralistic system. Owing to the continued subordination of local governance to the central authorities, Azerbaijan's local democratic governance rating stagnates at 6.25.

Judicial Framework and Independence. Legislation in Azerbaijan guarantees judicial independence, but in actuality the judiciary is deeply dependent on the executive, including the presidential administration, Ministry of Justice, and the Prosecutor's Office. The justice system is also deeply inefficient, poorly staffed, and corrupt, preventing it from providing effective recourse mechanisms against violations of human, civic, and property rights, and leading to increasing official impunity. Owing to the Constitutional Court's role in approving the results of a questionable referendum, the unfair trial of the young bloggers, and the lack of any credible attempts to safeguard judicial independence, Azerbaijan's judicial framework and independence rating worsens from 5.75 to 6.25.

Corruption. Corruption is one of the gravest and most deeply rooted obstacles to Azerbaijan's democratic development. Although an anticorruption legislative framework is in place, corrupt practices permeate all spheres of public life. Officials from the lowest ranks of the civil service to the top echelons of government are believed to be among the key drivers of systemic corruption in the country. Owing to the increasing lack of transparency in oil revenue expenditures and public contracts, and the lack of political will to address systemic corruption at all levels, Azerbaijan's corruption rating remains at 6.50.

Outlook for 2010. Authoritarianism in Azerbaijan is expected to deepen, facilitated by the government's unchallenged hold on power and strong revenues from the country's vast energy resources. The authorities will likely silence dissenting voices ahead of the 2010 parliamentary elections, which are expected to reconfirm the ruling party's dominance. There are few issues that can galvanize the politically apathetic public. However, one of them could be the much debated potential for movement in the Nagorno-Karabakh conflict resolution process, although prospects for a genuine breakthrough remain unlikely.

# Main Report

### National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.50

Azerbaijan has a centralized presidential system, with a powerful executive branch that comprises the president, Office of the President, prime minister, and Cabinet of Ministers. The constitution stipulates separation of powers between government branches, but the purview of the loosely defined executive includes any sphere that is not covered by Parliament or the judiciary. In practice, the president and other executive bodies exercise full control over the judiciary and the Parliament. Likewise, their reach extends well beyond the capital city of Baku, as regional centers are controlled by presidential appointees at the municipal level.

The president of Azerbaijan is directly elected for a five-year term. In October 2008, President Ilham Aliyev won his second term in office in an uncontested poll boycotted by major opposition parties. International observers, including the Organization for Security and Cooperation in Europe (OSCE) Office for Democratic Institutions and Human Rights (ODIHR), said the election fell short of international standards. In 2009, President Aliyev strengthened his grip on power in a March 18 referendum that approved 41 constitutional amendments. Most controversial among them, the limit on the number of consecutive presidential terms was lifted, which opens the possibility of a life-long presidency for Aliyev.

The Council of Europe's (CoE) Venice Commission warned that scrapping presidential term limits undermines separation of powers between the three branches, a key principle of the rule of law.<sup>2</sup> Meanwhile, the amendment banning checks on the executive makes the concentration of power in that branch easier to accomplish. In fact, President Aliyev, Ramiz Mehdiev—the head of the presidential administration, and Kemaleddin Heydarov—the Minister for Emergency Affairs, are widely perceived as the country's most powerful (and most corrupt) figures.

The National Assembly (Milli Majlis), has 125 members, all elected from territorial districts for 5-year terms. The current Milli Majlis, elected in a flawed 2005 poll, is dominated by the ruling Yeni Azerbaijan Party (YAP). Only a handful of members of Parliament (MPs) represent weak opposition parties, and a number of nominally independent ones are believed to be closely affiliated with the government. In practice, the legislativebody has a rubber-stamp function.

The country's governance system remained stable during 2009, but this continued to be achieved at the expense of basic rights and civic liberties. The human rights situation in Azerbaijan is poor and continues to worsen in some areas. Civilian authorities maintained effective control of the army and security services, but law enforcement at the national and local levels were reported to act with impunity in cases of ill-treatment and excessive use of force. Arbitrary arrests

and detentions have occurred, often against those considered to be in the political opposition. Local and international human rights groups have criticized the physical abuse, torture, and due process violations that occur in detention, leading in some reported cases to the deaths of detainees.<sup>3</sup>

Other troubling areas include the government's pressure against and harassment of human rights and youth activists, including politically motivated arrests and prosecution. The Azerbaijani authorities have increasingly discouraged meaningful citizen participation in political processes and decision making; no genuine public debate has been possible on national democratic governance issues of concernfrom the March 2009 referendum on constitutional amendments, to high-profile human rights cases, or even the transparency of oil and gas revenue expenditures.

Political space for dissenting voices has continued to shrink in Azerbaijan with the significant restriction of the freedoms of expression, assembly, and religious observance. The government controls virtually all influential media outlets, and media freedoms have deteriorated steadily; violence against and arrests of journalists are an urgent concern. Political apathy is widespread.

Azerbaijan's economic growth was again boosted by oil and gas production, with the average annual GDP growth rate for 2003–08 calculated at 20 percent,<sup>4</sup> and the 2009 GDP growth of 9.3 percent.<sup>5</sup> The 2009 GDP growth remained solid given Azerbaijan's long-term energy export contracts and limited economic links to external markets, which mitigated the impact of the global economic crisis. While oil and gas account for over 50 percent of the country's GDP,<sup>6</sup> some sectors benefiting from energy revenues—such as construction, banking, and financial services—also contributed to growth. Other non-energy related sectors are underdeveloped and, in the long run, the diversification of the economy is one of the biggest challenges facing the country and the government.

Azerbaijan's oil and gas boom has also boosted the national leadership's self-confidence and assertiveness in domestic and international affairs. Baku's lack of concern over the international community's democratization messages remained apparent in 2009. According to economic experts, the country's energy resources should generate revenues of US\$200 billion over the next ten years.<sup>7</sup> Consequently, international actors cannot rely on economic incentives to bring about systemic political change in the country.

Baku has maneuvered ably between Moscow, the Europena Union (EU), and the United States, especially on energy and security issues. The latter two have not challenged Baku on its human rights abuses and governance shortcomings with resolve. Their strong interests in the country, given its oil and gas wealth, relationship with Russia, and border with Iran, have overshadowed rights and governance issues. Baku's responses to international pressure regarding its human rights and reform commitments, including in the CoE and European Neighborhood Policy frameworks, have been indifferent at best. This was illustrated, for instance, by the state's unwillingness to free journalists detained on apparently politically motivated charges.

On March 17, Parliament approved a motion initiated by member of Parliament and wife of the president Mehriban Aliyeva, to amnesty several thousand inmates; 1,700 prisoners, or 12 percent of all inmates, were released, and the sentences of 1,200 others were commuted.<sup>8</sup> The opposition cried foul, claming the government was merely trying to increase its chances of public support for the March 19 referendum on constitutional amendments, allegations that the government refuted. The amnesty failed to include most inmates considered to be political prisoners by the opposition.

#### Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.75	5.75	6.00	6.25	6.50	6.50	6.50	6.75	6.75

Electoral processes in Azerbaijan have been deeply flawed since the country's independence in 1991, and no election since the adoption of the 1995 constitution has been assessed as free and fair by international observers. Irregularities have included extensive use of administrative resources by the ruling party for campaigning purposes, voter intimidation, harassment of the opposition, and vote buying. Election day violations have traditionally included ballot stuffing, illegal campaigning, carousel voting, and voter list irregularities. The overall electoral environment suffers from a lack of competition and open public debate, further exacerbated by the government's effective control of the media. Citizens are mostly disengaged with electoral processes and appear to accept the governing authorities with resignation.

Although electoral legislation has been amended several times, it still allows the ruling party to control electoral commissions. Traditional opposition parties have not participated in electoral commissions since 2005 and are restricted from public assembly, rallies, and meetings during the non-election period. The opposition boycotted the 2008 poll that secured a second term for President Aliyev and the 2009 referendum on constitutional amendments in protest of these restrictions.

During 2009, the government held sway over the electoral system, prominently demonstrated by the March 18 referendum that approved 41 constitutional amendments. Most controversially, the amendments scrapped the hitherto constitutional two-term limit for the presidency, thus opening the possibility for President Aliyev to run indefinitely following the expiry of his second term in 2013.

Other amendments included the postponement of presidential and parliamentary elections in times of war. This provision is problematic given that Azerbaijan considers itself at war with Armenia over the enclave of Nagorno-Karabakh, and some claim it may give direct incentive to a sitting president to start hostilities in order to avoid elections. Speculation abounds that this measure may have been put in place to protect access to power and state resources enjoyed by the so-called Nakhichevan clan, a group of powerful figures belonging to and surrounding the Aliyevs. An alleged concern for some in that clan was that the YAP's strongest candidate in the 2013 presidential poll might be President Aliyev's wife Mehriban Aliyeva, whose political loyalties are Baku-based and not linked to the clan.

Despite the significant constitutional changes, public interest in the March 2009 referendum was very low; the poll was widely seen as an attempt to create the appearance of a public endorsement of the government's efforts to strengthen its grip on power. According to the Central Elections Commission, turnout for the referendum was 71 percent. All 41 amendments were passed with approval margins between 87 and 92 percent. However, the vote appeared no more free and fair than the 2008 presidential poll, with local observers and the media reporting widespread violations and falsifications. The opposition claimed the process was marred by massive fraud and contested the official turnout as no higher than 15 percent (a 25 percent threshold is required to validate the vote).

In advance of the referendum, the country's notoriously splintered opposition groups joined forces on January 9 to establish a "Civil Movement for the Republic and Karabakh" to oppose the proposed amendments. A number of opposition party members campaigning against the referendum were jailed in January and February, among them Musavat Party Deputy Head Fakhreddin Abbasali, two members of the Popular Front, and two members of the Movement for Karabakh and the Republic. Some of the detentions were made on alleged drug possession charges. Such charges are widely believed to be an increasingly popular tool of political intimidation in Azerbaijan.

The referendum was strongly criticized by a number of international and domestic actors, including the CoE. Ian Micaleff, president of the CoE's Congress of the Local and Regional Authorities, said the constitutional amendments violated the country's CoE commitments, and their implementation could lead to the loss of Azerbaijan's CoE membership.<sup>13</sup>

During the local municipal elections held in Azerbaijan on December 23, reported violations included fraud, ballot stuffing, carousel voting, and preannouncing the lists of winners. A Council of Europe delegation was the only international group to observe the poll. It noted that the election was well prepared and calm, but the CoE rapporteur said that "based on incidents in some of the polling stations, the integrity of the vote could be called into doubt." The Central Election Commission considered voting results or election protocols in some 20 precincts invalid, with some violations investigated by the prosecutor general. The country's electoral environment was repressive around the December municipal poll and is unlikely to change in the run-up to the 2010 parliamentary elections, as indicated by the government's recent moves to tighten control over the media and further intimidate civic activists.

#### Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.25	4.50	4.75	5.00	5.25	5.25	5.50	5.75

The government's increased pressure on all spheres of public life has resulted in a general sense of fear among the Azerbaijani population and shrinking space for civil

society.<sup>15</sup> Political apathy has grown in this atmosphere with few effective mechanisms for recourse, including the nation's judiciary, as it is under the grip of the government. Self-censorship permeates most civic activism as well as media work.

The number of NGOs has mushroomed over the past years, with some 3,100 registered NGOs in the country, but fewer than ten percent are active and only a small percentage of those can be considered genuinely effective. Most active organizations are based in the capital, Baku. The lack of public awareness of the relevance of civil society work is high, and public distrust of NGOs is prevalent, especially outside of Baku.

In June 2009, the Office of President Aliyev initiated amendments to the Law on Nongovernmental Organizations (Public Associations and Foundations) that would severely restrict local and international NGO activity in the country. For example, the proposed law required all NGOs to register with the state and anyone acting on behalf of an unregistered NGO would be liable to an administrative sanction or, in the case of foreign nationals, deportation. Azerbaijani NGOs would only be allowed to operate if more than half their funding was received locally, and could operate countrywide only if they had branches and/or representatives operating in one-third of the country's 59 administrative-territorial districts.

In a rare show of solidarity, civil society organizations formed a coalition to protest the draft law's adoption. International NGOs also protested against the adoption of the law. Ultimately, the harshest provisions were dropped and the law was adopted in a significantly milder form in early summer 2009. Still, the new law sent shock waves through the Azerbaijani civic sector.

In 2009, the Ministry of Justice continued to create registration obstacles for many local and international civil society organizations. NGOs found it increasingly difficult to work in areas that are perceived by the government as sensitive. NGOs working for systemic democratic change typically encountered the strongest obstacles, from registration issues to tax controls or outright pressure and intimidation. NGO activities in service provision, social and community-based work, and the health and education sectors were generally not harassed by the authorities.

Human rights organizations have long been under governmental pressure, with a number of activists intimidated or attacked, a trend that continued in 2009. The more recent trend of pressure on youth activists developed during the year. In particular, a high-profile case was brought against Emin Milli and Adnan Hajizade, two young activists who used online blogging and film to express their personal civic views. They were arrested in July on dubious charges of hooliganism. The young men had created satirical videos featuring one of the activists in a donkey suit, which likely irritated the government and provoked the arrests (at the time of the video's release, there were allegations that the government was involved in a corrupt deal purchasing donkeys from abroad). After protracted pretrial detention, Milli and Hajizade were convicted in early November and sentenced to two years of jail time in a nontransparent legal process. The sentence drew strong international criticism, including from United States Secretary of State Hillary Clinton and Swedish Foreign Minister Carl Bildt.

Additionally, several youth activists were detained in May for planning to protest the government's commemoration of former president Heydar Aliyev's birthday just days after 13 people died in a shoot-out at the Azerbaijan State Oil Academy (ASOA) in Baku. The activists called on the government to declare a countrywide period of mourning and to defer the late president's birthday celebrations.

The Constitution of Azerbaijan guarantees freedom of religion; however, the amendments approved by the March referendum limit the spread and propagandizing of religion. Subsequent amendments to the Law on Freedom of Religion, adopted by Parliament and signed by the president in May, appear to further restrict the registration of religious communities and the operational space for nontraditional religious groups. Azerbaijani authorities have increased their pressure on Muslim communities that are not registered with the State Committee for Work with Religious Structures or that do not cooperate with the Board of Muslims of the Caucasus, a Soviet-era body that officially runs Islamic affairs in the country. Several Baku mosques were reportedly closed in 2009. Pressure against nontraditional Christian groups also increased, including monitoring by officials and harassment and detention of members.

The police used force to suppress nonviolent demonstrations in the Nakhichevan exclave's village of Bananyar in late December. The demonstrations followed an incident in which 15 village elders were detained for meeting to mark the day of Ashura, a Shiite religious holiday, which the police saw as an 'unauthorized gathering' (authorities routinely trample freedom of assembly in Nakhichevan, a region which suffers from the greatest degree of repression). This sparked a 10-day standoff between demonstrators and police backed by troops from the Interior Ministry, and led to a crack down on the villagers. Until early January 2010, the government denied any incident had occurred and later blamed "the opposition and mentally ill people." One demonstrator allegedly set himself on fire to protest the police beating his elderly father. Some of the Bananyar protesters remained jailed into 2010 and others reportedly were sent to mental institutions.

An increasing number of government-organized nongovernmental organizations reportedly operate in the country. Many are funded by the Council on State Support to NGOs under the President of Azerbaijan, established by presidential decree in 2007. The Council seeks to support local NGO initiatives and is comprised of eight NGOs and three government representatives, but most civil society experts say there are no independent individuals on the council. In 2008, the council awarded grants worth over US\$1.2 million, 19 and distributed 1,848 million manat (US\$2.3 million) in 2009.20

Many NGOs see the council's activities as a governmental attempt to outspend other donors and monopolize the civic sector, while creating a deceptive appearance that official support for genuine diversity and pluralism is on the rise in Azerbaijan. According to NGOs, the government's interference in the civic sector has also coincided with the withdrawal or decrease of some donor support in light of the government's mounting oil and gas revenues.

NGOs find it particularly difficult to operate in regions outside the capital, Baku, and many regional NGOs have been unable to register. Once registered, they are exposed to close scrutiny on the part of local authorities, including security agencies. Regional activities of Baku-based NGOs are equally scrutinized and generally discouraged by authorities. Civil society gatherings, including public debates, are viewed with suspicion or discouraged.

## Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.75	5.50	5.50	5.75	6.00	6.00	6.25	6.25	6.75	6.75

Azerbaijan's Law on Mass Media, adopted in 2000, provides for freedom of speech, support for media, access to information, and protection of the rights of journalists. In practice, however, media freedoms continue to deteriorate in the country. Journalists who criticize the government or shed light on government expenditures or human rights issues have been intimidated and/or jailed on criminal charges. In-depth, investigative reporting is effectively nonexistent in the country. Self-censorship is high, and journalists and editors tend to avoid sensitive topics, especially any mention of the Aliyev family.

Libel is a criminal offense in Azerbaijan, despite strong criticism from international organizations, including the CoE and the OSCE Representative on the Freedom of the Media; journalists sentenced for libel face punishments ranging from large fines to up to three years imprisonment.<sup>21</sup> Criminal charges have also been used to stifle critical or satirical reporting. Fines can be used to undermine the very survival of media outlets. Particularly worrying are the government's recent attempts to crack down on electronic media, including Internet blogging.

In April 2009, Mirza Sakit Zahidov (an opposition satirical poet), journalist Ali Hasanov (editor in chief of the newspaper *Ideal*), and Asif Marzili (of the *Tezadlar* weekly) were freed from prison. Some say these releases were due to the March 17 Pardon Act, others link them with President Aliyev's April 10 statement describing libel cases as incompatible with European standards.<sup>22</sup> While this seemed to indicate a reversal of the government's harsh treatment of critical journalists, hopes were frustrated in May when Nazim Guliyev, founder of the newspaper *Ideal*, was sentenced to six months in prison for "insult." Later in the year, he faced additional charges, including hooliganism, the use of threats, and the selling of drugs, and was sentenced to over 13 years in prison in early 2010.<sup>23</sup>

In October, Sardar Alibayli and Faramaz Allahverdiyev of the *Nota* newspaper were sentenced to three months imprisonment on defamation charges. Another *Nota* correspondent, Ramiz Tagiyev, received a six-month suspended sentence for the same offense. In a separate case, the head of the Web site *Fanat.az*, Zahid Azamat, and his staff writer Natig Mukhtarly were convicted of defamation and sentenced to six months and one year of corrective labor, respectively.

Eynulla Fatullayev, editor in chief of two newspapers, *Gundelik Azerbaijan* and *Realniy Azerbaijan*, and a vocal critic of the Azerbaijani authorities, has been jailed since 2007 on charges including criminal libel and insult, terrorism, inciting ethnic hatred, and tax evasion. Both newspapers were closed down and their property confiscated. In late December 2009, dubious new criminal charges of drug possession were brought against the incarcerated Fatullayev. Additionally, Novruzali Mamedov, editor of the now defunct newspaper *Talishi*, died in prison in August; he had been sentenced to 10 years imprisonment in 2008 on high treason charges following his coverage of abuses against ethnic minorities in Azerbaijan.

The numerous cases of official violence and intimidation against journalists that were reported in 2008 and 2009 had a severly negative impact on the country's remaining independent reporting. The Azerbaijani government has not taken steps to credibly investigate assaults on journalists in preceding years, and there has been no accountability to date for the 2005 murder of Elmar Huseynov, editor in chief of the *Monitor*.

The government also impeded foreign radio and television in 2009. In January it enforced a recently passed law that banned foreign companies from broadcasting on national frequencies, effectively discontinuing BBC, Radio Free Europe/Radio Liberty (RFE/RL), and Voice of America (VOA) broadcasts in Azerbaijan. This decision affected up to 90 percent of the RFE/RL audience in the country.<sup>24</sup> Foreign broadcasting is still available on shortwave and via the Internet and cable services. Although Internet connectivity is on the rise, even in the country's remote areas, it is still not widely available in regions beyond Baku, especially broadband services. There were about 1.5 million Internet users at the end of 2008, about 17 percent of the total population.<sup>25</sup>

Television and radio are the most influential media in Azerbaijan. AzTV continues to receive support from the state budget despite the country's CoE commitment to make it independent. In practice, AzTV is under direct control of the presidential administration. The public broadcasting channel iTV is technically independent but is also strongly dominated by the executive. The country's private television stations—ANS, Space, Lider, and Azad Azarbaycan—have retained only minimal independence and mostly focus on non-political subjects. Even the formerly outspoken independent ANS has cautiously avoided political themes after it was temporarily closed in 2006–07. The investigative reporting it does still carry out focuses mainly on issues of local or community interest.

Azerbaijani print media have small circulation and unreliable distribution in the regions beyond Baku. The few, relatively influential newspapers tend to be politicized, and few offer independent reliable coverage. The Russian-language *Zerkalo* and *Ekho*, which many in the civil society have considered more or less balanced, are losing their reputation for quality; financial incentives and job offers by government or progovernment structures to well qualified staff have become a political tool for undermining the quality of independent media.

In October 2009, Presidential Administration Chief Ramiz Mehtiev called on state-run media to dramatically improve the quality of their broadcasting. In an article in the state newspaper *Azerbaijan*, Mehtiev stated that Azerbaijanis "simply do not watch national television channels" which focus on "vapid and low-grade" programs. <sup>26</sup> Analysts say Mehtiev's comments were prompted by a sharp drop in state-television audience figures, apparently down to 17 percent. The remainder of the audience share goes to Turkish and Russian television channels accessible via satellite and cable. Improving the quality of local broadcasting will be a significant challenge in Azerbaijan's noncompetitive, repressive media environment.

In April, the president confirmed amendments to the Law on Mass Media adopted by Parliament in March. These changes include stipulations that a media outlet may be suspended or shut down if a foreigner or person without higher education is appointed as editor; if a media organization is found to have breached freedom of speech or rights of a journalist twice within one year; or for distributing information that causes damage to the security of the state and public order.

#### Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	6.00	6.00	6.00	6.00	6.25	6.25

Azerbaijan's system of local self-government was defined by the 1995 constitution, and is carried out by both local bodies of state administration and elected municipal governments. The Law on Municipal Elections and the Law on the Status of Municipalities were adopted in 1999, in the same year as the country's first municipal elections. Since then, 2,757 municipal governments have been established, ranging from small rural villages to large cities.<sup>27</sup>

Municipal councils consist of 5 to 19 members elected for 5-year terms, and elections are held by a relative majority system in multi-mandate territories. The number of municipal councils is determined by population size. In September 2009, the Milli Majlis passed a law on the unification of municipalities, whereby the number of municipalities decreased to 1,766.<sup>28</sup> Authorities argued that the reform increased the efficiency of local self-government, especially in territories with small populations. However, there is the potential that this may result in fewer posts for local representatives.

Municipalities are, on paper, independent of the executive committees or local bodies of state administrations. In practice, municipalities have been strongly subordinate to the executive and lack adequate funding. Executive committees carry out most functions assigned to municipalities, such as community service projects, renovations, citizen registration, social services, and so on; municipal authorities have minimal responsibilities in terms of addressing real socioeconomic problems. Generally, they tend to be responsible for issues such as road construction and social assistance to low income households not benefiting from state social programs.

The capital, Baku, continues to be run by executive appointment, despite strong calls by the CoE to make this an elected function. According to the Venice Commission, prior to the March amendments, the Constitution of Azerbaijan provided limited guarantees for the independence of municipalities. This further deteriorated after the March 2009 referendum and adoption of constitutional amendments. The Venice Commission concluded that the constitutional provisions on local self-government did not explicitly guarantee a number of principles foreseen by the European Charter of Local Self-Government, ratified by Azerbaijan in 2001. The CoE was particularly concerned with the amendment by which "the State oversees activities of municipalities," because the exact scope of this supervision has not been further specified in the constitution.<sup>29</sup> Another amendment suggested that municipalities should submit reports to the Milli Majlis, an unusual form of supervision that may further erode the independence of these bodies.

The patterns of governance at the local level in Azerbaijan replicate those at the higher level of administration. Local executive committees are part of the ruling party structure. In practice, they provide access to and further distribute patronage, and municipal authorities are expected to align themselves with these local ruling party structures. Patronage and access to resources without accountability are characteristic of local governance throughout the country. Local officials often prioritize their personal or clan interests, or those of the ruling elite. In the latter case, this helps to endorse the ruling party's grip on the country while keeping an eye on civic activity that may be seen by the state as challenging.

There is typically little transparency in the work conducted by self-governance structures. Scant information is distributed, and citizens have only vague ideas about what these entities do in reality, thereby undermining public trust in municipal leadership. The alienation between local self-governance and citizens seems dramatically worse in Baku and bigger townships than in rural areas where citizens appear to have better knowledge of their local government activity. Sometimes local self-governance structures cooperate with civil society, especially when there are opportunities to get funding for joint activities via civil society grants.

Securing adequate funding is one of the greatest practical challenges for municipal authorities in Azerbaijan. Their real revenue represents only a small percent of their budgetary needs. Tax revenues that should boost municipal budgets are often misallocated to regional tax departments.

Municipal elections were held in Azerbaijan on December 23, 2009, in more than 1,718 municipalities. Nearly 32,000 candidates representing 19 political parties ran for some 15,600 local self-government posts.<sup>30</sup> Officials estimated voter turnout at 32 percent, but NGO observers say it may have been as low as 17 percent.<sup>31</sup> According to the Central Election Commission, the YAP won some 66 percent of seats.<sup>32</sup>

Judicial Framework and Independence	<b>Judicial</b>	Framework	and Inc	dependence
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2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
5.25	5.25	5.25	5.50	5.75	5.75	5.75	5.75	5.75	6.25

The Constitution of Azerbaijan guarantees the independence of the judiciary, but in actuality, the justice system is dependent on the executive branch. It is also highly corrupt and inefficient, effectively facilitating countrywide systemic corruption and the disempowerment of dissenting voices. Due process violations are reported frequently, with little recourse. In essence, the judiciary provides no real mechanism to remedy violations of human, property, or civic rights.

The Azerbaijani Constitutional Court is widely regarded as being in the president's pocket. Constitutional Court judges, like Supreme Court and Appellate Court judges, are nominated by the president and must be approved by the Milli Majlis. The term in office of several Constitutional Court judges has been arbitrarily extended, and no new judges were appointed in 2009. The Constitutional Court was instrumental in approving President Aliyev's March referendum and assuring its outcome.

The Judicial Legal Council, which administers the examination for lower court candidate judges, is effectively controlled by the Ministry of Justice, and the selection process is believed to allow space for corruption. The Ministry of Justice has taken steps to depersonalize case assignments, but judges and prosecutors reportedly continue to be assigned to specific cases by the presidential administration and the Ministry of Justice, especially in high profile cases that are of interest to the international community. Prosecutors and defense attorneys have equal standing according to the constitution, but in reality prosecutors are much more influential and often dominate the defense.

The law guarantees public trials except in cases that involve "state, commercial, or professional secrets or matters involving confidential, personal, or family matters." The Court of Grave Crimes and the Court of Grave Military Offenses frequently refuse the right to a public hearing. Likewise, many due process provisions are not observed, including "the presumption of innocence in criminal cases, the right to review evidence, the right of defendants to confront witnesses and present evidence at trial, the right to a court approved attorney for indigent defendants, and the right of appeal for defendants and prosecutors."

Corruption is perceived to permeate the everyday activities of the judicial branch. Transparency International's 2009 Corruption Barometer indicated that 39 percent of Azerbaijanis believe the judiciary is "extremely" corrupt, while only 3 percent believe it is not corrupt at all.<sup>35</sup>

A handful of Baku-based human rights defenders conduct trial monitoring but without any significant impact. In 2008, the Ministry of Interior brought a libel lawsuit against Leyla Yunus, a prominent rights activist monitoring a kidnapping trial, accusing her of "insulting" the ministry and causing "moral damage" to the

reputation of the police in a news media interview about the trial.<sup>36</sup> The charges were dropped in March 2009.

Azerbaijan's Ombudswoman Elmira Suleymanova is seen by many civil society actors as an "apparatchik", tasked with providing further semblance of credibility to the system.<sup>37</sup> In November, the National Assembly approved an additional legislative change to the March constitutional amendments allowing the ombudsperson's tenure to be extended from one to two consecutive terms in office.

Also in March, the CoE's Parliamentary Assembly appointed a rapporteur on political prisoners for Azerbaijan. Local NGOs have claimed that the government continues to hold political prisoners, estimating their number between 25 and 66.<sup>38</sup> There are instances of human rights defenders, media professionals, and youth activists being detained in politically motivated cases. Judges have sentenced these detainees within a short time following arrest, with serious due process violations.

Some reforms of the Azerbaijani judiciary have been undertaken with international funding and technical assistance. These have typically targeted such areas as management capacity building, upgrading court facilities, strengthening the professionalism of judges, and disseminating legal information to citizens. The World Bank has supported large-scale judicial modernization efforts. Other organizations, such as the German Technical Cooperation, have provided mainly technical assistance. Judicial reform is part of the EU's political dialogue and reform cooperation with Azerbaijan under the European Neighborhood Policy mechanism.

## Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.50	6.50

Azerbaijani legislation outlaws bribery, but corruption is nonetheless widespread. In 2009, Transparency International (TI) ranked the country near the bottom of its Corruption Perceptions Index (CPI), with a score of 143 out of a total of 180 countries assessed.<sup>39</sup> This figure is, however, an improvement in comparison to the country's rank of 158 in the 2008 CPI.

The government's second National Strategy for Increasing Transparency and Combating Corruption for 2007–11 may potentially boost government accountability and the implementation of anticorruption measures. Officials are required to report their annual income, property, and financial liabilities according to the Law on Financial Disclosure; the law also prohibits nepotism. However, these legal provisions are rarely implemented.

Corruption is said to impact all levels of public life, from oil revenue management, to civil service employment, to traffic police activity, and payments of social benefits. The public perception is that all state bodies, including the civil service, government ministries, courts, and the top leadership, are rife with corruption. Yet, there appears to be no public debate regarding high-level corruption. The topic is generally seen as taboo, and one that journalists and watchdog organizations cannot

investigate. Some low-level corruption cases and trends have been explored by a few organizations and media, but with limited impact.

Azerbaijan is an early implementer of the Extraction Industries Transparency Initiative (EITI), and the country's compliance with EITI has significantly increased the transparency of state oil revenues. However, the management and expenditure of that revenue remain largely nontransparent and are prone to high-level corruption. Similarly, there is little transparency in public procurement and contracting. The ruling elite have carved out a monopoly in government orders, which have boomed with the oil revenue windfall flooding the economy. The construction industry, among other private business sectors, is especially vulnerable to nontransparent public contracting practices.

The police are widely believed to be the most corrupt among state agencies. Road police demand bribes as a matter of course, even if no offense is committed. According to Tl's 2009 Global Corruption Barometer, 72 percent of Azerbaijani households that came in contact with police in 2008 paid a bribe. Even in the civic sector, there are rumors of kickbacks used as a way of acquiring funding in virtually all granting organizations. Corruption allegations have also been used as a political tool to undermine civil society actors whom authorities may consider politically inconvenient.

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