Despite predictions of a fourth wave of democratization and the assumption that socio-economic development would lead to democratization, Azerbaijan has consolidated a political system with authoritarian features. This article identifies both the domestic pillars of stability—the ability to spend, repress, and create patronage networks as a result of significant hydrocarbon revenues—and the international apathy that have produced this remarkable political stability. It concludes by arguing that the current strategies to create stability and legitimacy are likely to be unsustainable. Therefore, in the next few years it will be crucial for Azerbaijan to introduce reforms to gradually make the country more democratic, as well as encourage the population to make a living independently, so the economy can be diversified and sustained by taxes.

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he history of modern Azerbaijan is closely associated with that of the Aliyev family. For the most part of the past four decades the Aliyevs have ruled Azerbaijan and shaped its politics. Heydar Aliyev ruled Azerbaijan from 1969 until his forced retirement in 1987 as first secretary of the Azerbaijani Communist Party and again after retaking power in 1993, ruling Azerbaijan until his death in 2003. Power then passed to his son Ilham in elections that were characterized by numerous irregularities, such as “arbitrary arrests” and the “intimidation of voters.”\(^1\) Despite predictions by democratization theorists that socio-economic development will go hand in hand with democratization\(^2\) as well as predictions of a fourth wave of democratization after the so-called Color Revolutions in Eastern Europe and Central Asia\(^3\), as well as the MENA region’s Arab Spring protests and revolutions, a 2009 legal amendment has removed the two-consecutive-term limit for the presidency. This allowed Ilham Aliyev to run in the 2013 presidential elections and consolidate authoritarianism in Azerbaijan, in 10 years moving Azerbaijan from “semi-authoritarian rule to full-fledged authoritarianism.”\(^4\) Ilham Aliyev started his third term in office after winning 84.6 percent of the vote in the October 2013 presidential elections, signaling remarkable political stability in Azerbaijan.

This article explores the issue of authoritarian resilience and consolidation in Azerbaijan, identifying the three main domestic reasons behind this remarkable political stability in Azerbaijan: the ability to engage in public spending, to repress dissent and to create private patronage networks as a result of significant oil revenues. It then examines the international factors enabling further authoritarian consolidation. It concludes by assessing whether these domestic survival strategies have been successful in creating and maintaining legitimacy, arguing the current sources of stability and legitimacy are unsustainable in the mid- to long-term.

**Pillars of Domestic Political Stability**

Three main pillars of domestic political stability can be identified in Azerbaijan, all relying heavily on incomes from its abundant hydrocarbon reserves. State ownership of the country’s oil resources, through the State Oil Company of Azerbaijan (SOCAR), has provided the presidential family with informal control over the energy sector, allowing them to spend revenues from this sector on their political consolidation and

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survival. The so-called “contract of the century” in Azerbaijan in 1994 and the rise in world oil prices from 11 dollars per barrel in 1998 to 140 dollars in 2008 have resulted in an almost twentyfold increase in the country’s national budget from 1.2 billion dollars in 2003 to 22 billion dollars in 2012. Part of these significant resources is used to maintain political stability in the country, through public spending, repression, and the creation of patronage networks.

Public Spending

A large and relatively unconstrained budget has enabled the government to embark on a massive public spending program in order to buy political acquiescence through the redistribution of oil rents in various forms of economic and social benefits. By providing its population with certain social and economic stability, and hope for improvement in the future, the regime dampens latent pressures for democratization.

In Azerbaijan, more than a third of the population is employed in the public sector, despite a global trend of public sector contraction. Furthermore, it is claimed that 840,000 jobs have been created during Ilham Aliyev’s presidency – some 110,000 jobs in 2013 alone. Moreover, the government regularly increases salaries, pensions, and social benefits, as well as the minimum wage, and proudly proclaims that wages rise faster than inflation – 4.6 percent against 2.6 percent in the first 9 months of 2013.

As a result of this emphasis on the social and economic welfare of the population, living standards have increased and the official poverty rate has dropped dramatically, from 49 percent of Azerbaijaniis living in poverty in 2000 to six percent in 2012. The government’s attempt to improve living standards implicitly aims to reduce the demand for meaningful reform or representation, as the government provides socio-economic development and national prestige, while the population feels

6 Based on data from ILO, LABORSTA, http://laborsta.ilo.org/
quasi-dependent on the government for its livelihood. In this way, public spending contributes significantly to the perpetuation and survival of the Aliyev regime and creates legitimacy through the socio-economic development and modernization of the country.

Lastly, as part of its public spending program, the regime tries to enhance its image and generate popular goodwill through a loose combination of nationalism and a personality cult. There are countless portraits, statues, public buildings, and other homages to Heydar Aliyev dotted around the country as well as lavish annual celebrations of his birthday on May 10th, called “Flower Day,” in order to show the greatness of the ruling family. Then there is the Heydar Aliyev foundation, which finances and implements projects in various spheres domestically and internationally. Its cultural projects are particularly impressive, rebuilding or constructing from scratch “27 theatres, 30 concert halls, 21 art galleries, 170 conservatories and music schools, more than 200 museums, and more than 4,000 libraries” in 20 years. Thus the regime seems to understand well that largesse yields political capital that can serve its reputation and has the potential to generate goodwill among its population, contributing to the creation of legitimacy and political stability.

Repression

Natural resource wealth allows the government not only to increase public spending, but also to spend significant resources on internal security and the repression of any critical and/or independent actors within civil society, thus blocking the population’s democratic aspirations. Arab Spring-inspired protests in 2011 created concern among the ruling elite, leading them to tighten their grip on civil society. This trend further intensified in the run up to, and aftermath of the presidential elections of 2013. The strength and ubiquity of Azerbaijan’s internal security forces was shown during a wave of protests in early 2013, when robust methods – water cannons and rubber bullets, as well as arrests and heavy fining – were used to disperse groups of protestors. Repression is legally supported, with several recent regressive legislative amendments further enhancing the regime’s coercive ability and tightening the space for independent groups to operate. New restrictions on the freedoms of expression, association, and assembly include a nearly 80-fold increase in penalties for organizing and participating in protests unapproved by the government, while not a single protest has been permitted in the center of Baku since 2006. Such high

penalties, including the possibility of administrative detention, are likely to curb protests, since most of their participants are young university students who cannot afford to pay high fines, while opposition leaders no longer feel comfortable calling for protests under these circumstances.\footnote{“Azerbaijan: Can Facebook Become Substitute for Live Opposition Protests?,” Eurasianet.org, 19 November 2012.}

Not only has the political opposition been intimidated and marginalized by repressive tactics; independent media, nongovernmental organizations, and religious institutions have also been targeted, impeding the formation of social capital within civil society and blocking democratic transition. The methods of control used for these different sectors of civil society and potential sources of criticism and opposition are similar, including arbitrary detention, closure and demolition of institutions, and increasing legal restrictions. For instance, in the aftermath of the 2013 presidential election critical newspaper Azadliq—while already suffering an effective advertising boycott—has been the target of defamation suits that have resulted in 85,000 dollars in fines. In addition, in December, the chairman of an independent election monitoring group, Anar Mammadli, was imprisoned after his organization concluded that the vote had been neither free nor fair.

Finally, in addition to coercion, repression in Azerbaijan also involves the co-optation of civil society and (potential) critics. For instance, generous funding is available for quasi-civil society bodies and government-sponsored organizations. This deflects funding and attention away from critical NGOs, weakening the appeal of poorly-funded independent civil society bodies, and gradually monopolizing civil society. Another move to silence and co-opt (potential) critics has consisted of awarding free apartments to journalists and other media representatives in 2013, in an attempt to influence media coverage and to control the media even more tightly.\footnote{“Baku Doles Out Appartments to Journalists,” RFE/RL, 24 July 2013.}

This subtle mix of co-optation and coercion has created a “climate of impunity and fear,”\footnote{“Azərbaycanda Media Azadlıq Böhranı,” [Azerbaijan’s Media Freedom Crisis], Radio Azadliq, 28 July 2013.} in which full impunity is granted to those who wish to use violence to silence critical voices. Thus, potential critics are increasingly unwilling to undertake

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“By providing its population with certain social and economic stability, and hope for improvement in the future, the regime dampens latent pressures for democratization.”
\end{quote}
the significant personal risks associated with voicing critical opinions. Only very few people are ready to give up their jobs, status, and levels of comfort to place themselves and their families at risk of imprisonment or unemployment, resulting in a largely depoliticized population. This combination of fear and apathy, in turn, contributes to political stability in Azerbaijan.

Patronage Networks

Political stability and authoritarian perpetuation also rely on a vast patronage network centered around the ruling family. In this configuration, power is centralized and radiates outward from the presidential office, although a few power centers remain that are not fully under the president’s control. Additionally, other powerful figures such as ministers and regional governors have their own power bases. What emerges is a complex system in which the executive desires an extreme concentration of power; this power is then distributed in the form of positions to associates and supporters in exchange for loyalty and allegiance. To a large extent Ilham Aliyev is able to do this, strengthening his own position as well as the stability of the political system. The other two powers of the political system—the legislature and judiciary—are weak and not independent, despite the official division of powers being the “basis of the state” according to the constitution of 1995.

The system is also characterized by a dynamic relationship between political and economic power, as “political power is used as a currency to gain more money and vice versa.”16 This system links political power to economic power, and concentrates both in the hands of the elite and thereby making them extremely powerful.

This concentration means the ruling elite is very resistant to both external and internal challenge. The economic and political power of the elite can be used to deflect external challenges, while internal challenges are unlikely, since all elements of the ruling elite depend heavily on their connections with the current leadership for their fortunes. It is therefore unlikely that any group or individual would turn against the regime; rather, they would likely side with the established authority if a group or individual within the patronage network chose to challenge the system, preferring not to lose their privileged position.

Individuals within the ruling elite are replaced to ensure the elite’s complete loyalty to the president, as well as the president’s full control over the elite. Any shifts and shake-ups within the ruling elite hence serve to reinforce the president’s power and weaken the power of potential rivals, as allegiance to the president, rather

than competence or experience, is key in such a political system. Late 2005 and early 2006, for instance, saw a series of high-level government shake-ups, disposing of “officials who owe their position to his father, the late President Heydar Aliyev, or to potential political rivals” of Ilham Aliyev. After the 2013 presidential election, Ilham Aliyev also made some shifts in his cabinet, dismissing the Labor and Social Defense Minister Fizuli Alekperov and Defense Minister Safir Abiyev, signaling a desire to get a firmer grip on Azerbaijan’s armed forces.

The ruling elite is thus relatively coherent, and thus “able to reconcile their differences whenever facing a challenge to their leader’s (and therefore their own) hold on power.”

Benefiting materially from control of the state gives them a stake in preserving the status quo. Thus, rather than pushing for political and economic reforms, they contribute to the perpetuation of the political system.

**International Apathy**

Authoritarian consolidation in Azerbaijan is also accommodated by international apathy towards Azerbaijan’s democracy and human rights’ record on the part of the West as well as Russia and Turkey – two important regional powers. The main reasons behind this apathy are the strategic and economic significance Azerbaijan has to its neighborhood, its significance to the West as a source and transit country of hydrocarbons, and its strategic location as a “corridor” between Europe and Asia. The prioritization of these economic and strategic concerns over political reform and democratization has resulted in a clear preference for stability and hence the status quo. This preference is well-illustrated by these actors’ actions in advance of, and responses to the 2013 presidential election.

**The West**

Azerbaijan has enjoyed close cooperation with the West, particularly in the realms of energy and security. The significance attached to cooperation in these fields has

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17 “Azerbaijan: Recent Shake-Ups Reinforce President’s Power,” Eurasianet.org, 6 February 2006.
meant that the West has not been vocal about political reforms in Azerbaijan and has allowed authoritarian consolidation to take place.

Azerbaijan is strategically important to Europe as it is a corridor from Asia into Europe, and for the U.S. due to its proximity to Iran and Russia. It is furthermore a significant contributor to the energy diversification of Western markets. In particular, Azerbaijani hydrocarbons and pipelines such as the Baku-Tbilisi-Ceyhan crude oil pipeline are envisaged to play a crucial role alleviating Europe’s dependence on Russian energy. Lastly, the U.S. and Azerbaijan have a long-established cooperation in the area of defense and importantly, Azerbaijan serves as a transit hub for the withdrawal of American troops from Afghanistan.

Neither the U.S. nor Europe has an interest in promoting political change that could potentially be harmful to their interests, thus preferring a stable country and continuing to work with the Aliyev administration. An added factor of importance is that any serious pressure or change of government could turn the country towards Russia, hence endangering cooperation between Azerbaijan and the West. Particularly now that Russia is on the rise in the region, the concern that Azerbaijan may become increasingly pro-Russia is an important explanatory factor in the West’s reluctance to push for political reform in Azerbaijan.

The treatment of the 2013 elections by the West is a testament to its priorities. While the U.S. was more critical than Europe, it did eventually congratulate Aliyev on his victory and claimed not to question the outcome of the election. The EU sent its own joint European Parliament and Parliamentary Assembly of the Council of Europe’s election observation mission, which concluded that the elections were “free, fair and transparent”.

The West has thus legitimized an undemocratic regime, as stability in Azerbaijan suits its current economic and strategic interests and hence take precedence over the promotion of good governance and democracy. However, what the West should do to be perceived as a more credible actor and to contribute to a gradual political transformation of Azerbaijan is pursue a more principled policy. In doing this, the West need not counter its own economic and strategic interests, but rather reconceptualize them and be more reflexive of the impact of its policies on Azerbaijani society. In this way the West ensures that its own interests to not stand in the way of a transformative foreign policy in Azerbaijan, Becoming a more credible and effective actor in Azerbaijan also means taking into account the short- and long-term

interests and grievances of Azerbaijan, first and foremost being Azerbaijan’s grievance regarding the West’s failure to adopt an unambiguous position regarding support for Azerbaijan’s territorial integrity, and its lack of pro-active engagement searching for the resolution of the Nagorno-Karabakh conflict. Furthermore, the West needs to recognize the important role it can and should play in Azerbaijan’s democratization, and the policy “carrots” it could use, in particular regarding economic cooperation. At the same time, it needs to be prepared to offer incentives to promote bilateral cooperation and transformation, such as visa facilitation agreements.

Russia

Russia considers the South Caucasus to be part of its sphere of influence and appears not to hesitate to interfere in the internal affairs of the states in this region. Particularly, it actively attempts to prevent former Soviet states from expanding their trade and relations with Europe and the West, as is exemplified by recent events in Ukraine, where it threatened to apply unspecified economic measures if Ukraine would sign a trade and cooperation agreement with the EU as part of the Eastern Partnership Initiative of the EU. Russia is similarly keen to maintain its influence in Azerbaijan and to prevent the South Caucasus from becoming too Western-oriented. To this end, despite frequent uncertainties surrounding its intentions, Russia prefers working with the current “neutral” administration than supporting the Western-oriented opposition.

Russia’s role was particularly vital in enabling the re-election of Ilham Aliyev in 2013. The united opposition’s consensus candidate, popular screen-writer Rustam Ibrahimbekov, was eventually barred from running for president on the grounds that he has dual Russian-Azerbaijani citizenship and was not a permanent resident in Azerbaijan. He would have been Aliyev’s most credible opposition but Russian governmental agencies’ delay of the procedure to renounce his

citizenship crushed opposition hopes, indicating that Russian interests dictate support for the political status quo.\textsuperscript{22}

Putin’s visit to Baku in August 2013 in particular is highly instructive as to Russian intentions toward Azerbaijan’s political developments and crushed the opposition’s hopes for support. While no significant political declarations were made, the visit was considered a gesture aimed at dismissing speculations that the Kremlin is supporting Ibrahimbekov’s candidacy and publicly showing support for President Aliyev.\textsuperscript{23} It furthermore demonstrated that bilateral relations are developing, despite recent setbacks, such as the closing of the Gabala radar station, which was operated by the Russian military, and Russia’s close ties with Armenia. Bilateral interaction is set to be expanded in the military, energy, and technical spheres: according to Aliyev, Azerbaijan’s defense industry cooperation with Russia is worth four billion dollars.\textsuperscript{24}

\textit{Turkey}

There are strong political, military, and economic relations as well as strong cultural ties between Turkey and Azerbaijan. Both are part of the Southern Gas Corridor and Turkey remains the most reliable and safe route for the export of oil and gas from Azerbaijan to international markets. There is therefore close cooperation in the areas of defense, energy and energy transportation, and some large regional projects have been concluded, such as the Baku-Tbilisi-Ceyhan Crude Oil Pipeline, the Baku-Tbilisi-Erzurum Natural Gas Pipeline, the Baku-Tbilisi-Kars railway, and the Trans-Anatolian Natural Gas Pipeline. These projects support Turkey’s strategic role as a bridge between the East and West. Moreover, SOCAR’s investments have been very significant to the Turkish economy, totaling five billion dollars so far, with plans to invest a further 15-17 billion dollars by 2017.\textsuperscript{25}

Turkey’s 2009 campaign to normalize relations with Armenia raised some concerns in Azerbaijan and cooled down relations temporarily, but Ilham Aliyev’s decision to pay his first state visit in his third term in office to Turkey in November 2013 signaled the continued importance attached to relations by both countries. The steady growth and intensification in mutual relations –particularly in the field of politics, economics, and energy– further demonstrate this.

Turkey’s priorities with regard to Azerbaijan are the continuation of economic and military cooperation and the settlement of the Nagorno-Karabakh conflict.

\textsuperscript{22} “Azerbaijan: Ibrahimbekov Rejected as Presidential Candidate,” Eurasianet.org, 27 August 2013.
\textsuperscript{23} Mina Muradova, “Vladimir Putin Visits Baku,” CACI Analyst, 4 September 2013.
\textsuperscript{24} “Russia, Azerbaijan Agree on Oil, Gas Project as Putin Visits Baku,” RIA Novosti, 13 August 2013.
A peaceful solution to the conflict could mean the border between Armenia and Turkey could be opened and regional cooperation in general improved. The reciprocal importance attached to economic and military cooperation means Turkey has not been vocal about political reform in Azerbaijan, as is shown in its response to Ilham Aliyev’s re-election.

Turkish President Gül was one of the first leaders to congratulate Ilham Aliyev’s re-election: a statement released by the Ministry of Foreign Affairs considers that the elections were “held in an environment of peace and tranquility” and “constitute an important step regarding the democracy of friendly and brotherly Azerbaijan.” These positive statements are perceived as a testament that Turkey does not consider interfering in the domestic affairs of Azerbaijan.

**Stability but Declining Legitimacy**

Given the level of authoritarian consolidation that rests on several (so far) successful survival strategies, one might expect the regime to be quite stable in the long-term. However, while the regime will be able to rely on these strategies in the short run, none of these sources of stability are generating enough legitimacy for the mid- and long-term. Some efforts at maintaining political stability are, in fact, decreasing the regime’s legitimacy and increasing pressures for political reform.

For example, dramatic disparities persist between the country’s rich and poor. Consequently, many have lost their hope in a better future and no longer believe they will share in the profits from oil and gas sales. Only 49 percent of people believe they are treated fairly by the government and public discontent about socio-economic conditions was already demonstrated by a wave of protests in the beginning of 2013.

A political system that is based on patronage networks and clientelism is inevitably characterized by endemic corruption and omnipresent nepotism, fuelling grievances.
among the large part of society that is not part of the ruling elite. Despite attempts to curb corruption—for instance, by launching an e-government portal for easier facilitation of administrative procedures—corruption at higher levels remains. To illustrate, Parliament has recently restricted public access to information about business ownership in the country.  

Furthermore, resentment is likely to grow in Azerbaijan. Dialogue and reforms are rejected as effective methods of resolving conflicts and listening to demands or appeals by citizens or the opposition is perceived as “a risky display of weakness, which could call into question the stability of the regime.” The regime thus uses ever more aggressive responses to growing popular frustration and domestic pressures for change, in turn creating even more popular frustration and pressures for change and reform.

At the same time, however, there is no credible alternative to the current regime. The current political opposition is not only relatively weak and marginalized, but also has significant credibility problems. The establishment of the National Council in 2013 was perceived as a hopeful sign, but its gradual post-election disintegration indicates the opposition’s weaknesses are not likely to be resolved in the short-term.

The main factor to worry about for the regime is the sustainability of its current economic model in the medium- to long-term. Although there is some uncertainty over future volumes, it is currently forecasted that oil production will remain broadly flat in 2014-18, and will probably decline thereafter as reserves at the Azeri-Chirag-Guneshli field are depleted. Given the economy’s high dependence on hydrocarbons, and the Aliyev administration’s dependence on the economy for political stability, the regime risks more social unrest and economic recession if the economy is not diversified. In the next few years it will therefore be crucial for Azerbaijan to introduce reforms to gradually make the country more democratic, as well as encourage the population to make a living independently, so the economy can be diversified and sustained by taxes.