

PARLIAMENTARY ELECTIONS IN AZERBAIJAN: TIME FOR ANOTHER REVOLUTION?

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On November 6, 2005, parliamentary elections took place in Azerbaijan in which more than 2000 candidates were competing for 125 parliamentary seats. These were the third parliamentary elections held in Azerbaijan since independence on 18 October 1991 and the first elections to the Milli Majlis to be conducted under the adoption of the 2002 constitutional amendment, which abolished the proportional system. For the first time in Azerbaijani history, all 125 members of Parliament were elected in single seat constituencies, in one single round of voting. The high number of candidates in each constituency and the lack of a turnout threshold meant that relatively few votes could determine outcomes. With less than half – 46,8 percent- of the Azerbaijani citizens participating in the elections, this turned out to be the exact case and to nobody's surprise, Ilham Aliyev's New Azerbaijan Party (YAP) declared victory with 63 seats, slightly fewer than last time; opposition Azadliq officials won just six and "independents" took most of the rest.²

Time for another Revolution?

Thousands of protesters set off on a march through Azerbaijan's capital on November 16, 2005, answering the call by the main opposition movement to come into the streets to defend their right to free and fair elections. Protesters walked down a four-lane road, closed off to traffic, with orange flags in their hands - a color they borrowed from Ukraine's successful

¹ TEPAV|EPRI Foreign Policy Studies

² International Election Observation Mission, Parliamentary Election, 6 November 2005, Statement of Preliminary Findings and Conclusions, http://www.osce.org/documents/odihr/2005/11/16889_en.pdf

Orange Revolution. “Resign!” they shouted, referring to the government of President Ilham Aliev.³ They have protested in the name of free elections. However, in spite of all this show off, only several thousand people took part at the march’s beginning, far short of the 30,000-50,000 the opposition had hoped to assemble.

The opposition coalition Azadliq that called for the march was trying to emulate the movements that brought opposition leaders to power after disputed elections in Georgia and Ukraine but does this really mean that a revolution is close by at this strategically important oil rich country of the Caucasus? Probably not, at least in the near future, for a number of reasons:

What is different than Georgia and Ukraine?

First reason has to do with the state of the opposition. Earlier in 2005, Azerbaijan’s three main opposition parties banded together to form a united bloc, Azadliq (Freedom). In this bloc, 125 candidates are competing but polls show its support is only around 15 percent.⁴ The opposition surely deserves more seats than it got, but it is nothing like as popular as its counterparts in Georgia, in 2003, or Ukraine in 2004. Unlike the popular support gained by Mikhail Saakashvili and Viktor Yushchenko, Azadliq’s leaders are tainted by association with the brief pre-Heidar government, blamed by many for setbacks that led to a loss of some 20% of Azerbaijan’s territory to the Armenians. In Azerbaijan, the opposition has been disorganized, undisciplined, and fraught with political infighting. Unlike in Georgia or

³ Breaking News, “Thousands Protest Over Alleged Election Fraud”, 09/11/2005, <http://www.breakingnews.ie/story.asp?j=3442605&p=344z6zx&n=3442697&x=#>

⁴ Council on Foreign Relations, “The Importance of Azerbaijan’s Parliamentary Elections”, Lionel Beehner, November 2, 2005, http://www.cfr.org/publication/9139/importance_of_azerbaijans_parliamentary_elections.html

Ukraine, there is no single leader who enjoys the backing of the opposition's various strands. This lack of unity has muddled the opposition's message.

Complicating matters, some opposition leaders are involved in corruption and embezzlement of state funds. Rasul Guliyev, the founder of the Democratic Party of Azerbaijan is an example. The Democratic Party of Azerbaijan (ADP) is a splinter group of the party in power, the New Azerbaijan Party. Its founder, Rasul Guliyev, is a former ally of Heydar Aliyev's and speaker of parliament. A fugitive since 1996, Guliyev, fifty-seven, is wanted on six charges, including embezzlement of \$117 million in oil revenues.⁵ He was apprehended in Ukraine on October 17, as were several of his party members who were planning to protest their leader's detention. ADP members say the charges are politically motivated, though experts say Guliyev has a dubious past. "He was head of the largest oil refinery [in Azerbaijan],"⁶ analyst Fuller says. "Shall we say he had ample possibility to divert certain funds if he so chose."

The second reason why a revolution won't probably take place in the near future is the state of the economy. Despite its abundance of oil, Azerbaijan remains an economic backwater. Forty percent of the country's population is mired in poverty, earning less than \$41.20 per month. The country ranks 101st out of 177 countries in the United Nations' 2005 Human Development Index.⁷ Corruption runs rampant.

Yet polls show that Azerbaijanis are hopeful Aliyev can pull his country out of poverty, despite their economic problems. A survey in June sponsored by the International Republican

⁵ Ibid, Council on Foreign Relations.

⁶ Council of Foreign Relations.

⁷ Freedomhouse, Nations in Transit: Azerbaijan

Institute⁸ showed 56 percent of the population felt the country was heading in the right direction. According to the *Wall Street Journal*, Azerbaijan's economy is expected to grow by 18 percent this year and 25 percent in 2006, largely owing to foreign investments in the energy sector, rising energy production and booming oil prices.⁹ Foreign direct investments in the hydrocarbon sector have stimulated rapid growth in construction, transportation and services since 2003. By the end of the third quarter of 2004, Azerbaijan had attracted net foreign direct investment of \$ 10.7 billion, the equivalent of 12.6 percent of GDP. On 21 October 2006, the parliament sent to the president for review a preliminary \$ 3.7 billion budget for 2006 that envisages a 67 percent increase in expenditures.¹⁰

A new, 1,100-mile British Petroleum-led pipeline linking Baku to Ceyhan, Turkey began operation in May and will eventually carry up to one million barrels of oil per day from the Caspian to the Mediterranean, through Georgia. After the opening of the Baku-Tbilisi-Ceyhan (BTC) pipeline and further exploitation of the Shah Deniz gas field, hydrocarbon revenues are expected to double the country's economy by 2008. In 2006, real GDP growth is expected to accelerate to 25 percent.¹¹ Many Azeris are hopeful that the Baku-Tiflis-Ceyhan pipeline will improve the living conditions and economic fortunes. With the IRI Poll, when asked how much they think the living conditions would improve because of the new pipeline revenues, 33% of the Azeris said some, 27% said a lot, 7% said not much and %15 not at all.¹² In

⁸ International Republican Institute, "Parliamentary Election Campaign Survey" <http://www.iri.org.az/2005-survey-eng.pdf>

⁹ ICG Report, 21 November 2005- "International Monetary Fund- "Azerbaijan Republic Country Report", No. 05/260, July 2005.

¹⁰ International Crisis Group, "Azerbaijan's 2005 Elections: Lost Opportunity", 21 November 2005, p. 7.

¹¹ "Azerbaijan Country Analysis Briefs", op. Cit.EIU, "Country Report: Azerbaijan", August 2005.

¹² International Republican Institute, "Parliamentary Election Campaign Survey" <http://www.iri.org.az/2005-survey-eng.pdf>

conclusion, expectations for BTC pipeline are high. It is interesting to note that younger Azeris are the most hopeful of this new pipeline and regionally speaking, Baku remains unconvinced of BTC's benefits, according to the same survey.

As a result of rapid economic growth and increased social spending, the percentage of the population below the poverty level fell from 49 percent in 2001 to 40 percent in 2004.¹³ In early 2001, the authorities started a comprehensive structural reform program, supported by the IMF through a Poverty Reduction and Growth Facility (PRGF). Within this, Baku has taken certain progressive steps designed to improve transparency of government spending, including the establishment of clear rules for the operation of the Oil Fund and creating a supreme audit institution. The IMF program was concluded in June 2005, and authorities are considering a follow-on-ten-year poverty reduction program.¹⁴

Though the economy is booming, a significant part of the middle class claims it is still difficult to make ends meet. The minimum wage has increased five-fold but it is still less than \$35 per month¹⁵ suggesting that a color revolution is far away in this economically booming oil-rich country but not inevitable after all if it continues to depend only on the oil sector for revenues.

Thirdly, a revolution is postponed by Ilham Aliyev's projection of a self-image as a reformist leader and someone who responds to international calls to fight corruption and election irregularities. As an example, on November 14, 2005, he fired a third regional governor, the

¹³ International Crisis Group Report

¹⁴ International Crisis Group, "Azerbaijan's 2005 Elections: Lost Opportunity"

¹⁵ "IMF, Azerbaijan Republic Country Report, No. 05/19, January 2005, p. 9."

governor of the province of Zagata Vagif Rahimov¹⁶, for alleged interference in Azerbaijan's parliamentary elections, reacting sternly to Western charges of voting irregularities. He also decided to detain four local election officials on suspicion of falsifying results and abuse of office. Under his leadership, some positive measures have indeed been implemented, such as the release of political prisoners and greater diversity in the electronic media. He has initiated tentative reforms, in particular to meet commitments to the Council of Europe- but many are only on paper. Even though this self-created image does not hold among all the public, it is still successful in convincing a significant amount of Azerbaijanis in Aliyev's good will and qualities as being the best among the worst.

Fourth reason suggesting a grass-roots driven change is unlikely in the near term is related to the popular apathy proven by the low turn-out in the parliamentary elections. Azerbaijani citizens are indifferent to elections that do not reflect their will, having lost belief in their ability to effect change through the ballot box. Less than half – 46, 8 percent turned out on election day- as compared with 69 percent in 2000, suggesting serious disenchantment with a system that has repeatedly produced fraudulent elections. One of the biggest differences between Azerbaijan and those ex-Soviet states where post-election revolutions have happened in the past two years are the lack of popular engagement in electoral politics and citizen's weak belief in their ability to effect change.

As a result of an USAID- IRI joint survey¹⁷ conducted between June 6-30, 2005 among 1200 Azeri citizens, it was found out that the status quo voters- Azeris who express the highest

¹⁶ Governor of Zagatala, some 310 miles northwest of Baku.

¹⁷ Azerbaijan National Poll, www.iri.org

satisfaction with the direction of the country and government- were significantly more likely to participate in the November election than the citizens who express dissatisfaction with the direction of the country. The lack of intensity on the change side may be explained by a couple of factors. First, it is possible that these voters do not believe their vote matters or will not be counted. The other, and possibly more important, factor driving this sentiment could be that there is a discontent between what “change” voters care about and what they are hearing from “change” candidates. “Change” candidates can gain more traction and motivate voters by emphasizing quality of life issues over political issues, however, in general terms, this did not happen to be the case during the election campaign in Azerbaijan.¹⁸

Lastly, even though it is not a factor on its own, Azerbaijan’s good relations with the United States contributes to the regime in this country in holding on to power. However, this is the situation for the time being, since too much affinity with the American government, especially at a time when anti-Americanism is on the rise all around the world, has created wide-spread dissatisfaction among the public in many countries, putting the pro-U.S. governments of these countries at a difficult position.

Azerbaijan has been a key regional ally to the United States in the war on terrorism. One of the most symbolic recent developments was the March 2002 lifting of Section 907, a U.S. ban on development aid to Azerbaijan that stretched back to 1992. Experts say the ban, put in place after war broke out between Azerbaijan and Armenia, was engineered in part by Armenia’s powerful U.S.-based diaspora. The restriction was lifted after Baku offered air-rights access and intelligence to the U.S. military in the aftermath of September 11, 2001.

¹⁸ IRU Poll Results- Azerbaijan National Poll

Relations between Baku and Washington were improved after Azerbaijan sent 150 soldiers to Iraq in the aftermath of the U.S.-led invasion in 2003. Experts say Azerbaijan is important to Washington because of it being an important strategic ally, mainly due to its large oil reserves. Even though the bulk of Azeri oil reserves will be consumed by Europe instead of the United States, still these reserves would help to stabilize the global energy prices. There has been some talk—particularly in light of Uzbekistan’s recent decision to eject U.S. forces from its K-2 Airbase—of staging a U.S. military presence in Nasosnaya, an airfield not far from Baku, as well as installing two radars in the country to prevent the smuggling of weapons of mass destruction through what is considered a major black-market corridor.¹⁹

As a result of all of these factors, the process in Azerbaijan lacks some of the key strengths that bolstered protests in those other ex-Soviet republics: the skillful organization that carried the day in Ukraine, and the wide popular allegiance the leaders enjoyed in Georgia. Unlike these other countries, in Azerbaijan, the government clearly has the upper hand, including a tight grip on state media and control over some 30 percent of the jobs in the country. At this moment, hydrocarbon wealth provides the means to co-opt potential rivals and assure the loyalty of the governing network. However, too much dependence on hydrocarbon wealth for its survival is too risky for every government and no prospects of a revolution in the near future should not give the Azerbaijani officials the assurances that such a revolution will not happen at all in the future.

¹⁹ Council on Foreign Relations, “The Importance of Azerbaijan’s Parliamentary Elections”, Lionel Beehner, November 2, 2005.
http://www.cfr.org/publication/9139/importance_of_azerbaijans_parliamentary_elections.html?breadcrumb=defa<u>ult</u>