

# Azerbaijan

*Capital:* Baku  
*Population:* 9.2 million  
*GNI/capita, PPP:* US\$8,950

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

## Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00
Civil Society	4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25
Independent Media	5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75
Governance*	5.75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75
Local Democratic Governance	n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50
Judicial Framework and Independence	5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50
Corruption	6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75
Democracy Score	5.63	5.86	5.93	6.00	6.00	6.25	6.39	6.46	6.57	6.64

\* 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

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Azerbaijan is ruled by an authoritarian regime characterized by intolerance for dissent and disregard for civil liberties and political rights. When President Heydar Aliyev came to power in 1993, he secured a ceasefire in Azerbaijan's war with Armenia and established relative domestic stability, but he also instituted a Soviet-style, vertical power system based on patronage and the suppression of political dissent. Ilham Aliyev succeeded his father in 2003, continuing and intensifying the most repressive aspects of his father's rule. Since then, the inflow of significant oil revenues has fueled presidential patronage, strengthened the state's security apparatus, and partially subdued both domestic and foreign criticism of the regime.

The popular Eurovision Song Contest, which Baku hosted in May 2012, gave citizens an opportunity to shine a global spotlight on their government's contempt for basic democratic and human rights practices. Independent civil society organized highly visible protests and campaigns in the run-up to the event. The state responded with mass arrests and new violations of due process, despite appeals by human rights organizations, European institutions, and international media. Throughout the year, the government detained political opponents, activists, and journalists, usually on bogus or exaggerated criminal charges. It also enacted legislation increasing fines and jail terms for participation in unauthorized public events.

It did all this with the aid of a compliant judiciary and a legislature in which the President's New Azerbaijan Party (YAP) is the only party with more than three seats. Throughout the year, policymaking lacked public input and permitted the regime to consolidate power. Court proceedings targeted regime critics and violated their basic legal rights. Only superficial efforts were made to include opposition parties in the political environment. The country's approach to corruption also worsened, with new legislation limiting access to information and an ambivalent response from the government to a scandal implicating high-level officials in electoral bribery.

Negotiations to resolve the Nagorno-Karabakh conflict, which has resulted in nearly one million Azerbaijani refugees and internally displaced persons (IDPs), did not progress. The violation of a ceasefire in June resulted in casualties, and the regime ignored international concern when it promoted an army officer convicted of murdering an Armenian counterpart. The country's military budget also continued to grow, reaching \$4.4 billion in 2012, up from \$3.12 billion in 2011.

**National Democratic Governance.** The government of Azerbaijan maintained its authoritarian rule in 2012 through a system of political patronage fed by oil revenues and premised on repressive measures that stifle political dissent. Public

protests against human rights abuses, including in the lead-up to Baku's hosting of Eurovision, garnered unprecedented attention and support for democratic reforms in Azerbaijan. The government, however, responded with brutal crackdowns, arrests, and undemocratic trials. The regime also took no steps to liberalize the work of the parliament, which remained dominated by Aliyev loyalists. A continued decline in oil production and weak GDP growth signaled that the regime's reliance on income from natural resources to amass and retain power is fleeting. Owing to continued authoritarian methods of rule, *Azerbaijan's national democratic governance rating remains unchanged at 6.75.*

**Electoral Process.** Since the adoption of the country's constitution in 1995, elections in Azerbaijan have been marred by fraud, violations of freedom of assembly, restrictions on opposition candidates, and voter intimidation. In 2012, the government retained recent legal amendments that lifted the term limit on the presidency, reduced the length of election cycles, and withdrew state financing from campaigns. The government introduced public financing for political parties in 2012, but the deliberately unequal distribution of these new resources ensures that opposition parties will get minimal support. Presidential elections in 2013 are likely to follow the same course, as recent polls and favor the Aliyev regime. Due to persistent legal restrictions and electoral misconduct that reinforce the ruling party's power over polls, *Azerbaijan's electoral process rating remains unchanged at 7.00.*

**Civil Society.** The legal environment for Azerbaijan's civil society, long characterized by violations of expression, assembly, and other rights, worsened in 2012. Authorities crushed protests organized in the lead-up to Eurovision in May and continued to suppress public demonstrations throughout the year. The parliament passed provisions that increased fines for participation in unauthorized rallies, while the government arrested numerous regime opponents on fabricated or exaggerated legal charges. These developments confirmed that Azerbaijan's regime remains firmly resistant to democratic reforms that would open up public space for genuine political debate. Owing to increased restrictions on freedom of assembly, *Azerbaijan's civil society rating declines from 6.00 to 6.25.*

**Independent Media.** The regime's systematic suppression of independent broadcast, print, and online media has effectively silenced public debate. Attacks on media in 2012 took the form of physical abuse and smear campaigns against journalists, criminal charges of defamation and libel against outlets and reporters, tight regulation of television and radio, and increasing restrictions on internet use and online expression. These flagrant abuses of press freedoms occurred despite international criticism of the country's media environment in the run-up to Eurovision and Baku's hosting of the Internet Governance Forum (IGF) in November. Owing to the persistently repressive nature of the country's media environment despite global concern, *Azerbaijan's independent media rating remains unchanged at 6.75.*

**Local Democratic Governance.** Azerbaijan's constitution provides for local self-governance, but in reality, municipalities function as arms of the executive branch. Municipalities are seriously underfunded and lack meaningful responsibilities or decision-making authority. In 2012, a presidential decree significantly broadened the local responsibilities of state authorities and extended their control over the local structures of national ministries. The decree ran contrary to the values of the European Charter for Local Self Government, which Azerbaijan has ratified. Protests in the city of Guba led the government to fire one of its own appointees, though police used excessive force against protesters and authorities subsequently arrested journalists in connection with the unrest. Owing to the continued subordination of local structures to the Aliyev regime, *Azerbaijan's local democratic governance rating remains unchanged at 6.50.*

**Judicial Framework and Independence.** In 2012, the judiciary remained a tool for carrying out the regime's political will. The selection of judges is neither independent nor objective, and a lack of professionalism in the courts fuels corruption. The number of politically motivated court decisions is high, resulting in the convictions of political opponents, journalists, and human rights defenders on trumped-up or false criminal charges. In addition, cases are rife with procedural irregularities that reveal pervasive disrespect for the basic legal rights of defendants. Owing to the executive's control of the judiciary and the large number of politically motivated court decisions, *Azerbaijan's judicial framework and independence rating remains at 6.50.*

**Corruption.** Azerbaijan has consistently ranked among the world's most corrupt countries, with wealth from the state's massive oil exports creating huge opportunities for graft. Because critical institutions, including the media and judiciary, are largely subservient to the president and ruling party, government officials are rarely held accountable for corruption. Investigative reports published by foreign media in early 2012 revealed that President Ilham Aliyev and his immediate family control huge assets, including monopolies in the economy's most lucrative sectors. A few months later, President Aliyev signed a series of legal amendments allowing companies' organizational structures and ownership to remain secret. The release of a video showing a member of the parliament engaging in electoral bribery set off a national scandal. Due to the indifference of authorities to widespread graft and government efforts to further reduce transparency in the country's commercial sector, *Azerbaijan's corruption rating declines from 6.50 to 6.75.*

**Outlook for 2013.** Although, thanks to biased election laws and a tightly controlled campaign and polling structure, President Aliyev will almost certainly win reelection in October 2013, the legitimacy of his regime will continue to erode, making it increasingly dependent on the state oil fund, which is projected to post a deficit. Salaries and pensions will remain too low to meet the population's needs in the face of rising commodity prices. Public dissent will continue to mount,

with the opposition becoming more united ahead of the elections. The regime's probable strategy for dealing with such threats is reflected in a significant increase in allocations to law enforcement bodies in the 2013 budget.

# MAIN REPORT

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## National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.00	6.00	6.00	6.25	6.50	6.50	6.75	6.75

Although the separation of powers is guaranteed by the constitution, in reality the executive branch fully dominates both the legislature and the judiciary. The 125-seat Milli Majlis (parliament) is a rubber-stamp body with no oversight or public debate function. The country's top-down governance system operates through patronage networks, which extend well into the country's regions, where they control local self-government structures. In 2012, President Ilham Aliyev continued to strengthen his system of control and patronage by supporting loyal bureaucrats while simultaneously suppressing dissent and denying basic freedoms in various spheres of public life.

Neither of the country's largest opposition parties, Musavat and Popular Front, was awarded any seats after the fraudulent parliamentary elections of 2010.<sup>1</sup> The parliament remains dominated by the New Azerbaijan Party (YAP), in power since the election of former president Heydar Aliyev in 1993. Presidential power is not subject to any sort of independent audit or public monitoring. The creation of the ombudsperson's office in 2001 was a positive step, but the office's lack of independence gives it limited capacity. Without public hearings, town meetings, or TV broadcasts of parliamentary sessions, the Azerbaijani public has little ability to directly influence or even criticize legislative processes.

Azerbaijan's natural resource wealth, which fueled vast GDP growth in the mid-2000s, has helped assure the stability of the executive's control over the country. Economic power is largely concentrated among the president, his family, and a small group of oligarchs, creating a dangerous convergence of political and economic interests. The constitution does not allow members of the parliament, cabinet ministers, or judges to own businesses, but there is no such provision regarding the president or the relatives of government officials. In addition to benefits accrued from oil sales, investigative articles published in early 2012 revealed business dealings by the president's family in the gold industry and in the construction of Baku's Crystal Hall, the 2012 Eurovision Song Contest venue.

Critics have argued that Azerbaijan's wealth and location, critical for transnational pipelines and other transportation projects, have lent it geopolitical significance at the expense of due criticism for illiberal practices. As a result, they say, the government feels emboldened to continue cracking down on dissent. In 2012, the government stepped up its suppression of perceived regime threats, even as popular campaigns surrounding the Eurovision contest, a high-profile public relations investment meant to burnish Azerbaijan's international image, drew global attention to the regime's human rights record. Major outlets, such as the British

Broadcasting Corporation (BBC), *The New York Times*, and *Der Spiegel*, published articles and video segments highlighting the country's poor governance.<sup>2</sup>

Despite a lack of democratic reforms in 2012, sluggish economic development harbingered future cracks in the status quo. The regime is heavily dependent on oil revenues, but falling barrel prices and a significant downturn in oil production have led to a dramatic decrease in GDP growth, down to less than 5 percent from over 30 percent as recently as 2006.<sup>3</sup> Although President Aliyev has blamed international companies and institutions for this decline, it is clearly linked to bureaucratic inefficiency, weak legal institutions, corruption in cross-border transactions, and monopolistic interests that continue to hinder investment in non-oil sectors of the economy. Given its weak economic performance and failure to enhance non-oil sectors, Azerbaijan continued in 2012 to use its oil fund, which is meant to preserve revenues for future generations, to ensure the state budget. Transfers from the fund increased to \$12.538 billion from \$11.64 billion in 2011.<sup>4</sup> The 2013 budget, passed in November, projected taking \$14.5 billion from the fund, enough for the fund to post a deficit.<sup>5</sup> Due to its economic difficulties and mismanagement of the budget, Azerbaijan has yet to gain admittance to the World Trade Organization (WTO), despite new talks held in 2012. The country dropped one ranking in the World Bank's "Doing Business" survey of countries, showing zero regulatory reforms.<sup>6</sup>

Peace in the breakaway Nagorno-Karabakh region proved fragile in 2012, straining the government's claim that it provides national stability. A ceasefire between Azerbaijan and Armenia was violated on 5 June with casualties on both sides.<sup>7</sup> Political tensions again escalated on 31 August with the extradition from Hungary of Ramil Safarov, an Azerbaijani army officer, followed by President Aliyev's immediate pardon and promotion of Safarov to the rank of major. In 2006, Safarov was convicted of murdering an Armenian army officer with an axe during a language course in Budapest sponsored by the North Atlantic Treaty Organization (NATO). The president's pardon and promotion of Safarov drew unanimous condemnation from the European Union (EU) and United States because of its potentially negative impact on the Nagorno-Karabakh peace process.<sup>8</sup>

#### Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.00	6.25	6.50	6.50	6.50	6.75	6.75	7.00	7.00	7.00

Azerbaijan's constitution and election laws stipulate equal voting rights for all citizens and regular rotations of power through free and fair elections via secret ballot. Nearly every Azerbaijani election since independence has fallen short of these promises. Improvements in the technical aspects of polling have been completely offset by a narrowing of the space for political competition, limits on freedom of expression and assembly, unequal campaigning opportunities, and restrictions on the participation of opposition candidates.

Many problems in Azerbaijan's elections have come under fire from international organizations, including the Organization for Security and Cooperation in Europe (OSCE) and the Council of Europe (CoE). Among these problems are the regime's exploitation of power and resources during campaigns and voting, as well as the lack of political balance on electoral commissions, which are dominated by the YAP. Voter intimidation, carousel voting, crackdowns on protesters, vote buying, and ballot stuffing are all common. The regime regularly uses legal and policy manipulation to marginalize opposition candidates, who also struggle with a lack of funds and the country's broadly repressive political environment. A series of recent legislative changes have strengthened the regime's position, including a 2009 constitutional amendment eliminating presidential term limits and 2010 amendments to the Election Code that reduced the length of election cycles and eliminated state financing for campaigns. Official statistics show voter turnout over 70 percent in the last two presidential elections,<sup>9</sup> but Azerbaijan's record of abuses in elections has soured the population on the value of polls, leading to minimal public engagement with the electoral process.

Based on recommendations from the CoE Venice Commission, in April 2012 Azerbaijan's parliament adopted legislative amendments that introduced public funding for political parties. However, the impact of these changes will be limited, as only 10 percent of the funding in question is to be distributed among those parties that received 3 or more percent of the vote but did not gain representation in parliament during the last elections, and parliamentary factions will receive no funding at all.<sup>10</sup> In response to the Venice Commission's criticism, the government did withdraw one legal provision proposed in an October 2011 draft that would have raised the number of members required to register a party from 1,000 to 5,000.<sup>11</sup>

In the current context, the presidential election in 2013 will likely see no substantial improvement in campaigning and voting conditions. There are two coalitions of parties that could challenge the regime's grasp on power: the Public Chamber, which unites leading opposition parties and nongovernmental organizations (NGOs), and the Advisory Council of Democratic Forces (ACDF), which unites smaller opposition parties. Possible consolidation of these actors along with new forces like bloggers, youth movements, and segments of the business and cultural elite may be the best hope for enhancing public participation in the election, drawing international attention to Azerbaijan's struggling democracy, and rattling the regime's confidence.

#### Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4.50	4.75	5.00	5.25	5.25	5.50	5.75	5.75	6.00	6.25

Azerbaijan's independent civil society has long been limited by a lack of resources and various legal restrictions on freedom of expression and assembly. The environment

for independent activity worsened in 2012, as authorities clamped down on antigovernment protests and arrested numerous regime critics or opponents on fabricated or exaggerated legal charges. In November, the parliament also passed legal provisions that increased fines for participation in unauthorized rallies. The tightening of control over civil society overshadowed minor positive developments, such as the release of some political prisoners, and confirmed that Azerbaijan's government is wholly resistant to democratic reforms that would liberalize the country's civil society environment.

Throughout the year, police suppressed popular protests and rallies by regime critics. Initially, many of these were tied to the Eurovision contest in May, which civil society hoped would draw international attention to Azerbaijan's poor democratic credentials and human rights abuses. Most notable was the Sing for Democracy campaign led by the Human Rights Club, a Baku-based NGO, in partnership with the Germany-based Institute for Media, Democracy, and Cultural Exchange (IDEM) with support from other international NGOs, such as Human Rights Watch and Amnesty International. On 23 May, Sing for Democracy hosted a "public walk" on a boulevard in Baku without government interference. Just two days later, however, on the eve of the Eurovision final, police arrested 70 protestors participating in a flash rally. Three of the detainees were brought before a court and sentenced to six days in jail, while nine others were fined.<sup>12</sup>

Protests continued after Eurovision, resulting in further arrests and police brutality. On 20 October, law enforcement used excessive force to disperse youth opposition activists calling for the dissolution of parliament at a protest in downtown Baku. Dozens of people were arrested, and many were sentenced to ten days of detention. On the same day, police gathered at the headquarters of the opposition party Musavat and detained political activists.<sup>13</sup>

In addition to crushing protests, the government continued its practice of harassing and punishing individual activists. It did this by levying heavy penalties for petty or false administrative offenses, publishing defamatory articles against NGO members, and intimidating activists and, in some cases, their families. On 11 May, Ilgar Rzayev, an outspoken government critic whose home had been demolished by the government in March and whose brother was an activist with the independent Institute for Peace and Democracy, was arrested for drug possession. He was sentenced to two years in prison in August.<sup>14</sup> In June, Mehman Huseynov, media coordinator for Sing for Democracy and brother of that campaign's leader, was arrested on charges of hooliganism. Other activists arrested by the government included the coordinator of the NGO Kura Civil Society, Oktay Gulaliyev, who had helped expose corruption in the allocation of aid to areas affected by the 2010 Kura River flood, and Zaur Gurbanli, who was active in the "Sing for Democracy" campaign and N!DA youth movement. Gurbanli was released after being held incommunicado for two days and serving a 15-day sentence for resisting arrest.<sup>15</sup>

Authorities also enhanced legal restrictions to further stifle civil society activities. In early November, the Milli Majlis adopted new amendments to the Law on Freedom of Assembly, the Criminal Code, and the Code of Administrative Offenses that significantly increased penalties for organizing and participating in

unsanctioned public meetings and rallies. NGOs can now be fined up to about \$38,000 for organizing unauthorized meetings or rallies and individual participants could be sentenced to up to 15 days in detention.<sup>16</sup>

These new restrictions joined existing legal hurdles that Azerbaijani NGOs were already forced to navigate. The Ministry of Justice, which oversees civil society organizations, frequently refuses organizations' applications for registration or delays their accreditation by months or years. The ministry also has the right to dissolve an NGO after issuing it two warning letters within one year, and organizations must report all financial grants within one month of receipt. Independent organizations must also compete with a growing number of government-organized nongovernmental organizations (GONGOs), which receive substantial funding from the President's Council on State Support to NGOs. Moreover, a resolution passed by the Cabinet of Ministers in March 2011 obliges foreign NGOs seeking registration to first reach an agreement with the government on their planned activities, as well as demonstrate respect for "national moral values" and refrain from engaging in "religious and political propaganda."<sup>17</sup> The exact definitions of these terms remain ambiguous, giving the government a wide purview to reject the presence of foreign NGOs.

Amid the ongoing crackdown on free expression and assembly, the government demonstrated its benevolence by releasing a number of political prisoners. On the eve of U.S. Secretary of State Hillary Clinton's visit to Baku in early June, blogger and former opposition candidate Bakhtiyar Hajiyev, who had been sentenced in May 2011 to two years in prison on charges of evading military service, was released. A few weeks after Clinton's visit, during which she called for the release of opposition figures, President Aliyev pardoned 66 prisoners, including 9 activists arrested during the dispersal of protests in April 2011.<sup>18</sup> In June, the CoE adopted a resolution urging the Azerbaijan government to resolve the cases of more than 80 political prisoners still behind bars. The resolution was based on a report by Christoph Strässer, a special rapporteur for the CoE, who has been denied a visa to Azerbaijan since his appointment in 2009.<sup>19</sup> Aliyev released dozens more prisoners in an annual amnesty on 26 December, including a handful of activists. Many regime critics and political opponents, including human rights defenders, journalists, and political organizers, remained locked up at the end of the year.

#### Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.75	6.00	6.00	6.25	6.25	6.75	6.75	6.75	6.75	6.75

Azerbaijan's legislative framework guarantees freedom of thought, speech, and information. In practice, authorities regularly use violence, intimidation, and criminal laws to stifle public debate and silence dissenting voices. In the run-up to Eurovision, international and domestic human rights organizations urged the event's organizer, the European Broadcasting Union (EBU), to publically criticize

Azerbaijan's poor record on media rights. The EBU, which pledges to respect freedom of expression, agreed to host a workshop on the issue in early May. However, regime critics were frustrated when the event did not produce any commitments from the government to liberalize the country's repressive media landscape, thus allowing the status quo to persist.

Journalists working in Azerbaijan face regular threats, violence, and legal intimidation. According to the Institute for Reporters' Freedom and Safety (IRFS), an Azerbaijani NGO, in the first half of 2012 alone, more than 32 journalists and their relatives faced violence on 23 occasions.<sup>20</sup> Etimad Budagov, a photographer for the Turan Information Agency, was kicked and knocked down while covering a protest of the Ministry of Transportation; *Azadliq* newspaper correspondent Seymur Hazi, was kidnapped, beaten, and dumped by unknown assailants; and Idrak Abbasov, a reporter for the newspaper *Ayna-Zerkalo*, was beaten by state oil company representatives while filming the demolition of houses near an oil field. In March, investigative journalist Khadija Ismayilova, who published a series of articles about the business dealings of the president's family, became the target of a smear campaign by the authorities, who attempted to blackmail Ismayilova with a sexually explicit video obtained via a hidden camera in her bedroom. Numerous journalists and bloggers remained imprisoned in 2012, and no progress was made in investigating the murders of newspaper writers Elmar Huseynov, killed in 2005, or Rafiq Tagi, killed in 2011.

Authorities often use libel and defamation charges to intimidate or silence journalists. Libel remains a criminal offense, punishable by exorbitant fines and imprisonment. According to the Media Rights Institute, 17 defamation suits were brought against media outlets or journalists in just the first three months of 2012.<sup>21</sup> Later in the year, one of the leading opposition newspapers, *Azadliq*, was reportedly on the verge of shutting down due to high court fines. On 31 July, the newspaper *Yeni Musavat* was fined \$64,000 in a suit initiated by Gilan Gabala Cannery LLC, a company led by a government minister, and on 4 September, the newspaper *Gundam khabar* was ordered to pay \$12,700 in defamation damages to Anar Mammadov, the son of the transportation minister.<sup>22</sup>

The government also continued to strictly regulate media operations and, in many instances, interfere in independent outlets' activities. The president appoints members of the National Television and Radio Council, which oversees media licensing and frequently denies approval to independent outlets. Some foreign media, such as Radio Free Europe/Radio Liberty (RFE/RL), the BBC, and Voice of America (VOA), have been banned from national stations since 2009. In 2012, the government replaced the kiosks of Qasid and Qaya, private companies that distribute independent newspapers. The replacement risked preventing sales of these newspapers and in turn diminishing the country's freedom of mass media. Although according to a December 2010 law, the country's human rights ombudsperson could question these and other actions as violations of press freedoms, the office's dependence on the president, who nominates candidates then elected by the parliament, raises doubts about its capacity to fulfill its duty to the media.

The newest frontier of the government's control of media is the internet. Although the high cost of online access in Azerbaijan is an obstacle to widespread public use, the internet remains an important alternative news source for the country's urban population. Recognizing this, authorities have increasingly manipulated the medium, aided by the fact that state-run Delta Telecom dominates the market, providing connectivity to more than 90 percent of users.<sup>23</sup> A number of individuals have also been arrested for their online activities, beginning with bloggers and youth activists Emin Milli and Adnan Hajizade in 2009. In February 2012, IRFS received a warning letter from the Ministry of Justice for disseminating "biased" information about the situation in the autonomous region on Nakhchivan on the website *Nakhchivan.org.az*, after which the organization also learned of authorities' efforts to halt use of its domain name.<sup>24</sup> In March, authorities arrested Vugar Gonagov and Zaur Guliyev, executive director and editor-in-chief of *Khayal TV*, for posting a speech on YouTube in which a regional official in Guba insulted his constituents, prompting local protests. If convicted of violating public order and abusing their authority, both Gonagov and Guliyev face several years in prison.

On the eve of the annual Internet Governance Forum (IGF) organized by the United Nations (UN) and held in Baku in November 2012, Amnesty International issued a report drawing attention to Azerbaijan's violations of internet freedoms, including government surveillance and restrictive legislation.<sup>25</sup> In contrast to the spirit of the IGF but in keeping with the regime's past actions, authorities endeavored to prevent domestic groups dedicated to freedom of expression from participating in the forum or distributing reports about online restrictions.

#### Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50	6.50

The constitution of Azerbaijan provides for local self-governance, which is carried out through elected municipal authorities and local bodies of the state administration. Azerbaijan also ratified the European Charter of Local Self Government in 2002, which grants municipalities substantial responsibilities and decision-making authority. In practice, however, municipalities serve as arms of the country's executive branch, a reality reinforced in 2012 by a new presidential decree limiting local power.

The patterns of governance at the local level in Azerbaijan mirror those at the higher levels of administration. Municipal authorities align themselves with local branches of state administration, which are extensions of the ruling party and its structure. These provide access to and further distribute patronage, also ensuring electoral victory for individuals at the municipal level who comply with the ruling party's wishes. A presidential decree issued on 6 June granted local executive authorities virtually all the functions of municipal or regional governments, including the right to appoint and dismiss the representatives of local branches of

central ministries and to maintain schools and other public buildings. A low level of state transfers to local coffers and ineffective tax structures make all branches of local government financially dependent on central authorities in Baku.

In 2006, a national association of municipalities was created, but to date, the body has existed largely as a formality. In 2009, the Milli Majlis reduced the number of municipalities in Azerbaijan to 1,766,<sup>26</sup> to which an EU committee responded by expressing regret that Azerbaijan did not make a simultaneous reduction in the number of local authorities working for the state administration.

In March 2012, protests erupted in the city of Guba after a video appeared online showing the regional government head, Rauf Habibov, making offensive comments about his constituency. Signaling growing frustration with local authorities, protesters demanded the resignation of Habibov, a presidential appointee. In a rare example of government redress, Habibov was, in fact, dismissed. However, the use of excessive force against protesters and criminal charges against the journalists allegedly responsible for putting Habibov's speech online disabused onlookers of any notion that the government was becoming more responsive to their demands. No other government appointees were removed due to public pressure in 2012.

As specified in the constitution, the region of Nakhchivan enjoys a high level of autonomy in contrast to other parts of the country, with a division of powers among the local parliament, the Cabinet of Ministers, and a court system. However, the region's political system is also characterized by a high level of repressiveness and a lengthy record of human rights violations. In 2012, officials in the region continued to suppress protests that broke out in the village of Nehram over a lack of water for irrigation and other social problems. In February, a Nakhchivan court sentenced Nehram resident and political activist Zeynal Bagirzade to seven-and-a-half years in prison for allegedly committing fraud. In May, the prison term was reduced to a probationary sentence.<sup>27</sup> On 15 August, however, farmland in Nehram owned by Bagirzade was illegally raided by municipal head Tofiq Abutalibov. Reportedly, Abutalibov called Bagirzade a traitor.<sup>28</sup>

#### Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
5.50	5.75	5.75	5.75	5.75	5.75	6.25	6.25	6.50	6.50

Despite occasional demonstrations of independence, Azerbaijan's courts are largely tools of the regime, which uses them to protect its own business and political interests. The heavy influence of the executive branch undermines the judiciary's capacity to provide for citizens' equality before the law and impartially interpret and enforce the constitution. In addition to political interference, courts are plagued by a lack of professionalism.

Fundamental to the judiciary's flaws is an entrenched structure of control, patronage, and corruption. Judges are selected on the basis of exams, a complicated process that lacks external monitoring to ensure fairness. Once they have succeeded

at exams and in training, judicial candidates are put forward by the Judicial-Legal Council, chaired by the justice minister, and then appointed by the president or the parliament, depending on the court. Given the council and the parliament's allegiance to the ruling government, there are no safeguards against political favoritism permeating the selection process. Moreover, courts are financed from the state budget, but the salaries of judges are low, which feeds into widespread corruption once judges are employed.

The courts are widely recognized as instruments for executing political orders, which typically target political opponents and human rights defenders. In the summer of 2012, the Baku prosecutor's office initiated a case regarding the alleged poisoning of former president Abulfaz Elchibey, even as Elchibey's family criticized the investigation. Ali Kerimli, leader of the opposition Popular Front, was implicated in the case, and his bodyguard was arrested. The prosecutor summoned several opposition leaders to testify, including Mirmahmud Miralioglu, head of one wing of the Popular Front. These events occurred as the Public Chamber, a coalition of NGOs and opposition parties of which Kerimli is a key member, was planning antigovernment protests, including against the YAP's upcoming nomination of Aliyev for a third term as president. The case is expected to go forward in 2013 and be used as a means of pressuring opposition leaders on the eve of the presidential election.

Broadly speaking, cases against regime critics are characterized by questionable charges and procedural irregularities that violate the basic legal rights of accused individuals. In 2012, lawyer Bakhtiyar Mammadov, who had been representing the owners of homes that the government illegally demolished in Baku's Flag Square to make room for a Eurovision venue, was kept in pretrial detention for three months based on charges of fraud and extortion brought against him at the end of the previous year. When Mammadov's ordered detention time lapsed, his lawyer petitioned for his release, but a Baku judge said the court could keep Mammadov "at its own initiative."<sup>29</sup> Mammadov remained in indefinite detention throughout 2012, despite the fact that the individual whom Mammadov allegedly sought to extort said he had never met the defendant. In another case, Nigar Yagublu, an activist and member of Musavat's youth branch, was ordered into pretrial detention for a car accident that resulted in the death of a passenger.

The ill-treatment of suspects in pre-trial detention continued in 2012. Human rights defender and chair of the NGO Kur, Oqtay Gulaliyev, was reportedly beaten by officials of the Sabirabad region police department and denied medical care after being detained on 8 April on charges of "hooliganism." Twelve days later, while still in custody, he was further charged with "active resistance to orders from the authorities" and "incitement of mass riots and violence towards citizens." Gulaliyev was released on bail two months after his original arrest, but the criminal charges against him still stand.<sup>30</sup> Another suspect who saw charges against him radically escalate while in pre-trial detention was Hilal Mammadov, the editor of the Talysh-language newspaper *Tolyshi sado* (Voice of Talysh). Mammadov was originally detained on 21 June on drug possession charges, which were replaced 15 days

later by charges of high treason and inciting national, racial, and religious hatred.<sup>31</sup> He remained at the Kurdakhany investigative detention facility at year's end.<sup>32</sup>

## Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
6.25	6.25	6.25	6.25	6.25	6.50	6.50	6.50	6.50	6.75

Azerbaijan has consistently ranked among the world's most corrupt countries,<sup>33</sup> with wealth from the country's massive oil exports creating huge opportunities for graft. Because critical institutions, including the media and judiciary, are largely subservient to the president and ruling party, government officials are rarely held accountable for corruption. A series of investigative reports published in 2012 revealed the "privatization" of Azerbaijan's assets by the Aliyev family, apparently prompting legislation to further obscure company ownership.

In early 2012, the world's largest food company, Nestle, severed all trade with Azerbaijan, reportedly due to corruption in the national customs authority. The company allegedly refused to pay bribes and evade tax payments to secure its business in the country. Transparency in business and ownership structures suffered another setback in June, when the government pushed through legal amendments that severely limited public access to information about the ownership and financial assets of commercial entities. The changes drew international criticism, but government representatives defended them as necessary to protect businesses and allow them to grow.

The June amendments were believed to be, at least in part, responses to a series of investigative reports published in 2012 on the corrupt business dealings and prodigious wealth of President Aliyev's family. The series of journalistic investigative reports published by Radio Free Europe/Radio Liberty described the "privatization" of Azerbaijan's major assets by Aliyev's wife and daughters. In addition to their telecom and banking firms and their property in Dubai, the president's family were reported to be major shareholders in Azerbaijan's gold mining industry<sup>34</sup> and the main subcontractor in the construction of the \$134 million Eurovision contest venue.<sup>35</sup>

Corruption in Azerbaijan extends well beyond business into politics, tainting a wide array of purportedly democratic processes. In September 2012, Elshad Abdullayev, the former rector of the now-defunct International University (ABU), began releasing a series of secretly recorded videos of corrupt dealings between government officials. The most widely circulated of these featured Abdullayev's negotiations with Gular Akhmedova, a member of the parliament, and her assistant, Sevinj Babayeva, over the million-dollar purchase of a guaranteed parliamentary mandate ahead of the 2005 elections.<sup>36</sup> The video also implicates Ramiz Mehdiyev, who is the head of the state anticorruption commission and one of Azerbaijan's most powerful politicians. Following the release of the tape and the launch of an official investigation, Akhmedova lost her parliamentary mandate and was excluded

from membership in the YAP. Babayeva fled to Turkey, where she died under suspicious circumstances. Almost no other officials were detained or questioned in connection with Abdullayev's videos. An opposition protest held on 17 November in the wake of the video's release, in which participants called for the president's resignation and the dissolution of the parliament, was countered by police, who arrested some 30 people.<sup>37</sup> In an interview with Trend.az, a representative of the presidential administration, Ali Hasanov, warned the political opposition not to spin Abdullayev's videos as an indictment of the Aliyev regime: "It is illogical to blame the authorities for someone's actions."<sup>38</sup>

In September, the president approved the National Action Plan to Combat Corruption for 2012–15, along with the National Plan to Promote Open Government. The government had announced similar changes in early 2011, possibly in an effort to avoid protests influenced by the energy and successes of the Arab Spring. Despite some small reforms, such as the introduction of a hotline for reporting corruption, the plan never produced notable results. Azerbaijan also joined the Extractive Industries Transparency Initiative (EITI) in 2003, a seemingly important move toward transparency in the oil industry. However, the government has since continued to syphon off oil revenues for its own enrichment, use the state oil fund as a budgetary lifeline, and exclude civil society from participation in the fund's management. The lack of transparency in the spending and distribution of oil revenues has strengthened political patronage, one of the critical building blocks of the regime's stability. Complicity in this system can ensure high salaries (as established by presidential decree) and kickbacks for select public officials, while incomes for most civil servants remain very low. No public servants have declared their official incomes as required by the Anticorruption Law of July 2004.

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