

# After the 2013 Azerbaijani Presidential Elections: Challenges and Expectations

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As predicted, Azerbaijan's presidential elections on October 9, 2013, saw a clear victory by the incumbent, President Ilham Aliyev. The election results bolster public and international confidence in the continuation of the current political and economic policies of the country. There have been no serious challenges to the country's leadership, and in this sense, there are no factors that could somehow affect the situation. At the same time, the country's agenda over the next five-year presidential term will be defined by new expectations. Along with the preservation of stability in the country and the implementation of infrastructure projects, the leadership will see new challenges associated with improving living conditions and increasing involvement in the international arena. Through economic development and the implementation of international projects, Azerbaijan has become an important regional actor. In this regard, new areas of activity are emerging. It is therefore necessary to carry out a series of measures and reforms to prepare for the new challenges that Azerbaijan may face in the near future. This article analyzes Azerbaijan's social, political and economic trajectory in the post-election period, defining the key parameters of national development.



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The presidential elections in Azerbaijan on October 9, 2013 resulted in a clear victory for the incumbent, President Ilham Aliyev. Aliyev received 84.54 percent of all votes. For comparison, his main opponent, representative of the united opposition Jamil Hasanli, won 5.53 percent of the vote. Together, the remaining eight presidential candidates received less than 10 percent of the vote.<sup>1</sup>

The results of this election were predicted far in advance. Without a doubt, the current president has broad support among the population, and at the time of the elections there was no other candidate who was a serious competitor.

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The election results and confidence of the Azerbaijani voters demonstrate not only the level of public support for the current policy direction, but also the expectations for the further development of the country. For those who voted for Ilham Aliyev, he represents what Azerbaijan has achieved over the last ten years. It should be noted that Ilham Aliyev is the successor of his father, Heydar Aliyev, who successfully established political and economic stability in the country, prevented disintegration, and formed a balanced foreign policy that would meet the national interests of Azerbaijan. As for Ilham Aliyev, over the ten years of his presidency, he has pursued a policy line that has strengthened statehood and independence. During this period, major energy and transport projects such as the Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum have been implemented. Due to the success of their implementation, alternative routes for access to world markets have been created. Thanks to successful and skillful strategizing, Azerbaijan has been able to establish close ties with the Western markets. Given the specificity and complexity of the region in which Azerbaijan is located, the country has been very successful in shaping its foreign policy based strictly on national interests. It is expected that Azerbaijan will continue to pursue this policy.

The implementation of various energy projects has become the basis of economic growth and prosperity in Azerbaijan. Between 2003 and 2013, the country's GDP has tripled. As of January 1, 2014, the total sum which accumulated in Azerbaijan Oil Fund's

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<sup>1</sup> Protocol on the Voting Results by Central Election Commission of the Republic of Azerbaijan, conducted on October 9, 2013, Official Site of the Central Election Commission of the Republic of Azerbaijan, available at [http://www.msk.gov.az/uploads/protokollar/CEC\\_protocol\\_2013.pdf](http://www.msk.gov.az/uploads/protokollar/CEC_protocol_2013.pdf).

(SOFAZ)<sup>2</sup> consisted of 35 billion 877.5 millions USD; the increase for the year was 5.1 percent.<sup>3</sup>

During the first five years of Ilham Aliyev's presidency, economic growth was driven entirely by the oil sector. But in subsequent years this tendency started to change and economic diversification was achieved. Hence, in 2013, the share of the non-oil sector in the national economy was 56 percent.

*New challenges: internal and external obstacles*

However, while the existence of the stable and strong state has many positive aspects, it also has negative features. In the process of strengthening statehood, the promotion of civil society development was pushed aside. Following the collapse of the Soviet Union, Azerbaijan has faced many challenges. However, these challenges are based on objective factors. The continued war with Armenia over Nagorno-Karabakh meant that the country was in chaos: the political situation was unstable and the economy collapsed. In this case the priority was to ensure state control and to rebuild the economy. As a result, the construction of a strong state was prioritized, while the development of civil society was delayed. External as well as internal factors influenced the development of this phenomenon.

One of the main reasons for the limited development of civil society is the ongoing Armenian-Azerbaijani Nagorno-Karabakh conflict. About 20 percent of Azerbaijani territory is occupied by Armenia. In addition, there are about million refugees and internally displaced persons (IDPs) in the country. The inability to control the whole national territory, along with the presence of refugees and IDPs who have been forced to live in harsh conditions for more than twenty years, have complicated the creation of favorable conditions for the development of civil society.

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Another external factor is Russia's desire to maintain its influence in the South Caucasus region and to prevent a possible Western presence, in tension with the desire of the regional states to integrate the region into the Euro-Atlantic sphere. In this case, Russia attempts to use all available tools of influence to prevent a possible rapprochement with the West in the region.

<sup>2</sup> State Oil Fund of Azerbaijan Republic.

<sup>3</sup> Государственный нефтяной фонд в прошлом году заработал \$19,4 млрд.б 28.01.2014, available at <http://www.contact.az/docs/2014/Economics&Finance/012800067140ru.htm#.UvDh6fmSzeM>.

The third factor is the potential threat from Azerbaijan's southern neighbor Iran, which wishes to increase its influence, as well as to support the spread of radicalism and extremist elements within Azerbaijan.

Finally, an important factor is that the Euro-Atlantic structures, such as NATO and the EU, have no particular desire to deepen relations with the countries of the South Caucasus, including Azerbaijan.<sup>4</sup> It should be noted that these institutions played a major role in the rapid transition to a market economy and democracy in the former members of the Eastern Bloc. Because these countries were given comprehensive assistance, as well as a guarantee of membership in NATO and the EU, reforms were carried out very successfully. The relationship between NATO and the EU and the countries of the former Soviet Union is quite different. These countries were offered limited assistance without guarantees for integration in the future. Therefore, participation in the programs of these structures did not contribute to reforms; indeed it actually posed challenges to national security and even territorial integrity.

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Thus the outcome of the projects offered by these two organizations have not satisfied Azerbaijan, based on their limited objectives and lack of security guarantees. The situation in neighboring Georgia demonstrates that Azerbaijan was right to be skeptical. Georgia considered the IPAP<sup>5</sup> program as a step towards further integration into NATO. However, at the NATO Summit in April 2008, both Georgia and Ukraine were denied the status of candidate for membership. Further developments in South Ossetia and Russia's recognition of this territory and Abkhazia as independent states revealed the reality that the West is not ready to face Russia in the interests of its allies and partners from the former Soviet Union.

Given that Azerbaijan also faces the problem of separatism, Baku is not ready to engage in questionable initiatives with uncertain outcomes. Such "adventures" could be costly, and even risk the country's territorial integrity. As a result, Azerbaijan has not expressed a desire to join NATO, as long as this organization does not wish to see Azerbaijan among its members. Moreover, in 2011, Azerbaijan joined the Non-Aligned Movement, thereby de-

4 Rovshan Ibrahimov, *The influence Level of External Factors on the Political Transformations in Azerbaijan since Independence*, *The South Caucasus 2018: Facts, Trends, Future Scenarios*, Konrad Adenauer Stiftung, Tbilisi, 2013, p.41.

5 Individual Partnership Action Plan.

claring its political location: outside any blocs.

The same can be said of the EU Eastern Partnership Program. Azerbaijan originally stated that the proposed framework for cooperation - the Eastern Partnership - did not meet its national interests. Azerbaijan has been proved correct by subsequent events in Ukraine and Armenia, both of which initially wanted to join the program, but were blocked by Russian interventions and thus refused to sign Association Agreements with the EU.

#### *New priorities in the framework of national interests*

Located in this geopolitically complicated region, Azerbaijan is unable to change the external factors. Despite this, Azerbaijan pursues a skillfully balanced policy, preventing unwanted challenges to its national security. In general, it is safe to say that Azerbaijan has managed to build a strong, stable state that can provide security and the conditions for a peaceful existence for its citizens. Despite the fact that the main challenge for state security, the Nagorno-Karabakh conflict, remains unresolved and is an instrument of pressure on Azerbaijan by third countries, it has never been an obstacle for the implementation of nationally important projects. All the regional projects in which Azerbaijan has participated have either been successfully completed, or are underway. The country has become an important actor in international politics, and was even elected as a non-permanent member of the UN Security Council.

In general, the main trend of Azerbaijan's development within the past decade has been the construction of a stable state, which indicates political predictability, economic development and the realization of national interests in the international arena. Great importance was accorded to building infrastructure. During the first two presidential terms attention was focused on solving the fundamental problems and creating the necessary infrastructure, in subsequent years, along with the completion of this cycle, special attention will be given to increasing quality of life and the effectiveness public services. The existing foundation will allow for policy improvements in all spheres of society.

#### *Continuation of intensive economic development*

With regard to economic development, a number of regionally significant infrastructure projects are expected. The Baku-Tbilisi-Kars railway, which will enable alternative transportation routes for freight between Europe and the Far East, is scheduled for com-

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pletion in 2015. In addition, the construction of TANAP natural gas pipeline in Turkey is planned. TANAP will allow for the export of Azerbaijani gas to European markets. These projects will strengthen the position of Azerbaijan at the regional level and create new opportunities for entering into new markets and pursuing new integration processes.<sup>6</sup>

However, the main aim of Azerbaijan's economy development in the next five years will be the development of the non-oil sector, and economic diversification. Reduced dependence on the energy sector is very important because the country's main economic indicators are directly dependent on this sector. Thus, it is expected that the transfers from the SOFAZ to state budget in 2014 will provide 9,337 billion Azerbaijani manat (approximately 11, 903 billion USD) or 50.8 percent of the total budget income.<sup>7</sup> In addition, Azerbaijan is heavily dependent on energy exports. In 2013, the total exports of Azerbaijan consisted of 29.975 billion USD, of which non-oil sector accounted for only 1.615 billion USD, just 5.3 percent of total exports.<sup>8</sup>

In the long term, this could lead to "Dutch disease", which has threatened a number of countries whose economies are also dependent on energy revenues. In general, the asymmetric development of the economy has a negative impact, leading eventually to a general crisis. In this regard, the Azerbaijani government is already trying to counteract this dependency. In short, if we consider the budget figures for 2014, it is already possible to note some positive trends. Hence, compared with 2013, transfers from SOFAZ will be reduced by 2.58 billion USD, or 17.7 percent. In addition, the budget's dependence on revenues from the oil sector was also reduced from 75 percent in 2013 to 66 percent in 2014. In addition, the expected downward trend of oil sector in GDP, which began several years ago, will be 38.5 percent in 2014.<sup>9</sup> In

6 Rovshan Ibrahimov, Link the Chain: South Caucasus as a Transport and Logistic Hub Between Regions, Interregional Cooperation in Eurasia, Transport and Logistic Projects as an Accelerator of Integration within and Between the Black Sea Region, The South Caucasus and The Central Asia, SAM, Baku, 2013, p. 58.

7 Azerbaijan Budget for 2014 approved: transfers from the Oil Fund, VAT and profit tax will form the basis of revenue, 20.12.2014, available at <http://abc.az/eng/news/78251.html>.

8 Macro-economic indicators (2013), The State Statistical Committee of the Republic of Azerbaijan, available at <http://www.stat.gov.az/macroeconomy/indexen.php>.

9 Azerbaijan State Budget for 2014: Brief Description, Center for Economic and Social Development, Baku, 04.11.2014, available at [http://cesd.az/new/wp-content/uploads/2013/11/Azerbaijan\\_State\\_Budget\\_CESD\\_View.pdf](http://cesd.az/new/wp-content/uploads/2013/11/Azerbaijan_State_Budget_CESD_View.pdf).

2013, the Azerbaijani government adopted a strategy titled “Azerbaijan 2020: A Look into the Future”. According to this concept, it is expected that by 2020 Azerbaijan will be a regional commercial center with per capita income at 13,000 USD. As for the non-oil sector, it is expected that exports should be about 1,000 USD per person. Moreover, the annual growth of non-oil sector of the economy should increase annually about 7 percent.<sup>10</sup>

According to the concept strategy, the main task is the formation of export orienting, becoming competitive in the international arena, and strengthening the economy. Importance is placed on economic diversification. The strategy also identifies areas that will contribute to this diversification. These priority areas are information and communication technology, industry, agriculture, and tourism.<sup>11</sup> Importance is also given to the development of transport infrastructure.<sup>12</sup>

To protect the development of domestic production, the government will provide full support. It should be noted that Azerbaijan’s unwillingness to join the World Trade Organization (WTO) is directly related to the protection of the local producer. However, with the development and strengthening of domestic production and ability to compete in the market, Azerbaijan consider joining WTO.<sup>13</sup>

### *Civil society: new task for the current government*

Despite advances in state building and economic development, there is paradoxical situation whereby increasing stability can slow down political reforms. That the priority in recent years has been to build a stable and strong state is not itself the cause of this. The main reason is the lack of serious political alternatives to the current leadership, which even if it could not compete, could at least offer opportunities for constructive discourse. As the recent presidential and the parliamentary elections showed, the current opposition cannot do this. The formation of new political forces, at least for the moment, is not expected. In this case, the lack of appropriate of external and internal conditions for the emergence of political opposition can limit

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<sup>10</sup> “Azerbaijan 2020: A Look into the Future, p. 9.

<sup>11</sup> Concept of Development “Azerbaijan 2020: Look into the Future, pp.14-17.

<sup>12</sup> Concept of Development “Azerbaijan 2020: Look into the Future, p. 18.

<sup>13</sup> Ильхам Алиев: «За последние 10 лет все стоящие перед нами задачи были выполнены», 07.02.2014, <http://www.1news.az/chronicle/20140207121408237.html>.

the evolution of society and the strengthening of relevant institutions.

In this case, stagnation in state reforms can occur. This is undesirable because in the next five years, the new generation, which grew up after the country regained independence, is expected to pursue an active life. If we take into account that according to biological and social cycling, generational changes take place every 25-30 years, it is also important to mention that this will be happen for the first time in independent Azerbaijan. Of particular importance is that this is also the first post-Soviet generation. As a result, analysis of new this generation will help in identifying means for societal development in Azerbaijan.

The process of societal renewal depends on not only biological, but also qualitative changes across generations and their willingness to embrace changes in relation to personal growth. In this case, furnishing people with a broader world-view depends on the political will of the current government, which in the near future faces no competition. The state should contribute to the education of the younger generation with the purpose of accelerating internal processes and changes. Otherwise, the stagnation in the political sphere may hinder the development of civil society. The formation of opinions creates pluralism and then alternative approaches and perceptions, which will in the future create wider political resonance, which can also be interpreted as a threat to the position of the current leadership.

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Under these circumstances, which can be defined in terms of clusters of external and internal realities, the most important factor in the development of the new generation in Azerbaijan is the level of education and its accessibility. In this context, education should be accorded special attention. It is no secret that the education system in Azerbaijan faces fundamental problems. Outdated methodologies and poor infrastructure of educational institutions means that few universities can compete in the international arena, and that there is a dearth of qualified specialists. Along with these problems, there are other negative factors, such as nepotism and corruption. These damage not only the educational process, but also the formation of a healthy society. Therefore launching reforms in the education sector is a certain litmus test for the intentions and desires of the country's leadership in the formation of a new society. In this direction, a number of very important steps have been taken, which in the



long term can lead to very positive effects.

Most significantly, an education program for Azerbaijani citizens who want to study abroad has been adopted, the “State Program for the study of Azerbaijani youth abroad for 2007-2015”.<sup>14</sup> The state provides a full scholarship for selected Azerbaijani citizens during their chosen bachelor’s, master’s or doctoral programs. During the period of 2007-2015, 1825 Azerbaijani students have benefited from this program.<sup>15</sup>

It is expected that the program will be extended beyond 2015. In general, it may seem that the number of students going abroad is not so significant. However, every year their number increases. In addition, at the moment, 10,700 young Azerbaijanis are being educated in leading international universities at the expense of other sources and on their personal initiative. What is clear here is the desire and political will of the state to shape modern professionals with broad perspective and new skills. If this were not the case, it would be possible that the state would oppose young people being educated abroad, education outside the country, fearing that along with the knowledge they might “import anarchist trends”, ideas that do not conform to the national mentality.

Educational reform is not limited to support for those who wish to study abroad. The process of modernizing educational institutions formations has started in Azerbaijan, with a view to meeting international standards. Today universities such as the Azerbaijan Diplomatic Academy, Baku Oil School and others are successfully operating. A landmark for the reform process education was the appointment of a young specialist, Mikayil Jabbarov, as the Minister of Education, now known for its liberal views.

The fight against corruption also plays an important role in shaping the new generation. In this area, a number of important systemic innovations have been achieved. In particular, in 2012, “ASAN service” was launched. “ASAN service” is designed to ensure citizens’ satisfaction with state employees and to enrich the quality of relations between state employees and the public. The key functions of this organization are to increase transpar-

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<sup>14</sup> State program on education abroad, Official site of Ministry of Education of the Azerbaijan Republic, available at <http://www.edu.gov.az/view.php?lang=en&menu=135>.

<sup>15</sup> Обнародовано число студентов Азербайджана, получивших образование за рубежом в рамках госпрограммы, 10.10.2013, <http://www.trend.az/news/society/2200037.html>.

ency, to strengthen the fight against corruption, and to expand the effectiveness of institutional reforms in this area.<sup>16</sup>

This system has already begun to bear fruit. The introduction of this system prevents direct contact between citizens and state institutions, which has significantly decreased opportunities for corrupt transactions. Public confidence in this structure is also increasing. In particular, in an extremely short period, more than a million citizens have applied to the “ASAN service”. This structure already ensures full transparency in its activities, and its functions will continue to expand.<sup>17</sup>

Reforms in education and an effective fight against corruption should also improve the efficiency of public administration. In parallel with the fight against corruption, the government also hopes to improve bureaucracy,<sup>18</sup> which at times hinders development in Azerbaijan.

## Conclusion

The re-election of Ilham Aliyev guarantees the uninterrupted continuation of the course set by Heydar Aliyev. The post-election period in Azerbaijan is fairly predictable. Activities to maintain stability in the country will continue, along with measures to improve the infrastructure and strengthen the economy. At the same time, parallel to economic development and the strengthening of statehood, Azerbaijan faces new responsibilities, related to further development as well as to sustainable provisions for the prevention of potential challenges. In this regard, it is important to create a mechanism for community feedback, in order to respond to its changing needs.

More than twenty years after regaining independence, Azerbaijan has seen great success. But reforms must be continued. These new achievements require the state to move forward at a steady pace. By ignoring existing problems or failing to identify threats, all the country's achievements could be put at risk. One thing is clear: Azerbaijan has all the necessary conditions and opportunities for continued successful development. These opportunities must be taken.

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<sup>16</sup> “ASAN service”, Official site, available at [http://www.asan.az/en/content/index/145/about\\_us](http://www.asan.az/en/content/index/145/about_us).

<sup>17</sup> Ильхам Алиев: «За последние 10 лет все стоящие перед нами задачи были выполнены», 07.02.2014, <http://www.1news.az/chronicle/20140207121408237.html>.

<sup>18</sup> Ильхам Алиев: «За последние 10 лет все стоящие перед нами задачи были выполнены», 07.02.2014, <http://www.1news.az/chronicle/20140207121408237.html>.