

# The Soviet Legacy 22 Years On: **Reversed or Reinforced?**

Edited by Leila Alieva



CENTER FOR NATIONAL AND INTERNATIONAL STUDIES

Center for National and International Studies

The Soviet Legacy 22 Years On:  
Reversed or Reinforced?

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## Introduction

This book is the result of three round tables devoted to the 95<sup>th</sup> anniversary of the Azerbaijan Democratic Republic (1918 - 1920), which were held by the Centre for National and International Studies in 2012-2013 in the city of Baku.

Despite the different themes of the conferences, they generally include, in our opinion, the most significant aspects of the evolution of societies in the post-Soviet states in the 22 years of their independence. The topic of this book is the most sustainable aspects of the Soviet legacy, which remain even today common factors that impede the building of new systems and the resolution of important security problems.

In the early 1990s, the objectives and the vision of the first post-Soviet elites of the countries of the Black Sea and the Caspian region were, in general, identical - to move from the authoritarian and totalitarian Soviet system to a democratic system and from the administrative-command management of the economy-to free market.

The national elites faced the difficult task of building institutions of the new political system based on the constitutionally enshrined rule of law, democracy and human rights. These political objectives usually had to be carried out in a complex geopolitical situation and many of the region's countries had to solve ethnic and political conflicts - both at home and between states.

Reviewing the state of many countries after the 22 years of independence, it is clear that not all of them were able to overcome the main obstacles standing in their way and re-

ally achieve the goals of building a new society. Some countries such as Azerbaijan were able to consolidate their independence and in general play an important role in regional and European security, but were not able to resolve the most important security issue – the Karabakh conflict. Moreover, since 1993, indicators of democracy have steadily deteriorated, moving the country out of the category of partially free countries in the 1990s, as rated by Freedom House, to the category of non-free countries in the 2000s.

Although the “post-revolutionary” countries - Ukraine and Georgia - were able to get rid of some legacy of authoritarianism, the progress in building institutions is unstable, and in Ukraine even regress has been observed over the past few years in the field of building democratic institutions. A special category is countries with economies dependent on hydrocarbon resources. In the Black Sea region, there is only one such country - Azerbaijan, but its comparison with other countries with similar economies - Russia and Kazakhstan - helps to understand its problems more deeply.

The main point of our analysis of the conflicts in the post-Soviet area is the shift in focus from external political or geopolitical causal factors to internal factors - problems of social transformation and building of institutions. The need for this approach, which emphasizes the connection between internal dynamics on the one hand, and problems of security and foreign policy - on the other, comes from the nearly two decades of almost fruitless attempts to resolve the conflicts, the steady trend towards the consolidation of authoritarianism, and the “balanced” foreign policy which has become popular - and all this is despite huge injections and investment in public projects for reform and integration into Europe.

The book contains three chapters reflecting the themes of the conferences, reflecting three critical aspects of the tran-

sition - social transformation (liberalism) and the resolution of conflicts; political parties and elections in oil-rich countries and the merger of economic and political power in the post-Soviet area.

Little progress on the resolution of ethno-territorial conflicts forces to reconsider the current most common approach to the analysis of causes and factors affecting their resolution. The interpretation of conflicts within the countries torn by conflicts is usually dominated by the geopolitical approach. Without belittling the influence of external factors in conflicts, this desire to limit explanation of conflicts by the conspiracy or geopolitical interests of the great powers only is often a manifestation of legacies of mind, which constantly looks for foreign enemies to explain the phenomena that are caused by internal factors in many cases.

In fact, the stability encouraged, for example, in the Karabakh conflict was productive in the first phase of the resolution of the conflict, while at present it seems that the "status quo" suits all participants in the process, including the mediating countries. Although there are already more and more frequent calls for the "unfreezing" of conflicts through the "unfreezing" of the domestic political situation, the way out lies not just in the development of democracy, but through social transformation. It was its development that was delayed all this time because of authoritarian governance, which made it easy for the authorities to manipulate the unresolved conflict. This vicious circle was thus tied to the conscious consolidation by the leaders of the Soviet social and cognitive legacy that put a brake on "the expansion of the boundaries of thought" and its "de-provincialization."

The works of Rahman Badalov, Ali Abbasov and Ghia Nodia discuss from a philosophical and political point of view the question of how the nature and values of liberalism can con-

tribute to conflict resolution. On the whole, while supporting the idea of the positive impact of the values of liberalism on the peaceful resolution of conflicts, Ghia Nodia emphasizes its controversial nature, citing the example of international relations and the selectivity of the countries with liberal democracy in supporting the peaceful resolution of conflicts in the world. In turn, the reference to enlightenment as a necessary component of the “opening” of the consciousness, emphasized by R. Badalov, was also supported by an author from Russia, Nikolay Rozov. He described political development (including trends of liberalism) in Russia as a series of cycles ending either in sliding into authoritarianism or a crisis of power, ultimately determining the future development of liberalism and its positive impact on conflicts at home and abroad as highly remote.

The second part of the book shows that in oil-rich economies, the leaders get additional resources for the consolidation of the Soviet legacy. In fact, as shown by the example of the three Caspian countries, the combination of the post-Soviet elites with the characteristics of political economy in oil-rich countries strengthened political stagnation with increasing authoritarianism and centralization of control. If other states without such resources - such as Moldova and Georgia - were characterized by a change of political elites and more transparent elections than in other countries in the region, the ruling elite of Kazakhstan, Azerbaijan and Russia skilfully used resources to strengthen the repressive apparatus and buy off some of the political elite or put down potential social protest. In all three Caspian countries, political parties and elections, as shown by the analysis of Igor Mintusov, Sergey Kovtunovsky and Anar Mammadli, have common systemic features, including those caused by the presence of oil resources. All of these countries have faced a powerful obstacle in building



democratic institutions – the wide opportunities of the ruling elite to use petro-dollars for building and strengthening political patronage to replace free political competition. Although social factors such as patrimonialism and passivity of the population or ethnic-cultural diversity are referred to as factors contributing to the political monopoly on power, the authors argue that the post-Soviet elites use elections and other institutions as tools to “legitimize their power,” relying on the administrative resources and turning elections, according to Mintusov, into a ritual mechanism. Thus, the ruling elites not only delay the development of institutions that could contribute to social transformation, but on the contrary - with the help of resources they consolidate and enhance the elements of the social base of their rule, including the notorious patrimonialism.

One of the main obstacles to the development of a rule of law and democratic society, which characterizes modern political systems almost in all post-Soviet states, is the merger of political and economic power, which particularly manifests itself and is most highly awarded in the oil-rich economies. Official positions, as in the “good old” Soviet times, provide access to rich resources in conditions of state ownership of key economic resources, for example, oil and gas and their development. According to Charles Fairbanks, it would be wrong to evaluate this phenomenon from a cultural determinist point of view as it is rather a legacy inherited from the Soviet system, which can be overcome. The reasons for this have not only a universal historical nature – they can be seen in the history of many states of Europe or in the US. To explain the phenomenon, Fairbanks gives the reasons rooted both in the Soviet legacy-such as use of kompromat (compromising dossiers), and the fear of losing the official position, cynicism towards the people, the lack of rule of law,- and historically universal causes.

The author Ramazan Gozen from Turkey analyzes it in the context of the dominant economic concept, the interaction between politics and economy, and the state's role in the Turkish economy since the beginning of the birth of the Turkish Republic, and links this phenomenon with the use of a concept of economic development in the state. Togrul Juvarli looks at the history and causes of the extreme merger of political and economic power in the case of Azerbaijan since independence, which led to the creation of a system that "protects itself". Juvarli concludes that there are a number of steps required to get out of the situation. Among them is the reduction of the role of the state in the economy, the development of self-government, the fight against corruption of high officials, and even-clearer and better defined national and state identity.

Despite the mixed response to the question posed in the title of the book, each author sees and offers his/her own ways out of these problems in the post-Soviet countries. This means that even if the Soviet legacy is still evident in the social and institutional structure of society, it is not the same as it was 20 years ago. Under the influence of external factors, the integration of countries into broader international entities and an open society, this legacy, although it can be consolidated with the help of rich resources, will inevitably be transformed and will eventually lose its influence on the politics, economy and society of the countries of the region.

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***Leila Alieva***

# PART 1

The Opening of  
Post-Soviet Minds:  
Liberalism and  
Resolution of Conflicts



**Leila Alieva**

## **Expanding the borders of post-Soviet thinking: liberalism and conflict resolution**

### **Introduction**

The period of transition in many countries of the former Soviet Union has ended, but the conflicts that began during the collapse of the country still continue or have not found a political solution. Although the conflicts are called «frozen», recurrent violations of the truce, which reached their peak in August 2008 as Russia violated the state border of Georgia and a war broke out between the two countries, continue to pose a threat to regional stability and security.

In the cases of conflicts in Georgia and between Azerbaijan and Armenia, the international community offered its own conflict resolution mechanisms, since they have already risen to the level of inter-state conflicts due to their intensity, interference by second and third countries and potential threats to regional security. In addition, there are still no effective security organizations at the regional level, while CIS peacekeeping forces failed to maintain the armistice.

However, none of the proposed international mechanisms – negotiations in the OSCE Minsk Group, UN resolutions and other mediation efforts – have lead to a political solution to the conflict in the past 20 years.

The analysis of the situation, to which international discussions and publications are devoted, is dominated by the interpretation of conflicts in terms of a realistic approach to inter-

national relations, geopolitics or conspiracy theories. Indeed, the Caucasian region has a complex history, is in the centre of the interests of regional and global powers, is of strategic importance because of energy resources and transit location between Europe and Asia, and is surrounded by countries with imperial ambitions. All this is undoubtedly an important, but not a sufficient factor for explaining the protracted nature of conflicts.

The unsatisfactory level of analysis and approaches to conflicts, and at the same time, the unwillingness or inability to significantly affect the geopolitical balance are also reflected in the ineffectiveness of the policy of confidence building measures and addressing the root causes of the conflict, on the implementation of which foreign donors have spent millions of dollars and euros.

It is known that the ideology and system of beliefs and values are reflected in attitudes and approaches to conflict situations. Georgia, Armenia and Azerbaijan still remember and appeal to the fact that one or another communist leader gave such and such territory to their neighbours voluntarily because of ideological brotherhood.

All the above indicates the need to move to another level of analysis that would distance itself from the traditional approach of conspiracy and would strengthen the awareness of that countries that are in conflict or regions that seek to secede are subjects, not the objects of these conflicts. This means that the focus is shifted to the study of the causes rooted in the public consciousness, the system of values and attitudes that contribute to a peaceful and compromise-based solution to all conflicts.

Although it has been proven many times that big neighbours in the region, such as, Russia, tend to manipulate unsolved problems of minorities in the countries of the Cauca-

sus, the situation can be resolved by increasing the resistance of the conflicting parties to these manipulations.

Focusing on problems of consciousness and system of views does not mean avoidance or complete oblivion of international law and the responsibility of states and quasi-states for their violation or for the use of violence - quite the contrary, increasing this responsibility and the rule of legal methods and institutions in conflict resolution will create a favourable environment to build the confidence-building measures and the most effective solutions to conflict situations.

## **Internal factors of unresolved conflicts**

The building of independent states in the post-Soviet area included both nation and democracy building objectives. The outcome of conflicts and the appearance of new ones largely depended on what form of political organization, citizenship and solution to minority issues would be chosen by the new elite. In many countries, new elites came in a short time, but some of the original natural measures in the post-colonial period such as the proclamation of the language of the indigenous majority as the official and state language caused a feeling of insecurity among the minorities. Or the adoption of positive laws such as the Law on the Rights of National Minorities, which was one of the first adopted by the government of Elchibay, was implemented slowly against the background of the «hot» phase of conflicts or simply had no time to be put into effect due to the short stay of these elites in power. It was also important that governments were faced with the need to combine the task of liberal democratic reform and nationalism.

Political and ideological debates during the formation of parties in Azerbaijan reflect better than anything else the dilemma that faced the elite of the new states. Young democrats - activists of the Popular Front - were divided over the priorities of the policy of the new government and appropriate programmes of political parties and over what should be first - liberal reforms or nationalism as a basis for strengthening the state. During this period, the new democratic elites in the region, especially in Azerbaijan received little attention from the Western democracies (compared to the period of velvet revolutions and aid to victorious leaders from the EU and the US). Therefore, the main aid was directed not towards the development of expertise that could help solve the intellectual and political dilemma of the young elites and build institutions, but towards the resolution of the humanitarian crisis, aid to refugees, etc.

Conflicts that were accompanied by violence from the beginning developed very quickly into full-scale wars between independent states and stopped only due to the depletion of the parties' resources and intervention by international participants.

Since then «the freezing of conflicts» began, which ran against the background of the gradual «tightening of the screws» and the consolidation of authoritarian and semi-authoritarian regimes in countries torn by conflicts with the exception of Georgia. The task of liberal reform was not even secondary, but was removed from the policies of the successive leaders of the new states. In addition, economic reforms were curtailed and the monopolization of resources and economic production began. It also meant the elimination of conditions for the development of a market economy as the foundation of the liberal ideology and the independent press and basic freedoms.



All this had critical consequences for the social and mental transformation of societies and thus conflict resolution. Since one of the objectives of the transition period was to liberate public consciousness from the consequences of totalitarianism and authoritarianism, create conditions for the development of political pluralism and to develop freedom of speech, conscience and assembly at the level of individual and public awareness level, the gradual restriction of freedoms only strengthened the mental and psychological Soviet legacy. Moreover, this heritage at the personal level of former communist leaders determined authoritarian policies in the 1990's and made this legacy at the public level the basis of this policy. In the sphere of political views, the tightening of the regime, in particular, the restriction of freedom of association and assembly and repression against opposition parties severely restricted the development and dissemination of liberal views. In Yeltsin's Russia, Khodorkovsky's attempt to spread liberalism as a political movement ran into stiff resistance from the authorities, which ended in a long prison term for him.

The limitation of conditions for the development of liberal views led to several consequences - the development of radical nationalist or leftist ideologies, the strengthening of religious movements, the strengthening of political apathy and totalitarian features in the public consciousness, as well as pre-modern thinking, or feudal characteristics, of thinking and identity.

## **Political stagnation as a factor of conflict**

In many countries of the former Soviet Union, political and economic elites have remained virtually unchanged since the collapse of the USSR. The status quo is maintained due to the monopoly of power and controlled elections, limited or com-

pletely absent freedoms, which increases the risks of social unrest. On the other hand, nationalistic rhetoric can often distract public attention from other problems or justify the lack of democratic reforms.

Conflict resolution is complicated by the fact that the link between the lack of democracy and the unresolved status of a conflict is a vicious circle - they reinforce and support each other. However, attempts to resolve the conflict first and then develop democracy, or resolve the conflict regardless of the political reform process have not yielded any results in the 20 years. In both Armenia and Azerbaijan, the election process is characterized by international observers, at least in the last 10 years, as inconsistent with international standards. This means that none of them will make serious compromises in view of the weak political legitimacy of their leadership. This has been going on for all these years - even if some compromises were reached, going back to their societies, the leaders tightened their nationalist rhetoric, despite the insistence of international mediators «to prepare their societies for compromise».

The absence of democracy also means the absence of institutions that could help resolve the conflict, for example, the creation of conditions for open debate to resolve the conflict - a free press, freedom of assembly, allowing the development, supply and discussion of specific models of conflict resolution, real elections, the introduction of quotas for minorities at all levels of management and the introduction of mechanisms to ensure equal rights, political pluralism, free market economy, intellectual centres and so on.

The same applies to regional actors. The establishment of democracy in Russia is likely to have repercussions in the Caucasus - the pressure on the countries of the South Caucasus and the sense of competition with Western countries will decrease, and Russia will be a source of positive political

influence in the South Caucasus, as was the case at the time of liberal reforms in the 19<sup>th</sup> century. In turn, the democratic reform in Russia will have a direct effect on stability in the North Caucasus, which will also have a correspondingly positive effect on the South Caucasus, etc.

Thus, the establishment of democracy in support of the idea that democracies do not fight each other will certainly have a positive impact on the resolution of conflicts, because democracy is not just the election of a popular leader through free and fair elections. It is also the creation of a number of institutions that would implement a non-discriminatory principle in governance and ensure the equal participation of all citizens, including minorities in political, economic governance and cultural life. In addition, although according to Jack Snyder, democratizing countries are characterized by instability, democratization is a necessary factor for the establishment of a lasting peace in the region, as it creates the institutions of checks and balances that promote the adoption of rational and pragmatic solutions. The main thing is that democratic institutions will make it possible to get rid of thinking and attitudes in society of the legacy of totalitarianism and provincialism and establish liberal values and freedoms in the time of post-modernism – thus to allow real social transformation of society.

## **Provincialism against the openness of thought: the transformation of identity**

The limitation of liberal freedoms leads to the growing provincialism of the consciousness as it deprives the individual of the potential of self-awareness as part of a broader and more complex society than his national or ethnic (religious affiliation).

Provincialism is defined in the Oxford dictionary as a «way of life characteristic of areas outside of the capital, especially in terms of simplicity and limitedness» in the first meaning. The second meaning is concern over one's area or region at the expense of the national or supra-national union. Getting rid of provincialism happens in the process of developing the lifestyle, urbanization, industrialization, and information enrichment.

For example, the development of social networks steadily moves apart the boundaries of national identity, enriches it with diverse frameworks of identification through the exchange of values that constantly occurs in the process of communication bypassing national physical boundaries.

This communication contributes to several trends. First, it reduces the importance of real boundaries, making it possible to freely overcome them as possible barriers to communication barriers, and second, it introduces the individual to a variety of opinions and attitudes, expanding the boundaries of his world outlook and ultimately affects his identity.

In the context of conflicts in the post-Soviet area, deliverance from provincial thinking allows one to see themselves as part of several societies - regional, national, continental and global through several social means, including social networks, as well as the diversity and multi-stage nature of identity such as countries of the European Union, which identify themselves with both their own nation (Denmark) and the region (Scandinavia), or with Europe.

## **Modernism vs. post-modernism: conventional historical boundaries**

Only part of the Eurasian continent passed through the stage of industrial capitalism until the Soviet period. This

particularity of societies that developed in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries is important in the early 21<sup>st</sup> century because it reflects and determines the perception of oneself and others, the attitude of nations and socio-political groups to their environment and international relations, identifying priority policy goals and values, as well as the introduction of social consciousness to European processes, and determines the behaviour of states.

This geography affected the regions which saw the intensive development of urban culture on the basis of capitalist production. In the Caucasus it was Baku, in Russia - St. Petersburg and Moscow, and some other industrial cities, which became centres of culture.

Although the Azerbaijanis, for example, had the formation of a modern nation state interrupted in 1920, by that time Baku and the major cities of Azerbaijan, which had experienced the powerful impact of the oil boom, were characterized by two trends of European urban culture - nationalism as a result of modernization and emerging cosmopolitanism characteristic of European metropolises of the time.

It also affected nation building in 1918- 1920 - Azerbaijan, unlike Armenia, was already less inclined to insist on historical territories, especially at the cost of war, and was more inclined towards an inclusive policy towards national minorities living on the territory of Azerbaijan. The first parliament of Azerbaijan, as is known, had quotas for all minorities of the country, a progressive phenomenon even by today's standards.

The post-modernist emphasis on the synthetical and hybrid character leads to the levelling of borders and reduces the role of the state (as opposed to modernism).<sup>1</sup> This guideline reflected in the flexibility of the new state in entering into

<sup>1</sup> Stephen L.Arxer "Addressing postmodern concerns on the border: globalization, nation-state, hybridity, and social change" Belmont Abbey College 2010.

the system of international relations was not characteristic of all states after the Cold War. In the post-Soviet area, it was expressed in a pro-active attitude to «historical borders» - or in whether a country made territorial claims to its neighbours despite the risks of violent scenarios, or in how it defined its identity.

Georgia and Azerbaijan have historically disputed territories, but the two countries are united by their focus on the future and more on the quality of development than on the physical size of the country. In any case, none of these countries started its independence with territorial claims against its neighbours.

Another characteristic of the post-modernist consciousness is the process of identification - it is a global and local process (but not in the feudal clan sense) in contrast to the modernist national process, which involves identification with symbols, specific places and historical events<sup>2</sup> (e.g., mountains as a symbol of identity - Ararat in Armenia or Mount Babak for southern Azerbaijanis). In this sense, the Azerbaijanis, as post-modernists, are less sensitive to geographical or historical symbols of identity.

All of the above does not mean that some nations of the post-Soviet area stand out for their totally post-modernist or totally pre-modernist way of thinking or approaches to themselves and others. In our societies with very limited history of statehood, there can be no such absolute, and in every society there are social groups reflecting both the feudal, archaic and modernist and post-modernist ways of thinking. But in our analysis, the features of social consciousness that determine the behaviour of the state in international relations and in conflicts are important.

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<sup>2</sup> Modernity. An Introduction to Modern Societies. (Edited by Stuart Hall, David Held, Don Hubert and Kenneth Thompson) Georgetown University, Blackwell Publishers

## **Tolerance, inclusiveness, and respect for human rights against the principle of «all or nothing»**

Although the title of the chapter already provides an explanation of why liberalism can contribute to a peaceful resolution of conflicts, there is a need for a more detailed description of this statement.

In our societies, in the context of conflicts there is a negative connotation of the concept of liberalism. The latter is associated with acquiescence or a defeatist attitude that makes compromises on territorial integrity in the face of a threat of war or in the name of the principles of the rights of minorities and peace.

However, in this case we are talking about liberal values and their prevalence in society, which would help to find common ground among all groups of interests and include minorities more fully in governance and the civil paradigm.

Post-Soviet authoritarianism successfully used totalitarian legacy in societies' way of thinking as a social basis. Consciousness remains closed and is confined to narrow nationalist goals and perspectives.

The increasing monopolization of resources, information, political and economic activity, and culture, which leads to the narrowing of the scope of pluralism, prevents the development of such an important liberal value as tolerance in society (tolerance of diversity of opinions), while the lack of human rights deprives one of respect for their own and other people's freedom.

The problems of territorial conflicts are often directed by one party's perception of its uniqueness, which leads to negotiating behaviour based on the principle of "all or nothing".

A non-discriminatory approach to liberal democracy and respect for the rights of others as one's own right will expand the boundaries of thinking and can be the basis for an inclusive attitude to minorities on a footing that is as equal as possible.

This approach can be expressed in the broadest political participation of minorities in governing the country through economic activities and at all levels of government structures.

A non-discriminatory and equitable approach will not allow the rights and the will of people living in the same territory, but belonging to other denominational or ethnic groups not to be taken into account. An even more important value is non-violence in conflict resolution, where the needs of minority groups are met through institutions and mechanisms of democratic governance. Everyone remembers, for example, the sharp criticism of the violent method for solving the Chechen problem in Yeltsin's Russia from Sorokina and other Russian TV presenters during the First Chechen War. In addition, later many members of the liberal intelligentsia of Russia condemned the dispatch of Russian troops to Georgia in August 2008.

## **Conclusion**

As long as post-Soviet societies are in semi-authoritarian, autocratic or dictatorial states, attempts to find a solution through negotiations are unlikely to lead to any results. Although the societies themselves create and put forward much more creative approaches and models of conflict resolution, their impact is too small to facilitate decisions at the official level. In addition, in states and autonomous regions with authoritarian regimes, there is a deep chasm between the government and civil society primarily because



of vastly different values and interests. At the same time, the authorities are using the unresolved conflict and nationalist rhetoric to justify the political stagnation and lack of reform.

The holding of free and transparent elections in all the countries of the region, not only in Georgia, is the first necessary step towards unravelling the Caucasian knot - first, but not sufficient. The building of a number of institutions involving the exercise of the rights of all citizens in practice, not only in the text of the Constitution, the building of an open society, the development of a free market and the emergence of a class of independent producers are the following necessary steps for the peaceful resolution of conflicts that arise.

A liberal approach does not mean completely forgetting or disregarding international law and punishment for their gross violation or crimes against humanity. The international community should keep condemning and calling for accountability for violations by third parties of internationally recognized borders (for example Russia in the case of Georgia and Armenia in the case of Azerbaijan) or punish the perpetrators of ethnic cleansing in occupied territories.

But all this must take place against the background of the «unfreezing» of the political situation inside these countries through the creation of conditions for the development and in-depth comprehension of liberal values.

In turn, the latter will make it possible to develop approaches and policies based on tolerance, inclusiveness and non-discriminatory approach to human rights, which will open up new prospects for the conflicting parties.

The monopolization of resources and political and economic activity prevents the development of open thinking in society, which benefits the leaders of these countries, as it allows them to manipulate the limited consciousness of the population. In the post-Soviet area, due to historical reasons, development

is patchy - for all countries of Eurasia, significant agricultural production, a gap between the urban and the rural way of life and between the layers of the urban population, the uneven and generally weak development of the market economy are characteristic. In the South Caucasus, Christianity coexists with feudalism and Islam - with post-modernism, which reflects the contradictory and complex nature of modernization. The attachment (economic or political) of political elites to a conflict encourages them to delay the development of institutions that would open their societies' way into global integration such as the European Union or the WTO, and accordingly post-modernist self-realization – because an open and free society will expand the frontiers of the consciousness of individuals, reveal their true pluralistic identity and belonging to many societies and groups.

One of the most important factors in raising a conflict to another level is the development of a common prospect that is attractive to all. For several reasons, the current leaders of conflicting countries are not able to create such a perspective – because they are driven by short-term goals that mainly boil down to the realization of their personal interests or visions limited by their totalitarian experience. Moreover, the complex geopolitical situation and risks associated with integration into the European world (as well as Europe's hesitations on Caucasian identity) do not allow them to confidently declare their medium- and long-term goals of joining the coveted club of European countries.

The main thing is that the absence of such a real and definite prospect, or common vision, does not allow autonomies and minorities, who are driven by the conviction that their best future will be achieved not in the Caucasus or other post-Soviet republics, but apart from them, to determine their place.

As the events in the Arab world showed, political dynamics are a more natural state of the world, politics and international relationships than the state of stagnation under the guise of stability.

In today's world of information technology and interdependence, authoritarian leaders find it much more difficult to keep the archaic forms of social consciousness. In this sense, the development of events in the post-Soviet area sooner or later will lead to the resolution of the most complex contradictions through the building of open and democratic societies, in which the processes of integration into Europe will contribute to the «liberation» of provincial and modernist thinking.

**Ghia Nodia**

## **About the love of peace and conflict of liberalism**

### **Introductory comments**

The initial hypothesis is that liberal societies are inherently less exposed to conflict than illiberal ones, so the roots of why the Caucasus countries are still involved in conflicts lie in their lack of liberality. We can deduce practical advice from this - in order to resolve these conflicts, it is necessary to make our societies more liberal.

I consider myself a liberal, and I want the society in which I live to be much more liberal than it is today. So I am a person biased in favour of liberalism in this analysis. But on the other hand, I am a sceptical liberal, because I believe that liberalism has serious internal problems and it is very difficult to be a consistent liberal.

My attitude to the initial hypothesis also corresponds to this - in general, I also think that the more liberal society, the less likely that it will get involved in violent conflicts. History confirms this trend as a whole. But I'll be careful and critical of the direct applicability of this general principle to the solution of specific conflicts, which are the most painful for the countries of the Caucasus at this stage (and for nearly two decades).

## The nature of liberalism

To continue the conversation, it is necessary to somehow define what I mean by liberalism. This is a concept or a symbol of faith based on the following principles:

1. Unconditional respect for the *freedom* of the human individual - as is evident from the etymology of the word «liberalism.» But unconditional does not mean unfounded - human deserves to have his/her freedom respected because he/she is a bearer of certain unique values and inner dignity. In the religious language it is possible to state this by the fact that human is a crown of creation and that he/she, in contrast to all other creatures, has a soul. Liberals prefer a more secular language and refer to the nature of human, but say something similar.

2. *Respect for equality* - again, it is equality on the basis of mutual recognition of human dignity. We are equal because we are all bearers of specific human essence. Of course, this mutual recognition leads to equality of rights, but not property status, social status, talents, achievements, etc.

3. The advantage of the *rational* principle in human nature. The concept of human dignity is inseparable from the recognition that human is a carrier of free will, and this in turn means the ability to make decisions based on reason rather than instinct, the ability to manage his/her own natural inclinations and desires. A person deprived of reason cannot claim to be recognized as equal to intelligent beings and to have his/her freedom respected.

4. The mutual recognition of human dignity is the *ability of cooperation and solidarity* between equal individuals to achieve common interests and defend common values - a form of this cooperation is civil society. In a normative sense, civil society is primary to the institutions of the *state*, which

must defend the inalienable rights of human as a free individual and defend the space for the functioning of civil society. This specifically means the ensuring of civil liberties, without which civil society cannot function: freedom of expression, association, etc.

5. *The right to private property* is necessary for liberal societies: without it, the postulation of the principle of respect for individual freedom will remain an abstract principle. This means that an individual is free to independently take care of his existence. On the other hand, cooperation between free and equal individuals, which is needed to meet their economic interests, i.e. market is a fundamental institution, which is essential to civil society.

6. A liberal society requires *tolerance*. Cooperation between rational individuals in civil society is also possible if individuals profess different religious or political principles. However, tolerance has its limits: it does not accept ideas and beliefs that pose a direct threat to the very existence of civil society.

7. *Limited political power and the rule of law* are core principles of liberalism in the field of public administration. Political power is necessary, but is dangerous for the freedom of the individual, so the ability of rulers to make unauthorized decisions should be reduced to a minimum. Since all people are equal, a person may submit to another person only within reasonable laws, and it is desirable for him/her to have a chance to influence their content.

In today's world, two dimensions of liberalism are the most politically relevant (respectively, controversial): economic and cultural. The former means the protection of market principles from excessive state intervention (followers of this principle are often called neo-liberals and libertarians). The second one insists on the equal recognition of the dignity of represen-

tatives of groups who are minorities in specific societies along ethnic and religious lines, as well as from the point of view of sexual orientation.

The principles of liberalism dominate the modern Western world: therefore, the latter can be called a liberal civilization. But they remain a subject of debate and political struggle beyond it.

## **Eternal peace or internal conflicts of liberalism?**

The concept of eternal peace formulated by one of the greatest liberals, Immanuel Kant, is directly related to the original principles of liberalism. If we mutually recognize each other's dignity as an absolute value, it means that all other values are secondary, and it is unacceptable to encroach on human life and freedom because of them. This does not mean that our interests are always the same and conflicts are excluded: on the contrary, they are inevitable, but rational individuals professing liberal principles will always be able to negotiate and resolve conflicts without violence.

In the real politics of today's world, the European Union is regarded as being closer to the principles of eternal peace. It is a union of liberal states, whose main achievement lies in the fact that wars between them have become unthinkable. The union is now in deep crisis, but continues to execute its primary function successfully: no matter how sharp disagreements between members of the union are on the general budget or the constitution, no one will think that they can escalate into war. What is more, to achieve this result, there is no need for an organization like the European Union: the United States, Canada or Japan are not members of it, but no one is

discussing prospects of war between them and the European countries. Liberals do not fight each other.

But does this mean that liberals are all pacifists and that they generally avoid conflicts? Absolutely not. When it comes to relations with illiberals, they can be very belligerent and irreconcilable. Historically, liberals differ for their arrogance and elitism: as a rule, they treat illiberals as backward people who should be involved in advanced ideas and institutions, and, if necessary, suppressed by force. For example, the appearance of liberals as an influential political force in England in the 17<sup>th</sup> century first led to a civil war and then to a violent coup called «Glorious Revolution». A more «pure» example of a violent struggle for liberal principles is the American Revolution. However, these events remain the top of moderation compared to the bloody French Revolution: the latter's liberality (according to its results) can be disputed, but it is hard to deny that it was a direct consequence of the spread of liberal ideas in France.

A form of the manifestation of liberal violence is European imperialism: its civilizing mission (*mission civilatrice*) means the spread of liberal ideas and institutions. Of course, this is not the only motive of colonial conquests, but this principle was important for their legitimacy and the objective result was largely consistent with intentions.

In today's world, an example of violence in defence of liberal principles is so-called «humanitarian intervention». The unpopular war in Iraq undermined the legitimacy of such initiatives, but the recent NATO military action against Libya showed that the idea is not dead and cannot be written off as an excuse to increase US influence in the world (in the Libyan operations, the Americans deliberately played a secondary role).



Summary: the theme of «liberalism and conflict» cannot be discussed abstractly. We know that liberal societies do not fight each other, but that does not make them pacifists. It all depends on the context.

## **Liberalism, democracy and national conflicts**

In the Caucasus, the word «conflict» automatically means clashes around ethno-territorial or national problems. Therefore, let's focus on the attitude of liberals to conflicts of this kind.

If we take as a basis the abstract normative position of enlightenment liberalism - for example, as it was formulated by Immanuel Kant - liberals should be indifferent to the issues due to which these conflicts erupted. Liberals are liberals, and they are not required to be atheists or cosmopolitans. But in most cases they look at religious and national feelings with suspicion, as the latter are irrational on the one hand, while individuals subordinate to collective communities - on the other, which may result in the restriction of individual freedom.

Historically, enlightenment liberalism arose as a reaction to religious wars, and it is a strategy to overcome the situation that led to such wars. The moderate liberal John Locke first formulated the concept of religious tolerance, which is based on quite pragmatic considerations: religion should be, as far as possible, separated from politics, because their relationship is dangerous for the preservation of peace and stability. Radical representatives of enlightenment liberalism, particularly those growing up in the traditions of the French Enlightenment went much further and suggested that with the spread of education and science, religion will simply wither away.

Similar expectations exist in a liberal environment in relation to the nation - especially after the Second World War. The European Union, as a model for becoming closer to an ideal liberal civilization, was conceived as a project of gradually overcoming the nationstate as it is not only obsolete, but also a dangerous conflict model for building political systems. The founding fathers of the European Union realized that this will take time, but they considered it possible in principle. Modern literature on nationalism (where most authors are carriers precisely of the liberal worldview) is dominated by the idea that since nations are historical constructs that emerged very recently, they are historically transient although one can argue about when and how nations and nation-states will come to an end.

Thus, despite the differences between liberals, the dominant assumption of liberalism is that conflicts on a religious or ethno-national basis are a symptom and consequence of the underdevelopment of societies in which they occur. Accordingly, the general modernization of society is important to solve or prevent such conflicts, and that means the spread of liberal ideas.

However, the reality, especially since the last third of the 20<sup>th</sup> century, refuses to justify these expectations. The influence of religious and ethno-nationalist factors on politics not only is not decreasing, but on the contrary, increasing. The most acute manifestations of these trends occur outside of the Western civilization, but not only there. Religious movements remain influential in the United States, while in Western Europe the influence of extreme right-wing nationalists has been steadily increasing, and the independence movements of Quebec, Scotland and Catalonia are a serious threat to the integrity of individual countries. In all of these cases, religious or nationalist movements are using only peaceful methods acceptable to liberal democracies.

Patterns of development in the post-Soviet period completely fit into this general trend. When more than twenty years ago Gorbachev's «perestroika» led not to the unity of all the supporters of liberal reforms, but to the emergence of mass national liberation movements in the Soviet republics and, ultimately, to the disintegration of the state, this caused confusion among many liberals in both the West and Moscow. The priority given to the «national question» was perceived by many almost as a manifestation of atavism: why create new borders when the old ones are being destroyed in Europe?

But a simple observation of the process of Soviet disintegration contradicts the logic of radical enlightenment liberalism. By this logic, nationalism was to be the strongest in societies where commitment to liberal values - human rights, the rule of law, etc. - is less common. But in fact it was exactly the opposite: the most powerful national movements formed where society was closest to the values of European liberalism - in the Baltic States, and other republics tried to imitate them. This pattern remains in force even after the breakup: among the newly independent states, the freest are the ones that were the most successful in mobilizing forces to fight for independence.

All this suggests that the abstract-normative interpretation of the principles of enlightenment liberalism in relation to issues of religion and nationality is unrealistic. If liberalism is not just an individual moral position but a political strategy, it cannot factor out the reality of human nature and political power. Liberals, if they want to be politically relevant, must take both human nature and the nature of power as a basis.

In this connection, the complex attitude of liberals to democracy is especially important. Historically, they were not necessarily democrats. What is clear is that democracy in practice means the rule of the majority, which can develop

into tyranny, especially as most people are not enlightened and are unnecessarily exposed to irrational reasons (including religious bigotry, xenophobia, social envy). Therefore, in the 19<sup>th</sup> century, liberals were usually sceptical about the idea of universal suffrage. At first, they were more focused on the enlightened monarchy or a variety of aristocratic rule; in more modern times they often supported modernizing authoritarian regimes.

But today there is a dominant belief that, despite all the shortcomings, democracy, i.e. the power of the majority still creates better conditions for the implementation of liberal principles: more precisely, referring to Winston Churchill's famous saying, all other political systems are even more dangerous. So liberals often have, though reluctantly, to submit to the will of the majority.

Liberals' decision to become democrats comes not only from pragmatic considerations, but also from the fact that between liberalism and democracy, there is a deep conceptual connection. If all intelligent beings should have equal rights and if none of them is «allowed», by birth, to dominate other people, it is very difficult for the liberals to deny the argument that all people should also have equal rights to influence the political system (i.e. on who governs them and under what law). This is called democracy. Remembering the initial slogan of the American Revolution, people should not be taxed if they are not represented in political power - that is if they have no means to influence the formation of the tax system. That's why liberals have to seek out additional arguments as to why a certain number of people are not enlightened or rational enough to take part in political governance. Ultimately, it is difficult to defend these restrictions, so the liberals have to concede.

This leads to quite specific conclusions in relation to nationalism. Social researchers rightly say that specific nations in specific boundaries are not from God and not from nature but are historical constructions. But it is also hard to deny the fact that the vast majority of democracies exists in nation-states. Moreover, in many cases it is democratization that leads to nationalization, that is to say the spread and establishment of normative ideas of democracy pushes people to form communities within which you can achieve quite a high level of trust and solidarity, to form a «demos» that can be an effective collective sovereign of political power. A state where the demos is formed on the basis of nationality (whatever the latter means) is called national, and nationalism is an idea according to which the nation is the only legitimate principle for the formation of a sovereign demos. On the other hand, after national borders are established, they tend to lead to the establishment and perpetuation of a common national identity among its inhabitants over time.

Why do most people, when asked, think that the formation of political units on a national basis seems more fair and comfortable than being part of a larger state, where political decisions are made by people with whom they do not have a common origin, culture, language, etc? The discussion of this question will lead us very far, but we can assume that perhaps it has something to do with human nature. I know that it does not satisfy many social scientists, but right now it does not matter. The main thing is to recognize this very fact.

In the language of normative theory, this process of forming political demos is called «self-determination». This concept indicates that between the liberal and national ideas, there is a direct conceptual connection (not just a connection mediated by the need to recognize the democratic rules of the game). Initially, «self-determination» is a liberal principle

that applies to the individual. It means that man, as an intelligent being, has the freedom to determine his own fate, as it does not infringe upon the rights of other individuals. The concept of «national self-determination» is nothing other than the transfer of this liberal principle to the extremely important question of how to shape political nations, that is to say political units within which you can create a legitimate democratic system.<sup>1</sup>

The main problem connected with the concept of national (rather than individual) self-determination is rooted in its practical applicability. Critics rightly say that an attempt to exercise it in its «pure» form will lead to chaos and multiple violations of the rights of individuals and minorities. It encompasses a vicious circle: in order to apply it in practice, you first need to outline a specific geographic area with people living within it who are entitled to self-determination. But who should do it and how? Who determines who has the right to self-determination? Since God and history almost never create more or less large units with a population that is homogenous in ethnic and cultural terms, the aspiration of a unit to self-determination may lead to new separatist movements within these units and so *ad infinitum* until we reach the same individuals. For example, the disintegration of Yugoslavia into nation states prompted Kosovo to break away from Yugoslavia, which, in turn, was unacceptable to Serbs living in Kosovo. Therefore, in practice, the legitimacy of the right to self-determination, as a rule, can be recognized only for those political units, the administrative boundaries of which have been delineated within

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<sup>1</sup> Elie Kedourie was the first to clearly point to the conceptual link between individual and national self-determination; Ernest Gellner did not agree with that. According to him, Immanuel Kant would not agree with such expansion of the idea of self-determination – but this argument is not enough. The problem of forming a political entity within which a legitimate social agreement is possible should be solved in some way, and the concept of self-determination suggests itself for this purpose.

the supranational political order existing before (usually imperial): for example, overseas colonies that were created by European states.

All this means that, in practice, the process of creating nation-states from supranational formations is fraught with conflict. These conflicts can relate both to relations between newly-created states and empires that are resistant to their secession and appear within new states where minorities do not want to live «under» the new sovereigns. As a rule, these two levels of conflicts are intertwined, because for those who resist the disintegration of empires, the minorities within the newly-formed nation states are objective allies. All this often turns into violence, because within the framework of existing political systems, as a rule, there are usually no legitimate mechanisms to resolve such conflicts.

In this sense, ethno-national conflicts that occurred during the collapse of the Soviet Union and still remain unsolved are quite typical of world history. The fact that they occurred is not in contradiction with the spread of democratic and liberal ideas: on the contrary, they are their consequence. In all Soviet republics except for Russia (whose population as a whole identified itself with the Soviet Union) pro-democracy movements were also nationalist, and with the exception of a few individuals, people committed to liberal ideas supported them. But, for the above reasons, clashes between projects of different national movements led to violent conflicts in some cases.

## **How can the spread of liberal ideas help to resolve conflicts in the Caucasus?**

Does the aforesaid mean that the spread of liberal ideas and institutions in the Caucasus cannot play a positive role in resolving the conflicts (in this case, I have in mind only the states of the South Caucasus)?

As I said at the beginning, the answer to this question cannot be general, and must necessarily be tied to the historical and political context. In the final part of this article, I will make a few of these «bindings».

First of all, it is necessary to draw a difference between the *prevention* of conflicts on ethno-national grounds and overcoming of the state of «frozen» conflicts, which is the problem of the three South Caucasian states at this stage of their development. I believe that a higher level of modernization in society, which, among other things, means the prevalence of liberal ideas and institutions, greatly increases the likelihood that disagreements and tensions on the grounds of the clash of national projects will not escalate into violence. But after large-scale violence occurs and a stage of «frozen» conflicts is reached, overcoming the problem situation is a task of much higher complexity, and the resources of liberal approaches to its solution are not enough.

Why do liberal ideas, or we could say differently, liberal culture contribute to the prevention of violent conflicts? Not because the more liberal society, the more indifferent it is to such ideas as «national sovereignty» - as we saw, this is not the case. But the liberality of a society is manifested in the development of qualities such as the ability to build a rational strategy of action, focus on realistic goals and gradualness in moving towards them, the ability to reach pragmatic compromises and agreements between people holding differ-



ent points of view, the ability to operate within formal institutions, skills needed to build effective organizations, etc. All this helps to contain conflicts within a non-violent framework, even if they affect the most sensitive and emotional layers of human nature. As I said, historically liberalism has grown out of the overcoming of religious conflicts - that is to say conflicts in an area where compromises are particularly difficult. Thus it can be said that it is «in the blood» of liberalism to smooth over and soften the severity of conflicts.

The example of Baltic republics would be an example of the fact that conflicts arising during the collision of various national projects do not necessarily develop into an armed confrontation. Each of them had a large number of ethnic minorities, for whom the collapse of the Soviet Union and the independence of the new states were, to say the least, highly undesirable. In particular, this applies to Estonia and Latvia, where the Russian-speaking (mostly ethnic Russian) population was, respectively, about forty and fifty per cent. These people emotionally identified themselves with the Soviet Union. In terms of the logic of nationalism, they had no less reason to protest against the separation of the republics from the Soviet Union than inhabitants of Transnistria or Abkhazia. Nevertheless, the Baltic states - and, above all, the leaders of national movements, in contrast to their counterparts in the Caucasus - managed to keep the processes within the non-violent framework.

For the sake of fairness, we should also mention other factors, which may explain the difference. For example, the existence of ethno-national autonomies, which represented some institutional foothold for the formation of separatist movements in the republics, played an important role in all the Caucasian conflicts. In the Baltic countries there were no such entities. Today it is impossible to accurately estimate the proportion

of this factor when comparing the two regions. However, it is likely that more balanced and sustainable political strategies allowed the national movements in these countries to avoid violent conflicts.

As for the problem of the so-called «frozen conflicts» today, the problem is much more complex here. It would be correct to call these conflicts «deferred»: in each case, peace is based on ceasefire agreements, but the negotiations on the establishment of the post-war order have been to no avail. The war of 2008 changed the format in two ways: by recognizing the independence of Abkhazia and South Ossetia, Russia openly became a party to the conflict against Georgia (the latter regarded Russia as the actual patron of the separatists anyway, but it was not reflected in the official positions of the two countries). In this sense, the recent war brought the situation of these regions closer to the situation in Nagorno-Karabakh: now in all cases, the conflict between the state (Georgia, Azerbaijan) and its breakaway region is secondary to its conflict with a neighbouring country, which is the protector and guarantor of the security (i.e. of the continuing separation) of the self-proclaimed states. The difference that Russia has formally recognized its trust regions, and Armenia has not done the same thing with respect to Nagorno-Karabakh, in fact, does not change anything: all these conflicts have an interstate nature. In addition, they are even more internationalized in the sense that there are international formats for solving them (Minsk Group in case of Karabakh, the Geneva process in the case of Abkhazia and South Ossetia).

Taking into account that nearly twenty years have passed since the cease-fire, it is unlikely that these conflicts can be resolved on the basis of the existing negotiation tools. Although sometimes you can still hear calls for a swift decision to them, in fact all the parties have come to terms with the fact that the

negotiation processes, as well as a variety of «people's diplomacy» projects in fact serve not to settle them, but to prevent them from resuming, or are simply a simulation of activity at a time when it is politically unacceptable to do nothing. After 2008, it became even clearer than before.<sup>2</sup> All talk that the peaceful resolution of conflicts requires a very long time is only an excuse: in politics «long time» is a euphemism that means «who knows when» or «never.»

What does the «resolution» of conflicts mean in these conditions? How can they be shifted off the ground? There are two ways. The first one is military. That could mean a war directly between the parties to the conflict (say, the resumption of the war between Armenia and Azerbaijan), and a war for «peace enforcement» when world powers impose on the parties a solution which they consider right (as in the case of Kosovo). The 2008 war led to the «resolution» of conflicts from the point of view of certain actors: Russia, as well as the regimes it supports in Abkhazia and South Ossetia consider the conflict to be over. But in fact, it is only mimicry of the Kosovo scenario by Russia: because the international community does not consider Russia's actions to be legitimate and in the eyes of not only Georgia, but almost all the rest of the world, the conflict remains open.

The second possible «breakthrough» is the recognition of the independence of the breakaway regions by the countries from which they broke away. Naturally, this is the easiest and cheapest way to go. The answer here is very simple: such a solution is not acceptable to the population of Georgia and Azerbaijan. So far, even the public discussion of this option remains a taboo in both countries, although in Georgia there

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<sup>2</sup> On the whole, the war of 2008 brought about comparatively little real change in conflict situations (several small enclaves controlled by Georgia were taken over by Russia and separatist regimes); rather, it made the already existing disposition of forces clearer.

are already separate individuals who dare to mention such a possibility. Even if we assume that the government of one country comes to the conclusion that the recognition of the breakaway states and thereby elimination of the risks and hazards associated with the existence of unresolved conflicts is in the national interests of its country, any step in this direction will be political suicide. After even the slightest willingness to make concessions cost Armenian President Levon Ter-Petrosyan his post, hardly any government will take such a risk.

What is the role of the «liberalization» of respective societies in addressing ethno-territorial conflicts in these particular circumstances? Today, many people working in the field of conflict resolution prefer to talk not about the resolution, but the «transformation» of conflicts. The main advantage of this term is its uncertainty, so I will not attempt to define it here. But usually, «transformation» means the transformation of consciousness, i.e. changing people's attitudes to the problems because of which the conflict broke out. We can say that ideologies of «conflict transformation» take as a basis the normative liberalism I described earlier. They hope that the various projects aimed at such transformation will lead to a weakening of nationalism. The consciousness of people should change, so that the very concept of «territorial integrity» will lose its sacred value and most people will come to the conclusion that it is not worth permanently living in limbo just to have a theoretical chance of restoring the territorial integrity of the country.

As I have already tried to show, such hopes are naive, or their existence requires such a long time that focusing on this development loses its practical sense. Moreover, so far there is no precedent for conflict resolution on such a basis in the world.

But the spread and establishment of the principles I identified as «liberal» at the beginning of the article - today they can be defined simply as principles of common sense - is first of all necessary for the overall development of states and societies of the Caucasus. Without it, they will remain on the periphery of world civilization. Regarding the actual conflicts, it helps, first of all, to prevent conflicts from resuming and new conflict situations from emerging. In addition, the overall development of society towards the establishment of liberal ideas and institutions will reduce the likelihood that the existence of unresolved conflicts will become the basis for nationalist rhetoric, which, in turn, prevents the formation of pluralistic and democratic institutions or is deliberately used against them.

**Rahman Badalov**

## **Enlightenment and liberalism: conflict resolution in Azerbaijani context**

In Soviet times they asked this question: «who you are with - masters of culture?» On issues of «enlightenment» and «liberalism» the main thing for me is just to express my own position («who am I?»), without claiming the independence of the position.

My message is addressed not to the theoretical community but Azerbaijani society or at least its part concerned about these problems. Explaining my position, I involuntarily enter into a debate with the readers of this book and beyond. Thus, I am organically joining the «Azerbaijani context», which ultimately is the most important task of our meeting.

In my opinion, it is precisely in the projection on the existing controversy over «enlightenment and liberal ideas» that you can identify some of the weak points of our development, which are not really diagnosed and are even shaded by nationalism in many ways in its narrow and limited understanding. So I do not think it unnecessary to repeat some, probably known, provisions of enlightenment and liberalism, which have not yet been mastered by our consciousness.

I doubt that the causes of many of the so-called «frozen conflicts» should be sought only in geopolitics and finally comprehended at the level of political science. I agree, of course, that it is in the political space that something real and tangible is happening and that it is in the political space that political actors can be found, on whom the resolution of various conflicts directly or indirectly depends. But this appearance

is deceiving sometimes. If, for the sake of brevity, we use a metaphor, I would say that the visible reality of the «unbearable hardship of life» sometimes overshadows the «unbearable lightness of being», while a delicate matter sometimes appears to be more significant than gross and palpable ones. This is what the «humanitarian approach» has to deal with as opposed to the «political one».

I am impressed not so much with the name of our conference as with its vector, which our editor Leila Alieva defined in her article. The focus should shift to the study of the causes that are rooted in public consciousness, first of all, to identify the barriers that hinder the search for compromise solutions. And it's not just recurrences of Soviet thinking, but also the previous period of our development.

In short, it is important to think about what is going on in our heads. In this sense, I would define the slogan of my speech in the following way: «change your consciousness, and you will change the world.»

I'll start with the fact that we, modern Azerbaijanis, have experienced several historical disasters over the past 150 years. We can highlight three of the most dramatic transitions.

First of all, what has happened since the second half of the 19<sup>th</sup> century: oil, industrial boom, the beginning of the urban development of Baku, the birth of enlightenment ideas (Akhundov and Zardabi), the search for national identity, the emergence of the ADR (Azerbaijan Democratic Republic). I think it is no accident that our conference is part of a cycle of various events on the anniversary of the ADR. I would say more, the period from the second half of the 19<sup>th</sup> century and all the other periods of our development, before and after the ADR, shall be considered as circles coming from the ADR. All the other dates selected as the core of our stories pull us out of the history of civilization and condemn us to the provincial

existence (I would replace the term which was used by our moderator with a more powerful one - «boondocks», which was used by Hasan bay Zardabi, of whom we will talk later).

I do not undertake to briefly describe the Soviet period. I admit that at times it seemed to me that this period should be called a «black hole» where many of our ills and many of the false stereotypes, of which we cannot get rid now, originated. Now I realize that this is too much and we do not treat the history of the past in the spirit of vehement journalistic articles. It was during the Soviet era that our development as a nation was completed, our identity became firmly established, a class of educated people formed, and we went through the industrial period of our development. Of course, I agree with those who argue that our development in the Soviet period was distorted and our identity was truncated (without Turkism and Islam), education was disconnected from real life, and the history of our national literature («yes» to Nizami Ganjavi, «no» to Dede Qorqut was not as innocuous as it may seem) was imposed from the centre. I will not go on, but I will only say that this development did not imply freedom both at the state and personal level. We can say that in essence, we had neither a state nor a citizen. Using the computer language, I can say that Soviet development was with viruses that undermined it from within until they completely destroyed it.

The years of independence have still not been seriously reflected upon, and despite the political rhetoric, we remain a post-Soviet country in many ways. These were years of transition without transition and a movement towards democracy that led us to authoritarianism. The dilemma between globalism and nationalism remained insoluble, as the latter is now deprived of political content and is reduced to folklore heritage. The European (Western) path of development is recognized as a priority, but is still incomplete both in the authorities'



policy and in the public consciousness. The urban development of our metropolis is also half-hearted: it once claimed to have grown out of a city of raw materials into an industrial city, and then, in the years of independence, it claimed to become a major educational and cultural centre. But it seems that the construction of large entertainment and shopping centres with major supermarkets is becoming the most organic. Add the religious factor that is becoming a greater reality in our lives. Those who managed to view the Internet video of our famous funeral ceremony which took place recently, understand what we are talking about.

We still remain a typical «Third World country» that is not capable of a sober assessment of its own history and place in the modern world.

Not surprisingly, in our minds there is what I would call a fragmentation consciousness, various relapses of the past act «in us, for us and through us» (I used an expression of German philosopher Martin Heidegger on the «impersonal people» that exist in us), and often in our «own opinions», we can find the same impersonal relapses of the past.

Once again, I'll use a metaphor. We're trying to move forward, but every time we find something I would call «the fetters of the past» in our minds. The more we try to move mindlessly, the more these chains are pulled together into a tight knot, and we have to rely either on a new Alexander the Great or on whether we have enough wisdom and will to gradually get rid of these «fetters of the past».

We admit that it is for this reason that the Karabakh conflict took us by surprise, we did not expect it and were not ready for it. First, we protested being confident that our protest would be immediately heard by the international community. Then we decided that we have enough power to achieve immediate victory by force. Then we came to the conclusion that the

whole thing is about the lack of information effort and once we break the information blockade, everything will be solved by itself. Then we began to prefer conclusions everyone easily believed as they absolved each of us from responsibility: military intervention by third countries and betrayal among our own people. Both of these were partly true, but at the same time, as we did not bother to think through these explanations to the end and stopped looking for a way out of the situation, we found ourselves in a state I called a «neurasthenic syndrome» in one of my articles. This is still continuing - some are calling for militarism and immediate revenge. Others, the majority, at best sluggishly agree, but they have long decided that they do not care about Karabakh because they cannot get rid of the burden of everyday problems. As for the authorities, this neither peace nor war situation proved to be very convenient: they chose war rhetoric on the one hand and complete inaction on the other.

To avoid coming back to this, I should say frankly that I see nothing good in the ostrich policy of the authorities and society itself. Whether we like it or not, we will live under the sword of Damocles of the Karabakh problem and, again, whether we like it or not, we will involuntarily wince every time we meet an Armenian, even if this «Armenian» turns out to be a typical cosmopolitan completely neutral on the Karabakh conflict and our «Azerbaijani» turns out to be exactly the same. Even in a situation that is not directly related with this problem, we feel, and will feel, the pressure of this problem. And even if, as certain zealous nationalists believe, we completely isolate ourselves from meetings with any ethnic Armenian (another question is that it is almost impossible), not only will we not bring the solution of the problem closer, on the contrary, we will further tighten the knot that will affect our other problems too.

I do not have specific suggestions. I can only say that I see

no alternative to negotiations (I rule out capitulation, which can also be recognized as a very bad solution though).

You can object that negotiations suggest that both parties must be prepared for them. I agree, but in my opinion, both sides are not ready for them, both sides constantly appeal to third forces, and the information war, during which both sides are trying to discredit each other in the eyes of the world community, is continuing. On the Internet, you can even read that our conflict has no analogues in world history and that we are mutually exclusive. All this would be funny, if it were not so sad. Therefore, in my opinion, today we are talking about whether we are finally able to come to the *zero point*, i.e., we have started talking about the pitfalls of consciousness that prevent not so much the resolution of the conflict as the beginning of real negotiations. That is why now, at this stage of my article, I can say that if we are talking not about a military solution to the conflict, but about an agreement, liberal ideas will only be acceptable. The issue in this case is that this process should involve the citizens themselves, their will and their consent.

Once again, I am aware that among my readers, there are a lot of opponents who will point to long-standing regional conflicts in liberal countries. This is the point of divergence between belief and unbelief in enlightenment, faith and unbelief in the humanitarian ancestry of modern civilization, and finally, belief and unbelief in the ideas of liberalism. I will not dwell on this further.

Now I can say that the main purpose of my presentation is to show the nodes that prevent us from adequately perceiving not only the conflict we are experiencing, but also our position in the world. I will repeat the initial slogan again - «change the consciousness, and you will change the world». It's time to get rid of false stereotypes and long-standing myths which we

encounter again and again, because we lack the determination of reflection or, in other words, what I would call a «long thought».

Recently, one of my publications on the Internet caused a storm of responses. I will not touch on the publication itself, although it is directly related to the theme of our conference and the statements of the authors who used abusive words about me (it happens on the Internet). I will only dwell on the opinion expressed more correctly by one of our intellectuals.

The author believes that if «the text had been written in the format of a closed analytical note for intrashop use, it is another matter.» Let us pay attention to this «closedness», which implies that if there is a conflict, especially when there is a «war» (in this case, an «undeclared war», i.e. almost an absence of war), then for the sake of goals of victory, it is not only possible, but also necessary to transcend the norms of morality, not to mention the legal norms. We involuntarily recall Lincoln and his position during the Civil War, when a lawyer dictated to the president, not vice versa. In this case, apparently, it is recognized that «intra-national morality» and «intra-national law» must prevail, and everything else must be put aside as fetters that only hinder the resolution of the conflict. There is no time to dwell on this in detail, although the whole context of my article, directly or indirectly, can be regarded as a refutation of such «closedness».

The following passage of my opponent is even more interesting: «Rahman is still overwhelmed by illusions of the «Enlightenment project », which was discontinued in the West in the past century following the beginning of the First World War. How can you believe this utopian project after the psychoanalytic and post-structuralist studies which proved that the «white civilized man is a man eater in disguise.»

Perhaps a certain new Derrida could devote an entire book to the deconstruction of this passage. Indeed, all these categorical «proven», «discontinued», «turned out» and «found» - you can continue the list - made by an intelligent observer from the topos of the culture of the «Third World» (another issue that the «Third World» can be found not only in the geographical «Third World») contain many interesting things. Multifactorial nature, probability, fuzzy multitudes, synergy, and more in the same way are easily discarded in the name of complete final conclusions. Perhaps there is a connection between this categorical and closed societies in which time itself seems to stand still (literally «stuck in the corner,» according to Marquez), the political situation is close to stagnation (one researcher called such countries a «grey area»). Then, on the one hand, there is the desire to unravel the conspiracy scenarios and explain what is happening through conspiracy theories (to which we shall return). On the other hand, the commitment to a variety of eschatological visions, searches for esoteric meanings, fears of the impending end of the world, which is very close (again, relapses of the «Third World» can be found not only in the «Third World»).

I am leaving my opponent's thought about the «civilized white man» as «a disguised man-eater», which was unmasked by the «psychoanalytic and post-structuralist studies» - it does not require special comment. I note only that «the civilized white man» often «carves himself» much to the delight of his detractors.

I will dwell on the «Enlightenment project» in more detail. I confess that I continue to be overwhelmed by its «illusions», as, in my opinion, liberalism in general is still captured by its «illusions». In my opinion, the lack of reflection on the challenges of the Enlightenment is the main criterion by which this or that country should be attributed to the «Third World.» As

for the West (the West as a system of values), I am convinced that «the Enlightenment project» in the West will not be discontinued, although they are talking about «Requiem for Enlightenment» most of all. After all, the words of my opponent, the criticism of liberal ideas and the anti-enlightenment pathos originated from the Enlightenment.

I will extremely briefly dwell on two works under one and the same name «What is Enlightenment?» written with an interval of 200 years by Immanuel Kant and Michel Foucault, because we, in my opinion, present enlightenment as mass education, intellectual games in a glamorous appearance and the like. «The dream of mind produces monsters,» this is about us.

By Enlightenment, Kant understands:

- a) «Sapere aude! The courage to use one's own minds!» is the main motto of the Enlightenment.
- b) The courage not to refer to circumstances, not to look for answers outside yourself, or outside of the situation itself, and thus not to discover one's «infancy»
- c) The publicity of thought that will not only educate the public but also enlighten it. «Obey if that's the law, but express your point of view publicly,» Kant says. From this idea the future freedom of the citizen within institutions that restrict his freedom will grow, which can be considered the foundation of liberal thought.

In order to develop Kant's thought, I will cite the opinion of Jürgen Habermas, which is directly related to our theme: «No one requires the minority to give up their *will* and declare their *view* erroneous: the minority is not even required to refuse their goal. But ... the minority is required to give up the practical implementation of their beliefs until they manage to bet-

ter present their arguments and collect the required number of those who agree with them.» Needless to say, our conflict shows that our «minority» and the «majority» have not mastered the norms of civilized life.

Let's turn to Foucault now. I should note that Foucault is a sarcastic and sceptical thinker (Voltaire's tradition), and bourgeois society had a lot of trouble with him. Foucault blows up the blessedness of the Enlightenment from inside. First, he explores a mental hospital as the attempt of an «enlightened» person to determine the demarcation between reason and madness, and then figures out how institutions of forced separation of people appear on this demarcation, then he finds this «demarcation» almost in all institutions of modern civilization (remember this is «compulsory separation», which can be blamed on liberalism). The new «Voltaire» finds a closed institution peculiar to a mental clinic everywhere - at factories, prisons, military barracks and schools. The lesson for all of us is first humiliating exams from a very young age, then tenders, competitions, etc., and finally, psychiatry as an extension of rejection. Such is the sarcastic idea about the birth of a psychiatric establishment from the humanitarian ideas of the Enlightenment.

One could speculate on how endless «exams» end not only for children but for adults in non-liberal countries, where the citizen is deprived of elementary civil rights, how this affects his mental health and how many potential clients there are in «the mental clinic.» But such societies prefer not to touch on the taboo subjects.

Let's go back to Foucault. It seems that socialist Foucault finally debunked the Enlightenment, which became the mainstay of the bourgeois system. But Foucault makes unexpected findings. The whole of modern philosophy, he says, is the

one that tries to answer the old question, «What is the Enlightenment?» And we also inherited the eternal question from the Enlightenment when the answer cannot exhaust (overturn) the answer. And the final conclusion is: «the historical ontology of ourselves must begin with the Enlightenment.»

In simple terms, each of us is a private person with his/her own fate, existence, etc. But each of us is also a product of the past. I (of course, not just me) begin my «historical ontology» as an Azerbaijani from Akhundov and Zardabi, i.e. from Azerbaijani educators. If we assume (it is unlikely, but let's assume) that the historical ontology of other Azerbaijanis starts from 1968 and 1993, it is not enough that we will be marginalized in our own country, we will also need to introduce a new ethnonym, either for us or for «new Azerbaijanis».

What explains the attacks on Enlightenment, both in the Western world and among the same Azerbaijani intellectuals? As with any ambitious project - this can be attributed to liberalism and socialism – the Enlightenment did not immediately reveal its own limits and, therefore, its potential utopianism. This especially clearly manifested itself in the pathology of the early “Soviet enlightenment”, with its straightforward idea that man is “tabula rasa” - not just a clean, but literally a scraped board. It is very difficult to understand that the Enlightenment was not just a discovery of the absolute reflection of man, but also a tragic understanding of how much things have no place in this “absolute reflection.” Discovering the utopian nature of its own ambitions, the Enlightenment and then Liberalism opened the utopian nature of any radical project for the transformation of man and society.

Perhaps, we should agree that the Enlightenment (not just the Enlightenment, but we are now talking about the Enlightenment) releases its “own other” as a constant pursuit of utopia. They can be balanced only by the fact that the elite



segment of society (or at least part of the elite) will have a constant reflection over what could be called “intolerance of freedom”, which was triggered by the Enlightenment itself and its practical implementation in the French Revolution.

Let’s move on to liberalism. It’s no secret that debates surrounding liberalism affect the acute political problems of the modern world. Some authors take the time to bury liberalism and are even willing to blame it for all modern crises. Others believe that all the achievements of the modern world are associated with liberalism, and it has not exhausted all its possibilities. As in all other cases, it is important for me to emphasize “who I am with” and not standing apart from journalism, to put these disputes in the “Azerbaijani context.”

Liberalism as an enlightenment doctrine is based on the belief in the possibility of knowing nature and society and man’s capacity for the practical implementation of this possibility. We are not talking about utopias, but about social programmes with the fundamental aim of publicity and eternal questioning that can adjust the development of society.

Someone will rightly argue whether people did not know the world before the Enlightenment, whether there was no Socrates who urged people to “know themselves”, whether there was no Ibn Khaldun with his sociological approach to knowing society and whether there not many, many others. But before Liberalism, these were impulses of individuals in the form of scientific debates, at best, in the agora and in the presence of other people. Liberalism moved this knowledge to the area of specific sciences such as history, economics, sociology, political science, etc. Accordingly, liberalism turned the achievement of specific sciences into a practical area and into institutions of a modern democratic society.

This, in turn, means that the rights of the citizen must back up his determination to get the government to report to him.

Finally, this means that the social world can (should) be a world for humans.

I will highlight some of the main features of liberalism, which remain controversial and are relevant to the “Azerbaijani context”.

First, the liberal idea about the neutrality of the government.

I will leave the specific questions of what market can and cannot do and to which extent it is or is not self-regulating. In the course of its development, liberalism revealed its own limitations, but the crisis of liberalism itself should not be demonized. In our case, along with democratic rhetoric, the anti-liberal idea of the omnipotence of power, which saved our state, and the idea that, in our conditions, it is the most effective way of making decisions are in fact being embedded in our consciousness.

We cannot help recalling the trenchant formulation of authoritarian rulers of all kinds: “I want to make people happy, and they are constantly getting in my way.” In these circumstances, “when we get in their way” there appear equally ugly and absurd projects as the project of the Heydar Aliev monument in Mexico City and the incredible scale of investment in this country.

We admit that it is not only about the government, but our “Soviet” consciousness. Indeed, in Soviet times, we lived not just in a totalitarian state, but in a total state that penetrated all spheres of our life, we were born in a state hospital and were buried in a state cemetery. As a continuation of this consciousness, we still blame the government not for failure to comply with the principle of neutrality, but for failure to “fairly” distribute oil revenues. The downside of the lack of the neutrality of the government is the weak expression of our “ego”. We cannot dwell on this in more detail, although the

theme of the “neutrality of the government”, and respectively, the liberation of social areas free from government diktat remains topical for us.

Secondly, the liberal idea is that an unequal share of social benefits should be recognized as fair if it is not due to a breach of the laws, but is a consequence of a conscious choice made by the individuals themselves.

I understand that this topic has a lot of underwater reefs that require long and patient discussions. I will confine myself to what I called relapses of the Soviet past above or, if you will, proletarian consciousness that taught people that a rich man should always be treated with suspicion. I have had to write that the legitimacy of the rich, or if you want, the legitimacy of the oligarchs is the lesser evil (maybe not evil at all) than illegitimate oligarchs under an illegitimate government.

Third and finally, it is time to abandon the idea of linear progress as a conscious goal, which is attributed to liberalism (sometimes fairly). Rejection of utopias of all kinds and constant readiness for self-description and self-analysis rather than the level of consumption of material goods is the main criterion of progress.

Why did liberalism turn out not only the basis of historical optimism, but also a cause of disappointments of various kinds? I will distinguish three levels of “disappointment”: sociological, geopolitical, and humanitarian. Let’s be aware that these names are conventional and are in fact closely intertwined.

In many countries, and Azerbaijan is not an exception here, the Enlightenment is reduced to a mass education, which in turn formed a large army of people with incomplete education. In my view, the ontology of one type of enlightened people who are able to understand the Socratic maxim of “knowing your ignorance” will always release the aggression of people with incomplete education who are always ready to give the

final verdict. It is impossible to eradicate this. It is just that in some cases, this confrontation will grow into open barricades (we are aware of numerous cases where those who dare to raise taboo subjects were destroyed). In other instances, it will mix and soften up verbal attacks (the Internet, for now, seems harmless, even if there are calls to “shoot with a firing square” as in my case). But, in all cases, this demarcation will never disappear, and we will meet with its fresh and new modifications. Let’s consider this to be the price we pay for democracy, enlightenment and liberalism.

I will share one more observation.

It just so happened that in recent years we have repeatedly had to listen to the judgments of a bathhouse attendant called Alasgar about how good it was to live in the Soviet Union, how Lenin cared about working people, etc. I could not help remembering Aristophanes who depicted the ancient Greek bathhouse attendant Kligen who proudly sits in the People’s Assembly. Perhaps, in such cases, they say “as old as the world.” The ontology of perpetual grumbling and perpetual dissatisfaction: I can’t, I don’t want, I don’t believe that anything can be changed in this world is deep-rooted.

How can you oppose this?

I think only with the public space of thought by which the elitist view of the world becomes legitimate. It is publicity, rather than bans, that should become one of the social filters for the thoughts of such “bathhouse attendants.” On the contrary, there is nothing more foolish than to drive them into a corner and accumulate the energy of “incomplete education.”

I’ll move onto geopolitics and make a small digression.

The modern world is, among other things, a confrontation of developed countries and so-called “Third World” countries

that recently gained independence. Many factors, including those which cannot be explained rationally, are behind this independence. Among the most important ones, I would like to mention the famous 14 points of Woodrow Wilson, who insisted on the “self-determination of nations”, and in a different historical situation - the principle of the four fundamental freedoms mentioned by Franklin Roosevelt, which can help make the world safer.

I’m aware that by some readers my words will be considered naive, and they will rightly say that the world has not become safer since then, and the “self-determination of nations” has not become the equivalent of universal suffrage, not to mention the fact that “suffrage” itself, in fact, turned out to be a fiction in many countries. I partly agree. But how can you interpret this “did not”, “did not become” and “turned out”? Review the past and erase the humanistic searches that are inevitable even in “dirty politics” or admit or accept that the new time discovers new challenges and requires new solutions that are not possible without new studies and new theories. In my opinion, every time we find a clash between the eternal question of the high Enlightenment, which demands constant transformation of the world to which we are doomed, and eternal utopianism that easily slips into disappointment, into a search for hidden culprits of what is going on, and if there is a lack of continuity in this, into eschatological visions, the announcement of the imminent end of the world, etc. By the way, it is interesting to note that almost throughout the entire 20<sup>th</sup> century and almost until now, a dystopian genre emerged in literature and partly, in the movies, which satirically debunks the “optimistic” utopias of the past, one of which our generation had to live with. The issue is not just about social utopias, but also about

technocratic utopias, when the number becomes the new essence of man.

Immanuel Wallerstein, who hurries to bury liberalism, rightly says that “a Khomeini-type possibility represents, above all, the highest level of anger and horror caused by the modern world system, and this anger is directed against those who benefit from it most of all and who stand against the Western centre of the capitalist world economy. It denounces the West, including and particularly emphasizing the values of the Enlightenment presented as the embodiment of evil” (another question is what conclusions it draws from this “anger and horror”).

A few words about the “conspiracy”, and conspiracy scenarios as explanations of the main causes of an event I have repeatedly had to argue with my opponents whose logic is simple: all major issues, including regional conflicts, are solved or not solved by high politicians, and everything else is just pathetic pseudo-humanistic attempts. In the best case, they recognize that there are two approaches – conspiratorial and accidental or spontaneous. Indeed, I insist on another thing, it is not about the principles of “both-and” and “either-or”, in which the Enlightenment and liberal approach is eliminated by the conspiratorial one.

For the sake of clarity and brevity, I will use such a metaphor. Imagine the surface of a table on which we are enthusiastically talking about the Enlightenment, Liberalism, Humanism, etc. Later it turns out that we underestimate what is happening under the table, which constantly influences our arguments about the “high thing.” But should we hurry to believe that everything that is happening under the table, behind closed doors and in the shadow area completely cancels all the “high things” and that the new cause-and-effect relationship, which can be solved, makes the arguments of liberal intellectuals

unnecessary. In general, we have to recognize that we should not exaggerate the cause-and-effect relationships, even if they seem convincing for common sense. From the point of view of ordinary logic and visible cause-and-effect relationships, the 19<sup>th</sup> century could not be the 20<sup>th</sup> century, the Old Testament could not be the New Testament, etc. Many similar examples could be cited.

I would not like my liberal position to be perceived as too optimistic because of its simplicity. Yes, all of us, and those who draw our attention to the fact that the glass is half empty and those that draw our attention to the fact that the glass is half full need to recognize that the great projects of the 19<sup>th</sup> century were left incomplete. Yes, indeed, it seems that there was the triumphant path of recovery and progress, projects of worldwide scale and a sense of historical optimism, in which there was a lot of hope that the world would become safer for everyone. Yes, indeed, it seemed impossible to question the historical ideal of the Enlightenment – the morality of equality of all people regardless of race and social status, the right to a dignified life and dignity which everyone should get due to the fact of their birth. Yes, it did seem that the alliance of liberal democracy and market capitalism form a union, which is applicable to all countries and all cultures, and that this unity even allows us to talk about the “end of history”.

But a lot not only did not come true - and a lot cannot come true, and every sane person understands that, say, one cannot demand that the president fulfill all the promises he made during his election campaign – it is a lot worse. It turned out that the centrifugal forces that humanity does not know how to manage are freed up. It turned out that there is a crisis of the political decision-making institute, that universal suffrage and real public control over the electoral process do not guarantee “democracy”, and that the people

and even its socially responsible layers are skilfully isolated from making important policy decisions. It turned out that in the system of political rhetoric and media space, there appear political myths that are no different from archaic myths by their nature, and political power has learned to skilfully use them, making zombies out of its citizens. It became clear that even in developed countries, where it is difficult to talk about serious violations of the law, mass election fraud, etc., there is a wide gap between the “rich” and the “poor”, and this gap is difficult to overcome within the borders of relevant democratic procedures (strikes, demonstrations, trade union movement, etc). It turned out that the gap between rich and poor countries is widening, that “self-determination of nations” did not solve the many problems of the countries that recently attained independence, that their protest forces are pushing them either towards pop-Marxism at best or directly towards radical views calling for the “diabolical basis” of the Western civilization to be destroyed. We have to admit, perhaps, the most painful thing, which is difficult to explain by usual inevitable crises: it is about the fact that the distinguished historian Eric Hobsbawm, who recently passed away, defined the current crisis not so much as economic as ideological - “this is a total crisis of the understanding of the Western civilization and its self-identity.”

The question arises whether we are really talking about the “decline of Europe”, the “decline” of the ideas of Humanism, Enlightenment, Liberalism, etc. Hardly.

Eric Hobsbawm believed that human resources (of course, the talk was not about physical resources) are inexhaustible. They say that when he talked about cataclysms and catastrophes which horrified the listener, he himself experienced elation when he was able to find exact words



to explain disasters, believing that it is extremely important to find the exact definition and it is an important condition for avoiding a catastrophe. What is it if not Enlightenment optimism, faith in the fact that only a word and a thought that cannot stop and are constantly developing help in practical matters, especially in the life of society?

I am very impressed by the words of Edward Crank who was unknown to me. He asked himself a question that may seem discouraging, but is in fact serious: "Who gave me such a bottomless handicap that playing the bestial games of fate, I can't lose all I have." This is fundamentally different from what the philosopher Pangloss, who was described by Voltaire, says - "all is for the best in this best of all worlds."

The answer is either in Religion or in the Enlightenment. Either-or.

It remains for us to directly address what we called the "Azerbaijani context", on which we previously touched only indirectly. And this "context" relates to the "conflict resolution", which is in the title of our conference.

I'll start with one example

June of this year (30 June) marks 200 years since the birth of Mirza Fatali Akhundov - not just the first Azerbaijani enlightener, but a person from whom the new history of Azerbaijan begins. The countdown from the Enlightenment and the first enlightener, as I said above, does not mean that everything that happened in history and culture before is completely ignored. It only means that it is from the standpoint of the Enlightenment that we begin to take stock of the past culture.

One would expect the anniversary of Akhundov to be a good reason for taking stock of our past 200 years, which were supposed to become (and in a sense they did become) our

movement to modernity. Unfortunately, this did not happen, and we pretended that this date simply did not exist.

A similar thing happened with the anniversary of another enlightener, who, along with Akhundov, was not just the source of the Enlightenment, but also of what can be called “the new history of Azerbaijan”, which led to the creation of the ADR. It is Hasan bey Zardabi, whose name is linked to the opening of our first newspaper and 100 years since whose death we were supposed to mark in 2007. The issue is not about anniversaries, recall how various anniversaries were celebrated in the 1990s, which, in essence, turned into a propaganda campaign for the government. The issue is about these persons, who were essentially ostracized.

Why did this happen? Did the causes have a financial and organizational nature? Hardly. It is no secret that in recent years Azerbaijan, mainly Baku has hosted numerous cultural events on which huge sums are being spent. Financially, we are really a rich country.

There can be only one reason. The current Azerbaijani government does not feel its succession, or, as we said above, its historical succession not only to these people, but also to the vector of our historical development, which originates from these people.

We recognize this as an absolutely conscious choice that makes not only our government, but all of us a strange historical product at the base of which is the incomplete Enlightenment. In the ideology, they are trying to fill this void with the vague idea of “Heydarism” and the glamorous nature of our society. To someone it may not seem so dangerous because, after all, even spontaneously, something is going on in our “backwater”, the number of people who have received Western education is growing, social networks, if not today then tomorrow, will become a real force, and there are many

countries that simply became consumers in the global division of labour. But, in my opinion, this is not the case.

Before Akhundov and Zardabi, we lived in a traditional society, which was adequate in its own way just by virtue of the fact that in terms of information and meaning, it was not part of the global context of world history and world culture. It was not just provincialism, but a typical backwater, as Hasan bay Zardabi called his famous "Letters from the backwater".

But quite a different life begins when you open the newspaper in the morning and find out what's going on in the world. A different life begins as soon as you begin to live by the Book, which contains knowledge about everything, including even the rules of hygiene or agronomy. A different life begins as soon as the people, through their own enlightened people, start coming up with their own ethnonym and conceptualize their difference from others. A different life begins when the people create a nation state and you have to live by the rules of public life. A different life begins when you cease to live according to the traditions of your ancestors and take the path of modernity, which requires constant development. This other life demands courage of thought, public space for this thought and social institutions capable of regulating this life by thought, and much more. And in these conditions it is dangerous to stay in the world of thoughtlessness and lack of feelings, it is dangerous to be in a situation which Russian philosopher Yuriy Senokosov described as "collective evil that generates mythology of collective hopes and you need to make a truly Cartesian effort to escape from the clutches of this mythology."

So let us not hurry to follow our government and some of our intellectuals and end the Enlightenment with its courage to think, eternal questions and constant revisions of reason in the system of Kantian criticisms.

In line with the aforesaid, I should repeat once again what has been said many times - the Karabakh solution passes through democracy. I will clarify - through the Enlightenment and Liberalism, through the return of our historical ontology and through willingness and ability to think.

I can only repeat that we have to reach at last the zero point when on both sides there are *people who are not using historical and nationalistic arguments* - what I once described as the necessity of cooperation between post-historical and post-nationalist elites. There is nothing wrong with the fact that these people will not have the appropriate authority and will not have any preferences from their states and societies. And then you can consult experts in negotiations or relevant literature such as the book by Roger Fisher and William Ury "Negotiating Agreement Without Giving In" about which our colleague Nikolay Rozov writes in his monograph.

All this may seem naive to us with our tendency to overestimate the "unbearable hardship of being", but this situation of "neither peace, nor war" could lead to an escalation of the conflict and then these collaborating elites, who have neither authority nor special preferences, can come for help to organize talks that Fisher and Ury call "*urgent peace talks*".

I want to finish with final lines from the book of Immanuel Wallerstein "After Liberalism".

It is notable that I always wanted to argue with the author while reading the book, but the final lines reconciled me with the author.

*"You might think that the general purposeful programme of social and political action in the next 25-50 years, which I proposed, is too vague. But it is as concrete as possible, being in the centre of the whirlpool. First, determine which bank you want to arrive at. And second, make sure that your first efforts*

*push you in that direction. If you want more accuracy than this, you will not find it and drown as you look for it.”*

I repeat - even in a whirlpool you should continue to seek a way out in order not to drown.

## Nikolai Rozov

### Cycles of Russian history, difficulties of democratization and conditions of conflict resolution in the post-Soviet area

#### The cycles of Russian history

In this article we will provide the basic model and an explanation of the «track» of Russian cycles, briefly describe the current social and political situation in Russia within the framework of this model, outline the main directions of the foreign policy of the Kremlin, and analyze the conditions and prospects for resolving conflicts in the former Soviet Union.

The models of *the long cycles of mobilization* and revolutions of the service class (as the basis of the Grozny, Petrovsky, and Stalin cycles in Russia) cyclically reconstruct the changing variable, which we call *state success* (expansion of the territory, high prestige of power in the international arena, legitimacy of the authorities and regime and internal stability).

The cyclically changing variable in the models of short cycles of reform–counterreform is *freedom as a measure of security of a person and property, as well as participation in governance*.

Russian history shows extreme «boldness» of dynamics from triumphs - failures and unrest, liberal hopes, projects and reforms - to anti-state and state terror, repression and totalitarianism. With all this swaying, the overall picture is not chaotic, but very stereotyped and repetitive.<sup>1</sup>

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<sup>1</sup> For more details about the nature and internal generating mechanism of these cycles, see the book: Коля и перевал: макросоциологические основания стратегий России в XXI веке. М.: РОССПЭН, 2011. <http://www.nsu.ru/filf/rozov/publ/kol-per.htm>

*Cycle 1. «Successful mobilization.»* State and emotional recovery, a sharp increase in the service class, achievements and rising power. Internal Fronde and discontent are suppressed. Expansion always has a limit and usually moves onto Cycle 2.

*Cycle 2. «Stability-stagnation.»* Sometimes it is relatively calm, sometimes turbulent with rapid degradation of the elite and the regime and usually results in Cycle 3.

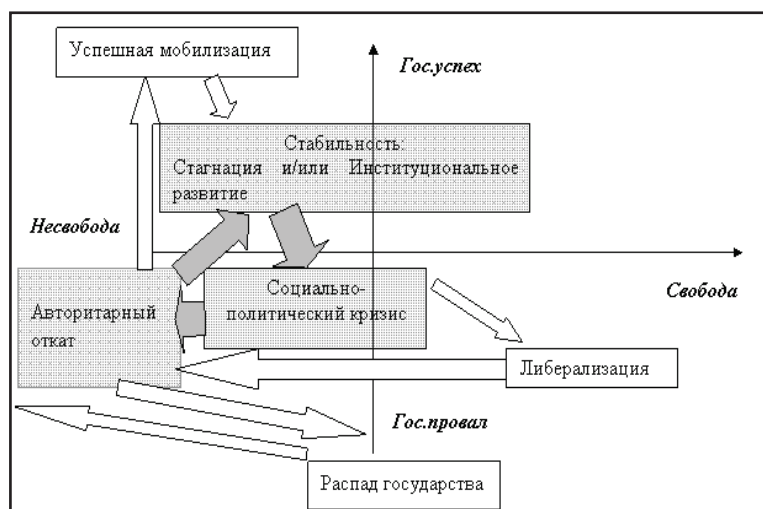
*Cycle 3. «Social and political crisis.»* Major riots, insurrections, peasant and civil wars, the most profound and dangerous external invasions. The «crisis» is characterized by bifurcation forks and rushing between attempts to implement Cycles 4 or 5.

*Cycle 4. «Liberalization.»* Sometimes carried out «from above», sometimes spontaneously «from the bottom», as a rule, it does not lead to success, or returns to Cycle 3 «Crisis» or immediately leads to Cycle 5 «Rollback».

*Cycle 5. «The authoritarian rollback.»* It often leads you out of the «Crisis» and returns to «Stability-Stagnation,» sometimes leads to «successful mobilization», but under certain conditions, it can lead to a deepening of the «crisis» and Cycle 6 «State collapse.»

*Cycle 6. «State collapse»* can be understood as an extreme degree of the destructive tendencies of the «crisis.» When restoring the state, new authorities are usually fairly weak and therefore, liberal and rely on a wide range of actors, but the «authoritarian rollback» and a return to familiar compulsory rules certainly comes later.

Imagine the sequence of the cycles through the model of phase transitions in our parametric space (Pic. 1).



**Picture 1.** The main cycles and inter-cycle transitions in the cyclic dynamics of Russian history. The outline of shaded blocks and arrows – the *circle dynamics* of the most frequent transitions. The outline between «Liberalization», «State collapse» and «Successful mobilization» - *pendulum dynamics*.

Now, after the authoritarian rollback of 2003-2006, Russia is still in the great cycle «Stagnation» with mini-cycles: recent amusing «modernization,» the current government attempts to move onto the «authoritarian rollback» and in dreams, onto «successful mobilization» (become a «new pole of world politics», colonize the moon, and so on.).

In the large «rollbacks» (the most recent ones – Brezhnev's neo-Stalinism of the 1970s, Stalin's «Great Terror» in 1930's and Leninist-Trotskyist «war communism» of 1918-1921), the authoritarian government could almost break the resistance, establish a political, economic and ideological monopoly and close the country from external influences. Today's cir-



cumstances allow us to doubt the «success» of such undertakings. The exacerbation and expansion of conflicts and the country's slipping into another political «crisis» – a cycle that has always followed «stagnation» in Russian history - are more likely.

## **Scenarios of Russian political development.**

The «crisis», as can be clearly seen in the diagram, is the bifurcation point - divergence of the ways. The three most likely case scenarios, according to the track of Russian cycles, are as follows:

1. «The authoritarian rollback» is the emergence of a new «guard» of minions ready to «serve» (and not to appropriate like the previous ones), effective waves of repression and restoration of the authoritarian «order.»

2. The escalation of the armed conflict, slide towards turmoil and civil war, unlikely a large one (as in 1603-1612 and 1918-1922), but perhaps a small (as in 1905 and 1993).

3. Another relatively peaceful «liberalization» («from above» or «from below») with a following consequent failure and new reaction («third thaw» or «second restructuring»).

Historical generalizations allow us to determine the main conditions that affect the choice of the way in a particular direction.

If oil prices remain stable, power elites remain united and the security forces remain loyal and ready for repression and violence, and with the usual passivity of the majority of the population, with the split and with the inept and unpopular activities of the opposition, the current «freeze» as a new wave of the authoritarian rollback (after the previous one in 2003-

2005) will extend the existence of the regime for a few more years. Outlawed protest will be radicalized, which will serve as a justification for new repression «for the sake of stability.» In this scenario, the stagnation and progressive degradation of Russia, cruel backwardness in the international arena, internal and external failures and subsequent crises are inevitable. How new opportunities for a peaceful revolution and the dismantling of the regime will open up will depend on the balance of the power of the decomposition processes of the regime and de-legitimization of the ruling group on the one hand and the consolidation of protest on the other hand - the power of the accumulated factors to protect «stability.»

With the convergence of adverse circumstances for the regime (from a financial crisis to a series of disasters, a wave of protests across the country and the loss of the loyalty of regional elites and in particular, of the repressive apparatus), a political crisis may occur in the next two to three years. For the ruling group, the preservation of the completeness of power is not only a necessary condition for saving property, but also a guarantee of protection from prosecution. We should therefore expect desperate attempts to stay in power by any means, and in this regard, excessively overgrown internal forces, riot police and security services are a factor that threatens with large-scale violence.

If a deep political crisis is accompanied by an extensive discrediting of the regime and the authorities, there will be a real split in the elites, and if the apparatus of violence clearly rejects repression (arrest of leaders, dispersal of demonstrations and so on.), the opposition's dreams of the «round table», transfer of power and new elections under new rules can come true.

Here, the winning coalition will face dangers from all sides: the deceived expectations of the people (if the standard of

living does not fall, it will not rise significantly in the months and years ahead), possible new waves of the global economic crisis with severe blows to the still fragile Russian economy based on raw materials, internecine struggle (ideological differences among the winners will become acute), revenge by the «former» ones (very close-knit and experienced ones, who are unlikely to be stopped by lustration), probable separatist movements in regions that delegitimize the new leaders, the Fronde of regional elites accustomed to authoritarian rule, etc.

Until now, all the significant periods of «liberalization» in Russia either broke off soon or led to a deepening of the crisis, usually culminating in rollbacks to authoritarianism. This is the *track of Russian cycles*, which should be overcome. Without understanding the stable internal causes of this trend, it will be impossible to find a way out and slip out of the above inertia scenarios.

The track of Russian cycles is vicious. Even «successful mobilization» as the limit of the Kremlin dreams (but already fundamentally unworkable) would not knock them out of the track, but would return them with rigid consistency to «stagnation» again and a new «crisis».

Hopes for a successful «final» or at least stable, effective liberalization and democratization of Russia are very slim. Therefore, you should talk about the foreign policy of Russia based on the current and expected realities.

## **Russia's Foreign Policy**

What foreign policy strategies has the Kremlin been mainly taking in recent years?

- *Attempts, at least rhetorically and virtually, to return the status of a «superpower» lost with the collapse of the Soviet*

*Union.* This includes insults and attacks on the United States and the West in general, the «Munich speech» of Vladimir Putin, demonstrative military voyages to South America, threats to place Iskanders in the Kaliningrad region, an attempt to crack down on «the Saakashvili regime» modelled on the American attack against «Saddam's regime» and a return to negotiations on nuclear weapons in the Brezhnev traditions.

- *Attempts to restore the empire at least symbolically and rely on the loyalty of CIS leaders* (export of cheap raw materials, extensive subsidies in exchange for the symbolic recognition of the «greatness» of Russia, demonstrative, but unsuccessful attempts to create with the CIS a military alliance that is «no worse than NATO»); the systematic result of such a strategy is the deception of the Russian leadership by CIS leaders. In addition, 2008 saw a clear vector of the «disengagement» of the post-Soviet countries from the role of obedient satellites;

- *Attempts to punish «apostates»* (Ukraine, Georgia, Moldova, Belarus) did not lead to the desired obedience in any of the cases; on the contrary, as a result of such attempts, the relations of these countries with Russia are steadily becoming more alienated, and their desire to become closer to other centres of influence has only grown;

- *Attempts to conduct a «multi-vector» policy* - on the one hand, the SCO organization, relations with pre-war Iraq and later with Iran, India, China, Venezuela, Cuba, and often not for clear benefit, but «to spite» America, and on the other, sporadic assurances to the West that Russia is «European» and «democratic.»

## **Russia and conflicts in its neighborhood.**

With respect to prospects for a peaceful resolution of conflicts in the post-Soviet area, the Kremlin's strategy is not particularly inspiring. The main motif is to maintain the reputation of «a supreme power» in the «zone of special interests» and the desire not to let in other actors (often futile and only annoying), and a «divide and rule»-type policy. Therefore, the conflicting parties should not rely on active support from Russia and try to agree with their opponents themselves. Russia can and should be included as a guarantor of the agreements reached, possibly as a supplier of peacekeeping forces, which will facilitate the implementation of the agreements by the parties to the conflict.

Nor should we hope for a quick and long-term «liberalization» of Russia. The current regime can be changed only by a deep political crisis. The exit from this crisis cannot be predicted yet (see above), but given the very low popularity of liberals among the security forces, officials and the general population, one can hardly expect adherents of liberalism to win.

In addition, during the internal crisis, Russian politicians will have no time for conflicts beyond their own borders. The corresponding vacuum of power in the regions where the status quo is maintained by the Russian military presence is likely to tempt the most aggressive and trained forces to begin active military operations, which can lead to significant changes in the political map of the former Soviet Union if there is a fast and sure success (which is doubtful), and is more likely to lead to a new period of instability, escalation of violence up to recurrences of genocide, purges and mass exodus of refugees.

## Post-Soviet thinking and conflicts.

What features of post-Soviet thinking impede the speedy and peaceful resolution of conflicts in Eurasia? We can point out the characteristics of Soviet and post-Soviet mentality<sup>2</sup> that really hinder the search for peaceful compromises.

This is the rigid division between «friends» and «foes» justifying any degree of coercion and violence towards «foes» if they are weak («If the enemy does not surrender, he must be destroyed,» «if you cannot – we will teach you, if you do not want – we will force you», etc.)

It is the usual bet on authoritarian power, «vertical» coercion, rather than horizontal relations requiring the ability to negotiate, and gluing «order» and a «strong hand» together.

Accordingly, each party to the conflict generally considers acceptable for itself only the solution where the enemy is suppressed, humiliated and expelled, for which it hopes to undertake such a role of «a formidable ruler», or (if the resources are weak) to ask a strong power for help (for example, Russia, USA, Turkey) in the same role, but only on its own side.

Let us consider more general questions of the correlation between liberalism and territorial conflicts. Roughly speaking, the failure of peaceful conflict resolution is determined not so much by the lack of liberal ideology among the main players (the ruling groups in the conflicting sides) and the population, *as rigid structural situations of selecting strategies, in-depth beliefs of conflicting parties and well-established complexes of the past aggressive strategies when any peace moves threaten to bring down the very legitimacy and authority of the ruling groups.*

<sup>2</sup> Розов Н.С. Российский менталитет: наиболее конструктивные концепции и их критика // Мир России, 2011, №1. <http://www.nsu.ru/filif/rozov/publ/rus-mentality.htm>

Is it possible to resolve the contradiction between nationalism and liberalism?

This is not necessarily a contradiction. A lot of American, British, German, French, Russian people are both nationalists (consider the interests of their country and people a priority) and liberals (favour freedom and tolerance).

Nationalism is directly opposed by *ethnic separatism* (threatening the integrity of the national territory) on the one hand, and by *someone else's imperial ambitions* (that threaten the sovereignty of the nation) on the other hand, and finally by *their own imperial ambitions* (as the inclusion of new provinces and ethnic groups, forced retention of ethnic minorities, provinces that stubbornly refuse to integrate into a single nation threaten its political, social, cultural and civic uniformity and stability, the peaceful existence and development of the country).

Liberalism is directly confronted by ideologies that promote and justify tyranny, despotism, totalitarianism and modes of political repression.

Thus, if nationalism does not promote or justify such regimes, it may well be combined with liberalism.

With all this, what contribution can the liberal ideology make to the peaceful resolution of conflicts? Is it clear enough that the liberal ideology will have a significant effect for all parties involved in the conflict and external forces only when it is not only adopted at the level of declarations, but goes deep into directives and in-depth convictions.

In the pictures of the world, «age-old and vicious enemies» should be replaced by «people with interests that are contrary to our interests, but have their own dignity and their own rights that must be respected and taken into account.»

The values of respect for other people's dignity, freedoms, rights, ideals and principles of equality and justice must be at

least equal in significance with the characters of one's «own national interests» and aspiration to hold onto power.

Along with national, ethnic and religious identities, there should also be cosmopolitan identities: «We are representatives of our own people, and in fundamental issues, we are equal to members of another equally worthy nation».

Behavioral patterns (practices and strategies) of suppressing victory, humiliating and destroying the enemy must be replaced by orientation to peace negotiations, compromises and discussion of mutual concessions.

This change of habits is necessary, first of all, for the major parties - the ruling groups in the conflicting sides, and also among influential opposition in both sides, because otherwise any concessions and compromises will be taken within the party to the conflict as a «betrayal.»

How can we implement these approaches in practice? Changing in-depth beliefs and attitudes happens not while reading well-meaning articles and books, not in lectures and sermons, but only in emotionally intense actions, vivid, impressive events, when the previous characters and pictures of the world are crumbling dramatically and new ones are acceptable and preferable in terms of enhancing the prestige, group membership, and social perspectives.

In addition, such a change in in-depth directives must be supported positively: strategies and practices, decisions and actions taken on the basis of new principles must lead not to frustration but success and promise of new achievements.

In the end, a lot depends on whether the parties to the conflict will have the so-called “goodwill”: recognize the adversary as equal, worthy and as someone who has the right to have their own interests, as well as readiness to seek mutually acceptable solutions together.



# **Ali Abbasov**

## **Liberalism and conflict**

### **Introduction:**

*Liberalism* can be defined as a philosophy of individualism because of its basic ideas (freedom of the individual, the priority of human rights, the rule of law, pluralism) and fundamental principles (general protection of natural rights, including the right to life, personal liberty, and property, as well as other civil rights; equality before the law; support for the market economy; government responsibility and transparency of state power reduced to the minimum required to support proclaimed ideas and principles). It is often said that liberalism stands for equality of opportunities, not for equality of results, and this is a very important reservation. A modern variation - liberal democracy - combines political, economic, cultural and social forms of liberalism.

«Third generation liberalism» aimed against the concentration of power, material resources and technologies in developed countries is characteristic for Third World countries.

The initial contradiction of the principles of liberalism and democracy included polar interpretations of the term «citizen». Liberals regarded as such only those individuals who had property that gives them the right to be members of civil society, participate in the social contract and delegate authority to the government. Democracy, however, regards the poor as citizens as well, believing that the whole nation is endowed with these rights. Later, at the expense of compromises, it

proved possible to reconcile personal freedom and private property (the values of an individual) and democracy (values of a group), but the artificial nature of this procedure sporadically made both liberalism and democracy revise their bases or indulge in new contradictions between each other. Many researchers (especially «non-Western» ones) still believe that liberalism and democracy are incompatible. For example, A. Dugin says that «at the core of liberalism is the individual ... cleared of any collective identities, which leads him to an «absurd» goal – «to liberate man from man, as the latter is a collective identity»<sup>1</sup>. (<http://globalconflict.ru/analytics/5575-aleksandr-dugin-agoniya-liberalizma>). Following this logic, it is difficult, if not impossible, to reconcile the principles of liberalism and democracy - the invention of the ancient Greeks, for whom the indirect democracy of liberalism was associated with aristocratic or even tyrannical power.

In general, it should be noted that most of the critics juxtapose the modernist essence of liberalism with the traditionalist essence of democracy, often based on the juxtaposition of the artificial and natural, «the natural and the cultural.» For example, modern British historian John Charmley speaks about liberalism as a «conspiracy of intelligence against human nature»<sup>2</sup>

The same Dugin believes that the «freedom» of liberalism almost never spread to a collective subject. After destroying all of its ideological opponents, Dugin continues, liberalism is preparing to destroy its last victim - democracy.<sup>3</sup>

<sup>1</sup> Dugin, Alexander, Agoniya Liberalizma, 21.09.2012 <http://globalconflict.ru/analytics/5575-aleksandr-dugin-agoniya-liberalizma>

<sup>2</sup> Andrew Williams, Liberalism and War: The Victors and the Vanguished Rutledge, New International Relations London and New York, 2006, pp. 263.

<sup>3</sup> Dugin, Alexander Demokratiya protiv liberalizma. Jurnal Fakel 18.01.2004 . <http://www.evrazia.org/modules.php?name=News&file=article&sid=1648>

Opponents accuse liberals of hypocrisy because favoring limited government intervention in the life of their state, they are turning a blind eye to the intervention of their states in the affairs of other countries (ignoring the cause of the intervention - violation of human rights by these countries). The ideas of liberalism are proclaimed dangerous norms that the West is trying to impose on the world.

Patriarch Kirill drew parallels between liberalism and the blurring of good and evil, apparently, based on the position of liberalism on the extreme importance of the principle of neutrality, which includes the authorities' neutral attitude to ethical values held by individuals. Indeed, in various spheres of life liberals tend to support the neutral procedures that enable citizens to exercise free choice and maintain ethical standards and lifestyles. Respect for the principle of neutrality is prescribed as a mandatory standard to the state that is considered a tool to support individual freedoms and resolve conflicts that arise.

Beginning from the 1990's, liberalism entered a new phase of development, which is associated with globalization and which critics dubbed the «speculative-financial liberalism of the golden billion».

The «conflict» is defined as an acute form of the collision of opposing goals, interests, attitudes, opinions or views of opponents or subjects of interaction, which is manifested in all social structures. The type of interest to us – ethnic-political conflicts – is quite common worldwide. The surge of separatist sentiment and rising conflicts in stable democracies suggest that conflicts are serious challenges of our time: the director of the Peace Research Institute in Oslo, D. Smith, estimates that two-thirds of wars in the second half of the 1990's alone are

linked with the conflicts<sup>4</sup> that arise in ethnically heterogeneous countries<sup>5</sup>

Paradoxically, the less one or another ethnic or religious group suffered from repression and discrimination by the government, the more likely it is to start an armed struggle, and it is not by chance that most of the groups standing for self-determination live in democracies. Moreover, the idea of independence captures the minds as soon as the country begins to transition from a «non-free» regime to democracy.

As systemic phenomena, conflicts are differentiable as traditional, designed and instrumental types. Conflicts that are complex in nature and structure include not only ethnic and confessional, but also geopolitical, cultural, and economic components.

In studies of conflict, there is transition from factor methodology aimed at identifying the key factors behind the escalation of violence to *network* methodology, since it is the infrastructure of the dominant power network and the special combination of different networks that dictate the rules which form and structure conflicting groups and accumulate and use the resources of the conflict. This type of conflict helps to identify the dominance of a network of power in conflict. In a traditional conflict it is a cultural network, and in a constructed conflict – an economic network, while an instrumental conflict demonstrates the consequences of the dominance of the

<sup>4</sup> Sultanova, Janna. Etnotsenrism v sovremennom mire Thesis, 2005, <http://www.dslib.net/soc-struktura/jetnocentrizm-v-sovremennom-mire-istoki-suwnost-praktiki.html>

<sup>5</sup> There are 8 thousand nations and peoples in the world- big and small- and theoretically each of them can claim independence There are no states characterized by total ethnic homogeny in the modern world. Provisionally only 12 states are referred to this category (9%). In 25 states ( 18,9%) the titular nationality represents 90% of population, in another 25 states – this number is from 75% to 89%. In 31 states ( 23,5%) this indicator varies from 50% to 70%, while in 39 states (29,5 %) almost half of the population is ethnically homogenous group. (Gladkova, Anna, Mezhnatsionalniye konflikti v sovremennom mire, Thesis, Sebastopol, 2003. <http://baza-referat.ru>)

geopolitical and political networks<sup>6</sup> The collapse of the socialist system was accompanied by instrumental conflicts.

The politicization of ethnicity and the emergence of ethnic conflict, as a rule, is the result of the desire of ethnic groups, particularly their leaders to dominate the political, economic, geopolitical and cultural network of power. The network approach not only reveals the complex non-linear character of a conflict, but also allows us to adequately describe and interpret the processes accompanying it.

Some researchers believe that by the time of the collapse of the socialist system, some republics that were part of it were able to prevent the development of conflict due to the once long history of the national state, the presence of the political tradition of parliamentarism, the legitimate transfer of power, traditions of compromise, as well as social and ethnic homogeneity. Accepting this conclusion partly, it should be noted that this was also largely facilitated by powerful outside forces. In general, most of the existing conflicts (especially instrumental ones) are political, and their dynamics are actively regulated by influential international organizations and foreign states, especially in cases where the country of the conflict is in the sphere of geopolitical interests or has significant natural resources. Of course, conflict affects all ethnic and cultural regions of the world, developed and developing countries, regions of different levels of wealth and political culture. They provoke modern political instability, as all major conflicts in the modern world are becoming internationalized. Such are the South Caucasian conflicts that require a solution for the third decade already. What does liberalism have to offer in terms of conflict resolution? In this regard, we should highlight the main themes proposed by the conference organizers.

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<sup>6</sup> Kumova, Svetlana *Politicheskiye aspekty etnicheskikh konfliktov v sovremennoi Yevrope* Thesis, Saratov, 2006 <http://do.gendocs.ru/docs/index-238729.html>

## **How do conflicts and approaches to their solution depend on the ideology and worldview?**

Like any other ideology, liberalism is characterized by its incompleteness, or openness up to uncertainty and possible development in a direction that denies or modifies the original basis of ideology. The world outlook and philosophical content of an ideology is the fruit of a certain mentality coupled with the psychology of thinking and consciousness of a concrete nation (people), and therefore, its distribution in a new environment inevitably leads to its rejection and subsequent transformation, as the promotion of any ideology depends on the historical situation and the culture of the people among whom it spreads. An ideology, as long as it is organic in the environment where it spreads, serves as an integral part of culture, sets models of perception and interpretation of reality, and then forms specific behavior in society expressed in concrete actions. The specificity of ideology is, first of all, that being a purely subjective phenomenon, it can carry out grandiose objective changes in the individual and in society (directing, integrating, mobilizing, socializing, etc.) and in the world (converting its natural state into sociality). Another important feature of ideology is the ability to clearly explain the situation to people and society not only (and not so much) in terms of rationality, but also in convenient symbolism interfaced with the subconscious and unconscious sensuality of man and relevant archetypes of society. It is in this context of mixed subject-object relations, myths and reality, past and present that ideology colored in tones of the national outlook uses its resource mobilization, defines the birth, the progress (development), transformation and resolution of conflicts.

Totalitarian countries often resort to force to resolve a conflict, tightening the political regime, limiting the rights and freedoms of citizens, strengthening punitive measures, among which they often use forced assimilation of ethnic minorities. Finally, by means of threats and intimidation of ethnic groups the authorities force them to move away and deport and physically exterminate (up to genocide) these groups. All these actions are accompanied by the ideology of hatred and the «language of war» aimed at transforming the consciousness of their own people.

### **What features of Eurasian societies hinder a speedy resolution of conflicts?**

The processes of transformation in the final days of the Soviet Union were deprived of conscious public support. Too few people were willing to consistently defend the freedoms and rights that had been attained, and in the absence of the institute of property, they could not make full use of their new social status as citizens. The privations and hardships of perestroika and the transitional period gave rise to «a shock of consciousness» and appeal to the ethno-confessional values which engendered the numerous conflicts that began at the end of the collapse of the Soviet Union and are continuing to this day.

The history of the peoples of Eurasia and ideologies and ideological systems which they once developed and which exist today (with few exceptions) tends to be anti-liberal as the fundamental priorities of the East are diametrically opposed to the priorities of the West: a lot - a single, monism - pluralism, society - individual ... Ideologies brought by the West turned from the angle of individualism into a context of collectivism

under Eurasian conditions. In this regard, the practice of developing liberalism in post-Soviet Russia and modern China is quite interesting - in the first case, political liberalism drowned in attempts to establish civil economic pluralism, and in the second case - the economic pluralism, which began with the bloody suppression of attempts to institute foundations of political liberalism, made the country a world leader.

As such, we should name the non-democratic and anti-liberal inner spirit of the majority of post-Soviet regimes, their «imperial ambitions» that facilitate conditions for traditional and engineered conflict, the lack of a unified political, economic, spiritual and legal space, artificial barriers to the formation of civil society and middle class.

The conflicts that emerged in the post-Soviet area were the result of a number of factors in the history and practice of the system itself: the imperfection of administrative-territorial boundaries existing in the Soviet Union, based on which former Soviet republics became sovereign; the transformation of the political regime, which led to a deterioration of the socioeconomic situation of the population in the regions of the former Soviet Union, power ambitions of local elites, the activity of ethno-religious organizations on the basis of nepotism, regionalism and tribalism. Conflicts, it is important to note, furthered the formation of new forms of ethnic identity fuelled by one's own mythology and the «support» of external forces. The process of construction of ethnic identities due to political «expediency» and outside interests continues to this day.

In general, the course and outcome of conflicts was greatly affected by the lack of political traditions of parliamentarism, legitimate transfer of power and compromise in these countries. On the contrary, countries (Poland, Czech Republic and Slovenia) with such traditions have achieved the greatest success, avoiding ethnic conflicts.



## **What regional stereotypes associated with liberalism and conflict need to be overcome?**

1. These are *stereotypes of perception and interpretations of liberalism*:

Liberalism («freedom of the individual») versus democracy («rule of the people»), a person (citizen) versus society, individual versus collective, permissiveness versus the rigid code of ethics and morality, market versus planned economy. The modern strong stereotype interprets liberalism as a «conspiracy of a few super-rich people» against the rest of the «world», and the interpretation of this «world» is very diverse and contradictory.

2. *Stereotypes of perception and interpretations of conflicts*:

Conflicts are interpreted as an everyday occurrence, and sometimes by enlightened consciousness as a «conspiracy», «enemy intrigues», «a friend and foe dilemma» and as a myth of «ungrateful aliens.» The entire technology of launching a conflict is fuelled by «hate speech» and bright, but illusory patterns of constructed mythology.

## **How can nationalism and liberalism be reconciled with each other?**

Nationalism – as ethnic chauvinism, racism and isolationism – is hostile to liberalism. In the capacity of state nationalism understood as the consolidation of citizens granted (no exceptions) the same rights and forming a specific nation, it is

quite acceptable to liberalism. Here is what the most famous liberal prisoner of Russia - Mikhail Khodorkovsky – writes about it. «Nationalism is an ideology, the basis of which is the recognition of the nation as the highest value. At first glance, nationalism and liberalism contradict each other: the cornerstone of the former is the human community, and the main priority of the latter is the individual, his rights and freedoms. But this seemingly obvious contradiction is only apparent. A nation cannot be reduced to an ethnic group, but one cannot consider it entirely in isolation from a particular cultural community»<sup>7</sup>

Looking at the nation as a social community based on the unity of both cultural and political values, Khodorkovsky believes that: «True nationalism should be liberal. A people becomes a nation when freedom becomes one of its basic values»<sup>8</sup> In conclusion, the author notes that the most important elements of modern liberal nationalism coincide with liberal values. Thus, we can say that liberalism (as in the case of democracy) is willing to cooperate not with any type of nationalism.

## **What contribution can liberalism/liberal ideology make to the peaceful resolution of conflicts?**

Approaches to conflicts on the part of the Western liberal ideology and liberal idealism - trends in the theory of international relations - are manifold.

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<sup>7</sup> Khodorkovskii Mikhail Mezhdru Imperiyei I natsionalnim gosudarstvom. Third Lecture for the audience of Novaya, Ekho Moskvi, **15.06.2012**<http://www.echomsk.spb.ru/blogs/khodorkovsky/?category=4735>

<sup>8</sup> Ibid.

For example, UK policy is aimed at neutralizing religious and ethnic conflicts by providing favourable economic and political conditions. The Anglo-Irish Agreement of 1985 cemented the belonging of Northern Ireland to the UK as long as it is supported by a majority of its inhabitants, and it is a testament to the importance of referendums as a tool for stress relief.

Western technologies of resolving ethnic confrontations are trying to reflect the characteristics of historical, ethnic, political, economic and cultural development of the state and society and its various groups.

*Models of conflict resolution* are varied, but often boil down to three technologies:

1. The construction of new political, economic and cultural relations between the centre and the periphery based on principles of federalism involving the granting of real decision-making rights to ethnic groups;
2. The creation of a common legal and political area with a wide representation of ethnic groups in parliament and government;
3. The significant decentralization of power in a unitary state with the provision of broad autonomy to the conflict region.

In the West, they often resort to integration and/or combination all of these models

In the Northern Ireland and Corsica conflicts, unitary states turned to the third model – provision of broad autonomy, and in the Basque conflict – to the first model - the construction of federalist relations between the centre and the regions.

For traditional conflicts that have reached the peak of their development, the most effective are the political expansion models of autonomy or the construction of federal ties with the conflict regions.

In the case of engineered conflicts that have arisen as a result of the socioeconomic crisis in the transitional systems, a model of economic stabilization, followed by a clear separation of powers between the conflict region and the centre, may be adequate.

The greatest difficulty in the selection of the settlement model is instrumental conflicts that serve the interests of various political forces - from regional elites to the world's major powers.

It should be noted that in the political settlement of conflicts in the West, the development of elements of national consensus culture was a great help. Other important factors in the development of a strategy and tactics for the settlement of European ethnic conflict, as well as programmes of national policies in the state and the region were: the open nature of the formation of conflict inter-ethnic relations that led to the strengthening of measures to combat extremism and nationalism; the formation of values and patterns of behaviour that promote inter-ethnic dialogue; prevention and resolution of potential and existing conflicts while implementing actions aimed at improving the socioeconomic situation of all ethnic groups; and effective use of the resources of the international community - organizations and foreign states whose influence, however, is almost always rather ambiguous because of their own interests.

However, even in conditions of stable political development and implementation of effective and appropriate technologies, ethnic conflicts, as a rule, are only regulated, not settled completely. Suffice is to recall the model of the settlement of the Aland conflict, which is a very successful example (Several stelae in front of the Parliament of Aland reflects the dates of the strengthening of the autonomy of the islands, the

last stela, which is still “clean”, is left to record the date of the complete independence of the country).

Experience in the political settlement of conflicts and the democratic political culture of the population are guarantors of the peaceful resolution of ethnic conflicts even during the collapse of the political system of the state (a good example is the peaceful division of Czechoslovakia into two states). Even the creation of the EU, which significantly reduced the importance of inter-state borders, did not lead to the cessation of inter-ethnic tensions and conflicts. Another one of the founders of the general conflict theory, Ralf Dahrendorf, believed that even a fully democratic society cannot put an end to conflicts, as it cannot solve all problems and contradictions of development. That is why the problem of the Flemish question in Belgium, Ulster in the UK, Corsica in France, the Basques in Spain and Quebec in Canada are not losing their relevance.

## **How can the ideas of liberalism contribute to conflict resolution in practice?**

In the event of any inter-ethnic conflict, any state is forced to react to it: by silencing and defiant disregard for the problem, violent and non-violent methods aimed at reducing the intensity of the conflict, and in this case, the majority of states are forced to reckon with international law, under which violent solutions are not acceptable as long as there are chances for the peaceful settlement of the conflict. Naturally, politically powerful states ignore this practice (for example - Russian policy in Chechnya).

An effective way for a peaceful solution of ethnic conflicts is the gradual and voluntary consolidation of various ethnic and cultural groups into a single community, eventually gro-

wing into a nation. Such consolidation is very important for post-Soviet states, but it is not encouraged by the ruling elites that hinder public support for it from the “bottom”, as ethno-national conflicts are important for the elite as a method of struggle for power and other resources.

Greater autonomy as a way to defuse conflicts has found its application in Canada, Spain, Belgium (partly in Russia) and other countries. For example, the Basque Country enjoys very broad rights: its people elect their own president and parliament, the tax system is independent from the centre, it has its own police force, the authorities of the region control education, teaching in schools is in the Basque language, just like the broadcasting of most of the regional stations and TV channels.

In the US, there are usually three main strategies for resolving ethnic conflicts at the macro level: 1) the use of legal mechanisms; 2) negotiations; 3) information (mutual exchange of information between groups of the confrontation) path.<sup>9</sup>

Another option for defusing tensions through peaceful means is to change the administrative-territorial division: dividing the area of an inter-ethnic conflict into several smaller territorial units, or merging of territorial units in order to increase the ethnic homogeneity of the conflict region.

Separatism is changing. Its new form is economic separatism in developed regions led by the local authorities (Scotland, Flanders, northern Italy, etc.).

It is important to know the real causes of a conflict. In Spain, the conflict is a result of the lost independence of the Basques, a high level of economic development and the special geopolitical position of the region. In Canada, it is the po-

<sup>9</sup> Stefanenko, Tatyana, *Etnopsikhologiya*, Moscow : Aspect Press, 2009., PP. 368.

licy of assimilation, the influx of English-speaking immigrants, the strengthening of the centralist tendencies in the development of the Canadian federation. In these and other cases there are multiple levels of conflict relations that determine the degree of their complexity, and, consequently, the difficulty of resolving conflicts.

Unfortunately, even in the most stable and economically advanced democracies, it is difficult to prevent radicalism, which has the most diverse reasons for occurrence. While earlier terrorism was linked with poor and underdeveloped countries, low living standards, the examples of the Basque Country and Northern Ireland showed a new trend - radical elements from a very wealthy part of society also arise in a liberal regime and despite the high economic development. The process of globalization has had a significant impact on the development of this trend.

However, the belief that economically developed regions, in contrast to undeveloped ones, use primarily peaceful means of conflict resolution does not find its clear confirmation in practice. On the one hand, it is true - for example, separatists in economically stable Catalonia and Flanders are using political means, while in Corsica local ethnic groups have resorted to violence in the fight for autonomy, on the other hand - violence is actively used in economically developed Basque Country; the conflict between the two national groups of Belgium – the Flemish and the Walloons remains stable within the framework of a political struggle and parliamentary compromises.

Liberal-democratic methods of resolving conflicts pose massive threats and risks to unitary states. Thus, only as a result of the minimum dominance of supporters of a unitary

state in the 1995 referendum, Canada did not break up into two states. In the UK, the institutionalization of the Scottish, Welsh and Ulster autonomies is permanently increasing, and their peoples are turning into sub-nations. In Belgium, this process has already led to the demarcation of the Walloon and Flemish ethnic groups. In France, the problem of relations with the Corsicans, Bretons, Alsatians and Basques is acute. Even the seemingly integrated American nation is being divided into a number of regional ethnic-cultural blocks with their own "history" and national myths.

Whatever it is, a peaceful way to resolve conflicts requires developed democratic institutions. However, in countries in transition, in our opinion, ethnic conflicts, largely due to democratization itself, often threaten the democratic changes. In short, democracy and nationalism are interrelated phenomena. In addition to creating grounds for conflicts, the former is capable of creating the necessary conditions for their occurrence. In turn, nationalism and ethnic-political problems may threaten with a rollback from principles of democracy, especially when democratic institutions are weak.

All this suggests that there is no universal method of conflict resolution in modern democracies, so ways of settlement have to be differentiated.

The role of the state in liberal democracies in resolving national conflicts remains high, however, while authoritarian regimes consider the issue solely the prerogative of the state, in democracies - society is not sidelined from their resolution and is playing an important role.

It is clear that as a phenomenon of modern multi-ethnic states, inter-ethnic conflicts are preserved, above all, because of conflicts in the political and socioeconomic spheres, where issues of power and the desire of ethnic elites to achieve it play a key role. The conflictual aspects of these areas, coupled with



the ethnic factor, create difficulties in resolving such conflicts, as evidenced by unresolved conflicts in democratic states<sup>10</sup>.

## **Issues of war and peace in liberalism**

Since the end of the 19<sup>th</sup> century, liberalism has been developing its attitude to problems of war and peace. Classical liberalism is a consistent opponent of military intervention and a supporter of principles of neutrality. It is enough to remember how difficult it was to overcome the neutrality and isolationism of the United States under Wilson and Roosevelt. Today's liberals are also opposed to war (except in the case of self-defence), which does not prevent them from supporting military operations conducted under the auspices of the war on terror. In this context, the concept of "militant liberalism" has become very popular, which reflects the realities of the political climate of the late 20<sup>th</sup> - early 21<sup>st</sup> centuries. For example, A. Williams notes that liberal regimes often used war and post-war order as a means of spreading their ideology and spheres of influence, and the war against Iraq in 2003 can be regarded either as the highest point of the development of this trend or as the lowest point of the declining prestige of liberalism.

Liberal states actually impose their own understanding of justice, which contradicts one of the basic principles of liberalism about freedom, which cannot be imposed, but is a result of free choice and development of both individuals and nations.<sup>11</sup>

<sup>10</sup> Buyanova Natalia *Dinamika Etnopoliticheskogo konflikta v sovremennikh demokratiyakh*. Thesis, Moscow, 2007, Nauchnaya biblioteka dissertatsii I referatov <http://www.dslib.net/polit-institut/dinamika-jetnopoliticheskogo-konflikta-v-sovremennyh-demokratijah.html>

<sup>11</sup> Repinetsky. S. A. Liberalism as an ideology of European individualism on Russian grounds, S. A. Repinetsky. Samara – Togliatti: SGOO "Community of Young Scientists", 2009. - 40 p. 13

Repinetskiy writes about the ambivalence of modern liberalism to war: "War, from the standpoint of liberal theory, is extremely undesirable because of its high cost and adverse effects on the economy in general and capital in particular - at least, a major conventional frontal war. Small and non-hazardous (for a liberal state) military conflicts can be used as a stimulus of economic development, in particular the inflow of investments in the military-industrial complex. In practice, liberal countries tend to be limited by economic and informational ("cold") wars or participation in local conflicts far from their own territory".

At the beginning of the 20<sup>th</sup> century, liberalism had three main trends: the legal settlement of international relations (for example, through the adoption of various international conventions); streamlining of international relations with the help of international organizations (such as the League of Nations); world disarmament.

The ideas of liberal idealism are reflected in documents such as Woodrow Wilson's programme on the creation of the League of Nations (1917), Kellogg-Briand Pact (1928) on the refusal of war as an instrument of national policy, and the Stimson Doctrine (1932) on the non-recognition of any changes achieved by force. It should be noted that the ideas of liberalism were clearly not in vogue until the disappearance of the ideological enemy of the West - communism. The new rise of liberal-idealist ideas coincided with the end of the Cold War. Given the new realities the liberal trend transformed into neo-liberalism, the main provisions of which say that: conflict resolution is possible by peaceful means, through existing international institutions and international law; the creation of an effective system of collective security would eliminate war as an instrument of international policy; the future of international relations is creation of a global community

ruled by a world government, that will totally exclude wars from international relations. In the meantime, according to neo-liberals, the number of actors in international relations is increasing: in addition to the state, the role of transnational corporations, international organizations and NGOs, which are also able to contribute to the resolution of numerous conflicts on the planet, is increasing.

The focus of neo-liberalism is problems of international security, the condition for the achievement of which is to promote international cooperation. The main criteria of morality are liberal democracy and human rights, the observance of which will make it possible to overcome the anarchy of international relations (the lack of supreme power), and thus finally resolve the existing conflicts.

## **Conclusion:**

Liberalism is not a panacea for world development or for resolving the numerous ethnic conflicts, but it creates a space for the free expression of aspirations, hopes and fears by people.

The whole point is that it is being instilled very badly in the post-Soviet area, and only in a partial or distorted form. It appears that none of the principles of liberalism has been used yet or at least tried to resolve the South Caucasus conflicts. This possibility is not even being considered because in recent years we have witnessed the collapse of democracy almost everywhere, outside of which liberalism does not exist.



# PART 2

Political Parties and  
Elections in the Oil Rich States:  
How to Avoid “Pacted” Democracy?



**Leila Alieva**

## **The characteristics of political parties and elections in post-Soviet Azerbaijan**

Since its independence Azerbaijan faced a difficult task to overcome complex political and social legacy of Sovietism - a totalitarian and authoritarian government system and administrative-command economy. Both aspects of the Soviet system, economic and political, created quite a unique set of obstacles during the state building in the complex geopolitical environment. But this set characterized almost all the former Soviet Union and was typical of them to varying degrees with the lowest effect in the Baltic republics as they were part of the Soviet empire for a relatively short time.

In this sense, Azerbaijan, like other former Soviet countries, faced the slow building of democratic institutions, non-transparent elections, the personalistic nature of politics and governance, corrupt government institutions, trends towards monopolies, etc. However, in addition to these traits, Azerbaijan has been characterized by considerable stability (better to say - stagnation) of the political regime and unchanged ruling elites for almost two decades, when former political (communist) elites and interest groups stayed in power.

This stagnation characterizes above all the Caspian countries - Russia, Azerbaijan, Kazakhstan and Turkmenistan (its most extreme form), as well as other oil-rich Central Asian countries.

Today, all these states have super-presidential system with political parties, which have been weakened by authoritarian systems, except for the ruling parties, based on patronage

and providing loyal members with access to state oil and gas resources.

Since the main drivers of political processes are political parties - organizations that aim to change political power, the question arises – does the stagnation result from weak political parties and civil society or from strong government, or does the cause lie in both, or in something else? On the other hand, is this development the result of the influence of objective or subjective factors? What factors were decisive in the development of parties and how did the “resource curse” affect the development of parties and elections?

According to scholars of political economy such as Terry Lynn Karl, in oil-rich countries the very nature of political economy predetermines the way of building of public and political institutions. The political economy «forms these institutions in their stiff predetermination”<sup>1</sup>, which leads to the phenomenon of the paradox of plenty - or strong social contrasts and high levels of poverty.

In addition, it creates an objective obstacle to the development of democracy and transparent elections. Dynamics of the expansion and concentration of power are peculiar to petro-states, and politics based on patronage (distribution and indulging) – to pactured democracy. Even if a country manages to break the cycle and start the democratic process as it happened in Venezuela, it acquires the form of so-called pactured democracy where, instead of an open electoral process, power is renewed through agreements between the opposition and the government. Pactured democracy, as Terry Lynn Karl called it, is established as a result of agreements on the basis of compromises between the elites in the period of transition from authoritarianism to democracy. This happens

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<sup>1</sup> Terry L. Karl, *The Paradox of Plenty: Oil Booms and Petro States* University of California Press, Berkeley, California, 1997.



through the electoral satisfaction of social and political needs and limitations of representation in order to ensure the control and domination of the ruling elite and its interests. Such a system typically intensifies the characteristics of a «petro-state» - that is it establishes formal institutions and informal norms that limit the ability of challenging this power, the political objectives and the organizational capacity of the social groups. In this sense, Azerbaijan and its institutions were not able to avoid the “resource curse” despite the fact, that formally Azerbaijan followed some of the significant recommendations of international organizations, for example, it created the State Oil Fund (SOFAZ).

Other studies on «party gravitation» claim that the development of parties, including in Azerbaijan, in addition to access to a wealth of resources, was determined by various factors such as the type of the electoral system (proportional or first-past-the-post), the nature of the period of transition (with or without conflicts), the coincidence of party affiliation with clan affiliation and the power of the presidency<sup>2</sup>. However, like all theoretical generalizations, this approach somewhat simplifies the explanation of the development of political parties, in particular in Azerbaijan.

## **Political parties in Azerbaijan**

Initially, the broad movement of the Popular Front, which emerged in the late 1980's, began to differentiate in the early 1990's on the basis of differences of views and intellectual schools within the movement. The main debate erupted over nationalism and liberalism, as well as over right-wing and social democratic views. Part of the Popular Front claimed that

<sup>2</sup> Ishiyama, John 2008, Stephen Fish, 2001.

it is impossible to build a strong state without the simultaneous or even primary development of liberal democratic institutions, while another part insisted that in a complex geopolitical situation and the war with Armenia - the priority should be nationalism as a basis of a strong state. The parties that arose in this way - historical Musavat, whose restoration congress was held in 1991, the Popular Front Party, the Social Democratic Party, the National Independence Party, Vahdat (Baku and villages), the Islamic Party and others took shape on the basis of ideological debates and views on the development of the country.

All parties had their founding congresses, programmes, regulations and structures and registered in 1992 owing to liberal legislation of the Popular Front government. Of course, by that time the parties had such a common feature for all post-Soviet countries as their personalistic character, but on the whole the process of birth (or restoration) of party system took place on the basis of the common notions of the political and economic development of the country and reflected the certain social base of these parties.

After Heydar Aliyev came to power in 1993, a semi-authoritarian government was established in the country, which began curtailing basic freedoms and political pluralism. The parties that had only just begun to develop turned out vulnerable to government pressure from all sides - legislative<sup>3</sup>, political and economic, which was accompanied with the arrest of leaders of several parties after the coup in 1993 while in 1994, the mandatory re-registration of parties was declared. As a result, several parties lost their registration.

Another area in which the conditions for the functioning of the parties worsened was the gradual monopolization

<sup>3</sup> For legislative conditions in the field of political parties, see Leila Alieva "Political Party Regulation of the Republic of Azerbaijan. Baku, CNIS, 2012. <http://cnis-baku.org/eng/?p=955>

of economic power and thus the decline in the share of independent producers in the economy. This process had a double effect - on the one hand, having become dependent on government, small or medium-sized manufacturers faced greater risks if they provided financial support to opposition political parties. On the other hand, the gradual increase in the number of people working in the public sector such as education or health care, as well as in the administrative sector, also strengthened state control over the ability of these people to participate in opposition activities. At the same time, part of the protest electorate emigrated to Russia or Turkey due to significant unemployment or political discrimination. Economic growth was also in no hurry to affect the financial standing of parties firstly, due to the inappropriately slow growth of social indicators compared to economic growth and accordingly the large number of insolvent members of the party and secondly, due to the increasing monopolization of resources in the hands of a narrow group of people.

Forced to work in difficult conditions, the parties were also manipulated by the authorities, who encouraged internal conflicts of interest and used the leadership ambitions of individual activists. The leadership abilities of party leaders were tested through splits in parties and by the end of the 1990s only the Musavat Party turned out to be united despite the authorities' attempts to weaken it. They even set up a duplicate party called the Modern Musavat Party, headed by the director of a fishery, Hafiz Hajiyev, alias «Hafiz the Fish», who was engaged in constant attempts to discredit the Musavat Party. The parliamentary elections of 2010 were the final blow to the so-called irreconcilable political opposition, which did not make it into the new parliament as a result of the manipulation of the elections. This caused some of the Musavat Party functionaries to quit the party and join other organizations or

parties. At the same time, a group of quite prominent young representatives of intelligentsiya joined the party.

One of the factors contributing to the preservation of the Musavat Party was, of course, its historical nature.

The initiators of its restoration in the post-Soviet period thereby once again confirmed the illegitimacy of the 70 years of Soviet rule. The emergence of political parties, which were based on liberal values inherited from the first democratic republic in the early 20<sup>th</sup> century, and the existence and stability of the Musavat Party in the post-Soviet period were of great importance. Parties in the post-Soviet period were a natural continuation of modernization with internal roots rather than imposed from outside. This trend was, at best and in the modern sense, inclusive rather than built on the alienation and juxtaposition of social classes or religious groups. The ideological formula proposed by the Musavat Party - «Turkicization (Nationalization), Islam and Europeanization» - was a unique attempt to synthesize the three cultural components of identity and political life of Azerbaijanis, which previously seemed incompatible.

In fact, inclusiveness was the main feature of political development during the formation of the first democratic republic, which had a secular nature. It also explains the fairly representative character of the first parliament in Azerbaijan in 1918, where almost all the major national minorities living in Azerbaijan were represented. In post Soviet Azerbaijan Isa Qambar's Musavat Party, which declared itself the successor of the historic party, maintained its unity until the end of the 2000s thanks to the image of uncompromising opposition (the government called it and the Popular Front irreconcilable opposition) and due to the integrity of its members - positive and incorrupt image of many party activists. The popularity of the Musavat Party was thus explained by the fact that it was

an alternative model of national identity under an increasingly corrupt and undemocratic government.

However, the political opposition was criticized over internal party democracy, particularly, the presence of the same leaders in the party leadership for a long period of time, rigidity in terms of expanding the social base and the integration of new social classes, failure to expand the network of international relations and political passivity. However, the main problem in conditions of growing authoritarianism was the limited ability to conduct campaigns and communicate with members of the party, as the freedom of assembly was severely limited. In addition, membership in opposition parties was associated with high risks - arrest, torture, harassment and consequences not only for family members but even not so close other relatives, who, besides the member itself, might lose their jobs. In the late 2000s, human rights activist Leyla Yunus distinguishes a special category of political prisoners in the country- family members and relatives of activists, arrested as a means of pressure on opposition activists. All this could not but have a negative impact on the power and influence of political parties as one of the main institutions of democratic system by the end of the 2000s. These unfavourable conditions also contributed to the weakening of the role of the ideological part of political activity - views, platforms, systems of values - in parties' work with the electorate. This process was described in literature by Fish and Ishiyama. The latter writes that through the concentration of power in the hands of an individual, personalism begins to prevail in politics, thus making it increasingly difficult for political parties to formulate programmes and identities.<sup>4</sup>

<sup>4</sup> John Ishiyama Political Party Development and Party Gravity in Semi-Authoritarian states. The cases of Azerbaijan, Kyrgyzstan and Tajikistan in *Taiwan Journal of Democracy* July 2008, Vol.4. No.1(33-53) p.42.

In addition, the fact, that power in the country was built on the purely pragmatic interests of the ruling elite without much value orientation and that its personalistic nature only increased over the years moved the confrontation between the authorities and the opposition also to the personalistic level. Therefore, opponents of the critics of the permanency of the same leaders in the party structures generally cited the argument that only opposition members experienced in many years of struggle against authoritarian leaders are able to achieve success. In fact, this test of strength was no more than a check with contracts constantly offered and entered into by the authorities and the opposition, and only very few, including Musavat, turned down these offers. Motivation and rates in these contracts in the oil-rich country are generally very high. The reward for loyalty, demonstrated in these contracts is high, and very often it means at least a tenfold increase in income, social stability and security, as well as a number of privileges as it happened during the passage of candidates to the parliament or the awarding of the so-called presidential pension to scientists and cultural figures.

Thus, thanks to oil revenues, especially after the Baku-Tbilisi-Ceyhan oil pipeline was put into operation, which allowed the so-called big oil to be pumped, the replacement of political processes and namely, the nascent pluralism and free political competition with a system of patronage intensified and became entrenched. This period covers the presidency of Heydar Aliyev's son Ilham. The latter inherited an authoritarian system similar to the Soviet system with institutionally entrenched elements of patronage and informal economy, which could only be strengthened by injecting oil revenues.

All that created unfavourable conditions for the formation and functioning of political parties as political parties were increasingly compelled not to compete with the authorities, but

had to oppose authorities attempts to bribe and conclude contracts with the political forces and the public.

In addition to the unequal status in terms of resources (the authorities concentrated billions in oil revenues in their hands, while the political opposition was legally deprived of virtually all funding sources other than membership fees) and the severely limited freedom of assembly, the parties were unable to make full use of the social and intellectual potential of new classes and international ties to develop strategies and tactics suited to the requirements of this new historical stage of development. Against the background of the increasing patriarchal character and personalization of power, when the political space was filled with intrigues and competition within the power groups over the distribution of resources, political parties turned out passive in their opposition to a vision that is based on the meaningful aspect - platforms and ideological views typical of the conditions of free political struggle.

The personalization of politics has led to the fact that the main opposition parties had very little difference from each other in their programmes and objectives, which made it difficult to unite them in stable and strong coalitions. Typically, attempts to unite them came up against divisions among interest groups - mainly caused by the ambitions of party activists (or "teams"). The weakening of ideological debate and the development of the substantive aspect of party activities led to an increase in party differences on the basis of pragmatic interests and in this sense, the influence of patronage on party development was reflected in the mid-1990s. In connection with the abovementioned already high risks associated with belonging to the opposition- on the one hand and high rewards associated with the compromise position towards the government – on the other, the basis for a split in the opposition camp and inside parties was

thus created. Almost in every party, there were groups that advocated a “dialogue” with the government or a less critical policy towards the government, which in fact reflects the desire to conclude a “contract” with the authorities in order to “make it” into the parliament or local government. In addition, the development of super-presidential power helped to ease the desire of politicians to achieve their goals through political parties.<sup>5</sup> Despite this, 54 parties (compare with 9 in Kazakhstan and 12 in Russia) were registered in Azerbaijan in late 2012. And while many of them exist on paper, most of them are pro-government or «pocket» opposition, and while the actual number of members is extremely small, their formal establishment indicates high «party gravity», using the expression of Stephen Fish. In Azerbaijan, it is certainly a manifestation of the political tradition of modernism, which began in the late 19<sup>th</sup> and early 20<sup>th</sup> century, the time that was characterized by the rapid development of political parties in the history of which, as already mentioned, the role of parties, first of all Musavat, was decisive in the establishment of an independent republic. At the same time, according to John Ishiyama<sup>6</sup>, the personalization of politics and cronyism can affect the development of political parties both positively and negatively. According to him, parties may have a positive impact on the development of clans when their boundaries coincide with the boundaries of political parties and in that case, clans help to strengthen political parties. Ishiyama also emphasizes the role of oil resources as a factor enhancing party gravity when it comes to access to these resources

<sup>5</sup> Stephen Fish. The Executive Deception: Superpresidentialism and the Degradation of Russian Politics in *Building the Russian State :Institutional Crisis and the Quest for Democratic Governance*, ed. Vallerie Sperling (Boulder, CO. Westview, 2001) 177-192.

<sup>6</sup> John Ishiyama. Political Party Development and Party Gravity in Semi-Authoritarian states. The cases of Azerbaijan, Kyrgyzstan and Tajikistan in *Taiwan Journal of Democracy* July 2008, Vol.4. No.1(33-53).



through official positions. In this case, he argues, the ruling party becomes very attractive to politicians. In Azerbaijan, however, clans were characteristic mainly for the ruling elite and the Soviet-style party Yeni (New) Azerbaijan, because it is based on the administrative method of the former Communist leader Heydar Aliyev, who in fact continued strengthening the only politically and economically active Nakhchivan-Yerevan clan, which he started during the period of his Soviet rule in the late 1960s-1980s and to which he belonged.<sup>7</sup> The Yeni Azerbaijan Party claims a record number of members and is built on the confluence of party control methods typical of the Soviet era with personalistic patronage based on oil dollars. At the same time, «party gravity» in the case of the ruling party was limited as only a small group of functionaries had access to the privileges while the majority of members were recruited not voluntarily, but through the use of administrative resources - public sector employees such as health care and education, who are vulnerable to pressure from above. The coincidence of party identity with clan identity, as was noted, was true only for the ruling party, while the opposition parties were characterized by a variety of regional identities inside the party.

Thus, the formation and development of large and most active real new parties, mainly opposition parties, especially in the second half of the 2000s, practically did not take place primarily due to objective reasons - against the background of emerging neo-patrimonialism, there were no favourable conditions for their development in the country – fundamental freedoms - freedom of association and assembly - were limited, repression continued, the law prohibited almost all the possible ways of funding parties, and the registration of parties

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<sup>7</sup> For the role of clans in Azerbaijan, see Leila Alieva and Stina Torjesen. Insignificance of clan in Azerbaijan and Kazakhstan” (unpublished manuscript) 2008.

was extremely complicated. Even despite the fact that new political associations in that period were in no hurry to register as political parties and positioned themselves as social movements and non-governmental organizations, the leader of the generation of social networks and the presidential candidate from the Republican Alternative Movement, İlqar Mammadov, was arrested on charges of «inciting civil unrest» in 2013.

From an economic point of view, the free market economy and the real sector of economy did not develop in the country, reinforcing the logic of the economic development of a rentier state where the main income comes from the sale of oil. Appropriately, the formation of new classes - the social foundation of new parties - was inhibited. In Azerbaijan, the concentration of wealth in the hands of a very limited group of people directly linked to official positions continued, while most of the population either emigrated or was at the level of survival. Virtually the so-called new class was a small layer that increased its revenues either through the shadow economy, through corruption or working in international and foreign firms. Continuing the policy of Heydar Aliyev, the construction of factories and plants was delayed while even private small and medium-sized enterprises turned out vulnerable to political pressure from the state. The new generation of politicians relying on social networks was forced to adapt to these conditions and is in no hurry to register their organizations as political parties for self-preservation. The nature of elections, achievements in which are usually a natural measure (criteria) of the power and influence of each party, played a significant role in the development of parties in post-Soviet Azerbaijan.

## **Source of the legitimacy of power and the nature of its change in Azerbaijan**

According to many observers and international organizations, virtually none of elections held since 1992 was fair and transparent. As a rule, elections were held to formally endorse the legitimacy of the government, but in fact, these elections were characterized by manipulation by the authorities and a high degree of fraud. If at the beginning, some degree of freedom and competition remained (in the 1990s Azerbaijan was still a partially free country as rated by Freedom House) and the proportional system still existed along with the first-past-the-post system, in the 2000s the proportional system was abolished and the OSCE observation mission noted that the 2008 presidential elections were characterized by a lack of political competition. By this time, Azerbaijan, according to the same Freedom House, had already moved into the category of non-free countries. Prior to the post-election repression of 2003, Azerbaijan's political opposition was recognized by many international experts as the strongest among the three countries of the South Caucasus. According to informal opinion of local and international observers, in the parliamentary elections of 2000, the Musavat Party was voters' favourite, while in the October 2003 election there was a need for at least a second round, in which Ilham Aliyev and Musavat party leader Isa Qambar would have competed.

The election of 2003 proved decisive not only for the further development of such important institutions of democracy as elections and political parties, but also for the future development of the country for at least the next decade. Despite the natural high turnout-almost 75% of the population-the election was rigged, and the protests on Freedom Square were suppressed with special brutality. The press reported one dead

and many injured. In order to finally suppress any protests, repression against opposition activists, especially the Musavat Party, lasted almost a year. The opposition's inability to protect votes and the international community's inability to give a rigorous assessment of ballot-rigging led to a strong blow to public confidence in the election as a way of regime change.

As with any authoritarian regime, the source of the government's legitimacy was based not so much on public support, but rather on the contract with the elites and the strengthening of the repressive apparatus - police and security services. It is believed that the victory of Heydar Aliyev in the 1993 election was not just substantiated by the year of failures under the Popular Front - in particular, defeat on the Karabakh front and the danger of the secession of southern regions, where the Talish minority lived, but also by the desire of the population to have "a strong arm" after the previous period of instability. However, this fact of popular legitimacy is difficult to verify since the elections of 1993 were held after the coup conducted by Colonel Surat Huseynov and the atmosphere of elections when the city was run by the colonel's militias was far from free. However, it is obvious that even if such a social base existed, it was based on communist institutions or their legacies. These include bureaucrats and their corrupt conscience, fear, lack of respect for the law and the cult of personality, though they were temporary and transient phenomena. According to the responses of people close to the government, in the 1998 elections, the continuing relative freedom of assembly and of the press began to play against Heydar Aliyev. After a successful national tour and meetings with voters, the leader of the opposition AMIP party, Etibar Mammadov, began to rapidly gain the votes of the protest electorate, including the leaders of the main opposition parties who boycotted the elec-

tions. However, the Soviet type fraud machinery and insufficiently flexible tactics of opposition forces ultimately retained the political status quo. The authorities learned a lesson from the situation in the 1998 elections and began to monopolize the economy and politics more consistently, which eventually led to complete authoritarianism.

In 2003, İlham Aliyev, who enlisted the support of the bureaucracy and foreign countries interested in preventing the redistribution of oil resources, essentially received a *carte blanche* to monopolize power in the elections. The tension and the contrast between the nature of the election and the interests of the parties related to the preservation of the status quo were so great that they led to a split within the international observation mission of the OSCE in the assessment of these elections.

Thus nature of the change of power in Azerbaijan respectively affected the nature of the policies pursued by the leader in the coming years. After 2003, a number of legislative changes worsened the conditions for the development of pluralism. For example, the proportional electoral system was cancelled, and this undermined the opportunity to develop a multi-party election system once and for all. Opposition political parties and their leaders were subjected to systematic pressure from the government. For example, the leader of the Popular Front, Ali Karimli was denied the right to travel abroad and his party was deprived of its office in the same year. In 2003, the Musavat office was forced to move from the centre of Baku to its outskirts. In subsequent years, freedom of speech, assembly and association was even more limited. The apogee of these changes was the amendment to the Constitution, adopted as a result of referendum, which repealed the restriction the right to be elected president for two terms.

Thus, non-transparent and unfair elections, which ensured the dynastic handover of power, logically led to an infinite term in office for the president. The parliamentary elections of 2005 were the last opportunity to stop the trend to substitute political processes with a total system of patronage, in which oil revenues are used to bribe the political elite and appease social groups. However, despite the long-awaited unification of opposition parties in one electoral bloc and the pronounced interest in fair elections by both local and foreign actors, the authorities did not take into account observers' comments on the elections and the elections were rigged again, while protests were brutally suppressed.

This missed opportunity was the last one before the major inflow of petrodollars, which reached its peak after 2005. Further elections – the presidential elections in 2008 and the parliamentary elections in 2010 – were a direct result of the previous institutional development coupled with the use of rich resources by the authorities. The elections had an extremely low real turnout, although officially sufficiently high numbers were declared – more than 70%. This was a clear indication that constantly rigged elections ultimately undermined the electorate's confidence in them as an institution, and in addition, of course, showed a decline of trust in the fact that the opposition can make a change. In addition to this, the objective measurement of the strength and influence of political parties, which elections usually are, in fact failed to develop. This also affected the ability of the parties to objectively assess their influence and equated the ambitions of the smallest parties and the main opposition parties, which created special obstacles in the period of unification.

By representing greater resources for the ruling elite to consolidate and ultimately, monopolize power, oil revenues also create an external favourable environment for the rul-

ing elite. In addition to the direct bribery of foreign politicians described in «Caviar Diplomacy»<sup>8</sup>, in the case of Azerbaijan a unique system was created, which guaranteed practically every international contract through its approval in the parliament, thus giving it the force of law, which made foreign investors strongly interested in the preservation of this government<sup>9</sup>. Each press conference by the International Observation Mission of the OSCE to express views on the elections in Baku was, as a rule, delayed for several hours, reflecting the last moment collision and struggle between various interest groups, including lobbyist groups in the European Parliament. According to many local analysts, these final assessments of international missions were the result of a compromise between geopolitical interests and impartial approach to the assessment of the elections in the country.

## **Is it possible to break the vicious circle?**

In addition to the negative features of Soviet legacy, post-Soviet societies have had traditions that could contribute to alternative political solutions-such as high levels of education, civil society, pre-Soviet traditions, promoting the development of public policy objectives, rather than self interest of elite. In Azerbaijan, this was especially true in 1992-1993, the only year of the rule of the intelligentsia, which built its vision on the basis of the ideas and views of the founders of the first democratic republic in 1918.

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<sup>8</sup> Caviar Diplomacy How Azerbaijan Silenced the Council of Europe European Stability Initiative (ESI), Berlin, 24 May 2012.

<sup>9</sup> Oksan Bayulgen Foreign Investment, Oil Curse and Democratization: A Comparison of Azerbaijan and Russia in *Business and Politics*, Volume 7 , Issue1, Article 3, 2005.

However, an important external factor, explaining their shortlife rule, was the underestimation of the preservation and development of this historic political modernization in the post-Soviet period by other countries, primarily by the United States and Europe, which constantly wanted to see new forces representing the political landscape of Azerbaijan. Poor knowledge of European languages, the nature of the social base of the traditional opposition - mostly provincial intellectuals or impoverished part of the population - (both with restricted ability to reach out and communicate with the West) created obvious difficulties in adequately assessing the huge importance of this trend not only for the country but also for the entire Muslim world. The ideological framework within which the concept of the modern nation integrated the Islamic cultural component, proposed the development of an extremely secular form of religion in a state separated from religion and based on the values of liberal democracy.

Indeed, during the early period of independence in the 1990s, the development of locally adapted religious trend began in Azerbaijan - theologians and religious leaders (such as Nariman Qasimoglu, or the Deputy Sheikh ul-Islam) calling for a non-traditional, reformist interpretation of the Koran. The huge, but unfortunately unrealized reformist potential of Azerbaijani influence on the Islamic world manifested itself here. Along with the departure of freedom, this trend of local secular Islam, which not only had to compete with Iranian, Saudi and other versions of Islam, but also resist government attempts to suppress it, faded away. For example, in 2004 in Baku, the leader of the Juma mosque, Ilqar Ibrahimoglu, was arrested, and his congregation was dispersed for what human rights activists believe was his opposition to the government.

At the same time, in the post-Soviet period the democratic forces and the political opposition underestimated for a long



time the role of material resources and the ability of the ruling elite that controlled the resources to defend its positions. As a rule, because of its ideology and idealistic nature, the opposition underestimated the role of material and financial resources and did not anticipate the impact, which the abundant oil and gas resources had on foreign and domestic policy.

In addition, the methodological approach, which reflected the political consequences of resource-rich economies, has not yet spread and been reflected in the official policy of states and international organizations, because it is still challenged at the level of research. No matter how similar the administrative methods of authoritarian leaders are, one thing is clear - the presence of oil revenues gives the leaders that control them much greater opportunities to strengthen their power, than the leaders of the countries that have no such resources – by bribing foreign and domestic players, substituting free political competition with political patronage, appeasing social groups, strengthening the repressive apparatus and manipulating elections.

However, despite the vast resources, the state does not become strong because it does not have a competitive environment stimulating the growth of the real economy and developed and professional public and democratic institutions. This means that political stability is too superficial and often depends on external factors such as oil prices

It also means that in the conditions of authoritarianism and rigid patronage it is impossible to develop full-fledged political parties, and the social response to inevitable inequality accumulates quietly under the surface of the “successful” oil boom and can manifest itself to observers quite unexpectedly. The particularity of the behaviour of post-Soviet ruling elites in resource-rich countries, in contrast to the administrative methods of Arab sheikhs, is that they completely ignore social

objectives, the understanding of importance of which for the latter rests on the elements of traditional social sources of legitimacy. Although this gap is caused by objective reasons described by Terry Karl, i.e. due to the absence of the dependence of the government and state on the population's taxes, it is joined by an additional social factor. In post-Soviet Azerbaijan, the major sources of government's legitimacy rest not even on traditional social structure but on Soviet legacy, (that does not last forever and inevitably transforms under the influence of modernization, the Internet and open borders) and oil revenues used to buy of foreign and domestic forces and strengthen the repressive apparatus. This legitimacy is incomplete and imperfect, since on the one hand-the elections were manipulated, and on the other - the Soviet social legacies is inevitably weakened. The role of clans in Azerbaijani society, as was shown in our previous publications, is normally exaggerated by researchers.

The lack of such a relationship between the people and the state and the lack of popular legitimacy become a source of weakness, which makes the government vulnerable from the inside and which begins to emerge in late 2012 and early 2013 in the form of spontaneous protests in different parts of the country.

In turn, international organizations, the Council of Europe, the OSCE, the UN, the European Union and many other donors should start taking into account in their assistance strategies and tactics the additional hurdle to the building of democratic institutions, including political parties and elections, in countries rich in natural resources. These additional obstacles are of objective nature, as described by Terry Lynn Karl and Michael Ross, and of a subjective one, when elites with a corrupt consciousness inherited from the Soviet system choose rather to use oil resources to buy of internal

and external support than to build democratic institutions. No matter how strong and stable economic interests are in the modern pragmatic system of international relations, the ultimate social explosions or the appearance of states that do not respect the laws of these relationships may have long-term consequences for peace and stability.

**Igor Mintusov**

## **Elections and political competition in the Caspian countries: in the space between «sovereign democracy» and «sovereign monarchy»**

In 2008-2012, three of the Caspian littoral states (Azerbaijan, Kazakhstan and Russia) saw a full electoral cycle, namely presidential and parliamentary elections, which reflected peculiarities of the political competition in the region with both similarities and important differences.

Analysis of the elections in Azerbaijan and Kazakhstan gives grounds to say that *the political system and electoral competition* in these states is roughly *at the same level*. Both countries are going a «special» way of forming a «sovereign monarchy», while Azerbaijan is ahead of its Caspian Sea neighbour due to subjective factors (the handover of power from father to son on the dynastic de facto basis).

Here we can highlight the following «family features». In both Kazakhstan and Azerbaijan, elections are held *in the format of a plebiscite or referendum on confidence* in the first person of the state, while opponents of the current presidents, carefully selected and screened by the electoral committee, play the role of extras. Hence, results close to Soviet designs - from 89% of the vote for Ilham Aliyev to 96% for Nursultan Nazarbayev in the last presidential elections in these states. Moreover, the level of support for the presidents of Kazakhstan and Azerbaijan is constantly *growing* from one election to another - Nursultan Nazarbayev gained 81% in 1999, 91%

in 2005 and 96% of the vote in 2011. Aliyev gained 76% in 2003 and 89% in 2008, and most likely in 2013, when the next presidential elections will be held in Azerbaijan, he will get 93-96% of the vote.

The reproaches of international observers that elections in the Caspian states are undemocratic are not without foundation, but it is at least naive to assume that their outcome could be different if anyone was able to compete with the first person. The ruling elites, based on Soviet experience, have *adapted* the institution of elections as a *tool of legitimization*, turning it into a purely *ceremonial mechanism*, the use of which is a *mandatory element* of being attributed to «civilized» countries. Accordingly, it is very difficult to assess the real level of public support for the country's top officials (most likely quite high) against the background of the apparently zero competition and Soviet electoral results.

The situation of the *opposition* in the political system of both countries is also *about the same*. It is marginalized, is in a permanent state of fermentation and internal conflict, is not able to consolidate, is engaged in showdowns and search for agents of influence in their ranks, and therefore is disastrously unpopular. The process of fermentation within the opposition is skillfully supported from the outside, and the niche of opponents of the regime and the «party of power» is taken by *systemic political parties*, playing the role of *junior partners* of the «leading and guiding» force and «Her Majesty's Opposition». In addition, the opposition demonstrates ideological impotence, not being able to offer any convincing alternative to the triad of «*stability, resilience and continuity*», which traditionally lies in the basis of the «image of the future» of the ruling regime of the Caspian states. The level of issues raised by the opposition does not go beyond the range of interests of the *small number of discontented intellectuals*, and they

can be safely described with Lenin's phrase that «they are terribly far from the people.» In the parliamentary elections in both Azerbaijan and Kazakhstan, opposition parties failed to act as a united front and suffered an unconditional and well-deserved setback.

As a result, the ruling party wins from 80% to 90% of the seats in parliament, while the «systemic opposition» plays a purely decorative role, without claiming more. For example, the two so-called parties, which made it into the parliament of Kazakhstan, represent very moderate versions of the liberal (Ak Zhol) and socialist (Communist People's Party of Kazakhstan, which appeared on the ruins of the artificially destroyed Communist Party of Kazakhstan) ideologies, which are absolutely not dangerous for the regime. A similar situation is developing in Azerbaijan, where representatives of some parties that are alternative to the New Azerbaijan Party support the policy of the country's leadership. At the same time, the first-past-the-post system of elections in Azerbaijan makes it possible to mix externally the total supremacy of the ruling party – in the latest parliamentary elections about 30% of the seats were won by so-called non-party candidates who actually support the country's leadership. But the so-called «ruling party» both in Kazakhstan and Azerbaijan is not a self-sufficient force: the ruling elite needs it as *a tool of formal legitimization*, and its indisputable leadership is based *on the administrative resource*, the *removal* of which in favour of another player will immediately change the decoration (but not the substance) of the political party system.

The political system of Kazakhstan and Azerbaijan is based on two pillars:

- 1) The *irremovability* of the first persons of the state (in the case of Azerbaijan, we are talking about the irremovability of members of one family) and their policy;

2) A high level of *paternalistic attitudes and political indifference* among the population of the republic based on fears of various conflicts contributing to destabilization - these concerns are based on the fear of returning to the first half of the 1990's, which are a tool for manipulating public opinion.

In both Azerbaijan (to a greater extent) and Kazakhstan (to a lesser extent), the painful disintegration of the Soviet Union and the subsequent instability, the decline of social institutions and international institutions were a kind of injection that helps the ruling elite to control the public mood. For example, *the cult of personality of Heydar Aliyev*, which moved to his son, is the basis of the ideology of the country. The essence of the ideology is that Heydar Aliyev saved Azerbaijan and without him the country *would have ceased to exist*. Errors or unpopular decisions are blamed on *bad bureaucrats*, while İlham Aliyev (and before that Heydar Aliyev) is portrayed as a *wise ruler*. The cult of personality has become the norm for public life, as well as a method of controlling the political situation. A similar situation is observed in Kazakhstan, where the preservation of interethnic peace and stability against the background of devastating conflicts and "revolutions" in neighbouring countries (Tajikistan, Kyrgyzstan and Uzbekistan) is presented as the main value and the main achievement of Nazarbayev's rule.

The development of the process of state building and political reform are entirely dependent on the situational interests and sentiments of the country's leadership. At the same time, there is a dominant desire to guide, regulate and control as many segments of public life with open disregard for serious alternatives and rejection of any criticism. Political reforms are generally not the subject and result of constructive interaction between society and the state, while civil society acts only

as an observer of the process of reform rather than its full participant.

But the problem for the ruling regimes in Azerbaijan and Kazakhstan is that in the 20 years they *have not developed an idea* that could unite the country's citizens in the long-term *regardless of nationality, religion and social status*. The idea of *saving* the nation in the 1990's, which the leaderships of Azerbaijan and Kazakhstan promote with a different degree of intensity, has its *time constraints*, since a generation that does not remember the "horrors" of the collapse of the Soviet Union is growing up. At the same time, the lack of real political opposition leads to the fact that public discontent (and it certainly exists) does not have legal forms of self-realization and is accumulated without proper supervision by institutions of power. All of this affects the problem of succession, which is highly relevant for Kazakhstan, and which will face Azerbaijan again sooner or later. The events in Zhanaozen show that demand for social justice can blow up the political situation in the country, while the Islamic factor will give the "liberation movement" ideological depth and meaningfulness. A growing number of analysts believe that the annihilation of the secular opposition in the Caspian states opens the way for the Islamic opposition, and it may not be true that the authorities of Kazakhstan and Azerbaijan are *ready* for its appearance on the political scene.

The political and electoral system of Russia has *the same family features* as Kazakhstan and Azerbaijan, but of course, it has greater competitiveness of the political environment and is closer to the European style of political behaviour. The last elections to the State Duma, which took place in a competitive environment for the first time since 1999, seemed to have demonstrated that the "seeds of liberalization" sown by Dmitry Medvedev, and perhaps against the will of "the sower", have



borne fruit. United Russia won the majority with incredible difficulty and supposedly, by means of fraud. Judging by the intensity of fraud, the last parliamentary elections in Russia were not too different from other election campaigns, however, first, the “correction” of the results of voting took place in the major cities of the European part of Russia, where it was harder to hide it, and second, it really affected the distribution of seats in the State Duma - without them United Russia most likely would not have gained a majority in parliament.

At the same time, there is every reason to believe that the *bitter struggle* in the elections to the State Duma and the following protest events are, in fact, not at all due to *the growth of political culture*. The driving mechanism was *a conflict inside the elite and a failure* in the mechanism in the announced transfer of power from Medvedev to Putin, the format and contents of which were not understood by the voters and not accepted by some players. In addition, the transfer in 2007 to the fully proportional system of State Duma elections at a time when the “party of power” was weakening turned against United Russia - the elections in single-mandate constituencies cancelled at the time could be a stabilizing factor in the situation.

The large-scale programme on the democratization of the political system of Russia announced after the Duma elections was a concession of the ruling elite to the demands of the masses only at first glance. In fact, the reform initially pursued the goal of strengthening the position of the ruling elite, and the conditions of the moment and the lack of time predetermined conversion to the previously tested model. The return of gubernatorial elections, the simplification of the procedure for the registration of political parties, the return of State Duma elections in single-mandate constituencies, etc. is the

restoration of the political and electoral system of the 1990s, which is far from being perfect.

At the same time, Putin's convincing victory in the presidential elections, which were held in the format of the usual referendum of confidence, the lack of unity in the opposition and the gap between the protest movement and systemic opposition parties led to the fact that the time gap between the modern analogue of the "Manifesto of 17 October 1905" and the onset of the "era of reaction" was *very short*. All the symbolic "achievements of December 2011" were thoroughly *sterilized*, and the electoral model of the "wild 1990s" was subjected to "reactionary revision."

As a result of the "reform" the political landscape looks in the following way. The direct elections of governors are burdened with a *municipal filter*, i.e. the need for each contender to gather from 5% to 10% of signatures of deputies of the local government of the region, where elections are held. Taking into account the total financial and administrative dependence of local government on the regional government, the municipal filter gives an advantage to candidates from the "party of power", for whom opponents who are safe from an electoral point of view are handpicked. In the longer-term, the municipal filter can stimulate the development of political competition at the local government level, pushing the strongest players to invest in the municipal elections that were of little interest previously. However, this possibility is *undermined* by the recent amendment to the law on the gubernatorial elections, *giving regions the right to determine themselves* whether the first person will be elected by direct popular vote or by deputies of regional legislative assemblies. This amendment was adopted for national republics with a heterogeneous ethnic population, where direct elections can supposedly lead to increased social and ethnic tensions.

However, the possibility of its use is not limited to this type of subjects of the Federation, and it is likely that a significant number of governors, with the connivance of the federal government, will choose a quieter option which involves voting by members of regional representative bodies.

The liberalization of the registration of political parties led to the defragmentation of party-political space and the creation of numerous spoilers that are hanging over the parliamentary opposition as “the sword of Damocles”, limiting its results and forcing it to compromise with the government. The apparent passivity of the CPRF and Fair Russia, which became winners of the parliamentary elections, is also caused by this factor - the administration of the Russian president subtly makes it clear that “*newcomers*” can *oust the “old men*” at any moment or, at least, create problems in the electoral field for them. In turn, the introduction of a single day of voting and its transfer to September significantly complicates the opposition’s election campaign, which will now fall on the holiday season. And the return of the law on the election of State Duma deputies in the 2003 version (225 seats on party lists and 225 from single-mandate constituencies) was initiated by the Kremlin, which hopes to keep its chances for a sustainable Duma majority on the basis of the results of the next election even in the most unfavourable situation.

As a result, at the moment, *the Russian political system has little difference from the situation in other Caspian states*. The elections of the first person are held in the format of a *referendum on confidence* and the removability of the government has an imitating nature. The political opposition is fragmented: the group of opponents of the ruling elite (A. Navalny, S. Udaltsov, I. Ponomarev, father and son Gudkov, etc.) claiming to defend “the ideals of December 2011” is rapidly losing public support and is relying on support from a narrow

stratum of discontented intellectuals like in Kazakhstan and Azerbaijan.

The events of 6 May 2012, when some of the protesters came into direct confrontation with the law enforcement forces, led to the fact that the authorities abruptly “tightened the screws”, for which the radical opposition was not ready. The systemic opposition between the electoral campaigns chooses the path of cooperation with the authorities rather than defending the interests of social groups that voted for them, while support for the law banning the adoption of orphans by US citizens (“the Dima Yakovlev law”) essentially tied yesterday’s opponents of United Russia such as the CPRF and Fair Russia to the government. *Civil society is atomized*, is easily manipulated with horror stories about the “wiles of the United States,” the horrors of the “wild 1990s”, and is indifferent to the idea of democracy. The political strategy of the Russian leadership after the crisis of late 2011 and early 2012 appears to be aimed at an even greater devaluation of democratic institutions, thus further drawing closer to the political systems of Kazakhstan and Azerbaijan - *it is possible* that the Kremlin sees the regimes of Nazarbayev and Aliyev as *the ideal*.

However, the irremovability of the first person creates a systemic problem for the political regime of the Caspian republics, including Russia. The entire power structure *is tied to the first person* and has a *personified* rather than *institutional* nature. And the first person, due to natural causes, cannot hold the presidential chair forever, and his departure is very likely to cause a *serious fight* for the presidency of the country between different political forces and especially pressure groups, and therefore that same destabilization, of which society is so afraid. The four-year transition period of Medvedev’s formal presidency graphically demonstrated that

personal movements within the “vertical of power” threaten the stability of this vertical – currently, the popularity of Putin and Medvedev, according to official sociological reports, is well below the indicators of five years ago.

The fight against “vices”, including the high-profile corruption cases of recent months, which is going on in Russia now, shows that the authorities have no systemic solutions in important areas of social life (housing, education, health care) and just need to divert public attention temporarily, perpetuating the crisis situation. At the same time, the Russian government, just like in Kazakhstan and Azerbaijan, has so far *failed to offer a unifying national idea*, while anti-Americanism and the fight against “the wild 1990’s” can solve *tactical*, but *not strategic* objectives. The dynastic principle implemented in Azerbaijan has its time limit (all dynasties eventually cease to exist, followed by the Time of Troubles) and is hardly possible in Russia and Kazakhstan.

In view of the above, the most important task for the Caspian littoral states in the near future is to *create and strengthen institutions* that can provide *continuity* in the future - not so much of presidential power as of *the official policy being pursued* in the country. This requires the government to take action to give the political system of the Caspian states a more democratic and open nature, including a serious shift in the balance between the three branches of power, the strengthening of the powers of the parliament, ensuring the representation of various, including opposition parties in it, and the creation of a system of local self-government close to international standards and more liberal conditions for the further development of civil society and the activities of its institutions.

# Viktor Kovtunovsky

## Political parties and elections in Kazakhstan

### General characteristics and classification of political parties in Kazakhstan.

In the Republic of Kazakhstan there are nine officially registered political parties. In addition, there are in fact two more political entities. One of them is the People's Party Alga, which sought registration for more than 7 years. Last year, a court recognized its activity as extremist, and today the party's work is paralyzed by the law enforcement agencies. Another party, the Democratic Party Azat, lost registration after it unsuccessfully filed an application with the Ministry of Justice for more than a year for the registration of its merger with the National Social Democratic Party. The parties' application for merger was rejected, while the legal registration of the Azat party was cancelled.

#### Political parties in the Republic of Kazakhstan:

People's Democratic Party Nur Otan
The Democratic Party of Kazakhstan Ak Jol Communist People's Party of Kazakhstan (CPPK) The Democratic Party Adilet Kazakhstan Social Democratic Party Auyyl Party of Patriots of Kazakhstan (PPK) The Ruhaniyat party
The Communist Party of Kazakhstan (CPK) National Social Democratic Party (NSDP) The Democratic Party Azat (registration cancelled) The People's Party Alga (not registered)

Kazakh experts usually divide the political parties into three groups. The first group includes one party - the party led by the president – the People's Democratic Party Nur Otan.

The second group includes parties, which are generally loyal to the current regime, and, in some respects, are established with the support of the presidential administration or people from his close circle. This is the Democratic Party of Kazakhstan Ak Jol, the Communist People's Party of Kazakhstan (CPPK), the Democratic Party Adilet, the National Social Democratic Party Auyl, Party of Patriots of Kazakhstan (PPK) and the Ruhaniyat party.

The third group includes opposition parties: the Communist Party of Kazakhstan (CPK), the National Social Democratic Party (NSDP) and the unregistered People's Party Alga and the Democratic Party Azat.

**The number of party members (based on data provided by the parties):**

People's Democratic Party Nur Otan	929,741
The Democratic Party of Kazakhstan Ak Jol	190,000
Communist People's Party of Kazakhstan (CPPK)	92,000
The Communist Party of Kazakhstan (CPK)	54,246
National Social Democratic Party (NDPK)	140,000
The Democratic Party Adilet	70,000
Kazakhstan Social Democratic Party Auyl	200,063
Party of Patriots of Kazakhstan (PPK)	187,000
Ruhaniyat party	72,000

The above table clearly shows the numerical dominance of the Nur Otan party, the number of whose members is approaching one million. If we consider that the total number of voters is about 9 million, it turns out that one in ten adult citizens of Kazakhstan is a member of Nur Otan.

It should be borne in mind that the number of all parties causes reasonable doubts among experts. To some extent, the numbers are overestimated due to the fact that under the law on political parties, parties with at least 40,000 members are entitled to registration.

**The number of party members and the election results in 2012 (according to data provided by the parties and the CEC)**

	Number of members	Number of votes
People's Democratic Party Nur Otan	929,741	5,621,436
The Democratic Party of Kazakhstan Ak Jol	190,000	518,405
Communist People's Party of Kazakhstan (CPPK)	92,000	498,788
The Communist Party of Kazakhstan (CPK)	54,246	Not allowed
National Social Democratic Party (NSDP)	140,000	116,534
The Democratic Party Adilet	70,000	45,407
Kazakhstan Social Democratic Party Auy!	200,063	82,623
Party of Patriots of Kazakhstan (PPK)	187,000	57,732
Ruhaniyat party	72,000	Not allowed

Certain conclusions about the influence of political parties can be drawn from a comparison of the number of members and the number of votes received by these parties in elections.

Four of the parties contesting the election received fewer votes than the number of their members.



**The results of the elections of 2007 and 2012 (according to the CEC):**

	2007	2012
People's Democratic Party Nur Otan	5,174,169	5,621,436
The Democratic Party of Kazakhstan Ak Jol	192,155	518,405
Communist People's Party of Kazakhstan (CPPK)	77,274	498,788
The Communist Party of Kazakhstan (CPK)	Not running	Not allowed
National Social Democratic Party (NSDP)	271,525	116,534
The Democratic Party Adilet	Not running	45,407
Kazakhstan Social Democratic Party Auyt	93,023	82,623
Party of Patriots of Kazakhstan (PPK)	44,175	57,732
The Ruhaniyat party	24,308	Not allowed

*Note: The column indicate the number of votes gained in elections. The Communist Party of Kazakhstan (CPK) boycotted the elections in 2007 and was unable to stand in them in 2012 based on a court ruling.*

The Democratic Party Adilet went to the polls in 2007 in the ranks of the Democratic Party of Kazakhstan Ak Jol.

The Ruhaniyat party was barred from the election by the decision of the CEC in 2012.

Official election results show that Kazakh people's sympathies for some political parties changed sharply in five years. The Democratic Party of Kazakhstan Ak Jol increased its support by 2.7 times in four years, and the Communist People's Party of Kazakhstan (CPPK) - 6.5 times. These results may indicate significant inequality between parties during the election campaign or call into question the validity of the vote count.

**Representation of parties in the Majilis  
(according to the CEC):**

	2007	2012
People's Democratic Party Nur Otan	98	83
The Democratic Party of Kazakhstan Ak Jol	-	8
Communist People's Party of Kazakhstan (CPPK)	-	7

From 2007 to 2012, Kazakhstan had a one-party parliament.

**Representation of parties in parliament and maslihats of  
all levels (data provided by the parties):**

	Parliament	Maslihats
People's Democratic Party Nur Otan	83	3,195
The Democratic Party of Kazakhstan Ak Jol	8	49
Communist People's Party of Kazakhstan (CPPK)	7	8
The Communist Party of Kazakhstan (CPK)	-	-
National Social Democratic Party (NSDP)	-	-
The Democratic Party Adilet	-	-
Kazakhstan Social Democratic Party Auyt	-	Available
Party of Patriots of Kazakhstan (PPK)	1	38
Ruhaniyat party	-	-

The dominance of the Nur Otan party at the regional level is even more obvious than in the Majilis.

Information about the deputies of Maslihats from Auyt and the PPK is questionable, but the data provided by the parties cannot be verified because the deputies, like all other citizens, have the right not to state their party affiliation.

**Party ideology (by experts' estimations):**

People's Democratic Party Nur Otan	Centrism
The Democratic Party of Kazakhstan Ak Jol	Liberalism
Communist People's Party of Kazakhstan (CPPK)	Communism
The Communist Party of Kazakhstan (CPK)	Marxism-Leninism
National Social Democratic Party (NSDP)	Social democracy
The Democratic Party Adilet	Social liberalism
Kazakhstan Social Democratic Party Auyt	Social democracy
Party of Patriots of Kazakhstan (PPK)	Liberal conservatism
Ruhaniyat party	Spirituality

Defining the ideology of some political parties in Kazakhstan represents significant challenges. In particular, the parliamentary majority party Nur Otan does not define its ideological orientation in the documents. Some party officials declare the ideological «centrism» of the party. However, the government of the Republic of Kazakhstan, supported by the party, is conducting a rather right-centrist policy.

The Ruhaniyat party named «spirituality» as its ideological doctrine when it was created. This wording makes it very difficult to position the party in the political field.

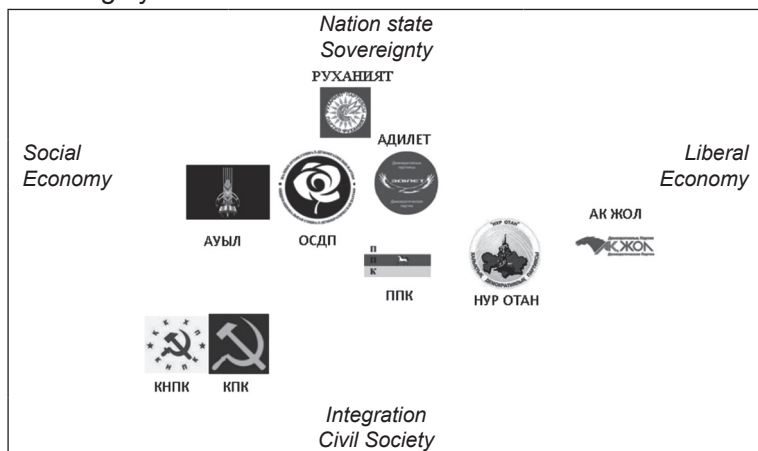
**The model of the ideological positioning of Kazakh parties.**

The modelling of the ideological positioning of Kazakh parties in the political arena has not yet had a precedent, or information about this kind of work is confidential. The construction of the model causes significant difficulties due to the fact that the ideological orientation of some parties is dynamic in nature and, as already mentioned, is not always clearly defined.

Also among Kazakh political scientists, there are no common guidelines that shape the national political area.

World experience is not quite applicable in this regard, as in every country there are significant differences in views on the ideological system of society and on what ideology should be considered a priority.

As Kazakhstan's model of the political field, we offer the following system of coordinates:



On the horizontal axis, which determines the attitude of parties to the role of the state in the economy, the Kazakh political area is no different from other conventional models. The vertical axis denotes the national, integration and language guidelines, as these issues are the most relevant to the political debates of the recent period.

The People's Democratic Party Nur Otan takes a centre-right stance on the economy and a centrist stance on the vertical line, as its position in relation to the integration and protection of the state language is balanced.

The same position on national issues is taken by the Democratic Party of Kazakhstan Ak Jol, which is horizontally to the right of all the other parties.

The Communist People's Party of Kazakhstan (CPPK) and the Communist Party of Kazakhstan (CPK) occupy extreme left positions in the economic sphere and deny the priorities of the national state, adhering to the international communist ideology. The CPPK is somewhat to the left of the CPK on the grounds that in its party rhetoric, it criticizes its opponents for recognizing the role of market mechanisms in the economy.

The National Social Democratic Party (NSDP) and the Kazakhstan Social Democratic Party Aul are located, as befits social-democratic parties, between the centre-right and socialist parties. At the same time, on the national axis they are much higher than the official position of the ruling party, as they criticize both the integration processes of Kazakhstan within the framework of the customs union with Russia and Belarus and the language policy of the Nur Otan party.

The Democratic Party Adilet is located on the vertical axis approximately at the same level as the Social Democrats, and on the horizontal axis, it occupies an intermediate position between the Liberals and the Social Democrats.

The Party of Patriots of Kazakhstan (PPK) is located approximately in the centre of the political field. However, its ideology is so uncertain that this provision can be considered largely arbitrary.

The situation surrounding the Ruhaniyat party, which has repeatedly changed its ideological guidelines, is even more uncertain. Its position is so vague that it is currently not possible to position Ruhaniyat. However, it should be noted that during the last election campaign (November 2011 - January 2012), the political platform of the party had an obvious national-patriotic character. Its position in the political field at that time was in the uppermost part of it.

In general, it should be noted that in the political spectrum of modern Kazakhstan, the parties expressing the national

interests of the two largest ethnic groups - Kazakhs and Russians (Russian speakers) – are currently not represented. The political vacuum, obviously, is artificial, since permanent public debates on the national question show Kazakh citizens' increased interest in the subject.

As a result of the study conducted by me and my colleagues in 2012, the following conclusions can be drawn.

The party system of the Republic of Kazakhstan is in a depressive condition. Some parties exist only formally and do not enjoy influence and support from citizens. The dominance of one party and disadvantageous conditions for other opposition parties impede real political competition.

At the same time, the recent elections to the Majilis led to some improvement in the competitive environment. Ak Jol and the CPPK, which made it into the parliament, noticeably stepped up their activities. Experts point out that these parties oppose only individual decisions by the government, generally supporting it. However, until 2012 even such fake competition did not exist.

Experts and politicians point out that the development and improvement of the party system in the Republic of Kazakhstan is prevented, first of all, by legal restrictions. Kazakhstan has significantly limited the powers of the legislative branch of power and therefore the parties' chance of implementing their policy objectives through the formation of a government. The prohibitive nature of laws on political parties and public organizations, flaws in the electoral law and the opacity of the election procedure have the strongest impact on the capacity of Kazakh political parties.

## **Kazakhstan: from authoritarianism to parliamentary democracy.**

The international conference “Political parties and elections in oil-rich former Soviet countries: is it possible to avoid pacted democracy” presented participants and experts with an existential, philosophical question: Do the current authoritarian regimes have the opportunity to take the path of developing modern democratic states?

Authoritarian regimes are not stable by nature, and they hold on with the help of two tools: propaganda and coercion. But despite their instability, such regimes can exist for a very long time. At the very least, political forecasts about their longevity are a thankless and doubtful job like any other political forecasts.

Some political analysts and politicians here in Kazakhstan believe that stability in authoritarian regimes depends on the person of the leader and that with the departure of the leader, the system of government he has built will certainly collapse. I do not share this point of view. Examples of some post-Soviet states suggest that an authoritarian ruler can be replaced by a new authoritarian ruler, and the essence of the system will remain.

The problem is that in order to change this regime it is necessary to conduct political reforms. And in order to carry out reforms, it is necessary to change the mode. It is a vicious circle. Therefore, the question posed by today’s meeting could be: How to break this vicious circle? Can we break it?

Events in the modern world show that there are two ways to reform. The first way is changes from above when the ruling elite makes radical changes because they can no longer rule in the old way. But most often, changes take place from

below, when the regime changes under pressure from the masses who do not want to live in the old way.

These are the two ways, but it does not mean that conspiracies of elites or popular uprisings necessarily lead to a change of government. Often, very often, it happens that the closed ring of power cannot be broken. Are there serious preconditions for change in Kazakhstan?

It is impossible to answer this question clearly. The stability of authoritarian regimes, particularly those rich in natural resources, depends on many external and internal factors. I will mention only the ones I think are the most important ones:

- The state of civil society, its readiness and willingness to change;
- The prices for oil and other raw materials;
- The state of the economies of industrialized countries: United States, European Union, China;
- Conflicts in the closest circle of the head of state;
- The health and fitness of the leader;
- The presence of coherent and effective opposition to the regime;
- The geopolitical environment (in particular, events in the Russian Federation).

This list probably goes on. From the abovementioned, it is clear that some of the factors in relation to today's Kazakhstan promote change and others, on the contrary, prevent it. In this report, there is no way to try to evaluate each factor. And the impact of each one of them cannot be assessed reliably. I will only briefly touch on my vision of the state of political elites and civil society in Kazakhstan, circumstances that are not only important for changes to begin, but also underpin the success of political change in many ways.



Political elites in Kazakhstan realize that change is necessary. They would like to live in a state where the right of ownership and other rights are protected not only by the leader's loyal attitude to their particular representative: businessman or official, but also the law. The elites need an independent court and authorized parliament, and they would like to influence political and economic decisions more actively. They would like to live by the rules, not ideas.

However, wanting political change, the elite is also afraid of them. The fear of Kazakhstan's political class is primarily due to the fact that the legitimacy of their property raises questions. This situation probably exists in Azerbaijan and Russia. No one can give them guarantees that after the political reforms, the democratically elected government will allow them to continue to own the property received in a questionable way. Not only property, but their personal freedom is often at risk. Events in post-revolutionary countries show that the revision of privatization and property rights is almost the first question after the overthrow of the old regime. Therefore, representatives of the government and business in Kazakhstan are not the social group that can initiate political reforms.

If we assess the state of civil society in our country, it is conservative too. By and large, democratic changes are not demanded by wide strata of citizens of Kazakhstan. In many ways, it is justified by our ethnic bipolarity: ethnic split. According to estimates (which somewhat vary in different sources), the share of the title nation, i.e. Kazakhs is currently about 60 per cent, and about 40 per cent in our country are non-Kazakhs.

The Russian-speaking population - for the most part - is afraid of democracy, because they are afraid that nationalists will come to power. These fears may be justified, as the numerically dominant Kazakh rural population is mired in poverty

and misery against the background of the excessive extravagance of those in power. Residents of villages are experiencing a deep sense of injustice due to their unenviable position. Through their radical representatives, Kazakh nationalists say that their people are still living under the rule of the colonialists: collaborators and foreigners who are looting the natural resources that belong to all people. It must be borne in mind that the Kazakh village is not only numerically dominant, but also actively votes in contrast to urban residents. Under certain circumstances, the poorest people of villages and city suburbs will willingly follow the leaders who put forward slogans proclaiming economic and political preferences for the indigenous population, a more stringent policy for the protection of the state language, the expulsion of foreign companies from the extractive sectors of the economy, etc.

On the other hand, the Kazakh population - at least until recently - also feared democratic reforms. Kazakhs fear that as a result of democratic elections, separatists will come to power in the northern Russian-speaking regions. And these fears, in turn, are also not without foundation.

The ruling regime in Kazakhstan skilfully juggles between fears of certain ethnic groups, acting as a lesser evil for both.

I would like to touch briefly on the impact of revenues from the sale of resources, primarily oil, on socio-political processes.

When we are talking about the so-called "resource curse", we are referring to the observation that countries rich in natural resources develop worse than those that do not possess them. Economists identify about a dozen of negative effects. I will outline only three of them, the most topical for Kazakhstan. It should be noted that if the impact of natural resources on the economy of the state is well studied, the impact of "pet-

rodollars” on the political system is studied extremely superficially. In fact, it is limited to observation and statement of facts.

1. “Dutch disease”. In countries with high income from the sale of oil and gas, all the other sectors of the economy are in a state of stagnation. This situation is described in enough detail by economists. However, there are no direct studies saying that Dutch disease negatively affects the political system. That is to say the bond between distortions in the economy and distortions in politics has not yet been proved.

2. The system of taxation. Taxation of individuals and citizens in resource-rich countries is not critical to supplement the country’s budget. Therefore, some experts say, citizens do not feel connected with the state and are politically indifferent. This argument deserves attention, although there is detailed research on this subject in the public domain.

At the same time, we should keep in mind that the tax system in the former Soviet area is very similar in all countries, not only in energy-rich countries. Most of taxes are paid not by citizens of the former Soviet Union themselves, but by their employers. The statement about the impact of taxes on the behaviour of individuals must logically show that those who pay the taxes - businesses - should be very active in politics. However, we do not observe it. Representatives of the Kazakh business community shun politics like the plague.

3. Corruption. What we mean is not bribery of officials by citizens, but the opposite: mass bribery of citizens and certain social groups during the election campaign. In Kazakhstan, this kind of corruption is obvious. The most active social groups in the elections - pensioners, civil servants, military - all regularly get new portions of privileges and preferences during the election campaign. By the way, entrepreneurs get special benefits in the form of a moratorium on inspections of businesses.

At the same time, we are well-aware that growing prices for essential commodities “eat” the increase in pensions and salaries before they even begin to be really paid. Sociologists say that over time, vote buying stops working.

Thus, the negative impact of the “resource curse” on the political structure has not been fully elucidated. There are very few resource-rich countries that also have a democratic system, but they do exist. There is, in my opinion, an inspiring example for Kazakhstan: Mongolia. The economy of modern Mongolia is based on the extraction of minerals. At the same time, this country shows steady improvements in its political system. Not everything goes smoothly there. There are political excesses as well, but today we can confidently say that parliamentary democracy in this Asian country is strengthening with every election cycle.

There is a chance to break the cycle of authoritarianism in Kazakhstan’s neighbour Kyrgyzstan.

Summing up , I would like to conclude, that despite the many pessimistic statements voiced here, I am, in fact, a strategic optimist. My optimism is based on the fact that the vector of the global development of all countries is aimed in one direction. The circle of civilized, democratic countries is consistently expanding. Economically, socially and politically, authoritarian states have no future. The only question is when change will come.

**Anar Mammadli**

## **Elections in post-Soviet Azerbaijan (1991-2010)**

### **Introduction**

The final document of the 29 June 1990 Copenhagen summit of the Council for Security and Cooperation in Europe (CSCE)<sup>1</sup> draws attention as an international reference document when assessing the conduct of elections in the post-Soviet space. By joining the Copenhagen document, the Soviet Union, like other post-socialist countries, undertook international obligations to hold free and fair elections, to ensure regular, alternative and confidential nature of the elections, to secure the freedom of public associations and guarantee the monitoring of local elections. Thus this document turned into an important international document on electoral reform not only for the national-democratic movements that began in the former USSR, but also for the 15 independent states that emerged later. However, shortly after the signing of the Copenhagen document, a number of historical and political events occurred in the CSCE area; the Cold War came to an end, the former Soviet Union collapsed and new states emerged instead, national-ethnic conflicts escalated into hostilities and the planned economy collapsed. When we look back on the past 22 years, it becomes clear that in most of the post-Soviet states, the holding of free and fair elections on the basis of the principles of the Copenhagen document has been accompanied with serious problems and that the restriction of

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<sup>1</sup> CSCE – currently the Organization for Security and Cooperation in Europe

political pluralism, freedom of speech and the press, rights of assembly and association in these countries have prevented a complete electoral system from taking shape.

As one of the post-Soviet republics that experience problems related to elections, Azerbaijan has some peculiarities of its electoral process. Although the factors that characterize these problems have changed over the past 20 years, there have been no serious changes in the nature of elections being held in Azerbaijan and the national electoral system has not improved.

## **Elections before independence and in subsequent years**

After the Act on the Independence of the Azerbaijan Republic was adopted on 18 October 1991, a new stage began in the development of democratic institutions, including the electoral system. However, since the Armenian-Azerbaijani conflict, which coincided with the collapse of the Soviet Union, was accompanied with greater bloodshed and hostilities from that date, no secure environment developed in the country for the stable and systemic development of political institutions. At the same time, the lack of the culture of political dialogue, the absence of people with experience in political administration and the lack of democratic traditions in the country created serious restrictions for the development of the electoral system in the early years of independence. In general, *four political factors* characteristic of some post-Soviet countries in this period – *ethnic conflicts, the difficult socioeconomic situation created by new economic relations, the lack of democratic political traditions and the lack of integration into the interna-*

*tional community* – had a negative impact on the formation of democratic institutions, including new electoral systems.

The first elections held seven months after the restoration of independence – on 7 June 1992 – can be regarded as the first and last fair elections in the history of the third republic. Under the influence of the four factors characteristic of other post-Soviet countries, the political power formed by Popular Front chairman Abulfaz Elchibey fell after only one year. The following presidential elections held in the country's history for the third time on 3 October 1993 ended in Heydar Aliyev's victory in a situation where there was no alternative and political competition was limited. These elections were accompanied with the weakening of the political dynamism that was observed one year earlier and with damage to the democratic electoral tradition.

Three years after the restoration of independence, Azerbaijan experienced two important political events that eliminated two problems typical of the period of transition – the truce agreement with Armenia signed in May 1994 and the signing of the “Contract of the Century” with international oil corporations in September of the same year. In this way, factors that stood in the way of integration into the international community, the formation of new economic relations and strengthening of democratic institutions were eliminated and progress was made in the peaceful resolution of the ethnic conflict and integration into the international community. Thus, an important political situation was created in Azerbaijan for holding free and fair elections in line with international standards, including the principles of the OSCE's Copenhagen document. However, the 12 November 1995 parliamentary elections were accompanied with serious violations of the law and the failure of electoral commissions to register a great number of par-

liamentary candidates, including from the Musavat Party. For example, while in these elections only seven mandates were taken by representatives of opposition parties (6 per cent), opposition deputies had 20 per cent of seats in the parliament formed following the 1990 elections to the Azerbaijani Supreme Council in Soviet times. In general, the number of deputies representing the opposition has never been more than 5-6 per cent in any of the parliamentary elections held in the years of independence.

The joint international observation mission of the OSCE and UN, which monitored the parliamentary elections of 1995, made critical remarks and submitted a report on the international assessment and improvement of the electoral system for the first time in the country's history. Thus, those parliamentary elections were the first elections in the country's history to be monitored by the international community and were in fact an important stage in the recognition of Heydar Aliyev's political power and for the first contacts between the democratic opposition and the international community. It is interesting that in response to the criticism from the international observers, Heydar Aliyev stated: *"There are shortcomings in the elections and the criticism is well-founded"* and *"Azerbaijan has just regained its independence and currently, it is more important to maintain sovereignty and political stability"*. However, international observers also criticized the presidential elections of 1998 and the parliamentary elections of 2000 and Heydar Aliyev said again: *"It is more important to maintain sovereignty and political stability."* Thus, it was stated that among the factors of importance to independence, the issue of sovereignty and political stability was more important than protecting human rights and freedoms.



## **The rise of the democratic movement (1998-2003)**

The elections held since 1995 have been criticized by both local observers and international observation missions for violations of political freedoms, outside interference in the election process, pressure on participants in elections, falsification of election results and use of administrative resources.

Along with the 12 November 1995 parliamentary elections, the referendum on the Constitution held on the same day confirmed universal political rights and improved the legal basis for free and fair elections the country. Thus, despite some shortcomings, the Constitution defined legal norms for electoral rights and rights of assembly and association. However, the adoption of the Constitution did not become a new legal-political event in the country's life, i.e. it did not help to improve the political institutions in a democratic way and bring the electoral system in line with international standards.

We stated above that after the events that happened in 1994, the situation for political activity in the country slightly changed. Along with that, there was an undeclared state of emergency in the country as a result of the political measures taken by the political authorities before the 11 October 1998 presidential elections. For example, the number of prisoners arrested for political reasons in 1993-98 was more than 500. From this point of view, fragile reforms aimed at partially ensuring rights of assembly, abolishing censorship and recognizing rights of association prior to the 1998 presidential elections prompted the restoration of political dynamism in those elections. The conduct of municipal elections after the presidential elections in 1999 had a relatively positive impact on political activity on the ground. Finally, after the parliamentary elections of 2000, the country experienced dynamic process aimed at ensuring

free and fair elections, democratic changes and freedom of expression. In general, the developments that happened from 1998 to 2003 can be assessed as the acceleration of the democratic political movement and the rise of the movement for free elections in the country.

After the 24 August 2002 referendum with the aim of making amendments to the Constitution, political parties which stood in the 1995 and 2000 elections with proportional electoral lists lost this opportunity; the mixed electoral system was abolished, and only the first-past-the-post system was kept. In fact, both the 12 November 1995 and 5 November 2000 parliamentary elections were accompanied with serious violations of the law, pressure on voters and election fraud and did not reflect the general will of the voters. From this point of view, the holding of the elections on the basis of the mixed electoral system did not worry the ruling party. Political freedoms in the country were not protected and the activities of opposition political parties were restricted during and between elections. In this situation, the repeal of the mixed electoral system through the 24 August referendum was aimed not only against the participation of opposition political parties in political developments, but also caused a split inside the ruling New Azerbaijan Party. This event dealt a serious blow to the formation of political parties inside the country and prepared the ground for the gradual removal of political parties from the political system in the future.

The public-political developments typical of that period were aimed at changing the process of elections and can be divided into three main groups:

### ***1) International initiatives for improving electoral legislation***

On the basis of a number of shortcomings mentioned in the final report of the OSCE Office for Democratic Institutions

and Human Rights (OSCE ODIHR) on the monitoring of the 1998 presidential election, recommendations were made on a number of spheres, especially the improvement of legislation. These recommendations were later confirmed in a more specific and clear way after Azerbaijan became a member of the Council of Europe. Thus, the OSCE ODIHR and the Council of Europe became involved in the election process and the improvement of the election law in Azerbaijan.

In October 2002, the presidential administration of the Azerbaijan Republic submitted a new electoral law – the Election Code – to international organizations such as the Council of Europe Venice Commission, the OSCE ODIHR and the US International Foundation for Electoral Systems. Interestingly, the authorities preferred to discuss the draft Election Code with international organizations first rather than with the country's public – political parties and NGO. Thus, there was solidarity between international organizations and local public-political institutions in terms of forming independent electoral commissions in the new election law, ensuring transparency in elections and guaranteeing citizens' electoral rights. However, the authorities ignored a number of aspects in the elections, including the proposal to form a commission with the participation of all political forces and submitted a law not supported by the public to the parliament. Despite the obligation on the parity participation of political opposition in electoral commissions undertaken by Azerbaijan while entering the Council of Europe in 2002, the authorities tried to maintain the dominance of ruling political party in electoral commissions.

From December 2002 to May 2003, the OSCE ODIHR, the Council of Europe Venice Commission and other international organizations tried to mediate a dialogue between opposition parties, NGOs and the authorities on agreeing on the draft

Election Code. However, failure to reach agreement on the formation of electoral commissions on a parity basis and the authorities' uncompromising position resulted in the Election Code being adopted by the parliament in May 2003 in the absence of opposition deputies. Unfortunately, although the international organizations took a more principled position at the beginning of the discussions, they preferred to keep silent when the bill was adopted.

## ***2) Public initiatives for free and fair elections***

The activities of local NGOs, especially the Independent Consultative and Assistance Centre for Civil Society in the sphere of electoral monitoring during the 1998 presidential elections contributed to the an important principle related to free and fair elections in the country – the strengthening of public control over the elections. As a “gift” for such activity, the authorities added a provision banning monitoring of elections by foreign-funded NGOs to the law “On NGOs” in 2000. Thus, independent NGOs were barred from monitoring elections for accepting grants from foreign donors for five years. However, such restrictions failed to prevent the formation of a public movement for free elections in the country. In the course of time, NGOs became an important public institution in improving the electoral system and played an active role in this process when the Election Code was adopted in 2003. For example, On 19 June 2003, the Election Monitoring Centre (EMC) appealed to the Constitutional Court and asked for the repeal of legal norms limiting monitoring by NGOs as they did not comply with the Constitution. However, in its response sent on 27 June, the Constitutional Court groundlessly recommended that they should appeal to the Central Electoral Commission. It must be noted that the EMC appealed to the

Constitutional Court twice after that, but these appeals were not discussed.

It must be noted that another factor which turned the NGOs into an important side in the electoral process was that Azerbaijan became a member of the Council of Europe and the fact that various institutions of this organization preferred to cooperate with civil society organizations. As a result, the role of NGOs increased in raising problems related to elections with PACE and other international institutions.

### ***3) The creation of alternative political centres of power***

The 1998 presidential elections were remembered by the fact that five potential candidates (Lala-Shovkat Hajiyeve, Abulfaz Elchibey, Isa Qambar, Ilyas Ismayilov and Rasul Quliyev) boycotted the elections and by the competitive election campaign held with the participation of the chairman of the National Independence Party, Etibar Mammadov. This election was an important event in terms of demonstrating the existence of alternative centres of political power opposing the authorities. In fact, the democratic movement in Azerbaijan became interesting to both local public and international organizations precisely after those elections. However, the fact that the political forces, which separately stood in the 1999 municipal elections and 2000 parliamentary elections, became disunited ahead of 2003 opened the way for the separate participation of three main opposition candidates in the next presidential elections. Thus, the 15 October 2003 presidential election can be regarded as the most competitive and heated presidential election in the country's history.

The political repression that began ahead of the 2003 elections continued on election day and immediately after the elections and led to a human rights crisis in the country. For

example, the demonstrations staged by Isa Qambar's supporters in front of the building of the Central Electoral Commission and on Freedom Square on 16 October 2003 were dispersed by police and internal troops and resulted in hundreds of people injured and arrested and one person killed. As a result of the arrests made from that day, more than 800 people, including political leaders, were arrested and tortured at some police stations.

## **The transformation of one-party political system into an autocratic power**

### ***Elections of the era of political stagnation***

The crisis that emerged in the sphere of democracy and human rights as a result of the events accompanied with the mass arrests of opposition activists on 15-16 October was partly eliminated only in the run-up to the 2005 parliamentary elections. It must be noted that the trials of 136 of those arrested in the 15-16 October protests continued during 10 months of 2004. As a result of the politically-motivated trial conducted by the police, prosecutor's office and the courts, 42 people, including the leaders of the Musavat, Democratic Party and Hope Party and other activists were sentenced to 1 to 6 years in prison.

Although a number of political prisoners were freed ahead of the municipal elections in 2004, political persecution and the difficult situation in the sphere of freedom of speech and the press did not change. The crisis in the sphere of human rights and democracy in 2004 also had its impact on political developments. Tensions in relations between the government and the opposition damaged mutual trust and political plura-

lism in political life. In general, the social political situation that emerged in the country after the presidential elections of 2003 can be called a period of stagnation and bans on political activity. For example, throughout 2004 protests by opposition political parties in the country – pickets, marches and rallies – were not allowed. As a result, as was expected, the political situation in the country resulted in extremely weak competition in the municipal elections.

The “colour” revolutions that happened in Ukraine and Kyrgyzstan ahead of the 2005 presidential elections boosted political activity in Azerbaijan too. However, two months into the election year, the editor-in-chief of Monitor journal, Elmar Huseynov, was killed in his house. This incident boosted political activity in Azerbaijan and encouraged more criticism from international organizations in relation to human rights.

One of the characteristic features of the 2005 parliamentary elections was the establishment of a new opposition bloc – the Azadliq electoral bloc – by the Popular Front of Azerbaijan Party, Musavat and the Democratic Party. Along with this bloc, the New Policy election bloc and the Liberal Party became the main political forces representing the opposition electorate. In parallel with the centralization of opposition political parties, that period saw infighting and arguments within the NAP and other government circles over influence on political power. For example, at the 26 March 2005 congress of the NAP, Health Minister Ali Insanov said there was discrimination against his supporters within the party. Insanov called on his supporters to launch an open fight and not to be afraid and considered it *“important for the sake of maintaining the political line of Heydar Aliyev”*.

In the run-up to the parliamentary elections – on 17 October 2005, the parliamentary candidate from the Freedom bloc, Rasul Quliyev, failed to visit Baku as the plane carrying him

was not given an air corridor to land at Baku airport. On that day, traffic heading for Baku from various parts of the country was limited, dozens of political activists were detained and passport checks were conducted at police posts. Shortly after these events, arrests that had a direct impact on the elections began – Health Minister Ali Insanov, Minister of Economic Development Farhad Aliyev and several other ministers and members of parliament were arrested. The authorities stated that the arrested persons were preparing a coup together with Rasul Quliyev. Along with this incident, the parliamentary candidacy of people close to Ali Insanov and Farhad Aliyev was illegally cancelled. Along with that, the number of candidates registered for the 2005 parliamentary elections was higher than the number of candidates in all elections to the legislative body during the country's independence. For example, while the number of parliamentary candidates registered in 2010 was 695, this number was 2,063 in the 6 November 2005 parliamentary elections, and 661 of them represented political parties.

### ***Keeping political power through elections without alternatives***

The stagnant environment that developed in Azerbaijan after the 2003 elections had a negative impact on other elections except for the 2005 parliamentary elections. From this point of view, the 2008 presidential elections were held in a situation without alternatives and were remembered by voters' limited opportunity to choose between opposite political forces. It must be remembered that opposition political parties – Musavat, National Independence, Popular Front, Liberal and Democratic parties - which competed with the ruling political force in the 2003 and 2005 elections, failed to run



in the 15 October 2008 presidential elections and explained it by the undemocratic electoral environment and stifling of political freedoms. However, the opposition political parties stated to the local and international community that they did not recognize the results of the presidential elections and conducted neither an active boycott campaign nor an active observation mission during the elections.

Two months after the announcement of the results of the presidential elections – on 16 December 2008, the ruling New Azerbaijan Party (NAP) submitted a draft *act “On a referendum on making addenda and amendments to the Constitution of the Azerbaijan Republic”* to the parliament. One week later, a plenum of the Constitutional Court issued a positive view on the draft act “On a referendum on making addenda and amendments to the Constitution of the Azerbaijan Republic”. After the announcement of the opinion of the Constitutional Court, the parliament scheduled a new referendum for 18 March 2009.

Influential NGOs and political parties stated that most of the addenda and amendments to the Constitution had a technical nature and that some provisions restricted human rights and freedoms. The most controversial issue in the referendum act was the repeal of Article 101.5 of the Constitution. Under this article, *“no one can be elected president of the Azerbaijan Republic more than twice”*. But the new version provided for the repeal of this article and for the following provision instead: *“When the conduct of hostilities at a time of war makes it impossible to conduct presidential elections in the Azerbaijan Republic, the tenure of the President of the Azerbaijan Republic is extended until the end of the hostilities. A decision to this effect is adopted by the Constitutional Court*

*of the Azerbaijan Republic at the request of the government agency that conducts elections (referendum)."*

In fact, the referendum held on 18 March 2009 was a deliberate political plan rather than a legal approach related to amendments to the Constitution – the aim was to eliminate the main legal obstacle to the formation of a one-party political system in the country. This intention was once again proved by the municipal elections held nine months after the referendum on 23 December 2009. For example, opposition and non-partisan candidates who wanted to register for municipal council elections faced serious obstacles, and while members of the New Azerbaijan Party (NAP) comprised 40 per cent of the 31,861 registered candidates, the number of candidates from other 17 political parties was only 1,679 (6 per cent of candidates). We should note that the same scenario repeated itself in the 2010 parliamentary elections. As the candidates were registered, a situation without alternatives was artificially created for people representing the NAP, while opposition candidates were illegally denied registration. For example, while 111 (16 per cent) of the 695 parliamentary candidates registered for 125 seats in the 7 November 2010 parliamentary elections represented the NAP, the highest number of candidates among opposition political parties – 37 people (6 per cent) – belonged to the Popular Front-Musavat electoral bloc. This number among other political parties and electoral blocs was from 1 to 5 per cent.

### ***Decline in the interest in the election process***

Talking about the 2003 presidential elections, we noted that political activity in this process was high. However, after the elections, political voter activity gradually declined in the country.

There is no doubt that the decline in voter activity in the country was due to the fact that citizens' trust was undermined due to violations of the law and shortcomings that occurred in the electoral environment and that power had not changed through elections for many years. The stifling of political freedoms during and between elections, measures against political activists and arrests also led to a decline in citizens' activity in the elections.

Another factor that led to a decline in the interest of active political circles in the election process is related to addenda and changes made to the Electoral Code in recent years. Unfortunately, reactionary changes were made to the Electoral Code in 2008 and 2010 without any public need and real reasons. For example, the draft law on addenda and changes to the Electoral Code submitted to parliament by the Presidential Administration on 2 June 2008 reduced the election period from 120 to 75 days and abolished the registration deposit (election pledge) as an alternative option for the registration of candidates. On 18 June 2010, the Milli Majlis adopted another bill "On addenda and changes to the Electoral Code" on the initiative of MPs representing the New Azerbaijan Party (NAP). According to this bill, the election period was reduced from 75 to 60 days and the allocation of funding from the state budget for the election campaign of candidates was abolished. It must be noted that the opinion of the Council of Europe Venice Commission about the abovementioned bills was not considered. In general, as a result of the adoption of both laws, it became difficult to nominate and register candidates and campaigning opportunities were restricted. Thus, a plan was implemented to make elections less interesting and shorter compared to previous years; the number of political parties, groups and activists interested in elections significantly fell in elections held in 2008-2010.

### ***The impact of corruption on elections and political processes***

In summer 2012, a secret video recording appeared in which the former rector of International University, Elshad Abdullayev, was trying to strike a deal on his election as a member of parliament. In the video, a member of the NAP and MP, Gular Ahmadova, promises that Abdullayev will be elected MP in return for one million manats and negotiates as a representative of the head of the Presidential Administration, Ramiz Mehdiyev. One of the questions arising from this incident, which became a serious event in the country's political life, was related to corruption in elections.

It is well-known that in recent years, Azerbaijan has taken one of first places in the corruption index in the world. No one doubts that economic relations, customs, tax and other fields in the country are bogged down in corruption. But the incident that became known as "Gulargate" showed that along with the business sector, courts and executive authorities, it is also possible to get a seat in the legislature through corruption. Has corruption really influenced elections and politics? In order to clarify this, let us look at how major oil capital has been spent in Azerbaijan in recent years following growing oil revenues in Azerbaijan.

The period following 2004, which was accompanied by serious regress in the human rights field in Azerbaijan, was accompanied by restrictions on political activities in the country and growing oil revenues. For example, in 2004, Azerbaijan's income from profit oil doubled compared to previous years and reached 263 million dollars, while in 2005, the annual income increased to 579 million dollars due to growing oil prices on the world market. This rise continued in the following years and exceeded 14 billion dollars in 2008.

Along with resulting in the “flourishing” of the corruption fantasies of the political authorities, such an inflow of finances in a country where the budget is mainly formed by oil revenues has also influenced political processes. For example, active political observers have no doubt now that the illegal funding allocated by the authorities for the activities of dozens of pro-government media outlets, political parties and NGOs is aimed at weakening the political opposition and civil society. As can be seen, the factor of corruption in political developments manifests itself not just in deals related to deputy seats, but also in the non-transparent financial sources of numerous media outlets, political parties and NGOs. In such a situation, the illegal capital owned by the authorities becomes effective not only inside the country, but also in international organizations. For example, a report called “Caviar Diplomacy” prepared by the European Stability Initiative focuses on suspicious relations with European politicians who support the Azerbaijani authorities in their propaganda campaign about the high level of human rights and elections.

The clear role of corruption in the country’s political life makes it possible to identify the attitude of the political authorities towards political freedoms, including elections. In this situation, the role of the NAP as a ruling power has an artificial nature and the political position of this party allows us to claim that there is neither a multi-party nor a single-party system in the country, because the corruption pyramid that emerged in many years rejects and neutralizes not only dissent in the opposition and civil society, but also alternatives inside the NAP. In general, following the repeal of the provision on the presidency in the 2009 referendum, NAP candidates in municipal and parliamentary elections were chosen not for their political affiliation, but because of their closeness to officials and oligarchs, while some NAP members were artificially sidelined

from the elections. Thus, it became clear that the single-party political power established by the NAP in the late 1990s turned into autocracy represented by Ilham Aliyev.

## **New hopes**

The forthcoming 16 October 2013 president election can be assessed as a new chance for protecting human rights and democracy in Azerbaijan. This election can be an opportunity for restoring political dynamism and creating dialogue between citizens and the state and can threaten to deepen the political abyss between the authorities and citizens of the country. Of course, the political will that the authorities will show in connection with the electoral process will be a major factor in the free and fair holding of the next elections and softening of political relations.

Along with that, the abundance of information that has emerged in the country owing to the opportunities created by social media, increasing political activity and the slow process of rejuvenation in the civil society sector creates the hope that citizens will participate more actively in the next elections, that an environment of political competitiveness will appear and that the election will become an interesting political event for the first time since 2005. Such revival of electorate's activities can encourage a new free and fair electoral environment in the country in the next few years. For the time being, the first condition for the government's good will in the election process is the improvement of legislation – a process that has been delayed for 10 years. The main conditions in this field is to distribute positions in electoral commission on the basis of equal representation of political forces, to extend the length of the election campaign, to improve legislation on freedom

of assembly, change the duration and conditions of providing airtime in all the electronic media financed from the state budget, simplify the rules of compiling and examining complaints about violations of electoral rights and ensure the transparency of vote-counting. Such reforms in legislation will create confidence that after 20 years, the authorities will have the political will to hold free and fair elections in the country and form trust in the election process among participants in elections.





# PART 3

How to End Merger of  
Political and Economic Power in  
Post-Soviet Space:  
Lessons of National and  
International Experience.



**Charles H. Fairbanks, Jr.**

## **Merger of economic and political power: causes and cures**

The merger of political and economic power is a dominating presence in the life of all post-Soviet countries. In the following short essay, I attempt to describe its sources in the former Soviet space (minus the rather different Baltic republics) generally, and suggest some tentative solutions to this problem.<sup>1</sup> Where I now live, not only is wealth a path to political influence, as in consolidated democracies, but political power, or alliance with it, is the best path to great wealth. Property is seized, distributed and re-distributed by post-Soviet governments as a political reward, and on a massive scale. Georgian President Saakashvili acknowledged in 2009 that his dismissed Prime Minister, Zurab Noghaideli, “has much wealth....I want to admit that this money has probably been earned including during my Presidency.”<sup>2</sup>

The connection between politics and wealth exerts a pervasive influence on the motives of the political elite, above all in cases where sharing or temporarily giving up power might be in the best *political* interests of Presidents and their allies. Observers of President George H. W. Bush saw that he had little energy in 1992 to campaign for re-election. Similarly, living in Britain in 2009, I observed the scant enthusiasm of

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<sup>1</sup> Because this phenomenon cannot be freely discussed in most post-Soviet countries, I draw examples from one where change of power has removed the ability of the former government to conceal their actions, and where the political climate is, at least temporarily, free enough to discuss them: Georgia, as freed by the election of October 1, 2012.

<sup>2</sup> “Saakashvili Slams Former Allies-Turned-Foes,” *Civil Georgia*, June 5, 2009.

the Labor Party for holding on to power in the face of Gordon Brown's unpopularity. Such willingness to give up power will seem strange to those who live in the former Soviet space. But it is rational. Even post-Soviet governments lose power. And all political administrations lose energy, ideas and enthusiasm with time. The second four-year terms of American Presidents are almost always worse, and less popular, than the first. By taking a vacation from power, Western parties revisit their sources of inspiration, recover their ideals, recruit fresh members, and restore their zeal for combat.

In the former Soviet Union, however, giving up power risks losing your wealth and depriving your family and friends of their wealth. Thus the new realities that arrived with the destruction of Communist politics, the importance of money and the potential to gain unheard of wealth through privatization, *act to perpetuate the central structural imperative of Communist politics, the centralized monopoly over power.* Moreover, this new property is usually legally questionable, easy to get when the judiciary is in friendly hands, easy to lose if it is in other hands, so the new, post-Communist importance of money and greed makes rulers vulnerable to blackmail, another reason never, ever, to give up power. For this reason, the merger of political and economic power is a crucial problem blocking the arrival of democracy in the former Soviet Union.

### **The first pillar supporting the merger: *Kompromat***

The merger of political and economic power is supported by two political pillars. One of these is the importance of blackmail, or *kompromat*, in post-Communist politics. It supports the use of politics to get rich, and of business wealth to

support the group in power. A flexible tool of post-Communist governments, adaptable for making the opposition more cautious or for discrediting them, is the compilation of damaging information, usually involvement in crimes, and its use to produce compliant behavior or its release to damage the reputation of opposition figures. Cases of the former we know less about, but many opposition figures have been damaged by the release of embarrassing video or audio tapes, often edited to make them look worse. To take only two Georgian examples, the billionaire and funder of the opposition Badri Patarkatsishvili was filmed, in an obvious “sting,” offering a huge bribe to the commander of the Interior Ministry’s militarized forces to neutralize them during demonstrations, called by the government, with some justification, a planned coup d’etat. In another setup, the emerging leader of the Georgian Conservative Party, Koba Davitashvili, was filmed—just after being elected to the Tbilisi city council in 2006—accepting a bribe and selling seats in his party, forcing him to leave it. The use of *kompromat* is a very Soviet feature of post-Soviet politics: it was characteristic of Soviet politics to hoard information on the involvement of Politburo members in controversial purges and similar events, and then to use it against them at a moment of vulnerability. In the 1950’s, for example, information on the Leningrad Affair (1949-50) usually became public when N. S. Khrushchev was moving successfully against G. M. Malenkov, information on the Doctor Affair (1951-53) – when the opposite was happening. The greatest examples of *kompromat*, which changed the entire history of the Soviet Union, were Khrushchev’s de-Stalinization campaign after 1956 and Gorbachev’s *glasnost*. This pillar supporting the merger of political and economic power owes its existence to the Communist combination of intense moral concerns with ruthless tactics. As communism fades into the past, this pillar will stand less and less firm.

A variety of the use of *kompromat* important in post-Soviet republics is its use to enrich governments and political elites by confiscations of assets and punitive investigations. At the same time, political opponents can be impoverished by arbitrary use of state power. After the Rose Revolution of 2003, the Georgian government arrested many corrupt figures in Shevardnadze's government, then released them after payment of very large sums described as fines, but not determined by any court proceedings. These extortions declined, only to be renewed with a vengeance after from late 2007 to 2012. To take only the case of the billionaire Badri Patarkatsishvili, then living abroad, his television was first physically assaulted, then judicially closed, finally confiscated. His amusement park was seized, and the Revenue Service investigated his investments and associates. Someone, presumably the government, pressured depositors to leave his bank, Standard Bank, giving the government an excuse to step in, appointing a temporary administrator "because of liquidity concerns." The bank was then turned over to allies of the government.

During the 2011-12 Parliamentary election campaign, the National Movement government inflicted more than \$125 million in fines for alleged illegal donations and vote-buying on its opponent Bidzina Ivanishvili, his bank, his other companies, his political allies, and his donors. The OSCE noted that the government's enforcement of campaign laws "target[ed] mainly the opposition," and that officials investigated people "without respect for due process or in an intimidating manner that may have deterred other potential donors."<sup>i</sup> Large fines were assessed three times: once against the donor, once against the receiver (typically a Georgian Dream coalition party), and once against Ivanishvili for allegedly being the donor's original source of cash (not that the government ever proved this). Moreover, the government insisted on counting

fines as campaign contributions, thereby pushing Georgian Dream closer to campaign spending limits. Those who could not or would not pay saw their bank accounts seized and their businesses or homes taken and sold at auction, sometimes to government supporters at below-market prices.

## **The second pillar: no rule of law**

The least independent sector of politics in Georgia under Saakashvili appeared to be the courts, where a long succession of scandalous breaches of procedural legality and of simple fairness have disgraced the country. The result was that the percentage of acquittals in the Tbilisi criminal court was a fraction of one percent. In the case of the murder of Sandro Grgvliani in 2006, the European Court of Human Rights complained that the investigation

“...manifestly lacked the requisite independence, impartiality, objectivity and thoroughness...[the] Court was ....struck by how the different branches of State power... acted in concert in preventing justice from being done in this gruesome homicide case”.<sup>3</sup>

These conditions, common in the former Soviet republics, firmly hold up the merger of political and economic power, because they make it easy to steal others' property if the government favors a thief. More important is the fact that they prevent any movement to give up power, because the slavish courts will not protect the property of the government that gave up power. Since the National Movement lost power in Georgia, a series of controversial criminal cases have been brought against officials of the former government and their business allies.

<sup>3</sup> *Civil Georgia*, 26 April 2011, accessed July 31, 2011.

Lack of rule of law should provoke more reflection than it has received. In consolidated democracies, the courts are the most unpredictable elements of politics, much less amenable to influence from the chief executive than Parliaments, electorates, or even the media and business. Their bondage to the President in post-Soviet politics reflects a drive for centralized, autocratic control.

### **Merger of political and economic power: general causes**

Throughout history, political power has frequently been a means of gaining wealth. In the British archives, there exists a famous list of the amounts for which many members of the House of Commons—about one-third of the total—were bribed by the Prime Minister, the Duke of Newcastle. That was in the 1760s. But as I write these words, former Governor of Illinois Rod Blagoevich is in prison for attempting to sell President Barack Obama's vacated seat in the United States Senate.

In the modern West, corrupt uses of politics are less common than they were in many traditional systems. The modern idea of the impersonality of political power, which is connected with the idea of representation in politics and in algebra, made the ever-present urge to profit personally from office less respectable. In democratic countries, the public is eternally suspicious of public officials' private use of public powers, because this very idea of representation makes them suspicious. So in these ways it is not surprising to find former Soviet countries more corrupt; they lack certain factors that reduce ever-threatening corruption in the West.



There are also specific Soviet and post-Soviet triggers of corruption. The Soviet Union denied the entire concept, which springs from Hobbes, or ultimately Machiavelli, of a neutral state that is not to the advantage of any individual or group. The Soviet Party-State was supposed to serve the interests of the working class and collective farm peasantry, emphatically not of the bourgeoisie, nobility, *beks*, officers, priests and *'ulama*. It was a clear sign of this when they were denied the right to vote until 1936. But over time the logic of despotism had replaced the "exploiting classes" with Milovan Djilas' "New Class." Nevertheless, high-flown formulae exhorting the population to serve the public good never diminished. The result was that the general public gradually fled the public space. A potent symbol of this is the heavy curtains that hide post-Soviet family life from view, even in the daytime. The principle was: don't let the authorities know about your private life. With the end of the Soviet Union, the false public world simply evaporated: soldiers in the post-communist ethnic wars preferred not to wear uniforms, symbol of individual subjection to the community.

The Soviet destruction of the public world had an important consequence for the way in which individuals seek their private interests. In the West, individuals seek to improve their situation by *categorical* means: by seeking benefits for farmers, for oil companies, or for old people, the most powerful "lobby" in American politics. In the post-Soviet public vacuum, people improve their situation by personal, face-to-face relationships: by finding the people who can give you what you want or have the *svyazy* with other people to get them. In the former Soviet space, where it is hard to get a job, people try to get one through their relatives or friends. This case points out how the long weakness of markets under the

Soviet planned economy contributed to the personalization of rewards and fears. In the West, where people can get jobs through the market, they turn less to personal connections.

## **The Soviet Union Prepares for Wild Capitalism: Economic Failure**

The collapse of the Soviet Union was followed by not by social democracy, but by capitalism in its most brutal form, as the Marxist dialectic would predict. But that capitalism was prepared by “mature socialism.” The failure of the planned economy to provide a comfortable life made people needy and avaricious.

## **Cynicism about People**

When Chairman of the Georgian Parliament Nino Burjanadze left the government before the May 2008 Parliamentary Elections, she was “sold,” for one Lari, as a measure of Georgia’s thanks for her efforts “in the development of Parliament and democracy,” a villa with 31,696 square meters of land in Tskneti, the most fashionable summer house area above Tbilisi—clearly to keep her from joining the opposition. She still was expected to pay taxes on its value, which was then understated at 2.8 million Laris. After the Saakashvili government was weakened by the war, and Burjanadze finally joined the opposition, the taxation authorities “discovered” that the estate’s real value was 12 million Laris, confirmed by obedient courts, so that the taxes were four times as great; Burjanadze’s reward for public service ended on the auction

block.<sup>4</sup> Another example is the history of Imedi, once the only independent television network broadcasting to the whole of Georgia. When the opposition billionaire Badri Patarkatsishvili, who owned the network, died in January 2008, the government claimed that the network was owned by Patarkatsishvili's distant relative, Joseph Kay, and forced Kay to sell it to their political supporters for little money. Kay's claim was contested by Patarkatsishvili's widow, but she was defeated in court proceedings that, as always under the National Movement, were not independent or transparent. In the October 1, 2012 election, the National Movement lost power, unexpectedly for them. Immediately the Imedi network was returned to Patarkatsishvili's family by its "owners" without explanation. The leaders who ruled Georgia from 2004 to 2012 are absolutely shameless. What these two incidents have in common is an assumption that the government and all other politicians are selfish and ruthless. But giving Burjanadze's villa, or accepting it, alike would be huge scandals in consolidated democracies. It must have been assumed that the general public is also utterly cynical: that they expect unfair and unprincipled conduct from the government and from all other politicians, and that no one in politics will pay any price for openly exposing his own cynicism.

What is the origin of this amazing cynicism about people? The Soviet regime was founded to revolutionize the bourgeois world. The late Nathan Leites, who articulated the basic Bolshevik approach to politics on the basis of immense analysis of the works of Lenin and Stalin, expressed the basis of Lenin's "Operational Code," or set of tactical maxims, as follows:

...[I]t is an illusion...to think or believe that in domestic or in international relations there can, essentially, be anything

<sup>4</sup> "Court Upholds GEL 1.25 mln [sic] Tax Claim against Burjanadze," *Civil Georgia*, August 18, 2009.

between “classes” and states but utter incompatibility of interests and fierce conflict of wills...

As long as the question “Who—Whom? has not been decided by the consolidation of world communism—and it cannot be decided short of that—the world is, basically, in a state of high tension. If the Party were to forget that, it would not reduce the tension but merely render certain its own annihilation in the further course of the conflict. ...The Party is obliged to strive for the annihilation of its enemies, a necessary condition for the necessary condition of the fulfillment of its mission.<sup>5</sup>

Even within the Party, said Lenin himself, It was necessary to arouse among the masses hatred, aversion and contempt for those who had *ceased* to be members of a united party, who had become political enemies...Against such enemies I then conducted—and in the event of a split *shall always conduct*—a fight of extermination...Are there any limit to permissible struggle...? There are no limits to such a struggle set by any Party standards, nor can there be any such....<sup>6</sup>

A corollary of this view is that all opponents are utterly selfish and ruthless, are pursuing far-reaching aims, and are determined to push them to victory. Lenin wrote in 1918, when with the end of the First World War there was a glimpse of peace and relaxation:

“There remains now only...the group of victors, the British and French imperialists, which is preparing to *divide up the whole world* among the capitalists, has set itself the aim of overthrowing the Soviet regime in Russia *at any cost*...”<sup>7</sup>

<sup>5</sup> Nathan Leites, *A Study of Bolshevism*, (Gencoe: Free Press, 1954), 28-29.

<sup>6</sup> V. I. Lenin, *Selected Works*, (New York: International Publishers, 1943 ), vol. 3, 489-495 (1907), Lenin's italics.

<sup>7</sup> V. I. Lenin, Speech to the Central Executive Committee of Soviets, October 22, 1918, *Collected Works*, (New York: International Publishers, 1929-), vol. 23, p.255, italics mine.

This cynicism about human motives has a long history through capitalism, Hegel, and social Darwinism, but emerged more nakedly in the worldview of the early Bolsheviks. Originally, only three groups were exempt from this cynical view of the world: the Proletariat, its vanguard, the Communist Party, and, intermittently, the poorest peasantry. Here, there were vast expectations about the wonderful potential of human beings. Huge changes were staked on the expectation of the arrival of a "new man," for example, a collective farmer who cares more about the kolkhoz animals than his own. The new man did not arrive in the numbers expected. Beginning in 1921, when the victory of the Proletariat in the Civil War was followed by massive peasant revolts, a rash of strikes and the Kronshtadt Mutiny, the Communist Party began to grow disillusioned with the workers and peasants themselves. By the end of the Soviet Union, every issue of every newspaper gave evidence that the Party now regarded the workers as selfish, lazy, and needing constant nagging to remember their heroic aims. The exhortations to *partiinost'* [Party spirit], *aktivnost'* [activism], better rhythm in work, and so forth, that constantly streamed forth from the pages of *Bakinskiy Rabochiy* implied a *blaming* of ordinary people, a blaming that became a psychological burden. Soviet official interactions were now pervaded by low expectations about ordinary people. As the works of David Satter show very well, people were constantly mistreated and humiliated. As the Party itself devoured its own body in a succession of blood purges, then in less brutal waves of dismissals, both accompanied by campaigns of *kompromat* against the losing side, this dark, cynical view of the whole world became extended to the whole of humanity, evidently to the leaders of the Party itself.

During perestroika and after, the low expectations from ordinary people began to be supplemented by a new kind of scorn from Westernizing reformers, as Peter Reddaway has

ably argued. Not entirely wrongly, ordinary inhabitants of the former Soviet space were seen as poorly fitted to enter the shining new world of democracy and the market, and a note of contempt came into official dealings with them. President Saakashvili had the following exchange, not untypical, with a *Newsweek* interviewer:

“Nemtsova: Who wants your resignation?”

Saakashvili: Mostly unemployed people. We fired about 250,000 people as a result of our reforms. A big percentage of these people have not managed to find themselves in the new economy. Fighting corruption and crime, we put thousands of people in jail. In Tbilisi alone we convicted 8,000 people; all of their relatives are outside today, asking me to resign”.<sup>8</sup>

In other words, Saakashvili's opponents were unsuccessful, defective people, and he did not feel a responsibility for the people whose lives have been inconvenienced or, sometimes, deeply damaged, by his reforms.

## **Triggers for the Merging of Political and Economic Power**

The causes of the merger of political and economic power lie deep in the Soviet past. But what were the specific triggers of its emergence? Soviet people lived under tremendous pressure, the pressure of government expectations for public spiritedness. Suddenly, with the collapse of the nominally idealistic regime, those pressures were lifted. The inevitable result, with which we ought to have some human sympathy, was the liberation of selfishness and hedonism. Similar dialectical reversals have followed great wars in the West: in America,

<sup>8</sup> “Mikheil Saakashvili: “Where Are My Western Friends?,” *Newsweek*, August 20, 2009.

World War I was followed by the Roaring Twenties, the Civil War by the greed and display of the Gilded Age. In the former Soviet space, the pressures had lasted for 70-74 years, so the reaction was greater.

Communism was succeeded by political regimes that lacked legitimacy, because they were neither Communist nor liberal-democratic. In any case, all the mechanisms by which consolidated democracies translate public preferences into the choice of leaders, such as group interests “aggregated” by free media and political parties, were lacking in post-Soviet society. Instead of social groups with interests, there was a chaos of separated families which could not combine to provide any solid foundation for leaders. To stand up on the slippery mud of post-Soviet disorder, political leaders had to buy support. They bought it by allowing the powerful to steal the public patrimony. As Eduard Shevardnadze said at a summit meeting he was forced to attend by Russian power, “If I had 200 men who were loyal to me, I wouldn’t be here.”<sup>9</sup>

## **Ways out**

The post-Soviet world seems, to those submerged in it, a world where money is the key to politics and politics the key to making money. These two things seem inextricably wrapped up. But investigation shows this impression to be superficial. To begin with, post-Soviet greed reinforces autocratic government, but it also threatens it. Lucan Way has ably argued that economic “oligarchs” are a tremendous danger to competitive authoritarian regimes.<sup>10</sup> He was writing about the Orange Revolution in Ukraine, where rich men found themselves with less than the biggest billionaires and wanted more, supporting

<sup>9</sup> Interview with Jirair Libaridian, First Deputy Foreign Member of Armenia in 1993.

a challenge to rulers aligned with their richest rivals. But the recent successful challenge to competitive authoritarianism by Bidzina Ivanishvili in Georgia shows another mechanism by which private wealth can destabilize such governments. Ivanishvili was extremely rich, the richest man in Georgia, and clearly became irritated at the injustices and whims of men he probably regarded as smaller than himself. Perhaps he was also bored, with six billion dollars or more generating more billions with little effort of his own. His subsequent performance as Prime Minister has shown that he wants to achieve things on his own, a personality trait dangerous to autocratic rulers.

Of course, the Orange Revolution largely failed, and political and economic power continue to be merged in Ukraine. We do not yet know the outcome of October 2012 in Georgia. Most post-Soviet citizens, I believe, approach this peculiarly frustrating aspect of the misgovernment they live under without great hope. Overall, they are victims of what I call post-Soviet masochism. Post-Soviet masochism is taking on oneself, as a citizen of a particular country and member of a particular people, flaws of the area that are far more universal. Stuck in a taxi jam, a Tbilisi taxi driver will remark, "Georgians don't know how to drive." This sort of masochism discourages efforts at change. But the traffic jams are equally bad in other cities, why is it a fault that goes with being Georgian? Merger of political and economic power characterizes the whole post-Soviet space—and beyond. To regard it as belonging to a particular people suggests it is the feature of a local culture that has endured for centuries and will be very resistant to change.

That was the universal opinion of social scientists. Mikheil Saakashvili, President of Georgia from 2004 to the present, proved them wrong—a historic achievement. Saakashvili started with Shevardnadze's state, which relied on corruption all the way from the top to the bottom, from the Minister or



provincial Governor to the policeman on the road. Saakashvili realized how annoying to most people this universal corruption was. (Other rulers might realize this as well.) He moved rapidly in his first two or three years to eliminate low and middle-level corruption, winning huge popularity in the process. He showed that the modern state, which generally authorizes and fosters corruption in the former Soviet space, can also be a potent and effective enemy of corruption. Saakashvili proved the merger of political and economic power was not a product of local cultures.

Saakashvili did not, however, try to eliminate corruption at the top, certainly at the level of Minister and Deputy Minister. High-level corruption continued, with political motives (support of the ruling National Movement) foremost. The U.S. businessman Fady Asly reports:

"[In 2008,] the authorities decided to generate extra budgetary income through the creation of artificial monopolies where various business activities were "given" to friends who were a facade for high ranking people in the government. . . . Businesses that are perceived to be in the opposition, those businesses can simply not operate, they are the victim of endless audits, delays at customs, liens on their accounts and ultimately exile, if not prison".<sup>iii</sup>

In fact, anyone outside the ruling elite who had money was vulnerable to the tactics of property seizure and forced contribution, usually without benefit of any legal process whatsoever. The result of this financial terror, as Asly says, was that "Georgian businesses stopped investing in the country." The task of fighting poverty, the most important task for citizens, was ignored except for flashy prestige projects that served also the function of enriching a favored few. According to polls, 70 percent of the populace is not working. So, both directly and indirectly, the failure to eliminate corruption at the

top contributed immensely to the public dissatisfaction that toppled Saakashvili's National Movement from power (except the Presidency) in October 2013. Saakashvili showed that the state could effectively eliminate corruption. If he had not exempted his closest followers and their friends in business from the drive against corruption, the National Movement might have survived in power.

Perhaps Saakashvili did not move against the merger of political and economic power because of the dark, cynical view of man that he inherits from communism. But as communism fades into the past, as new generations are born and grow to adulthood without being conditioned by the Soviet experience, all the psychological atmosphere of communism will slowly fade. In Tbilisi, Georgia, one striking sign of the gradual reversal of the communist emptying of the public space is the gradual appearance of signs selling real estate on the apartments or houses for sale. In America, this is the most common and most effective way of advertising one's property. Until very recently, it was never used in Georgia. Why? Fear that others, and particularly the government, would find out that you had money or were engaged in financial transactions was powerful. In the last three or four years, the resident of Tbilisi sees more real estate signs every year; since the predatory National Movement government was deposed the blossoming of signs has accelerated.

Any movement away from the merger of political and economic power can benefit from facts about its nature revealed by history. In the United States, national government is largely free of complicity with particular favored businesses and corrupt indebtedness to them, because democratic public and media are ever-suspicious of such complicity. Business is open to political influence, but businesses are so jealous of favors done to one as opposed to another that they prefer, on

the whole, a genuinely free market with minimal government interference. Local government, however, in areas such as the South is rather corrupt. This case shows that the merger of economic and political power can be confined to limited pockets or enclaves that do not transform the system as a whole.

Merger of political and economic power is also something that can disappear quickly. The British Parliament, according to the great historian Macaulay, was easily corrupted by the executive with lucrative favors and property from the reign of Charles II to the end of the American Revolution, the span of a century.<sup>10</sup> With the abandonment by George III of the final royal attempt to dominate a restive Parliament, it disappeared. By the early 1840s, when Engels was researching *The Condition of the Working Class in England in 1844*, even factory inspectors—the most easily corrupted government employees—fearlessly exposed conditions that embarrassed the rich and powerful and cost them money. Merger of political and economic power seems like an engulfing sea in which post-Soviet people are swimming, unable to imagine its evaporation. But closer study of its causes and history shows that it can vanish away.

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<sup>i</sup> OSCE, “International Election Observation Mission: Georgia—Parliamentary Elections, 1 October 2012, Statement of Preliminary Findings and Conclusions,” 2 and 9.

<sup>ii</sup> Lucan A. Way, “Ukraine’s Orange Revolution: Kuchma’s Failed Authoritarianism,” *Journal of Democracy* 16 (April 2005): 137 ff.

<sup>iii</sup> Interview with Madona Gasanova, *The Financial* (Tbilisi), 22 October 2012.

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<sup>10</sup> Thomas Babington Macaulay, *History of England from the Accession of Charles II*, ed. C. H. Firth, (London: Longmans, Green, 1913–), Vol. IV, pp. 1798–1803.

**Ramazan Gözen**

**Turkey's political and economic  
transformation:  
from the realist / semi-Soviet model  
towards a liberal model**

**Introduction: a theoretical framework**

The question of this paper is: How does the merger of political and economic power work in Turkish case? I understand it as an interactive functioning of politics and economy in domestic sphere. To answer this question first we need a theoretical framework dealing with this interaction. How are politics (the state and its rulers) and economy (the market and its actors) interrelated in theory?

There are three grand theories on this subject. Liberalism argues that politics and economy should be separate from each other, neither intervening to another's field. Thus political actors and goals should not interfere into economic interactions in the market not only within the boundaries of a country but also across countries. Adam Smith is the best known pioneer of this school with *laissez faire*, the market economy, which means there should not be any obstacles, be it political, ideological or physical, in front of economic relations. As a matter of fact this ideal has never been in operation in full scale. The state has always intervened into economic life in different ways at different levels. Although there has been a gradual progress towards a global market economy in the form of globalization by lowering tariffs and other obstacles to

trade among the countries, even by removing the borders in the case of the EU, we are still far away from what the liberals argue or expect for.

That is why other two theories argue that economy and political spheres cannot/should not be separate from each other. According to Marxism, economy comes first and determines politics and all other things. Thus economy as the infrastructure is the basis of the politics, which is the upper structure. Economic interests and political interests are interactive. In this respect, the Soviet Union and its dependent states established a system where economic resources and actions were controlled by centrally-planned political actors and bureaucracy. The centrally-planned economy means full allowance to the political actors to intervene into economy. Here economic objectives are regarded as priority. But is it really so? What is the role of political interests and strategies in the management of economy? What about the interests of politicians and monopoly groups in this system? I think this was answered by economic realism, which argues that the state determines economy and economic interactions among the countries. Realism as a state-centric theory believes in the superiority of the state power and interests over everything else, including economy at home and in the world.

In real life, we don't see any of the theories being implemented fully. None of the above theories, neither liberalism nor realism nor Marxism are working as it is argued in theory. But today, after the collapse of the Marxist model, a varying mixture of realist and liberal models can be seen in domestic and international levels.

I believe and argue that Turkey is one of these countries. Indeed Turkey is an interesting example where all three models have been in operation in different times up-to-day. In the light of theories, my argument is that Turkey has been moving from

the realist and a semi-Soviet model towards a liberal model of relations between economy and politics over the last century. So I will explain how it happened and changed. I will show how political power and economic power have been built and implemented in Turkish case. So the following is an analysis in the historical perspective of Turkey's experience on how politics and economy have interacted. But before this analysis I shall point out some basic parameters to understand Turkish experience.

## **Basic parameters**

It must be stressed that in general terms the state power has been very dominant over the operation of political and economy system of Turkey. Turkish state and its rulers have had an upper hand in the organization and management of economy. However it has never been like the one as in the case of the Soviet Union or in other corporatist states. In Turkey there has always been separate public and private sectors, and the state power and the economic power have been fairly separated from each other since the Ottoman times. Although the Sultan officially and in theory was the owner of the state, the territory and the people (servants/kullar), he has always allowed private ownership and business. For example, in the empire of 1915, out of 264 companies/business entities, 214, i.e.80% was owned by the private groups.<sup>1</sup> For the sake of generalization, we can argue that though changing in different periods, this pattern has continued over the following

<sup>1</sup> Güven Delice and Cengiz Yavilioğlu, "Dönemler itibarıyla Türkiye'de devlet-ekonomi ilişkileri", Cengiz Yavilioğlu, Güven Delice and Onur Özsoy, **Dünya'da ve Türkiye'de Özelleştirme Uygulamaları: Teorik ve tarihsel bir perspektif** (Ankara: T.C.Başbakanlık Özelleştirme İdare Başkanlığı Yayını, 2010), s.290. Metin Toprak, Ömer Demir at al. **Türkiye Ekonomisi: Serbest Piyasa Devriminin Serüveni** (Ankara: Siyasal Kitabevi Y., 2001).

decades. Thus we can say that there has never been a full merger of economy and politics like in the Soviet Union or its dependent countries. The following data can give an idea about the role of public and private sectors in large manufacturing industry in the modern Turkey.

## Share of Public Sector in Large Manufacturing Industry

Percent share of public sector in manufacturing

	1976	1981	1986	1991
Value added	29	46	40	32
Employment	35	34	29	25
Investment	32	27	32	9

**Source: Computed from various issues of “Annual Manufacturing Industry Statistics,” Turkish State Institute of Statistics <sup>2</sup>**

2. Turkish economy has long been connected to world economy and foreign business groups since the Ottoman times, especially to Western economy, politics and modernization process.<sup>3</sup> By the beginning of the Republic era, the total number of business units owned by foreign and native businessmen increased to 314.<sup>4</sup> Because Turkey was incor-

<sup>2</sup> Osman Zaim and Fatma Taşkın, “Comparative Performance of Public Enterprise Sector in Turkey: A Malmquist Productivity Index Approach”, **Journal of Comparative Economics** No. 25, 129-157 (1999), Table 1, p.131.

<sup>3</sup> I thank Assoc.Prof.Dr.Fuat Oğuz for his advice that Turkish economy started opening only after 1980, and his agreement with me that Turkey has long been connected to the Western World since the Ottoman times.

<sup>4</sup> Güven Delice and Cengiz Yavilioğlu, “Dönemler itibarıyla Türkiye’de devlet-ekonomi ilişkileri”, Cengiz Yavilioğlu, Güven Delice and Onur Özsoy, **Dünya’da ve Türkiye’de Özelleştirme Uygulamaları: Teorik ve tarihsel bir perspektif** (Ankara: T.C.Başbakanlık Özelleştirme İdare Başkanlığı Yayını, 2010), s.290. Metin Toprak, **Cumhuriyet Dönemi Türkiye Ekonomisi**, (Ankara: Kara Harp Okulu Y. Ankara).

porated into the western system and aimed to integrate with the modern world since the late Ottoman times, Turkish state was always influenced by liberal economic rules, giving freedom to the foreigners to perform economic activities at the country. The recent shares of foreign investment and investors in Turkey are as follows:

FDI Stock by Source Country (end of 2008 /million \$, according to current market value of investments)<sup>5</sup>

Country	Value	Share (percent)
Netherlands	13,514	20.1
France	5,582	8.3
United Kingdom	5,397	8.0
Finland	4,960	7.4
Germany	4,840	7.2
U.S.A.	4,543	6.8
Greece	4,118	6.1
U.A.E.	3,744	5.6
Belgium	3,267	4.9
Luxembourg	2,784	4.1
Others	14,516	21.5
Total	67,265	100.0

### ***Major foreign investors in Turkey***

*ABB, Abbott Laboratories, AEG, AES, Akzo Nobel, Alcatel Lucent, Alliance One, Arcelor, Archer Daniels Midland, Aria, Aventis, BASF, Bausch and Lomb, Bayer, Bechtel, Bosch, Bridgestone-Firestone, British Petroleum, Bunge, Cadbury Schweppes, Cargill, Castrol, Chase Manhattan, Cisco Systems, Citigroup, Coca Cola, Colgate-Palmolive, Daimler Chrysler, Delphi-Packard, Dow Chemical, ESBAS A.S., Eurest,*

<sup>5</sup> [http://turkey.usembassy.gov/media/pdfs/2010\\_turkey\\_ics.pdf](http://turkey.usembassy.gov/media/pdfs/2010_turkey_ics.pdf)



*Fiat, Ford Motor Co., Fortis, M.A.N., General Electric, Goodyear, Henkel, Honda, Hugo Boss, Hyundai, ITT, Indesit, JTI, L6, Lafarge, Lockheed Martin, Marsa-Kraft-Jacobs Suchard, McDonald's, Merck Sharp Dohme, Metro Group, Mobil, NRG, Nestle, Normandy Mining, Nortel Networks, Novartis, Pepsi, Perfetti, Pfizer, Philip Morris, Pirelli Tire, Procter and Gamble, Renault, RJR Nabisco, Roche, Sandoz, Shell, Siemens, Texas Pacific Group, Toreador/Madison Oil, Toyota, Unilever, United Defense, Vodafone, Volkswagen, and Yazaki.*

**Source: General Directorate of Banking and Foreign Exchange, Turkish Treasury**

3. The state of international conditions and power politics played a key role in the formation and transformation of the Turkish economy-political model. Turkish state and economy have been subject to the shifts and developments in the world economy and politics. Due to its critical geopolitical location and position Turkish state and economy have been influenced by power politics process in international system, i.e. from the world wars, the cold war, etc.

4. Turkish state's main goal has always been the so-called westernization- to be part of the modernization process which developed in Europe and the west in general. The west has been a prime target for the state and the people to develop. To this end, Turkey followed western oriented policies, implemented western values and participated in the western institutions, NATO and the EU being the most important ones. So we can say that the merger of political and economic power have developed, changed, continued in the context of this goal.

5. But this process has not been easy, linear, and successful enough. That is, Turkey's modernization process

has experienced difficulties with ups and downs, declines and failures over the twentieth century. This was mainly because of power struggle and competition among the national groups and actors in the country over how to achieve modernization and run the state. They can be roughly divided into groups: the Kemalist elites, the core with a state-centric and ideological perspective and power, and the periphery with conservative values and powers. Classically the core groups included the CHP (Cumhuriyet Halk Partisi- the Republican People's Party), the founder of the state ideology, political elites, bureaucrats, military, state-embedded businessmen, academia and the media. The periphery groups included those political parties, DP (Demokrat Parti – The Democrat Party), AP (Adalet Partisi – The Justice Party), ANAP (Anavatan Partisi – The Motherland Party), DYP (Doğru Yol Partisi – The True Path Party), AK Party (Adalet ve Kalkınma Partisi – The Justice and Development Party) (DP and AP were closed down by the military) mostly supported by the villagers, urbanized petty businessmen, religious and conservative segments of the society. Mind that there are so many periphery parties and that the names of the parties comprise of such normative words as "democrat", "justice", "true path", "motherland", "development". In my opinion, this set of titles itself show the quality of the unequal interactions and positions between the core and the periphery, namely the core being in the position of the upper dogs, and the periphery as the lower dogs looking for a decent position in the state .

The core has owned and controlled the state, at least until recently. Whereas the periphery groups were isolated from the state ruling, they have had a great social and psychological influence. However this division did not stay constant, but was in flux and transformation over the century. Here is the essence of Turkish politics, not only in the sense of democratization

process but also in terms of the interaction of political and economic powers. The main point here is that the periphery have grown, developed, and expanded its economic and political power to such an extent that now the segmentation of the groups have been complicated as the periphery were integrated with the core and vice versa. But more important development is that the periphery now runs the state, even if it is not in full control. The periphery moved into the core, while the core is in the process of “marrying” with the periphery.

In this process, three personalities were very important, or were leading actors, for the Turkish periphery: Adnan Menderes of the DP during the 1950s, Turgut Özal of ANAP during the 1980s up to 1993, and Abdullah Gül-Recep Tayyip Erdoğan of AK Party from 2002 up today. There was another member of this tradition with a long acting in Turkish politics, Süleyman Demirel. But he did not perform well, namely stood against the civilian government and close to the military core in the 28 February 1997 process of military intervention. That is why he has almost lost his credit and image among the conservative groups.

6. International and domestics actors and factors combined played a critical role in transforming Turkey's economic and political systems from a semi-Soviet and realist model towards a liberal/neoliberal model. That means a transformation from a more centrally-planned political and economic system towards a comparatively more free, plural and democratic system. In another words, Turkish domestic and foreign policy as well as economic and political power were basically close to state-centric realist model and having similarities with the Soviet model of centrally-planned economy.

7. But this transformation process and the conflicts of power among the parties produced very deep financial and economic crises with their social, political and even cultural

consequences. Over the half century Turkey experienced devastating financial crises, each of which was resolved by a financial aid from the IMF. In every case, while Turkish economy was put into order, deep economic and political restorations were also made. The IMF and international financial actors played a key role in the change of Turkish economy policies in 1960, 1980, 2001 in particular.<sup>6</sup>

To prove my arguments, I will briefly elaborate how this transformation has happened over the last century.

## **A history of Turkish political economy model**

### ***1923-1929: state capitalism accompanied by authoritarian state-building***

In the first decade of the Republic, with a program accepted in İzmir Economy Congress in February 1923, Turkey tried to recruit entrepreneurs to improve market economy. The state decided to encourage and support private economic groups to invest and produce. On the other hand, due to restrictions by the Lausanne Treaty of 24 July 1923, Turkey was obliged not to increase its tariffs in the foreign trade with the Western world. Then the state ownership of the economy was not big, but it widely intervened into economy in order to generate “embedded businessmen”. Thus it was argued that it was not a genuine liberal system, but a state-centric liberalism or capitalism.<sup>7</sup>

<sup>6</sup> For more see Mustafa Kutlay, “Internationalization of finance capital in Spain and Turkey: Neoliberal globalization and the political economy of state policies”, **New Perspectives on Turkey**, No.47, Fall 2012, p.115-139.

<sup>7</sup> Güneri Akalın, *Cumhuriyet Dönemi Ekonomi-Politik Tarihinin Liberal Yorumu* (Ankara: Orion Kitabı, 2010).

But this didn't change the fact that it was a realist model. Indeed, in the state-building process, the Republic was so authoritarian that the groups opposing to the state ideology were excluded, suppressed and executed. The state leadership led by Mustafa Kemal imposed a new constitution in 1924 to create a new nation-state with a Turkish identity. The Turkish nation was to be based on Turkish ethnicity with secular, modernist, and positivist characteristics. The leadership co-opted those social, economic, and political actors who were supportive of the Kemalist ideology, but excluded those Kurdish, Islamist, Alevite sect and other 'different' groups from the state ruling. Under these conditions, it was obvious that the political and economic power were in control of the Kemalist groups in the core.

At the end of the day this model did not work as planned because the private sector, "entrepreneurs", could not flourish and the state-building process generated strong opposition from the periphery. Neither could economy develop, nor could political system form a stable order.

***1930-1950: centrally-planned statist economy  
accompanied by "Single Party rule"***

Partly in reaction to the failure of the semi-liberal model in first decade and partly due to emerging international conditions after the 1929 Depression, Turkey swiftly and sharply turned to a semi-Soviet model by instituting a new kind of economy and political system. In a centrally-planned economy model the Turkish state gained new and more economic powers. In that process newly-formed State (Public) Economic Enterprises (SEE) (Kamu İktisadi Teşebbüsleri) were set up, owned and operated by the state. Large part of economic production and market(ing) was controlled by them. A num-

ber of sectors from electricity to tea, sugar, banking, railway, textile, cigarette and so on were owned and operated by the state, the CHP or pro-CHP bureaucrats. There was a considerable progress in industrialization of these sectors by state investments in this era.

The CHP, ruled by Atatürk until his death in 1938 and by İnönü later, was the Single Party to run the state, and no opposition party was allowed. A new party, The Free Republican Party (Serbest Cumhuriyet Fırkası) was setup by Atatürk in 1932, not for a multiparty system, but to gain full control over the opposition, but it was closed down immediately because of its potential “periphery” power to challenge CHP and Atatürk’s authoritarian policies. As this attempt was ended in short time, and after Atatürk’s death in 1938, CHP was led by İnönü named as Single Man (Tek Adam) who remained as the only power to have control over the state politics and economy in the following twelve years. During this process, while ‘building a pure/homogenous Turkish nation project’ was on the top of agenda, foreigners who had considerable economic power in Turkish economy were all deported. In 1920s and 1930s, moreover, non-Muslim Turkish citizens were imposed heavy poll-taxes (Varlık Vergisi) to increase government’s war time policy in the Second World War,<sup>8</sup> during which Turkey experienced varying economic policies under different prime ministers, Refik Saydam and Şükrü Saraçoğlu.<sup>9</sup>

This did not mean that there was no more private ownership in the country. Turkey did not have a full Soviet model, but a semi-Soviet model, namely a hybrid economy of state and private ownership and production. Thanks to Turkey’s modernization goals and security problems before, during and

<sup>8</sup> For summary of this period: Hasan Kösebalaban, **Turkish Foreign Policy: Islam, Nationalism and Globalization** (New York: Palgrave Macmillan, 2011), p. 60-65.

<sup>9</sup> I thank Dr. Mustafa Kutlay for sharing this information with me.

after the Second World War, Turkey never turned to the Soviet Union as a source of economic and political development. Although Turkish-Soviet relations were very cordial during the 1920s and 1930s, during which they signed two treaties in 1921 and 1925 to collaborate against the imperialist powers, the UK and France, Turkish state leadership were never interested in the Soviet ideology and system of economy and politics. Although Turkey of 1930s was heavily influenced by the Soviet model to set up a centrally-planned economy like the SEEs, that was only a product of Turkey's search to cope with the 1929 Depression.

As soon as the impact of the Depression vanished and international conditions changed after the Second World War, Turkey returned back to her original goal of westernization and modernization from 1950 onwards.

### ***1950-1960: start of semi-liberal economy and democratization***

The Soviet threat and Turkish modernization project were two important factors to convince Turkey to be a member of the US-led block from 1945 onwards. In that process the main goal was to be a member of the US-led NATO. Turkey's membership process was started by İnönü of CHP in 1949, but completed and implemented by Adnan Menderes of DP in 1952. As a result of membership Turkey was integrated into the western, capitalist, and democratic world. This new international position was immediately reflected into the Turkish domestic political and economic system. In 1950 there was a very radical change from CHP's "single party/single man" ruling into DP's democratically elected ruling. The DP was the first opposition party to win the first elections in Turkey to form a new government. It was an important turning

point for Turkish democracy because for the first time not only in Turkey but also in the Islamic world, there was democratic change of government and leadership. With this, the members of the so-called periphery moved up to the core of the state. Although the DP leadership were former members of the CHP, their supporters / voters were not, instead they were harshly critical of CHP's authoritarian policies. This can also be seen as the beginning of the transfer of power from the core to the periphery not only in terms of politics and foreign policy, but also in terms of the use of economic resources of the country.

The DP program was liberal in both economy and politics. Two important characteristics of Turkish economy in this era were – firstly, the growth of agriculture-led liberalization and secondly, the start of relations with the IMF. While the first aimed to make Turkey a hub of agricultural production so as to be a 'bread basket of its region and the Western-industrialized world', the second, which could be regarded as an important turning point for Turkish economy and politics aimed to get financial aid from the Western finance sectors, primarily from the USA. Indeed, during its reign from 1950 to 1960 the DP performed high level economic growth, in which villagers, urban petty businessmen, craftsmen, farmers, small workers had bigger share of production and consumption. The DP started, for the first time, privatization of the SEEs. Life standards and reforms for modernization in the core and the periphery were increased visibly. In the 1950s there was an increasing social, political and economic mobilization from the periphery to the core throughout the country, from the rural areas to the towns, and from lower strata of income to that of higher income, from the society to politics and bureaucracy. This was a multifaceted and multilevel change of power as well.

This transformation took place within the context of Western order, hugely supported by the US and international



capital. Turkey received high amount of financial, technical, and military assistance from the US under schemes like the Marshall Plan of the USA. Turkey increasingly moved into the capitalist world as private groups had more involvement in economic and political process. Gradually, Turkish economy and political system were integrated in the western capitalist system. In response to this support Menderes leadership cooperated with the US and NATO to set up pro-western orders in the Middle East, Balkans and the Mediterranean.

Towards the end of 1950s there was a decline in the economic performance of the DP government, leading to a set of economic problems. To overcome this problem the DP government looked for alternative sources to get financial credits from Europe and the Soviet Union. To this end, the DP government applied to the EEC for membership. But Turkey's application could not be finalized quickly because of the military coup in 27 May 1960. This was a military coup executed by CHP-military bureaucracy coalition of the core to overthrow DP-conservative coalition of the periphery.

### ***1960-1980: import-substitution economy under the military tutelage***

After the military coup a new system was set up with a new constitution and new institutions like the National Security Council consisting of military generals and the government members. The DP was closed down, the government was replaced by CHP and its chairman İsmet İnönü was appointed as the new Turkish prime minister. CHP regained its power with a military coup. That means Kemalist ideology and its supporters came to power in an undemocratic way, instead of an election process. Surprisingly, the CHP government of İnönü performed a very critical policy by completing the EEC

membership process on 12 September 1963, which made Turkey an associate member of the EEC.

As a result of that a new era started in Turkish politics and economy, whose impacts have been continuing even today. In retrospect, since Turkey was admitted as an associate member of the EEC, less than full membership, this process has had a great impact on Turkey's use of economic and political powers. Turkish economy and democracy have become subject to the EU integration process not as a full member, but as an associate member. Turkish economy gained new dynamic market capabilities while Turkish democracy gained liberal features over the years. In the 1970s while Turkey started the customs union with the EU, liberal market economy and private ownership expanded, and civil society grew.

During the period of 1960-1980, due to the rising ideological conflict between Marxist/pro-Soviet groups, on the one hand and the nationalist groups and the governments - on the other, Turkish civil society have become more vibrant and active. Although this was mainly an ideological conflict in nature, it contributed to the growth of a pluralist society.

Neither Turkish-EEC relations nor Turkish economic and political modernization developed smoothly and in stability in these decades. Turkish economy was an import-substitution model, being highly closed to world economy. Turkish economy was not competitive, and still under the state control. Private economy and businessmen were continued to be heavily subsidized by the state budget. The amount of Turkish exports was not high enough to meet Turkish imports. Due to that, balance of payments was in deficit. The deficit caused a big problem when Turkey's cost of imports sharply increased after the 1973-1974 oil crisis. In the 1970s Turkish economy was in deep crisis due to its import-substitution strategy as

well as the shrinking economic relations with the EU especially after Turkey's military operation in Cyprus in 1974.

Turkish economy, politics and society were in crisis. Especially after the 1971 military coup, the second of the kind, Turkish political and social system was dangerously polarized into the rightist parties and the leftist parties. There were a number of coalition governments composing of opposite parties, which could not run state and economy successfully. The chaos in the political system was mirrored into the society wherein an increasing level of street fighting among the youth from the left and the right developed. The state security forces, governments and political actors could not stop this anarchy in the society.

The 1970s witnessed a spiraling rise of uncertainty, chaos, anarchy and vacuum in Turkish economy, politics, security and society. So the state was in trouble. The worst came in 1980 when the military overthrew the civilian government and took over the government the third time. The 1980 military coup was the worst military intervention because of its radical modification of the state structure. The military generals led by Chief of Staff Kenan Evren wrote a new constitution and set up a new state regime. Although the military coup was officially executed to save the Kemalist ideology from collapse, Turkey's international position as a member of NATO was preserved, and, very interestingly, a very liberal economic model was started by the initiatives of not the military but the civilian government led by Turgut Özal.

### ***1980-2002: neo-liberal economy model under militarism in the age of globalization***

The 1980 military coup leaders, led by General Kenan Evren, constituted a strange state regime: It was authoritarian

in politics and democracy, but very liberal in economy. Its authoritarian character can be seen in the 1982 Constitution; while its liberal character can be seen in the austerity program of 24 January 1980. We can argue that the Turkish political and economy system was based on these pillars even today. Although there has been so many changes and modifications in both pillars, the 1982 Constitution and the 1980 liberal program continues both formally and practically to have impact and influence on the Turkish state system. Turkish politics is still legally functioning under the influence of the 1980 Constitution, and Turkish economy is fully influenced by liberal/neoliberal philosophy.

During the 1980s, there were two centers of power in Turkish politics and economy. The first and the dominant center was the military tutelage led by President Kenan Evren, and the second center was the civilian government led by Prime Minister Turgut Özal. While the military represented the Kemalist ideology and power, the Özal governments represented the conservative periphery. In general there was a division of labor between the two as follows: the military was in charge of security and ideology, high politics of the state, whereas the Özal was in charge of economy and foreign policy.

In the 1980s Özal leadership with a strong sympathy to liberal values had a radical turn towards the globalization. This was a substantial change from the realist, semi-Soviet model towards the liberal model. A scholar defined it as “liberal revolution”.<sup>10</sup> Turkish economy model was moved from import-substitution strategy to export-led growth strategy from 1980 onwards. Turkish economy opened up to the global competition, Turkish currency was evaluated, state restrictions

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<sup>10</sup> Dankward A. Rustow, “Turkey’s Liberal Revolution”, **The Middle East Review**, Vol.17, No.3, (Spring 1985)

to the import and export gradually declined. Turkish civil society and entrepreneurs started growing and maturing.

In order to increase exports Turkey turned to the Middle Eastern markets, especially towards oil-exporting countries, Iraq, Iran, Kuwait, Saudi Arabia, Libya. Thus Turkey-Middle Eastern relations developed so deep that Turkish foreign policy was also affected by that. Turkey-EU relations were in trouble due to the fact that the EU countries were critical of the military coup and its policies. But that did not mean that Turkey's traditional position in the NATO and West was harmed. On the contrary, Turkey-US relations developed intensively in the 1980s. Turkey was supported by NATO and the US especially because Turkey was playing a very critical role in the Iran-Iraq war of 1980-1988. Turkey's neutrality to the war was mostly supported by the allies. But Turkey's neutrality was not constant as it was seen in the case of 1990-1991 Gulf war. Özal swiftly and sharply cut off its relations with Iraq of Saddam Hussein in order to support UN embargo led by the US leadership. Özal did not mind cutting off its lucrative economic relations with Iraq, which was Turkey's biggest economy partner in the 1980s. In particular Turkey suspended the flow of oil from two pipelines from Kirkuk in Iraq to Yumurtalık in Turkey. Because of the embargo, Turkish businessmen lost high amount of money. Turkey's total loss from the Iraq embargo amounted to over 100 billion dollars.

Despite all liberal reforms to improve private sector and economy, once more the state rulers dominated the management of economic relations by suspending its economic relations with Iraq. The Gulf war showed the limits of the private sector in the management of economic power, and decisiveness of the political power over economy and civil society in Turkey. Although most of the contractors, traders and workers were negatively affected from embargo, losing billions of dol-

lars, they had no alternative but to stop their works in Iraq so as to abide by the state foreign policy choice.

After the end of the Gulf war and the end of the Soviet Union in 1991, Turkey was forced to adapt herself into a new international system. The post-cold war era speeded up Turkey's integration into the global system, but with a lot of problems in coping with its implications. It can be argued that Turkey experienced a big challenge to adapt herself into new international conditions. The challenges were twofold: new globalization process, and the security crises and problems around the neighboring regions, the Middle East, the Balkans, and the Caucasia and Central Asia. As far as the globalization process was concerned, Turkey's financial sector was integrated into the global finance through the İstanbul Stock Exchange (the ISE, the ex-İMKB) and banking sector. Turkish economy was now more vulnerable to external economic and financial shocks and challenges. As far as the security was concerned, Turkey faced more PKK terror attacks, and a set of new kinds of instabilities in Iraq, Azerbaijan, Bosnia-Herzegovina, Palestine, and many others.

Due to these two challenges, Turkey experienced an unprecedented decade in the domestic politics in the 1990s. Politically speaking, deep government crisis brew because of weak and ineffective coalition governments. The fact that eleven coalition governments were formed and thirteen foreign ministers were appointed in ten years, shows the level of instability. Economically speaking, Turkish economy faced deep crises, skyrocketing inflation, large balance of payment deficits, desperate financial shocks, high unemployment figures.

This picture was further darkened by rising power and influence of military bureaucracy. Due partly to its role in fighting against PKK terror, partly to its hegemonic position

in the Turkish state structure, the military as members of the National Security Council intervened into the civilian political developments, and overthrew Refah-Yol coalition government of Islamist Necmettin Erbakan and Conservative Tansu Çiller in the so-called 28 February Process of 1997.

The rising influence and interventions of the military negatively affected not only Turkish politics and economy, but also Turkey's relation with the EU. In the 1990s, Turkey's EU membership process was in disarray. Except one positive move that Turkish-EU Customs Union was completed in 1996, there was a sharp decline in the full membership process when the EU Luxemburg Council decided to exclude Turkey from the list of candidates for the EU membership. The membership process was restored two years later in the 1999 Helsinki Council, thanks to the visionary leadership of Gerhard Schröder of Germany and Jacques Chirac on the EU side, and İsmail Cem and Bülent Ecevit of DSP- on the Turkish side.

In conclusion, the set of these domestic political and economic crises accompanied by foreign policy crises pushed Turkey into a fatal crisis first in 1994, in 1999, and finally in 2000-2001, which was the most destructive one. The 2000-2001 crises were the worst of all, but became the turning point in Turkey's transformation in the 2000s. As a result of this crisis the coalition government of Ecevit, Yılmaz and Bahçeli supported by military coup leaders - was in deep trouble, unable to keep stability in the economy and politics.

In the next elections on 3 November 2002, a radical change/transformation developed in Turkish politics: all of the coalition parties, DSP of Ecevit, ANAP of Yılmaz and MHP of Bahçeli were swept away from political arena, and a new party, the AK Party led by Recep Tayyip Erdoğan and Abdullah Gül, came topower. The AK Party was actually a by-product of the 28 February process: as the victims of the military intervention

due to their Islamist identity and the members of Erbakan's Refah Party, Erdoğan and Gül set up the AK Party to make up a new ideology. The new ideology was anti-Kemalist and anti-militarist, but neoliberal, modernist Islamist, "conservative-democrat" as the party officially identifies itself.

***2002-2012: neoliberal economy accompanied by rising democratization: the AK Party era***

The AK Party is a new phenomenon in Turkish experience in all dimensions: philosophy, politics, economy, society and culture, foreign policy and so on. The AK Party has generated a new ideology and political movement by marrying the conservative/Islamic values with the modernist/secular values. It believes in the coexistence of conservative/Islamic values within the context of modernist, neoliberal, global and secular values. In both domestic and foreign policy it has followed a liberal model, trying to achieve Turkey's transformation by implementing reforms in evolutionary rather than revolutionary style.

The key characteristic of this transformation is to make widespread changes in the identity of the Turkish state. For the first time, the periphery with its authentic identity has moved up to, and had control over the state system by almost replacing the traditional actors of the core. That means, for the first time in Turkish politics, a political party with its Islamic identity and anti-Kemalist ideology have been victorious in three sequential elections in 2002, 2006, 2010 by gaining 50 percent of the votes against the core party(ies), CHP in particular. This itself was the first aspect of the transformation in Turkish state system, but more aspects are as follows:

An important source and power of this transformation were substantive changes in Turkish grassroots over the last three



decades. Periphery economy actors, the so-called Anatolian Tigers, have grown tremendously to the extent that they now challenge the economic power of the core groups. As an illustration, the MÜSİAD (The Association of “Independent/Muslim” Businessmen), the representative of the Anatolian Tigers as opposed to the Istanbul-centered business organization TÜSİAD (The Association of “Turkish” businessmen) has developed so much to have a decisive influence over Turkish economy and politics.<sup>11</sup> Moreover, the periphery has grown and expanded in other fields such as academia, media, sports, municipality, bureaucracy, civil society organizations and so on. Indeed, the AK Party victory and performance was a result of this growth and expansion in the grassroots.

The power of the AK Party cannot be understood or explained without its external or international connections. The AK Party has developed close relations with the USA, the EU and global actors, improved Turkey’s position in NATO, started full membership negotiations with the EU, and acted in line with global institutions such as the IMF, World Bank and their rules such as free trade, financial integration, foreign investment and so on. Substantial reforms and regulations were performed in the financial sector and public spending so as to cope with the “uncontrolled liberalism” of the 1990s which had caused “hot money crises”.<sup>12</sup> All these connections and reforms improved not only the performance of Turkish economy, but also AK Party’s image and relations with international actors and institutions. As a result, having been

<sup>11</sup> Here in MÜSİAD, “MÜS” originally refers to “MÜStakil-Independent”, but popularly accepted as “MÜSİim”. And this does not mean the MÜSİAD is not, or against, the “Turkish”ness of the TÜSİAD. However, we argue that MÜSİAD is an “alternative” to the TÜSİAD in terms of ideological, political and economic thinking, namely of identity.

<sup>12</sup> I thank Dr. Mustafa Kutlay for sharing this information with me.

a member of the G-20 countries Turkey and Turkish economy was often defined as a 'global power and/or economy'.<sup>13</sup>

Consequently Turkey under the AK Party governments has experienced great transformation in domestic and foreign policy. In domestic politics, within the context of democratization process, militarist structure and hegemony was almost ended, especially in the unprecedented court trial for military coup attempts of the Ergenekon and Balyoz where so many retired and/or serving military officers, including such high star general as chief of staff, chiefs of air, land, naval and army, as well as those civilian people who assisted the military coup attempts were tried and most of them were sentenced to life-long prison. Moreover, during the AK Party era, distribution of economic wealth has been changing more visibly in favor of the periphery sectors. Some claim that this was a birth of Muslim bourgeois with a new (modernist and secular) lifestyle and politics.

In foreign policy, the AK Party performed outstanding success in Turkey's relations with EU by starting the full membership negotiations in 2005. This was a historic development for Turkish foreign policy because for the first time Turkey's goal of European membership has been upgraded from a theoretical level to a practical level. But this process did not develop successfully partly because of some European reactions to a full Turkish membership, partly - because of Turkey's own hesitance to be a full member, including some AK Party rulers and voters. This was partly because of AK Party's turning to the Middle East with a guidance of Prof. Dr. Ahmet Davutoğlu, who was first the foreign policy adviser to Turkish Prime Minister and President, and then – the Turkish Foreign Minister. The new Turkish foreign policy aims to play a large-scale role

<sup>13</sup> For example, Ramazan Gözen, *İmparatorluktan Küresel Aktörlüğe Türkiye'nin Dış Politikası* (Ankara: Palme, 2009).

in the resolution of problems in the Middle East, and the Arab Spring now, particularly in Iran, Iraq, Syria, Palestine, Lebanon, Egypt, and so on.

The power of Turkey in the Middle East emanates partly from AK Party's identity as a liberal/moderate Islamic party, partly from its successful economic performance in the age of global economic crises. Turkey has recorded a better economic growth and financial stability in comparative to devastating economic shocks in its western neighborhood.

This successful performance can be explained by the power of liberal economic system that Turkey has adopted in the last 30 years since 1980. Now Turkish market economy, including private companies and industrialists in all colors as well as a dynamic banking sector, innovative universities, vibrant civil society, and a new kind of conservative (read Islamic) and democratic (read liberal and globally oriented) society in Turkey.

In this entire picture, one should not miss the recently growing Kurdish nationalist movement, represented by BDP (Peace and Democracy Party) in the TGNA in an informal alliance with the PKK terror organization. We can argue that this has been the weakest link of Turkey's transformation. The AK Part governments tried to resolve this problem by economic means only, not by using instruments of politics and identity. But this did not produce a substantial and viable solution to the problem.

But now, in the beginning of 2013, a radical process to resolve this problem has been started. The AK Party and the BDP started cooperating in the so-called "Resolution Process". With the involvement of the leader of PKK Abdullah Öcalan in prison İmralı, an island in Marmara Sea, the Resolution Process has come to a critical point: The PKK has declared ceasefire and withdrawal of armed terrorists from the

Turkish territory, and the government is preparing to make a new constitution to accommodate Kurdish claims to resolve the century-old Kurdish problem. If this process is completed successfully, we can argue that the AK Party will have created a new Turkey by 2023, some label it as the Second Republic in the 100th anniversary of the declaration of the Republic of Turkey in 1923. Whether this will end up with such an outcome or something else, we shall wait and see.

## Conclusions

As I argued above, there has been a great transformation in Turkish political and economic system from the realist (i.e. state-centric) and semi-Soviet (i.e. centrally-planned) one to a fairly liberal (i.e. market oriented and pluralistic) one. However, it is wrong to suggest that the transformation has been completed *successfully, smoothly and completely*. First of all, it has not been completed *fully and perfectly* because even today there are still some elements/remnants of the realist and semi-Soviet model in Turkey, for example, the military-made 1982 constitution continues to be in force, and the public sector owns large number of economic resources, and runs economic production in services sectors in particular, such as railway, electricity, education, telecommunication and so on. Secondly, it has not developed *smoothly* because all sides paid high price during the process; for example, the conditions of the Turkish people, economy and political system were scrambled by four military coups in 1960, 1971, 1980, 1997, put aside the military tutelage in general structure. Turkey lost a lot from this experience. Thirdly, the process has not been successful enough because during transformation process some negative outcomes occurred -such as increas-

ing gap and inequality in the distribution of income and power among the social and economic groups. Thus the transformation will have to continue in the following years wherein two issues will dominate the agenda: the Kurdish problem in domestic arena, and the Syria crisis in foreign policy. The consequences of these issues will determine the fate and future of Turkey's transformation of political and economic system.

I think that this article has shown how, why and under which conditions economic and political distribution of powers has changed in Turkish state building. Though not exactly the same, but having many similarities with Turkey especially in terms of "Soviet impact", one can get some lessons and ideas, positive and negative, from Turkey's experience.

From the above, the following conclusions can be drawn:

- Turkish economy and politics were dominated by the state authority and militarism in the core, even though it was continuously opposed and gradually modified by the democratic groups in the periphery. Especially during the Cold War period, four military interventions shaped Turkish political system. However, Turkish economy was not prevented from gaining a liberal model especially after 1980. Actually we can summarize Turkish political and economy order as a struggle and competition for power between these two worlds of ideas, identities, interests, and actors. Overall we can conclude that political power was prevailing over the economy, not vice versa.

- That does not mean a monopoly of persons or groups over the state resources or instruments. Thanks to the advantages of democratic regime and civil society, governments were changeable. However, those politicians and bureaucrats who served in the governments may have gained an extra status and wealth within the limits of law. Otherwise, we have not seen big and many corruption cases.

– Tradition of Turkish constitutionalism and the people's respect to the constitutions even if written by the military has been useful in keeping order in Turkey. None of these Turkish constitutions contributed to the separation of political and economic powers legally, not playing any direct role in the development of democracy and market economy.

– Instead, Turkey's integration into the western world and globalization process played a critical in Turkey's political and economic progress. We can argue that the EU, IMF and other international regulations have contributed to the transformation of economic and political powers from the core groups to the periphery groups over half a century of democratization process.

– The role of democratization, increasing power of civil society, multiparty system, free media and academia, entrepreneurship, and individual freedom of expression all were so important in the operation of Turkey's transformation of economic and political powers.

In the development of that process one of the most important factors was privatization from the 1980s up-today in increasing numbers.<sup>1</sup>

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<sup>1</sup> See Cengiz Yavilioğlu, "Türkiye'de Özelleştirme Uygulamaları: Kaynaklar ve Kullanımlar", Cengiz Yavilioğlu, Güven Delice and Onur Özsoy, **Dünya'da ve Türkiye'de Özelleştirme Uygulamaları: Teorik ve tarihsel bir perspektif** (Ankara: T.C.Başbakanlık Özelleştirme İdare Başkanlığı Yayını, 2010), p.368.

**Togrul Juvarli**

## **Post-Soviet political realities and capital: the experience of Azerbaijan**

### **Introduction**

The history of relations between politics and economy is as long as the history of the states themselves. At all times and under all regimes, there were attempts to separate these concepts, or, on the contrary, to concentrate the entire political and economic power in one hand until their complete fusion. On a purely rhetorical level, it is believed that the tandem of politics and economy must work for the sake of social peace and stability in societies. But it does not always happen. The relations between politics and economy are understood in different ways in different societies at different times and in different geographies.

In modern times, major capital has always aspired to power. Sometimes it was just an ambitious aspiration to expand its jurisdiction beyond the business. Other times the movement of business into politics was dictated by the desire to secure one's capital. There is a behind the scenes role of big business, and it is understandable against the background of its significance in states. And there are extremes, when politics acts as a tool for the accumulation of capital and as a way to create and multiply it. Where there were institutions that ensure democratic control of society, it is possible to separate politics from capital even when it had a huge impact on policy. You can recall here the recent brilliant work of Nobel laureate Stiglitz, «The Price of Inequality», in which he ruthlessly analyzes the tandem of politics and corporations in

their own country. The pathos of this book lies in the fact that the government should not indulge business, and business must recognize its social responsibility.

According to dictionaries, the economic component of public practice is the production and reproduction of the material foundations of public life. And politics provides the production and reproduction of social relations in conditions of social differences and opposites. Without going into details, we should note that the current European crisis has shown how important is the timing, or synchronization, of the political and economic component of development. But politicians also undertake the direct distribution of economic benefits, that is to say they perform this function by non-economic means. This last nuance is very important and explains many phenomena, which we'll discuss below. The key concept here is getting a rent. The latter is not necessarily associated only with control over natural resources. A rent may be, for example, the proximity of business to the circles that make decisions.

Let's make a little digression into history. Some historians believe, for example, that the success of the victorious invasions of Genghis Khan was predetermined by his attitude to the distribution of economic benefits. We know that he gave the captured cities to his soldiers to plunder. But then, after a very short time he carefully took away all that was collected for the treasury, so that his troops had an incentive to move on. If the warriors had acquired wealth, they would have become settled. But the ambitious conqueror of the world would go on. Thus, poverty became one of the mechanisms of control that existed for centuries. Let us remember, in particular, very recent Soviet times when socialist egalitarianism facilitated control over society. But «equality in poverty», which allowed Stalin to create industry through almost slave labour, began to hinder the development of the economy over time. This is how the USSR collapsed.



But you can also manage society through the comprehensive encouragement of consumerism. Globalization has always existed. But it was the US that gave a new impetus to the process of globalization as a means of large-scale financialization and commercialization of the world economy. Some sociologists say that the main purpose of financial capital is to achieve the full and unconditional victory «of the world of consumerism» as unified modelling material for the future global civil society. It may be bad, but still a political task. At the same time, anthropologist David Harvey believes that it was radical financialization that «revived» the capitalist economy and sowed the seeds of deep crisis. Indeed, 99% of all assets of the world economy are accumulated in the financial sphere today.

The very nature and «colouring» of the emerging new capital is of great importance. There is a standard explanation, for instance, for the confrontation between prime minister Erdogan and the Turkish military - the desire to knock the latter out of politics to ensure the democratic development of the country and its membership in the «democratic club». But the cruelty, which the Turkish prime minister showed towards the generals, had, oddly enough, an economic reason too. The Turkish military, the «blue blood» of society, had great connections and credibility in the financial circles of the West. The financialization of the Turkish economy was largely a consequence of this, given the important role of the military in society. But Erdogan had to expand its social base and, in particular, push the financial capital and begin the development of new Turkish industry. New businesses began to come to the economy, and there appeared «Anatolian Tigers», hundreds of new businesses in the depressed areas of Turkey. They really took the Turkish economy off the ground, though twenty years ago, corruption in Turkey was close to that in our country.

Let's add to this digression the fact that personal freedom is a political issue and economic well-being is an economic is-

sue. But very often the lack of personal freedoms cuts off the path to economic prosperity. Curiously, there are economists who believe that any political system can be combined with any economic. They believe that it is necessary to compare the integrative relationship not only between the economy, politics and law, but the relationship between politics and law.

Nobody knows what the ideal balance of politics and economy is like. Only in the most general terms it can be said that the economy through free competition gives impetus to development, and politics adjusts the process. Now world politics has become more complex, but twenty or thirty years ago we saw the same picture with the change of political elites in elections in European countries. It was a permanent struggle between liberals and social-democrats. When liberals came to power, the capitalist class got all the opportunities to expand its energy and initiative. Outsiders were washed out of the market. But the economy received an impetus for development. Against this background of growing inequality, the social democrats came to power. A rollback began – to social reform and to certain levelling of well-being in society. And then the economic stagnation came. We can roughly say that the current Western societies are developing between these two extremes. To a certain extent we are seeing this process in the United States, where the social policies of President Obama are assessed as a diversion from economic liberalism.

Politics is often referred to as a concentrated expression of economy. But the actual practice speaks of something different. The market itself does not predetermine the political structure of society. Moreover, global markets are completely indifferent with respect to the origin of the goods, excluding cases of obvious rogue-states, which we are witnessing in relation to Iran today. You can have a free market, but it does not create a free society, a system of political freedoms and democracy. It

is possible only in a legal system that makes property independent of the will of the person or persons in power. And in democracies the presence of a free market is always guaranteed.

In reality, as some economists say today, politics and the elements of the legal and political system, which determine all the rest, are primary. This is evidenced by the whole experience of mankind, and especially in the last twenty years. In his monumental work on medieval European economy, Fernand Braudel very vividly described how the free cities of Europe emerged. Everywhere except for Europe cities were ruled by the governors appointed by the supreme ruler. European cities were run by elected people. It was a time of monarchies and cities were set free to bring the greatest benefit to monarchs. So the economy had an administrative structure, but the cities were politically free with a democratic political system and a legal system that primarily protected personal rights and freedoms. And the two legal systems that emerged then had, it appears, a different nature. English-language law was based on Magna Carta and *habeas corpus*, and the law of German cities gave rise to continental European law. All of these acts that occurred in parallel cemented personal rights and freedoms as the basis. These free cities became the germ of democracy. Political freedoms and legal order in these cities were kept for a fairly long period. As for the administrative element in them, it gradually faded away, which was a consequence of bourgeois revolutions that swept through Europe. Free cities wholly fulfilled their mission.

The leading role of politics and the importance of the political stability of a country can be seen very well in a number of modern states. Foreign investments in the United States continued even in the critical moment of the financial crisis not only due to the smooth flow of the financial system, but also because behind it was a stable political system, the best guar-

antor of the safety of capital. We are talking about a system that was formed by democracy. But authoritarian China also demonstrates political stability and attracts investors. But here, this process is also supported by the quality of the judicial system that protects foreign investors, the fight against corruption and the presence of free zones in the economy, that is to say elements borrowed from the Western democratic system.

Full comprehension of the relationships of power and capital in the complicated modern societies seems to be a difficult task. But in any case, it is the derivative of the values chosen by the state.

### **Capital accumulation in Azerbaijan and its impact on political process.**

In the history of independent Azerbaijan we can see how capital accumulation influenced the formation of the political system, and that, in turn, predetermined the economic development of society. The process went almost from scratch, and was particularly edifying in this sense. When Ayaz Mutallibov became the first president of Azerbaijan, he faced major problems associated with the strengthening of the political power. The instinct of the former «red director» and the chairman of the State Planning Committee told him that he should partially liberalize the political and economic regime. This is how the national parliament with an equal ratio of the authorities and the opposition emerged. And the first signs of liberalization appeared in the economy. But he was not able to accumulate sufficient political and economic resource to gain the trust of society. The capital remaining at the disposal of the «red directors» was not sufficient to support the process of consolidation. And the issue of the Karabakh conflict was very sharp – in fact a war with Armenia had begun.

The government of the Popular Front of Azerbaijan, which succeeded him, was full of democratic enthusiasm regardless of political opponents' attitude to it. But they failed to include in the economy the capital accumulated in Soviet times. This was prevented by the mass change of old company directors. The financial reserves created by the end of the rule of the Popular Front (about \$ 30 million) were largely donated by the public. The new government tried to strengthen its political power and expand the legislative field. An example of the attempt to expand their economic opportunities was the transfer of Rasul Guliyev from SOCAR to the post of deputy prime minister - far away from real capital. But the political confusion started very quickly (thanks to internal and external forces), and the life of this government was too short to begin large-scale privatization or expedite the conclusion of oil contracts with foreign companies.

Without going into the upheavals of Heydar Aliyev's coming to power, we note that, once in power, he almost immediately started to consolidate political power in the country. After all, the fate of any political regime is pre-determined by the political will of its leader, capital and ideology. The past political biography and experience of Heydar Aliyev helped him to accumulate ideological capital. This explains why the referendum and the election of a new president passed so easily. However, political and economic power was rather vague. It is paradoxical, but in a short time, all three branches of power became fairly autonomous. Executive power was in the hands of the prime minister - the rebel Colonel Surat Huseynov, and many of the economic levers were in the hands of the new speaker of parliament Rasul Guliyev, who actively helped Heydar Aliyev to come to power. This uncertainty did not last long. Huseynov was declared a conspirator, removed from office and arrested like the entire armed opposition in

the country, and after a short time Rasul Guliyev was also removed from power. Heydar Aliyev started to concentrate all power in the country in his hands. A crucial role in the implementation of this model was played not only by the personal traits of Aliyev, but also by the unresolved Nagorno-Karabakh conflict and at a later stage - the country's growing oil revenues. A priori, it was believed that without the control of the state, oil revenues would lead to re-distribution of oil revenues and chaos at the political level, and this would delay the economic development of the country.

In the economy at that time, there was also another major challenge - the creation of the national bourgeoisie, without relying on which any authoritarian or democratic system is unthinkable. It was one of the basic points of the catch-up development strategy. There are curious parallels with the Russia of the 1990's, where everything was a little different. It is the democrats and economic liberals that pushed the process of building big capital in that country. There were simply no resources for the democratization of the country so that the free development of large capital could be encouraged by all possible means - through securities auctions and the explosive growth of the stock market. The country had to be led out of the crisis – it was necessary to create jobs, invest and create financial reserves. But when this capital started to claim power, it was simply pushed back. Putin later introduced the concept of the «equidistance» of oligarchs. However, under Putin, new «Putin» capital emerged and the names of its representatives were bandied about by the Russian press. But ministers accused of accumulating capital or of trying to do so were increasingly removed from power. Independent capital began to take shape in Russia.

Now we can talk about the third stage when an attempt is made to purge the state apparatus, including its higher ech-

elons. Can it be achieved if the previous political structure of the country is maintained? There is likely to be only the answer «no» to this question, although it is clear that in modern politics one can find many examples where an authoritarian government coped with corruption. So answering the question of the organizers of the conference, we should say from the outset that the era of the primitive accumulation of capital has become a particular stage of development in all post-Soviet countries.

The initial sources of capital accumulation in Azerbaijan were very diverse. In the first half of the 1990's, some became rich on the black currency market, others – by gaining access to credits when due to the inflationary spiral, loans depreciated in a matter of months. A very small part of the new bourgeoisie were former party functionaries who brought out what they accumulated during the Soviet era and put it in business. Among the sources of enrichment were also re-export and the creation of financial pyramids. In part, this was a spontaneous process, but it also needed the support of some groups in power. Like it or not, it was confiscation of public property. Capital never comes from nothing, unless, of course, a new product is created, but it was not created. The degradation of industry began just then because enterprises literally split into small businesses, and the equipment of old plants was taken away and sold on the cheap. The nature of enrichment changed noticeably after the new state accepted a significant part of the conditions of the Washington Consensus. It was not a purely voluntary fact, as many of the measures to support the young state were provided by the IMF, and the IMF made this financial and institutional support conditional on the observance of the terms of this consensus. But now wealth was created from above.

When the Washington Consensus was offered in 1989, a priori it was assumed that if you introduce market rules in economies, politics will adapt to it. The Azerbaijani authori-

ties' flirting with democracy after 1993 arrival of H.Aliyev (now many admit that opposition political parties at that time operated more freely than they are today, and freedom of assembly was better secured) boosted these expectations. It must be noted that the abovementioned number of steps was intended not for the Soviet countries, but for Eastern Europe. There, by the way, it worked, but when the Soviet Union collapsed, the same market tracing paper was applied to the post-Soviet countries, whose economies were in a dilapidated condition. It seemed to be the shortest path for rapid movement towards a free market. A reformed economy itself (and rather quickly) will lead these countries to political reform.

In reality, things were quite different. Taking over the key points in politics, the elite ruling at that time very easily turned all the conditions proposed by the Washington Consensus to the advantage of a small group of individuals. The liberalization of foreign trade ended with the customs gaining enormous power, while officials in positions of authority easily took key positions in imports. Exports were liberalized, but the key to export ended up in the hands of the same customs. This process took place in all the countries of the collapsed empire. But in Russia, for example, this process was stopped in time. In our country, the market of same imported products turned out to be divided between monopoly groups that took over a particular product segment. The monopolistic positions of these groups largely persist to this day.

The start of privatization in 1996 had a lot of positive things. Tens of thousands of smallholders and artisans were able to engage in free labour. But it seems that this was the only positive social outcome of privatization. In the course of privatization, the most attractive companies were purchased by economic groups that had access to power. If a privatized enterprise was hopeless, it was purchased by the same teams again, but as a plot of land for the construction of new homes and offices.



Another source of capital was the oil investment, which had just begun and furthered the development of infrastructure. Of course, the investments in strategic pipelines were strictly controlled by the members of the consortium for the main Azerbaijani deposit Azeri-Chirag-Gunashli. From 1994 to 2000, 32 production sharing agreements were signed. However, the same companies needed new offices, housing and roads. And companies that were able to enjoy some patronage of the state found a sphere of activity here.

But the problem was that with very few exceptions, new capital could not declare itself publicly. In addition, it emerged as a result of very complex schemes, the implementation of which required administrative resources. This meant that falling into political disgrace meant the loss of accumulated wealth. The attempts of large capital that took shape within the government to become directly involved in the political game have so far always ended in failure. This happened to Rasul Guliyev in 1996 and to two ministers - Farhad Aliyev and Ali Insanov - in 2005.

Authoritarianism strengthened and there appeared new challenges it had to answer. Where democratic institutions were established (and they are enshrined in the constitution in our country), post-Soviet authoritarian regimes were constantly between two extremes - slipping into totalitarianism or inevitable transition to democracy.

At a certain turn, authoritarianism, and especially if it is successful, starts to worry only about its own survival. That's why we have constructs that have to work in this field - the further centralization of power and, in particular, the total fusion of political and economic capital. This process significantly strengthened after the 2003 presidential elections, although it would seem that the entire political and economic establishment remained the same. Now everything «foreign» - the

appearance of each new political player, any foreign investments, the formation of other domestic economic structures inside the country - is perceived as an attack on the existing system. The system starts to defend its conservatism, and this negatively affects the economy.

Monopolies and the lack of competition definitely create corruption. Here you do not want to be limited to the cry «Plunder is going on!». Corruption is possible in any country, and the only question is how much it is resisted. And we do not even outline the level of corruption, although in Russia it is rated at the state level. Last year, for example, the volume of corruption in this country was estimated at \$ 300 billion, of which only 10% is low-level corruption.

The scale of corruption can be guessed by circumstantial signs or where it is clearly sticks out. But it is usually difficult to prove. A corrupt management system is built entirely on controlling the flow of funds. And money is known to love peace. The formula - control of money is more important than the money itself - has become a conventional wisdom. As a matter of fact, this very control sometimes determines the structure of political power. If these flows stop, the system collapses. The continuity of these flows created a sense that the system is completely controllable and manageable. The term «corruption grease» emerged in the 1990's.

Today, Azerbaijan is the largest and most successful economy of the South Caucasus. Its GDP (last year - 54 billion manats) is not comparable with other countries of the region. Large infrastructure projects are being implemented. In times of crisis the country successfully escaped its impact. Azerbaijan is successfully integrated into the world economy through the supply of oil and gas to the world market. However, it remains highly vulnerable to external market shocks. In these circumstances, the further concentration of power and the fusion of political and economic capital increase risks.

The peak of the concentration of political and economic power falls to the end of the last decade. The number of political and economic players that pre-determined the development of the country decreased markedly. There was complete consolidation of the political and economic class.

Meanwhile, the discourse about the relationship between politics and the economy began to be filled with new content and new ideas during the 2008 crisis. Our authorities heard what they wanted to hear. The role of the state in the economy began to be discussed in a different perspective. There were more and more calls in Western societies that the state should «return» to the economy. The leadership of our country started to state more and more often that it has long managed the economy “manually” and is not going to abandon state management.

Our economic class, built into the political system and overwhelmed by a thirst for enrichment, did not notice another thing - in the midst of the financial crisis, the US and Europe sharply increased their spending on science. It is understandable because the developed world has entered an era of «knowledge economy».

In addition, our ruling economic class has also long perceived itself as part of the globalized world. A free and poorly regulated flow of capital in the world creates the illusion that you can fit into the global economic establishment, reserving the right to feudal forms of primary accumulation of capital at home. Here, there is a certain illusion as well, which can be judged by the hunt for the «young money», which is beginning in the world.

## **Consequences of the merger of politics and capital**

Here we will focus on the challenges created for the economy by the strengthening of monopolistic economic groups in

the country and their subsequent merger with the government, or to be more precise, why it is dangerous for the country's development and, above all, the economic welfare of society?

The problem is not only that the enrichment of a certain group of people was under way. This is a universal process for the post-Soviet area. The problem is that a narrow monopolistic group is formed with its political and economic capital, and it begins to dictate its own rules. It penetrates all the pores of power – executive and legislative branches of power, it is able to control court decisions and almost always wins them. It largely controls the executive branch on the ground. It is present behind the scenes in many media, addressing not only state problems, but also its local problems. And, of course, it runs the economy.

It is important that these groups have many channels of enrichment. It is no coincidence that large financial and industrial groups and holding companies begin to form. Their omnipotence already strains the economy. Any business should be put on its feet and made efficient and competitive. But when you have other forms of enrichment, and competition is suppressed, you do not have to nurture such a competitive business. This explains the fact that many industrial enterprises established by oligarchs have become ineffective. There is no normal business motivation and weighing of risks, and it is bad for the economy.

Another serious factor of the strengthening of the consolidation of political and financial power is the sharp increase in budget revenues. Since the middle of the 2000s, when a noticeable influx of petrodollars came to the country, big capital in the country has had access to the budget. It is a new stage in its development. Private structures begin to form at ministries, and budget money is funnelled into them, and the budget itself begins to take shape mainly from the «rental» revenues of the oil fund. Now it is the budget that becomes the main source

of capital accumulation for top officials. Huge infrastructure projects are implemented – a road junction at the cost of 654 million manats, parks worth several hundred million, etc. This year alone, the investment spending of the budget will be 10.5 billion manats, and the president admits that it will be impossible to establish control over budgetary investments.

When capital becomes large, it becomes necessary to defend it. One form of this is the consolidation of political and economic power and the subordination to the general rules of the game. This strengthens the power as a whole. But it ties its hands in terms of economic reform in the country. On the other hand, to defend itself, big business is increasingly ready to use the entire set of available tools - financial, administrative, legislative and even repressive. We are sure that such problems as industry ombudsmen or the creation of an independent regulator in the energy field and telecommunications, which have been discussed for many years, are blocked by the same groups related to the government.

Monopolies have always existed in the economy. But now the oligarchic capital begins to supplant any «extra-systemic» capital. It supplants it even where there is no special need for that, capturing more and more sectors of the economy beyond its own segment. The economy has almost no vacant niches left. And it considerably narrows the economic space for other economic entities. Access to export is also virtually closed to all «outsiders.»

Of course, after this all social elevators stop and the mobility of economic agents diminishes. Formally, everything seems different. There is a competitive system of recruiting public servants. It is considerably easier to register a business. For example, preferential lending to the National Fund for Support of Entrepreneurship (NFSE) grows from year to year, and will increase to 250 million manats this year. According to the initial mandate, these soft loans have to be

channelled to support small and medium-sized businesses. In reality, about 70% of all loans issued by the NFSE last year are aimed at supporting wealthy recipients. The recipients of these loans in the past few years have been such strong industrial and financial groups as Azersun, Gilan Holding and the Akkord group, which are backed by big capital.

In the long-term, the new bureaucratic capital begins to adversely affect lawmaking in the country. It has its own paradoxes. They often say – we have good laws, but the problem is that they are enforced poorly. There are doubts then about the importance of a new law if you do not have to follow it and if you can come up with a long procedure for the adoption of legislative acts.

But, while surveying the laws that are blocked by pressure groups in the parliament, you realize that big business is planning to exist for a long time. And it does not want to take a risk. After all, sooner or later, the new law may start working. The parliament has been discussing the Competition Code for almost six years. It was adopted in its second reading. But it still has not been adopted in its third editorial reading. Amendments to the law on public procurement are lost in the corridors of power, although last year the volume of purchases amounted to 4.5 billion manats and they are still carried out without appropriate competitions. The adoption of a new law on appraisal activity takes a suspiciously long time. In principle, it also has an anti-corruption focus. Any law that suggests the emergence of new owners - a private equity fund or a private credit bureau - is passed with great difficulty. For two years now, the government has been struggling to reduce the amount of cash. It is also unsuccessful. Non-cash payments amount to only 7% of the country's payment cycle.

Why is society so insistently demanding transparency? Asymmetrical access to information has become one of the controls. It is not by chance that the adoption of the law «On

insider information» has always been put off here. Last summer amendments to the Law «On Commercial Secrets» were adopted. Owners of companies can no longer be identified. Big business has finally locked itself away, and mostly because of its proximity to politics.

Even from the point of view of consolidation, the further intensive fusion of political and economic capital promises a lot of trouble. Monopolistic groups are starting to fight bitterly for property. It is no coincidence that one of the explanations for the recent presidential decree on the creation of an «Azerbaijani metallurgical complex» is the authorities' intention to put an end to the redistribution of property. But all the details of what is happening are still invisible, and because of that behind this may be the further concentration of capital in the industry. A no less fierce struggle is going on for control over the media. And this may be a consolidated attempt to influence society and the growing political claims of capital.

Finally, there is nothing surprising about the fact that while enjoying power, big business often becomes immoral. And the January events when the insult of the group of population from the side of official triggered social explosion in Ismailly region showed the danger of such immorality by the government. Without naming it aloud, the president outlined it at a government meeting on the events in Ismayilli.

Of course, some attempts to take advantage of big business may seem quite rational. For example, the promotion of Azerbaijani capital outside the country seems rational. Indeed, the foreign diversification of the economy and finding one's own economic niches in the global economic environment seems to be very productive. But there are still many questions regarding the possible erosion of the assets of state entities. The world practice has seen cases when state-owned assets registered in offshore zones then appeared at stock exchanges.

Another problem was that attempts to use big capital for the benefit of the state were unsuccessful and sometimes led to a growth in negative trends. In particular, when attempts were made to raise the regional economy (two regional development programmes have already been adopted), the handover of some depressed areas of the country to oligarchs for management seemed quite rational for the era of the merger of political power and capital - so that they develop the economy there, build new businesses and local roads. In reality, it ended up with the oligarchic groups feeling even stronger and pumping new profits out of the regions. It proved impossible to deliver the country's regions of subsidies, but information about the arbitrariness of local governors in the regions made the headlines in all media.

We are seeing something like that in economic relations in the agricultural sector. On one side here there are farmers that produce products, and on the other side – the agricultural industry, which is almost entirely in the hands of major economic groups. This is an objective brake for the development of the agricultural sector, which the president has declared one of the main priorities for the development of the non-oil sector. The way out here was to create cooperatives that could jointly export produce, create their own retail outlets and small processing enterprises in the country. But such solutions are also blocked.

## **The inevitability of change**

The current level of the consolidation of political and economic power causes a lot of pessimistic forecasts. Some are convinced that nothing can be changed in the current situation, as the power of the combined political and economic capital is strong. It is simply impossible to push through this system, and changes are not possible. Others believe that changes should start with a fundamental revision – from above or from



below – of the country's political system. Note also that even the growth of religious sentiment in our society reflects not only the natural search for religious identity or the influence of neighbouring Muslim countries. It is a reaction to the violation of the principles of social justice, which is a basic concept in Islam. Although the level of poverty in the country is estimated by statistics at less than 6%, the contrast between wealthy and poor in the country has become too obvious.

There are many reasons why changes in the country seem inevitable. First, society is becoming more rational and sceptical. Let us remember that in the middle of the 2000s, society had high hopes on oil revenues that came into the country. The average citizen went through a phase of public euphoria at the time: it seemed that these revenues would solve all problems in the country. Now that about 60% of the accumulated money of the Oil Fund has been wasted in a short time, the previous optimism is gone.

The potential wealth of the country is not so great either. According to recent estimates by the Russian Institute of Economics at the Russian Academy of Sciences, the national wealth of Azerbaijan reaches \$ 400 billion. These estimates were based on data from the World Bank. Such assessments are accepted sceptically by the economic community, and they began to be made only after most of the world introduced economic estimates on the basis of national accounts. Perhaps estimates on Azerbaijan are even understated. However, the fact is that a comparative evaluation of the same figure in different countries gives some indication of the country's place in the global economy. Thus, Russia's national wealth is estimated at \$ 60 trillion, of which the human capital comprises \$ 30 trillion, natural - \$ 24 trillion and reproducible - \$ 6 trillion. But the share of the accumulated human capital in Russia was much lower than in developed industrialized countries. And this seems to be true for Azerbaijan. By the way, in world national wealth (\$

550 trillion) human capital is worth \$ 365 trillion. In per capita figures, the same Russia had the highest accumulated national wealth - \$ 400,000, which is more than 4 times higher than the global figure. But Azerbaijan was 3.5 times behind the European average national per capita wealth indicator and twice behind compared with the countries of Central and Eastern Europe.

In other words, we are not such a rich country to afford the kind of social contract, which we find in the Gulf countries and in Saudi Arabia. The Gulf monarchies are based on excess money, which the monarchs with hereditary power partly share with society and this is a form of tacit social contract. It is known, for example, that with a budget of \$ 300 billion in the same Saudi monarchy, as was the case in ancient feudal times, its tenth part, which is \$ 30 billion, is taken in favour of the royal family. It is not by chance that during the «Arab Spring», regional monarchies literally gave monetary gifts to society. And the level of per capita GDP in tiny Qatar is outrageously high - \$ 83,000: second in the world after Liechtenstein. Our state has no such opportunities and is unlikely to ever have them. So it is necessary to look for other opportunities and other resources. And this is the key to change.

The experience of brotherly neighbouring Turkey also shows the ways in which this can be achieved. We should note the tremendous achievements of this country in the last decade. Per capita GDP increased from 6,200 to 14,700 dollars from 1999 to 2011, inflation fell tenfold - from 65% to 6.5%. The public debt fell from 74% to 49% of GDP while foreign exchange reserves of the country increased by almost half - to \$ 90 billion.

Analyzing these results, most observers agree that the main drivers of development in Turkey are the rapid development of industry and services, improvements in the education of young people and the passionate and patriotic elite of the country ready to work on its future. As we can see, among the

factors of growth there is no natural rent, which usually reduces the economic power of society. It should be emphasized that Turkey's impressive growth began after fair elections in the country, which brought moderate Islamists to power. Such democratic changes only seem to be brewing in our country.

Finally, no matter how much we speak about the merger of political and economic power, the president's responsibility before society is always higher than that of the bureaucratic oligarchy. In this sense, he is responsible, and some steps taken by the president recently suggest that he understands this circumstance. So there are still chances of change from the top. Of course, they require political will and determination from the country's leadership, and to a certain extent - political risk. But a strict and consistent policy of separating power and capital, at least to a reasonable limit, can significantly reduce these risks.

## **On some specific steps**

What concrete steps are important here? The first step, in our opinion, should be the legislative separation of power from capital. It is extremely important to amnesty capital here. One can, of course, immediately object that it is politically impossible and can cause a crisis of power. But based on the experience of other countries we can judge that this is not always the case. At some time, Kazakhstan, which has an economic structure similar to that of Azerbaijan, decided to legalize capital. In Russia in the mid-1990s, capital and political power acted in tandem. There even appeared term reflecting the effect of this capital on power - «seven bankers» (i.e. seven large financial institutions, which dictated their terms to supreme power). But Russia has already passed this stage and formed independent (but still within the reach of government) capital.

By the way, MP Ilyas Ismayilov, who was minister of justice in the mid-1990s, strongly opposed the idea of legalizing shadow capital, believing that this would be a triumph of immorality. And yet today we need to think more about how to reduce the existing immorality associated with the concealment of capital. A significant portion of society believes that shadow capital should be granted legal status, and that this is almost the only way to achieve genuine separation of power and capital.

It is also necessary to separate capital and power at the managerial level. The incredibly broad economic functions of ministries should be reduced to a minimum. Ministers and heads of departments were powerful figures under the Soviets too, and corruption existed at the time too. But never before in the history of the country did ministries and departments become «headquarters» of big business on such a scale, and for so many years. So far we have seen only the increasing economic powers of a number of ministries, which should be reduced.

Finally, it is necessary to separate each individual official from illegal sources of enrichment. This can be achieved legally by reducing the number of ambiguous prohibitions in laws and legal acts. But it can be done directly, making it mandatory to declare both revenues and expenses of officials. Perhaps it's time to sign Article 20 of the UN Convention on illicit enrichment. It allows citizens to demand directly that officials prove their nature of wealth.

These steps - and better simultaneous - could help create a rigid demarcation line between political and economic power.

There is another round of management decisions. The peculiarity of this moment of our history (and not only ours) is that the burden of decisions that befall the state is growing. Reducing them is one of the privileges and benefits of democracy. However in our political system, this problem seems secondary. Money gives rise to the illusion that all problems can be solved, including in decision-making.

An important question of self-government, i.e. at least partial redistribution of power is not even raised in an area such as the development of the municipalities. Few people pay attention to the paradox - the leadership of the municipalities is usually comprised of members of the ruling party. But even under this condition, the potential and authority of municipalities are not expanding, although it would seem that the risks to the existing political system are not great. Perhaps the obstacle here is that such decentralization would be contrary to the essence of a centralized system and create a precedent just like the fiscal decentralization of the country. But these steps, we believe, will have to be made, and the sooner, the better, just like a number of other forms of public self-government.

It is important to remember that in any case the foundation of the new economy should be the activity of citizens. Of course, there are countries that have focused on the development of the state sector of the economy. But in this case, clear requirements to managers, competitiveness of management, clear strategic planning and harsh suppression of corruption take shape. This is what we are seeing in China.

In contrast to bureaucratic-oligarchic capital, the private sector has no money to invest. And, moreover, it is necessary to pull some of the capital out of offshore zones. Now it is a worldwide trend, and Azerbaijan, which has accumulated \$ 48 billion in offshore accounts (according to some estimates – more than that) should keep abreast of these new trends.

Over the last decade, Azerbaijan has adopted new technological innovations - plastic cards, electronic departments, e-government and so on. But sometimes, the country is simply unable to master these innovations in their entirety, because it also requires changes in the system of social relations. One can recall that the transition to non-cash payments through plastic cards does not work also because many calculations in a corrupt environment are carried out in cash.

Most likely, we will not be able to do without the restoration of political competition, which is the foundation for a competitive economic environment. We should note at the same time that we have not made any attempts to create parties based on social-economic groups, for example, a peasant party or a party of entrepreneurs. And the trade unions simply integrated into the existing political system as its appendage.

The restoration of the work of the social incentives could create new impulses for involving society in creation - both at the level of government and in the economy. Schumpeter named five areas of the realization of the economic creativity of society «grounded» on a realistic assessment of its capabilities: access to new markets, the use of new resources, the use of new technologies, the production of new goods and the use of new methods of management. The state is taking its first, but irresolute steps in this direction. But a truly global breakthrough is not possible without the involvement of the whole economically active society in it and without the realization of its intellectual potential. All floodgates should be open to free enterprise. Even a number of institutions focusing on this development seem to have emerged in the country. But we have already said that state protectionism reduces the efficiency of such institutions.

The state cannot have friends and foes. The economy cannot be handed over to economic groups close to the government. The government represented by the state is, first of all, the ultimate arbiter. It must become an institution that regulates and controls the development of the system of property in the country, but it should not generate new property in any case. Its primary goal is to become an institution that consistently ensures the inalienable right to property and protects it from any arbitrary interference (law enforcement, government officials, etc.). The basic law of the country prescribes the latter as the constitutional duty of the country's president.

The renowned economist and Nobel laureate Vasiliy Leontyev once wrote that «the economy is a ship that needs a sail filled with the wind of free enterprise and the steering wheel of government». At the political level, it is necessary to create and support the development of the middle class, and at the economic level, to promote the economic development of small and medium-sized businesses in every possible way as the basis of a modern economy and a source of the creation of the middle class.

Another problem of our country is that it is «out of context.» We are integrated with the civilization quite vaguely, though we constantly stress the special central position of Azerbaijan between East and West. As a country we want to enjoy all the benefits of progress, which is usually associated with the Western model of development. But at the same time the Soviet model of centralized management of the economy still seems convenient. We are trying to fit into globalization. But we are doing it with the only way available - through production and trade in oil and gas and by creating the country's image abroad. However, they are trying to base the external expansion of our national oil company on more subtle conditions. The diversification of the industry outside the country leads to the introduction of new technologies.

Geographically, Azerbaijan is also a Eurasian state, but we avoid any movement towards Russia, perceiving it, maybe rightly, as a concession to its imperial ambitions. We avoid any integrative process in the Eurasian area, although it is possible that spiritually we are Eurasians.

We call ourselves a Muslim country. But for the sake of centralized control, we, as a state, increase pressure on some of the believers, perceiving them as germs of decentralization. At the same time, in the current economic practice, it is difficult for us to master Islamic banking, which has long existed in Europe.

Of course, this blurriness can be called a multi-vector policy. But in fact, behind it is spiritual blurriness that hinders the development of the country and the lack of clear cultural landmarks that are important for society.

We deliberately speak only about the steps that, at least in part, can be taken within the framework of the existing system, although, of course, there is a need for broader reforms to ensure the independent functioning of all branches of government and a number of other political steps.

Perhaps the main current task is still to curb the very high level of corruption in government agencies and excess profits of the oligarchy. Going back to the famous words of Marx about the behaviour of capital, we should note that a profit of 100% or 300% can be blocked only by a rigid "cooling shower". And at the other pole, it is necessary to reduce the level of petty bribery in order to reduce social risks. Apparently, it is not in vain that the government is so proud of the creation of the «easy service» system, borrowed from Georgia, which is designed to reduce corruption in obtaining documents from government offices.

One may imagine the country's future in a positive light as much as possible. But it must be remembered that the fate of countries or some regions is sometimes very bizarre. And the price of erroneous or simply imperfect steps for the development of the country is sometimes very high. The worst prospect for us is to be one among failed states. This prospect seems almost unbelievable today. But it has happened in world history.

The evolutionary development of society is usually dictated by societies themselves. But such development is first of all guaranteed by the position of the ruling political class that is aware of the inevitability of change.



## **SHORT NOTE ON CONTRIBUTORS**

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Prof. Dr. Ali Abasov was born in Baku (Azerbaijan) on October 11, 1950. Doctor of Philosophy, Professor, Head of Department "Problems of Modern Philosophy", Institute of Philosophy, Sociology and Law of the National Academy of Sciences of Azerbaijan. He has more than 150 scientific publications (10 books and brochures), 20 publications abroad, and near-200 in journalism. Research areas: post neoclassical philosophy and science, synergy, gender, political studies, culture of peace, conflictology. Co-author of the book (together with the Armenian researcher Harutyun Khachatryan) "Karabakh conflict: solutions - ideas and reality (5 editions in 6 languages). A member of the Public Council of Azerbaijan on Karabakh conflict. Participant in many track 2 diplomacy and civil negotiation processes. Trainer on conflictology.

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Dr. Leila Alieva is leading a "think tank" Center for National and International Studies in Baku, Azerbaijan. She was previously one of the founders and for a few years- director of the Center for Strategic and International Studies in Baku (1991-1997), held fellowships at Harvard University (1993-1994), UC Berkeley (2000), Woodrow Wilson Center (Kennan Institute) (1995), and SAIS (Johns Hopkins University) (2001). She was an advisor to the President of EBRD, as well as to the leading oil companies, such as BP, UNOCAL, STATOIL, AIOC, served on board of Open Society Institute in Baku in 1998 and was a National Co-ordinator of the Human Development Report for UNDP (1997). Her papers covering issues of security, conflicts and politics in the region, were published by Oxford University Press, Sharpe and others. Most recently she was an author of the chapter "South Caucasus: going West" in the "New Euro-Atlantic Strategy in the Black Sea Region" (eds. R. Asmus, K. Dimitrov,

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**Badalov Rahman**

Prof. Dr. Badalov Rahman Agaguseyn oglu was born in Baku on May 28, 1937. In 1954 - 1959 years he graduated engineering faculty of Azerbaijan Polytechnic Institute. In 1969 he entered graduate school of the National Academy of Sciences of the Faculty of Philosophy of aesthetics and law. In 1989 he defended his doctoral dissertation in Moscow and was given the title of Doctor of Philosophy. Over 30 years he taught the history of philosophy and culturology at the Universities. He has spoken at numerous national and international conferences. He has authored over 300 scientific and academic books and articles.



**Juvarli Togrul**

Juvarli Togrul was born in the city of Ganja in 1939; graduated from the Physics Faculty of Baku State University; worked as a journalist and a screen-writer. In the past 10 years he has been an active publicist and an economic expert. He now works as an economic expert in the independent information agency Turan. Juvarli, is a relative of the former Musavat prime minister Nasib bey Usubbayli and former ADR (People's Republic of Azerbaijan) minister Khalil bey Khasmammadov. He has participated in numerous international conferences related to the issues of economics and politics in Azerbaijan, as well as authored articles published both in Azerbaijan and abroad.



**Charles H. Fairbanks, Jr.**

Prof. Dr. Charles Fairbanks studied at Yale, Cornell, and the University of Chicago. Among varied interests he specialized in political philosophy, strategic studies, and Soviet studies, becoming an expert on the Caucasus. He has had a diverse career that included teaching at Toronto and Yale, service in the government as a Member of the State Department Policy Planning Staff and a Deputy Assistant Secretary of State, then teaching at the

Paul H. Nitze School of Advanced International Studies, where he became Director of the Central Asia-Caucasus Institute. He left this position to found a liberal education program in post-Soviet Georgia. In May 2010 Dr. Fairbanks became Professor of Soviet Studies at Ilia University in Tbilisi, Georgia. He continues to be a Senior Fellow at the Hudson Institute, a research institute in Washington, DC, USA.



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Kovtunovskii Viktor, the analyst of the Civil Society Foundation in Almaty Kazakhstan, was born in 1964 in Semipalatinsk. He graduated from Altay Polytechnic University. In 1989-1994 worked in marketing and printing field, actively participated in the social – political life and was elected deputy of the City Council. From 1994-up to 2001 worked in public service at the regional and republican level: he was a head of the press service of the regional administration, and a head of the information department of the Republican Agency on control over the strategic resources. In 2002-2004 he was a member of the political Council of the party Democratic Choice of Kazakhstan, a leader of the electoral campaigns of the party. He is currently an expert of the civil foundations “ Civil Society” and “ Foundation of the Support for Parliamentarism in Kazakhstan”. He is regularly published in Kazakhstan media, gives public lectures, conducts social- political research.

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Anar Mammadli has received his BA and MA in the field of German language from the University of Foreign Languages in Azerbaijan in 1995-2002. He has worked in different newspapers as reporter, commentator and editor in 1998-2002. As the chief of the Youth Organization for Global Improvement in 1997-2001 he has actively supported the youth rights and worked hard for dissemination of the democratic ideas among youth. Since 2001 A. Mammadli has been active in improvement of the electoral system, political participation and political rights in Azerbaijan. He was the administrative secretary and director of the Election Monitoring Center in 2001-2008. When the Ministry of Justice unfairly claimed the registration of the Election Monitoring Center as illegal leading to its annulment by the court decision in 2008, he co-founded the Center for Election Monitoring and Education for Democracy, where he currently runs as the director. A. Mammadli has so far participated in 12

election monitoring processes in the country including the workshops and events as well as the preparation of reports and materials on voter turnout and informing of electors. He has observed various elections held in Albania, Georgia, Kyrgyzstan, Afghanistan, Ukraine and Turkey in the framework of the OSCE Office for Democratic Institutions and Human Rights and the European Network of Election Monitoring Organizations. Besides the elections, A. Mammadli has led variety of programs about strengthening the public observation over the parliament, increasing the civil participation in local and national levels, achieving the accountable representation of people by the elected authorities and studying the public preferences.



**Igor Mintusov**

Igor Mintusov is one of the leading political consultants of Russia. Igor Mintusov was born in Kirov in 1958. He graduated from the Economy Department of Moscow State University in 1980. In March 1989 he co – founded with Yekaterina Yegorova the NiccoloM company, the oldest PR company in Russia. In 20 years of his professional work at the market of the political and business consulting Igor Mintusov has led more than 100 campaigns in Russia and abroad. He successfully worked in parliamentary elections in Poland ( 1997), governor's elections in state Florida and congress - in state of Connecticut ( 1998), parliamentary elections in Latvia (1998) and Slovakia (2002), presidential and parliamentary elections in Mongolia ( 2001, 2004, 2005), Nicaragua (2001), Lithuania. Igor Mintusov, along with his partner Yekaterina Yegorova were personal image consultants of Boris Yeltsin. Since 2002 Igor Mintusov has been a member of the Board of Directors of the European Association of Political Consultants (EAPC). From 2008 – has been vice-president on GR of the Russian Association on Public Relations ( PACO). Since 2009 – a members of the Boardof Directors of the International Association of Political Consultants ( IAPC). In 2003 Igor Mintusov received an award of the 3d annual national prize in the field of media business “ Media manager of Russia”. In 2006 he was included in rating of 1000 most professional managers of Russia – an annual rating by “ Kommersant” and “Managers’ Association of Russia”, represented by 16 various fields. Mintusov was ranked one of the best in the rating “ Professional Services”.

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two sets of topics: regional security, state-building and democratization in the Caucasus, and theories of nationalism and democratic transition in the post-cold-War context. He has been involved in pro-democracy advocacy efforts in Georgia and internationally, and has been frequent participant of international congresses and conferences on the related topics. In February-December 2008, he served as the minister of education and science of Georgia.

**Nikolay Rozov**

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