

TRANSPARENCY INTERNATIONAL EUROPE AND CENTRAL ASIA MEETING
“BUILDING DEMOCRATIC GOVERNANCE THROUGH
TRANSPARENCY AND PARTICIPATION”

June 18-20, 2004

Overview of corruption trends and anti-corruption activities in Azerbaijan in 2003- 2004
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The second half of the year 2003 was a very uneasy period for Azerbaijan due to fierce verbal clashes between the authorities and the opposition in the course of the pre-election campaign for the October 15 presidential elections and post election violence of October 16-17, when supporters of the lost candidate from the opposition - chairman of the Yeni Musavat party Isa Gambar rallied to the streets protesting against falsification of elections. Isa Gambar publicly claimed that he had collected about 60 percent of votes, while the official split was announced to be overwhelmingly in favour of the current president – Ilham Aliiev.

Comparing the presidential election in Azerbaijan and the following rose revolution in Georgia some observers believe that in Azerbaijan the West manifested the double standard policy in respect to these two countries, having given preference to government succession and thus stability in Azerbaijan to ensure interests of trans-national oil companies and closed eyes to mass fraudulent actions during elections and subsequent post-election violence.

Finally international community recognized legitimacy of the election results, having at the same time stated that elections did not meet international standards of democratic elections. It is interesting to note that the protest was especially strong among observers from Institute for Democracy in Eastern Europe, who represented nearly one third of the observer mission operating under OSCE and who dissented from the findings of the OSCE preliminary report. In short, people from newly democratic countries turned out to be more fierce supporters of the rule of law than Westerners. Many experts believed that this dubious attitude could jeopardize long term democratisation, including anti-corruption efforts in Azerbaijan.

Contrary to this conclusion, the government seemed to have made some steps to improve business climate and to rectify things in the anti-corruption sphere. It is too early at this stage to tell if the authorities genuinely wish to curb corruption or if they do “window dressing” to appease international community, especially after being exposed to severe criticism in relation to the elections.

- Several important international conventions have been signed and ratified¹
- Some serious legal and institutional changes have been made in the anti-corruption and money laundering spheres.²

However, the most important development is adoption by the Parliament of the law “On Fight Against Corruption.” It is designed to detect and suppress corruption offences, eliminate their negative effects, create favourable conditions for economic development, ensure lawfulness, transparency and effectiveness in activities of state or local authorities and public officials. The

¹ Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (ratified on July 4, 2003; entered into force on November 1, 2003); Criminal Law Convention on Corruption (ratified on February 11, 2004; entered into force on June 1, 2004); Civil Law Convention on Corruption (ratified on February 11, 2004; entered into force on June 1, 2004)

² According to the new law "On Banks", banks shall be obligated to establish the identity of each client, to whom services are provided to resist money laundering practices

law provides definitions of corruption, perpetrators of corruption offences, responsibilities of public officials, as well as of natural or legal persons for corruption and regulates some other issues. On March 3, 2004 – presidential decree "On Application of Anti-Corruption Law" stipulated that the law will come into effect since January 1, 2005. The decree also envisages establishment of the Agency for combating corruption.

However, despite such optimistic piece of legislation, it is still unclear at the moment how the law will be enforced and what is most important, how inconsistencies between this law and other legislative acts will be eliminated. In addition, the law will enter into legal force only as of January 1, 2005 and the national anti-corruption program is yet to be designed. Besides, the law does not stipulate participation of media and civil society representatives in designing mechanisms for the law enforcement, monitoring of the law enforcement or access of public to vital information, such as tax returns of high ranking officials, neither they are allowed to take part in the activities of the Agency for combating corruption. It is yet unclear at this stage is the law will be effective in practice, especially taking into account previous extremely low record of corruption related legal persecution (34 people in 2003; 47 in 2002 and 39 in 2001).

Another interesting tendency is rivalry within government which involves public allegations in corruption. A publication of a large article in the official "Azerbaijan" newspaper strictly criticized Health Minister Ali Insanov, Education Minister Misir Mardanov, and Mayor of Baku city Hacibala Abutalibov for policy errors, and also featured them as apparently corrupt government officials. Numerous comments in the press about that publication almost unanimously noted that Ramiz Mehdiyev, Chief of the Presidential Staff, was behind it. In June a big article blaming Ramiz Mehdiyev of corrupt practices appeared in another state newspaper. Since President Ilham Aliyev does not exercise the same level of control over the team he inherited from his late father president Heydar Aliyev, the possibility of new waves of clashes between competing groups within the government is high. As the parliamentary elections of 2005 approach, many expect new portions of corruption allegations to reach public attention due to that rivalry. Some analysts believe that recent anti-monopoly statements by the head of the country, as well as some other major public officials, for example, minister of communications, following unexpected rise of bread prices refuted to be monopolized as well, is another manifestation of this rivalry.