

Political reforms in Azerbaijan (1989-2004)

Introduction

Situated in Western Asia on the coast of the Caspian Sea, Azerbaijan borders on the Russian Federation, Georgia, Armenia, Turkey and Iran. It is a former Soviet republic. Up to the early 19th century, the territory of present-day Azerbaijan was part of the Iranian state; it became part of the Russian Empire as a result of the wars between Iran and Russia. After the disintegration of the Russian Empire in 1917, the Democratic Republic of Azerbaijan was established in 1918-1920. It ceased to exist in 1920 when the Red Army occupied the Caucasus. Until 1991, Azerbaijan developed within the Soviet Union as the Soviet Socialist Republic of Azerbaijan.

Mikhail Gorbachev's accession to power in 1985 created preconditions for the emergence of a new democratic mentality in the Soviet society. However, the public awakening, openness and pluralism meant by the so-called "perestroika" did not just open new windows of opportunity for democratic change in the Soviet society but also triggered the emergence of nationalistic trends. The aggravation of interethnic tensions was primarily the result of unresolved social and economic problems that dated back to the previous era. Secession from Azerbaijan proclaimed by the Armenian community of the Nagorno-Karabagh Autonomous Oblast was one of the main causes for subsequent political developments in Azerbaijan. The banishment of ethnic Azeris from Armenia in late 1988 and the events that took place in the city of Sumgait in February 1988 led to an acute confrontation between the Azeri and Armenian nations that had been good neighbors for years. Of course, organizations of all kinds tried to take advantage of this conflict, and its resolution was not exactly in the interests of Heydar Aliev who had lost power shortly before. The Karabagh problem became a key factor of political revenge. In those years, as harsh Soviet-time restrictions weakened, when freedom of speech, free mass media and public rallies became a reality, the National Front of Azerbaijan had much greater opportunity to influence the authorities. It was under the pressure from the radical wing of the National Front that the Supreme Council of the Soviet Republic of Azerbaijan made the decision to abolish the autonomy of Nagorno-Karabagh. This decision made the conflict over Nagorno-Karabagh even more difficult to settle.

In January 1990, many civilian lives were lost as a result of the massacres of Armenians in Baku by National Front radical nationalists and the invasion of the Soviet Army into Baku. Although Baku was relatively calm after martial law, and despite the fact that the majority of voters at the 1991 referendum voted in favor of preserving the USSR, more trouble lay ahead. Refugees from Armenia and Karabagh who were placed in Baku and were in a desperate situation; forces wishing to benefit from this situation were becoming more active; Heydar Aliev was based in Nakhichevan, defying the control of central powers and offering ideological support to National Front radicals.

After the failed Moscow coup in August 19, 1991, all these forces became even more active. On August 30, 1991, the Parliament adopted the *Declaration on the Restoration of the Independence of the Republic of Azerbaijan*. The *Constitutional Act on the Independence of the Republic of Azerbaijan* was passed on October 18, opening new opportunities for establishing national statehood, improving the socioeconomic situation, managing regional conflicts, building democracy, and accepting European values in order to build a civilized society. However, the society of Azerbaijan proved unable to use these opportunities, and had to face wars, socioeconomic degradation, an upset demographic balance, general decline, and insecure future.

It was at that point that the society of Azerbaijan should have chosen its own avenue of development, taking into account its national mentality, economic tradition and geopolitical situation.

One can divide the social and political developments and reforms that have taken place since 1988 into two phases: before and after 1993. During the first phase, the grassroots were active, compelling the government to make changes, while the changes made during the second phase were no longer the result of a dialogue with the people and in fact gave rise to grassroots protests.

Changes made during the first phase were mostly aimed at the resolution of the Karabagh problem, and served to depose the ruling authorities, whereas in the second phase change was aimed at strengthening power and weakening civil society and opposition. Yet these two phases were not isolated but complementary, and one logically followed from the other: H. Aliev came to power in the first phase and reinforced his position in the second one. The following events took place during these two phases:

- Protests against the authorities started in 1988;
- Tragic events happened in the city of Sumgait, refugees were placed to Baku and adjacent regions;
- The Karabagh conflict aggravated;
- The efforts of the nationalist wing of the National Front served to transform the Karabagh problem into an ethnic conflict;
- The Supreme Council made a ruling that abolished the autonomy of Nagorno-Karabagh;
- Anti-Armenian pogroms in Baku, the provoked invasion of Soviet troops into Baku, and other events caused the weakening and eventual dismissal of anti-Aliev leader A. Vezirov and seriously damaged the international image of Azerbaijan; only the firm stance of the people against Soviet power was the response to the staunch anti-Aliev position of the Kremlin;
- Public protests against the USSR intensified as a result of the blunders made by Soviet authorities during the violent events of January 20, 1990;
- Public distrust of the new authorities intensified; organized protests provoked by the Karabagh problem were directed against democratic reforms started by the new government; attempts were made to escalate the conflict;
- The autonomy of Nagorno-Karabagh was abolished;
- President Mutallibov took a vague stand with regard to the Moscow coup d'état;
- The socioeconomic situation continued to aggravate;
- Nationalist groups found their way into the Government and the Parliament;
- The National Front found its way into the government of the Nakhichevan autonomy with support from H. Aliev.

As a result of these and other events, Mutallibov was pressurized by the masses into taking certain serious steps, such as conducting political reform and adopting the Declaration of Independence and the Constitutional Act on Independence. These events that at first glance seem to happen due to public efforts were in fact the consequence of the disintegration of the USSR; yet the pressure exerted on Mutallibov by the National Front had played its part. It was the strong opposition of the National Front that prevented Mutallibov from handling the Karabagh problem and the socioeconomic issues of the new independent state while there was still peace.

1. Governance at national level: a balance between the legislative and executive powers

1.1. Reforms of the legislative authorities of Azerbaijan

A reform is a change or restructuring of a certain aspect of public life (procedures, institutions, establishments) that does not upset the foundations of the existing social system. In

contrast, the Constitutional Act on the Independence of the Republic of Azerbaijan adopted in October 1991 aimed to change the social structure; therefore, those were not merely reforms but revolutionary changes. Reforms do not address the problems of a particular group, but are aimed at the progress of the entire society. In this sense it is very interesting to analyze the political, economic and legal reforms carried out in Azerbaijan in 1991-2004. Since every reform targeted a particular issue, it should by all means be examined in its historical setting. Most political reforms conducted in Azerbaijan over the period in question were based on the following documents:

- The Constitutional Act on the Independence of the Republic of Azerbaijan;
- Some amendments to the 1978 Constitution of the Soviet Socialist Republic of Azerbaijan adopted before 1995;
- Many laws adopted in 1991-1995 (the laws on political parties, public organizations, etc.);
- The new Constitution adopted in 1995;
- Amendments to the Constitution adopted at the 2002 referendum;
- Constitutional laws adopted since 2002.

The Constitution and the chronology of political reforms can be again subdivided into two phases, before and after 1993. Laws adopted during the first phase were sometimes democratic, and sometimes manifested nationalistic selfishness. In the second phase, democratic change merely camouflaged the steps aimed exclusively at consolidating power and weakening its opponents. To reveal the regressive nature of those changes, one must conduct a comparative analysis. According to the Constitution adopted in 1995 and amended at the 2002 referendum, legislative power in Azerbaijan is vested in the Parliament which has 125 seats and is elected by a majority vote for a 5 year term. The legislative authority that seems at first glance a separate branch of power is in fact fully controlled by the President who has vast powers. The President gives formal approval to laws drafted by his administration. The Parliament with its 124 members (one seat is reserved for a representative of the Armenian community of Nagorno-Karabagh) is by no means independent, and every single member is dependent on the executive authority.

The abolition of the proportional system at the 2002 referendum, opened a legal opportunity to altogether bar most political parties from the parliament, where they only had a few seats anyway because of electoral fraud. Executive authorities appoint their candidates to every seat in the Parliament, and as a result the government has full control over all matters lying within the powers of the Parliament. In 1992, the oppositional National Front had 50% of all seats in the Parliament, whereas in the 2000 election, opposition parties won just 5 to 6 percent of the seats in the government-controlled Parliament. The constitutional amendments that rescinded the proportional elections almost entirely prevented opposition leaders from winning seats in the parliament, and the new Electoral Code gave executive authorities full control over elections.

1.2. Reforms of the executive authorities of Azerbaijan

The amended 1978 Constitution granted the President, as head of the republic, full control over executive authorities. Unlike the 1978 Constitution, the 1995 Constitution contained formal provisions that stipulated the separation of power. However, by the 1995 Constitution the executive authorities, and especially the President, have large powers and little accountability. Because the government is not accountable to the parliament, and especially because the parliament does not control the execution of the state budget, many laws passed by the parliament do not work, and the current regime uses its unlimited powers to strengthen its grip on the country.

In 1993, President Abulfaz Elchibey went on a brief visit to Nakhichevan. H. Aliyev used this opportunity to make a public address, announcing that Elchibey was unable to fulfill his duties as President, and proclaimed himself acting President in accordance with the Constitution. The

constitutional stipulation that the Speaker of the parliament becomes acting President in the event that the President is unable to fulfill his duties did not pose any danger to the present regime but still did not grant it full license, and that is why the provision was reviewed at the 2002 referendum. The new provision stipulated that in the event that the President leaves his office, extraordinary presidential election shall be held within three months. Until a newly elected President assumes office, the presidential duties shall be executed by the Prime Minister. It was this provision that enabled Heydar Aliev to hand the power over to Ilham Aliev in 2003.

Striving to strengthen its grip on the country, the new regime made some further changes in the 1995 Constitution. For instance, the Constitution that was in force until 1993 stipulated that any citizen of the Republic of Azerbaijan aged between 35 and 65 is eligible for Presidency. H. Aliev was not eligible because of the upper age limit. The respective provision in the 1995 Constitution read as follows: any citizen of the Republic of Azerbaijan having attained the age of thirty five, having resided in the Republic of Azerbaijan for the preceding ten years... is eligible for Presidency. There is no doubt that the latter limitation was added by H. Aliev in order to prevent his main opponents, Ayaz Mutallibov and Rasul Guliev, from running for presidency. With the new limitations embodied in the Constitution at the 2002 referendum, the masses were left without any tools for influencing the authorities.

The decision to abolish the quorum at presidential elections may look democratic at first glance but, in the Azerbaijani reality, it had the opposite effect: it limited the potential of opposition candidates, decreased electoral activity and gave the authorities more control over the results of elections.

The Soviet Constitution of 1978 was amended to divest the Communist party of its powers, establish Presidency and election management bodies. Communist party committees in the districts were substituted with executive authorities that were nominated by the center; this could by no means improve governance.

Since the Communist party could no longer interfere into public governance, it was now possible to separate powers between the executive, legislative and judicial branches. However, this opportunity was missed, and the newly created institutions were even less democratic. In the first years of independence, up to 1993, measures were taken to weaken the control of local Councils of People's Deputies. After 1993, the Councils were abolished, and the municipal authorities established many years later had very limited powers, and the population found itself isolated from power and local governance.

Theoretically, the replacement of more democratic institutions, the local Councils, with the heads of executive power who were appointed and dismissed by the president, and after 1993, granting them more authorities, was in the interests of the present-day regime.

1.3. Judicial Reform in Azerbaijan

Reforms of the judicial system were closely interlinked with reforms in the other two branches of power: the executive and legislative authorities. In-depth analysis proves that the changes implemented up to 1993 were more democratic and allowed public at large to participate in governance. Since 1993, the judicial system has fallen under the control of executive authorities, lost its independence and could no longer fulfill the functions provided by the Constitution.

The 1978 Constitution of Soviet Azerbaijan stipulated that justice shall be administered solely by the courts. The courts were composed of judges and elected court members. The judges of City and District Courts were elected by respective Councils of People's Deputies; the judges of the Supreme Court of Azerbaijan, the Supreme Court of Nakhichevan and Regional Court of Nagorno-Karabagh, by the respective Supreme or Regional Council.

City and District Court members were elected at community meetings, and Supreme Court members, at meetings of the respective Councils. Judges were elected for a 10 year term, court

members, for a 5 year term; both were accountable to the councils that elected them and to the voters.

Soviet-time courts do not seem very democratic. Yet, though dependent to a great extent on Communist party committees, they had strong mechanisms for investigation and administration of justice. During the decline of the Soviet regime, especially in the 1990s, courts failed to become independent, but became too weak to perform their functions. This impotence of justice caused chaos in the society, widespread flagrant violations of the law and human rights abuse. “Democratic change” in other branches of governance – i.e. total confusion in the executive and legislative authorities – led to similar changes in judicial authorities.

The 1995 Constitution replaced the country’s undemocratic judicial system with even less democratic one. The new judicial system was de facto fully dependent on the executive authorities and vested with repressive powers. It was the new Constitution that turned the courts into a powerful tool of repression, used to protect the foundations and unlawful activities of the present political regime, and to punish anyone who disobeys.

By the new Constitution, justice in Azerbaijan is administered by the Constitutional Court, the Supreme Court, the Economic Court, general and specialized courts. The procedure of election and nomination of constitutionally independent judges is further proof of their dependence. That is why, up to 2000, District Court judges were nominated by district executive authorities. Since 2000, judges must take a special exam, which is a positive measure, but the fact that the exam is followed by an interview at the superior authority causes further corruption and undermines the independence of judges. Rather than enjoy popular trust, the new judicial system, not accountable to the public and dependent on executive authorities, has a reputation of abusing law and justice more than any other institution.

By the Constitution adopted in 1995 and amended in 2002, every citizen of Azerbaijan has the right, by procedure provided by law, to bring a claim to the Constitutional Court against rulings made by legislative bodies, executive authorities, courts or municipal authorities, that violate his or her rights or freedoms, and to secure the free exercise of such rights and freedoms. Although the procedure for exercising this right is still vague, the provision itself is commendable, and steps should be made to ensure its implementation.

1.4. Analysis of Separation of power in Azerbaijan

As mentioned above, the present Constitution provides separation of power in Azerbaijan. The Constitution of Soviet Azerbaijan did not contain provisions to this effect, but significant amendments were made before 1993 that concerned separation of power. Although at that time separation of power was not fully implemented, the changes made after 1993, and especially in 2002, gradually improved the situation.

Positive historical changes came with the establishment of presidency in 1990. The Communist party was losing its control over legislative and executive authorities and was eventually ousted from the political scene in 1991.

Popularly elected councils, accountability of executive and judicial authorities to legislative bodies, and other democratic innovations were established throughout the former USSR, including Azerbaijan.

Regrettably, since public activity was focused on the issue of Nagorno-Karabagh, the importance of democratic change was underestimated. The upset balance between different branches of government weakened Azerbaijan and only caused escalation of regional conflicts.

Due to the fact that executive authorities in Azerbaijan had very large powers, control over law enforcement agencies and many instruments for intervention into the composition of legislative bodies, all other branches of power became de facto dependent on the executive authorities.

Since the Constitution did not provide any tools for implementing the separation of power, judicial and legislative authorities are unable to perform their functions or exercise their powers

provided by the law. Rather than limit the unrestricted unlawful activities of the executive authorities, these two branches often create favorable conditions for such activities.

Neither the Constitution, that proclaims consolidation of power and its ownership by the people, nor other laws provide concrete democratic procedures for the public authorities to be established by and accountable to the people.

The failure to ensure active and passive rights of the people to elect legislative bodies and local authorities, combined with blatant electoral fraud, have isolated the nation from state governance. Although the Constitution has a provision on separation of power in the Autonomous Republic of Nakhichevan, it fails to establish procedures for the implementation of this provision.

The previous Constitution had clearer provisions on separation of power in the Autonomous Republic of Nakhichevan. It was the amendment to the 1978 Constitution provided separation of power, relative independence between branches of power in 1991-1993, and the first democratic changes made against the background of weak governance, that enabled H. Aliiev to strengthen his power in the Autonomous Republic of Nakhichevan.

2. The Distribution of Power between Central and Local Authorities

2.1. Local executive authorities and their competencies

The horizontal and vertical separation of power provided by the Constitution of Azerbaijan was based on the historical undemocratic practices that existed in a more centralized country, the Soviet Union.

According to the 1978 Constitution, in the districts, cities, city districts, towns and villages of Nagorno-Karabagh Autonomous Region, the Councils of People's Deputies were the bodies of state governance. These local Councils of People's Deputies managed local affairs, implemented the decisions of superior authorities, managed the activities of lower-level Councils of People's Deputies, and took part in the discussion of any matters of regional or national importance with the right to propose solutions. Local Councils of People's Deputies supervised the execution of law by the local companies, departments or organizations controlled by upper-level authorities. The Councils in their territory coordinated land use, environmental protection, construction, use of labor resources, social, cultural and other services. Local Councils of People's Deputies had the right to make decisions on matters within the scope of their responsibility provided by the laws of Azerbaijan, Nakhichevan and, in the Soviet times, of the USSR.

The fact that Councils of People's Deputies possessed such competencies and structures for exercising them enabled many members of the nationalist National Front to be elected to the Councils of People's Deputies and eventually to overthrow the central authorities. Aliiev H. Aliiev was elected Chairman of the Supreme Council of the Autonomous Republic of Nakhichevan in 1991; he used the Constitution, electoral laws, and the relatively democratic separation of power between central and local authorities to put his men in the main public offices in Nakhichevan, and de facto separated this republic from Azerbaijan. The National Front, interested in weakening the state, used the national selfishness of the grassroots, and abolished the Nagorno-Karabagh Autonomous Region, thus encouraging its secession from Azerbaijan.

Developments that took place after the 1993 coup d'état, and the new Constitution adopted in 1995 with all subsequent amendments, served to increase the dependence of local authorities on the central government and eventually deprived them of all the independence local authorities used to have. Local Councils of People's Deputies were abolished and substituted with local executive authorities whose heads are appointed and dismissed by the President; the new authorities have broad competencies and are only accountable to the presidential administration. This was a step from democracy to dictatorship in Azerbaijan. The local Councils of People's Deputies were dissolved based on a transitional provision of the 1995 Constitution, and their

responsibilities were handed over to local executive authorities. This handover proves that the changes disguised as democratization are in fact aimed at the reinforcement of the ruling regime.

The responsibilities of local executive authorities were determined by Decree # 138 adopted by the President of Azerbaijan on June 16, 1999, and are regulated by the Statute on Local Executive Authorities. The heads of local executive authorities are especially prone to corruption, which is especially grave since these authorities are the most powerful and the least accountable. The financial resources of local executive authorities are allocations from the state budget, non-governmental budgetary funds and credits.

2.2. Local self-government in Azerbaijan

The 1995 Constitution stipulated the establishment of elected local self-government bodies, parallel to the local executive authorities appointed and dismissed by the president.

Regional entities (territories, the autonomous republic, cities, rural districts, city districts, boroughs and villages) are governed by local executive authorities. As a result of democratization of governance in the 1990s, Councils of People's Deputies were abolished and local executive authorities and municipalities were established in their stead. The 1995 Constitution for the first time introduced the concepts of "local self-government", "municipality", municipal property".

Despite the fact that transitional provisions of the Constitution stipulated that local self-government should be put in place within two years after the Constitution takes force, the first municipal elections were only held in 1999. There was a reason why the municipal elections were held so late and were marred by such blatant violations of the transitional provisions of the Constitution. Using privatization as a cover-up, most of the property of collective farms was misappropriated. As a result, municipal authorities, established after the illegal privatization of collective farm property, have almost no property, and are therefore unable to fulfill their responsibilities. Constitutional amendments adopted in 2002 further limited the vague status of municipal bodies, and undermined public confidence both in local self-government, and in democratic values in general and European values in particular. As a result, local initiative was restricted and the regime reinforced. Such treatment of local self-government contradicts the constitutional provision by which power in Azerbaijan belongs to the people. Regional policy is an essential component of the national concept of socioeconomic development, and must form the basis of the action program implemented by governance bodies. We can now state that those macroeconomic programs which ignored the needs of particular regions have largely failed.

The regional policy of the state can pursue the following goals:

- Ensuring territorial integrity;
- To take into account regional peculiarities, interests and capacities in the regulation of socioeconomic development of Azerbaijan;
- Optimal division of regional and national property;
- Optimal separation of administrative powers between regional and central authorities;
- Establishing local self-government.

In reality, none of this has been implemented, neither in theory in the form of constitutional provisions, nor in practice – in the policy of public authorities.

Article 142 of the Constitution stipulates that local self-government in Azerbaijan is exercised by municipal authorities.

The inclusion of this provision in the Constitution, and the signing of the European Charter of Local Self-Government played a key role in Azerbaijan's accession to the CoE. In 1995-1996, the country was committed to reform local governance by establishing municipal authorities and delegating them administrative powers and local property. Yet steps to organize local self-government were only taken four years later. These years were enough to privatize all valuable state property (i.e. local companies engaged in trade, services, etc.) that should have been assigned to municipal authorities. If in most countries municipal authorities exercise local self-

government; in Azerbaijan, they do not, because all relevant competencies belong to local executive bodies. Municipalities still do not possess the rights, competencies and property (such as utilities, educational, cultural and sports facilities, roads and lands, except those belonging to the state or privately owned) to which they are entitled under the July 2, 1999 Law on the status of municipalities and the December 7, 1999 Law on the transfer of assets to municipal property. The Provision on local executive authorities signed by the President on June 16, 1999 assigned local administrative powers to local executive authorities.

If we compare the competencies of local executive authorities to the provisions of the Law on the status of municipalities, we can conclude that there are two parallel governance structures in the administrative units of Azerbaijan. The distribution of local powers between municipal and executive authorities implies that finances, too, are distributed between these two types of bodies. Two budgets instead of one are executed in a single locality.

The reforms of local governance launched in Azerbaijan in the 1990s thus resulted in the establishment of two parallel governance structures in the administrative system based on diarchy; consequently, administrative expenditure increased out of proportion.

It is crucial that municipal legislation should embrace the fundamental principles of local self-government reflecting the tendencies of the reform, including: a) citizens' rights to manage local affairs independently; b) legal independence and organization of local self-government; c) the democratic character of local self-government; d) financial and material resources commensurate to the competencies of local authorities; e) accountability of local self-government officials and agencies to the population; f) respecting human rights and freedoms; g) proper and lawful organization of local self-government; h) transparency of local self-government; i) collegiality of local self-government; j) state support to local self-government.

The main avenues of municipal bodies' activities should be: a) ensuring public participation in managing local affairs; b) managing local property and finance; c) ensuring social and economic development of the locality; d) catering to basic needs of the local population; e) protecting public calm and security; f) protecting the rights and interests of local self-government.

Local authorities form part of public governance and must be recognized as an independent type of public authority. That is why all the decisions made by local authorities within the limits of their competencies should be mandatory for all institutions, agencies, organizations, officials, citizens and NGOs. Local self-government is exercised by popularly elected local councils and executive bodies. The competencies and rights of the councils and executive bodies must be clearly defined. The management of these two bodies by a single person must be legally justified.

The main challenges faced by municipal authorities in Azerbaijan can be tentatively categorized as follows:

1. *Issues arising from the constitutional and legal status of local self-government*
 - to determine the degree of independence of municipal bodies as provided for by the European charter of Local Self-Government;
 - The inadequate structure of municipal bodies and their isolation from state governance;
 - description of municipal bodies as non-governmental agencies.
2. *Laws regulating the competencies of municipal bodies have not been adopted or are unrealistic.*
 - The need to define principles for assigning administrative powers to municipal bodies;
 - The need to separate competencies between executive authorities and municipal authorities;
 - The need to elaborate rules for compensation of any extra expenses made by municipal authorities;
 - The need to refine the procedure for supervision of the activities of municipal authorities and the accountability of these authorities;

- The one-tier structure of municipal authorities, the non-existence of a procedure for interaction and coordination between of city and district municipalities.
3. *Issues arising from failure to implement laws on municipal authorities*
 - The absence of a mechanism for the implementation of laws that at first sight seem capable to ensure the development of local self-government, or failure to implement such laws;
 - The indifference of other state bodies (especially executive bodies and even courts) to the failure to implement laws on municipal authorities.
 4. *Problems with municipal financing*
 - Flawed legal framework for the financing of local authorities;
 - Weak national economy;
 - Poor financing of local authorities;
 - Problems with formation of local budgets;
 - Problems with collecting and using local taxes;
 - Problems with defining the types of taxes;
 - Problems with rational spending of budget funds;
 - Problems with making inter-budgetary transfers;
 - The need to implement a healthy and efficient balancing system, etc.
 5. *Problems with recruitment and democratic team-building in municipalities*
 - The flawed and undemocratic legislation;
 - The interference of local executive authorities, the creation of conditions for electoral fraud;
 - The non-existence of a strong and healthy political opposition crucial for democratic society;
 - grassroots indifference to elections and low voter turnout;
 - Insufficient number of skilled staff in the spheres of management, public outreach, international relations and finance;
 - Poor control over implementation of decisions made by municipal councils, poorly organized accountability to the population;
 - Poor motivation of municipal authorities to report to the population;
 - Poorly organized information support of municipal authorities and respective localities.
 6. *Problems with public participation in local self-government*
 - municipal authorities lack the necessary skills for public outreach;
 - municipal authorities are indifferent to public outreach;
 - the population is not motivated to participate in municipal bodies;
 - The lack of skills, traditions and practices in the establishment of such relations.

Listed above are only a few of what I believe to be the key problems of municipal structures in Azerbaijan. These and other problems clearly indicate that the existing system of local self-government in Azerbaijan is ineffective, and that preserving it would mean increasing administrative expenditure and at the same time undermining public confidence in democratic values. Therefore, there is an imminent need to reform local self-government and reorganize local authorities, and this work should begin right away.

3. The procedure for enacting political and constitutional reforms

3.1. The legislative system of the Azerbaijan Republic

The historical conditions and goals of political and constitutional reforms in Azerbaijan in 1991-2004 required a legislative framework for the reforms to be legitimate. From this perspective, the legislative system stipulated in the 1978 Constitution with amendments made after 1990, and the procedure of political and legislative reforms drastically differs from the amended 1995 Constitution. In the first Constitution, the procedures for enactment of reforms by the Soviet Supreme Council and later by the Milli Majlis were much simpler and more flexible.

In the second Constitution, many more obstacles were created. As mentioned above, by looking at the political and constitutional changes we clearly see that the reforms implemented by 1993 had, on the one hand, enabled formal democratic measures, on the other hand, weakened the central authorities and increased internal tensions, escalation of regional conflicts, the ongoing war between Azerbaijan and Armenia, deteriorating ties with neighboring countries, especially Russia and Iran, serious human rights abuse, a crumbling economic system and discrimination of ethnic minorities.

The legislative, political and economic systems put in place after 1993, combined with political and constitutional changes disguised by apparent stability and democracy, were used to restore dictatorship. The new system does not just serve to conserve and reinforce the regime but creates the conditions for international financial institutions and transnational corporations to expand their activities in Azerbaijan with the support of its ruling powers. Moreover, the undemocratic but relatively stable regime is acceptable to the ordinary citizens who are weary of wars and domestic chaos in 1988-1993.

According to the Constitution of Azerbaijan, the legislative system consists of the Constitution, acts adopted by means of referenda, decrees and laws made by the Cabinet, and normative acts adopted by central executive authorities. International treaties to which the Republic of Azerbaijan is party, constitute an integral part of the legislation. The decision to include international treaties in the legislative system was a positive measure. It also includes international documents signed for the Azerbaijan Republic by authorized agencies and not subject to ratification.

The 1995 Constitution and its amendments place both types of legislative activities – direct lawmaking and state lawmaking – under the total control of executive authorities. After 1995, and especially after the 2002 referendum, the people can no longer initiate a referendum to amend the Constitution and important laws or to adopt important laws. The legislative activities of the state are now fully controlled by the executive authorities and serve their interests. It is inconceivable that, being under the president's control, the bodies entitled to legislative initiative, including the Milli Majlis, will promote democracy or protect human rights and freedoms through legislative activities. .

3.2. The constitutional procedure of implementing reform and change

Under the 1978 Constitution, amendment of the Constitution required a two-thirds vote of the Supreme Council. A decision to make changes only in the territory of Azerbaijan and to secede from the USSR required the Supreme Council ruling based on the results of a national referendum. Even the procedures for referenda foreseen by the 1978 Constitution with amendments adopted by 1993 were much more democratic and flexible than the ones envisaged by the 1995 Constitution with the 2002 amendments. From 1989 to late 1991, basic changes were made in the Constitution at the sessions of the Supreme Council, represented by 320 deputies out of 360 (the Constitution reserved the rest of the seats for deputies from the autonomous oblast of Nagorno-Karabagh). Starting from late 1991, the Constitution was amended by the Milli Majlis established under the Constitution and had 51 members.

When the Milli Majlis, with 25 seats reserved for the representatives of the National Front opposed to the authorities, was established and assumed the responsibilities of the Supreme Council, this paved the way for future legislative steps that would eventually enable H. Aliev to seize power. It was the Milli Majlis that orchestrated the return to power of H. Aliev in the capacity of the Chairman of the Supreme Council in June 1993. The democratic principles used to form the Milli Majlis, and the practice of discharging them from business and government offices, left the Milli Majlis with fewer and fewer supporters of President A. Mutallibov and placed it under full control of the National Front. During the rule of the National Front in 1992-1993, the Milli Majlis had sufficient competencies to implement constitutional and political

reform, but its flexibility in the long run enabled H. Aliev to regain power and restore a regime based on corruption, regionalism and fear.

Under the 1995 Constitution, amendments to the Constitution can only be made by means of a referendum (Article 152). Moreover, the article stipulates that any amendments to the Constitution adopted at the referendum have the same legal force as other articles of the Constitution. In fact, there were other reasons for complicating the procedure of amending the Constitution in a society that did not achieve political and economic stability, where democratic institutes did not completely function and separation of powers was not implemented. If under the amended 1978 Constitution, a decision to hold a referendum could be initiated either by the Milli Majlis or by a petition signed by one tenth of the population of the country eligible to vote, under the 1995 Constitution such initiative is reserved to the Milli Majlis and the President. Moreover, the Constitutional Court must review the proposed changes before the referendum is held (Article 153). This limitation served to strengthen presidential powers, restrain the political activity of the population and curtail the participation of opposition parties in the government. Indirectly it made democratic reforms more difficult to implement, hindered constitutional and political changes, hampered social development and prolonged the life of the present regime.

Amendments to the Constitution are adopted in the form of Constitutional laws by a majority of 95 votes in the Milli Majlis. Constitutional laws must be signed by the President after the first round of voting, and again after the second round held 6 months later. The constitutional law is not enacted unless signed by the President. The constitutional law is enacted after it was signed by the President in the second round. The President can refuse to sign a constitutional law at any stage of its adoption. Amendments to the Constitution may be proposed by the President or at least 63 deputies of the Milli Majlis.

The limitations imposed on proposed amendments to the Constitution may be at first glance regarded as a legal safeguard for the foundations of the state and the structure of the Constitution, as a pledge of power by the people, irrevocable democracy, and consistent development of the political system. In fact, this historical step was taken by the H. Aliev administration in order to prevent the Milli Majlis from restricting the enormous powers of the President.

This document, based on the Declaration on the Restoration of Independence of the Republic of Azerbaijan adopted by the Supreme Council of Azerbaijan on August 30, 1991, actually, laid the foundations of the state system, political and economic structure of the independent Azerbaijan Republic. Although prior to the adoption of this Constitutional Act, there were legal grounds for political pluralism in Azerbaijan, the Communist Party was still the leading political party. The adoption of this Constitutional Act led to the establishment of other political structures and non-governmental organizations and expanded the possibility to determine the policy of the Azerbaijan Republic democratically. Granting the right to the citizens of the whole country to freely establish political parties and public associations was a very serious historical political decision.

The internal tensions owing to the Nagorno Karabagh problem, frequent clashes between the Azerbaijani and Armenian communities in provinces, and the economic decline created great difficulties for the adaptation of the populace to the new political reality. The tragic death of statesmen from A. Mutallibov's team in a helicopter crash in late 1991 marked not only the beginning of the ending of his rule, but, in fact, the commencement of the Azerbaijani-Armenian war. The National Front after this event seriously intensified its activities and started to demand certain political changes to speed up the weakening of the president's authority and his resignation. The main political change was the Constitutional law On the National Council of Azerbaijan Republic adopted by the Supreme Council of Azerbaijan Republic. The National Council composed by half of National Front representatives and endowed with all legislative powers adopted resolutions on the repeal of the Nagorno Karabagh Autonomy, on the extermination of the Azeri civilian population of Khojaly by Nagorno Karabagh separatists thus undermining the domestic support of the Azerbaijani authorities, while the concessions denied

by the authorities during the distribution of Azerbaijani oil between foreign companies, stripped them of external support.

The reforms implemented by the first president of Azerbaijan A. Mutallibov, although democratic in essence, failed to positively impact the development of the society. The capture by Armenian forces of the Azerbaijani populated Shushi in Nagorno Karabagh prevented the return of the president who had resigned shortly before. The Popular Front used this as a pretext and seized power. The leader of the Popular Front A. Elchibey was declared president as a result of the presidential elections held haphazardly in June 1992.

The adoption of the Law on Political Parties can be regarded as a positive event amongst the reforms implemented during the rule of the National Front. It should be noted that although the provisions of this law are not broadly applied, the law is still in force. According to Article 8 of this law, while in office, the President, court chairmen and deputy court chairmen and judges of all courts of the Azerbaijan Republic, prosecutors (except technical and support staff), officers of the ministry of justice, internal affairs, national security, border patrol, customs, tax inspection, state media, management and creative staff of State TV and Radio company, and the clergy shall not be affiliated with any political party.

However, the former President of Azerbaijan, H. Aliev, both when he was the Speaker of the Parliament and when he became President remained the chairman of the Yeni Azerbaijan Party. The current President of Azerbaijan Ilham Aliev in the capacity of the chairman of the Yeni Azerbaijan Party also maintains his party affiliation. According to this law, the affiliation or non-affiliation of citizens with political parties shall not restrict their rights and freedoms. In reality, though, since 1993, the members of other parties, particularly, opposition parties, have been dismissed from budget agencies; it was prohibited to employ them in the bodies of state governance. Many citizens had to leave Azerbaijan because owing to their opposition convictions and membership in opposition parties they were physically persecuted.

Under the Law on Political Parties, the state must protect the legitimate interests and rights of political parties, create conditions for the execution of their charters in accordance with the Constitution and laws of Azerbaijan, ensure equal conditions for the dissemination of their documents through state mass media, secure the party leadership structures, establish and maintain security bodies for this purpose. But since 1993, Aliev's regime, has been violating the provisions of this law and under various pretexts confiscated the offices of the parties and denied them minimal conditions for decent operation. To date, the regime closes its eyes on the intervention of state agencies and officials into the activities of political parties.

After the amendments to the 1995 Constitution in 2002, the procedure for the liquidation of political parties has been facilitated. If before constitutional amendments, the liquidation of political parties was done by resolution of the Constitutional Court, thereafter, the liquidation of political parties is executed by district courts by motion of the Ministry of Justice. If we take into account that in Azerbaijan the courts are not independent and depend on executive authorities, one can easily see how simple the liquidation procedure is when dictated by the executive authorities.

During the rule of the National Front in 1993-1992 the war between Azerbaijan and Armenia further intensified and the losses of Azerbaijan increased. It was in these years that the political relations between Azerbaijan and neighboring countries, especially, Russia and Iran, were on decline. But it should be admitted that the Nakhichevan regime, after accession to power of the National Front, ignored the latter and improved relations with the neighbors, particularly, Turkey and Iran. The agreement on suspension of military actions between Nakhichevan and Armenia prevented the opening of the second front and enabled Armenia to amass forces in Nagorno Karabagh and adjacent regions and put the Azerbaijani army in a difficult situation. During the rule of the National Front, Azerbaijan sustained both military defeats and political instability, suffered from the shortage of food supplies, economic decline, and Bolshevik-style personnel policy, the dismissal of professionals from state governance bodies and replacement thereof by

unprofessional National Front members. For this very reason, the unprofessional governance of the National Front caused the discontent of the population and crisis of power. Having eliminated all obstacles for the restoration of H. Aliev's regime, the National Front performed its historical role. Not a single political decision of the National Front promoted the resolution of the critical situation.

In 1992-1993, the seizure by Armenian forces of Lachin and adjacent villages in the corridor between Armenia and Nagorno Karabagh and the alpine region of Kelbajar caused open protest against the National Front all over Azerbaijan and particularly in Nakhichevan Autonomous Republic and in its Supreme Council. This resulted in the disregard of the decisions of central authorities and de facto independent actions of Nakhichevan Republic, persecution of National Front representatives in its territory, and the expansion of H. Aliev's influence. H. Aliev's meeting with the representatives of British Petroleum in Istanbul in March 1993 was an explicit evidence that the Western powers started to trust in him. Continuous military defeats of the Azerbaijani army caused protests in the army and ethnic discord in the territory of Azerbaijan, causing insubordination of military units in Gyanja commanded by Suret Husseinov and in Lenkoran, commanded by Alikram Gumbatov. Armed clashes between the military units of central authorities and the ones of Suret Husseinov claimed numerous lives on June 4, 1993 while the march of S. Husseinov's units towards Baku and the demand of President Elchibey's resignation and deposition of the National Front caused the resignation of two influential representatives of the National Front, Prime Minister Panah Husseinov and the Speaker of the Parliament Isa Gambar. These resignations heralded the close demise of the National Front. In early June 1993, H. Aliev's arrival in Baku in order to settle the conflict between the authorities and S. Husseinov, and H. Aliev's indirect demand to be vested with vast powers, including the post of the Speaker, created conditions for complete appropriation of power in the near future. In a few days, President Elchibey was mysteriously resettled to a remote alpine village in Nakhichevan, and H. Aliev appeared on TV and said that he would undertake the president's functions. Few people doubted that this was a coup. The Constitution of Azerbaijan was breached once again and power was seized. This seizure and vesting H. Aliev with authorities by the Parliament was answered with silence, as the only way out. Continuous enhancement of the new regime started with resignation of National Front representatives. The society did not resist the arrests and persecutions of National Front representatives who had been previously staunchly opposed to H. Aliev. Further hardships caused by the Azerbaijani-Armenian war, the loss of trust in democratic values in the society, lack of elementary living conditions for numerous refugees and IDPs and the capture of five regions adjacent to Nagorno Karabagh terrified and despaired the populace.

The society that used to live under the Soviet system, more than any democratic reforms desired serious order and immediate cessation of the war. This was the appropriate time for the cease-fire, for the decisive struggle against opponents and elimination thereof, for the institution of a specific form of power, Oriental tyranny, and lastly, for the privatization of Socialist property and division of subterranean and surface riches. Thus, the first political steps started in May 1994 with the cease-fire between Azerbaijan and Armenia. During the cease-fire, the signing of the great oil contract on September 20, 1994, so called Contract of the Century, between the Consortium and Azerbaijan on oil production and export on the European market played the role of the international guarantor for the longevity and stability of H. Aliev's regime. It was these guarantees that since October 1994 had enabled H. Aliev's regime to settle old scores with his political rivals and enemies. The demotion of Prime Minister Suret Husseinov who contributed greatly into Aliev's advent to power, who later on disagreed with Aliev on the division of authorities, the cruel suppression of the mutiny of the special police force, numerous victims and arrests insured his complete and absolute rule. Reinforcement of the regime by violence and improvement of the physical security of the population by restriction of democratic freedoms, at first, was welcomed by the populace as restoration of stability and order. But the regime realized

that such measures usually require continuous poverty of the population and complete control over the economy by pro-government forces. This required certain political and economic reforms. As a result of such reforms, e.g., the agrarian reform, state and collective farms were liquidated and their property was illegally privatized. It was after this reform that most people living in rural areas and working in agriculture faced unemployment and were forced to leave their houses.

The adoption of the Constitution of Azerbaijan in 1995 was an important political event. The enhancement of the presidential power in the Constitution, especially, the introduction of the appointed local authorities vested with complete and unaccountable power, paved the way for antidemocratic laws adopted later, particularly, the ones on the privatization of public property. Appropriation of public property through privatization by a group of high-ranking officials, the disintegration of industrial capacities over the years, and failure to create new ones was not only a violation of public justice, but meant disillusionment with democratic reforms, mass unemployment and poverty.

As a result of absolute control by the executive authorities over the parliamentary election in 1995, the principle of separation of powers was completely undermined. In the 125 member Parliament, stipulated by the Constitution, the opposition was represented by just a handful of deputies and had no say in the decisions made by the Parliament. After that, one can state that all branches of power were completely controlled by H. Aliev. Control over mass media was established after increased persecution. Thereafter, not only oil, trading and industrial companies started to report about stability in Azerbaijan, but also the European countries and the USA. Signing in 1996 of the Cooperation Agreement with the European Union opened new financial and technical possibilities for the state to reinforce its structure and to expand its social basis. The banishment of the owners associated with the opposition from business, placement of specialists associated with the authorities in the government and in projects implemented in Azerbaijan by the EU, created financial problems for the opposition and drove some groups towards the authorities. In this social, political and economic situation, it was not hard for the authorities to falsify the results of the 1998 presidential election. The authorities that ignore the new Constitution have not published the results of these elections to-date, which is evidence of their self-confidence and international support. However, the results of the 1998 presidential elections suggested that there would be potential difficulties in the future. Hence, to rule out such difficulties, the authorities decided to launch a more serious struggle against their opponents. The Law on the Freedom of Assembly adopted in November 1998 was an attempt to restrict the participation of the opposition in the parliamentary election and force it out of political struggle. The representatives of the authorities, using the Law on the Freedom of Assembly dealt a serious blow to the unity and consolidation of the opposition. The authorities, based on the provision of the law requiring notification of the local executive powers about the rallies, constantly restricted peaceful rallies by force, trying to undermine the will of the population.

The parliamentary elections of 2000 accompanied with large-scale fraud and serious violations of law enabled the executive power to establish full control over the Parliament, which resulted in the creation of a legal framework for the enhancement of the president's power. But the constitutional provision about the proportional and majority election that allowed electing 100 deputies out of 125 by the proportional system, potentially enabled the opposition to remain the power center of the society. The present authorities that had grown stronger through complete control over the government structure in the country and through the favorable resolution of energy problems of the leading countries outside the country, liquidated the proportional system. This step was the imperative of time to prevent the potential representation of opposition parties and thus to safeguard the present regime in the Parliament, and for complete control of the election process by the members of the Parliament.

The disease of the President and the prospects of losing the ability to perform one's duties at any time could enable the transfer of power to other political forces. Even the 1995 Constitution, in

the event of premature termination of duties by the President envisaged extraordinary presidential election within three months. In such cases, the Speaker of the Parliament was supposed to perform the duties of the President. The transfer of the authority to the Prime Minister that became possible after the amendment of the Constitution and did not seem undemocratic and significant politically, in 2003 allowed to easily transfer power to Ilham Aliev and showed what the real purpose of this arrangement was.

The accession of Azerbaijan to the Council of Europe in 2001 was a major political and historical event in the history of Azerbaijan. All political and non-governmental organizations of Azerbaijan recognize that integration into the European family, and acquisition of European values does not mean only economic development for this country, but also security. On the other hand, the society is sure that after accession to the Council of Europe, it will be easier to combat election fraud, endemic bribery and corruption. But very few people believe that after the signing of the main oil contract and commencement of Baku-Tbilisi-Ceyhan pipeline construction the reaction of the Council of Europe to the reforms that suppress political parties will not be unbending; nothing will be done to protect the political figures persecuted and arrested by the regime under various pretexts. Financial support of the regime and pro-government business structures provided by various international financial bodies, including the EBRD, IFC, and the World Bank dealt a serious blow to the normal functioning of democratic institutions in the society.

The essence of the 1995 Constitution and the amendments made in 2002 suggest that H. Aliev's regime is not going to weaken in the near future; vice versa, it will become stronger, the activities of democratic institutions will be formal, the political parties will become weaker, human rights and freedoms will be suppressed, the living standards will plummet, and most importantly, the problem of Nagorno Karabagh will not be resolved. The adoption by the Parliament of the Electoral Code in 2003 further exacerbated these pessimistic predictions. In contrast with the Law On the Election of the President of Azerbaijan Republic adopted in 1998, the absence of the provision enabling the candidates or political parties, registered as election blocs, to appoint their own members to electoral commissions with the deciding vote, and the restrictions imposed on the observation of elections by non-governmental organizations and political parties, was an undemocratic measure. The new Electoral Code clearly demonstrates that the commitment of Azerbaijan to the Council of Europe to improve the electoral legislation was violated; moreover, there was a retreat from the previous level of democracy. The principle of composition for electoral commissions stipulated in the Electoral Code (1/3 from the parliamentary majority party, 1/3 from the parliamentary minority, 1/3 non-partisan) in reality suggests that the electoral commissions are entirely controlled by the authorities, i.e., the decision making majority. For all real political forces, including the political figures who for political reasons are not present in Azerbaijan, participation in the elections was completely restricted in the Electoral Code. Complicated observation and restricted access to observation for NGOs in the Electoral Code became a serious impediment for public oversight over the electoral process. The appointment of Ilham Aliev as Prime Minister in August 2003 (two and half months prior to the presidential election) in order to retain power in case the President will be unable to perform his functions and to control the executive power, intervening into elections and capable of any violations, opened the eyes of the society as to what the election outcome would be.

Violations of law and gross electoral fraud that took place in October 2003, rampant breaches of the Electoral Code obstructing democratic elections in the first place, the violent reaction to the opposition's protests immediately after the election, arrests of opposition leaders and numerous citizens who took to the streets, and tortures, undermined the trust of the Azerbaijani society in the democratic reforms.

Unfortunately, the Azerbaijani society that protests against the Soviet election system, struggles for the civil society, democratic structures, enhancement of democracy and human rights, and

believes Western countries, and particularly, the USA, will have to live long with the negative impression left by the congratulations of Ilham Aliev by First Deputy Secretary of State, Richard Armitage, after such countries as Iran, Russia, Belarus and Georgia, and thus legitimizing the election results. These congratulations made two days after the election, during mass arrests of rally participants and violence, created favorable conditions for subjecting the opposition to even harsher reprisals. Although the OSCE/ODIHR representative Peter Eicher stated that the election did not meet the international standards and Azerbaijan lost yet another chance to hold democratic election, and 188 representatives of the East European Democracy Institute noted that the October 15 election did not comply with the internationally recognized term “elections”, the leading nations shortly after the election recognized the results and started to cooperate with the President. It was after the election that the arrested political leaders were tortured, their families persecuted and the children expelled from schools with the label of the “children of the nation’s enemy”. This reminded of Azerbaijan under Stalin. The post-election period in the life of political parties in Azerbaijan can be described as decline. H. Aliev’s death did not lead to any changes in the public life, because the populace believed he had died five months before the election, and got used to live without him. After the election, and especially, after H. Aliev’s death, the authorities and the subservient mass media, most newspapers and magazines through continuous propaganda of the personality cult undermined the people’s initiative and trust in democracy. This resulted in formal municipal election held in December 2004. Participation of only 5-7% of eligible voters and their conviction in the futility of the election, serious violations and nomination of municipal members by corrupt executive authorities was the result of political reforms underway since 1993. Since the Constitution, the Electoral Code and other laws enable the president’s administration to indirectly determine the members of the Parliament at the 2005 parliamentary election, and because the representation of the opposition in the Parliament at such election is impossible, it would be naïve to expect free and fair election.

4. Political reforms in Azerbaijan. Integration into Europe seen in the light of the European neighborhood policy

4.1. Political reforms in Azerbaijan

The political changes that took place in the contemporary history of Azerbaijan, including political reforms, are best seen in the context of economic and regional developments, and the ruling political regime. Amongst the political events that had significant impact on political history, one should first name changes that affected the social life of the USSR in the late 1980s. Perestroika and glasnost proclaimed by Gorbachev created conditions for democratic changes in every sphere of public life, but at the same time revealed many long-standing unresolved problems. Soviet-time blunders in the handling of interethnic issues, unequal development of nations, the economic crisis and other factors created an environment in which decentralization tendencies grew visibly.

It was in these circumstances that Heydar Aliev was discharged from his post of Politburo member and first deputy chairman of the USSR Council of Ministers, and a special analytical group was sent to inspect his activities. Meanwhile, in late 1987 – early 1988 ethnic Azeris were abolished from Armenia, and the Council of People’s Deputies of the Nagorno-Karabagh autonomy decided to annex the oblast to the Soviet Republic of Armenia. Doubtless, there was a link between the causes and effects of both events. Harassment of ethnic Armenians in Sumgait in February 1988 resulted in tensions and casualties; the Karabagh issue became a priority in the public and political life of Armenia and Azerbaijan. Both nations failed to use the opportunities opened by democratization and directed their efforts at escalating hostilities. The ensuing rupture of economic ties, exile of autochthonous Azeris from Nagorno-Karabagh, and problems with accommodating the refugees in other parts of Azerbaijan were used to obstruct the activities of

the expert group sent from the center to inspect the activities of H. Aliev and the authorities of Azerbaijan.

When National Front radicals destroyed the Soviet border between Nakhichevan and Iran in December 1989, this was further proof of the fact that developments in Azerbaijan did not only have to do with the Karabagh conflict. They were chiefly intended to damage the reputation of Azerbaijani authorities in the eyes of the central powers. If people who interpret those events in terms of the struggle of the Azerbaijani nation for its rights and freedoms try to understand why they had to take place in Nakhichevan and specifically on the border with Iran, they will realize that those events were but mass disorders that violated international legal standards and were aimed at damaging the reputation of national authorities in the eyes of the society and the international community.

Those events, depicted as an attempt to attract the attention of the international community to the problems of the divided Azeri nation, once again showed that National Front radicals were totally out of control and presented a threat to people's lives and property. Amidst such lawlessness, it was no accident that criminal actions were committed: harassment and abuse of ethnic Armenians, in some cases accompanied by plundering of their property. The Communist party of Azerbaijan, due to the perestroika and glasnost proclaimed by Gorbachev, was able to permit informal public organizations to operate freely. The attempt made in the late 1980s to restrict human rights and freedoms guaranteed by the Constitution, and the growing culture of public debates, were some of the reasons why Soviet troops invaded Baku in January 1990, killing many innocent people.

The removal from office of the head of the communist party of Azerbaijan A. Vezirov, whom people blamed for all the trouble and accused of being an Armenian spy, and the activities of the expert group that was sent to inspect the activities of H. Aliev, both served to undermine public confidence in socialist values. After a curfew was imposed on Baku, the Azerbaijani society that had longed for democracy for years began to react adequately to changes taking place in other parts of the USSR. Amendments of the Constitution made in the 1990s established the institution of presidency in Azerbaijan. This step was positive in terms of separation of powers and helped Azerbaijan to identify itself as an independent state. The creation of other parties besides the communist party paved the way for democracy and a new political culture.

As a cautious but important step, a number of provisions were removed from the Constitution of Soviet Azerbaijan (including provisions establishing the leading role of the communist party and describing the building of the Azerbaijani state by the farmers and workers under the flag of the October Revolution etc., and the opening paragraphs that eulogize the communist regime), and the words "Soviet Socialist" were dropped from the name of the Republic of Azerbaijan.

The change of state symbols, especially the Supreme Council's decision to change the flag, was welcomed by the nation as a restoration of the Democratic Republic of Azerbaijan that existed in 1918-1920. It was in those years that the authorities of Azerbaijan made important steps to ensure public participation in governance. There were many National Front representatives in the Councils of People's Deputies and in the Supreme Council. The government created conditions for the activity of political parties and public organizations, free press and television were developing. The economic and political activities of the government, and attempts to resolve the Karabagh problem, were heavily criticized by the National Front. The criticism encouraged the government to take even more radical steps in the direction of economic and political independence and the resolution of the Karabagh conflict.

One can only regret that the outcomes of such steps were not always positive. One of the positive steps on the way to full-fledged independence of Azerbaijan had been the declaration of economic independence in May 1991. The Constitutional law on the foundations of the economic independence of Azerbaijan had been in fact a political step that indirectly corroborated Azerbaijan's independence from the USSR. The law created a legal framework for implementing independent economic and social policies in the interests of the population, in line with international law and universal values.

The goal of the law was to proclaim economic independence, which implied the right to determine the structure of national economy and its development avenues, independent policies in the areas of finance and budgeting, loans, prices, investments, science, technology, foreign economic relations and public welfare. The law laid the economic foundation of the political independence of Azerbaijan. The political consequence of this law was that it created a legal framework for Councils of People's Deputies to exercise their constitutional powers to strengthen local self-government and democracy.

According to this law, the Supreme Council made a ruling by which part of the state property could be handed over to local authorities. Local authorities were to use their property and define its legal status in accordance with the statute. It was prohibited to estrange the property of local authorities, hand it over to other agencies or redistribute it without prior consent of the local authorities. Local authorities had the right to use and dispose of land, water and other natural resources according to the rules provided for by the statute. The law stipulated that local authorities could manage all local affairs at their discretion, catering to the interests of the local population, with the direct participation of the population or by means of local state or public agencies, using their local authorities' material and financial resources.

It was planned to establish local self-government in administrative divisions. In every division, local Councils of People's Deputies were the main local authority that regulated all other levels of local authorities. By comparing the powers that this law assigned local authorities to those now exercised by municipal authorities, we can conclude that the 1995 Constitution and the laws on local self-government adopted by the Milli Majlis are not in line with the provisions of the European Charter of Local Self-Government and disregard democratic principles and values.

Most of the constitutional amendments adopted after the declaration of economic independence were in the spirit of democratic reform. This includes the substitution of the Council of Ministers with a Cabinet of Ministers, the main executive body which is chaired by the President and reports to the Supreme Council at least once a year. This decision was fully in line with the principle of separation of powers. The Constitution stipulated that the Supreme Council approves the candidacy of Prime Minister proposed by the President; the Prime Minister reports to the Supreme Council; the Supreme Council may pass a no confidence vote to the Cabinet and disband it by a two-thirds vote. That Constitution was thus more advanced and democratic than the one adopted in 1995. According to the present Constitution, if the Milli Majlis rejects the candidacy of Prime Minister proposed by the President three times, the President may appoint the Prime Minister without the consent of the Milli Majlis. Rather than ensure the independence of executive and legislative authorities from each other, this article makes it impossible for executive authorities to report to the legislative body. It is the lack of mutual accountability between branches of power that prevents the Milli Majlis from exercising proper control over the execution of the budget by the Cabinet.

The failed Moscow coup-d'etat on August 19, 1991 heralded the beginning of the disintegration of the USSR, and in the same August the Supreme Council of Azerbaijan adopted the Declaration on the Restoration of Independence of the Republic of Azerbaijan.

The first multi-party election in the history of Azerbaijan during which candidates could campaign freely, and the operation of free media both demonstrated the democratic potential of the society. Yet we must not forget that every political step in the direction of independence was linked to the Karabagh conflict that was the main concern of the society and had enormous influence over political developments in those years. It is most unfortunate that positive reforms conducted on the way to independence – including freedom of speech, press, political parties, public organizations and assembly – did not just fail to bring the resolution of the conflict any closer, but, to the contrary, the conflict became the authorities' Achilles heel, used by the National Front in order to put significant pressure on the government. This fact hindered reforms, weakened local authorities and severed their link to the central powers. The conflict over Nagorno-Karabagh had been used to create chaos in the society; the authorities were forced

to abuse the rights of the Armenian community and restrict the powers of the local authorities of Nagorno-Karabagh. Misusing the opportunities provided by political reforms, the National Front adhered to the maxim “an independent state can do what it pleases on its own territory”. Accusing the authorities of inaction, making them abuse the Armenian community and use force against it, the National Front ruined the reputation of the authorities in the eyes of the nation and the international community. Another actor interested in the demise of the ruling powers, H. Aliev, then elected Chairman of the Supreme Council of Nakhichevan, did not fully recognize the legitimacy of the President or the Constitution, and supported the National Front by all possible means.

Of all political changes effected in 1991, the Constitutional Act on Independence is of the greatest historical consequence. This document did not just proclaim political independence but also spiritual and historical independence. The official declaration of the fact that Russia had annexed Azerbaijan in 1920 had formed a new understanding of the 20th century history of Azerbaijan. The document did not just incite popular optimism and pride for independence but also a feeling of responsibility that self-government implies, and sometimes helplessness and fear. The document pointed out the colonization policy that Russia had led in Azerbaijan for seventy years, its unscrupulous exploitation of natural resources, pillage of national riches, mass harassment of the people of Azerbaijan, and abuse of national dignity. In fact, this document embraced the ideas that the National Front had aired in city squares starting from 1989, and supported the plan to break off relations between the authorities of Azerbaijan and the USSR. Despite the fact that this was a document of historical consequence, its provisions aimed at severing ties with Russia, alongside rumors of Russian troops helping separatists in Nagorno-Karabagh, served to encourage hostile attitudes towards Russia. This weakened the stand of Mutallibov with his “pro-Russian” image.

4.2. Integration into Europe in the light of the European neighborhood policy

Since 1992, the EU assistance to Azerbaijan has amounted to over 400 million Euros. The European Humanitarian Aid Office jointly with other programs provided this assistance to Azerbaijan at the time of hardship. Over these years, bilateral ties between the EU and Azerbaijan have evolved from the stage of humanitarian aid to the stage of cooperation and partnership.

At present, cooperation between Azerbaijan and the EU covers the following areas:

- The Technical Assistance Program (Tacis) is involved in the legal, administrative and institutional reform, supports private business and economic development. Within the framework of Tacis, the TEMPUS program works with universities. TRACECA and INOGATE are also components of Tacis.
- The Food Security Program assists the government in structural reforms. .
- REHAB Program is involved in the rehabilitation of areas destroyed during the war between Armenia and Azerbaijan.
- The EKSAP program is aimed at the improvement of living standards and development of the economy of Azerbaijan.

These EU programs are aimed at poverty reduction in Azerbaijan, which was as high as 60% in the mid-1990s. To this end, since 1992 the EU has been indirectly assisting in institutional capacity building and structural reform of the government of Azerbaijan, and directly assisting with social welfare measures and economic development. EU programs provide the government of Azerbaijan with invaluable assistance in the implementation of poverty reduction programs.

The main goal of the Partnership and Cooperation Agreement (PCA) between Azerbaijan and the EU is to encourage the creation of market economy, ensure equal treatment of local and foreign businessmen, and integration into world economy. To achieve this goal, the PCA envisages measures to bring the legislation of Azerbaijan in line with EU legislation. In order to coordinate the work of government agencies, the government of Azerbaijan established a State

Commission on the PCA. This commission is a state agency and takes into consideration Azerbaijan's interests.

The goals of EU policy in Azerbaijan are clearly formulated in a number of documents, including the EU Strategy paper for Azerbaijan and the PCA. There is no doubt that European programs and projects are instrumental to the EU goals and also to Azerbaijan itself and the region in general. It should be mentioned that the EU has an adequate understanding of the problems arising from the transition to market economy, and from the Karabagh conflict. One can only regret that it sometimes misinterprets the political environment which is the main cause of these problems and the main obstacle to their resolution. This shows on the prioritizing of projects implemented in Azerbaijan. Since relations between the EU and Azerbaijan cannot evolve outside the prevailing political and economic context, the EU should take more notice of the national context and political setting.

Considering how important it is for the countries of the South Caucasus, including Azerbaijan, to be engaged in the European neighborhood policy, we must thoroughly examine the policy of the government of Azerbaijan with respect to its commitment to European values. We must admit that although many laws adopted by the Parliament in recent years took formal notice of democratic principles, there are in fact no mechanisms for the implementation of these laws. This situation makes it very difficult for the society to understand and accept European values. Because the laws do not work, and the government is not responsible for their implementation, the public is losing confidence in European values. The government not only fails to meet its obligations to the CoE but discredits this organization in the eyes of the society. By adopting decisions on paper but failing to enable the activities of democratic institutions such as municipal authorities, the ombudsman, the Press Council and the recently established Public Television, etc. the government is trying to play a double game with the society and the CoE.

Based on the Security Strategy in Europe adopted by the CoE in 2003, the South Caucasus is an important region in the sphere of European interests. That is why the European Commission recommended to the EU to include the countries of the South Caucasus in the European Neighborhood Policy (ENP). The Commission will prepare country reports that will assess the situation with democracy, human rights and rule of law in the three countries, and measures taken to achieve progress in these spheres. Furthermore, the EU pays special attention to the development of market relations. These principles were the basic when Azerbaijan was admitted to the Council of Europe and OSCE. Main conditions for admission into the ENP include combating corruption, organized crime and terrorism; supporting civil society; judicial reform; concrete steps toward the resolution of regional conflicts. The unresolved conflict over Nagorno-Karabagh and failure of the governments of Armenia and Azerbaijan to take concrete steps towards its resolution impede economic integration of the two countries that could have served for the benefit of both nations, and peaceful coexistence for the coming decades.

In this study we tried to analyze the importance of European values for the domestic and foreign policy of Azerbaijan after it regained independence upon the fall of the Soviet totalitarian regime, and especially in the last decade of H. Aliev's rule. The goal of the EU is to promote the wellbeing of its constituent nations, to strengthen peace and security, ensure respect for human rights and the rule of law. As a neighbor of Europe, independent Azerbaijan made a commitment to human rights and signed UN conventions on fundamental human rights and freedoms. As a member of OSCE and the CoE, Azerbaijan signed the European Convention for Protection of Human Rights and Fundamental Freedoms. Azerbaijan made an important political step by signing the main conventions of the World Labor Organization that concern labor standards and protection of labor rights.

Unfortunately, an examination of the political, economic and social situation in Azerbaijan once again proves that signing international conventions or making a commitment to European values does not mean implementing them. We have to realize that for these values to be implemented, the government of Azerbaijan must have the political will to do so. The window of opportunity opened by Azerbaijan's accession to international organizations such as the CoE,

OSCE and UN, and its inclusion into the European Neighborhood Policy, should be used in order to build a democratic society and integrate into the European family of nations.

References

1. The Constitution of the Soviet Socialist Republic of Azerbaijan. – Baku, 1978.
2. The Constitution of the Soviet Socialist Republic of Azerbaijan. – Baku, 1990.
3. The Consolidated Statutes (1989-2004). - Baku, 2004 (in Azeri).
4. The Constitution of the Republic of Azerbaijan. – Baku, 1995.
5. The Constitution of the Republic of Azerbaijan. – Baku, 2002.
6. The Codes of the Republic of Azerbaijan. – Baku, 2004 (in Azeri).
7. The Electoral Code of the Republic of Azerbaijan. – Baku, 2003 (in Azeri).
8. Country Strategy Paper of the European Union, 2002-2006.
9. Poverty Reduction and National Development Programme of Azerbaijan (2003-2005) – Baku, 2003.
10. European Community Technical Assistance Programme: Exceptional Assistance to Azerbaijan, TACIS, 1998.
11. The European Union and Azerbaijan – Partnership and Co-operation Agreement (PCA), 1996.
12. Handbook on Promoting Good Governance in EC Development and Co-operation, 2004.
13. The Philosophical Encyclopedia, Moscow, 1992 (in Russian).
14. *Problems of Local Self-Government*. Scientific and practical journal. Issues 1 to 18. – Baku, 2001-2004.
15. European Neighbourhood Policy Strategy Paper. Communication from the Commission. Brussels, 12.05. 2004. http://europa.eu.int/comm/world/enp/document_en.htm