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Azerbaijan 1998-99

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Basic data--Azerbaijan 98/99

Total area: 86,600 sq km

Population: 7,631,600 (January 1st 1998)

Main towns: Population in '000 (January 1st 1998)

Baku (capital)	1,726
Ganja	293
Sungait	274

Climate: Ranging from cold in the Caucasus mountain range in northern Azerbaijan to temperate in the Kura plain (average July temperature of 27 C, January temperature 1

C) and subtropical in the Lenkoran lowlands in the south-east

Language: Azerbaijani is the state language; the use of Russian is being phased out

Weights and measures: Metric system

Currency: Azerbaijani manat, introduced as legal tender in 1993 to replace the rouble. The average exchange rate in 1997 was Manat3,985:\$1. Exchange rate on November 13th 1998 was Manat3,861:\$1

Time: 3 hours ahead of GMT

Fiscal year: Calendar year

Public holidays: January 1st 1999, January 19th (Ramazan Bayram/Id al- Fitr) January 20th (Martyrs' Day), March 8th (Women's Day), March 20th- 21st (Novruz, Iranian New Year), March 28th (Kurban Bayram/Id al-Adha), May 9th (Veterans' Day), May 28th (Republic Day), June 15th (National Salvation Day), October 18th (National Independence Day), November 12th (Constitution Independence Day), November 17th (National Revival Day), December 31st (Worldwide Solidarity of Azerbaijanis Day)

Political background

Azerbaijan declared independence from the Soviet Union in 1991. Political instability from 1988 onwards and severe economic dislocation caused by the break-up of the Soviet economy lasted until 1994. The republic has a presidential system with a one-chamber parliament. The president, Heydar Aliyev, was elected in 1993 and re-elected in October 1998. Mr Aliyev is chairman of the New Azerbaijan Party, which commands a majority in parliament, and party members hold key posts in government. However, it is the president himself around whom power is concentrated.

Historical From Iranian to Russian control- background

The term Azerbaijan has been used since early medieval times to refer to the area of both the present-day Republic of Azerbaijan and Iranian Azerbaijan. The Arab conquest in the 7th century brought Islam to the region. The Iranian language originally spoken in Azerbaijan was supplanted by Turkic (the forerunner of modern Azerbaijani) as the Seljuk Turks swept westwards in the 11th century. In the early 16th century most of Azerbaijan came under the control of Iran. By the mid-18th century a number of khanates existed as semi-independent statelets in what is now the Republic of Azerbaijan. Russia gained control of present-day Azerbaijan by a treaty signed in 1828.

-followed by a brief period of independence

After the Russian Revolution in 1917 the whole Transcaucasian region was thrown into turmoil as nationalists and foreign powers attempted in turn to wrest control. The first Republic of Azerbaijan was established in May 1918, and existed throughout a British military occupation which lasted from November 1918 until August 1919. In 1920 the Red Army occupied Baku and Azerbaijan was forcibly absorbed into the Soviet Union, initially within a Transcaucasian republic also including Armenia and Georgia (from 1922), and in 1936 gained the status of a full Soviet republic. Thousands of people, Communist functionaries as well as intellectuals from the pre-Soviet period, were killed and many more imprisoned during Stalinist purges designed to stamp out nationalist sentiment in the non-Russian republics.

Seventy years of Communist rule-

Nagorny Karabakh

Nagorny Karabakh is a mountainous region within Azerbaijan. As in other parts of the

Caucasus region, the complex history of Karabakh allows nationalists on both sides to present versions of history claiming exclusive rights based on assertions of ethnic homogeneity in recent, medieval and even ancient times. In the 18th century there were both Armenian meliks (princes) and a Muslim (ie Azerbaijani) khan ruling parts of what is now Nagorny Karabakh. In modern times, tensions have been created by an external factor, the projection of Armenian anger at Ottoman Turkish massacres of Armenians onto the Azerbaijanis, who were not involved but who are culturally similar to the Turks. After the Soviet take-over of the Transcaucasian region, Nagorny Karabakh was delineated as a territory and in 1921 was earmarked for inclusion in Soviet Armenia. But Joseph Stalin, then commissioner for nationalities, immediately reversed this decision and Nagorny Karabakh was given to Azerbaijan.

Although it was granted the status of "autonomous region" the inclusion of Karabakh within Azerbaijan rankled with Armenians and when open nationalist feeling began to be allowed in the late 1980s, the Karabakh independence movement became central to Armenian nationalism in Armenia itself. In 1988 the Karabakh Committee forced the Supreme Soviet (parliament) of Armenia to demand the incorporation of the region into Armenia. Moscow responded by imposing direct rule over Nagorny Karabakh and sending 5,000 troops into the region.

In 1989 Azerbaijan halted trade with Armenia and imposed a blockade of transport of food, fuel and other goods into Nagorny Karabakh. Armenia responded by declaring Nagorny Karabakh part of a unified Armenian republic.

Hostilities escalated as local Armenia militias helped by Armenia clashed with Azerbaijani units. Following the independence of Azerbaijan and Armenia in 1991 and the departure of Russian troops from Nagorny Karabakh in early 1992, the conflict turned into a full-scale war. The Armenians steadily gained ground and by the end of 1993 Azerbaijan had lost control over Nagorny Karabakh itself, and over Azerbaijani territory up to the Armenian border, and as far as the Iranian border. The Armenians now control 20% of Azerbaijani territory and have established a system of government complete with parliament and regular army in Nagorny Karabakh. The social consequences of the war have been immense, with hundreds of thousands of refugees and internally displaced persons. Virtually all ethnic Azerbaijanis have left Armenia, Karabakh and the surrounding Armenian-held areas, while the Armenian community in the rest of Azerbaijan has left.

International efforts at mediation got under way after the collapse of the Soviet Union. The UN Security Council has adopted four resolutions calling for the withdrawal of troops from occupied Azerbaijani territory. The peace process has been led by the Organisation for Security and Co-operation in Europe, which since 1992 has attempted to bring the sides together via the co-ordinating Minsk Group. Truces and peace plans were agreed and rapidly abandoned until May 1994, when the present ceasefire came into force. Remarkably, this ceasefire has held since then despite occasional minor clashes. Its success is connected with the Armenian realisation that further territorial gains would bring diminishing returns, while the Azerbaijani forces are in no condition for a successful campaign. The advent of Heydar Aliyev as president has also resulted in a less confrontational and vengeful stance in Baku.

Nevertheless, little progress has been made in negotiating a settlement. Azerbaijan insists that the Armenians must withdraw from areas around Karabakh before the region's political status can be discussed; the Armenians refuse to give up their military advantage before any political concessions have been won. Azerbaijan, like the rest of the international community, insists that borders cannot be changed unilaterally, whereas the Karabakh Armenians are still holding out for independence. In late 1997 the then president of Armenia, Levon Ter-Petrosian, made the historic suggestion that the Karabakh Armenians should compromise with Azerbaijan now, rather than later when it had become an oil-rich and powerful country. Mr Ter-Petrosian was forced out of office in March 1998 because of popular anger at these remarks, inter alia. But although his successor as Armenian president, Robert Kocharian, was previously a hawkish leader of the Karabakh Armenians, the new administration in Yerevan has not really changed its mood of wary compromise. Armenia is clearly concerned that it should not be excluded from the benefits of oil and emerging regional transport plans. Nor is it in Yerevan's long-term interests to be cut off from trade with Turkey, a large neighbour, which has joined Azerbaijan in

refusing to deal with Armenia. In 1998 officials in Armenia have continued to send signals to the Karabakh Armenians that Armenia does not plan either to annex the region or to demand outright sovereignty for it. Armenia appears to be suggesting that Nagorny Karabakh and Azerbaijan construct a loose confederation in which Baku does not exercise direct control over Karabakh. It is just possible that Azerbaijan might be prepared to move towards such a constitutional arrangement in future. But at the time of writing there is little sign that the Armenians of Karabakh would countenance any compromise.



During the Brezhnev period Azerbaijan was ruled by its Communist Party chairman, Heydar Aliyev. He was sacked in 1987 as Mikhail Gorbachev, the reforming Soviet leader, swept out politicians who had presided over decades of stagnation and corruption. In the late 1980s the decrease in repression by Moscow allowed separatism to come out into the open in all the Soviet republics. In Azerbaijan, the Armenian community who formed the majority in the Nagorny Karabakh region began pushing for independence for the province, and their movement also formed the focus of nationalism within Armenia itself. This spurred the growth of Azerbaijani nationalist feeling. In mid-1989 the Popular Front of Azerbaijan (PFA), a broad-based opposition movement, was established. In September 1989, under pressure from the PFA, the Azerbaijani parliament declared that republican laws took precedence over Soviet legislation and called for the withdrawal of Azerbaijan from the Soviet Union. Divisions between the Azerbaijanis and Armenians widened irrevocably as communal violence broke out in Karabakh, but especially after riots in Sumgait in 1988 and in Baku in January 1990 in which dozens of Armenians died, on the most conservative estimates.

-end in a traumatic birth for the new state

In a bid to undermine the Azerbaijani nationalists, Soviet troops invaded Baku on January 20th 1990, resulting in the deaths of some 150 people, mostly Azerbaijanis. Together with the Karabakh issue, the Soviet assault was seminal in pushing Azerbaijan towards independence.

Although Moscow was able to install its front-man, Ayaz Mutalibov, as leader in 1990, the election to parliament later that year gave the PFA a symbolically important 9% of the seats despite a rigged vote. The irreversible decline of the Soviet Union weakened the regime further. In 1991 Mr Mutalibov was forced to accede to demands by the PFA for the creation of a new 50-member legislative body, the Milli Majlis (National Council), half of whose members were drawn from the Supreme Soviet and half from the PFA. Following the failed coup in Moscow in August 1991 the Azerbaijani parliament declared the country independent.

A nationalist government takes power-

From the beginning of 1992 the Karabakh conflict has dominated Azerbaijani politics, with success or failure at the front determining the fates of political leaders. Mr Mutalibov was forced from power in March 1992 after a massacre of Azerbaijani civilians in the village of Khojali. In May, after Azerbaijani forces lost their last strongholds in Karabakh, the Popular Front seized government buildings in Baku and a leading member, Isa Gambar, became acting president. An election in June 1992 brought the Popular Front leader, Abulfaz Elchibey, to power as president. Through the first half of 1993, as Armenian troops captured territory in Azerbaijan proper, Mr Elchibey's credentials became increasingly worn. The PFA administration was accused of incompetence as well as responsibility for the military reverses. In addition, Russia was displeased by the PFA's pan-Turkic agenda, which sought political and commercial alliances in Turkey rather than Russia. In June 1993, just days after the last Russian troops departed from Azerbaijan's second city, Ganja, a former commander in the Azerbaijani army in Karabakh, Surat Huseynov, led a revolt against the Elchibey government. Eyewitnesses noted that his men were armed with heavy weapons the Russians had left behind.

-but is replaced by the former Communist leader

Mr Elchibey turned for help to Heydar Aliyev, the Communist-era leader of Azerbaijan who was now president of Nakhichevan, an autonomous exclave of

Azerbaijan. Mr Aliyev was invited to Baku and elected chairman of parliament. In mid-June, with Mr Huseynov's troops close to Baku, Mr Elchibey fled to Nakhichevan and parliament voted to transfer his powers to Mr Aliyev. In August 1993 a referendum overwhelmingly endorsed the removal of Mr Elchibey from power, and in October Mr Aliyev was elected president with a Soviet-style 98.9% of the vote.

Although Mr Aliyev reached an accommodation with Mr Huseynov, appointing him prime minister, he increasingly limited his powers. In October 1994 Mr Huseynov was dismissed after being implicated in a failed attempt to seize power. The threat posed by semi-independent military commanders was crushed in March 1995, with the prevention of yet another coup attempt, led by a deputy minister of internal affairs, Rovshan Javadov. In a series of well-publicised trials which continued until 1998, paramilitary leaders as well as senior former officials, including some from the PFA government, were indicted for involvement in various coup attempts. These trials served to highlight Mr Aliyev's ability to impose order and neutralise warlords.

Mr Aliyev develops a reputation as a strong ruler-

The period since then has been marked by the consolidation of power by Mr Aliyev, on the one hand, and the establishment of unprecedented political stability, on the other. A parliamentary election was held in November 1995, and Mr Aliyev's New Azerbaijan Party won a majority. A new constitution was approved at the same time. Despite concerns that the election was deeply flawed, it did demonstrate the inherent weakness of the opposition, which has consistently engaged in petty strife rather than uniting to form a cohesive anti-Aliyev front. This was the position until 1998, when five leading opposition politicians led by Rasul Guliyev, a former speaker of parliament who fell out with Mr Aliyev and fled abroad, Abulfaz Elchibey of the PFA (now the Party of the Popular Front of Azerbaijan or PPFA) and Isa Gambar of Musavat, formed a pact-but they were united only in their tactic of boycotting the presidential election of October 11th 1998. In the run-up to the election the opposition organised impressive rallies, which signposted the kind of support a common opposition candidate could have polled by tapping into the discontent caused by rising inequality and the continuing presence of hundreds of thousands of refugees from Karabakh.

Important recent events

February 1989: The regional council of Nagorny Karabakh decides to withdraw from Azerbaijan and join Armenia. Beginning of the Karabakh conflict.

September 1989: Azerbaijan is the first of the Soviet republics to adopt a law asserting its sovereignty.

January 1990: Soviet troops are sent in to Baku, resulting in large casualties among the civilian population.

September 1990: First parliamentary election involving opposition parties.

October 1991: Parliament passes a law declaring independence for Azerbaijan.

May 1992: The Popular Front (PFA) takes power.

June 1992: The PFA leader, Abulfaz Elchibey, is elected president.

June 1993: Army mutiny in Ganja. Heydar Aliyev is elected speaker of parliament. The leader of the mutiny, Surat Huseynov, is appointed prime minister. Mr Elchibey flees the capital.

October 1993: Mr Aliyev is elected president of Azerbaijan.

September 1994: "Contract of the century" signed with a consortium of Western oil companies for the development of offshore Caspian oil deposits.

October 1994: Unsuccessful coup attempt; the prime minister is dismissed as a result.

March 1995: Another coup attempt is crushed.

November 1995: A new constitution is adopted by referendum; the ruling party wins a majority in the parliamentary election.

November 1997: Oil starts flowing from the Western consortium's oil wells.

October 1998: Mr Aliyev wins re-election as president.

-and faced little opposition in the 1998 presidential election

Under pressure from the West Mr Aliyev made significant, albeit late, concessions to ensure a greater measure of democracy in the vote. But in the absence of a consolidated opposition election campaign, only one of his five rivals carried any weight. This was Etibar Mammadov, chairman of the Azerbaijan National Independence Party (ANIP). Mr Mammadov came second with just 11.6% of the vote. Mr Aliyev won 76.1%, obviating the need for an embarrassing second-round ballot and ensuring that he will continue to rule unchallenged as long as his health-which seems good-and his 76 years permit.

Constitution and The constitution institutions

The new constitution of Azerbaijan was adopted in November 1995 by referendum. It proclaims Azerbaijan a sovereign, democratic, legal, secular and unitary state, and guarantees the inviolability of all forms of property, freedom of entrepreneurship and creation of all necessary conditions for a market economy. Under the constitution, Azerbaijan is a presidential republic with a one-chamber parliament-the Milli Majlis (National Council).

The constitution grants Nakhichevan autonomous status within the Republic of Azerbaijan. The Nakhichevan Autonomous Republic has its own legislative body, which decides local economic matters and appoints a local government.

The constitution provides the legal basis for developing democratic institutions. However, there has been little scope for a political culture to develop and democratic principles have yet to evolve. The highly centralised and personalised nature of political power means that it is difficult for any group not associated with the president to take an active part in politics.

The role of the president

The president is the head of the Azerbaijani state, and is elected for a term of five years. No person may be elected for more than two terms. This provision does not apply to the current president, since he was elected in September 1993, that is, before the adoption of the new constitution. The constitution proclaims the principle of the division of various branches of power. The presidency is invested with wide powers, and the cabinet of ministers is appointed by him and answerable to him. In co-ordination with parliament, the president appoints a prime minister. The president also appoints heads of local government. He is not entitled to dissolve the Milli Majlis, but he can veto its decisions.

The legislature

Azerbaijan's parliament is a one-chamber body, the Milli Majlis. It is made up of 125 deputies elected by a mixture of straight majority and proportional representation. Elections to the Milli Majlis are held every five years, in November. The Milli Majlis is entitled to impeach the president following representations from the Constitutional Court. It is also entitled to pass a vote of no confidence in the government. In practice, the Milli Majlis has little input into decisions of the executive branch.

The judiciary

Judicial power is vested in the Constitutional Court, the Supreme Court, the Economic Court, and lower-level general and specialised courts. Justice is based on the