—a study about the impact of socioeconomic development on democratization of the Azerbaijan.

By: Aysel Yusubova
Supervisor: Paulina Rytkönen
Abstract

Democratization has been studied by several scholars, who have argued about significance of various factors for democratization of a certain country. One of these scholars was Seymour Martin Lipset and he claimed that there is a linear correlation between democracy and socioeconomic development. Thus, the aim of this study is to test Lipset’s hypothesis in the case of Azerbaijan, which is an oil rich authoritarian country. The study was conducted with the help of mixed analysis methods (i.e. combination of qualitative and quantitative methods) and a case study research design. To measure socioeconomic development’s impact on democratization of Azerbaijan, some socioeconomic indicators were chosen in this study, such as economic growth, income inequality, poverty and unemployment rates in the country. Results of the empirical data analysis showed that, socioeconomic development has a positive correlation with democratization and therefore, Lipset’s hypothesis is plausible in the case of Azerbaijan. In addition, socioeconomic development has a great impact on democratization of the country, i.e. of Azerbaijan.

Keywords: Republic of Azerbaijan, socio-economic development, democratization, political freedom, modernization theory, Seymour Martin Lipset.
Sammanfattning

Demokratisering är ett ämne som har studerats av flera forskare under flera år. Några av dessa forskare har hävdat att det finns diverse faktorer som kan ha inverkan på demokratiseringen av ett land. En av dessa forskare var Seymour Martin Lipset, som hävdade att det finns en positiv korrelation mellan demokrati och socioekonomisk utveckling. Därmed, syftet med denna studie är att testa Lipsets hypotes om socioekonomiska utvecklingens samband med demokratin på fallet av Azerbajdzjan. Azerbajdzjan är ett oljerik autoritär land som har upplevt hög ekonomisk tillväxt.

Studien har genomförts med hjälp av blandade analysmetoder (dvs. kombinationen av kvalitativ och kvantitativ analysmetod) och en fallstudie forskningsdesign. För att genomföra studien, några socioekonomisk utveckling indikatorer har valts, såsom ekonomiskt tillväxt, inkomstskillnader, fattigdoms- och arbetslöshetsnivån i landet. Resultatet av det empiriska data analysen visade att, Lipsets hypotes stämmer i fallet av Azerbajdzjan och det finns ett positivt samband mellan demokratisering och socioekonomisk utveckling. Därmed, socioekonomisk utveckling har en stor inverkan på demokratiseringen av landet, dvs. av Azerbajdzjan.

Nyckelord: Republiken Azerbajdzjan, socioekonomisk utveckling, demokratisering, politiska friheter, moderniseringsteorin, Seymour Martin Lipset.
# Table of Contents

1 Introduction ................................................................................................................. 1  
  1.1 Background ................................................................................................................. 2  
  1.2 Problem ....................................................................................................................... 4  
  1.3 Purpose ......................................................................................................................... 6  
    1.3.1 Research questions ............................................................................................... 6  
  1.4 Delimitation ............................................................................................................... 7  

2 Theoretical framework .......................................................................................... 8  
  2.1 Previous researches on modernization theory ......................................................... 8  
  2.1.1 Previous researches about Azerbaijan ................................................................. 11  
  2.2 Modernization Theory .............................................................................................. 13  
  2.3 Operationalization .................................................................................................... 15  
    2.3.1 Democracy and democratization ......................................................................... 15  
    2.3.2 Coexistence of democracy with human rights ............................................... 17  
    2.3.3 Socioeconomic development .......................................................................... 17  
    2.3.4 Definition of variables ..................................................................................... 18  

3 Method ..................................................................................................................... 19  
  3.1 Mixed analysis methods ......................................................................................... 19  
  3.2 Case study research design .................................................................................... 21  
  3.3. Shortcomings of the method ................................................................................. 22  
  3.4 Material .................................................................................................................... 23  
    3.4.1 Freedom House (FH) ....................................................................................... 24  
    3.4.2 Press freedom report of Freedom House ......................................................... 24  
    3.4.3 Reporters without Borders ............................................................................ 25  
    3.4.4 World Bank data ............................................................................................ 26  
    3.4.5 Gapminder data ............................................................................................. 27  
  3.5 Source criticism ...................................................................................................... 28  

4 Case study ............................................................................................................... 28  
  4.1 Republic of Azerbaijan .......................................................................................... 28  
    4.1.1 Background ....................................................................................................... 28  
    4.1.2 Socioeconomic development in Azerbaijan .................................................. 31  
    4.1.3 Democracy level in Azerbaijan .................................................................... 37  
    4.1.4 Freedom of expression and press freedom in Azerbaijan ............................ 40  
      4.1.4.1 Reporters without borders ..................................................................... 40  
      4.1.4.2 Freedom House report on press freedom ............................................. 42  

5 Analysis .................................................................................................................. 43  

6 Discussion .............................................................................................................. 47  

7 Conclusion .............................................................................................................. 48  

References ............................................................................................................... 51  

Appendices ............................................................................................................. 59
1 Introduction

To enable a situational overview for the reader the first chapter of this study contains short historical information about the Republic of Azerbaijan after the collapse of the Soviet Union, description of the problem, the purpose and research questions of the essay.

There has been several studies made about the relationship between socioeconomic development and democracy from the beginning of 1950s. Some of the scholars have argued that, the correlation between the democracy and socioeconomic development is causal and linear. One of them was the influential theorist Seymour Martin Lipset, who argued that “the more well-to-do a nation, the greater the chances that it will sustain a democracy”\(^1\). According to Lipset’s hypothesis, the socioeconomic development is an essential precondition for the achievement of democracy and once democracy has emerged it will sustain, if the country is developed socioeconomically. In addition, he chose some key variables in order to measure the level of economic development and democracy by studying several developing and developed countries. The results of his study approved his hypothesis and he argued that there is a linear correlation between democracy and socioeconomic development. Therefore, I find it interesting to test this hypothesis plausibility on the case of a post–communist authoritarian government such as Azerbaijan.

Azerbaijan was one of the Soviet republics for almost 70 years and got independency in 1991 after the fall of the Soviet Union\(^2\). The new independent government declared democracy immediately and begun to a state-building process. Due to economic crisis during the political transition period and also during the ongoing territorial war with Armenia, state’s political and economic situation was chaotic. This stagnated the state-building and democratization process, but also brought a communist leader, Heidar Aliyev, to the power in 1993\(^3\). Since then Azerbaijan has been ruled by the authoritarian leaders, first by the Heidar Aliyev and now by his son Ilham Aliyev\(^4\). Therewith, Azerbaijan has been transformed into a “consolidated authoritarian regime” after the independency\(^5\).

The level of economic growth has been increased substantially thanks to rich oil resources as well as gas. The World Bank has categorized the country as an “upper middle-income country” due to its high level of economic growth. The level of unemployment and poverty have been also reduced the past five years, which means that life conditions of citizens have been improved. But, freedom of expression and press freedom are brutally violated human rights in the state, thus democracy score of the country rated by the Freedom House is very high, which is bad⁶.

Reason for the choice of Azerbaijan as a case study for this essay is because, it is an atypical case and does not consist with Lipset’s predictions about socioeconomic development’s positive impact on democratization. Therefore, results of the analysis can be interesting and important contribution on democratization studies.

Moreover, several studies on this topic have been made in which researchers have investigated low-income and high-income countries, such as USA, Western Europe, Central Asia and Latin America. But, there are quite few studies about democratization of Azerbaijan and none of them have studied democratization from Lipset’s point of view on this topic. Therefore, the aim of this study is to explore if the socioeconomic development has an impact on democratization of Azerbaijan, by testing plausibility of Lipset’s hypothesis on this case.

By studying the past ten years of socioeconomic development and democracy level of the chosen case study, this study contributes with an analysis concerning democratic development degree of the country. Furthermore, perspectives on modernization theory’s plausibility when analyzing post-communist authoritarian country are also introduced in this study. The aim is not to contradict effectiveness or plausibility of this theory in general, but rather is to examine its plausibility for the concerned country. The main question of this essay is, if socioeconomic development has an impact on democratization, as Seymour Martin Lipset has argued?

1.1 Background.

After the fall of Soviet Union in 1991, there were a period of political and economic transformations in Central and East Europe post-Soviet countries. Transformation processes—such as transition from state owned socialistic economy to market economy, and especially transition to democracy—were spread in

⁶ Freedom House. The score of democracy is calculated through the measurement of different indicators of democracy, such as freedom of media, freedom of expression, the type of regime etc. The score 1 refers to best condition of democracy, while 7 refers to the worst condition of democracy. Available from: http://www.freedomhouse.org/report/nations-transit/2012/azerbaijan
this region due to emergence of new independent nations. The emergence of several new formal democracies under this period was expressed as a “third wave of democratization” by Samuel Huntington. Thus, the total number of formal democracies were expanded significantly during this period. Some of these countries were under the Soviet rule almost 70 years and were forced to convert to socialist communist states. Therefore, transition from dependent communist states to independent democratic states were challenging for these new states, but at the same time this transition was encouraged and supported by the US and other Western countries. Among these new independent post-communist states were also South Caucasus countries located in Euro-Asia, which made transition to “democracy” immediately after the collapse of Soviet Union in 1991. The South Caucasus countries are Azerbaijan, Georgia and Armenia. In this essay, the focus lies on Azerbaijan, a country that discloses a different pattern concerning both in economic and political aspects when compared to other post-communist countries in South Caucasus. However, new nation-states assumed that democratization and economic liberalization will enhance socioeconomic development of the country. Therefore, all new nation-states hurried to make this political and economic transition in order to become a developed country as those in West Europe. But, it showed that transition to democracy and establishment of functioning democratic institutions was not an easy or quick process. Because, the systemic transformation is a historical process and it requires several years of development, thus, it cannot be accelerated artificially. This means that it needs to be developed naturally and gradually. Thus, some of the post-communist states in Eastern Europe and Euro-Asia became “hybrid”, authoritarian or democratic regimes. One of the essential features of the former Soviet countries in Euro-Asia is that, these became neither democratic nor completely authoritarian governments, but remained between these two regimes for a short time and then transformed to authoritarian regimes. For example, Azerbaijan was a “hybrid regime” for 3 years after the independence, but became an authoritarian regime with Heidar Aliev’s accession to power in 1993. Hybrid governments have some characteristics, such as multiparty system, somewhat political competition between parties, “partly free” media but, the basic human rights are not respected by the

---

8 Leftwich, Adrian, 1996. Democracy and Development, pp.3
10 Leftwich, Adrian, 1996. Democracy and Development, pp.14
state. Among these fundamental human rights freedom of expression and press freedom are the most violated civil rights and the opposition is cracked down by the police or other security officials\textsuperscript{14}. The Republic of Azerbaijan was ruled by the Communist President Heidar Aliev from 1993 until his death in 2003. President Heidar Aliev was the leader of the communist party during the Soviet Union period. He was brought to power with support from Russia during the internal political unrest that occurred in the country 1992-1993. Due to health conditions of the former president in 2002, he made some significant constitutional amendments in order to manage his son’s accession to power smooth and legitimate. All elections conducted in the country since then have been fraud and manipulated by the state officials, no matter the criticism from different parts both at national and international level. In short, Azerbaijan has been controlled and ruled by the family of Aliev and their elite relatives since 1993\textsuperscript{15}. However, thanks to the country’s huge oil reserves, economic growth of the country has been increased substantially\textsuperscript{16}. Therefore, oil sector is the most developed sector in the country. Democratization is a broad topic which has been examined by the various scholars with different point of view on democratization under several years. Some of the scholars have argued that economic development or socioeconomic development causes the emergence of democracy in the country. But there is a need for socioeconomic prerequisites for achievement of sustainable democracy according to these scholars. This assumption originally is derived from the famous sociology theorist Seymour Martin Lipset. He has investigated democratic and non-democratic states’ socioeconomic level, which have resulted in the emergence of his democratization hypothesis. This hypothesis predicts that, a country is more likely to democratize if it will achieve socioeconomic development. It is an interesting approach on democratization which is the main reason for the choice of this topic. This study will examine the level of socioeconomic development to evaluate if the chosen country has followed predictions of the Seymour Martin Lipset in order to democratize.

\subsection*{1.2 Problem}

There are many theories within democratization studies providing various factors and explanations for achievement of democracy. The most used theory which explains emergence of democracy as a cause of

\hfill

\textsuperscript{15} Landguiden, Utrikespolitiska Institutet. Azerbajdzjan – moderna historia. Available from: http://www.landguiden.se/Lander/Europa/Azerbajdzjan/Modern-Historia
\hfill

\hfill
socioeconomic development is modernization theory (also known as democratization theory). According to this theory socioeconomic development such as GDP per capita, high level of education, free media flow, industrialization etc., causes positive social changes in the society, which in turn leads to the emergence of democracy. As mentioned above, Seymour Martin Lipset has investigated democratization in various economies and therefore argued about linear correlation between the socioeconomic development and democracy. But, there are several cases in which economic growth and economic development have increased income inequality in the society and have benefitted only a small elite group. At the same time, these countries have transformed to authoritarian regimes with the help of increased economic growth, which are using various forms of repression to maintain legitimacy and power. This is the case in most Eurasian countries, which are oppressing population by denying right to civil liberties and freedoms.

The chosen case study, Azerbaijan, is an example of democratization in the post-Soviet country which has transformed to an authoritarian regime a few years after the independency. State’s development pattern is different than development of other post-Soviet countries in South Caucasus. This is because, state has more natural resources, especially energy resources, than other South Caucasus countries. But, while neighbor countries developing democratically, for example Georgia, Azerbaijan is becoming a more authoritarian regime with no respect for civil rights. The lack of free and fair elections, democratic governance, fair legal system and violation of basic human rights, are reason for state’s worst democracy ratings by Freedom House.

The problem of this study is that increased economic growth in Azerbaijan during the past 10 years has caused an emergence of authoritarian regime and not democracy. Theorist Lipset assumed that a country needs to reach a certain socioeconomic development before it can democratize. He stressed importance of key socioeconomic factors for democratization and these according to him are, high level of economic growth, high level of education, increased middle class, industrialization, free media flow, urbanization etc. Some of these key factors have been developed in Azerbaijan, but some are absent. According to Lipset’s predictions Azerbaijan should democratize if it has reached socioeconomic development, since education and economic growth level are high. But, it has not democratized, and therefore it is interesting to study Lipset’s hypothesis by applying it on Azerbaijan. It is interesting to find out why Azerbaijan has not been democratized.

However, due to the restricted scope of this thesis, the 10 years’ time-limit has been inserted as a delimitation of the study period, which is 2002-2012. As a measurement of socioeconomic development of the country during these years, I have chosen some certain indicators such as; \textit{GDP per capita, GDP annual growth, Gini index (income inequality), poverty and unemployment at national level}. In addition, democracy measures are chosen, such as \textit{freedom of expression and press freedom}. By following these indicators of development and freedom, the research questions about socioeconomic development’s impact on democratization of an authoritarian regime will be answered.

1.3 Purpose

As mentioned above, the purpose of this study is to examine socioeconomic development’s impact on democratization of an authoritarian government as Azerbaijan. Seymour Martin Lipset’s hypothesis, which claims that socioeconomic development such as high level of GDP per capita, GDP growth, increase of middle class and free media etc., have a positive impact on the society and it leads to emergence of democracy, will be applied. Lipset has also argued that, there is a linear correlation between the socioeconomic development and democracy level. Therefore, the aim is to test Lipset’s hypothesis in the case of Azerbaijan. To measure socioeconomic development’s impact on democratization, I have focused on five modernization factors in this study. These are indicators of socioeconomic development, i.e. GDP growth, GDP per capita, Gini index, and poverty and unemployment rates. These will evaluate if the country has developed socioeconomically. In addition, democracy indicators such as press freedom and freedom of expression, will indicate the democratic development in the country. Examination of the selected indicators will make a good basis for evaluation of country’s development level both democratically and socioeconomically from 2002 till 2012. It is interesting to explore what impact socioeconomic development has on democratization in the case of Azerbaijan, because based on Lipset’s assumptions Azerbaijan should democratize if it has reached socioeconomic development. This topic is also important because, it can be a good contribution for democracy studies of post-Soviet countries.

1.3.1 Research questions

Democratization topic is too broad and several empirical studies have been made on this topic, which is why I have delimited research area to one country, namely Azerbaijan. Therefore, in accordance with the research purpose, I have chosen two specific questions to conduct this study. These questions will
guide me through whole research process and will help the reader to understand the aim of this study clearly. Research questions of this study are following:

- To what extent has socioeconomic development been followed by democratization in the case of Azerbaijan?
- How does the correlation between socioeconomic development and democracy in Azerbaijan relate to Seymour Lipset's theory on democracy and economic development?

1.4 Delimitation

There are several explanations of democratization in democracy studies, thus, this study relates to process solely factors from modernization theory. Even within the modernization theory there are several variables and factors which are affecting democratization process. Thus, due to limited scope of this study, number of factors are limited to five modernization factors from Lipset’s hypothesis, those mentioned in the purpose section. As mentioned above, socioeconomic development is a wide concept and therefore, this essay has delimited to use Adrian Leftwich’ s definition of development which is presented more detailed in next chapter. 

There are also many definitions democracy and democratization concepts and definitions can affect results and conclusions of the study. Therefore, it is of great importance to use the right definition which is related to this topic and to have this definition in mind during analysis of empirical material. Thus, study has relied on Jean Grugel’s definition of democratization and also on Adrian Leftwich’s definition of democratic governance. More detailed description of these definitions are found in next chapter. However, chosen indicators of democracy and development are useful tools for hypothesis-testing.
2. Theoretical framework

In this chapter, theoretical framework of this study is presented, which starts with the previous researches on modernization theory and previous researches on the case study of this essay. Later on, the section is followed by the introduction of Seymour Martin Lipset’s hypothesis about democratization and socioeconomic development. This section is ended with operationalization of the main concepts of this essay and clarification of definitions of the examined variables.

2.1 Previous Researches on modernization theory

Since, the connection between socio-economic development and democracy has been most topical question within the democracy studies, it have been made several empirical analysis studies on this topic from the beginning of 1950s,. Therefore, I chose to present some of these previous studies in this section, in order to give an overview of this study’s theoretical framework. The most influential studies have been made by scholars such as Almond and Verba (1958), Seymour Martin Lipset (1959) and some recently conducted studies by Adam Przeworski and Fernando Limongi (1997), Larry Diamond (1992). Some of these scholars attempted to prove that, high level of socioeconomic development has good impact on democracy or on democratization. For example, according to Almond and Verba’s survey analysis of 5 countries, it was concluded that high level of education has a positive impact on creation of open-minded society, which leads to the emergence of democracy. Another influential scholar who had made huge contribution on this topic with his book “Political Man” and article “Some social requisites of democracy: economic development and political legitimacy “is Seymour Martin Lipset. Lipset chose to study correlation between the socioeconomic development and democracy by analyzing countries as English speaking high-income democratic states and Latin American low- income dictatorship countries. Results of the study was that, wealthy and English speaking countries are more democratically developed and these had high level of education and economic growth. Therefore, Lipset concluded that socioeconomic development is the most necessary factor for democratization of a country, by stating that “economic development involving industrialization, urbanization, high educational standards and a steady increase in the overall wealthy of the society is a basic condition for sustaining democracy, it is a mark of efficiency of the total system”.

He also stressed the need for a fair and effective political system for democratization of a country. Because, without socioeconomic development democratization of a state is challenging and not sustainable in the long term. But, without an effective and fair political system high level of socioeconomic development cannot be sufficient for democratization\textsuperscript{23}. Another empirical study which supports Lipset’s hypothesis is Adam Przeworski and Fernando Limongi’s work “Modernization: Theories and Facts” (1997). In this study Przeworski and Limongi advocates for the importance of non-democratic governance in a state for achievement of the high level of economy, because economy leads to “survival” of democracy. Unlike Seymour Martin Lipset, Przeworski did not mean that economic growth or development causes democratization, but rather they mean that economic growth is necessary for survival of once created democracy in a country\textsuperscript{24}. In this study Przeworski and Limongi also notes that, GDP/per capita has a significant role and it indicates about the type of a regime and stableness of democracy. By studying 135 countries from 1950 to 1990, Przeworski and Limongi proved that development and the level of democracy is correlated, because rich countries are more likely to become democracies. According to their empirical analysis, states have tendency to make transition from dictatorship to democracy after they have reached a certain amount of income per capita, this is US$6000\textsuperscript{25}. Przeworski called this amount as a “threshold” to democracy. In short, conclusion of their work is that, dictatorships collapse if the country`s economy have reached a certain threshold, US$6000 income per capita, and the probability of its survival is over than 0.5\textsuperscript{26}. Economic development and growth as a basic precondition for democracy, originated from Lipset, has been examined by other scholars in their empirical studies. Most of these scholars have proved that there is an absolute connection between democracy and socioeconomic development. It is worth to mention scholar Larry Diamond’s contribution to this topic by his article “Economic Development and Democracy Reconsidered” from 1992. Diamond summarizes early modernization theory studies in his work and adds an additional new data from 1990s to approve the validity of Lipset’s hypothesis about socioeconomic requisites. Diamond claims that, economic development is an incomparable factor which best explains the spread of democracy in the world\textsuperscript{27}. Furthermore, he gives some explanations regarding the non-democratic regimes development and economic wellbeing. By arguing that, there is a

\textsuperscript{23} Zehra F. Arat, 1988. pp.22
\textsuperscript{24} Przeworski & Limongi, 1997. Modernization: Theories and Facts. World Politics 49.2 pp. 159
http://muse.jhu.edu/journals/world_politics/v049/49.2przeworski.html
\textsuperscript{25} The 1997 research have used 1985 USD, I have converted it to 2012 USD. The converted amount is US$6000 (1985) = US$12,858 (2012).
http://muse.jhu.edu/journals/world_politics/v049/49.2przeworski.html
\textsuperscript{27} Karvonen, Lauri, 1997. Demokratisering, pp.33
paradoxical relationship in such regimes. This is because, dictators need to keep their legitimacy among citizens and therefore, increase of GDP per capita is a state’s strategy in order to maintain the legitimacy. But, he also claims that despite, the authoritarian regime’s success in creating economic growth, economic development will lead to democratic development in those countries. Because economic development creates conditions and resources, which leads to social changes in a society and this enforces transition to democracy.  

There are also some scholars who are against the modernization theory’s fundamental thesis, arguing that there is no correlation between socioeconomic development and democracy. Criticism have been raised against this hypothesis due to existence of outlier cases, which have occurred in different time periods. For example, there have been some democracies which have collapsed and transformed to dictatorships or to other authoritarian regimes, in spite of economic growth. One of those critics is Samuel Huntington, who questioned plausibility of the modernization theory’s hypothesis. He claimed that, economic growth rather contributes to classification of groups in the society than to democratic development. Division of groups occurs because, modernization especially industrialization diminishes the traditional mode of life, which leads to rise of class inequalities and gap between ethnical and religious groups in a society. But it is also worth to mention that, the type of data sample and choice of countries have also a considerable effect on results of the study. Huntington’s results contradicted relevance of socioeconomic factors for achievement of democracy, because he choose African developing countries as an empirical material for the study.

Some of the outlier cases are “tiger economies” in Asia, such as Malaysia, Singapore and Indonesia, studied by Mark Thompson. His study shows that, economic growth of these countries have increased rapidly but, these have not developed democratically. He means that non-democratic governance is state leader’s strategy to increase economic growth, as well as to preserve legitimacy among the country’s citizens. According to Thompson, these countries trying to reduce the gap between classes in a society with the help of non-democratic governance.  

It is worth to note that, none of the scholars, who have investigated advocating for socioeconomic development have claimed that, socioeconomic development is the only factor which leads to democratization. But rather, results of their studies have pointed out that, in many cases socioeconomic development has a positive impact on the lives of people, which also leads to democratization of a state. Moreover, as mentioned above, plausibility of this hypothesis has been tested through applying it on

---

various countries such as Latin American, African and European countries, but I did not found any for Azerbaijan. Therefore, I find it interesting to apply this modernization theory’s hypothesis on post-communist republic, such as Azerbaijan. In this study I will use theoretical tools from Lipset’s hypothesis, such as socioeconomic development variables and democracy indicators.

2.1.1 Previous researches about Azerbaijan

Case study of this essay is the Republic of Azerbaijan and therefore, it is necessary to mention some useful articles which have studied the level of democracy and socioeconomic development of this case study. Early researches regarding post-communist countries transition to democracies have noticed that the type of government depends on character of nationalist movements occurred after the independency. And some of studies have focused on the character of government changes in post-Soviet countries, by analyzing the impact of old regimes on new independent states.

One interesting study, which is worth to mention in this essay is study conducted by Ayca Ergun “Post-Soviet Political transformation in Azerbaijan: political elite, civil society and the trials of democratisation”. In this study Ergun examined the democratization process of Azerbaijan by focusing on civil societies roll in the politics and governments political strategies. Author argues that the reason for non-democratic rule of the country is based on administration officials’ communist heritage. Furthermore, old government administration is conservative and have no willingness to democratize, because non democratic governance benefits these state officials. Ergun argues that existence of “patron-client” relationship and “regionalism” in the South Caucasus post-Soviet countries are the main reasons for non-democratization of this country. “Regionalism” means that, all high ranking officials are originally from the same region as the state leader, Heidar Aliev. Since, the president was born in Nakchivan, which is an autonomous part of Azerbaijan, almost all of the state officials at administration are from this region. This means that, leader shares with the economic resources and political power with persons from his native region and these in turn supports him to maintain the power. This kind of relationship between the leader and allies creates “patron–client” relationship, which prevents democratic governance or democratization of the country. Beside of these attributes maintained from


Soviet period, Ergun stresses also the existence of various problems in state-building and democratization process. These are high level of corruption, passive role of civil society in decision-making process as well as lack of strong and representative opposition in the country. There are several NGO: s operating in the country, but their role in decision-making process or representativeness is very weak. Thus, the lack of strong civil society and opposition strengthens authoritarian government’s dominance and power. However, Ergun concludes the study with a suggestion that, Azerbaijan have chances to become democratically and socioeconomically developed country if the state’s administration will be changed to a pro-democratic officials with pro-western ideologies.

Another study which is worth to mention is “Azerbaijan after Heidar Aliev” conducted by Alec Rasizade in 2004. This study presents many perspectives on Azerbaijan’s development both in political and economic sector, after the death of former president Heidar Aliev in 2003. Author of this study argues that, country’s socioeconomic development does not consist with the real situation in Azerbaijan as it is presented in the international organizations’ data. He claims that, according to independent economists’ calculations, income distribution is very uneven and unemployment rate of the country exceeds 50%, which is more than 5% as it is presented by World Bank. He supports this fact with the words of sociology professor at Hazar University in Azerbaijan, who states that majority of people are unemployed and cannot find a job, no matter how educated they are. People are required to pay bribes to officials to be recruited or are being employed through the connections, but not because of their professional merits. In addition, employees gets very small salaries which is not sufficient to feed the whole family. Therefore, more than 2 million Azerbaijani men moved to Russia, in order to earn money and supply their families. Rasizade also stresses that, Azerbaijan is an authoritarian regime ruled by “New Azeri” oligarchs. “New Azeri” oligarchs refers to an extremely rich Azerbaijani people, who controls oil companies and also these who occupies seats at administration level. These people are mainly regional allies and relatives of Aliev family. Authoritarian regime is preserved by these oligarchs because, it benefits this small elite group and transition to democracy would deprive or reduce their fortunes. He also states that, oil export income is shared between the President and his allies, while the majority of population have no income sources and leave the country in order to earn money.

According to Rasizade’s study, expanded corruption has caused economic crisis in the country and data presented by World Bank is falsified by the country officials. Thus, he stresses that the economic situation in Azerbaijan is much worse than it was during the “Great Depression” in the USA.\footnote{Rasizade, A. 2004. “Azerbaijan after Heidar Aliev”, pp. 143.}

According to Rasizade, Azerbaijan cannot democratize as long as state administration is corrupt and occupied by Aliev’s allies. Because, these corrupt officials uses all resources and powers in order to prevent democratization and victory of pro-democratic oppositions\footnote{Rasizade, A. 2004. “Azerbaijan after Heidar Aliev”, pp. 159-160.}.

The last article is useful because, it provides an overview about the political and economic situation in Azerbaijan during presidency of Ilham Aliev in 2004. Furthermore, it gives knowledge about falsification of statistical data about country’s economic development, which is presented by American organizations. It is worth to have it in mind during the analysis of empirical data. However, contribution of this study on previous research will be to investigate country’s democratization process with a different approach, namely with Lipset’s point of view on democratization.

\section*{2.2 Modernization theory}

From the beginning of 1950s the question about correlation between the democracy and socioeconomic development gained substantial attention from scientists of political and social science- such as Lipset (1959), Almond and Verba (1963) and Moore(1966)\footnote{Arat, F. Zehra, 1988. Modernization Theory Revisited, pp. 21. Available from: \url{http://www.rochelleterman.com/ComparativeExam/sites/default/files/Bibliography%20and%20Summaries/Arat%201988.pdf}}. This correlation between the socioeconomic development and democracy was examined and explained especially with the help of democratization approach, namely \textit{modernization theory}. Most influential contribution on this topic was made by Seymour Martin Lipset\footnote{Seymour Martin Lipset “was the Caroline S.G. Munro Professor of Political Science and Sociology at Stanford University and Director of the Institute of International Studies at the University of California in Berkeley”. Available at: \url{http://www.britannica.com/EBchecked/topic/342991/Seymour-Martin-Lipset}}, who argued that socioeconomic development is a principal term for democracy\footnote{Lipset, S. M. (1959) ‘Some Social Requisites of Democracy, Economic Development and Political Legitimacy’. pp. 62. \textit{American Political Science Review} 53(1):69-105.}. Therefore modernization theory have often been referred to Lipset’s traditional thought that \\textit{"the more well-to-do a nation, the greater the chances that it will sustain a democracy"}, pointed in his influential article \textit{“Some Social Requisites of Democracy: Economic Development and Political}
He argues for importance of socioeconomic conditions for achievement of sustainable democracy and these conditions can be sustained only in a capitalist societies. As a key indicators of socioeconomic development, Lipset chose education, free media and income level. According to him these variables are essential and have positive impact on the society, which in turn leads to democratization of a country. There are also some other important variables of socioeconomic development, which are helping to affect societies value preferences and ease the emergence of democracy, such as industrialization, raise of middle class and urbanization. But, these are not examined in this study due to limited scope of this essay. Education variable is not examined in this study because, the level of literacy in Azerbaijan is quite high, with about 100%. But, a brief explanation about this variable is given due to its high importance in Lipset’s study regarding correlation between the democracy and socioeconomic development.

Lipset advocates for achievement of high level of education, because he assumed that, education makes people more rationale and enhances their knowledge about democracy and human rights. In addition, he claims that people in authoritarian regimes tends to be less educated and therefore, unlikely to demand their citizenship rights and freedoms or democratic governance from the government. High level of literacy and education prevents also emergence of extremism in a society.

According to Lipset, increased economic growth, such as GDP per capita, is advantageous for democratization because it increases the level of middle class. Thus, it indicates about societies’ wealth and improved life quality and also about development of a country. Moreover, middle class are more aware of their civil rights and freedoms, thus they are demanding democratic governance from government in order not to lose their wealthy lifestyle. In addition, increased level of income as well as middle class reduces risk for emergence of revolution and extremism in the society.

Lipset argues that, free independent media affects democratization process through the wide range of information sources which are obtained by population. This occurs if there civil rights and freedom are respected in a country. For example, if people have right to freedom of expression and right to information they can freely express their dissatisfaction with government. Therefore, free and independent media plays an important role in the promotion of democracy and spread of antigovernment

---

critics. People may have capability to affect state’s governance, which can lead to democratization\(^ {49}\). Therefore, socioeconomic development leads to emergence of democracy by facilitating conditions for it\(^ {50}\). Socioeconomic development strengtheners democracy, because if the country is underdeveloped democracy will collapse and became a dictatorship. For that reason, there is a need for socioeconomic conditions for democratization and for sustainable democracy, such as higher education level, increased income, reduce of extreme poverty, increase of middle class, and change of economic structure from agriculture to industrialization.

Since, there are plenty of empirical researches which approves positive correlation between the socioeconomic development and democracy, this study is aimed to test Lipset’s hypothesis. The chosen variables such as income level and freedom of press and expression- provides quite useful basis for analysis of socioeconomic development level and level of democracy. Results of the analysis will explore if there is any linear correlation between democracy and socioeconomic development, as Lipset has predicted\(^ {51}\).

2.3 Operationalization

2.3.1 Democracy and Democratization.

One of the most essential concepts of this study is democracy and democratization, therefore it is of great importance to clarify what is meant with these concepts. Since, concept of democracy has a wide scale of definitions and explanations, I am going to choose definition which is most suitable and useful for the aim of this study. Definition which is used in this study, explains democracy from Adrian Leftwich’s perspective. Democracy and democratic governance, according to Adrian Leftwich, are required to consist of certain fundamental characteristics such as, “competitive party systems, regular and fair elections, an independent judiciary, existence of free press and protection of basic human rights”\(^ {52}\). In authoritarian regimes these democratic characteristics does not exist, thus, democratization implies to establishment of some of these fundamental attributes in a state.

Democratization- as well as the concept democracy has various definitions and explanations.

Democratization can be understood as a process occurred in a state which realizing transition from an

\(^{50}\) Diamond, Larry, 2006. Review.pp.676.
\(^{51}\) Lipset, 1959.pp.80
\(^{52}\) Leftwich, Adrian, 1996. Democracy and Development, pp.16
authoritarian governance towards the representative and liable political government. Jean Grugel defines this concept as: "the introduction and extension of citizenship rights and the creation of a democratic state". Accordingly, definition of democratization is based on the protection and compliance of civil rights and freedoms53.

There are also types of democracies which are categorized after the criteria that needs to be fulfilled in order to become such a democracies. These are formal and substantive democracy. The reason for mentioning these is that, concept “formal democracy” has been mentioned in this essay and also the criteria for formal democracy consistent with Adrian Leftwich’s definition of democratic governance. In order to be clear with the meaning of formal democracy, definition of the concepts are clarified here.

The formal democracy, which is also known as minimal democracy, means that a state needs to fulfill a certain basic functions or criteria aimed for democratization. Criteria required for a minimal democracy are; holding fair elections regularly, existence of more than one political party, free political competition between parties and franchise. But a little more inclusive definition of formal democracy includes some of civil rights and freedoms, such as freedom of expression, press freedom etc.54.

Another form of democracy is substantive democracy, which is not mentioned in this study, but it can be good to clarify concepts definition. Substantive democracy, also known as “maximal democracy”, refers to more inclusive democratization. This means that a state is required to fulfill the criteria of minimal democracy and plus to respect and promote the socioeconomic rights and freedoms of the citizens. A precise definition of substantive democracy is given by Kaldor and Vejvoda, who explains it as: “a process that has to be continually reproduced, a way of regulating power relations in such a way as to maximize the opportunities for individuals to influence the condition in which they live, to participate in and influence debates about the key decisions which affect society"(Kaldor and Vejvoda 1997:67)55.

It is also important to clarify the distinction between "transition to democracy" and "consolidation of democracy". In the first one, the process of the establishing of a democratic government is not accomplished and democracy is not certain. But the second one purports that the democracy is assured and it is the only way of ruling the society and a stat. Consolidation of democracy means that, the politicians, government leaders and other national authorities accepts this political system as “the only game in town”56.

2.3.2 Coexistence of democracy with human rights.

Almost most of the definitions of democracy and democratization include more or less the protection and promotion of human rights. Human rights existence in the country associated with democratic development and democratic governance. Therefore, it is of great importance to examine the basic civil rights and freedom in concerned countries, in order to identify in what level are their democracy or democratization process. However, this study’s perspective on democracy is based on Leftwich’s definition, which includes basic civil rights, such as regular free and fair elections. The existence of the free and fair elections in the country indicates about democratic development or democratization which respects citizens’ human rights. The right for free and fair elections is a necessity for every democratic country and it is enshrined in the “Universal Declaration of Human Rights” in Article 21(3) as following:

“The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures”\(^57\).

This basic civil right is one of the essential features and criterion of democracy, which is why a country is required to respect this basic civil right in order to be categorized as a democratic country.

2.3.3 Socioeconomic Development

The word development has a various meanings and it can be difficult to understand from which point of view the concept is used in any study, if it is not clarified. According to Adrian Leftwich, development can be considered both as a process and as a condition. He argues that, “development as a process” indicates the level of economic growth and “development as a condition” indicates about the socioeconomic prosperity and income distribution\(^58\).

Since, this study examines the impact of the socioeconomic development on democratization of post-Soviet county, it is of great importance to choose indices which is useful for the study’s purpose and theory. Therefore, I chose to use combination of both socioeconomic prosperity and economic growth indicators of development, which together makes socioeconomic development. According to Leftwich,

\(^58\) Leftwich, Adrian. 1996. Democracy and development, pp.54-55.
in order to measure development from the economic growth perspective, it is necessary to investigate the indicators such as GDP annual growth and GDP per capita\(^5^9\). While in order to measure the development from the socioeconomic prosperity point of view, it is necessary to investigate the income inequality (the Gini index). This is because, the high level of income inequality refers to high level of underdevelopment of the country, while low or medium degree of inequality refers to socioeconomic prosperity and development\(^6^0\). In addition, positive social changes and development is more likely to occur in societies which have equal income distribution, therefore the indicator of income inequality is one of the essential factors for democratization.

2.3.4 Definition of variables.

**Unemployment**—According to the International Labor Organization, the word *unemployment* purports to the proportion of individuals who has no work or economic activity, but has the capability to search and get an employment\(^6^1\).

**Gini coefficient**—It is also referred as Gini index, is used by the economics or statisticians in the calculation of income distribution, i.e. income inequality in the society. The measurement is conduct with the Lorenz curve and calculates the perfect or imperfect inequality among the population. This index helps to evaluate the gap in incomes between the classes in the society, which indicates about the life condition of the population and prosperity of the country. Therewith, this index is essential indicator of socioeconomic development. The Gini index has a value from zero (0) to hundred (100), which means that 0 indicates about “perfect equality”, while 100 indicates about “perfect inequality”\(^6^2\).

**GDP per capita**—GDP is an index representing the total national production of goods and services in country within a time period. But GDP per capita means that the total national production is divided with the number of inhabitants. In short, it is a measure of the country’s total production of goods and services with regard to per person\(^6^3\).

**Poverty**—Definition of poverty is usually associated with low income or lack of basic human necessities, such as access to food, water, house, clothes, work, education etc. For example, poverty means living for a “less than US$2 a day”, which causes deprivation of the life quality for individuals\(^6^4\).

---

60 Leftwich, Adrian, 1996. Democracy and development, pp. 58.
“Free” country – According to Freedom House definition of the concept “free” country, which is commonly used in the FH freedom and democracy reports about the countries, refers to “A country is free one where there is open political competition, a climate of respect for civil liberties, significant independent civic life, and independent media”\(^65\).

“Partly Free” country – This concept is also taken from the Freedom House reports, which refers to “A country is one in which there is limited respect for political rights and civil liberties. Partly Free states frequently suffer from an environment of corruption, weak rule of law, ethnic and religious strife, and a political landscape in which a single party enjoys dominance despite a certain degree of pluralism”\(^66\).

“Not free” country – This concept is also commonly used by Freedom House organization in their reports and surveys, which refers to “A country is one where basic political rights are absent, and basic civil liberties are widely and systematically denied”\(^67\).

3 Method

In this chapter, the type of method by which the study is introduced and also the shortcomings of the method is mentioned. Later, a review of the used sources and materials is presented in this section along with the formula, by which the democracy level is measured. The chapter is concluded with the source criticism.

3.1 Mixed analysis methods

This study is based on the combination of both quantitative and qualitative investigation method. This is because the aim of this study requires examination of both economic data and academic publications and reports, in order to find an answer to the research questions. But also the combination of both the methods gives more complete picture and insight about the research topic\(^68\). The combination of these methods gives also more reliable result, which not depends only on qualitative text analysis, but also base on the statistical data facts. Therefore, the combination of these methods is useful for the enlarged

---

perception of the research area or problem\textsuperscript{69}. The quantitative method is necessary in this study, because the aim of this study is to find out the correlation between socioeconomic development and democratization, thus economic factors in the form of statistical data is investigated. The necessity of the quantitative method is based on the fact that it may increase the generalization of this study, which means that the results from the statistical data may help to strengthen the plausibility of the modernization theory and Lipset’s hypothesis regarding to the linear correlation.

The qualitative text analysis method is also used in order analyze the empirical materials. The qualitative methods helps to get deeper insight and comprehensive understanding of the case studies. This method is useful and suitable for this study, because it enables the researcher to obtain more detailed knowledge about the research area or problem\textsuperscript{70}. But as an analysis strategy I have chosen to use qualitative content analysis. Content analysis is the most common used method in the social science, which is involves careful reading of the whole texts, it is parts, and also the context it is included in. Therefore, this method requires intense close reading of the text in order to analyze the author’s point of view regarding the topic of text and what argument does he or she has. By intense close reading it will be easier to systemize and logically organize the content of text\textsuperscript{71}. Therefore, this method aims to interpret the content of the texts, and does not necessary need to quantify the words or encode the text, as it is done in quantitative content analysis\textsuperscript{72}. The qualitative content analysis is a process which includes identification, and categorization of the fundamental topic area, which can facilitate the analysis process. This type of analysis strategy helps me to highlight and to pick the most essential information and elements in the texts, through reviewing the material’s overall\textsuperscript{73}. Therefore, qualitative content analysis has been implemented in this study, with purpose to obtain comprehensive understanding of the research topic and also to explore the factors which is not obvious in the quantitative part of study. Since, there are different kinds of content analysis approaches, I have used a hermeneutic content analyzing. Because hermeneutic approach is more suitable for the deductive studies with the aim to test theories or hypothesis. Another advantage of this approach is that it helps to obtain an overall understanding of the analysis material\textsuperscript{74}. It is more structured process because the encoding is based on the theory or hypothesis, and the study is conducted by comparing the results of the previous researches with the own study results. Therefore, it is necessary to have certain theme-clues of research topic or meaningful categories which can help to analyze the content by following these meaningful

\textsuperscript{70} Johannessen & Tufte, 2002, \textit{Introduktion till samhällsvetenskaplig metod}, pp.20
\textsuperscript{72} Bergström & Boréus, 2005, \textit{Textens mening och makt. Metodbok i samhällsvetenskaplig textanalys}, pp.43-44
\textsuperscript{73} Bergström & Boréus, 2005, \textit{Textens mening och makt. Metodbok i samhällsvetenskaplig textanalys}, pp.43-44
\textsuperscript{74} Bergström & Boréus, 2005,pp.24-29
units or theme-clues in the text\textsuperscript{75}. Since, the research problem is about democratization and socioeconomic development, the theme-clues will be democratization of Azerbaijan, socioeconomic development and political freedoms such as freedom of expression and press freedom in Azerbaijan. The use of theme-clues in analysis of text content is more useful and practical for this study, due to the fact that this alternative is unbound, i.e. it is more flexible. This alternative enhances the choice of materials and facilitates the analysis process.

Thus, by analyzing the latent content of the academic texts, the real meaning of the text is explored. The analysis of the latent content purports to the interpretation of the meaning of the text\textsuperscript{76}. The latent content analysis is useful for this study because, it facilitates the perception of different perspectives about this topic, but also helps to find out other aspects of the democratization problems of the investigated country.

3.2 Case study research design

Research design of this essay is case study. This research design was chosen because, it helps to understand research area more complete. It is argued that case study research design is the best way to investigate complex phenomena individually, because examination of individual cases provides deeper knowledge about the investigated phenomena\textsuperscript{77}. According to Esaiasson, case study research means that variables of the study needs to be collected from the same context\textsuperscript{78}, i.e. the phenomena which is investigated. In our case the context is Azerbaijan, and variables of the study are related to this country. I have focused on five socioeconomic development indicators in this study and these are: GDP per capita, annual GDP growth, Gini index, and poverty and unemployment rate. These, have been chosen because, these provides an important knowledge about socioeconomic situation of the country. As an indicator of socioeconomic development, I have also considered to investigate some socioeconomical reforms implemented by the state. Since, Azerbaijan’s economic growth is dependent on oil I have considered to take a look on the oil prices at market to measure if it has affected the economic growth. Moreover, freedom of expression and press freedom are examined in order to measure the democracy level in Azerbaijan. Freedom of press and freedom of expression are examined, because they are considered as the essential terms of democracy and are basic human rights. By examining how freedom of press and expression have changed during the Azerbaijan’s economic prosperity, study has on the basis of theoretical and empirical material explained importance of socioeconomic development for

\textsuperscript{75} Bryman, Alan, 2011. \textit{Samhällsvetenskapliga metoder}, pp.198
\textsuperscript{76} Bryman, Alan, 2011. pp. 197-198.
\textsuperscript{77} Esaiasson, P. 2003. \textit{Metodpraktiken}. pp. 120
\textsuperscript{78} Esaiasson, P. 2003. \textit{Metodpraktiken}. pp. 119.
democratization of the country. This study is *theory-testing*, because on the basis of Lipset’s hypothesis it relates to examine whether modernization variables promotes democratic development or not. Study period extends from 2002 to 2012. The year 2002 was chosen as it marks the beginning of the new president’s entry to power and also was a year of constitutional amendments. To get as most relevant and up-to-date available information, investigation period was delimited to 2012.

### 3.3 Shortcomings of the method

There are many advantages of the mixed research method, as mentioned above. But, there is also disadvantages of it. The main shortcoming of this method is that, it can take much longer time to collect data for both qualitative and quantitative analysis. Therefore, there is a huge pressure on the researcher to analyze empirical material carefully without missing any important information. Another challenge and disadvantage of this method is that, since it is a “time-consuming” method, researcher might be pressured to limit number of qualitative and quantitative material. Limitation of qualitative or quantitative data may result in insufficiency of information and affect the research results. Therefore, a good discipline and time distribution for analysis of both kinds of materials is a necessity for conducting of a good scientific study. This was my strategy to accomplish a good scientific study. I have used a qualitative content analysis without encodes or quantizing the words of the texts. Because qualitative method is more flexible and allows to obtain deeper understanding about the content of texts. Disadvantage of the case study method in this study is that, it is not possible to make a large generalization on Lipset’s hypothesis, because it has been applied on one country. It is also difficult to draw a definite cause of non-democratization of Azerbaijan since, ten years period is too short for a county to develop both socioeconomically and democratically. But, this essay has limited scope and therefore, it is necessary to delimit time period (referring to years) as well as number of variables to minimum. This study can lead to further researches on democratization of Azerbaijan in future. Another, shortcoming of this method is that it was a little difficult to find empirical material which have objective and impartial views about the Azerbaijan and its development. But, I chose materials written both various scholars from various countries, for example articles written by Western, Azerbaijani, Turkish, American scholars.

### 3.4 Material

---

Due to restricted scope of this study it is not feasible to conduct it through collection of primary data from original sources. A primary source purports to original source, while secondary source is a transmission of the texts\textsuperscript{81}. Therefore, it is practical to rely on secondary sources in the form of academic scientific articles, statistical data from international organizations, annual reports about the concerned country and also relevant previous researches. Previous researches on modernization theory have been studied democratization from a different point of views and with various empirical data and methods. Therefore, use of various data and methods on different countries have resulted in emergence of different hypotheses. While previous researches on Azerbaijan’s democratization process have used various scholars theories and variables in order to explore the undemocratic development of the country. These researches provide valuable knowledge about the research topic and good basis for this study. As mentioned earlier, this study based on mixed analysis methods and therefore, relies on both quantitative and qualitative empirical data. For the quantitative analysis I have used available statistical data from the World Bank organization. Since, there is no data for income inequality from World Bank, I have used Gapminder organization. But, I have noticed that the source of data for income inequality originates from World Bank. Therefore, this study relies mainly on World Bank data. UNDP’s country database is not used in this study either because, the source of socioeconomic development indicators were from World Bank database as well. I have also used statistical data from The State Statistical Committee of the Republic of Azerbaijan for measurement of wages and pensions of population in Azerbaijan. I have used this data because of the absence of data for monthly wages and pension for this country in other sources. The data presented by them can be somewhat rigid, but it is the only source which provides data about wages. Reliability of this data is neither low nor high, because it shows how different wages are in Azerbaijan. Collected statistical data are presented in the form of charts, but more exact digits are presented in appendices at the end of essay. For qualitative part of analysis it has been used press freedom reports of Freedom House for years 2002-2012 and also publications from the Reporters without Borders. These are independent international organizations which are reporting about violation of civil freedoms and rights in various countries. These sources are used in order to measure the level of democracy in Azerbaijan. More detailed description of these organizations are presented below.

\textsuperscript{81} Nationalencyklopedin, 2014. \textit{Källkritik}. Available form: http://www.ne.se/lang/k%C3%A4llkritik
3.4.1 Freedom House (FH)

Reason for the choice of this organization for measurement of democracy and freedom level is because of the criteria used by the organization to compliance reports about press freedom and democracy level. The criteria used by Freedom House consists also of democratization and democracy definitions which are used in this study and therefore, I have considered as suitable and useful for this essay. For example, criteria used by Freedom House are; free and fair elections, freedom of expression and opinion, press and information freedom, independent judiciary and law system, competitive party system82. But, I have delimited to investigate only press freedom and freedom of expression and therefore have used only freedom scores in this scores. Another reason for the choice of this organization is that, it provides accessible data which has both an appropriate degree of validity and reliability. This is because, rating scores is based on standard definitions of democracy and civil rights and freedoms. For example, Freedom House annual reports is written by experts on certain geographical areas and subjects, by independent journalists and scientists. In addition, these experts collecting data from each country through the survey methodology, which contains standard checklist questions about democracy, freedom of expression, civil liberty and political rights. These questions are developed through the standard definition of democracy and based on the “Universal declaration of Human Rights’ Articles”83.

3.4.2 Press freedom report of Freedom House.

Authors of the report about press freedom in the world have followed certain criteria to compile it. Criterion are consisted of basic civil rights and liberties, such as taking into consideration the individual’s right to press and information freedom, right to free opinion and freedom of expression. According to the Universal Declaration of Human Rights’ Article 19, every individual has right to dissident opinions and also media freedom, by stating as following:

“Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through any media regardless of frontiers”84

---

If government denies these rights to its citizens, then it violates citizens’ fundamental human rights. The report by Freedom House, have taken into consideration the diverse nature and character—such as cultural, religious, and economical diversity—of all investigated countries. But, main criteria of the study is to investigate independency of press in 194 countries, whether it is allowed to have different opinions in the news or not, despite of diversity in countries culture, politics or religion.

Each country reports are based on the survey data consisted of various questions about “legal environment”, “economic environment” and “political environment”, which are gathered by the independent local and international reporters. The “legal environment” is for evaluating the legal frameworks which are restricting the freedom of media and expression, and also reporting about the penalties for the dissident opinions about the government. The “economic environment” consists of questions about the transparency and independency of the media flow. The questions evaluates if the economy have any pressure or impact on the content of the news. The “Political environment” consists of questions which are evaluating the indecency of the media in the country. If there is any political monitor which are censoring the content of publications and speeches. But beside of these survey data, the content of the report is also based on the information from the various international organizations and local bodies which are aimed to protect and promote the human rights, and also information from the experts on different geographical areas. These findings are analyzed by the independent experts and specialists, which are rating the level of press freedom and freedom of expression in these countries.

The rating is also based on the scores collected from the each category of question. For example, the country is rated as a “free” country if the country’s total score is between 0 and 30. The country is being rated as a “partly free” if the country’s total score is between 31 and 60. Finally, the country is rated as “not free” if the total score from the all the questions is between 61 and 100.

3.4.3 Reporters without Borders.

It is universally accepted that democracies needs to have an open, independent and uncensored media, namely press freedom, which is one the fundamental human rights. It is very common that press

---


88 The Universal Declaration of Human Rights’ Article 19: “Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.”
freedom and freedom of speech is daily violated phenomena in non-democratic regimes. Therefore, in order to measure the level of democracy, I am going to use Reporters without Borders (Reporters sans Frontiers (RSF)) index. The RFS index presents the level of press and information freedom in the world, which is reported by the independent journalists in 179 countries. There are also plenty of news about the current media situation and the situation of journalists which are threatened by the government officials of the countries. Despite the fact that, this index has started in 2002, it has a large archive of reports about the press freedom in different countries and it is useful for my study’s purpose and for the chosen period, which is begins from 2002 to 2012.

Since, data in this website changes frequently from year to year, due to the increase in the number of countries and the way of rating these countries, it might be in some degree less reliable. Therefore, in order to make this source more reliable and useful for this study, the formula will be used by which the country’s press freedom level will be evaluated, if it has been improved or worsened the last ten years. The formula for the evaluation is following: 

\[
\text{rank of the country/ sum of number of states in certain year} \times 10.
\]

The value of this formula is going to be between 0 and 10, which will indicate if the state has improved the level of press freedom during the certain years. Whereas, 0 indicates about the democratic governance with best press freedom, while 10 is the highest point for worst situation of press freedom, indicating about high level of repression and violation of press freedom. The formula will be used for the years 2002-2012.

### 3.4.4 World Bank data

I have used World Bank data, because it provides accessible data about the development indicators which are examined in this study. Besides, according to the information about the used methods for collection data, they are using internationally accepted standards and definitions for the measurement of the progress in every country and these are high-quality data. Development data presented by the World Bank is compiled through the household surveys from each country and also from official bodies both at national and international level. All data for development for each country are collected in the database of World Bank’s “World Development Indicator” database, by which the progress of the country in different development areas are measured. The collected data provides information about country’s progress and people’s life conditions in these countries. World Bank categorizes countries as low- income, middle or high- income countries, which is based on the country’s economic development

---


level and on the gross national income level (GNI per capita). Since, Azerbaijan’s national economy level is between the low and middle it is classified as an “upper-middle income” country.

3.4.5 Gapminder data

Gapminder is independent non-profit organization which is mainly managed by the Swedish professor Hans Rosling. This organization provides data about socioeconomic and democratic development in the world and data are compiled from different sources, such as from World Bank, UNESCO Institute for statistics, World Health Organization, International Labor Organization and etc. Some of presented data are compiled by the Gapminder as well. But since, the sources of the data for socioeconomic development indicators were from the World Bank, the Gapminder data has been used significantly less in this essay. Some of the used data from Gapminder are for example, “total oil production” and income inequality. The source of data for “total oil production” is from “BP Statistical Review of World Energy 2012”, which is British Petroleum Company operating in different countries. The data compiled by this company is quiet reliable, which is the reason that is used and presented by Gapminder.

3.5 Source criticism

FH may have some systematic bias, because the definitions of democracy and freedom used as a tool for the measurement are too narrow. This is because, not every country follows all the criteria for democracy, which are mainly based on Western or American view of democratic governance. Therefore, there is a risk that there will be too few countries which are categorized as democracies and free countries. However, I do not think that any criterion is so strict that it would make countries to fall outside of scope of what is defined as democratic governance and what does not, so that is why I do not see any reason to reject the Freedom House scores for freedom of press and expression. Moreover, Freedom House measurement of democracy and freedom has a good reliability and it is most common used index in academic researches.

The main shortcoming of the World Banks data compliance with help of surveys is that, the local bodies in the country can easily forge the answers from households. This type manipulation of answers or

---

ballots is common in countries where there is no democracy or freedom of expression. Another shortcoming of surveys is that the number of households may be reduced or delimited only to big cities and not to rural areas of the countries, which can affect the results of the survey research and data. The sources of this essay are reliable and valid, because the majority of the sources are from internationally recognized organizations which provide data on development in the country. In addition, I have used Södertörn Universities resource database SöderScholar in order to find all scientific articles and relevant materials for this study.

4 Case study

*In this chapter, a brief historical background about the Azerbaijan before and after the independency is presented. Later on, empirical findings about the country’s socioeconomic development, democracy and political freedom level are presented.*

4.1 Republic of Azerbaijan

4.1.1 Background

Republic of Azerbaijan is located in the southeast part of Caucasus Mountains in Eurasian continent. Caucasus Mountains is localized between the Black Sea and Caspian Sea, and between the two continents, namely Europa and Asia, which is the reason for the concept of Eurasia. Azerbaijan is surrounded by the Caucasus Mountains in southeast and therefore, it is classified as a South Caucasus or as a Eurasian country. Azerbaijan is also surrounded by Russia in north, by Georgia and Armenia in west and by Iran in south.\(^6\)

For a long time Azerbaijan was dominated and ruled by Russia from 1900s century. It became independent for a short time during 1918, but was occupied again by Russian Red Army in 1920. Since 1920 Azerbaijan was included into the Soviet Union and was one of the Soviet republics. Azerbaijan is a Muslim country which is why it was most affected republic by the Soviet regime among other Soviet republics. Because, it was not allowed to exercise Islam or to write in Latin alphabet and population was enforced to speak in Russia together with obtaining the Russian culture. Azerbaijan’s all natural

resources were collectivized and belonged to the Soviet Union. In 1991 the Soviet Union collapsed and all Soviet republics became independent states, as well as Azerbaijan. Immediately aftermath of independency Azerbaijan declared itself as a democratic republic, but the political and economic situation of the country was shaky due to territorial war with neighbor country Armenia beginning from 1991 till 1996. Armenia occupied Azerbaijan’s territory, namely Nagorno-Karabakh area by conducting a bloody massacre and thousands of Azerbaijani civilians were killed in this region, while hundreds of families became intern refugees for several years. The situation in newly independent state was unstable and unsecure, which was the reason to retirement of the first president of Azerbaijan in 1992. The second president of the country Abulfsez Elchibey was elected in 1992, but he could not succeed to create any stable or secure state for the citizens and due to his pro-Turkish and anti-Russian ideologies he loosed his legitimacy among people sympathizing the Russia and communist rule. This is because, Azerbaijan was under the Russian rule for almost 70 years and people had adopted the Russian culture, socialist ideology and language. But at the same time there were several minorities, such as Jews, Armenians and Russians, living in Azerbaijan after the independency. These minorities had huge sympathy for the Russia, which was the main reason why these did not supported the pro-Turkish ideologies of Abulfsez Elchibey. But, Abulfsez Elchibey was the first president who were elected democratically by people and developed the country with democratic principles. But he was intimidated by the Russian sympathizers and also by the warlords of the country who did not sympathizet the democratic development or change of regime type. Intimidations and threats by these people and warlords enforced the president to exile and resignation in 1993.

Short after the resignation of Abulfsez Elchibey in 1993, Heidar Aliev came to power with the support of Russia and old warlords. He became the third president of Azerbaijan and gathered around himself persons who were loyal to him and emphasized communist rule. He succeed to manage politically and economically stable state, which was the reason for the status he got among the people as a ”strong man”, but all power was concentrated in his hands and he ruled the country undemocratically. While previous state leaders tried to create one democratic developed country, Heidar Aliev transformed it to monarchical authoritarian state. He ruled the country with the authoritarian communist principles and forced the pro-democracy individuals or opposition members to exile. Most opposition leaders and

---

supporters were jailed or forced to exile during his presidency, because these did not accepted an authoritarian rule or communistic principles of Heidar Aliev, and demanded his resignation. One of the party leaders, Rasul Guliev the leader of Democratic Party, is one of the politicians who was enforced to exile and lives in London from 1996 until today\textsuperscript{101}.

In 2002 health condition of the former President Heidar Aliev worsened and therefore, he made several amendments in the state’s constitution, which aimed to strengthen President’s position and concentrate the power in the hands of Aliev family. One of the significant amendments in the constitution was a law on power transmission. This amendment implied that, the prime minister of the state could become a new president if something bad would happen to president of the state. Since the former president was very sick and dying, he elected his son Ilham Aliev as a prime minister of the state in 2002. Afterwards, the president withdrew his candidacy at presidential elections in 2003, by declaring his son as his heir and as a new president of the state\textsuperscript{102}. But presidential elections was fraud and rigid, which caused large-scale dissatisfaction among the majority of population. Because majority of the people were not allowed to vote, since they were not registered by the election officials. The election was boycotted and protested by the hundreds of people in the capital of the state at the same day after the election, which was brutally destroyed by the police and security officials\textsuperscript{103}.

Although, the country was declared as a democratic state, it has never been ruled democratically after the resignation of Abulfaz Elchibey. According to the definition of democratic governance by Leftwich, which is used in this study, a country needs to hold free and fair elections, to allow citizens to participate in politics and decision- making and also is required to respect the basic civil rights, such as freedom of expression, opinion freedom, right to vote, freedom of press and information. These criterion have never existed in Azerbaijan since the presidency of Heidar Aliev. Even after the criticism from the international organizations toward the governments restrictions on media and information freedom Heidar Aliev abolished the media censorship in 1998, but tried to keep the media flow under control with different ways\textsuperscript{104}. Beside the controlled and restricted media freedom, all elections in the country was manipulated by the regime. Civilians, NGOs activists and journalists in the country are being beaten and jailed, if they are expressing any negative opinions about the Aliev regime, which indicates about

\begin{thebibliography}{99}
\bibitem{Landguiden2003} Landguiden, Utrikespolitiska Institutet. Azerbajdzjan– politiskt system. Available from: \url{http://www.landguiden.se/Lander/Europa/Azerbajdzjan/~/link.aspx?_id=B226380A84CD41408930A4EA868DADD18&_z=z}
\bibitem{Landguiden2003a} Landguiden, Utrikespolitiska institutet. Azerbajdzjan – Massmedia. \url{http://www.landguiden.se/Lander/Europa/Azerbajdzjan/Massmedier}
\end{thebibliography}
the high degree of freedom violations and strict authoritarian rule. It is very common that people who protest or demonstrate against the government and elite’s rule are prosecuted for libel or being accused for the possession of drugs. Government officials spy on everybody in order to determine who have antigovernment thoughts and plans in order to silence these people by bothering them with various harassments, such as false lawsuits.\(^{105}\)

4.1.2 Socioeconomic development in Azerbaijan

Economic structure of the Republic of Azerbaijan was changed after the independency, from state-controlled economy to market economy in 1991. Economy of the state was expanded mainly due to incomes from oil and gas export, which were doubled after the construction of new oil pipelines in 2006. The highest growth was reached in 2007 with about 35% thanks to the oil exports. Proportion of the oil revenues in the total GDP was about 62% in 2007, which was only 31, 7% in 2003. Oil reserves in the offshores of the Caspian Sea mainly in “Neft Dashlary” oil zone, were estimated to have approximately 1 billion barrels in 2008, but the total number of barrels were estimated to be much more for 2012, approximately 7 billion. According to the IMF (International Monetary Fund) calculations, income from the oil exports were about 90% of the total share of export revenues. This kind of dependency makes economy of the state more vulnerable to fluctuations of oil prices at global market. Therefore, this dependency increases the risk for financial crisis in the country and decreases the value of agricultural products.

According to EIA (U.S. Energy Information Administration) International Energy Statistics database, analysis of the Azerbaijan’s raw oil export including condensate, the average number was 150,000 barrels/per day in 2001 and number of the barrels have been increased rapidly in the following years. Due to new constructed oil pipeline in 2006, BTC (Baku-Tbilisi-Ceyhan) pipeline, Azerbaijan has increased the total oil production from approximately 32,500 000 barrels in 2006 to 51,000 000 barrels.


in 2010\textsuperscript{112}. In addition, state has increased oil exports to the world. The highest fluent fuel export record was noticed in 2010 with about 967,000 barrels /per day. This has enhanced the annual economic growth which reached its top in 2006 with 34.5\% (Figure 1). But, since the economy is mainly dependent from the oil product, the country is experiencing “Dutch disease”\textsuperscript{113}. This “disease” is occurring mainly in countries which has rich oil resources and economy of the state becomes hardly dependent from the oil export incomes. However, oil prices were dropped very low during the finance crisis in 2008 and production of the oil was also reduced, which led to reduced oil export as well. According to EIA, Azerbaijan’s GDP growth was at zero in 2011 due to decreased oil production (Figure 1)\textsuperscript{114}.

![Azerbaijan; annual GDP Growth (%) 2002-2012](image)

**Figure 1. Source: The World Bank**

While agricultural products are produced in small quantities and has no significant value for the state’s economy. This has led to underdevelopment of agricultural sector which affects mainly people working in this sector. Approximately 40\% of the Azerbaijani population works in agricultural sector while very small group of people working in the oil sector and rest of population works in the service sector. Despite the majority of people working in service or agricultural sector, the total share of agricultural

\textsuperscript{112} Gapminder,” Azerbaijan, oil production”, Available from: [http://www.gapminder.org/world/](http://www.gapminder.org/world/)

\textsuperscript{113} The concept “Dutch disease” is derived from the Dutch crisis in the 60s, which occurred due to natural gas discoveries and increased gold prices. The natural resource, gas, was the main export product and thus country’s economy growth increased rapidly which increased also the market value of the agricultural /manufacture products in the market. This led to the non-oil sector products were expensive and less requested in the global market, which caused economic growth was unstable due to fluctuations of hydrocarbon- products values in the market. This concept is mainly used in economics, purporting to the consequences emerged from the extensive increase in a state’s economy. This kind of crisis occurs mainly in countries which has natural energy resource as an oil and gas, and the high level of income from this resource increases the risk for dependency on this product but also increases the corruption in the country. Available from: [http://www.imf.org/external/pubs/ft/fandd/basics/dutch.htm](http://www.imf.org/external/pubs/ft/fandd/basics/dutch.htm)

and service sector of state’s GDP is very small and gets smaller every year. For example, the agricultural share of GDP was highest in 2002 with 15% which decreased by 9, 2% till the 2010\textsuperscript{115}. This means that agricultural products being produced in small quantities and that is why the value of the products are very high at the market, which decreases the demand for these products. Another disadvantage of the underdeveloped agriculture is that, people working in agricultural sector loses their income sources and being jobless, which also increases the poverty in the country. According to Gapminder rural people living in poverty was about 42% in 2001. It is hard to draw any conclusions about the situation in rural areas with the absence of data for the past 10 years. But in order to evaluate the living conditions of people working in agricultural sector and in oil industry, which also helps to estimate the income inequality in the country, I have taken into consideration the monthly wages of employees. According to ILO database, employees in agricultural sector earned around 70-120 manat\textsuperscript{116}, while employees earned around 700-1200 manat during the 2007 and 2008\textsuperscript{117}. However, the total number of employees in mining sector in 2008 was approximately 0, 5 % of the total population, which is very small number of people out of 9 million population. This means that number of employees in mining sector, especially in oil industry, earns much more than the majority of the country’s population. Therefore, income distribution is very uneven and there is a huge gap between classes in the society. Despite the data for income inequality presented by the World Band, which was 33, 7 for 2008\textsuperscript{118}, we can make a qualified guess that this number is not reasonable. Another fact which supports this guess is that, most oil companies are owned by the state and revenues from the oil export are placed in the SOFAZ (State Oil Fund of Azerbaijan). This fund is owned by the president of Azerbaijan and he has right and capability to spend fund’s money on desired expenditures\textsuperscript{119}. This implies about high level of corruption at administration level, because expenditures are not reported or presented to the population of the country. State’s resource revenues are divided between the high class of the society, for example between the president and his “regional allies” which are the dominating group in the society. According to survey analysis from households in Azerbaijan, percentage of people living under poverty threshold, which is less than US$ 2 a day, were highest in 2007 with about16% but, have been reduced by approximately 2% (exact number is 1,96%\textsuperscript{120}) each year from 2007 to 2012 (Figure 2). Reduction of poverty rate was due to socioeconomic development projects implemented by the state. Project’s goal

\textsuperscript{115}Gapminder. Azerbaijan- agricultural sector’s share of GDP. Available from: http://www.gapminder.org/world
\textsuperscript{116}Manat is Azerbaijan national currency. The currency rate is approximately 1 AZN=1.27US$.
\textsuperscript{117}ILO database, LABORSTA Internet. Available from: http://laborst.ailo.org/STP/guest
\textsuperscript{120}An average sum, 1.96% from 2007 to 2012, has been calculated by the help of average formula. First, I have calculated the difference of values between years, and then it has been used the average formula (average=sum of values/number of values).The more detailed calculation will be presented in appendix.
was to improve public services and also to raise pensions of seniors starting from 2008. Raise of pensions were quite small for ordinary seniors who have worked in non-governmental sectors. The amount of pensions was 62, 9 manat in 2008 (about US$80\textsuperscript{121}) and raised to 96 manat in 2009 (about US$ 123)\textsuperscript{122}. This amount is insufficient for a senior to spend on monthly expenditures. In accordance, pensions of civil servants were also raised, which was already 3 times higher than the pensions of ordinary seniors\textsuperscript{123}.

![Azerbaijan; An average percentage of total poverty at national line and unemployment rate (%) 2002-2012](image)

**Figure 2.** Source: The World Bank data.

According to World Bank data, the level of unemployment at national level has remained its position since 2002, around 5\%. It was increased with a small percentage during 2006 but decreased to 5, 4 in 2012 (Figure 2). But according to independent economists’ calculations, which was presented in Alec Rasizade’s study, the level of unemployment exceeded 50\% in 2004 and it is half of the population of Azerbaijan\textsuperscript{124}. While, World Bank presents much lower rate of unemployment in Azerbaijan during 2004, about 5, 6\%. Therefore, the credibility of data is under question, since it has been complied with a survey method by local bodies in Azerbaijan. According to European Union Progress report for the year 2009, the government of Azerbaijan has made several socio-economic reforms in order to reduce poverty and unemployment rate in the country. Increased soft loans and enactment of strict rules for

\textsuperscript{121} Currency was converted to US dollar of 2014.
labor immigrants’ have made beneficial impacts on unemployment problems. Strict rules for foreign workers created job opportunities for domestic workers, but an average percentage of total unemployment has remained the same percentage during 2008 and 2010, with about 6%.

However, according to Gapminder income inequality has not been changed significantly from 2002 to 2008. It has been decreased with 2 points under six years, from 36 in 2002 to 34 in 2008. Since, there is no data for income inequality after 2008, we can assume that income distribution has the same rate as it was in 2008. Because, the annual growth of gross domestic production was at 0% in 2011, but GDP per capita was increased from US$5,843 in 2010 to US$7,190 in 2011(Figure 3). The increase of GDP per capita is very odd because the annual economic growth of the country was at zero growth in 2009. This is because, usually if the annual GDP growth is zero then GDP per capita must decrease also, but in the case of Azerbaijan the opposite has been occurred. This might happen in two cases, the first one is increase of export revenues and second one is if the state has implemented some socioeconomic reforms in order to increase citizens’ wealth. In order to check the credibility of the GDP per capita data, I have analyzed the state investments on state-building projects and also some socioeconomic reforms.

Economic growth was highest in 2006 with 36, 4% and total expenditure on education was 3% of GDP in the same year (figure 1). While the total state expenditure on health care was about 4, 3% in 2006. The main advantage of these expenditures was that they have improved infrastructure of public facilities but have not improved the life conditions of citizens. Because, there are huge gaps between the classes in society.

---

Increase in GDP per capita usually indicates about increased economic growth and also improved life conditions of citizens. But, in Azerbaijan increase in GDP per capita has not improved life conditions of the population, without it has worsened human rights in the country. Because, GDP per capita has risen due to raised crude oil prices in global market (figure 4) and not because of increased employment or economic productivity of citizens in the country.

As we can see from the chart for oil price (Figure 4), crude oil prices were increased from US$67.4 in 2007 to US$110.44 in 2008 (figure 4), which have positively affected GDP per capita in Azerbaijan in 2008 (Figure 3). Then, in 2009 oil prices were sharply fallen due to financial crisis in the world which also decreased the demand for petroleum. As it is noticed in the chart of GDP per capita (Figure 3)
productivity and growth were also decreased because of reduced demand for petroleum and low oil prices in 2009. It can be noticed from the charts for GDP per capita and oil prices were highly increased after 2009. Therefore, Azerbaijan can be considered as a country which suffers from Dutch disease, because of its dependency on oil incomes and underdevelopment of other sectors.

According to “The State Statistics Committee of Azerbaijan” the average wage of ordinary worker in service and agricultural sector are increased. Employees of the mining sector earns better than the employees of other sectors, their wages have been increased from 258 manat in 2002 (about US$329) to 1400 manat (about US$1784) in 2012. While employees of agricultural sector earn about 201 manat in 2012 (about US$ 256). The average pensions of ordinary seniors ( not state employees or officials, who gets 3 times more pension than the ordinary senior) for a month was about 14 manat in 2002 (about US$18) and have been increased to 145 manat in 2012 ( about US$ 185), which means that the prices for food, clothes and other expenditures of the households have increased much more than it was ten years ago.

Despite, huge oil revenues from exports and aid received from international organizations in order to spend on state-building projects and socioeconomic programs, the high level of corruption hinders socioeconomic development of the country.

4.1.3 Democracy level in Azerbaijan

Azerbaijan is a monarchical “consolidated authoritarian” regime than a formal democracy. Because, the state and power have been centralized in the hands of Aliev family and their relatives for almost 20 years, since the former Communist President Heidar Aliev’s accession to power in 1993.

2003 was a year, which was particularly remembered. Because, it was a year when populations’ hope for a democratic state died after a fraud presidential elections in Azerbaijan. Citizens of Azerbaijan and international observers as well as foreign states were hoping that this election will be held free and fair and it was stat’s chance to take a step toward the democratization of an authoritarian government. The hope for regime change was especially expected by the foreign states. Because, Azerbaijan was accepted

---


As a guest member of the Council of Europe in 2001 and had committed to implement organization’s criterion. These criterion consists of commitment to respect the universal human rights and of democratic governance. But, the election was a huge disappointment both for citizens and for international observers. The “regional allies” of Aliev’s family and state authorities did not let it happen. Despite the existence of hundreds of NGO members and international observers observing the election process in each part of the country, majority of the votes were falsified election officials in favor of Ilham Aliev, who “won” the election with 77%. Majority of the voters were denied their basic citizenship right, the right to vote, by the officials in electoral stations, just because they were supporting the opposition or were members of the opposition parties. This election was criticized by the international organizations, such as Organization for Security and Cooperation in Europe (OSCE) and by the Office of Democratic Institutions and Human Rights, which described the election as completely fraud and undemocratic. According to OSCE report about the Azerbaijan’s’ presidential election of 2003, the election did not met the “international standards for democratic suffrage and elections” and therefore, this presidential election was not recognized as legitimate by the OSCE. The report also described this election as a “missed opportunity for a credible democratic process”.

The year were especially remembered because of the outbreak of the mass protests after the elections in the city of Baku. Since, the whole election was illegal and falsified by the government, people was outraged with the results. However, several hundred of civil society members as well as opposition supporter were mobilized in the center of the Baku in order to demand a new democratic election and protested. This demonstration was destroyed by the violent police and military forces and 5 people were killed during the protests. More than 600 protesters, election observers and the majority of opposition journalists were arrested for the participation in the protests.

The parliamentary elections in 2005 was unfair as well, because the 90% of the seats in parliament was taken by the ruling party New Azerbaijan Party which is led by the President Ilham Aliev and his allies. While only 10 out of 125 seats were offered to the opposition parties. Dominance of the ruling party in

---

the parliament and overall in the country is accepted as the “only game in town”. This party has won every parliamentary election since 1995 until today\textsuperscript{141}.

The presidential elections of the 2008, according to the report of OSCE, was peaceful and somewhat fair, but did not met the standards of democratic election. This is because of the absent of political competition and election campaign, but also the media were restricted which prevented the surveillance of the election procedure. According to international observers the elections of this year went much better and was progressive compare with the elections of 2003. In addition, the majority of opposition members and parties did not participated in the election, by boycotting it. But there are some problems which needs to be improved. President Ilham Aliev won the election with 89\%\textsuperscript{142}.

In 2009 constitution of the Azerbaijan was amended in favor for the current president Ilham Aliev. The new amendment in the constitution repealed the old law, which legally allowed to be president of Azerbaijan only for two terms, and replaced it with a new one which allows to be a president for unlimited terms\textsuperscript{143}.

Opposition activities in political life of the state are much less and passive than it was in 2003-2005, due to states’ violence and intimidations against dissident people\textsuperscript{144}. For example opposition or youth protests against the authoritarian corrupt regime were dispersed by the police forces in 2011 and in 2012. The criminalization of antigovernment expressions and use of defamation charges are the common tactics used by the regime to hush up the democracy promoters and silence the population of the country\textsuperscript{145}. Therefore, democratic governance and political system are underdeveloped and it has been worsened even more the past ten years.

4.1.4 Freedom of expression and press freedom in Azerbaijan

4.1.4.1 Reporters without borders.

Azerbaijan’s national Constitution contains Article 47 and 50 which protects the freedom of expression, media and information freedom, therefore these rights and freedoms have to be respected and guaranteed by the state according to the Constitution. In addition, Azerbaijan has signed on treaties requiring respect for civil rights and freedoms in accordance with joining the Council of Europe in 2001. But despite the existence of Law on freedom of expression and on press freedom and signed treaties, the situation is getting worsened for each year. The country failure to realize the commitments it has taken. According to reports by the Reporters without Borders, civil liberties and freedoms of citizens does not respected or barely exist in Azerbaijan, instead the democracy promoters are being jailed with false charges.

People working in media sector and opposition members have been an object of threat and false charges by the authorities of the state from 90s until now. Newspapers publishing any critics against the government and its officials are being targets for the harassment and threats. In spite of the criticism from the international organizations as Freedom House, Reporters without Borders and European Council, the press freedom and freedom of expression are still most violated human rights in the country. Theoretically, only countries which are respecting the human rights and freedom and are democracies can join the European Council, but since, European Union have expanded it is cooperation with South Caucasus post-Communist countries such as Azerbaijan, Armenia and Georgia, these countries have been able to join this international organization. In addition, Azerbaijan has to fulfill the demanded criterion from the European Council and act toward the democratization of the government. Democratization process in the state has been stagnated for several years and even has worsened after the President Ilham Aliyev’s accession to power in 2003. Azerbaijan was ranked as the 101th out of 139 countries in 2002 due to violation of press freedom by the RFS. According to

---


calculations of press freedom scores, press freedom rates was 7, 3\textsuperscript{151} in 2002, which indicates about quite high level of restriction of the press and information freedom during the Heidar Aliyev presidency.

According to RFS, the most shocking culmination of the governments’ violence against the freedom of expression and press freedom was reached in 2005, when the editor of independent newspaper “Monitor” Elmar Huseynov was murdered by the government. The main subject of this newspaper was to criticize state leaders and ruling authoritarian regime. Therefore, this newspaper was retracted by the authorities several times in 2004 and later, editor was imprisoned for six months. But, since the government could not silence this person, he was contract killed in 2005. Accusations for the murder were rejected by the government officials and the case is still unresolved\textsuperscript{152}.

Criticism from European Council regarding the violation of the universal human rights such as political rights and freedoms, enforced the government officials to soften violation against the dissident people and opposition members during the 2006\textsuperscript{153}. This can be seen in the RFS’s press freedom index for Azerbaijan, which was at 8, 4 in 2005, but was reduced to 8 in 2006\textsuperscript{154}. It is not a significant improvement, but this little improvement means that international organizations and governments have the capability to push the government to respect citizens’ civil rights and freedoms. But, press freedom rating was worsened again during the presidential elections in 2008, because government banned presence of free and independent journalists in the election. In addition, several journalists and bloggers who have criticized the government and the fraud elections were arrested. This score was decreased a little in 2009 by 0, 4 point, because of the criticism from the Council of Europe, which demanded compliance of the commitments undertaken by the state. The report from the government of Azerbaijan reported that, Article 19 of the “Universal Human Rights” and Articles 47 and 50 of the state’s constitution are respected and promoted by the government. Furthermore, the report contained statements regarding the arrests of journalists, by stating that the officials violating universal human rights are brought to justice\textsuperscript{155}. But this statements in the report are just a way of silencing the criticism, because the state did not make any improvements in order to respect these political and civil rights.

\textsuperscript{151} The detailed calculation of the score is presented in the appendix 3.
\textsuperscript{153} Landguiden utrikespolitiska Institutet, Azerbajdzjan, “Massmedier”. Available from: http://www.landguiden.se/Lander/Europa/Azerbajdzjan/Massmedier
\textsuperscript{154} The calculated scores is presented in appendix 3.
\textsuperscript{155} http://en.rsf.org/azerbaijan-un-member-states-must-hold-29-04-2013,44453.html
4.1.4.2 Freedom House report on press freedom.

According to the FH’s report for press freedom, Azerbaijan’s total score was 77 which ranked it as a “not free” country in 2002 during the rule of Heidar Aliev. The level of press freedom was especially low because of the governments intolerance for the dissident opinions and criticisms from the journalists, which were whether arrested or harassed by the police officials. The level of the press freedom were somewhat improved in 2003 due to amendments in constitution regulating the media flow and freedom in 2002. The new law enhanced the flow of media, by abolishing the requirements of registrations which suppressed the papers and news. This also enhanced the freedom of expression in the country which gave space to opposition members to express their opinions in the papers. Therefore, the score for press freedom in 2003 was 73, but the country has remained its position in the category of “not free”, since the other TV and radio channels were controlled by the government. Azerbaijan remains its position in the category of “not free” countries because the situation of the freedom press and speech have worsened under the recent years and the country’s score has dropped even more from 71 to 80 in 2012. According reports of past ten years, the government have legislated new laws restricting the defamation of the state leader or the authorities. The criminalization of critical speeches and sentences against the government is most common used strategy by the authorities to harass and punish the all dissident people. This is because the libel or defamation of the state authorities was illegal until the 2006. Therefore, the majority of the opposition members, newspaper editors or journalists have been arrested or punished with huge fines for the libel against the government authorities. But, later the libel was decriminalized in 2006, but despite this, the authorities is continue to penalize and imprison the government critics, mainly opposition activist and journalist for up to 3 years. For example, the editor of the newspaper “Realny Azerbaijan”( Real Azerbaijan) Eynulla Fatullayev was imprisoned for more than two years and also penalized with the US$11,000 in 2006 for defamation of the minister. His also recognized as “critic of the regime” who was released from prison in 2011 with the permission of the president. The number of this type lawsuits have been increased the recent years, and therefore the opposition activities are much less than it was during the 2003 and 2005. Thus, the Committee to Protect Journalists rated the country in the 5th place for the increased number of arrested journalists in 2007.

156 Freedom House. Freedom of press report, pp.52. Available from:
157 The press freedom scores are presented in the appendix 4, table 1.
159 Reporters without Borders, 2013. “Unfair Lobbying and Trials against Journalists in Azerbaijan”. Available from:
The hope for new democratic government was vanished after the presidential elections in 2008, because the opposition and independency journalist cannot afford other measures in order to change the regime. It is also expensive to speak about the democracy and freedom which these poor activists and journalist cannot afford to pay the fines. All the independency and pro-democracy newspapers are under the strict government control or have been defunct by the editors due to pressures from the authorities. In short the situation has not been improved the past ten years after the Ilham Aliev’s entry to power but has worsened significantly. According to Freedom House, Azerbaijan was rated as a “partly free” country with a freedom score of 5, 5 during the presidency of Heidar Aliev in 2002 but become “not free”\(^\text{161}\) with same democracy score in 2004 one year after the Ilham Aliev’s entry to the post as a president\(^\text{162}\). The status of “not free” was remained in 2012, because the state have increased the control over the pro-democracy activists, by intimidating the members of family and relatives of the activists, and by kidnapping or beating these pro-democracy activists\(^\text{163}\).

5 Analysis

In this chapter, study’s empirical material is analyzed and the results of data are presented. The results of empirical findings showed that, there is a positive correlation between the democratization and socioeconomic development in the case of Azerbaijan.

Based on the Lipset’s hypothesis, which claimed that socioeconomic development has a good impact on democratization process, I have analyzed five indicators of socioeconomic development. The analysis of socioeconomic indicators shows that, Azerbaijan have experienced high economic growth during the past ten years due to increased oil revenues from the export. Data also shows that state’s annual GDP growth have fallen to zero in 2011 while GDP per capita was increased at the same year. This is very odd and somehow unreasonable, because the level of GDP per capita usually drops when the national GDP growth is at zero growth. Therefore, I have considered to take a look into the average monthly salaries and pensions of the ordinary people in Azerbaijan. Statistical data analysis shows that, salaries


or pensions of the ordinary people working in agricultural sector have not been increased so significantly during the past ten years. For example, the average monthly salary of people working in agricultural sector is max US$ 300 and pensions of ordinary seniors are max US$185. Both wages and pensions of majority of the population is very small and insufficient for the one household’s monthly expenditures. But employees of mining sector, especially of oil sector, earn 6 times more than majority of people. Since, oil production and export does not require large workforce, the total number of employees in 2008 was about 0, 5% out of 9 million population living in the country. This is very small number of people who earns 6 times more than ordinary people, which indicates about very uneven income distribution. Furthermore, state officials at administration level earn even more, because these are relatives of president’s allies. The whole oil and gas sector are controlled by the small elite group.

Analysis explores that, population of an oil rich country lives with a small budget, especially people whose income source is derived from agricultural industry. Thus, income distribution is very uneven for an “upper-middle income” country which earns millions of dollar every year from the oil export. The Data analysis justifies also Ayca Ergun’s arguments that, Azerbaijan is ruled by people who is in the circle of “patron-client” network. These small number of people share the economic resources of the country between each other, which is why criticism from pro-democracy activists are silenced with various forms of violence.

Reports of FH shows that, the condition of basic human rights have worsened during these ten years under presidency of Ilham Aliev. The level of press freedom have worsened with 3 points from 2002 to 2012 remaining country’s position among the worst ranked countries by FH. The credibility of ratings for freedom level in Azerbaijan presented by the FH is justified with scores presented from Reporters without Borders. The press and information freedom score was at 7.3 in 2002 and have increased to 9.05 in 2012, which is really bad score. Freedom of expression is at the same level, thus criticism against the government by journalist or opposition supporters is not acceptable and is criminalized as a defamation of the state leader or the government. This has resulted in several arrests of journalists, opposition members and ordinary people for many years. The intimidation of the people is the main strategy of the state to prevent democratization of Azerbaijan. Therefore, the level of democracy and civil rights have worsened during the presidency of Ilham Aliev, who tries to do everything in order to preserve the power and state’s fortunes. This argument is based on the fact that, the level of democracy indicators have worsened at the same time as the state’s economic growth have increased during the ten years.
In addition, publications from the Reporters without Borders and Freedom House reports shows that, government has a huge control over the media, especially on opposition newspapers. State strictly controls what newspapers can publish and what they cannot publish, because pro-democracy news have great impact on citizens. Most of journalists have been murdered and arrested because of the antigovernment critics, while some of them have been enforced to exile by the authorities. As it has been argued by the Lipset, free media flow is an essential factor which can promote democracy in a country. Because, independent news and dissident opinions increases peoples’ awareness about the democracy and human rights. Restriction of the press and information freedom and absence of the right to free expression and free opinions prevents democratization of a country.

The minimal criterion of a democracy and democratic governance, such as free and fair elections, respect for civil rights and liberties are absent in Azerbaijan. The opposition parties are constantly assaulted and oppressed by the ruling regime, therefore the activities of opposition parties are much less and ineffective after the presidential elections in 2008.

The accuracy of data for poverty and unemployment presented by the World Bank is under question because, in most socioeconomically developed countries majority of the people are satisfied with the ruling regime. This argument is based on the fact that, life conditions of people are improved by the state and people have sufficient level of income sources to feed the family. If people are satisfied with the government then there is no need for protests against the government nor there is a need for an increased oppress of journalists or activists in the country. But, empirical data presented from the World Bank shows that there are huge improvements in both social and economic aspects of the country. While, according to Alec Rasizade’s study, unemployment rate in 2004 exceeded 50% and it is far away from 5% which is presented by the World Bank. Thus, the accuracy of the data for the years after 2004 might have been calculated with creativity and not consistent with real situation in Azerbaijan.

Furthermore, analysis of the data for economic growth shows that, state’s GDP per capita has been increased because of increased crude oil prices at global market and not because of populations’ economic productivity. Prices of crude oil was substantially decreased in 2008 due to financial crisis in the world and this has been reflected in the state’s GDP per capita. Therefore, we can make a conclusion that state’s earning from oil export have only benefitted small number of people in the country. Thus, country have not been developed socioeconomically in order to democratize as Lipset argued.

Thereby, we can assume that, Lipset’s hypothesis about the positive correlation between the socioeconomic development and democracy is plausible, in the case of Azerbaijan. Because, even if the
data presented by the World Bank shows socioeconomic development and increased economic growth, analysis of other factors proved the opposite. In short, Azerbaijan is still developing and needs several improvements in both social and economic sectors in order to reach socioeconomic development. At the same time, one of key factors of democratization in the Lipset’s study were free media flow and high economic growth, which are absent in this case.

Regarding the question if there is any linear correlation between the socioeconomic development and democracy in the case of Azerbaijan, I can say that based on empirical data there is a linear correlation between these two. Because, indicators of the socioeconomic development showed that, Azerbaijan is underdeveloped both in social and economic aspects. In addition, uneven income distribution and violence of civil rights, such as freedom of expression and press freedom, prevents democratization of the country. Income distribution is unequal because, there is a huge difference between the wages of employees of various sectors, as well as differences in pensions of ordinary seniors and civil servants.

The results of analysis advocates for a linear correlation between the democracy and socioeconomic development in this case. Thus, this study verifies Lipset’s hypothesis for the case of Azerbaijan. Azerbaijan must respect basic human rights and distribute income equally in order to democratize. Socioeconomic development have an impact on democratization of the country, because it creates a good basis and conditions for the achievement of democracy.
6 Discussion

In this section, I am going to discuss my own thought about the democratization in Azerbaijan, which are not mentioned in previous sections of the essay.

I certainly believe that population of Azerbaijani people have democratic values, but it requires more than that for a country to become a democratic. Because, an oppressed people cannot just stand up and demand democracy from an authoritarian regime who can use any forms of violence in order to preserve the power. It is not Azerbaijan’s poor economy which has resulted in preservation of an authoritarian regime, without rather Ilham Aliev’s and his allies’ repression against the opposition and pro-democracy activists. Dissatisfaction with regime is large among the population, but the real opposition is small and their activities have become more ineffective and passive the recent years, thanks to Ilham Aliev’s repression. A little opposition cannot create democracy if it is constantly assaulted and suppressed, thus, there is a need for a revolution and regime change in order to democratize. There is also need for collective willingness to demand a democratic governance and respect for human rights from the government. Fear for loss of family members, workplaces and fear for lifetime jail are some of reasons preventing people from protesting against the authoritarian rule of Aliev regime.

Another aspect of this study reveals that foreign governments holds a passive position against the ongoing violence of human rights in Azerbaijan. This can be explained, by the fact that state’s interests comes before human rights. I think that, a country is more likely to democratize if it is pushed towards democracy by the foreign governments and organizations through economic sanctions. This is more likely to happen if this act does not collide with the foreign state’s interests. Azerbaijan’s government have preserved authoritarian regime with oil resources and incomes. Because, Western countries receive their energy supply from Azerbaijan, which means that interruption of relations with Azerbaijan can affect energy supply of these countries and this is not in the states’ interests. In short, Azerbaijan’s state leader uses oil resources and incomes from oil exports as a strategic tool for legitimizing its authoritarian rule and to silence criticism from the foreign governments. This strategy helps dictator president Ilham Aliev and his allies to preserve the power and strengthen their position.

Limitation of this study is that, Azerbaijan is a developing country and therefore, definite conclusion about the plausibility of Lipset’s hypothesis cannot be said. But, this can be a topic of further researches in future.
7 Conclusion

In this chapter, the study’s conclusion is presented followed by a summary of the essay. The chapter is concluded with the suggestion for further research on this topic.

The analysis of empirical data showed that, Azerbaijan has not developed socioeconomically to democratize. As mentioned earlier, economy of the country is dependent on oil revenues which is the more than half of the state’s GDP, and therefore, economic growth of the state increases if the prices for crude oil rises at global market. In addition, only small number of people, about 0.5% of population works in the mining sector and earns 6 times more than the majority of people working in other sectors, such as agriculture and service sector. This means that only a small number of people controls oil resources and its incomes, especially the president and his family. Because, state’s oil export revenues are placed into the SOFAZ’s bank account and it is owned by the president. Furthermore, Azerbaijan has increased the production and export of oil since the 2006 due to construction of new oil pipelines, which means that state leader has earned millions of dollars from oil trade during these years. The increase of oil exports have also benefited the small elite group in the country, while the rest of population are living on small salary consisting of maximum US$300. As it was argued by the scholar Alec Rasizade, country’s oil incomes goes into the bank accounts of the president’s family and his loyal allies, who are helping him to preserve the political power. Therefore, the socioeconomic development has not been developed despite of increased economic growth and high income inequality has created a huge gap between the president’s allies and the rest of population. It seems like oil resources is the main reason for underdevelopment of the country and consolidation of the authoritarian regime.

The investigation of democracy indicators, such as press freedom and freedom of expression explored that with rise of economic growth in the country the level of mentioned human rights have been worsened. Because, criticism from pro-democracy activists and opposition parties is not tolerated by the state leader or authorities, which has resulted in hundreds of libel lawsuits and arrests of these people. In addition, pro-democracy journalists are the main target of the state authorities, who are being harassed and jailed constantly due to their antigovernment speeches. Increased violence against the opposition supporters and journalists are legalized with different laws, such as Law on Defamation. Since, this study relied on the definitions of democratic governance defined by the Adrian Leftwich, criterion for the democratic governance is completely absent in Azerbaijan. The opposition is highly oppressed and barely exists due to harassments of the government, freedom of expression and press freedom are highly violated civil rights in the country. According to RSF, the level of press freedom in Azerbaijan has
worsened with almost 2 points during the ten years, which was 7, 3 in 2002 and increased to 9, 05 in 2012. This means that authorities of the state uses every possible way in order to oppress the population and preserve the power, and earn more income from oil.

Conclusion of this essays is that Lipset’s hypothesis is plausible in the case of Azerbaijan because, level of income equality and independent media flow as well as freedom of expression are very low or barely exists in the country. These are essential democracy factors and criterion for democratic governance in this essay. Therefore, regarding the first question of this essay - To what extent has socioeconomic development been followed by democratization in the case of Azerbaijan? It can be said that, Azerbaijan has not been developed socioeconomically and therefore, there are no signs of attempts toward the democratization. Because, as mentioned earlier the majority of population lives with low income from the service and agricultural sectors, no matter how well educated they are. In addition, almost 85-90 percent of population of the country are excluded from benefits of the oil income. Accordingly, the reason for increased GDP per capita is not because of increased economic productivity per person rather, it is because of increased crude oil price at the global market. Since, economy of the state is based on oil export incomes, country is suffering from Dutch disease, which affects mainly the poor class of the country. For example, agricultural sector is the most important income source for the people living in rural areas, but it is most underdeveloped sector in Azerbaijan. Therefore, income from agricultural sector makes only 5-7% of the state’s GDP, which is mainly affects people working in this sector. It leads to the scarcity of workplaces and income sources, which is in turn leads to the emigration of men to foreign countries, mainly to Russia as Alec Rasizade stated in his study. Accordingly, we can conclude that, the government of Azerbaijan has not done any significant reforms in order to improve citizens’ welfare or life conditions nor it has done any attempts in order to develop democratically. The rise of economic growth have benefitted only people sitting at administration level, mainly President’s family and relatives.

The absence of free and independent press as well as freedom of expression prevents societal changes and reduces democratization chances. Accordingly, regarding the second question of this essay - How does the correlation between socioeconomic development and democracy in Azerbaijan relate to Seymour Lipset’s theory on democracy and economic development? – It can be said that, socioeconomic development and democracy level are positively correlated, because socioeconomic development creates good conditions for the emergence of democracy. Based on the results of modernization factors for democratization, it was explored that some of the factors are absent and some are not developed.

\[164\] The maximum value for freedom of expression and press freedom is 10, which indicates about the worst condition of these rights. See appendix 3.
thereby, the state of Azerbaijan has not reached all necessary prerequisites, as Seymour Martin Lipset has mentioned in his theory, in order to democratize. The main prerequisites for democratization from Lipset’s theory are the main features or characteristics of the democracy, which is why existence of these prerequisites speaks about democratic development of a country. But, in Azerbaijan these prerequisites for democratization were absent for the past ten years and therefore, correlation between democracy and socioeconomic development is linear for now. Government of the state tries to gain as much fortune as possible and therefore, has no intentions to make a transition to democracy yet. Thus, majority of population of the country are poor without any civil rights and liberties, to express their opinions about the corrupt government or about their bad life conditions openly. The results of empirical data means that, Azerbaijan’s democratization depends as much as from oil incomes as from greedy corrupt administration officials. As long as there are huge oil revenues and Aliev regime ruling the country, democratization of the country is just an illusion and nothing more. But, it is necessary to note also that, Azerbaijan is still developing country and a decade is not enough for a country to develop completely in both aspects, i.e. democratically and socioeconomically. Thereby, it is hard to draw a definite conclusion regarding the linear correlation between democracy and socioeconomic development. If the country was developed socioeconomically and still not democratized, then we could draw a definite conclusion that there is no correlation between democracy and socioeconomic development. A definite answer on this question can be given if it will be made further researches on this topic after the development of Azerbaijan.
References

Books:


Scientific Articles:


Internet Resources:


**Reports:**


Appendices

Appendix 1

Socio- Economic variables.

Republic of Azerbaijan.

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP per capita Current US$</th>
<th>GDP Growth (annual %)</th>
<th>Gini coefficient (income inequality) (Gapminder)</th>
<th>Poverty headcount ratio at national poverty line (% of population)</th>
<th>Unemployment, total (% of total labor force) (modeled ILO estimate)</th>
<th>Price of Crude oil US$ /barrel April month.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>10.6</td>
<td>36.1</td>
<td>5.6</td>
<td>25.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>11.2</td>
<td>35.7</td>
<td>5.7</td>
<td>25.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>1.045</td>
<td>10.2</td>
<td>35.3</td>
<td>5.6</td>
<td>33.36</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>1.578</td>
<td>26.4</td>
<td>34.91</td>
<td>6.4</td>
<td>51.86</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>2.473</td>
<td>34.5</td>
<td>34.51</td>
<td>6.8</td>
<td>70.44</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>3.851</td>
<td>25.05</td>
<td>34.11</td>
<td>15.8</td>
<td>6.5</td>
<td>67.4</td>
</tr>
<tr>
<td>2008</td>
<td>5.575</td>
<td>10.8</td>
<td>33.7</td>
<td>13.2</td>
<td>6.1</td>
<td>110.44</td>
</tr>
<tr>
<td>2009</td>
<td>4.950</td>
<td>9.5</td>
<td>10.9</td>
<td>5.7</td>
<td>50.85</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>5.843</td>
<td>4.9</td>
<td>9.1</td>
<td>5.6</td>
<td>84.93</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>7.190</td>
<td>0.07</td>
<td>7.6</td>
<td>5.4</td>
<td>123.15</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>7.165</td>
<td>2.2</td>
<td>6</td>
<td>5.4</td>
<td>120.59</td>
<td></td>
</tr>
</tbody>
</table>

Source: The World Bank data, Gapminder & Indux Mundi.
Appendix 2
Calculation of approximate percentage of poverty reduce in Azerbaijan from 2007-2012.

\[
(15, 8 - 13, 2) + (13, 2 - 10, 9) + (10, 9 - 9, 1) + (9, 1 - 7, 6) + (7, 6 - 6) = 2.6 + 2.3 + 1.8 + 1.5 + 1.6 = 9.8
\]

Average = sum of values/ number of values = 9.8/5 = 1.96.
Appendix 3

Reporters without borders press freedom index.

<table>
<thead>
<tr>
<th>Year</th>
<th>rank</th>
<th>number of countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>101</td>
<td>139</td>
</tr>
<tr>
<td>2003</td>
<td>113</td>
<td>166</td>
</tr>
<tr>
<td>2004</td>
<td>136</td>
<td>167</td>
</tr>
<tr>
<td>2005</td>
<td>141</td>
<td>167</td>
</tr>
<tr>
<td>2006</td>
<td>135</td>
<td>168</td>
</tr>
<tr>
<td>2007</td>
<td>139</td>
<td>169</td>
</tr>
<tr>
<td>2008</td>
<td>150</td>
<td>173</td>
</tr>
<tr>
<td>2009</td>
<td>146</td>
<td>175</td>
</tr>
<tr>
<td>2010</td>
<td>152</td>
<td>178</td>
</tr>
<tr>
<td>2011</td>
<td>162</td>
<td>179</td>
</tr>
<tr>
<td>2012</td>
<td>162</td>
<td>179</td>
</tr>
</tbody>
</table>

Calculation of the average media freedom score by the formula.

\[
\text{Rank of the country} = \frac{\text{rank}}{\text{sum of the number of states in a certain year}} \times 10.
\]

- 2002: \(\frac{101}{139} \times 10 = 7.3\)
- 2003: \(\frac{113}{166} \times 10 = 6.8\)
- 2004: \(\frac{136}{167} \times 10 = 8.4\)
- 2005: \(\frac{141}{167} \times 10 = 8.4\)
- 2006: \(\frac{135}{168} \times 10 = 8.03\)
- 2007: \(\frac{139}{169} \times 10 = 8.2\)
- 2008: \(\frac{150}{173} \times 10 = 8.7\)
- 2009: \(\frac{146}{175} \times 10 = 8.3\)
- 2010: \(\frac{152}{178} \times 10 = 8.5\)
- 2011-2012: \(\frac{162}{179} \times 10 = 9.05\)
Appendix 4

Democracy variables.


<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>Score</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>No rank</td>
<td>77</td>
<td>Not Free</td>
</tr>
<tr>
<td>2003</td>
<td>No rank</td>
<td>73</td>
<td>Not Free</td>
</tr>
<tr>
<td>2004</td>
<td>156</td>
<td>71</td>
<td>Not Free</td>
</tr>
<tr>
<td>2005</td>
<td>158</td>
<td>72</td>
<td>Not Free</td>
</tr>
<tr>
<td>2006</td>
<td>161</td>
<td>73</td>
<td>Not Free</td>
</tr>
<tr>
<td>2007</td>
<td>164</td>
<td>75</td>
<td>Not Free</td>
</tr>
<tr>
<td>2008</td>
<td>168</td>
<td>77</td>
<td>Not Free</td>
</tr>
<tr>
<td>2009</td>
<td>168</td>
<td>78</td>
<td>Not Free</td>
</tr>
<tr>
<td>2010</td>
<td>172</td>
<td>79</td>
<td>Not Free</td>
</tr>
<tr>
<td>2011</td>
<td>171</td>
<td>79</td>
<td>Not Free</td>
</tr>
<tr>
<td>2012</td>
<td>172</td>
<td>80</td>
<td>Not Free</td>
</tr>
</tbody>
</table>

*Table 1. Source: Freedom House.*