

## **Ten Factors that Strengthen Authoritarian Governance: Case of Azerbaijan**

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Although this article is based on the example of authoritarian governance in Azerbaijan, it covers issues of authoritarian governance in general, especially for countries where rentier incomes from the production, export, or transportation of oil and natural gas and other mineral resources account for a significant share of the state budget.

Authoritarian governance is characteristic of rentier states. The vast majority of such states are very similar in their lobbying policies for systematization and expansion of corruption, election fraud and loss of confidence in the electoral system, high state participation in the economy and budget formation, maintaining high employment and low wages in the public sector, persistent suppression of freedoms and initiatives, dismantling of the free press and independent civil society, failure to ensure the independence of the judiciary, increased brain drain, and obtaining foreign support. Cases from post-soviet rich natural resources countries shows that such states exchange information and experience to strengthen authoritarianism in their countries and pass on to each other the political technologies they use against democratic institutions.

For these types of countries, the negative factors listed above are becoming the main methods that affect the state of rule, leading to authoritarianism. I would like to dwell on each of them in detail in Azerbaijan

### **1. Systematic corruption and ensuring weak control over it**

According to Transparency International<sup>1</sup>, in 2020, Azerbaijan was the 129th most corrupt country among 180 countries in the world. Among the Worldwide Governance Indicators developed by the World Bank, Azerbaijan was the 152nd country in the world in terms of the Control of Corruption indicator that year. Both results stem from the lack of anti-corruption efforts in Azerbaijan. Authoritarian regimes are reluctant to fight corruption due to their interest in raising capital from corrupt civil servants . It is the head of state who knows the scale of corruption best in in highly corrupt countries. His information can be explained by the system of control over the centralized collection of corrupt money

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<sup>1</sup> [Corruption Perceptions Index 2020 for Azerbaijan - Transparency.org](https://www.transparency.org/en/cpi/2020)

and its delivery to the ruling family. Leaders of authoritarian regimes believe that the more capital they accumulate, the longer their rule will last. Because they always have the confidence that they are able to solve all the problems with money, and as capital increases, this confidence increases. The second is that more people are infected with corruption and forced to support the regime. So, officials who feel economically justified in accepting bribes for low wages, especially teachers and doctors, are doomed to support the current regime and do not join those who seek to change it for fear of being arrested and tortured in custody at any time.

It should be noted that according to the State Statistical Committee, in January-October 2021, the average monthly nominal wage of employees in the country's economy increased by 2.6 percent compared to the same period last year and amounted to ₼ 722.9 or \$ 425. During this period, the median salary in the country amounted to ₼ 343 or \$ 202. The salaries of medical doctors and nurses, as well as teachers are below average wage.

## **2. Loss of confidence in the electoral system**

Bribe-taker groups - teachers, doctors, and government officials - become the main human resources used by the government to falsify election results, and they try to carry out any illegal task at a high level to demonstrate their reliability and usefulness in the process. One of the goals of those who participate in the election process as chairmen and members of constituency and precinct commissions is to be appointed to a higher position by falsifying the elections in favor of the ruling party and its candidate. Because they see positions in the state bodies as a source of income. This situation has been demonstrated in all elections in Azerbaijan. So far, even in the municipal elections at the village level, such fraud has not been prevented. Irrespective of the level of elections, total fraud leads to a loss of confidence in the electoral system among voters, and the actual number of voters decreases from election to election, which creates more fertile conditions for fraud.

## **3. High state participation in the economy**

Authoritarian regimes are not interested in the commercialization, shareholding, or privatization of state-owned companies. They are especially interested in keeping state-owned companies in monopolies and thus in their personal control. In authoritarian regimes, state-owned companies receive large subsidies from the budget; furthermore, they finance quasi-fiscal activities in the interests of the authoritarian regime, social and

popular programs, maintain sports teams, create television channels, and allocate funds to media portals. They usually get more from the budget than they pay to the budget. For example, the Opinion of the Chamber of Accounts<sup>2</sup> on the Execution of the State Budget for 2020 shows that five large state-owned companies in Azerbaijan received support from the state budget 19 times more than they paid to the state budget. So, in 2020, they received more than ₼ 1.5 billion in budget support against tax payments of ₼ 81 million to the state budget.

#### 4. High state participation in the budget formation and distribution of funds

According to the Ministry of Finance, the share of direct oil revenues in the forecast budget of Azerbaijan for 2022 is 54.78 percent; moreover, the share of personal income tax in the budget will be 5.53 percent and the share of corporate income tax will be 9.95 percent.<sup>3</sup> These figures are enough to present Azerbaijan as a rentier state. In this case, the share of direct taxpayers is limited to 15.5 percent. This creates a political basis for maintaining public participation in the budget process, as well as transparency and accountability. So, authoritarian regimes, which depend more directly on oil revenues than taxpayers, also consider rentier revenues and the budget as their own, are not accountable to taxpayers when allocating and implementing the budget, and distribute government orders through a single source rather than open tenders. So, the Opinion of the Chamber of Accounts on the Annual Report on the Execution of the State Budget for 2020 states that in public procurement worth ₼ 6,567.20 million or \$ 3,863.1 million, the open tender accounted for 32.8 percent of the total amount, the request for proposals - 18.82 percent, the request for quotation - 1.7 percent, the single-source procurement method - 46.7 percent.<sup>4</sup> As can be seen, during the distribution of budget funds, only 1 out of every 3 manats was distributed through open tenders, and even this should not mean that open tenders were competitive and transparent.

#### 5. The leading role of the public sector in employment

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<sup>2</sup> Opinion on the Draft Law of the Republic of Azerbaijan on the Execution of the State Budget of the Republic of Azerbaijan for 2020 and the Annual Report on the Execution of the State Budget of the Republic of Azerbaijan for 2020, [https://sai.gov.az/files/2020-%C4%B0cra-R%C9%99y%20\(3\)-188749903.pdf](https://sai.gov.az/files/2020-%C4%B0cra-R%C9%99y%20(3)-188749903.pdf)

<sup>3</sup> Azərbaycan Respublikasının 2022-ci il üçün dövlət və icmal büdcələri üzrə layihələrin Təqdimatı, Azərbaycan Respublikasının Maliyyə Nazirliyi Bakı- 2021, [http://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news\\_files/618646a49a2ca.pdf](http://maliyye.gov.az/scripts/pdfs/web/viewer.html?file=/uploads/news_files/618646a49a2ca.pdf)

<sup>4</sup> [https://sai.gov.az/files/2020-%C4%B0cra-R%C9%99y%20\(3\)-188749903.pdf](https://sai.gov.az/files/2020-%C4%B0cra-R%C9%99y%20(3)-188749903.pdf)

According to the State Statistical Committee<sup>5</sup> as of November 1, 2021, the number of employees in the country's economy increased by 16.8 thousand people or 1 percent compared to the same period last year and amounted to 1,702.1 thousand people, of which 903.6 thousand people or 53.1% in the public sector of the economy and 798.5 thousand people or 46.9% in the private sector.

The interest of the state in high state participation in employment is also for political purposes in authoritarian regimes with high unemployment. So, those working in the public sphere are included in the total control of the government, they are constantly involved in political work, they are involved in the propaganda of the authoritarian government and advocacy activities. Not only government employees but also family members and relatives are monitored by the special services operating in the institution where they work, their activities are monitored on social networks, their posts are inspected, and their connections with individuals and groups they supported are investigated. Through all of this, it is implemented not only at the level of the central executive power but also at the level of local executive power, becoming a form of systemic governance that serves to neutralize the anti-government activities of public sector employees, their family members and relatives.

Surveillance and control measures carried out by special services at the local executive level are stricter. This can be explained for three reasons: 1) Access to employment and alternatives are limited in the regions; 2) Two out of every three jobs available in the regions fall to the public sector; 3) Regions are small in area and have a small number of employees, so it is easier to observe and monitor employees at the local level.

## **6. Restriction of economic freedoms and free business initiatives**

The aim of the authoritarian government in suppressing economic freedoms and business initiatives is, on the one hand, to control the financial flows and revenues in the private sector, on the other hand, to reduce the number of private sector employees and attract the majority of job seekers to the public sector. Because authoritarian governments have the means to control and influence the behavior of public sector employees through special services rather than those working in the private sector. At the same time, authoritarian regimes see the fact that the right to dispose of business and private

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<sup>5</sup> DSK, İqtisadiyyatda işləyənlərin sayı və əməkhaqqı barədə, 10.12.2021, <https://stat.gov.az/news/index.php?id=5080>

property belongs to independent persons who are out of control as a threat to themselves against the background that freedom of property can lead to personal freedom. They fear that part of the income of those who become rich from the entrepreneurial activity will be shared by political opponents of the government and be directed to the funding of the opposition. Therefore, authoritarian governments seize profitable areas in the private sector, creating barriers to entry for outsiders through their monopolistic companies.

#### 7. Suppression of freedom of speech, freedom of thought, and freedom of the press

Authoritarian regimes seek to create a managed and controlled media and political opposition to loot budgets, steal the country's wealth, and conceal capital formed through corruption. Regimes that control the media, first through censorship and then through bribery, are trying to achieve the licensing of audio and video channels broadcast from various platforms on the Internet after the development of social networks. The main goal here is to prevent the dissemination of information about the theft of capital belonging to authoritarian regimes in the internal audience, to manage information from one center. The Law on Media<sup>6</sup>, which adopted by the parliament in the end of December 2021 in Azerbaijan without public discussion and expertise of international organizations, serves these purposes. According to the law, all information exchange outside personal correspondence is subject to the law, platform broadcasting (internet television) is licensed, the professional activity of journalists is regulated by a state body with executive powers controlling the press, and their freedom is taken away. However, due to the suppression of the free press in the country, the dismantling of independent civil society, the narrowing of the scope of political opposition, the low level of civic activism, the parliament, which depends on the executive branch, adopts such laws in a short time and unanimously.

#### 8. Lack of independence of the judiciary

Authoritarian regimes have at least two goals in keeping the judiciary dependent on the executive. First, they create a legal guarantee for their future by having court decisions not issued on their theft and corruption. Second, they hose seeking justice within the country from the legal field, involve them in the political arena, and expel them from open society by imprisoning them for political reasons. In authoritarian regimes, the

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<sup>6</sup> [https://turan.az/advertisements/Media\\_qanun\\_22.11.2021\\_last\\_clean\\_version-2.pdf?fbclid=IwAR3FSMcuOdKA9ebXN65\\_yotOwWOheMFp1OzIB7bsbFL3Vo86-Hj8eaBrJWU](https://turan.az/advertisements/Media_qanun_22.11.2021_last_clean_version-2.pdf?fbclid=IwAR3FSMcuOdKA9ebXN65_yotOwWOheMFp1OzIB7bsbFL3Vo86-Hj8eaBrJWU)

judiciary also serves to protect the government's business interests, and rivals are eliminated through tax penalties and sanctions.

The judges have to pass an oral examination that is very biased, and opposition is rejected. The judges only consist of the most loyal members of the government and don't overturn cases against the government bodies concerning all political cases and many non-political cases. It could also be observed in the judgments of 2020 early parliamentary elections. None of the decisions of CEC was overturned by the local courts. In another way, the judiciary is very corrupted, and it is pretty easy to win a case with bribery in any court. In executing the judgments, executive offices are also corrupted, resulting in many cases being sent to ECtHR due to the breach the right to a fair trial.

#### 9. Increased brain drain

Authoritarian regimes are interested in the two groups leaving the country. The first is young people, many of whom leave the country to study abroad due to the poor quality of the education system. Convinced that they would not return to the country, the government did not even receive any commitment from more than 3,500 young people whose education it has funded in foreign countries within the framework of the state program on education abroad in 2007-2015 to return after graduation.

Secondly, it is the qualified personnel that the government thinks that paying them a low salary encourages them to leave the country and achieves this in many cases. Their risk to power is their independence through higher education and experience. Therefore, in authoritarian regimes, independent, especially highly educated and qualified personnel prefer to leave the country.

#### 10. Obtaining foreign support

Authoritarian governments host prestigious international sports and art competitions to present themselves as part of the modern world, work closely with international communities to demonstrate tolerance on religious and national issues, and establish direct contacts with Western politicians to gain political support. The Azerbaijani government is gaining the sympathy of the international sports community by hosting the annual Formula 1 races, the sympathy of the Catholic community by repairing churches in the Vatican, the sympathy of the Jewish community by taking advantage of the opportunities created by historical ties, the sympathy of Western politicians through caviar and belt diplomacy, the sympathy of the royal family by trading with the real

estate department of the United Kingdom, the sympathy of transnational corporations by exploiting promising oil and gas fields with foreign companies, the sympathy of the leaders of foreign countries by investing the stolen capital in their economies, and use their resources to maintain and strengthen their authoritarian rule. In this case, authoritarian and corrupt governments that repeatedly violate human rights and freedoms are kept out of international criticism.

In conclusion, I would like to note that in authoritarian regimes, if failure to ensure the independence of the judiciary and the rule of law, failure to ensure fundamental freedoms of citizens, especially freedom of speech and freedom of the press, a gross violation of human rights, politically motivated arrests and torture in prisons; in short, failure to establish the state of law and failure of laws are observed in the long run, all this will lead to anarchy and unrest. Therefore, the transition to democracy in such countries is painful, and, in many cases, this transition takes place through revolutions. In such regimes, there is a growing need for the political elite to demonstrate the political will to pursue reforms and ensure the rule of law in order to avoid revolution.