

## AZERBAIJAN: THE TRANSFER OF POWER

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The importance of the transfer of power issue is not limited to Azerbaijan: it applies to Central Asia as well. The present leaders will inevitably leave their posts, which will invariably lead to crises—this is the main weakness of the Central Asian regimes. To preserve the status quo and the

“family,” the leaders must transfer power either to a relative or to a trusted person. This explains the heightened interest in the presidential elections in Azerbaijan, since any scenario will affect political and economic life in Azerbaijan, the Southern Caucasus, and the Caspian region.

### Socioeconomic Legacy

In his time Heydar Aliev managed to steer his country away from a political crisis and stabilize the situation, yet no serious social and economic achievements were reached. Under the signed agreements the republic's foreign debt is nearly \$2.3 billion with applied foreign credits amounting to \$1.4 billion. The promises to turn the country into another Kuwait proved to be built on sand: according to the EBRD in 2001, Azerbaijan's GDP was 44 percent of the 1991 figure.<sup>1</sup> The most conservative expert assessment shows that the ratio between the shadow economy and the official GDP is no less than 60 percent.<sup>2</sup>

This is not surprising considering the amazingly high corruption level: today even the largest foreign companies have to distribute bribes and include them as “contingencies” in their budgets. According to experts, there is corruption at all levels of power.<sup>3</sup> (Together with his post Heydar Aliev also had to hand over the “Azergate” that surfaced on the eve of election campaign to his son.) Transparency International place Azerbaijan at the top of the list in the CIS in terms of corruption and third in the world after Cameroon and Angola (in 2001 the country was in fourth place).<sup>4</sup>

The public education system is essentially in ruins. Before 1991, 90 percent of the nation had secondary and over 30 percent higher and specialized secondary education. Today, one out of three school-aged children does not attend school: he has to work to help his family. Health service is degenerating together with the standard of living; and power supply to apartment blocks, hospitals, and industrial enterprises is often disrupted.<sup>5</sup>

According to the State Committee for Statistics 97.5 percent of the country's population live below the subsistence level (today, it is between \$80 and \$90). The World Bank calculated that in 2000 the average per capita income was \$1.7 a day<sup>6</sup> (the average monthly salary of state employees is 250,000 manats, or \$50; the average pension is 73,000 manats, or \$15). A loaf of bread or a bus ticket costs 1,000 manats, and

<sup>1</sup> See: *The Transition Report: November 2001*, EBRD, London, 2001, p. 36.

<sup>2</sup> See: I. Mamedov, “Ekonomicheskie preobrazovania v Azerbaidzhane: poiski strategii i perspektivy,” *Tsentral'naia Azia i Kavkaz*, No. 1 (7), 2000, p. 110.

<sup>3</sup> See: R. Musabekov, “Korruptsia v Azerbaidzhane,” *Tsentral'naia Azia i Kavkaz*, No. 1 (7), 2000.

<sup>4</sup> See: [<http://www.transparency.de/documents>].

<sup>5</sup> See: A. Rasizade, “Azerbaijan after the First Decade of Capitalism,” *Central Asia and the Caucasus*, No. 3 (21), 2003, p. 100.

<sup>6</sup> See: *Social Assessments for Better Development: Case Studies from Albania, Azerbaijan and Moldova*, World Bank, Washington, 2002, p. 36.

a pizza in a restaurant is ten times more expensive.<sup>7</sup> On the whole the standard of living in Azerbaijan is lower than in Albania, the poorest European country.

The number of unemployed is high: only one branch, the oil industry, is functioning, all the others are either struggling or have already died because of the low competitive capacity of their products and lost markets. No wonder people are emigrating en masse. According to independent experts, over 1.5 million of the total population of 8 million (data of the 1999 census) have left for Russia in recent years. For over ten years now the country has been living with the negative migration balance.

However, according to official figures only about 10,000 people leave the republic annually.<sup>8</sup> This low figure cannot but cause doubts: about 500,000 Armenians have already left the republic together with approximately the same number of members of other ethnic communities; the number of Azeris in Moscow and environs increased from 21,000 in 1989 to over 1.2 million today.<sup>9</sup>

Russian experts believe that the population has dropped by half and is now no more than 4 million.<sup>10</sup> Highly qualified specialists are leaving and the country's intellectual potential is declining. The republic's payment balance for 2002, drawn by the National Bank, testifies that the country's economy (based solely on the export of hydrocarbons, which accounts for nearly 95 percent of the total, while over 75 percent of the budget revenue is covered by oil sales) may collapse if the flow of petrodollars runs dry.<sup>11</sup>

## Chronicles of the Azeri Clans

Azerbaijan's sociopolitical structure is very specific: since Soviet times the country has been dominated by several regional groups (clans), the most influential of them being the Nakhichevan, Baku and Karabakh ones.

The Nakhichevan clan came to the fore in the late 1960s when one of its members, KGB Major General Heydar Aliev, was appointed First Secretary of the Communist Party of Azerbaijan Central Committee. He, in his turn, distributed the key posts among his closest allies. The clan lived by selling flowers throughout the Soviet Union (certain researchers estimate its share as 80 percent of the lucrative market in the mid-1970s). In 1987, Mikhail Gorbachev replaced Aliev with Abdurrahman Vezirov; his allies had to leave or were removed from their posts. In turn, Vezirov, who represented the Karabakh clan, had to resign after the January 1990 bloodshed in Baku. He was replaced by Aiaz Mutalibov from Baku (later elected first president of independent Azerbaijan).

The clan strife was responsible for an unprecedented number of coups and riots, the largest across the post-Soviet expanse. The summer 1993 coup restored Aliev and his clan to power. Today, nearly all the high-ranking posts are occupied by its members; they control oil export and trade in oil products, the import of and trade in foodstuffs, housing construction, gasoline stations, large restaurants and shops, and also handle billions of dollars.

The power system created by Aliev will not merely fall apart once he is gone: a new group at the helm will turn the members of the Aliev clan into scapegoats in order to heap the responsibility for the recent failures onto them and to confiscate their property (under Aliev the opposition ran out of money). A successor was urgently needed and found in the person of Ilkham Aliev.

Not all of the father's supporters were prepared to side with the son, but none of the influential groups in the corridors of power possessed enough influence to offer a nominee of their own. The choice is eloquent enough: the father did not trust the political elite to appoint a successor able to protect the "family"

<sup>7</sup> See: A. Rasizade, op. cit.

<sup>8</sup> See: *Ekho* (Baku), 28 September, 2001.

<sup>9</sup> See: A. Rasizade, op. cit.

<sup>10</sup> See: *Nezavisimaia gazeta*, 1 December, 1999.

<sup>11</sup> See: *Ibid.*, 1 April, 2003.

and defend it against the mounting discontent. This made the son the only candidate of the power structures, while the strife became latent.

## Latent Instability

As is often the case, in Azerbaijan the interests of individual clans dominate over the interests of the nation. Heydar Aliev's withdrawal from politics and his subsequent death intensified the clan struggle over political domination and property. Some of the political parties (Civil Solidarity, the Popular Front, and Musavat) are dead set against "the family."

Both the ruling group and the opposition have their shares of popular support, yet an absolute majority of the voters (50 to 70 percent) trusts neither. In August 2001, when Heydar Aliev announced his intention to run for president in 2003, the Sociological Research and Forecast Center at the *Milletin Sesi* newspaper polled 287 Internet users to identify the most favored candidate. The votes were distributed in the following way among 10 candidates: 22.8 percent for Aiaz Mutalibov, Chairman of the Civil Solidarity Party and former president of Azerbaijan currently living in Moscow; 13.2 percent for Isa Gambar, Musavat Chairman and one of the former parliament speakers; 11.7 percent for Rasul Guliev, Chairman of the Democratic Party, another former speaker; 9.3 percent for Zardusht Ali-zade; 8 percent for Ilkham Aliev, Chairman of the New Azerbaijan Party; 5 percent for Etibar Mamedov, Chairman of the National Independence Party; 3 percent for E. Namazov, a political scientist; 1 percent for Lala Shovket, Chairperson of the Liberal-Democratic Party, and former state secretary; and none for Ilias Ismailov, Chairman of the Adaliat Party, and Sabir Rustamkhanly, Chairman of the Civil Solidarity Party; while 26 percent were against all the candidates. Obviously Mutalibov was way ahead of his rivals.

Today, lack of political unity, the widening gap between the rich and the poor, and unemployment have added instability to the social and political situation, thus leading to possible negative consequences. The ethnopolitical situation is far from simple: there is the Nagorny Karabakh issue; the Nakhichevan Autonomous Republic is seeking more independence; and the Lezghians in the north and the Talyshes in the south looking toward Iran are causing concern.<sup>12</sup> A danger of disintegration is quite possible since the country lived through a similar crisis in 1993.

## How Transfer of Power Was Prepared

Under authoritarian rule, election results are predictable not only because all true rivals are removed in advance (intimidated or imprisoned). The desired result is achieved by the synergy of administrative, economic, financial, and information resources. Their effect cannot be overcome. The Aliev regime exploited the electorate's more or less substantiated fears of changes at the top and possible socioeconomic upheavals.

During his years in power Heydar Aliev accumulated enough resources to transfer power to his son. Some members of the expert community believe that it was back in 1999 that he started working on the transfer by weeding out the political field. He started talking about the role the youth could play in politics. In December 1999, the ruling New Azerbaijan Party at its second congress (separated by seven years from its constituent one) elected Ilkham Aliev its deputy Chairman. Until that time

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<sup>12</sup> See: S. Smirnov, "The Fables and Foibles of Azerbaijan's Oil Policy," *Central Asia and the Caucasus*, No. 5 (17), 2002, p. 147.

Heydar Aliev preferred to keep a low profile as its chairman. In the summer of 2002, President Aliev proposed 39 amendments to the constitution; and a referendum was held on 24 August. According to the official figures, over 88 percent of the voters came to the polls; 97 percent approved all the amendments enacted on 16 September, even though the opposition was talking about wide-scale falsifications.

On the whole, the transfer of power was carefully planned and later enacted: the head of state could be elected by a simple majority of 50 percent plus one vote (the earlier scheme required a qualified majority of two-thirds of those who came to the polls). From that time on the president, being unable to fulfill his duties, transferred them to the premier, not the speaker as was envisaged by the 1995 constitution.

## The Heir

Ilkham Heydar ogy Aliev was born in 1961 in Baku; in 1978, after finishing school in his native city, he attended the Moscow State Institute of International Relations from which he graduated in 1982; for five years (from 1985 to 1990) he was a lecturer at his alma mater. While his father was in disfavor all state offices were closed to him. He went into business, and owned several trade and industrial companies. In 1992 he moved to Istanbul, only to come back home late in 1993 when his father returned to power. Politics did not interest him; in fact he lacks many of the abilities that allowed his father to rule the republic for nearly 30 years.

At some point, however, Heydar Aliev realized that any other version of the transfer of power was fraught with catastrophe. For several years Ilkham was coached and transformed into a serious manager and a fairly strong politician. He was trained in the post of vice-president of the State Oil Company (1994) and first deputy of the ruling New Azerbaijan Party (2000). In 2001 he was appointed head of Azerbaijan's parliamentary delegation to the Council of Europe. He was presented to the nation as an independent and bold politician who dared to publicly criticize his father when he spoke about possible NATO membership for his republic.

On the eve of elections Ilkham held a high-ranking post in the State Oil Company, he was prime minister and deputy chairman of the ruling party, chairman of the special Oil Fund (that is accumulating nearly all oil export earnings), and head of the National Olympic Committee (1997).

The *Bakinskiy rabochiy* newspaper wrote: "Historic persons Heydar and Ilkham have scaled the most brilliant and highest summits that none before them have conquered. They have become legends in their lifetime. Their might, force and lives eclipsed not only society but also nature—the Moon and the Sun. One of them is both father and teacher—the other is his son and pupil. One of them is our past and present—the other is our present and future... They have conquered the world with their talents; they are mighty and outstanding giants. They have led Azerbaijan from darkness to light. These incomparable people with no worthy rivals are following their 'paths of thunder'."<sup>13</sup>

As soon as he was appointed prime minister, Ilkham took a leave of absence until the day the official results of presidential elections were to be published under the pretext of needing time and strength to run for president. The governmental resolution said: "This was done in accordance with Arts 69.2 and 70.1 of the Election Code that prohibits registered presidential candidates from holding state posts." (How do you like that! They can be appointed, but they cannot fulfill their duties.) The result was a weird one: the president was off in hospital while the prime minister was on leave. This appointment proved to be a very important one when it came to elections: as head of the cabinet he supervised the entire power system. In fact he followed in the footsteps of Vladimir Putin, who after becoming acting president by virtue of his post, tapped the administrative resource to win the 2000 presidential race.

<sup>13</sup> *Bakinskiy rabochiy*, 8 August, 2003.

The opposition leaders responded negatively to these developments. In his interview with a *Turan* correspondent, Isa Gambar, the Musavat leader, described the situation in the following way: "It is typical of the backward countries with no ideas about democracy to appoint a son of the head of state as prime minister. This dishonored Azerbaijan in the eyes of the world community." Ali Kerimli, leader of the Popular Front Party (known as the party of reformers), described this appointment in the *Azadlyg* newspaper as "creating a de facto monarchy in Azerbaijan."

## The Opposition

While trampling on popular discontent Heydar Aliev still preserved a dozen opposition parties in his country. The leaders of some of them joined in the presidential race. On 15 August the Central Election Commission completed the registration procedure and left 12 names on the ballots. The heads of nine parties were running against the president and his son: Ali Kerimli from the Popular Front; Isa Gambar from Musavat; Etibar Mamedov from the National Independence Party; Sabir Rustankhanly from the Civic Solidarity Party; Ilias Ismailov from the Adaliat; Iunus Aliev from the Milli Vakhdat; Abutalyb Samedov from the Alliance for Azerbaijan; Gudrat Gasanguliev from the unifying wing of the Popular Front; Khafiz Gadjiev from the Contemporary Musavat Party; as well as Lala Shovket Gadjieva nominated by the National Unity group. The Central Election Commission refused to register Rasul Guliev, the Democratic Party leader, who had been parliamentary speaker, and former president of Azerbaijan, Aiaz Mutalibov.

The opposition parties of Azerbaijan can be described as groups of intellectuals using popular discontent to put pressure on the powers that be. The local people seem to favor Musavat and the National Independence parties more than the others. The Musavat is an openly pro-Turkic party that uses the terms "pan-Turkism," "Islam" and "progress" to describe its ideology. It has close contacts with Turkish politicians; support for the Muslims fighting for independence is one of its priorities. Explanations are hardly needed. The rather frightening Allah Akbar slogan is invariably present in all its socioeconomic actions in Azerbaijan.

The geopolitical echo of the presidential elections that will resound across the Southern Caucasus is the main issue. None of the candidates came forward with an alternative for settling the Karabakh conflict that was equally acceptable to Russia and the West. All of them favored the use of force.

## The Magnificent Eight

Money and support can place anybody on top of the pyramid of power. Few people doubted that the newly appointed premier would take his father's office. According to sociological polls he outstripped the others by gathering over 50 percent of the votes. The Transparent Elections Monitoring Center obtained the following answers to the question: "Who will get your vote if candidate No. 1 (H. Aliev) withdraws from the race?" 58 percent favored Ilkham Aliev; 22 percent, Isa Gambar (Musavat); 8.3 percent, Lala Shovket (the National Unity group); 7.8 percent, Etibar Mamedov (the National Independence Party); 2 percent, Sabir Rustamkhanly (The Civil Solidarity Party); 1.5 percent, Ilias Ismailov (the Adaliat Party), and 0.4 percent, Gudrat Gasanguliev (the unification wing of the Popular Front).

The returns should have planted optimism in the Aliev camp, yet the elections took place under the conditions of the new era. The social-political environment, the economic situation, the social expectations, and the demands were different in 2003. Heydar Aliev's long illness allowed many voters to feel freer than before and to openly support the opposition. The authorities and the opposition worked

hard to swing the situation in their favor. Rasul Guliev, leader of the Democratic Party of Azerbaijan, living in emigration in the U.S., called on the nation to vote for Isa Gambar, leader of Musavat, nominated by the Our Azerbaijan bloc, even though in the past the relations between them had been strained to say the least.

Some candidates merely left the race. In a letter read over national TV the incumbent president assured the nation that Ilkham Aliev would “guarantee the country’s future” and withdrew from the campaign in favor of his son. Iunus Aliev, the National Consensus nominee, and Abutalyb Samedov, from the Alliance for Azerbaijan, removed their candidacies in favor of the president’s son. Ali Kerimli of the Popular Front left the race to support another opposition leader, his more popular colleague Etibar Mamedov, leader of the National Independence Party.

The final list contained eight names,<sup>14</sup> but Ilkham Aliev and Isa Gambar were the main rivals.

## The Elections Did Take Place But...

According to the protocol of the Central Election Commission 1,860,346 voters out of 3,200,000 who came to the polls cast their votes for Ilkham Aliev (76.84 percent out of 71.23 percent of the total number of voters); Isa Gambar (the Musavat) got 13.97 percent; Lala Shovket Gadjeva, 3.62 percent; Etibar Mamedov, 2.92 percent; Gudrat Gasanguliev, 0.5 percent; Ilias Ismailov, 1 percent; Sabir Rustamkhanly, 0.82 percent; and Khafiz Gadjev, 0.34 percent. The opposition leaders refused to accept the figures and accused the government of doctoring the election results. They claimed that according to independent agencies Isa Gambar got a relative majority of votes (46.2 percent); Ilkham Aliev failed with slightly over 24 percent.<sup>15</sup> Isa Gambar had the following to say: “According to official reports I got between 60 and 80 percent at the polling stations supervised by international observers.” The opposition demanded that the votes be re-counted in a fair way; it organized protest rallies in the capital and led hundreds of its supporters out into the streets, who were beaten up by the police and other custodians of law and order. According to the official reports two people died in the skirmishes. An OSCE observer said that it was as though the government were waging war against its own people and added that similar developments had been observed in Africa—in Zimbabwe, Mozambique, and the Congo.<sup>16</sup>

International observers described numerous violations of the voting procedure: voters were bribed; supporters of the opposition were beaten up and arrested; and ballots were forged. The West needed Ilkham Aliev at the helm, therefore the OSCE was “on the whole” satisfied with the results even though its earlier expectations of a smooth transfer of power proved unfounded. Obviously, the violations, doctored returns, and bloodshed in the streets that brought Aliev Jr. to power will make his administration illegitimate at least for part of the nation. He might find it hard to rule. On 31 October he was inaugurated. The president’s son became the president.

Heydar Aliev’s powerful administrative resource played a decisive role in his son’s triumph. Let us compare the presidential campaign with the latest parliamentary elections. The Central Election Commission, two-thirds of the members of which belong to the New Azerbaijan Party, is loyal to the president. At first it refused to register some of the opposition structures (Musavat and the Democratic Party of Azerbaijan) for the parliamentary elections. It changed its tune two weeks later after Heydar Aliev made a personal request.

We should bear in mind that Aliev Sr. was very popular with certain population groups: he stopped the war with Armenia and achieved the political stability still lacking in Azerbaijan’s neighbors, Chech-

<sup>14</sup> See: *Caspian Business News*, 6 October, 2003.

<sup>15</sup> See: *Ekonomika. Finansy. Rynki*, 24 October, 2003.

<sup>16</sup> See: *Ibidem*.

nia and Georgia. Stability attracted foreign investors to its oil sector, which, in turn, raised the living standards somewhat.

In turn the opposition lacked the very much needed unity: on the eve of the parliamentary elections the Popular Front, the largest organization, split in two. The leaders (Mirmakhmud Fattaev who headed the “classics” and Ali Kerimli who headed the “reformers”) were mainly squabbling between themselves while paying little attention to the election campaign. Ali Kerimli did call for unity. He said that a single candidate nominated by the united opposition had a chance to compete with the regime. Life has shown that in many countries the ambitions and contradictions among the opposition structures prevail over reason. On top of this the Azerbaijanian opposition had neither new ideas, nor new programs, nor new strong leaders. It continued its exposure of the regime and criticized Aliev. The response was an effective one: televised parliamentary sittings in 1993 at which opposition members heatedly accused each other of destroying the Popular Front regime and starting the civil war.

To neutralize the opposition the authorities set up their own pocket opposition parties with similar names and even with the same members. There are two Islamic parties in Azerbaijan, four democratic, and five communist parties.<sup>17</sup> The ordinary people and even political analysts found it hard to sort things out.

A smooth transfer of power from father to son was potentially possible because some of the people were scared of being imprisoned for disagreeing with the official policies; others were reluctant to use their rights for fear of humiliation or even beatings; there was the very real danger of being accused of espionage or belonging to the “Islamic terrorists.” Part of the nation was gripped by apathy, while a large group of population wanted stability more than anything else. Ilkham Aliev was supported by the state structures: they set aside their usual disagreements to save their huge illegal incomes. They badly needed continuity of power.

The elections in Azerbaijan confirmed some analysts’ conclusions that to win in any country democracy needed a certain standard of living to allow the voters to set everyday concerns aside in order to ponder on their rights and freedoms.<sup>18</sup> The results of the recent elections showed that Azeris voted for stability and predictability. Will this situation last long?

It was very easy to get Ilkham Aliev elected president. It will be much harder to keep him at the helm: any mishap may negatively affect the future.

First, we still know next to nothing about the new president’s political qualities: life alone will shed light on his psychological makeup, which will affect his choice of aides and advisors. If he proves to be a weak leader, the country will be torn apart by rivaling groups. This is probable since his clan is far from united. There is Rasul Guliev, one of the richest people in Azerbaijan, who immigrated to the United States in 1996. As member of the Nakhichevan clan he was the speaker; earlier during Aliev’s years of disfavor he financed him and remained his staunch support. Will Aliev Jr. be able to rally his clan together? This is not an idle question: on the eve of the parliamentary elections, Musa Musaev, member of the Our Azerbaijan parliamentary faction, accused certain of his colleagues of secretly negotiating with the opposition.

Second, will the new leader be able to offer a clear economic policy? Without it he will find it hard to keep his newly won post: he lacks his father’s experience and skills as an apparatchik.

## What is in Store?

Much in the South Caucasian and Caspian politics and economy will depend on the developments in Baku. The country has found itself in the center of national interests of four large countries: Russia, the U.S., Turkey, and Iran. They will undoubtedly clash in their efforts to influence the president. Moscow is

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<sup>17</sup> See: A. Rasizade, op. cit., p. 103.

<sup>18</sup> See: *Azat*, 22 October, 2003.

eager to restore its former political influence; Washington clearly wants to control Caspian oil and has declared the region a zone of its national interests. Turkey can play a prominent role in the struggle. Ankara obviously prefers Isa Gambar, who it supports financially. Obviously, intensive flirtations between Baku and Moscow will increase Turkey's support of the national-democratic opposition. Tehran would like to see Azerbaijan a Shi'ite state, while the three main presidential rivals have demonstratively distanced themselves from Iran.

Both Russia and the United States regard Aliev Jr. as the most acceptable figure for president. It seems that the West, which wants political status quo, regarded the transfer of power as the shortest road to political stability. It was aware that large-scale bloodshed and unpredictable developments would follow if the election returns were invalidated.

We should bear in mind that several years earlier all the candidates (except Mutalibov) were regarded as western supporters. Today the majority of the local political elite is looking toward Russia while preserving its image of westerners. This was obvious when Aliev Sr. ruled the country: while Ilkham was moving toward his presidency, Baku was gradually moving closer to Moscow. This is amply evidenced by Vladimir Putin's visit to Azerbaijan and the deportation of Chechen fighters "not previously found in the republic."

On 25 January, 2002 during President Aliev's official Moscow visit, the sides finally resolved one of the old problems. They signed an agreement on the only Russian military facility in Azerbaijan, the Gabala radar station, which used to trace ballistic missiles launched in the Southern hemisphere. Russia will rent the station and its equipment for the next ten years for nearly \$7 million a year.

These developments were accompanied by publications in major Moscow newspapers<sup>19</sup> designed to alter Russia's ideas about Baku's anti-Russian policies and to create a positive image of both father and son on the eve of the power transfer.

Trade and economic cooperation is picking up: in 2002 trade turnover between Russia and Azerbaijan reached \$376.6 million, or 1.6 times higher than the 2001 level. Railway cargo traffic in the same period increased by 63 percent to reach 1,124,000 tons, while deliveries of agricultural products grew four-fold. In March 2003, Moscow cut back payments for shipping fruit and vegetables from Azerbaijan along the Russian railways by 50 percent.<sup>20</sup>

After becoming president, Aliev Jr. will soon have to accept the following. First, his country is no Kuwait or Saudi Arabia and will never thrive on oil. Second, it will be extremely hard to preserve the present parity of relations with the United States and Iran (this will become even harder if Washington tries to use Azerbaijan as a toehold in its fight against Iran). The same applies to the balance of relationships with the U.S. and Russia in the context of their conflicting interests in the Caspian region. We should bear in mind that historically Russia is Azerbaijan's natural trade partner: most of its industrial enterprises were designed to use Russian raw materials. The huge Azeri diaspora in Russia supporting families at home is another important factor. Baku and Moscow will inevitably draw closer together.

It is unlikely that Ilkham Aliev will be able to restore the ruined economy (today it accounts for 20 percent of the 1990 level), revive hundreds of idling enterprises, develop agriculture, carry out effective reforms, declare a war on corruption, and retain firm control over the country like his father did.

Large-scale reshuffling of the elite is also unlikely, while the fight over influence on the president will undoubtedly intensify. Changes at the top will inevitably cause replacements at the lower levels. Some of the former team members will find themselves excluded and will, more likely than not, join the Musavat, thus increasing the party's pressure on the regime. Mutalibov and Guliev, who for some time had to stand aside, will not remain indifferent observers. This means that the dynastic transfer of power will not prevent an acute political crisis and clashes in the struggle for power among the clans and parties.

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<sup>19</sup> See, for example: *Izvestia*, 20 August, 2003.

<sup>20</sup> See: *Integratsia*, No. 5-6 (38), 2003, p. 7.



Azerbaijan is not North Korea—here the nation is not devoted to the son, despite the votes cast for him. Like any other post-Soviet leader Aliev Jr. represents the interests of the very rich minority, which is antagonistic toward the impoverished majority. The opposition is not part of power (as it is in Russia, Ukraine and Tajikistan); the army is displeased with the Karabakh defeat, while among the nomenklatura there are many of those who hate the Aliev clan and the Nakhichevan protégés of the clan's leader. This will lead to a period of political tension, which only a unifying idea will be able to relieve. The Karabakh issue regarded as national humiliation may play this role. This is fraught with a renewed war and lost control over the situation: Baku is still not ready to wage a war and launch a successful offensive.

According to Azerbaijanian political scientist Rasim Musabekov: "Only Heydar Aliev could maintain a neither-peace-nor-war situation for 10 years. Nobody else, not even a member of his own team if he succeeds the president, will be able to keep the situation frozen any longer." Undoubtedly, Baku does not need a new war in Karabakh. It may undermine Ilkham's power and bring down the Nachichevan clan. This will start re-division of property and bring back the early 1990s developments. Yet a large-scale civil war is very unlikely: the pan-Islamic opposition has not enough support either at home or abroad.