

# POLITICKÉ VEDY / POLITICAL SCIENCES

Časopis pre politológiu, najnovšie dejiny, medzinárodné vzťahy, bezpečnostné štúdiá / Journal for Political Sciences, Modern History, International Relations, security studies

URL časopisu / URL of the journal: <http://www.politickevedy.fpvmv.umb.sk>

Autor(i) / Author(s): Vincenc Kopeček  
Článok / Article: How to Capture a State? The Case of Azerbaijan  
Vydavateľ / Publisher: Fakulta politických vied a medzinárodných vzťahov –  
UMB Banská Bystrica / Faculty of Political Sciences  
and International Relations – UMB Banská Bystrica

Odporúčaná forma citácie článku / Recommended form for quotation of the article:

KOPEČEK, V. 2016. How to Capture a State? The Case of Azerbaijan. In *Politické vedy*. [online]. Roč. 19, č. 2, 2016. ISSN 1335 – 2741, s. 64-89. Dostupné na internete: <http://www.politickevedy.fpvmv.umb.sk/archiv-vydani/2016/2-2016/vincenc-kopecek.html>.

Poskytnutím svojho príspevku autor(i) súhlasil(i) so zverejnením článku na internetovej stránke časopisu *Politické vedy*. Vydavateľ získal súhlas autora / autorov s publikovaním a distribúciou príspevku v tlačenej i online verzii. V prípade záujmu publikovať článok alebo jeho časť v online i tlačenej podobe, kontaktujte redakčnú radu časopisu: [politicke.vedy@umb.sk](mailto:politicke.vedy@umb.sk).

By submitting their contribution the author(s) agreed with the publication of the article on the online page of the journal. The publisher was given the author's / authors' permission to publish and distribute the contribution both in printed and online form. Regarding the interest to publish the article or its part in online or printed form, please contact the editorial board of the journal: [politicke.vedy@umb.sk](mailto:politicke.vedy@umb.sk).

## HOW TO CAPTURE A STATE? THE CASE OF AZERBAIJAN<sup>1</sup>

Vincenc Kopeček\*

### ABSTRACT

The article applies the model of the clan-state / captured state on the case of Azerbaijan. It discusses the types and forms of informal political institutions in Azerbaijan and explains restructuring of the informal networks that has occurred after İlham Aliev's arrival to the presidential office. The core of the article are several mini case studies based mostly on an analysis of local media resources and a primary data collected during field researches conducted in 2006–2014. The article shows that Azerbaijan's informal political structures based on clientelism and endemic corruption have *de facto* taken over the country's formal political scene and using manipulated public tenders transfer a large proportion of oil rents to bank accounts of the ruling elite.

**Key words:** Azerbaijan, neopatrimonialism, state capture, informal institutions, corruption, clientelism

### Introduction

Azerbaijan is often given as an example of state where informal political institutions, often labelled as clans, play a crucial role in local politics. In recent years, the evidence of siphoning off public finances through companies owned by top government officials or their relatives has been made public thanks to a few Azerbaijani and foreign investigative journalists, who were able to uncover a surprisingly complex clientelist network. This article analyses the network of informal practices and structures in Azerbaijan through the prism of neopatrimonialism and using the model of captured / clan state developed by **Janine Wedel** it shows how informal political structures have *de facto* "captured" the Azerbaijani state and how they use its formal political institutions to pursue their own interests.

---

\* RNDr. Vincenc Kopeček, Ph.D. is an Assistant Professor at the Department of Human Geography and Regional Development, Faculty of Science, University of Ostrava, Chittussiho 10, 702 00 Ostrava, Czech Republic, e-mail: vincenc.kopecek@osu.cz.

<sup>1</sup> This article has been prepared as a part of the grant project *Národní identita a budování státnosti v postsovětském regionu Východního partnerství* (National identity and state-building in the post-Soviet region of the Eastern Partnership), financed by the University of Ostrava, Czechia (SGS12/PřF/2015).

## 1 Captured states and informal politics

Whereas **Weber's** original concept of patrimonialism was used to describe medieval societies, in which there was practically no distinction between the public and private spheres, the concept of neopatrimonialism describes the contemporary situation in those states where a form of hybrid situation has developed. Traditional (e.g. kinship-based) power structures exist side by side with modern bureaucratic-rational power structures in these states. In the words of **Marlene Laruelle** (2012, p. 303), *“the distinction between the public and the private formally exists and is accepted, even if it is not respected”*.

Several models, developed in the frame of the relatively broad concept of neopatrimonialism (Theobald, 1982), attempt to explain the functioning of distinct forms of neopatrimonial states. Most of these models are regionally oriented and focused on African, Latin American, Southeast Asian or post-communist states (Bach, 2011). In this study, in order to explain somewhat fuzzy frontier between the public and the private in Azerbaijan by focusing on formal and informal political institutions, the model of the captured state is employed. **Janine Wedel** differentiates between two models of the captured state. The first is represented by Poland, and the latter by Russia. Whereas in Poland *“informal groups work with relevant state authorities [...] but the group as such is not synonymous with the authorities”*, in Russia these informal groups, which she calls clans, directly control state property and resources, and *“are so closely identified with particular ministries or institutional segments of the state that respective agendas of the government and the clan become indistinguishable.”* **Wedel** refers to the Polish model as a partially appropriated state, and to the Russian model as a clan-state (Wedel, 2004, 433–434).

Whereas the operationalisation of these two models is functional and analytically useful, the name of the latter model – i.e. clan-state – does not appear to be fully appropriate. Political scientists often tend to use term clan to denote almost all well-organised informal groups or networks that operate in post-Soviet states (e.g. Wedel, 2004, Stefes, 2008, Sanglibaev, 2010). However, if we focus on the theory of informal institutions, we see that it offers us more appropriate terms, which better describe the observed reality, at least in Azerbaijan. As it is not clans that can be identified with particular segments of the Azerbaijani state, but qualitatively different types of informal political structures, the term captured state instead of clan-state is preferred.

According to **Kathleen Collins** (2004), clans are based on kinship, which is

viewed in a broader sense. Clan members may be only very distantly related to each other, and in some instances, their kinship may even be fictitious – based on friendship or on a myth. The large membership of a clan (consisting of hundreds or thousands of members) enables the emergence of a clan elite, distinguished from non-elite members; the clan elite is frequently institutionalised in the form of various traditional collective bodies, such as councils of elders.

Typical clans can be found, for example, in Central Asia;<sup>2</sup> however, in Azerbaijan, there is a local variation on clans, which **Bahodir Sidikov** (2004) terms a “regional grouping”. It is not kinship, which lies at the heart of regional groupings; rather it is shared origin in one of Azerbaijan’s regions. **Sidikov** distinguishes between “regional fellowship” (*yerlibazlik*), i.e. a form of shared identity and loyalty among people from the same region, and “regional grouping”, i.e. an informal structure which raises the significance of regional fellowship to a point at which it becomes a source of relationships between patrons and their clients. However, if we examine the internal structure of regional groupings, we notice that at the core of such groupings there exist further informal structures based on kinship, as well as various forms of clientelism. Regional groupings in Azerbaijan have thus come to function as alliances, held together by various informal institutions.

**Hans-Joachim Lauth** (2000, p. 22) sees the presence of informal institutions in situations where there is a discrepancy “*between the behavioural norms of formal institutions and the actual behaviour of individuals*”. Formal political institutions can thus be understood as official, written rules, while informal political institutions are unofficial, unwritten rules, which are followed by political actors even in cases when these informal rules are at odds with formal rules. Informal institutions may support and complement formal institutions, or alternatively they may substitute or compete with them (Helmke and Levitsky, 2004). In the case of Azerbaijan, the informal institutions (primarily corruption and clientelism) are competitive in nature, and their activities lead to results that are considered undesirable by the formal institutions. Both clientelism and corruption, as described by **Lauth** (2004), are relatively abstract, highly aggregated political institutions – i.e. they consist of a number of different practices – and as such they lead to the emergence of a number of specific informal political organisations – or, as **Lauth** (2004, p. 27–29) writes,

---

<sup>2</sup> For clan politics in Turkmenistan, see e.g. Horák (2010), in Uzbekistan e.g. Juza (2006).

*“structures of interactions”, “patterns” or “mechanisms”.*

In this article, clientelism is seen as an informal political institution consisting of a *“specific, personally stratified relationship”* (Lauth, 2004, p. 27) based on an unequal yet mutually beneficial relationship between a patron and a client. The patron occupies a position of greater social power, thanks to which s/he protects and represents his/her clients. In return for this, the clients express support for the patron, which entrenches the patron’s high social standing. This basic model of clientelism can be used as a foundation for various “structures of interactions” based on various sources of relationships between the patron and the client.

Within regional groupings, families, clientelist parties, autocratic cliques, and patronage can be identified. In this article, we do not use the term “family” in the sense of a nuclear family (parents and their children), but rather in the sense of wider-reaching family relations (father-in-law, uncle, brother-in-law etc.). We do so only in cases where a large number of relatives occupy high-ranking positions in the political or economic spheres and provide each other with mutual assistance in occupying these positions, thus forming a functional entity. Such relatives may be e.g. members of the government or representatives of other central state bodies and agencies or regional governments, high-ranking managers in major social organisations, state-owned companies, large privately owned companies, and the like. Despite the important role that may be played by a family in the political or economic sphere of a particular state or region, a family has fewer members than a clan (single or double figures), and individual family members may create further informal clientelistic structures, in which they occupy the leading position.<sup>3</sup>

Autocratic cliques are hierarchized, closed groups of people linked by their political past and present. The primary aims of such cliques are to provide political support for their members, to gain or retain power, and to influence the decision-making process. Classic examples of cliques are the networks of former Communist Party functionaries in the post-communist countries. According to **Lauth** (2004), clientelistic political parties represent a more open version of autocratic cliques. However, it is important to realise that whereas autocratic cliques are clandestine in nature, a clientelistic party engages in open political competition with other (clientelistic) parties, and must therefore exist as

---

<sup>3</sup> In constructing this “structure of interaction” based on kinship, we draw particularly on empirical studies describing the power structures in individual South Caucasian states, e.g. Wheatley (2005), Chiaberashvili and Tevzade (2005), and Azerbaijan: Vulnerable Stability (2010).

a formalised entity. Nevertheless, as **Lauth** (2004, p. 33) observes, “[t]he loyalties involved remain linked to persons and are not transferred to formal institutions.”

While autocratic cliques or clientelistic parties are essentially structures operating at the points of input into the political system, patronage exists at the points of output – i.e. in bureaucracy. Its aim is therefore not to generate political support or influence political decision-making, but instead to offer its members primarily material gain. Although **Lauth** does not explicitly mention it, it is clearly evident that patronage and clientelistic parties (or autocratic cliques) may represent opposite sides of the same coin. In return for their political support, clients expect to receive a service, and if this service does not involve the acquisition of a political position, then bureaucracy offers an ideal sphere for the distribution of benefits.

One way in which all the above-mentioned informal structures achieve their goals – which are at variance with formally declared principles – is through political corruption. Despite the fact that Azerbaijan has made certain progress in fighting poverty, strengthening state institutions and fighting petty corruption, it is still ranked as one of the most corrupt countries in the world; in 2014 it occupied the 126<sup>th</sup> position out of 175 countries in the Corruption Perception Index (Transparency International, 2015).

In line with **Joseph La Palombara** (1994, p. 328), corruption can be defined as “*behavior by a public servant, whether elected or appointed, which involves a deviation from his or her formal duties because of reasons of personal gain to himself or herself or to other private persons with whom the public servant is associated*”. In the case of Azerbaijan and other post-Soviet states, corruption is systemic in nature, based on a multitude of informal relationships and practices affecting practically the entire political sphere. It includes classic bribery, informal payments in return for the performance of a certain service or act, extortion by state officials, embezzlement of public funds, or misuse of power (cf. Lauth, 2000, p. 34, Karklins, 2002, p. 27–30, Stefes, 2008, p. 106, Hoch, Souleimanov, and Baranec, 2014, p. 62).

The concept of systemic corruption has been further elaborated by **Keith Darden** (2008) in his model of *state-strengthening graft*. In this model, a position in the state apparatus becomes a tradable commodity as it guarantees relatively easy and substantial financial gain due to the receipt of bribes, a practice that is either tolerated or directly supported by high-ranking officials and politicians. At the same time, however, political elites use corruption among

subordinates as a tool to ensure these subordinates remain loyal; this is achieved through a further informal institution, a form of blackmail known as *kompromat* (the name is derived from a Russian phrase meaning “compromising materials”). *Kompromat* can be defined as the threat to make public certain compromising materials (either real or falsified) which prove that an individual or group has committed criminal acts or other forms of disapproved behaviour; the release of such materials would either lead to a loss of public confidence in the individual or group, or it would trigger prosecution. Because corruption is illegal yet widely practised, an official who fails to do what s/he is asked to do (which is frequently at variance with formally declared democratic values) risks the publication of evidence that s/he has been a recipient of bribes. This represents a step that would be very likely to lead to prosecution and subsequent conviction (Darden, 2001, p. 51, Karklins, 2002, p. 30, Ledeneva, 2006, p. 58–59).

## **2 Data and methodology**

Regarding the fact that informal politics is based on unwritten, unofficial norms and practices, the research of it has to rely on data collected by (mostly informal and anonymous) interviews with insiders (politicians, civil servants, diplomats, journalists, businessmen, civil society leaders, academics etc.), by direct observation, or on data published in open sources (e.g. thematic reports of non-governmental organisations or think-tanks, academic working papers or local and world media).

It was an effort of the author to use as much open source data as possible and to use interviews only when there were no relevant open source data. There were two reasons for such procedure. First, in reality of an authoritarian, highly corrupted state, each interview, although anonymous, puts the interviewee in risk of losing his/her career, health or personal liberty. Second, thanks to Azerbaijan’s relative importance as an oil exporter and its direct involvement in the Nagorno-Karabakh conflict, Western diplomats, think-tanks or research centres pay attention to Azerbaijan’s informal politics and have already published several analytical reports or working papers discovering some of the loyalties, alliances and practices behind the scene. Some of the US diplomatic cables describing the hidden part of Azerbaijani politics have been published on WikiLeaks. Local or regional focused media as well have carried out valuable investigative work and their findings constitute an important part of

the analysed data.

The whole research, indeed, was like doing a jigsaw puzzle; data were collected piece by piece during relatively long period from 2006 to 2014, including two field researches (2006, 2013). The interviewees were selected by snowball sampling method (Noy, 2008) and their identities will not be revealed.

### **3 From regional groupings to neo-patrimonial families**

The **Aliyev** family has dominated Azerbaijan's political life since 1969, when **Heydar Aliyev** became First Secretary of the Central Committee of the Azerbaijan Communist Party. After 13 years in this post, he was appointed to the Soviet Politburo and became the First Deputy Premier of the Soviet Union. During **Aliyev's** time in Moscow Azerbaijan remained dominated by his protégés; this situation continued until 1987, when **Mikhail Gorbachev** dismissed **Aliyev** from all Party and state posts (Willerton, 1992, p. 192–222). **Aliyev** then returned to his home city of Nakhchivan, where he restarted his political career, becoming the President of the now-independent Azerbaijan in 1993. Since 2003 the President of Azerbaijan has been **Aliyev's** son **Ilham**, who was elected to the post for the third time in 2013.

Under the presidency of **Heydar Aliyev**, the Azerbaijani political elite was frequently characterised as a coalition between the Nakhchivani and the Yerevani (Armenistani) regional groupings. The names of these regional groupings reflect the regions in which their members originated – the Nakhchivan Autonomous Republic (part of Azerbaijan, formerly the Nakhchivan Khanate, later part of the Yerevan Gubernia), and the territory of the neighbouring Republic of Armenia<sup>4</sup> (formerly the Yerevan Khanate, later the Yerevan Gubernia). In 1990s, these groupings managed to marginalise the other competing groupings or fellowships and the President himself who, due to his mixed Nakhchivani-Armenistani origin, represented a link between them. (Azerbaijan: Turning Over, 2004, pp. 20–21, Sidikov, 2004, pp. 69–70, Cornell, 2011, pp. 167–170)

It is obvious that in order for regional groupings or other informal structures to be able to take over the state apparatus, they must create political organisations existing within formal norms. The organisation in the case under

---

<sup>4</sup> Armenia used to be home to a large Azerbaijani population, which migrated in several waves to Azerbaijan itself during the 20<sup>th</sup> Century. Thus, by the term *Armenistani*, we mean ethnic Azerbaijanis from Armenia, not ethnic Armenians.

discussion was the *Yeni Azərbaycan Partiyası* (YAP, New Azerbaijan Party), which in terms of the theory of informal institutions was a clientelist party; it was created by Heydar Aliyev while still in his “internal exile” in Nakhchivan. Over the course of two decades, the YAP developed from a “Presidential party” to become a form of state-party enjoying absolute dominance in the Parliament (the *Milli Majlis*) and other elected bodies. Originally, its members were primarily Nakhchivanis and Armenistanis (Guliyev, 2005, p. 417, Bader, 2011, p. 192), but it later expanded its reach beyond these two groupings, as membership in the YAP opened up a path towards important positions in various sectors of society.<sup>5</sup>

When **Ilham Aliyev** took over the presidency in 2003, some of the important players of his father’s power coalition stayed loyal to the son; however, some of them did not. The new president had to secure his position of the “majority shareholder” of the Azerbaijani politics and pushed back against part of the “old guard” that did not prove to be loyal to him. Among those imprisoned was the Armenistani leader, the Health Minister **Ali İnsanov**. Several other major figures in the Azerbaijani elite joined him in prison as a result of alleged corruption or an alleged plot to mount a coup d’état – both ministers and major businessmen. (Guliyev, 2012, p. 127, Radnitz, 2012, p. 66) Heydar’s brother **Jalal Aliyev** and sister **Sevil Aliyeva**, who also questioned **Ilham’s** rise to power, were, thanks to blood ties, not imprisoned, but their political influence was marginalised. Once almost almighty **Aliyev** family ceased to exist as a political entity (Azerbaijan: Vulnerable Stability, 2010, p. 9). The ground vacated by the Armenistanis and part of the “old guard” was taken over by several important business families – some of which used to play important roles in other regional fellowships or groupings, such as the **Pashayev** family from Baku or the **Ayyubov** family, of Kurdish ethnicity. In result, the importance of the regional groupings began to wane.

A key role in nowadays Azerbaijan’s power structure is played by the Presidential family, which consists of the Presidential couple **Ilham Aliyev** and **Mehriban Aliyeva** (née **Pashayeva**), their two adult daughters **Arzu** and **Leyla**, and their son **Heydar** (not yet of adult age). As the President and the son of the widely respected and honoured **Heydar Aliyev**, **Ilham Aliyev** is the figure who maintains a balance among the individual parts of the country’s elite (Rasizade, 2004, p. 139–140, Gojayev, 2010, p. 13).

---

<sup>5</sup> Interview with a political scientist from Baku State University, Baku, Azerbaijan, July 2006.

The Presidential couple, **Pashayevs**, **Ayyubovs** and **Talibovs** constitute the ruling family in a wider sense. The power of the **Pashayev** family, linked to the President by marriage, derives from their skilful combination of political and economic influence, virtually erasing the difference between the public and the private in several economic and political sectors. The **Pashayevs** are alleged to exercise influence over the ministries of culture and tourism, youth and sports, health and education. These sectors are linked to companies owned by the **Pashayevs**, which are primarily grouped within *Pasha Holding* and *Ata Holding*; they include banks, insurers, construction firms, telecommunications companies, travel agencies, shopping centres and more. The **Pashayevs** were also responsible for building the Baku Museum of Modern Arts and other cultural institutions. In geographical terms, the **Pashayevs'** influence is concentrated in Baku and the Absheron peninsula (Azerbaijan: Vulnerable Stability, 2010, p. 10, US Embassy Cables, 2010).

In addition to the **Pashayevs**, whose star began to rise after **Ilham Aliyev's** accession to the presidency, another figure currently in the ascendancy within the wider Presidential family is **Baylar Ayyubov**, who married the daughter of **Ilham's** cousin. **Ayyubov** has headed the Presidential security service for many years, and he is viewed as having open access to the President. Geographically his influence is concentrated mainly in the west of the country, centred in the second city Ganja, while functionally he is associated with the agricultural sector. *Azersun*, the country's largest holding in the food production sector, is evidently owned by Ayyubov. However, unlike the **Pashayevs**, **Ayyubov** tends to avoid appearing in the public spotlight, and gives the impression of being more of a behind-the-scenes operator (Azerbaijan: Vulnerable Stability, 2010, p. 10).

Another part of the wider Presidential family is the **Talibov** family. The head of the **Talibovs** is **Vasif Talibov** who, like **Ayyubov**, married **Ilham's** second cousin; **Heydar Aliyev** stayed at his house in Nakhchivan after his return from Moscow. Talibov's strong position is thus due not only to his kinship with the President, but also evidently because **Heydar Aliyev** never forgot the support he received from **Talibov** at a difficult time in his career. In 1995, **Vasif Talibov** was appointed the Chair of the Parliament of the Nakhchivan Autonomous Republic – the highest political position in this Azerbaijani enclave wedged between Armenia and Iran. In subsequent years, **Talibov** virtually captured Nakhchivan and turned it into a form of state within a state. The **Talibovs** play a dominant role not only in the Nakhchivan executive branch, but also in the

media and the local economy. **Vasif Talibov's** brother **Meherrem** is the owner of the *Jahan* and *Gemigaya* groups, which control practically all economic activity in Nakhchivan and mercilessly crush any potential competition with the assistance of the state apparatus. **Talibov** himself also has a reputation as an eccentric dictator, and some of his edicts (e.g. a ban on hanging washing out to dry on balconies, compulsory farm work on Saturdays, or forcing ministers to sweep the streets) are reminiscent of the practices of another dictatorial figure – the Turkmen leader **Saparmurat Niyazov**, alias **Turkmenbashi**, to whom **Talibov** is frequently likened (Azerbaijan's Dark Island, 2009, p. 8–15).

Out of the “old guard”, an important role is still played by the group surrounding **Ramiz Mehdiyev**, which can be characterised as an autocratic clique. **Mehdiyev** is often referred to as the *eminence grise* or the Richelieu of Azerbaijani politics. A former career Communist and an associate of **Heydar Aliyev** during the Soviet era in Azerbaijan, **Mehdiyev** is now one of the YAP leaders and the Head of the Office of the President. Around him he has assembled a structure consisting of former Communist functionaries and KGB members, who together exercise *de facto* control over the state apparatus, the police, the prosecution service and the justice system. There is a general view in Azerbaijan that **Mehdiyev de facto** determines the results of elections or approves lists of suitable candidates. The clique proved to be strong and important enough to survive **Ilham's** purging of the “old guard” and is one of the most stable parts of Azerbaijan's politics. **Ramiz Mehdiyev** has headed the Office of the President since 1995, the Prosecutor-General **Zakir Qaralov** has occupied his position since 2000, and the Minister of the Interior **Ramil Usubov** has held his post since 1994 (Azerbaijan: Vulnerable Stability, 2010, p. 8, Guliyev, 2012, p. 123).

In addition to the Presidential family in the wider sense and the “old guard” around **Ramiz Mehdiyev**, there is also a third group forming part of the Azerbaijani elite – the oligarchs, i.e. families which have managed to create links between their economic activities and ministerial positions, or other important posts in the state apparatus. The **Heydarovs** are considered the most powerful of the Azerbaijani oligarchs (US Embassy Cables, 2010). Their influence developed as a result of the political career pursued by the doyen of the family, **Fattah Heydarov**, who during the Soviet era held various positions in the Nakhchivan Autonomous Republic, including Minister of Social Affairs and Minister of Culture. When **Heydar Aliyev** came to power, the **Heydarov** family

built its power base in the northern Azerbaijani city of Qabala (Empire of Kamaladdin Heydarov, 2010).

Currently the most powerful member of the **Heydarov** family is **Fattah Heydarov's** son **Kamaladdin**, a protégé of **Heydar Aliyev** who worked for many years as the Chairman of the State Customs Committee. Using this position, he is alleged to have contributed to a culture of systemic corruption in the sphere of customs and foreign trade, as well as to the establishment of several export and import monopolies (Azerbaijan: Vulnerable Stability, 2010, p. 8–9). In 2006, **Ilham Aliyev** appointed **Kamaladdin Heydarov** as the Minister of Emergency Situations; this ministry, together with the customs authority, became the basis of the **Heydarovs'** empire. The Ministry of Emergency Situations is not only responsible for dealing with natural disasters or other emergency events; it also controls spheres of activity related to internal security (the Ministry has its own small-scale armed forces) (Empire of Kamaladdin Heydarov, 2010). One particularly profitable area of activity has proved to be the Ministry's role in supervising safety on construction projects. Baku is currently experiencing a major construction boom, and **Kamaladdin Heydarov** is evidently abusing his power as Minister in order to extort money from construction projects under the threat of suspending work on grounds of "safety" (WikiLeaks: Kamaladdin Heydarov, 2011).

Working through his protégés and allies, **Heydarov** is also alleged to control the Ministry of Taxes, the Ministry of Ecology and Natural Resources, the Ministry of Economic Development, the State Customs Committee, and the State Social Protection Fund. Other public officials loyal to **Heydarov** include the Governors of several Azerbaijani districts (*rayonlar*) – especially in the north of the country, but also in the south (the districts of Masalli and Lankaran). The basis of the **Heydarovs'** economic power are *Gilan Holding*, *Akkord Holding*, *ATA Holding* and *United Enterprises International*, whose broad portfolio of activities includes the trade in caviar (Caspian Fish Company), tobacco and alcohol, and also the construction industry (Azerbaijan: Vulnerable Stability, 2010, p. 8–9).

The second main family of oligarchs are the **Mammadovs**, headed by the Minister of Transport **Ziya Mammadov**; the family is highly influential in the transport sector and related industries (Azerbaijan: Vulnerable Stability, 2010, p. 8–9). One of the most important players in Azerbaijan's transport sector is the *Baghlan Group*, a holding company registered in the United Arab Emirates and officially owned by **Hafiz Mammadov**. Despite sharing the same surname, **Ziya**

and **Hafiz Mammadov** are not actually related, though the Minister's son **Anar Mammadov** sits on the boards of directors of several companies within the *Baghlan Group*. The group has acquired a major share in the bus transport market (e.g. in *Transgate*, the largest public transport provider in Baku), taxi services, and transport infrastructure construction (Fatullayeva, 2013). **Anar Mammadov** is also the CEO of the holding company *ZQAN*, which is active in insurance, construction and the hotel sector (Abbasov, 2011b). He used to own 81% share in the *Bank of Azerbaijan*, whose main clients are large transport companies; although he has since sold this share to the **Mammadovs** from the *Baghlan Group*, his cousin and personal lawyer **Ruslan Mammadov** remains a member of the bank's supervisory board. The Minister's brother **Elton Mammadov** is also involved in the family's activities; he is the owner of the company, which runs the Baku International Bus Station, whose construction involved companies from the *ZQAN* holding (Fatullayeva, 2013).

The **Mammadovs**, **Heydarovs** and **Aliyevs-Pashayevs** can be characterised as the three most powerful families in Azerbaijan, both politically and economically. However, similar networks creating informal links between the political and economic spheres have been built up by other families as well, though they remain somewhat less influential than the main three. Examples include **Ali Hasanov**, the Head of the Presidential Administration's Department for Socio-political Affairs, whose remit includes government policy on the media and freedom of speech. It is symptomatic that **Ali Hasanov**, his wife **Sona Valiyeva** (a member of the National TV Radio Council, the government body which allocates broadcasting frequencies), and their son **Shamkhal Hasanli** are all heavily involved in the media business. *Araz Teleradio*, the newspaper *Kaspi*, the production company *Kaspi Global*, the printing works *Matbuat Evi*, *Kaspi Print Distribution* and several other companies are all linked with the **Hasanov** family. Members of the family either own these companies outright, sit on their boards of directors, or are linked to the companies via **Azer Valiyev**, a business associate (and evidently a relative) of **Sona Valiyeva**. Moreover, most of the above-mentioned companies have their registered address in the same building. This results in a well-organised network, which uses family ties to influence the allocation of licences and broadcasting frequencies, the production of television programmes, and the activities of broadcasting companies, newspapers and printing works (Ismayilova, 2014).

## 4 Capturing the state

The driving force behind the entire system – a system that enables the political and economic elites to gain wealth, to control the state apparatus, and to crush political opposition and competing informal organisations – is oil. Oil in Azerbaijan is mainly extracted by international consortiums, but these always include the State Oil Company of the Azerbaijan Republic (SOCAR, or *Azərbaycan Respublikası Dövlət Neft Şirkəti*). The Vice-President of the company from 1994 to 2003 was **İlham Aliyev**, and the current CEO is **Rovnaq Abdullayev**, the head of another powerful business family, originally from Nakhchivan (Azerbaijan's Dark Island, 2009, p. 40–41). SOCAR is fully responsible for managing Azerbaijan's oil industry, and it is often described as a state within a state. The volume of funds generated by the oil industry has increased gradually from 3 billion EUR in 2006 to 23 billion EUR in 2010. A large part of the country's oil income goes into State Oil Fund of Azerbaijan (SOFAZ, or *Azərbaycan Respublikası Dövlət Neft Fondu*); for example, in 2008 over 10 billion EUR out of the year's total oil income of 11 billion EUR went to SOFAZ, and in 2010 this figure was around 6 billion EUR. In 2011, the fund held a total of 22.5 billion EUR (İbadoglu, 2011, Valiyev, 2011, p. 222). SOFAZ is controlled directly by the President (Gojayeve, 2010, p. 22), who effectively determines how much of the fund is transferred into the state budget and how much is spent directly on financing various projects, mainly infrastructure projects. For example, in 2008, the direct expenditure from SOFAZ was 4.4 billion EUR, and in 2010, it was 5.4 billion EUR (İbadoglu, 2011).

A large proportion of the rent from oil extraction finds its way into the private accounts of members of influential Azerbaijani families, especially via public tenders involving companies linked with these families (Meissner, 2011, p. 6–9). It is difficult to determine precisely how much money follows this path, though according to **Qubad İbadoglu**, a leading Azerbaijani economic expert and the Head of Baku's *Economic Research Centre*, members of the ruling elite appropriated around 39 billion EUR between 1994 and 2010 (Parliamentary Candidate, 2010).

Several selected examples demonstrate the mechanism by which oil rent is transferred to private bank accounts. The first story began in May 2011, when the Azerbaijani pop duo Ell & Nikki won the Eurovision Song Contest; this gave Azerbaijan the right to host the final of the contest in 2012. Immediately after their win, it was announced that the Crystal Hall (*Kristal Zaly*), an auditorium for

23,000 people, would be built on the Caspian coast in Baku. The building cost 100 million EUR and construction took just under a year; it was opened on the occasion of the Eurovision Song Contest final in May 2012. Construction work was done by the German company *Alpine Bau*, but using the services of a local contractor – the Azerbaijani company *Azenco*. Investigative journalism revealed that *Azenco* is merely a “shell company” – i.e. a company owned by other companies. At the end of the chain of ownership, the real owners of the company were discovered – the President’s wife **Mehriban** and her daughters **Leyla** and **Arzu**. Not only was a huge sum released from public funds to finance this megalomaniac-building project, but a large proportion of the money evidently ended up in the family’s own pockets (Ismayilova, 2012).

The second example is perhaps even more illustrative, combining the siphoning off of public funds with the personality cult surrounding **Ilham Aliyev**. Gold deposits were discovered near the village of Chovdar, which is home to several hundred refugees from the war in Nagorno Karabakh. The company, which began mining the gold, took land from local villagers; the victims had no practical means of recourse against this, because due to their refugee status they were not officially the owners of the land – despite the fact that their livelihoods depended on it. The journalist **Khadija Ismayilova** travelled to Chovdar to film a report, for which she later won the *2013 Global Shining Light Award* and the *Women’s Courage in Journalism Award*. She found out that the villagers believed a British company was destroying their homes, and they urged her to inform the President **Ilham Aliyev** about the problem; they were convinced that he would surely help them out of their plight. However, the mining consortium proved to be owned 30% by the Azerbaijani government and 70% by the Azerbaijan International Mineral Resources Operating Company (AIMROC). AIMROC is registered in Britain, but it is only a “shell company”. One of the owners of AIMROC is *Globex International*, with an 11% share; a chain of ownership leads to three companies registered in Panama and owned by the President’s daughters **Leyla** and **Arzu** (Ismayilova and Fatullayeva, 2012).

Anybody who attempts to uncover details of the system described above – or becomes a thorn in the side of the regime in any other way – is subjected to the well-established system of *kompromat*, based on the fact that the state apparatus, constrained by *regime-strengthening corruption*, is dependent on the political elites. The system of *kompromat* will be illustrated with the following example involving **Khadija Ismayilova**, the journalist responsible for the

investigative reporting in the Chovdar case. After the report was broadcast, **Ismayilova** faced threats and a smear campaign in the pro-government media; among the accusations levelled at her, it was alleged that she and her family were involved in prostitution, making pornographic films and human trafficking. When the threats failed to intimidate **Ismayilova**, a video was posted on YouTube showing her in a very intimate situation. In February 2014 she received a subpoena from the prosecution service, alleging that she had divulged state secrets in a meeting with two assistants to US Congressmen; the prosecution claimed that they were American spies (though this is vehemently denied by the United States) (Baric, 2014). In December 2014, **Ismayilova** was charged with inciting reporter of Radio Free Europe – Radio Liberty to attempt suicide, and taken into custody. In September 2015, she was sentenced to seven and a half years in prison and released in May 2016 after an international pressure on the Azerbaijani authorities (Baku Court Jails Journalist, 2015; RFE/RL Journalist Ismayilova Released From Custody, 2016). Probably in response to investigative work by several journalists, in 2012 Azerbaijan's National Assembly (the *Milli Majlis*) passed amendments to the laws "On Commercial Secrets" and "On the State Registration of Legal Entities and the State Registry". As a result of these amendments, information on the ownership of private companies can now only be made public if consent is given by all the owners; this effectively makes it impossible to reveal the ownership structures of companies bidding for public tenders. At the same time, the National Assembly passed a law giving the President and the First Lady lifelong immunity for acts committed during their time in office (Kazimova, 2012). It appears that the President's family has thus not only secured anonymity for its business activities, but has also ensured that it will not face prosecution even if it eventually withdraws from politics.

The most powerful Azerbaijani families and autocratic cliques are at the end of extensive chains of patronage and systemic (*state-strengthening*) corruption permeating the whole of society. Lower-ranking positions in the state apparatus are not only filled with loyal collaborators, but are also sold for money. For example, **Kamaladdin Heydarov** is alleged to have paid 3 million USD for his position as Minister of Emergency Situations (2004, p. 147). Those who pay for their positions view the outlay as an investment, which should generate a return. They therefore sell lower-ranking positions in the state apparatus and collect a percentage of the bribes received by their subordinates. According to **Rasizade** (2004, p. 146), a customs officer passes 75% of his illegal income to his

superior officer, who retains 25% of this sum for himself and then passes the remainder further up the chain of rank (Azerbaijan: Vulnerable Stability, 2010, p. 8–10, Abbasov, 2011a, p. 7–8, Meissner, 2011, p. 7–8).

The systemic corruption endemic to Azerbaijan, and the way in which political posts and positions in the state apparatus are traded for money, is aptly illustrated by the case of **Eishad Abdullayev**, the former Rector of the International University of Azerbaijan. In 2005, **Abdullayev** attempted to gain a seat in Parliament in order to – in his own words – use his influence as a Member of Parliament to investigate the kidnapping of his brother and, if possible, to secure his release. **Abdullayev's** election is alleged to have been arranged for the sum of 1 million *manats* (around 1 million EUR) by the YAP Member of Parliament **Gular Ahmadova** in cooperation with **Ramiz Mehdiyev**, the Head of the Office of the President. However, **Abdullayev** ultimately failed to reach an agreement with **Ahadova**, and was not “elected” to the Parliament. However, he made a secret video recording of the discussions concerning the sum that was to be paid as a bribe, and he made this recording public after going into exile in France (Kazimova and Sindelar, 2013). The case eventually ended up in court; **Ahadova** was the only defendant, and she was not charged with corruption but with attempted fraud, for which she was sentenced to three years’ imprisonment. She was released on probation after serving just six months. There is speculation that this lenient sentence was imposed because she denied that **Mehdiyev** was involved in the affair and accepted full responsibility for the acts (Sentence Passes, 2013, Azerbaijan Court Releases, 2014).

The credibility of the evidence in the “Gulargate” trial is underlined by the fact that the court did not dispute the authenticity of the video. It thus appears that **Ahadova** did indeed offer **Abdullayev** a Parliamentary seat in return for a bribe – and it is largely unimportant whether **Mehdiyev** himself was involved in the case. The video merely confirms that high-ranking Azerbaijani citizens (including a university Rector and a Member of Parliament) are aware that positions in the state apparatus or even elected posts can be bought and sold. In any case, this was not the first or the last such “lapse” in the country’s electoral system. Before the elections in 1995, the opposition party *Azarbayjan Khalq Jabhasi* (Popular Front of Azerbaijan) published a list of Members of Parliament who were to be elected in single-mandate constituencies – and this list proved to be largely accurate (Sentence Passes, 2013, Azerbaijan Court Releases, 2014). In 2013, a mobile app was leaked from the Central Electoral

Commission containing the alleged results of the Presidential election – the day before the election began (Luhn, 2013). Many precinct-level electoral commissions receive instructions on the number of votes that individual candidates are to receive.<sup>6</sup>

While **Ramiz Mehdiyev** or **Baylar Ayyubov** tend to avoid appearing in the public eye, most of the influential families discussed above have expanded their activities into the social, cultural and sporting spheres. The leading role in these areas is played by the Presidential family. **Ilham Aliyev** is the President of the National Olympic Committee of Azerbaijan, while **Mehriban Aliyeva** is not only the First Lady and a Member of Parliament, but also a UNESCO Goodwill Ambassador and the Chairperson of the *Heydar Aliyev Fondu* (Heydar Aliyev Foundation), which enables her to remain constantly in the public eye in connection with various charity projects. The Deputy Chairperson of the *Heydar Aliyev Fondu* is the President's elder daughter **Leyla**, who is also the coordinator of the international Justice for Khojaly campaign, which presents the massacre of Azerbaijani villagers in Khojaly as a genocide committed by Armenian forces. **Leyla's** husband is **Emin Aghalarov**, a member of an influential Russian-Azerbaijani business family and a popular singer (US Embassy Cables, 2010, Smith, 2011).

The **Mammadov** and **Heydarovov** families likewise maintain a very public profile. *Gilan Holding*, with close links to the **Heydarovs**, has channelled massive investments into the football club FC Qabala, whose President is **Taleh Heydarov**, the Finance Minister's son. FC Qabala plans to achieve success in European club competitions by hiring foreign players, coaches and managers. The club's international profile was raised by the short-lived tenure of the former Arsenal and England defender **Tony Adams** as the team manager; according to the media, **Adams'** salary was 1 million GBP per year (Essle moth, 2010, Moore, 2011).

The Azerbaijani elite is also active outside its home country. The most favoured destination is evidently the United Kingdom; the children of prominent Azerbaijanis frequently study in Britain, establish companies or lobbying organisations there, own properties in London, and are prominent figures on the social scene. One such figure is the President's daughter **Leyla Aliyeva**. Another member of the Azerbaijani elite with close links to the UK is **Taleh**

---

<sup>6</sup> Interview with the chair of a precinct electoral commission, Yevlakh region, Azerbaijan, October 2013.

**Heydarov**. He studied at the London School of Economics, has built up contacts with the British royal family, and currently is a President of The European Azerbaijan Society (TEAS). TEAS is a lobbying organisation promoting the interests of Azerbaijan abroad – or more precisely, the interests of its political elite. TEAS has branches in France, Germany, Belgium and Turkey. Its American equivalent is the Azerbaijan America Alliance, established by the Transport Minister's son **Anar Mammadov** (Moore, 2011, Abbasov, 2013, Weiss, 2014).

The activities of Azerbaijani lobbying organisations abroad can be clearly demonstrated using the example of TEAS, which is associated with the emergence of what has been dubbed “caviar diplomacy”. This term was coined by the European Stability Initiative, a think tank, to describe the way in which Azerbaijan evidently bribed several representatives of the Parliamentary Assembly of the Council of Europe (PACE) to make favourable statements on the course of the Azerbaijani elections and to present the country as a functioning democracy (Caviar Diplomacy, 2012). Caviar – the main producer of which is the Caspian Fish Company, owned by the **Heydarov** family – is an expensive yet essentially symbolic gift that is frequently received by those who are positively inclined towards the country. According to the British media, in 2013 TEAS paid around 70,000 GBP to Conservative Party MPs and 10,000 GBP to Labour Party MPs to fund their trips to Azerbaijan, while the Conservative MP **Mark Field** received 6,000 GBP for unspecified consultancy (Doward and Latimer, 2013).

It is also evident that TEAS helped to fund travel by MEPs and PACE members on a short-term observation mission during the Azerbaijani Presidential elections in 2013. The report on the elections produced by the joint mission of the European Parliament (EP) and PACE came to radically different conclusions than the report produced by the mission of the Organisation for Security and Cooperation in Europe/Office for Democratic Institutions and Human Rights (OSCE/ODIHR). The OSCE/ODIHR report was perhaps the most critical in the organisation's history, whereas the EP/PACE report – also including members of the OSCE Parliamentary Assembly – described the course of the election in glowing terms (Disgraced, 2013).

## Conclusion

The basis of the Azerbaijani regime consists in the interconnection of formal positions in the political, social and economic spheres by means of informal relations based on informal institutions, creating several informal structures. These structures, however, have seen significant transformation. Whereas **Heydar Aliyev's** Azerbaijan was dominated by clientelistic structures based on shared regional origin, Ilham Aliyev's Azerbaijan is dominated by several wealthy families occupying important positions in politics, business and public life. Informal clientelist structures based on friendship and close working relationships dating back to the Soviet era also play a role and control the bureaucratic apparatus.

Political corruption is systemic, and it is used to enrich state officials and probably also the highest-ranking political representatives; it thus guarantees the stability of the regime through a combination of general corruption and the threat of *kompromat*, which ensures the obedience not only of state officials and the repressive state apparatus, but also of journalists and opposition activists.

Azerbaijan's natural resources (especially oil) are primarily under the control of informal structures, which transfer a large proportion of oil rents to private bank accounts. The mechanism of this transfer is based on public tenders involving companies whose ownership structure is highly obscure – firstly due to Azerbaijani legislation which ensures that details of the owners of private companies are not made public, and secondly due to the existence of “shell companies”, i.e. companies owned by other companies registered outside Azerbaijan, often in tax havens; this also ensures that ownership structures remain largely anonymous. Other systems include the creation of monopolies in certain economic sectors or the dominance of a certain informal structure in several Azerbaijani regions (above all the Nakhchivan Autonomous Republic), through which these regions have come to resemble feudal states.

Azerbaijan is attempting to improve its notorious reputation – as one of the world's most corrupt countries and a state failing to respect democratic principles – by means of so-called “caviar diplomacy”. Such occurs through informal and evidently also illegal practices, and it is also to a large extent privatised – implemented by private organisations established by members of the Azerbaijani political elite. Activities undertaken to present Azerbaijan as a victim in the Armenian-Azerbaijani conflict in Nagorno Karabakh have also been *de facto* privatised by the Presidential family.

During the past two decades as an independent state, Azerbaijan has experienced a comprehensive interweaving of informal political structures with those of formal politics. The state has *de facto* been captured by informal structures that have become almost indistinguishable from the state, which serves the interests of these informal structures – i.e. remaining in power and achieving personal financial gain.

### References:

- ABBASOV, S. 2013 Young Azerbaijani Tycoon Finances 9/11 Memorial in Pennsylvania. *Eurasianet*, September 16, 2013 [online] [Accessed on 11.01.2016]. Available at: <http://www.eurasianet.org/node/67508>.
- ABBASOV, S. 2011a. Azerbaijan: Achievements and Missed Opportunities. In *South Caucasus. 20 Years of Independence*. Bonn: Friedrich-Ebert-Stiftung. ISBN 978-9941-0-3793-1, p. 108–122.
- ABBASOV, S. 2011b. *Azerbaijan Swimming in a Sea of Bribes, Despite an Anti-Corruption Tide* [online]. Alexandria: Azeri Report [Accessed on 11.01.2016]. Available at: [http://azerireport.com/index.php?option=com\\_content&task=view&id=3584](http://azerireport.com/index.php?option=com_content&task=view&id=3584).
- Azerbaijan Court Releases Former Azerbaijani Lawmaker Jailed for Extortion. 2014. *Radio Free Europe/Radio Liberty*, May 5 [online] [Accessed on 11.01.2015]. Available at: <http://www.rferl.org/content/court-releases-former-azerbaijani-lawmaker-jailed-for-extortion/25373766.html>.
- Azerbaijan: Turning Over a New Leaf?* 2004 [online] [Accessed on 11.01.2016]. Brussels: International Crisis Group. Available at: [http://www.crisisgroup.org/~media/Files/europe/156\\_azerbaijan\\_turning\\_over\\_a\\_new\\_leaf.pdf](http://www.crisisgroup.org/~media/Files/europe/156_azerbaijan_turning_over_a_new_leaf.pdf).
- Azerbaijan: Vulnerable Stability*. 2010 [online] [Accessed on 11.01.2016]. Brussels: International Crisis Group. Available at: <http://www.crisisgroup.org/~media/Files/europe/caucasus/azerbaijan/207%20Azerbaijan%20-%20Vulnerable%20Stability.ashx>.
- Azerbaijan's Dark Island: Human Rights Violations in Nakhchivan*. 2009. Oslo: Norwegian Helsinki Committee [online] [Accessed on 11.01.2016], 29 p. Available at: [http://www.nhc.no/filestore/Publikasjoner/Rapporter/2009/Azerbaijan\\_final\\_version.pdf](http://www.nhc.no/filestore/Publikasjoner/Rapporter/2009/Azerbaijan_final_version.pdf).
- BACH, D. C. 2011. Patrimonialism and neopatrimonialism: comparative trajectories and readings. In *Commonwealth & Comparative Politics*, Vol. 49, No. 3, ISSN 1466-2043, p. 275–294.

- BADER, M. 2011. Hegemonic Political Parties in Post-Soviet Eurasia: Towards Party-Based Authoritarianism? In *Communist and Post-Communist Studies*, Vol. 44, No. 3, ISSN 0967-067X, p. 189–197.
- Baku Court Jails Journalist Ismayilova For 7 1/2 Years, Sentence Condemned. 2015. In *Radio Free Europe/Radio Liberty*, September 1 [online] [Accessed on 01.11.2016]. Available at: <http://www.rferl.org/content/azerbaijan-khadijaismayilova-verdict/27220240.html>.
- BARIC, A. 2014. Press Persecution in Azerbaijan: Where Investigative Journalism Is 'Espionage'. In *Organized Crime and Corruption Reporting Project*, February 25 [online] [Accessed on 11.01.2016]. Available at: <https://reportingproject.net/occrp/index.php/en/cc-blog/2346-press-persecution-in-azerbaijan-where-investigative-journalism-is-espionage>.
- Caviar Diplomacy. How Azerbaijan Silenced the Council of Europe*. 2012 [online]. Berlin: European Stability Initiative [Accessed on 11.01.2016], 37 p. Available at: [http://www.esiweb.org/pdf/esi\\_document\\_id\\_131.pdf](http://www.esiweb.org/pdf/esi_document_id_131.pdf).
- CHIABERASHVILI, Z. – TEVZADE, G. 2005. Power Elites in Georgia: Old and New. In *From Revolution to Reform. Georgia's Struggle with Democratic Institution Building and Security Sector Reform*. Geneva: Geneva Centre for the Democratic Control of Armed Forces. ISBN 3-902275-18-9, p. 127–142.
- COLLINS, K. 2004. The Logic of Clan Politics: Evidence from the Central Asian Trajectories. In *World Politics*, Vol. 56, No. 2, ISSN 0043-8871, p. 224–261.
- CORNELL, S. E. 2011. *Azerbaijan Since Independence*. Armonk and London: M. E. Sharpe, 2011. ISBN 978-0-7656-3002-5, 483 s.
- Corruption Perception Index Overview*. 2015. Berlin: Transparency International [online] [Accessed on 11.01.2016]. Available at: <http://www.transparency.org/research/cpi/>.
- Corruption Perceptions Index 2012. An Updated Methodology*. 2012. Berlin: Transparency International [online] [Accessed on 11.01.2016]. Available at: [http://www.transparency.org/files/content/pressrelease/2012\\_CPIUpdatedMethodology\\_EMBARGO\\_EN.pdf](http://www.transparency.org/files/content/pressrelease/2012_CPIUpdatedMethodology_EMBARGO_EN.pdf).
- DARDEN, K. 2001. Blackmail as a Tool of State Domination: Ukraine under Kuchma. In *East European Constitutional Review*, Vol. 10, No. 2/3, ISSN 1075-8402, p. 67–71.
- DARDEN, K. 2008. The Integrity of Corrupt States: Graft as an Informal State Institution. In *Politics & Society*, Vol. 36, No. 1, ISSN 0032-3292, p. 35–59.

- Disgraced. Azerbaijan and the End of Election Monitoring as We Know It*. 2013 [online]. Berlin: European Stability Initiative [Accessed on 11.01.2016], 38 p. Available at: [http://www.esiweb.org/pdf/esi\\_document\\_id\\_145.pdf](http://www.esiweb.org/pdf/esi_document_id_145.pdf).
- DOWARD, J. – LATIMER, C. 2013. Azerbaijan's Elite Wooing British Lawmakers. In *Japan Times*, December 1 [online] [Accessed on 11.01.2016], ISSN 0447-5763. Available at: <http://www.japantimes.co.jp/news/2013/12/01/world/azerbajians-elite-wooing-british-lawmakers/#.U6MR5yhNy2U>.
- Empire of Kamaladdin Heydarov (Wikileaks). 2010. *Azeri Report*, December 4 [online] [Accessed on 11.01.2016]. Available at: [http://azerireport.com/index.php?option=com\\_content&task=view&id=2511](http://azerireport.com/index.php?option=com_content&task=view&id=2511).
- ESSLEMOTH, T. 2010. Tony Adams' Grand Plans for Azerbaijan Football Club. In *BBC News*, May 11 [online] [Accessed on 11.01.2016]. Available at: <http://news.bbc.co.uk/2/hi/europe/8675874.stm>.
- FATULLAYEVA, N. 2013. Azerbaijan: Insider Deals Thrive in Ministry. In *Organized Crime and Corruption Reporting Project*, April 1 [online] [Accessed on 11.01.2016]. Available at: <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/1907-azerbaijan-insider-deals-thrive-in-ministry>.
- GOJAYEV, V. 2010. *Resource Nationalism Trends in Azerbaijan, 2004–2009* [online]. Oslo: RUSSCASP [Accessed on 11.01.2016]. 35 p. Available at: <http://www.fni.no/russcasp/WP-Gojayev-Azerbaijan.pdf>.
- GULIYEV, F. 2012. Political Elites in Azerbaijan. In *Challenges of the Caspian Resource Boom. Domestic Elites and Policy-Making*. Houndmills: Palgrave Macmillan. ISBN 9780230301191, p. 117–130.
- GULIYEV, F. 2005. Post-Soviet Azerbaijan: Transition to Sultanistic Semiauthoritarianism? An Attempt at Conceptualisation. In *Demokratizatsiya*, Vol. 13, No. 3, ISSN 1074-6846, p. 393–435.
- HELMKE, G. – LEVITSKY, S. 2004. Informal Institutions and Comparative Politics: A Research Agenda. In *Perspectives on Politics*, Vol. 2, No. 4, ISSN 1537-5927, p. 725–740.
- HERSZENHORN, D. M. 2014. Azerbaijan Jails Reporter Who Angered Top Officials. In *The New York Times*, December 5 [online] [Accessed on 11.01.2016], ISSN 0362-4331. Available at: <http://www.nytimes.com/2014/12/06/world/asia/azerbaijan-jails-reporter-who-angered-top-officials.html>.
- HOCH, T. – SOULEIMANOV, E. – BARANEC, T. 2014. Russia's Role in the Official Peace Process in South Ossetia. In *Bulletin of Geography. Socio-Economic Series*, No. 23, ISSN 1732-4254, p. 53–71.

- HORÁK, S. 2010. Changes in the Political Elite in Post-Soviet Turkmenistan. In *China and Eurasia Forum Quarterly*, Vol. 8, No. 3, ISSN 1653-4212, p. 27–46.
- IBADOGLU, G. 2011. *Azerbaijan's Economic Model and Its Development since Independence* [online]. Alexandria: Azeri Report [Accessed on 11.01.2016]. Available at: [http://azerireport.com/index.php?option=com\\_content&task=view&id=2981&Itemid=48](http://azerireport.com/index.php?option=com_content&task=view&id=2981&Itemid=48).
- ISMAYILOVA, K. 2014. Azerbaijan: Media and Regulators. A Family Affair. In *Organized Crime and Corruption Reporting Project*, June 24 [online] [Accessed on 11.01.2016]. Available at: <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/2494-azerbaijan-media-and-regulators-a-family-affair>.
- ISMAYILOVA, K. 2012. Azerbaijani President's Family Benefits From Eurovision Hall Construction. In *Radio Free Europe/Radio Liberty* [online] [Accessed on 11.01.2016]. Available at: [http://www.rferl.org/content/azerbaijan\\_first\\_family\\_build\\_eurovision\\_arena/24575761.html](http://www.rferl.org/content/azerbaijan_first_family_build_eurovision_arena/24575761.html).
- ISMAYILOVA, K. – FATULLAYEVA, N. 2012. Azerbaijan's President Awarded Family Stake in Gold Fields. In *Organized Crime and Corruption Reporting Project*, May 3 [online] [Accessed on 11.01.2016]. Available at: <https://reportingproject.net/occrp/index.php/en/ccwatch/cc-watch-indepth/1495-azerbajians-president-awarded-family-stake-in-gold-fields>.
- JUZA, P. 2006. Klany a klamy Uzbekistanu. In *Mezinárodní politika*, Vol. 30, No. 1, ISSN 0543-7962, p. 10–12.
- KARKLINS, R. 2002. Typology of Post-Communist Corruption. In *Problems of Post Communism*, Vol. 49, No. 4, ISSN 1075-8216, p. 22–32.
- KAZIMOVA, A. 2012. Azerbaijani Parliament Moves To Shield Aliyev, Family From Scrutiny. In *Radio Free Europe/Radio Liberty*, June 14 [online] [Accessed on 11.01.2016]. Available at: <http://www.rferl.org/content/azerbaijan-ilham-aliyev-wife-immunity-from-prosecution/24614499.html>.
- KAZIMOVA, A. – SINDELAR, D. 2013. How to Buy a Seat in Azerbaijan's Parliament. In *The Atlantic*, January 11 [online] [Accessed on 11.01.2016], ISSN 1072-7825. Available at: <http://www.theatlantic.com/international/archive/2013/01/how-to-buy-a-seat-in-azerbajians-parliament/267065/>.
- LA PALOMBARA, J. 1994. Structural and Institutional Aspects of Corruption. In *Social Research*, Vol. 61, No. 2, ISSN 0037-783X, p. 325–350.

- LARUELLE, M. 2012. Discussing Neopatrimonialism and Patronal Presidentialism in the Central Asian Context. In *Demokratizatsiya*, Vol. 20, No. 4, ISSN 1074-6846, p. 301–324.
- LAUTH, H.-J. 2004. Formal and Informal Institutions: On Structuring Their Mutual Co-Existence. In *Romanian Journal of Political Science*, Vol. 4, No. 1, ISSN 1582-456X, pp. 66–88.
- LAUTH, H.-J. 2000. Informal Institutions and Democracy. In *Democratisation*, Vol. 7, No. 4, ISSN 1074-6846, p. 21–50.
- LEDENEVA, A. V. 2006. *How Russia Really Works: The Informal Practices That Shaped Post-Soviet Politics and Business*. Ithaca, NY: Cornell University Press, 2006. ISBN 978-0-8014-7352-4, 270 p.
- LUHN, A. 2013. Azerbaijan Releases Election Results... before the Polls Even Open. In *The Independent*, October 9, [online] [Accessed on 11.01.2016] ISSN 0951-9467. Available at: <http://www.independent.co.uk/news/world/europe/azerbaijan-releases-election-results-before-the-polls-even-open-8869732.html>.
- MEISSNER, H. 2011. Informal Politics in Azerbaijan: Corruption and Rent-Seeking Patterns. In *Caucasus Analytical Digest*, No. 24, [online] [Accessed on 11.01.2016] p. 6–9. Available at: <http://www.css.ethz.ch/publications/pdfs/CAD-24-6-9.pdf>.
- MILLIKEN, J. – KRAUSE, K. 2002. State Failure, State Collapse, and State Reconstruction: Concepts, Lessons and Strategies. In *Development and Change*, Vol. 33, No. 5, ISSN 1467-7660, p. 753–774.
- MOORE, M. 2011. WikiLeaks: William, Harry and the Abramovich of Azerbaijan. In *The Telegraph*, February 3, [online] [Accessed on 11.01.2016] ISSN 0307-1235. Available at: <http://www.telegraph.co.uk/news/worldnews/wikileaks/8299344/WikiLeaks-William-Harry-and-the-Abramovich-of-Azerbaijan.html>.
- NOY, C. 2008. Sampling Knowledge: The Hermeneutics of Snowball Sampling in Qualitative Research. In *International Journal of Social Research Methodology*, Vol. 11, No. 4, ISSN 1364-5579, p. 327–344.
- Parliamentary Candidate Gubad Ibadoglu Spotlights the Oil Revenue Spending of Azeri Government. 2010. In *Azerireport*, October 27 [online] [Accessed on 11.01.2016]. Available at: [http://azerireport.com/index.php?option=com\\_content&task=view&id=2439](http://azerireport.com/index.php?option=com_content&task=view&id=2439).
- RADNITZ, S. 2012. Oil in the Family: Managing Presidential Succession in Azerbaijan. In *Democratisation*, Vol. 19, No. 1, ISSN 1074-6846, p. 60–77.

- RASIZADE, A. 2004. Azerbaijan after Heydar Aliiev. In *Nationalities Papers*, Vol. 32, No. 1, ISSN 0090-5992, p. 137–164.
- RFE/RL Journalist Ismayilova Released From Custody. 2016. In *Radio Free Europe – Radio Liberty*, June 05 [online] [Accessed on 05.06.2016]. Available at: <http://www.rferl.org/content/azerbaijan-ismayilova-khadija-supreme-court-appeal/27756276.html>.
- Sanglibaev, A. A. 2010. Ethnic Clan Politics in the Post-Soviet Space. In *Russian Social Science Review*, Vol. 51, No. 1, ISSN 1061-1428, p. 56–71.
- Sentence Passed in High-Profile Azerbaijani Bribery Case (2013), In *Radio Free Europe/Radio Liberty*, December 6 [online] [Accessed on 11.01.2016]. Available at: <http://www.rferl.org/content/caucasus-report-azerbaijan-ahmedova-sentenced/25192020.html>;
- SIDIKOV, B. 2004. New or Traditional? ‘Clans’, Regional Groupings, and State in Post-Soviet Azerbaijan. In *Berliner Osteuropa*, No. 21, ISSN 0030-6428, p. 68–74.
- SMITH, N. 2011. Emin: A Singer with Connections. In *BBC News*, March 1 [online] [Accessed on 11.01.2016]. Available at: <http://www.bbc.co.uk/news/entertainment-arts-12481714>.
- STEFES, C. H. 2008. Governance, the State, and Systemic Corruption: Armenia and Georgia in Comparison. In *Caucasian Review of International Affairs*, Vol. 2, No. 2, ISSN 1865-6773, p. 73–83.
- THEOBALD, R. 1982. Patrimonialism. Research Note. In *World Politics*, Vol. 34, No. 4, ISSN 0043-8871, p. 548–559.
- US Embassy Cables: Who Owns What in Azerbaijan. 2012. *The Guardian*, December 12 [online] [Accessed on 11.01.2016]. Available at: <http://www.theguardian.com/world/us-embassy-cables-documents/245758>.
- VALIYEV, A. M. 2011. Azerbaijan’s Economic Model and Its Development since Independence. In *South Caucasus. 20 Years of Independence*. Bonn: Friedrich-Ebert-Stiftung. ISBN 978-9941-0-3793-1, p. 218–239.
- WEDEL, J. R. 2003. Clans, Cliques and Captured States: Rethinking ‘Transition’ in Central and Eastern Europe and in the Former Soviet Union. In *Journal of International Development* Vol. 15, No. 4, ISSN 1099-1328, p. 427–440.
- WEISS, M. 2014. The Corleone of the Caspian. In *Foreign Policy*, June 10 [online] [Accessed on 11.01.2016] ISSN 0015-7228. Available at: [http://www.foreignpolicy.com/articles/2014/06/10/the\\_corleones\\_of\\_the\\_caspian\\_azerbaijan\\_lobbying\\_baku\\_aliyev](http://www.foreignpolicy.com/articles/2014/06/10/the_corleones_of_the_caspian_azerbaijan_lobbying_baku_aliyev).

- WHEATLEY, J. 2005. *Georgia from National Awakening to Rose Revolution: Delayed Transition in the Former Soviet Union*. Aldershot and Burlington: Ashgate Publishing, 2005. ISBN 978-0754-6450-3-0, 252 p.
- WikiLeaks: Kamaladdin Heydarov's Political Ambitions. 2011. In *Azeri Report*, September 17 [online] [cit. 11.01.2016]. Available at: [http://azerireport.com/index.php?option=com\\_content&task=view&id=2950](http://azerireport.com/index.php?option=com_content&task=view&id=2950).
- WILLERTON, John P. *Patronage and Politics in the USSR*. Cambridge: Cambridge University Press, 1992. ISBN 0-521-39288-8, 305 p.
- World Development Indicators*. 2015 [online]. Washington: World Bank [Accessed on 11.01.2016]. Available at: <http://databank.worldbank.org/data/home.aspx>.