

## **Azerbaijan 2002: Between the Storms, (abstract) SOCIAL ISSUES**

Country report on Azerbaijan 2002

the Annual Survey 2002, Transitions Online

[Svante E. Cornell](#)

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#### **SOCIAL ISSUES**

Civil society showed little sign of progress in Azerbaijan in 2002. Public awareness of NGOs remained low, their financing sources were largely confined to foreign donors, and their impact on policy-making was limited. A standoff between the NGO community and the government also started brewing over grant registration and accounting practices; hardly any NGOs disclose their finances or sources of funding, and the government would like to change that by, among other things, imposing income taxes on NGO employees. Public advocacy is weak but improving, as several advocacy groups and think tanks have emerged and begun issuing policy advice.

Corruption remained one of the major obstacles to Azerbaijan's political and economic development in 2002. For the past several years, Azerbaijan has ranked among the worst countries in Transparency International's Corruption Perceptions Index. Indeed, surveys of actual occurrences of corruption confirm a picture of widespread corruption at all levels in Azerbaijan. However, there are signs, though still inconclusive, that the situation may be slowly improving. The transparency of the State Oil Fund is a case in point: Audited regularly, the fund has been determined sound by international auditors. A World Bank survey found that in 1999, 56 percent of firms paid bribes regularly; in 2002, that figure had dropped to 27 percent. There is still a need for further data to determine if this is a solid trend, but it seems that the Aliev government has realized the threat corruption poses to Azerbaijan's international image and economic prospects and decided to reign it in.

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