

## Chapter Seven

# Challenges of Democracy in the Caucasus

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In assessing the challenges and potential pathways for democracy building in the South Caucasus, we confront great and increasing variation across Armenia, Azerbaijan and Georgia. While *geography* often prompts scholars and analysts to consider these three countries together, *topography* (namely, the mountains that separate them) has rendered them distinct in a number of ways. Each country possesses its own rich ethnic, linguistic, historical, religious, and cultural traditions. And the post-Soviet development of their respective political systems is no exception—diverging in three distinct paths, particularly over the last decade. For considering post-Soviet democratization in the South Caucasus, mountains matter. While seven decades of Soviet rule have instilled certain commonalities in the political systems of these three countries, the collapse of the Soviet Union has allowed for the potential re-emergence of separate political trajectories.

Given these distinct and divergent pathways, those seeking to encourage democratization in these three countries should be ready to seek and take advantage of *different kinds of openings for forward movement where they exist and emerge* in these three distinct contexts.

Against the backdrop of varying contexts, however, there remains one central and common challenge that all three countries must address if they are to become consolidated democracies: building and sustaining institutions, processes, and public attitudes that reliably check executive authority. Across most of post-Soviet Eurasia, the emergence of predominant networks of political and economic elites has meant that political power has consistently become consolidated in executive branches and ruling parties.<sup>1</sup>

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The thoughts presented here are those of the author and not necessarily those of USAID or of the U.S. Government.

1. Henry Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective*, (New York: Cambridge University Press, 2015).

## Common Background Challenges for Democracy Building in the South Caucasus

Before considering the varying challenges and opportunities for democratization—and thus further European integration—in each country, it is also important to briefly consider a number of common background challenges that these three countries face.

### *Very Limited Experience with Democratic Institutions before Independence in 1991*

Each of the three countries has had some limited experience with democracy during the post-World War I/pre-Soviet period with parliamentary republics that existed from 1918 to 1920 (Armenia and Azerbaijan) and 1918 to 1921 (Georgia). These bright spots just under a century ago are not insignificant, in that they provide a historical point of reference, to which democratizers in each country can point and try to learn from. Yet, these brief periods are clearly exceptions to much longer periods of authoritarian or totalitarian forms of government in the Caucasus. This very limited democratic tradition should prepare us for a potentially longer road towards democratic consolidation for the Caucasus region overall. A single ‘good’ election or even ‘breakthrough’ election will not be enough to transform the complex sets of institutions, practices, procedures, behaviors, and attitudes that support and sustain consolidated democracies.<sup>2</sup> Instead, that will require changes in patterns of behavior by a wide range of stakeholders over an extended period of time.

### *Disputes over Boundaries and over who is a Member of the Political Community*

Dankwart Rustow’s well-known 1970 article on ‘transitions to democracy’ posits that the overall agreement on the limits political community is important for the formation of democracy.<sup>3</sup> Of course, all three Caucasus countries unfortunately have had serious territorial disputes, including most notably Nagorno-Karabagh, Abkhazia, and South Ossetia. And while Armenia and Azerbaijan are highly ethnically

2. Juan Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation* (Baltimore: Johns Hopkins University Press, 1996).

3. Dankwart Rustow, “Transitions to Democracy: Towards a Dynamic Model,” *Comparative Politics*, vol. 2, April 1970, pp. 337-363.

homogenous, Georgia also has significant ethnic minorities, most notably Armenians and Azeris concentrated in Samske-Javakheti and Kvemo-Kartli, respectively. Although these disputes and issues related to ethnic minorities would not seem to, in and of themselves, be insurmountable challenges for democratic development, they certainly provide challenges in that they push some to focus on security and territorial claims, rather than on the character of internal governance.

### *Wars and Perceived Threats from Neighbors*

These kinds of security threats make it easier for some to make the specious argument that democratization is a luxury that can come later—once the imminent existential threat or pressure is gone. More broadly, each of the three Caucasus countries must deal with the challenge of being small states, bordering much larger, more powerful and more populous countries. Given that there is also a history of conflict and domination with countries such as Russia, Iran, and Turkey, this has tended to create a sense of distrust of these neighbors. This factor could also contribute to a prioritization of short-term security over democratic reform.

### *Relatively Small Middle Classes*

Seymour Martin Lipset<sup>4</sup> and Jurgen Habermas<sup>5</sup> both made well-known arguments on the importance of a certain level of socio-economic development for the development of democracy. The combination of leisure time, social interaction, education, and financial resources among a certain segment of the population all contribute to a demand for democracy. Yet all three countries still have relatively small middle classes and under-developed economies. If we accept the logic of these arguments, this should also make us potentially more cautious about the near-term potential for consolidated democracy in these countries until their economies and societies develop further.

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4. Seymour Martin Lipset, "Some Social Requisites of Democracy: Economic Development and Political Legitimacy," *American Political Science Review*, vol. 53, No. 1 (March 1959), pp. 69-105.

5. Jurgen Habermas, *The Structural Transformation of the Public Sphere* (Cambridge, MA: MIT Press, 1989).

*Wide Disparities between the Center and the Periphery within these Countries*

Communities outside capitals and major cities are often the ones where it is most difficult for democratic institutions and processes to take root and thrive. Under-developed local economies make it less likely that the active political party structures, civic organizations, business associations, and independent media outlets, which are so important for resilient political systems, will emerge and be sustained. If most of Georgia, Armenia and Azerbaijan looked like Tbilisi, Yerevan, and Baku, the background conditions for democratic strengthening would be considerably more promising. However, the combination of the collapsed Soviet-era industries and underdeveloped agriculturally-based economies has left the much of the peripheries of these countries far less economically prosperous than the centers. When outlying areas are more financially dependent on the ‘center,’ this increases the likelihood that patronage networks and clientelism will dominate regional and local politics.

*Relatively Low Levels of Political Trust*

In all three countries, there is little trust that political disagreements between those in power and those in the opposition will not escalate into more existential threats. Even if ideological or policy differences may appear modest, political polarization is high. There is little trust that political competition will not quickly devolve into struggle for political survival and/or for freedom from potential criminal charges. Indeed, in the post-Soviet South Caucasus, political leaders have often faced criminal charges—both opposition leaders and former government officials. In other cases, there is outright rejection of the legitimacy or legality of political adversaries. With the stakes so high in political competition, this makes political actors less willing to accept the institutionalized uncertainty of outcomes that characterizes truly democratic systems.<sup>6</sup>

*Lack of Trust in Political Institutions*

According to data from the Caucasus Barometer survey from 2014, in none of the three countries does public support for political parties run above 14 percent. For NGOs, the figure does not surpass 24 per-

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6. Adam Przeworsky, *Democracy and the Market* (New York: Cambridge University Press, 1991) pp. 12-13.

cent. Public trust in the courts did not exceed one-third of those surveyed.<sup>7</sup> So citizens of the Caucasus do not seem to trust in many key democratic institutions. While this result is not surprising, given the weakness of those institutions, such low levels of public trust may indicate apathy and cynicism that may make democratic reform more difficult. This lack of trust in political institutions among citizens in turn also leads to comparatively high levels of corruption, which also undermines democratic development. Of the three Caucasus countries, only Georgia scores in the moderate range for corruption, according to Transparency International's Corruption Perceptions Index, with Armenia and Azerbaijan receiving much lower scores.<sup>8</sup>

### **Current Situational Challenges for Democracy Building in the South Caucasus**

In addition to the 'background' conditions mentioned above, which complicate the prospects for democratization in the Caucasus, a set of more immediate, 'situational' and external factors pose new challenges for the adoption of democratic institutions, processes, and values in the region. That is, internal political development has also been affected by current external influences and the choice between West and East. More specifically, the choice between greater economic, political and security integration with Europe, with Russia, or a more independent path all have profound consequences for the pace and strength of democratization.

#### *Fading Attractiveness of Western Norms*

Certain democratic norms, standards, and rules set by Euro-Atlantic institutions and countries have lost some of their luster and can seem to be in tension with traditional values. In the broad sense, the European Union has had a 'normative draw' over the countries of the former Soviet Union. As Manners has argued, the EU's normative power has been based on norms that are centered around peace, democracy, liberty, rule of law, and human rights.<sup>9</sup> The attractiveness of democracy,

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7. 2013 *Caucasus Barometer*, July 7, 2014, Caucasus Research Resource Centers (CRRC).

8. Transparency International, *Corruption Perceptions Index 2014*. For 2014, Armenia and Azerbaijan scores (out of a possible 100) were 37 and 29, respectively. Georgia received a score of 52 out of 100. <http://www.transparency.org/cpi2014/results>.

9. Ian Manners, "Normative Power Europe: A Contradiction in Terms?" *Journal of Common Market Studies*, vol.40, no 2 (2002) pp. 235-58, p. 242.

rule of law and human rights was initially quite strong across the former Soviet Union in the early 1990s, but it has lessened to varying degrees across the region since that time, as democracy has been sometimes associated with the chaos of the 90s. Still, all three Caucasus countries continue to speak in favor of democracy as their model for their further political development. Recently, all three Caucasus countries signed onto the Riga Declaration of May 2015, in which all Eastern Partnership (EaP) countries reaffirmed their commitment to “strengthen democracy, rule of law, human rights, and fundamental freedoms...”<sup>10</sup> As the polities of Caucasus have confronted the real challenges that adopting these democratic processes, institutions, and norms entail, and the prospect of accession into European institutions has seemed more distant, the normative power of the EU has been diminished to varying degrees. Its power has remained strongest in Georgia, which has been the most steadfast in its European aspirations and weakest in Azerbaijan, which has been increasingly adopting an independent path.

In addition, norms of broad *inclusion*, such as broader inclusion for ethnic minorities and women may strike some citizens of these countries as a turning away from long-held traditions or cultural or religious views. Meeting European Union standards, even when the people of a country want to enjoy the levels of prosperity they associate with the EU, can be cast as an abandonment of ‘traditional national values.’ This can make democracy seem ‘externally imposed.’ Although standards for full inclusion have moved relatively rapidly in Europe since the 1960s, they appear not to have evolved quite as rapidly in the former Soviet countries, including the Caucasus. For example, in Georgia and Armenia, the occasional tensions between traditional/national and ‘European’ values have emerged on issues raised by the national churches in each country. Given the high level of trust citizens in these countries have put in their respective religious institutions,<sup>11</sup> this difference in views on human rights issues between the church and international institutions may complicate or slow their broad acceptance.

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10. Eastern Partnership, “Joint Declaration of the Eastern Partnership Summit” (Riga, 21-22 May 2015), p. 1. <http://www.consilium.europa.eu/en/meetings/international-summit/2015/05/21-22/>.

11. In all three Caucasus countries, trust in religious institutions has been very high. According to the 2013 Caucasus Barometer, trust in religious institutions was ranked the higher than any other in Armenia and Georgia (with 76% and 82% respectively fully or somewhat trusting. In Azerbaijan, it ranked third behind the president and the army (with 57% fully or somewhat trusting.) *2013 Caucasus Barometer*, July 7, 2014, Caucasus Research Resource Centers (CRRC).

### *Uncertainty about Belonging to the Euro-Atlantic Community*

A sense of uncertainty about when and whether they will be fully welcomed into the Euro-Atlantic community is another challenge of democracy in the region. All three countries have expressed, at one time or another, frustration at not being more welcomed by Western countries into Euro-Atlantic institutions. Georgia has been the most forward-leaning in pushing for rapid inclusion into NATO and the European Union, signing an Association Agreement with the EU in June 2014. It still remains unclear when Georgia will ultimately be asked to join the EU and when it will join NATO.

Armenia and Azerbaijan have also both sought clearer and more encouraging signals of partnership and integration with the West. Even as Armenia has decided to sign on to the Eurasian Economic Union, it has sought to maintain a dialogue and closer ties with the EU and the US.<sup>12</sup> While Azerbaijan appears to have chosen a more independent path for its foreign policy,<sup>13</sup> it has for several years sought a closer more strategic relationship with the US and Europe. Clear assurances and timelines generally have not been forthcoming. While this is due to the fact that these three countries—especially Azerbaijan and Armenia—have not met the conditions for membership in these institutions, the less-than-clear pathway and timeline to integration in these institutions likely diminishes the motivation for carrying out the democratic reforms and legal changes necessary to gain membership. More recent economic and financial crises (Greece) and migrant crises may also send the signal to these countries that acceleration towards EU integration is not likely any time soon.

Greater engagement, specificity and clarity on standards and timelines from the Euro-Atlantic community could represent important steps to reassure these countries that the democratic reforms needed for European integration will in fact ultimately yield other rewards. The signals sent to Georgia, which is furthest along both in its democratic development and its commitment to Europeanization, will also be particularly important for demonstrating that progress on democratic standards yields dividends towards further integration.

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12. Sergey Minasyan, "Armenia Keeps on Balancing—Between the European Union and the Eurasian Economic Union," *PONARS Eurasia Policy Memo*, no. 377 (August 2015).

13. Thomas De Waal, "Azerbaijan Doesn't Want to Be Western," *Foreign Affairs*, September 26, 2014. <https://www.foreignaffairs.com/articles/russia-fsu/2014-09-26/azerbaijan-doesnt-want-be-western>.

### *A New, More Assertive Posture from their Northern Neighbor*

These countries also confront new concerns about how Russia will respond not only the foreign policy choices they make (as seen in Ukraine), but also the choices of their internal political systems. Resolute moves towards more open and competitive political systems could prompt disapproval or a negative response from Russia. Russia has expressed strong concern about ‘color revolutions,’ not only at home, but also potential color revolutions in Azerbaijan and Armenia, and of course the Rose Revolution in Georgia. For example, Russian government officials and several Russian-based media outlets saw the electricity protests in Yerevan (‘Electric Yerevan’) in mid-2015 as another possible ‘Maidan.’<sup>14</sup> Russian Prime Minister Medvedev has recently stated that, “We are closely watching what is happening in Armenia because you are our neighbor, ally and close state, and we are certainly not indifferent to how events unfold in a friendly country.”<sup>15</sup>

Russia also is making more proactive and direct efforts to influence media environments in other countries, which may impact the ability of those countries to successfully pursue a more democratic path. For example, Russia attempted to open a branch of the pro-Russian Sputnik radio station in Georgia in 2014.<sup>16</sup> These media outlets have often sought to discredit democracy-building efforts supported by Western donors and NGOs as illicit conspiracies to de-stabilize these political systems.

Taken together, this set of factors should lead us to conceive of democratization in the South Caucasus as a complex, challenging, and longer-term endeavor that may be significantly affected by a broad range of both external and internal actors. Consequently, those supporting democratization in the Caucasus will need to be realistic, patient, yet determined in supporting that effort.

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14. For example, see “Armenian protests resemble Ukrainian Maidan coup scenario - Russian MP” RT.com, June 24, 2015. <https://www.rt.com/politics/269392-russian-senator-armenia-unrest/>.

15. Emil Danielyan, “Russian, Armenian PMs Discuss Yerevan Protests,” *Radio Liberty*, July 9, 2015. <http://www.armenialiberty.org/content/article/27119140.html>.

16. “Radio Appendage of “Russia Today” Appears in Georgia,” Georgi Menabde, *Eurasia Daily Monitor*, vol: 11, issue: 207 November 19, 2014. [http://www.jamestown.org/programs/edm/single/?tx\\_ttnews%5Btt\\_news%5D=43097&cHash=c58e7a9057787507d35001d5aebc2ede#.VVV TG-usaJU](http://www.jamestown.org/programs/edm/single/?tx_ttnews%5Btt_news%5D=43097&cHash=c58e7a9057787507d35001d5aebc2ede#.VVV TG-usaJU).

## Country Cases: Challenges and Opportunities

Having considered several common factors, which affect the prospects for democratization in the South Caucasus, this section will briefly outline the specific, varying opportunities and challenges present in each of the three countries of Georgia, Armenia, and Azerbaijan.

### Georgia

Georgia has been the strongest performer on democratic development in the Caucasus, and the one that has clearly made the most progress to date. Benchmarking indices for democratic governance clearly show Georgia as the most advanced on democracy in the Caucasus. For example, Georgia's scores in Freedom House's the global *Freedom in the World* survey and in the regional *Nations In Transit* survey are the best in the region.<sup>17</sup> Georgia also receives the highest ranking and scores of the three in the Economist Intelligence Unit Democracy Index.<sup>18</sup> Georgia is also the clear leader among the three in the World Bank's Worldwide Governance Indicators, particular in the aggregate indicators for Voice and Accountability, Government Effectiveness, and the Rule of Law.<sup>19</sup> Having noted that, Georgia still has much to do to consolidate its democratic institutions, and significant setbacks, detours, or even derailments are possible.

Importantly, Georgia has undergone two peaceful political transitions since the Shevardnadze era. These are the 'Rose Revolution' in 2003/2004 and the transfer from the United National Movement (UNM) to the 'Georgian Dream' Coalition in 2012 and 2013. The 'Rose Revolution' was extra-constitutional, but peaceful; the transfer of power in 2012/2013 was both constitutional and peaceful. While one

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17. Freedom House's *Freedom in the World* survey reports Georgia's 2015 overall freedom rating (which measures events in 2014) as a 3.0 (on a 1 to 7 scale, with 7 being the worst.) Armenia's corresponding score is a 4.5. Azerbaijan's "freedom score" for the same year is a 6.0. Freedom House, *Freedom in the World 2015*, <https://freedomhouse.org/report/freedom-world/freedom-world-2015#.VavyIIusaJX>.

18. For 2014, Georgia received a score of 5.82, while Armenia received a 4.13 and Azerbaijan received a 2.83 (out of a possible 10.00). Economist Intelligence Unit, *Democracy Index 2014*, "Democracy and its Discontents." [http://www.eiu.com/public/topical\\_report.aspx?campaignid=Democracy0115](http://www.eiu.com/public/topical_report.aspx?campaignid=Democracy0115).

19. World Bank Institute, *Worldwide Governance Indicators 2013*, <http://info.worldbank.org/governance/wgi/index.aspx#countryReports>.

can debate whether the specific changes in leadership during those two periods of transition were in and of themselves positive, those studying democratization have viewed the peaceful and constitutional transfers of power from one ruling group to another as a sign of institutionalization and resilience of a democratic political system. If one considers Samuel Huntington's 'two turnover test,'<sup>20</sup> then it is reasonable to conclude that Georgia has made significant progress on the path towards the institutionalization of democracy since 2003. In Georgia, perhaps due in part to the turnover of power, there has been significant dynamism and reform of the political system on a number of fronts, but there are still significant challenges and real possibilities for regression. The recent controversies over Rustavi-2 and political polarization surrounding it are examples of these ongoing challenges and threats.

*Positive Developments.* As we consider the current situation in Georgia, we observe the following set of recent developments that would seem to indicate factors of strength and continued forward momentum towards the maturation and consolidation of its democratic institutions.

*A Set of Talented and Influential Non-governmental Organizations.* Georgia's democratic trajectory has been significantly buttressed and safeguarded at key moments by a group of publicly minded civic organizations that have served to provide crucial oversight and checks on executive branch authority in that country. Groups such as the Georgian Young Lawyers Association (GYLA), the International Society for Fair Elections and Democracy (ISFED), Transparency International Georgia, New Generation New Initiative (NGNI), Public Movement for Multinational Georgia (PMMG), United Nations Association of Georgia (UNAG) and others have been led by energetic, intelligent, and articulate young Georgians who have made a real difference in engaging Georgia's governments in serious dialogue and helping to "keep the government honest" on a range of issues from elections to corruption to the rule of law. It is also important to note that this group of NGOs would not have been nearly as influential and consequential for maintaining Georgia's democratic path without government officials who have taken them seriously and consistently have been willing to engage with them substantively in dialogue on key issues.

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20. Samuel Huntington, *The Third Wave* (Norman: University of Oklahoma Press, 1991), pp. 266-267.

*Centers for Civic Engagement (CCEs).* These centers, established during the Saakashvili/UNM period, serve as hubs for civic activity, political activism, and the free flow of information in Georgia's regions. These centers, now ten in number, have helped create greater opportunities for greater citizen, party, and NGO engagement throughout much of Georgia's regions.<sup>21</sup> In doing so, these centers have helped establish better conditions for strengthening the fabric of democracy in Georgia's periphery—mentioned above as a particular challenge in the context of the South Caucasus.

*The Ombudsman's Office (Public Defender's Office).* Georgia's Public Defender's Office has evolved in recent years from what had been more of a more politicized 'one-person show' into more of an institution, with greater staff and enhanced capacities for representing and defending citizens' interests.<sup>22</sup> The office has been playing a constructive role in mediating between society and the government by speaking out and preparing reports on a range of issues, from child protection, to persons with disabilities, to human rights.

*An Increased Commitment to Open Government.* An enhanced commitment to more transparent and accessible government began under during President Saakashvili's tenure, and it has continued under the Georgian Dream coalition. Georgia's current Open Government Partnership (OGP) Action Plan is ambitious and substantive, with 27 different commitments across four major areas, including "improving public services, increasing public integrity, more effectively managing public resources, and creating safer communities."<sup>23</sup>

*Civil Service Reform.* While the government of Georgia opted against embarking on civil service reform under President Saakashvili and the UNM, the current government has decided to move decisively in this direction. The reform was launched initially through a concept in July of 2014 and made official through a decree in November 2014.<sup>24</sup> This reform will hopefully enhance the competence, professionalism and

21. See [http://www.cce.ge/portal/alias\\_\\_CCE/tabid\\_\\_4593/default.aspx](http://www.cce.ge/portal/alias__CCE/tabid__4593/default.aspx).

22. See the Georgian Public Defender's website, particularly the description of its structure at <http://www.ombudsman.ge/en/about-us/struqtura/departamentebi>.

23. *Open Government Partnership Action Plan of Georgia 2014-2015*, [http://www.opengovpartnership.org/sites/default/files/OGP%20Georgia%20AP%202014-2015\\_eng\\_0.pdf](http://www.opengovpartnership.org/sites/default/files/OGP%20Georgia%20AP%202014-2015_eng_0.pdf).

24. Government of Georgia, Decree ? 627, Dated 19 November 2014, Tbilisi, "On the Approval of the Civil Service Reform Concept and Some Other Related Measures," [csb.gov.ge/uploads/627.pdf](http://csb.gov.ge/uploads/627.pdf).

continuity of Georgian public administration and lessen the politicized character of the bureaucracy.

*Judicial Reform.* This reform will allow for the formation of the High Council of Justice through secret ballot, increasing the independence of judges' representatives on the council. Given past controversies over judicial independence in Georgia, and concerns about possible selective justice or politically motivated prosecutions, measures towards strengthening judicial independence represent important positive steps.

*Decentralization.* Georgia has recently moved to establish 11 self-governing cities. When added to Tbilisi (which had already has its own local self-government and directly elected mayor) that makes 12 self-governing cities nationwide. Allowing for greater spheres of political autonomy and decision-making at local levels has the potential to add a new dimension to Georgia's democratic system and give citizens an enhanced and more direct voice in how their cities are run. Both of these developments would enhance the resilience and stability of Georgia's democratic system.

### *Challenges/Concerns*

*Fragility of the Political Party System.* The ruling Georgian Dream's organizational development—or that of its key constituent parts—remains uncertain. Georgian Dream's organizational coherence still also appears to rely heavily on former Prime Minister Bidzina Ivanishvili, who no longer holds any formal public office or party leadership position. It also remains unclear if Georgian Dream will be able to develop a coherent ideological focus that will have strong roots in key segments of Georgian society or if it will fall into a 'party of power' syndrome—serving largely as a focal point for elites and other constituent seeking access to power, patronage, financial resources, and career opportunities. The core of the former ruling party, United National Movement, remains in place as an opposition counterweight and alternative to Georgian Dream, but it is unclear how the party may reinvent itself and stem further erosion of its support among the electorate. Second, ongoing debates and potential changes to the electoral system, which fundamentally affect political competition and the character of political party systems,<sup>25</sup> add a degree of uncertainty to the party system. In addition,

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25. Giovanni Sartori, *Comparative Constitutional Engineering: An Inquiry into Structures, Incentives, and Outcomes* (New York: New York University Press, 1997). See also Sartori's *Parties and Party Systems* (Cambridge: Cambridge University Press, 1976).

party politics in Georgia remain highly polarized and marked by the fundamental distrust noted in the first part of this chapter. That polarization and distrust, if it somehow escalates, loom as ongoing potential threats to derail other gains that have been made towards democratic consolidation. Recent controversy over the media sphere also shows how the issue of ownership of a television channel can increase political polarization, and raise controversy over issue having to do with the balance in the information environment, due process, and property rights.

*Getting Lustration Right.* Georgia's political system currently faces an important challenge associated with its recent transfer of power. Georgia's current government, judiciary and society must seek to balance real concerns about the alleged past criminal behavior of former government officials with scrupulously ensuring due process of law for all, to avoid the perception of politically motivated prosecutions and score-settling. Perceptions of score settling or of using the judicial system as a political instrument to weaken political adversaries could have the potential to exacerbate the problem of a lack of political trust, referred to in earlier sections of this chapter. The transparency and procedural correctness of the manner in which any prosecutions against former government officials are handled will be critically important for Georgia, not only to reduce polarization, but for building broader confidence in its judicial institutions.

*Ensuring a Positive Environment for Civil Society Engagement with Government and for Civil Liberties.* While Georgia has begun to develop a clear pattern of substantive and often constructive dialogue between its government and civil society, some concerning signs have emerged in 2015. Some NGOs in Georgia have raised alarm bells about recent negative statements made by the former Prime Minister regarding civic organizations.<sup>26</sup>

## Armenia

Armenia has shown less dynamism than Georgia in its democratic development, and its scores in benchmarking surveys on democratization show little movement over the last decade. There have been some mildly encouraging signs in Armenia over the last few years that are worth considering. For example, Armenia's overall Democracy Score in

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26. See "NGOs Slam "Informal Ruler" Ivanishvili's "Threatening" Remarks," Civil Georgia, Feb 2, 2015. <http://www.civil.ge/eng/article.php?id=28018>

Freedom House's *Nations In Transit* index has improved modestly in the period from 2011 to 2015 (from a 5.43 to a 5.36).<sup>27</sup> The development of civil society has been a leading sector, while the rule of law, corruption, and electoral processes have been the spheres with the greatest remaining challenges. Armenia receives similar scores from the Economist Intelligence Unit's 2014 Democracy Index, 4.13 (out of a possible 10.00) and is ranked 113 out of 167 countries.<sup>28</sup>

Armenia has not undergone the same level of democratic political competition and elite rotation that Georgia has, and the ruling Republican Party of Armenia has been the leading political force for well over a decade. During its post-Soviet period, Armenia has demonstrated a combination of what appears to be limited and episodic political contestation with the concentration of power in the ruling party and the executive—what Henry Hale has called the construction of a “single pyramid system.”<sup>29</sup> Also, in contrast to Georgia, post-election protests in 2008 led to violence and ten fatalities, raising the sense of high stakes and distrust in the sphere of political competition.

Still, the country has shown significant and often surprising levels of pluralism and political contestation. For example, opposition candidate Raffi Hovannisyan won nearly 40 percent of the vote in the presidential election in 2013. Although some have perceived Armenia's pluralism to be largely circumscribed to narrow elite competition,<sup>30</sup> in 2015, the ‘Electric Yerevan’ protests have demonstrated the re-emergence and renewed influence of Armenian civil society. Notably, the government of Armenia has also clearly articulated further openness as a goal and embarked on some areas of democratic reform. A key question will be if it follows through on those reforms and makes progress in those areas in which it has faced criticism for insufficient freedom, such as judicial independence, media freedom, and fair political competition.

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27. Freedom House, *2015 Nations In Transit*, Report for Armenia. <https://freedomhouse.org/report/nations-transit/2015/armenia>.

28. Economist Intelligence Unit, *Democracy Index 2014*, “Democracy and its Discontents.” [http://www.eiu.com/public/topical\\_report.aspx?campaignid=Democracy0115](http://www.eiu.com/public/topical_report.aspx?campaignid=Democracy0115).

29. Henry Hale, *Patronal Politics: Eurasian Regime Dynamics in Comparative Perspective*, (New York: Cambridge University Press, 2015) p. 355, p. 64.

30. Alexander Iskandaryan, “From Totalitarianism via Elitist Pluralism: Whither Armenia?” in *Armenia's Foreign and Domestic Politics: Development Trends* (Yerevan: Caucasus Institute, 2013) pp. 48-54.

### *Positive Developments*

*De-Centralization/ Local Self-Governance.* The government of Armenia has shown some positive movement on de-centralization, which could provide for more responsive and representative government at the local level, but much remains to be done, and the jury is still out on the broader implications of these plans. Reforms have entered the first phase of territorial and administrative consolidation of communities, which will potentially allow for the more efficient and effective provision of services to the local level. If this succeeds, this consolidation may pave the way for the transfer of greater authorities from the regional (*marz*) level to the local/municipal level. The hope is that these reforms will engender energy and channels for grass-roots participation reforms from below. The government of Armenia has enlisted the help of international donors on developing a strategy for decentralization. It has worked with USAID, the Germans (GIZ), the Swiss (SDC), and the World Bank to form a steering committee to oversee the reforms and potentially to provide technical assistance on implementation.

*Anti-Corruption/ Open Government.* The government has a new anti-corruption strategy under development this spring. It has also formed a new anti-corruption council.<sup>31</sup> Admittedly, the formation of the new council has been met with some skepticism by NGOs, and to date, no non-governmental groups have joined the new council.<sup>32</sup> Having joined the Open Government Partnership (OGP) in September 2011, Armenia has carried out its second OGP Action Plan, which makes a number of positive steps in improving governmental transparency.<sup>33</sup> It also has legislation and plans for improving Freedom of Information.

*Civil Society Development and Activism.* Civic activity has been another relatively bright spot in Armenia, especially in terms of helping civil society to become more active at the community level and in its interaction with local governments. In contrast to some other Eurasian countries, generally positive NGO legislation has been in the works. In 2015, peaceful protests in the center of Yerevan in response to increases in electric utility rates ('Electric Yerevan' protests) were an indicator of

31. "Armenia PM Says Anti-corruption Council will Work Transparently," February 25, 2015. *www.news.am*. <http://news.am/eng/news/254392.html>.

32. Marianna Grigoriyan, "Armenia: Doubts Abound on Anti-Corruption Initiative," *EurasiaNet.org*, May 5, 2015. <http://www.eurasianet.org/node/73311>.

33. "Open Government Partnership Second Action Plan for the Government of Armenia (2014-2016)," [http://www.gov.am/u\\_files/file/bkg%20angl.pdf](http://www.gov.am/u_files/file/bkg%20angl.pdf).

strong and growing civil society activism and a willingness to organize to defend citizen interests. While these protests resulted in some clashes with police, the protests did not lead to widespread or sustained violence or a brutal crackdown.

### *Challenges/Concerns*

*Concentration of Power in the Executive.* The greatest longstanding and ongoing concern for Armenia's further democratization is the strong centralization of power in the hands of the executive and the ruling party, and limits on a level playing field for political competition and debate. While the government continues to articulate a readiness for reform, openness, and pluralism, its ongoing political predominance puts democratization on less certain footing than if political competition and the distribution of political power were greater.<sup>34</sup> Proposed constitutional reforms may potentially begin to address this issue, if and only if they work to create opportunities for the further distribution of, and checks on, political authority.

Recent shifts in party politics over the last year, specifically the struggle between the president and the former head of Prosperous Armenia Gagik Tsarukian, raise concerns about the possible further consolidation of power in Armenia. When Prosperous Armenia, which had traditionally cooperated with the ruling Republican Party, moved into strong opposition to the government in the fall of 2014, participating in protests with the Armenian National Congress and Heritage parties<sup>35</sup>, this evoked a reaction from the pro-governmental side. In early 2015, members of Prosperous Armenia were arrested<sup>36</sup> and the president directly criticized Tsarukian and said he should leave politics. Tsarukian's decision to resign from his leadership post in Prosperous Armenia and to exit from politics in March 2015 has been interpreted by many political observers as an indication of the government's ability to sideline challengers to its political predominance.<sup>37</sup>

34. For example, see Alexander Iskandaryan, "Armenia: Stagnation at Its Utmost," *Caucasus Analytical Digest*, No. 76 (September 7, 2015) pp. 2-6.

35. RFE/RL, "Thousands Rally In Yerevan," *RFE/RL*, October 11, 2014. <http://www.rferl.org/content/armenia-protest-/26631897.html>.

36. "A Number of Prosperous Armenia Party Members Arrested," *Civilnet.AM*, February 17, 2015. <http://civilnet.am/2015/02/17/a-number-of-prosperous-armenia-party-members-arrested/#.VbVV1YusaJU>.

37. RFE/RL Armenian Service, "Embattled Armenian Party's Leader Quits Amid Pressure," *RFE/RL*, March 5, 2015. <http://www.rferl.org/content/embattled-armenian-partys-leader-quits-amid-pressure/26883852.html>.

*Navigating Constitutional Reform.* Second, the politicization of the issue of constitutional reform looms as a contentious and polarizing issue. There is a clear lack of trust of the part of the opposition that this set of reforms will not simply be used to extend the President's hold on power through a new position as Prime Minister or Speaker of Parliament. Still, it is possible that constitutional reform could bring greater powers to the government and the parliament, which might create opportunities for a broader circle of actors to engage meaningfully on policy issues.

*Arrests of Radical Opposition Party Members.* The government's arrest of radical political opposition members, who had called for the removal of the current government, in the spring of 2015 was also of concern for the potential for political pluralism.<sup>38</sup> More encouragingly, these figures were later released.

## Azerbaijan

Azerbaijan remains the most challenging case for political liberalization and democratization in the region. Its scores on democratic performance from benchmarking indices Freedom House, Economist Intelligence Unit, World Bank Institute, and Transparency International all indicate fundamental challenges on democratic performance in virtually all areas, even with regard to basic freedoms.<sup>39</sup> Of additional concern is Azerbaijan's substantial decline in democratic freedoms over the last dozen years. Azerbaijan's scores in *Nations In Transit* have declined by over 1.25 points (on a scale of 1 to 7) since 2003.<sup>40</sup>

### *Positive Developments*

Despite the very difficult environment in Azerbaijan for independent civic activity over the last few years, there have been areas and initiatives in Azerbaijan that have shown some promise, at least for stimulating meaningful civic activity at the grass-roots level. If the trend on political

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38. Gohar Abrahamyan, "Protest Against Protest: Radical Group to Rally on April 24 despite Arrests," *Armenia Now*, April 8, 2015. [http://www.armenianow.com/news/politics/62161/founding\\_parliament\\_party\\_zhirayr\\_sefilyan\\_zaruhi\\_postanjan](http://www.armenianow.com/news/politics/62161/founding_parliament_party_zhirayr_sefilyan_zaruhi_postanjan).

39. Freedom House's *Freedom in the World* survey reports Azerbaijan's "freedom score" for the calendar year of 2014 as 6.0. Freedom House, Freedom in the World 2015, <https://freedomhouse.org/report/freedom-world/freedom-world-2015#.VavyIIusaJX>.

40. Azerbaijan's overall democracy score in 2003 was 5.46. Its score for 2015 is 6.75. See <https://freedomhouse.org/report/nations-transit/2015/azerbaijan>.

liberalization were to begin to shift in a more positive direction, these might be areas from which some momentum might potentially be built.

*Monitoring and Adapting to the legal enabling environment for civil society.* The non-governmental organization ICNL has worked with local partners to advise scores of NGOs on how to continue their work by complying with new more restrictive laws and regulations for NGOs in Azerbaijan. With NGOs that are better adapted to new requirements, their ability to survive and push for constructive change is enhanced.

*Community Development.* Some past initiatives have worked to help citizens to understand how it is possible to effect real and constructive changes at the community level through grass-roots, community-drive initiatives. For example, the Social Economic Development Activity (SEDA), run by East-West Management Institute, with the support of USAID and in cooperation with the government of Azerbaijan, has worked to support such community development projects in the regions of Azerbaijan since 2011.<sup>41</sup>

*Women's Political Participation.* There has also been some incremental success in encouraging broader engagement and inclusion of women in political processes. For example, Counterpart International has worked to empower women to participate more in political processes and to raise awareness about women's participation and issues of importance to women.<sup>42</sup> By working against gender discrimination, providing leadership skills to women, and working to make the political environment more inclusive to women, this initiative may help to begin to create more favorable conditions for democratization and human rights over the longer term.

*Transparency and Anti-Corruption.* Another encouraging area of activities has been that of NGOs and citizens working together to promote government transparency and to take steps towards combating corruption. The Azerbaijan Partnership for Transparency (APT), which brings together a coalition of five NGOs has worked to promote government openness, responsiveness, and accountability through policy development, monitoring, and outreach since 2012.<sup>43</sup> While corruption is a

41. See <http://ewmi.org/SEDA>,

42. This Counterpart International project has been with the support of USAID. For more on the Women's Political Participation project, see <http://www.counterpart.org/our-work/projects/womens-participation-program-in-azerbaijan>

43. This project is led by Transparency Azerbaijan, with the support of USAID. See <http://transparency.az/eng/apt/>.

deeply complex and challenging problem in Azerbaijan, and this effort alone cannot singlehandedly shift the tide, efforts like it may hold the seeds to eventual progress over the longer term when other structural factors improve.

### *Challenges/Concerns*

*Continuing Closing Space for Civic Activity.* Since 2008, the legal and regulatory environment for NGOs has become more difficult in Azerbaijan. Many international NGOs have had difficult years in Azerbaijan in 2014 and 2015, and several other NGOs have faced harassment. Two prominent democracy-promotion groups, NDI and IREX, felt the need to end their programs in Azerbaijan because of legal cases brought against them by the government.<sup>44</sup> The OSCE coordinator, which had also had a mandate to engage on civil society issues, was also asked to leave the country in July 2015.<sup>45</sup> The worsening situation with NGOs also started to jeopardize Azerbaijan's participation in the Open Government Partnership (OGP).<sup>46</sup>

*Worsening Situation on Human Rights.* The US Department of State's most recent Human Rights Report for Azerbaijan points to broad range of problems concerning fundamental freedoms and documents the cases of individuals considered to have been incarcerated for their civic activity.<sup>47</sup> Non-governmental human rights organizations have also issued reported on the full set of serious issues in Azerbaijan.<sup>48</sup> In addition, the rock group U2 raised the issue of Azerbaijan's political prisoners during

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44. For IREX, see "IREX Stops Activity in Azerbaijan," *Contact.az*, October 8, 2014. [www.contact.az/docs/2014/Politics/100800092722en.htm#.VbWGIYusaJU](http://www.contact.az/docs/2014/Politics/100800092722en.htm#.VbWGIYusaJU) <http://www.contact.az/docs/2014/Politics/100800092722en.htm#.VbWGIYusaJU>. For NDI, see "NDI Office in Baku is Officially Closed." *Contact.az*, July 2, 2014.

45. See "OSCE Project Coordinator in Baku discontinues its operations in Azerbaijan," <http://www.osce.org/secretariat/170146>; See also Carl Schreck, "Azerbaijan Orders OSCE To Close Baku Office," *RFE/RL*, *June 5, 2015*. <http://www.rferl.org/content/article/27055923.html>.

46. "OGP Agrees Azerbaijan Harassing Civil Society," *Freedominfo.org*, May 18, 2015. <http://www.freedominfo.org/2015/05/ogp-agrees-azerbaijan-harassing-civil-society/>.

47. US Department of State's Bureau of Democracy and Human Rights and Labor, "Country Reports on Human Rights Practices for 2014: Azerbaijan," <http://www.state.gov/j/drl/rls/hrrpt/humanrightsreport/#wrapper>.

48. For example, see Human Rights Watch, *World Report 2015: Azerbaijan*, <https://www.hrw.org/world-report/2015/country-chapters/azerbaijan>; Also, see *Amnesty International Report 2014/2015*. <https://www.amnesty.org/en/countries/europe-and-central-asia/azerbaijan/report-azerbaijan/>.

its 2015 concert tour.<sup>49</sup> One somewhat encouraging development has been the release of human rights activists Leyla and Arif Yunus, based on health considerations, in late 2015.

*Lack of Enabling Environment for Fair Political Competition.* The previous two issues, closing civic space and insufficient respect for fundamental freedoms and human rights, lead to a situation in which fair political competition is simply not feasible. Substantial progress on fundamental freedoms of association, assembly, and expression, combined with a freer civic life will necessary for that. The decision that Azerbaijan would not host monitors from the OSCE/ODIHR for parliamentary elections in the fall of 2015 was another discouraging sign for the possibility of objective, third party oversight of the electoral process.

## Conclusion

Considering the common, longstanding and current situational challenges facing all three countries, and the country-specific concerns and constraints for Georgia, Armenia, and Azerbaijan, one should not expect dramatic breakthroughs, rapid transformations, or even uninterrupted linear improvement on democratization in the South Caucasus in the near term. Progress on democracy building is much more likely to be protracted and incremental, episodic, uneven, and with occasional or even sustained setbacks. Like the mountain roads of the Caucasus, progress on democracy in the region is likely to be winding and long, with unexpected dips, ascents, and turns. External pressures, and measures taken based on perceived external threats or opportunities, can be expected to play significant roles in affecting the internal political development of all three countries. Perceptions of opportunities and timelines of Euro-Atlantic integration, acceptance of European values and adaptation with traditional ones, and measures taken by their Northern neighbor will all likely affect the pace of democratic change.

Progress on democratization will ultimately come as the people and governments of the South Caucasus recognize that democracy is the path most likely to lead to the stability, security, and prosperity of each of their countries. A successful strategy in facilitating that process—

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49. "Rock Star Bono Speaks Out For Political Prisoners In Azerbaijan," *RFE/RL*, June 16, 2015, <http://www.rferl.org/media/video/azerbaijan-baku-rights-bono-u2/27075011.html>.

both for the citizens of these countries and members of the international community—will likely entail context-specific, targeted, determined and persistent engagement in helping to strengthen the institutions, processes, and values that engage, limit and check executive authority.