

## Socio-economic Foundations of the Democratization in Modern Azerbaijan Society

Sevdim Oglu KE\*

Azerbaijan Technical University, Baku, Azerbaijan

### Abstract

The critical analysis of scientific approaches to the problems of socio-economic foundations of democratization of modern Azerbaijan society is conducted within the framework of the article. The analysis of historical retrospective and meaning of democratic foundations of state life arrangement is conducted and the examples of realization of democratic basis in the developed countries of the world are stated.

This article is focused on the analysis of interrelation between democracy and economic development. Thus, it was marked in the article that market economy favours democracy due its socio-economic outcomes.

The author conducted analysis of the basic economic indicators of economic development of the Republic of Kazakhstan which radically laid the basis for forming the system of social democratization.

The role of democratic transformations in the modern Azerbaijan society and their positive effect on the future of this country is shown. The effect of social and economic processes on democratization of Azerbaijan society is studied.

Based on the conducted analysis the author has drawn a conclusion that the economic development on the basis of market economy created favourable conditions for democratization of society. The author also offered the ways of solving basic problems and directions to increase human potential in the Republic of Azerbaijan.

**Keywords:** Democracy; Level of democracy; Economic development; Post-soviet space; Universal value; Cause-and-effect relations; The contract of century; Market economy

### Introduction

To substantiate that the processes of real life don't take place spontaneously it is necessary to provide scientific and theoretical analysis of changes occurring in the society. This means that in order to prognosticate the directions of public consciousness we must at first recognize the direction in which the public reality changes.

Interrelation of building the democratic society with economic development has been from ancient times the focus of the representatives of public thought. Presently, when the third wave of democracy continues, this issue not only hasn't lost its topicality but, vice versa, increased its rationale on the background of complex political and economic processes which occur. In particular, in the countries of post-Soviet space and specifically in Azerbaijan which headed for building the democratic society, the study of realities of this area and generalization can be invaluable contribution in building the civil society and legal state from scientific and theoretical point of view.

Consideration of the problem is also topical from the aspect of globalization and experience exchange in building the democracy in the countries on post-Soviet space. The scientific and practical generalization of this experience mutually enriches the countries and peoples from the point of view of scientific and practical results of the process of building democratic society.

### Problem statement

At present the democracy as a universal value serves as a particular measuring device for evaluation of public relations.

It is no secret already that in the international area the respect, prestige and perspectives of welfare development of population of the country are mainly connected with direction of development and level of adherence to the democratic human values and rights.

In relation to the aforesaid, having studied the connection between democracy, socio-economic development and economic indicators, the substantiated scientific recommendations were given for the solution of the modern problem state and integration into democratic community of the Republic of Azerbaijan that declared building of democratic and legal state and reflected it in the Constitution.

### Theoretical and methodological basis

The idea about interrelation between democracy and economic development is found in the works of Aristotle. Since the second half of the 20<sup>th</sup> century-the period of wide distribution of democracy – the range of outstanding thinkers has paid peculiar attention to this problem.

In his researches Samuel Huntington came to a conclusion that in the countries which make transition to the democracy the gross domestic product per capita in two third of population is characterized by high indicators [1].

Analyzing the effect of economic conditions on the democracy, Nick Moore concluded that cause-and-effect connection takes place: change of the level of profits effects the changes of democracy [2].

Kurth considered that the level of democracy depends not only on

\*Corresponding author: Sevdim Oglu KE, Azerbaijan Technical University, Baku 1073, Azerbaijan, Tel: +994 12 539 13 48; E-mail: [kerimoveyyub@mail.ru](mailto:kerimoveyyub@mail.ru)

Received July 09, 2015; Accepted September 21, 2015; Published September 30, 2015

Citation: Sevdim Oglu KE (2015) Socio-economic Foundations of the Democratization in Modern Azerbaijan Society. J Civil Legal Sci 4: 152. doi:[10.4172/2169-0170.1000152](http://dx.doi.org/10.4172/2169-0170.1000152)

Copyright: © 2015 Sevdim Oglu KE. This is an open-access article distributed under the terms of the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

the level of economic development but also on the production type and industry development [3].

Relying on the results of empirical studies, Melville in his work especially marks that there is no direct connection between democratization and economic development [4]. As we can see, the relation to the problem is ambiguous and features sufficient scientific and theoretical interest. Therefore, the study and execution of generalizations of this problem is required from the aspect of realities of modern Azerbaijan society.

## Research Findings

Taking into account the position of philosophical and political science and international experience, the basic aim of work is the study of connection between economic development of post-Soviet Azerbaijan and building the democratic society. The work also aims at generalization and systematization of its findings from the point of view of Azerbaijan realities and determination of perspectives in this area.

### Statement of basic material

When the experience of the first samples of human society democracy is considered – city-states of the Ancient Greece, Novgorod and Pskov, and the socio-economic conditions of their existence is studied, one may see that commodity-money relations are peculiar to all of them without exclusion, and all of them maintained active trade relations with their neighbours. In the middle ages in Switzerland, Iceland, Pskov and Novgorod, the majority of population was literate. In the democratic states of the analysed period the level of production was high enough. It is necessary to note that high level of social-economic development is mainly typical for the existence of democracy.

Speaking about further stages of democratic development, it is necessary to emphasize once again at the existence of certain economic freedoms in the democratic countries.

As a rule, the economic freedom and private property are considered to be the basis of democracy. It is necessary to state that in this case it is not about economic equality, but about possibilities for being free in the economic relation.

The economic equality can't exist for too long time, and is not desirable. Weakening the stimulus to work and get education reduces its activity. Together with it, it is necessary to limit the freedoms of the state by democratic way and rational tax policy. At the same time, similar to the complete political freedom, full economic freedom represents the ideal notions generated by our thinking. In real life they never happened. Moreover, democracy also supposes limitation of the state interference into public and economic life of a country. The limits of permissibility of interference in the different countries vary. In the countries of democratic socialism (Switzerland and etc.) this limit is high, and in the countries of second group (USA, England and etc.) it is low.

Robert Dahl assimilates the democracy and market economy to ideally remote marriage of two constantly quarrelling and resigning people but who don't want to divorce [5].

In spite they are in unordinary extent of complex relations with each other, the wide and constantly enriching experience of socio-economic systems allows making the range of generalizations.

First of all, polyarchaic democracy is capable of enduring trials by time mainly in the countries with market economy. In the countries with non-market economy, as a rule, it can be non-durable. This

provision may also refer to the city-states of Greece and Rome, popular government in the medieval Italy, and also to evolution of the representative institute and the level of participation of citizens in the state government in the countries of North Europe.

This unshakable interrelation is explained by the fact that some basic distinguishing properties of market capitalism transform its factor, thus favouring the development of democratic institutes.

Generally, binding the development of democracy with economic indicators is found frequently enough. It is considered that the higher level of economic development, the higher the system democracy. It is true that certain group of countries turns out to be "outside" of this interrelation (India, "Tigers" of the East, oil-production countries of the East, etc.). However, this falling from the group has concrete historical explanation. Professor Melville in his researches comes to a conclusion that there is no direct dependence between democratization and the level of economic development [4,6]. But the experience of the history of democratic development and the results of this study suggest that the opinion of respected Melville is not fully confirmed.

It should be noted that in economically developed countries the conditions favourable to some extent for democratization are being created. Analysing the state of studying the economic preconditions of democracy, Nick Moore came to the following conclusion: 1) there exists an interrelation between the democracy and the level of profits, and this is the most important thing; 2) it is confirmed completely that there is cause-and-effect connection here: changes in the level of profits entail changes of democratic level; 3) we're interested to which extent the changes of profit level depends on the changes of democracy level [2].

It should be noted that some researches which analyse the interrelation between the democracy and economic development come to such conclusion that there is such level of economic development which increases the possibility of democratic development.

As far back as in 1971, Robert Dahl defended the thought that when gross product per capita reaches \$700-\$800, the possibility of displaying polyarchaic is maximal, and at \$100-\$200 this possibility reduces to zero.

Analysing the third wave of democratization, Huntington specified that in two thirds of countries implementing transition to democracy, GDP per capita in terms of prices of 1960 amounted to \$300-\$1300. In the half of 31 countries which have implemented democratization or substantial liberalization in 1974-1989, this indicator amounted to \$1,000-\$3,000 [1].

Lipset, Sen and Torres who suggested own profitable model of interrelation of democracy and economy specify that in the countries which achieved such economic development when it is up to \$2,346 per capita the possibilities of transition to democracy increase, at the indicator of \$3,346-\$5,000 this possibility weakens a little, and after \$5,000 interrelations of democracy and economy become stable. In the countries with low level of economic development mainly non-democratic regimes exist. Agreeing with factual analysis of Dahl, Huntington, Lipset, Sen and Torres, we can emphasize that in these studies the role of political conditions and social process is not analyzed in-depth, and some countries (India, Iran and others) have their identity in this regard.

At the same time Kurth considers that level of democracy is determined by not only the level of economic development, but also the production type or industry development. From this point of view,

the phase of economy connected with manufacturing of consumptive products in the short-term and long-term is the most favourable for the development of democracy, and the phase connected with manufacturing of the means of production is unfavourable [3]. The conclusions of Kurt on the fact that the analysis of the production sector and the number of people employed in these sectors shows that it is the service sector, not production, which currently ranks first in economically developed countries cannot be agreed.

Besides those listed above, various aspects of the problem were studied by other prominent figures of the social sciences such as Przeworski, Rastow, Offe, Eisenstadt, Diamond [7-10] and others. Generally, the market economy eliminates the extreme poverty, increases the level of life thus reducing the social and political contradictions to the minimum. The economic development creates additional possibilities for the development of education for individuals and social groups that leads to the growth of quantity of literate and educated people. The market economy favours democracy by its socio-economic results as well. It forms the wide intermediary layer of owners in the society, which, as a rule, seek to get education, to autonomous existence, personal freedom and observance of the principle of inviolability of private property, laws and participation in the social management. Aristotle in his time marked that middle class is a natural ally of democratic ideas and institutes.

If to consider the history of the Republic of Azerbaijan in the context of right for the private property and modern market economy, one may see that in terms of geographic location, natural environment and also genetics we have certain advantages compared to other countries of Transcaucasia region.

Thus, as far back as in V-IV millenniums in the ancient Azerbaijan the internal and foreign trade was developed and the famous Silk Road passed through the territory of Azerbaijan. Azerbaijan cities had trade connections with the countries of the Western Asia and Mesopotamia. Taking in consideration that before Christianity in Azerbaijan they used seal on which a man, goat and life tree were depicted, and which was the symbol of owners, it is possible to understand the reason which underlies such strong inclination of people to the entrepreneurship and trade which runs in their blood [11].

In his works the Greek astronomer and geographer Claudius Ptolemy (70-147 ad) stated names of 28 Azerbaijan cities. The majority of these cities were built on Caravan Ways [12,13] and different types of arts were quickly developed there. Thus, the entrepreneurship which found place in the national mentality of Azerbaijan has its historical roots. In the Soviet period the attempts were made to erase these traditions from the national memory but they could not manage to complete. These traditions and inclinations deeply rooted in the national consciousness reached our days. Today, we should promote the development of these traditions and tendencies, improve them based on the realities of the modern world.

The founder of "shock therapy" Leshek Baltserovich in his interview for Echo newspaper in the end of 2002 answering the question about possibility of successful conduction of the reforms in the former Soviet republics through the methods and mechanisms suggested by him noted that implementation of one or other economic policy is similar to taking drugs by patients. Only the patients with the same diagnosis can take the same drugs. In any case, there is no guarantee recipe for recovery of the production in the transition period [14].

In that period the Republic of Azerbaijan faced big difficulties that had objective and subjective reasons. They include destabilization,

hyperinflation, deficiency of essential products, unemployment growth, budget deficiency, industrial production drop, managerial staff incompetence (it was mostly evident in the province), etc.

Generally, the time after gaining independence by the Republic of Azerbaijan is usually divided into two periods: 1) the period covering 1991-1995; 2) period after 1995. In author's opinion, after 2005 this period division should be supplemented by one more period characterized by the profit growth from the oil export and development of non-oil sector. According to the calculations, in 1995 the level of GDP reduced by 44% compared to GDP of 1990. The consumptive expenses of households reduced approximately by 50% for the same period [15].

Under the guidance of the all-national leader Heydar Aliiev called in June 1993 to the power by national will, the public and political stability required for conducting of economic reforms was established for the short period of time and as a result of hard work and strong political will beginning since the end of 1994. In September 1994, the President Aliiev concluded the first oil contract for \$7.5 bln with the international consortium. After this event, called "the Contract of Century", the accelerated development of oil industry of the country has begun.

Due to the foreign investment the Republic of Azerbaijan could prevent oil production drop and satisfied its demand in energy carriers having obtained the possibility for the successful control of crisis. Attraction of foreign investment for transformation of the country's economy was high-priority issue. In this period the rate of manat stabilized resulting in reduced inflation by 1,663% in 1994, and reduced down to 412% in 1995, down to 20% in 1996 and down to 3.7% in 1997 [13].

The growth of human development indicators in the country is evaluated as a result of problem solution of creating the possibilities for increasing the potential of each member of the society, and also for enhancing the human development aimed at the expansion of economic, social and political rights became the state priority and state policy. The United Nations development programme published "Human Development Index of 2014", in which Azerbaijan ranks 76<sup>th</sup> among 187 countries of the world. The neighbouring countries, Georgia and Armenia, rank 79<sup>th</sup> and 87<sup>th</sup>, respectively [16].

If in 2005 GDP growth per capita made \$1,579.8, then by the results of 2013 this indicator reached 6,207.3 manats, or approximately \$7,912.5 [17]. GDP per capita is still the basic component which provides the stable growth of Human Development Index.

## Conclusions

The analysis shows that economic development on the basis of market economy creates favourable conditions for democratization of the society. The ruling elite, national originality, mentality and today's international realities affect his process dramatically.

Generally, to solve the problem and increase human potential of the Republic of Azerbaijan that took the path of creation of democratic and legal state on the basis of market economy, it is necessary to perform the work in the following directions:

- a. Creating all necessary conditions for constant implementation of the market economy laws. Taking necessary measures to accelerate the human development process;
- b. Making all necessary measures to create stable middle class as the guarantee of democracy;
- c. Drawing regional and sector programmes and action plans in

the human development area;

d. Successful development of human potential through the expansion of economic possibilities and the increase in knowledge and experience level.

#### References

1. Huntington S (1991) Democracy's Third Wave. *Journal of Democracy* 2: 12-34.
2. Smorgunov LV (2011) Political event analysis and its significance for modern comparative political studies. *Polis. Political Studies* 1: 122-133.
3. Kurth J (1979) Industrial Change and Political Change: A European Perspective. *The New Authoritarianism in Latin America*.
4. Melville AY (1999) *Democratic Transits (Theoretical and Methodological Applied Aspects)*, Moscow, Russia.
5. Dahl R (2000) *About Democracy*, Aspect-Press, Moscow.
6. Eisenstadt SN (2002) Paradox of Democratic Regimes: Fragility and Transformability. *Sociological Theory* 16: 211-238.
7. Przeworski A (2000) *Democracy and the Market*. Political and Economic Reforms in Eastern Europe and Latin America. *American Journal of Sociology* 97: 1761-1764.
8. Rastow DA (1996) Transitions to Democracy: Towards a Dynamic Model. *Comparative politics* 2: 337-363.
9. Offe K (2003) *Dilemma of Simultaneity: Democratization and a Market Economy in Eastern Europe Turns of History*. Moscow, Berlin.
10. Diamond L (2000) *Global Perspective*.
11. Aliev V (1992) *Ancient Trade Ways of Azerbaijan*.
12. Muradov V (1983) *Medieval Cities of Azerbaijan*.
13. Kozhokin EM (2000) *Independent Azerbaijan: New Reference Points*: Russian Institute of Strategic Studies, Moscow.
14. Baltserovich L (2002) *It's All About The Competence*.
15. (2003) *State Programme on the reduction of poverty and economic development*, Baku.
16. (2005) *The List of Countries by Human Development Index*.
17. (2015) *A Brief Statistical Collection*.

**Citation:** Sevdim Oglu KE (2015) Socio-economic Foundations of the Democratization in Modern Azerbaijan Society. J Civil Legal Sci 4: 152.  
doi:[10.4172/2169-0170.1000152](https://doi.org/10.4172/2169-0170.1000152)

#### OMICS International: Publication Benefits & Features

##### Unique features:

- Increased global visibility of articles through worldwide distribution and indexing
- Showcasing recent research output in a timely and updated manner
- Special issues on the current trends of scientific research

##### Special features:

- 700 Open Access Journals
- 50,000 editorial team
- Rapid review process
- Quality and quick editorial, review and publication processing
- Indexing at PubMed (partial), Scopus, EBSCO, Index Copernicus and Google Scholar etc
- Sharing Option: Social Networking Enabled
- Authors, Reviewers and Editors rewarded with online Scientific Credits
- Better discount for your subsequent articles

Submit your manuscript at: [www.omicsonline.org/submit](http://www.omicsonline.org/submit)