

HEYDAR ALIYEV'S EXCLUSIVE SERVICES IN THE DEVELOPMENT OF AZERBAIJAN'S ECONOMY

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Abstract. Right from the beginning, Heydar Aliyev laid down the foundations of a stable, sustainable and supreme Azerbaijan through meaningful and interactive socio-political policies as well as constant and continued structural economic reforms. Obviously, all socio-economic-political achievements of modern Azerbaijan are directly correlated with the charismatic personality of Heydar Aliyev, the national leader of the Republic of Azerbaijan. He played a crucial role in Azerbaijan's modern independence history. He was a professional strategist and true visionary. He knew the art of political economy due to which he successfully turned miseries into opportunities and tears into smiles through the signing of famous contract of the century which afterwards, changed the geopolitical landscape of Azerbaijan as well as South Caucasus. Since the late 1960s, the history of Azerbaijan has been closely connected with the name of its national leader, Heydar Aliyev. A qualitative method of research was adapted to analysis the holistic and comprehensive policies of Heydar Aliyev. It concluded that Heydar Aliyev was the champion of economic diplomacy, political reconciliation, good governance, conflict resolution, and a pioneer of politicization and democratization. He successfully converted impediments of geography, geology, and geo-politics into geo-economics which is indeed commendable. He remained a staunch supporter of dialogue, diplomacy and development.

Keywords: Contract of the century, modern Azerbaijan, socio-economic-political achievement, soft image, driving force, Azerbaijan economy

HEYDƏR ƏLİYEVİN AZƏRBAYCAN İQTİSADİYYATININ İNKİŞAFINDA MÜSTƏSNA XİDMƏTLƏRİ

Mehmod Ul Hassan XAN

Xülasə. Heydər Əliyev lap əvvəldən mühüm və interaktiv ictimai-siyasi siyasət, sabit və davamlı struktural iqtisadi islahatlar yolu ilə sabit, dayanıqlı və əzəmətli Azərbaycanın əsaslarını qoydu. Aydınır ki, müasir Azərbaycanın bütün sosial-iqtisadi-siyasi nailiyyətləri bilavasitə Azərbaycan Respublikasının ümummilli lideri Heydər Əliyevin xarizmatik şəxsiyyəti ilə bağlıdır. O, Azərbaycanın müasir müstəqillik tarixində mühüm rol oynamışdır. O, peşəkar strateq və əsl uzaqgörən idi. O, siyasi iqtisad sənətinə bələd idi, onun sayəsində o, müvəffəqiyyətlə əsrin məşhur müqaviləsini imzalayaraq bədbəxtliyi fürsətə, göz yaşlarını gülüşə çevirdi, bu müqavilə sonradan Azərbaycanın, eləcə də Cənubi Qafqazın geosiyasi mənzərəsini dəyişdirdi. 1960-cı illərin sonlarından Azərbaycanın tarixi ümummilli lider Heydər Əliyevin adı ilə sıx bağlıdır. Keyfiyyətli tədqiqat metodu Heydər Əliyevin bütöv və hərtərəfli siyasətinin təhlilinə uyğunlaşdırılmışdır. Buradan belə nəticəyə gəlmək olar ki, Heydər iqtisadi diplomatiya, siyasi uzlaşma, yaxşı idarəetmə, münafişələrin həlli üzrə çempion, siyasiləşmə və demokratikləşmənin qabaqcılı idi. O, coğrafiyanın, geologiyanın və geosiyasətin maneələrini uğurla geoiqtisadiyyata çevirdi ki, bu da həqiqətən təqdirəlayiqdir. O, dialoqun, diplomatiyanın və inkişafın sadıq tərəfdarı olaraq qaldı.

Açar sözlər: Əsrin müqaviləsi, müasir Azərbaycan, sosial-iqtisadi-siyasi nailiyyət, yumşaq imic, yönləndirici qüvvə, Azərbaycan iqtisadiyyatı

**ИСКЛЮЧИТЕЛЬНАЯ РОЛЬ ГЕЙДАРА АЛИЕВА В РАЗВИТИИ ЭКОНОМИКИ
АЗЕРБАЙДЖАНА***Мехмуд Уль Хасан ХАН*

Аннотация. С самого начала Гейдар Алиев заложил основы стабильного, устойчивого и верховного Азербайджана посредством значимой и интерактивной социально-политической политики, а также постоянных и продолжающихся структурных экономических реформ. Очевидно, что все социально-экономические и политические достижения современного Азербайджана напрямую связаны с харизматической личностью Гейдара Алиева, национального лидера Азербайджанской Республики. Он сыграл решающую роль в современной истории независимости Азербайджана. Он был профессиональным стратегом и настоящим провидцем. Он владел искусством политической экономии, благодаря чему успешно превратил страдания в возможности, а слезы в улыбки, подписав знаменитый контракт века, который впоследствии изменил геополитический ландшафт Азербайджана, а также Южного Кавказа. С конца 1960-х годов история Азербайджана тесно связана с именем его общенационального лидера Гейдара Алиева. Качественный метод исследования был адаптирован для анализа целостной и комплексной политики Гейдара Алиева. В нем был сделан вывод, что Гейдар был поборником экономической дипломатии, политического примирения, надлежащего управления, разрешения конфликтов и пионером политизации и демократизации. Он успешно превратил препятствия географии, геологии и геополитики в геоэкономику, что действительно заслуживает похвалы. Он оставался стойким сторонником диалога, дипломатии и развития.

Ключевые слова: Контракт века, современный Азербайджан, социально-экономические и политические достижения, мягкий имидж, движущая сила, экономика Азербайджана

Introduction

Heydar Aliyev has had been one of the key persons in the South Caucasus for a long period. The unique person had brought Azerbaijan into international stage. He had been a great leader of Azerbaijan. Initially, he brought socio-economic cohesion and political stability to his country in the period of chaos.

1. Unforgettable Personality

The people do not forget Heydar Aliyev because he is associated with all positive changes that have taken place in their lives. All generations well remember Heydar Aliyev's tireless work to improve the quality of their lives in the 1970-80s of the last century. Realization of ideas of the Azerbaijani state is linked to national leader Heydar Aliyev (Majumdar, 2022).

1.1 Chairman of the State Security Committee of Azerbaijan

Throughout his leadership, Azerbaijan enjoyed significant increases in economic growth, improving its infrastructure and overseeing its modernization in the fields of education, oil and gas, manufacturing, and agriculture. According to Niazi (2021), Heydar Aliyev was the first Azerbaijani who was appointed the chairman of the State Security Committee of Azerbaijan. He was the first Azerbaijani who was elected member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union.

1.2 Prominent Leader of 20th Century

Heydar Aliyev is one the prominent leaders of XX century who saved his country from political isolation, internal disintegration, sever ethnicity, external aggression and above all sever economic starvation and achieved elements of political stability and sustained growth patterns in a very short span of time. The national leader served interests of people, state, society and its members, worked for integrity of the people of Azerbaijan, Azerbaijani land and state and did every job to improve and expand democracy and independence (Najafova, 2023).

1.3 Strategic Leadership

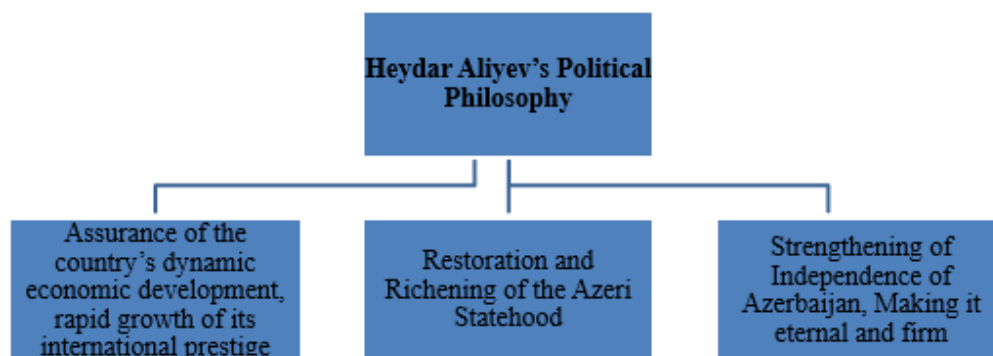
When Heydar Aliyev returned to lead Azerbaijan in 1993, the war-torn country was almost on the brink of collapse. Under his strategic leadership, much-needed domestic stability was restored and important political, economic and social reforms were launched. A well-balanced and farsighted foreign policy conducted under his leadership enabled to strengthen Azerbaijan's independence and sovereignty and establish strategic partnerships with regional states and global powers (Budagov, 2020).

2. Concepts of Good & Corporate Governance

He coined, developed and institutionalized concept of true "good governance" in the country owing to which Azerbaijan achieved highest standards of qualitative life, education, housing and medication in the region. He introduced true concepts of "corporate governance" because of which banking and financial industries along with service sector was rapidly developed which is now paying its numerous socio-economic dividends.

2.1 Political Philosophy of Heydar Aliyev (1960-1990)

Figure 1.



Source: Created by the author.

He had unique political philosophy based on ideological national statehood, equality, patriotism, tranquility, and gross-root people participation, rule of the law and above all, spirits of accommodation which he pursued to achieve greater political stability in the country. For him, politics was the name of service, submission and sensibility which he used for achieving greater national solidarity, consolidation of the national dignity, socio-economic prosperity, people's trust, realization of rapid development strategy stimulating the elevation of national consciousness and the last but not the least, respectable place of Azerbaijan in the modern world.

The comparative study of its stable socio-economic performance shows that the GDP growth reached 1.3% in 1996, 5.8% in 1997, and averaged 10% during 1998-2003. During (2004-2011) country's real GDP grew by three times (Jabiyev, 2013).

Figure 2.



Source: Created by the author.

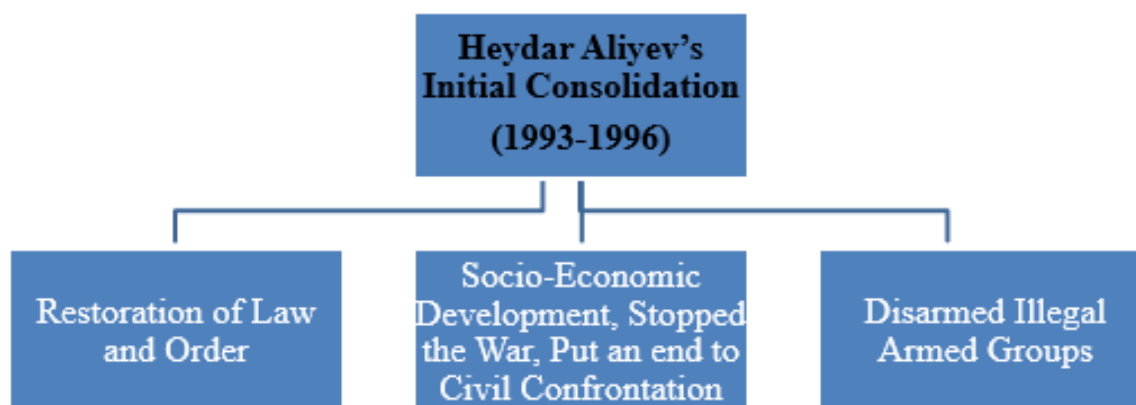
3. Heydar Aliyev and Initial Multidimensional State's Crises

On average GDP decreased by 16.5% in the country economy over 1991-1994. Trend of downturn was particularly observed in industry, industrial production volume decreased by 10% in 1991, 37% in 1992, almost 50% in 1993 compared to 1985. 2/3 part of production capacity of the country was almost lost. Unemployment rate has increased as a result of collapse

of production areas. In 1992 the inflation rate increased by 1012.3% (Gunes & Hajiyeva, 2019).

3.1 Initial Consolidation

Figure 3.



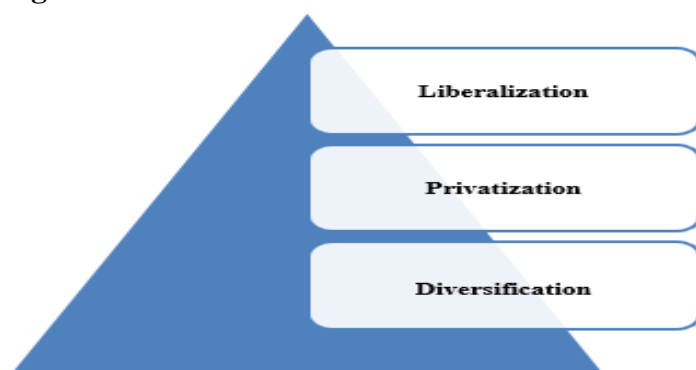
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Heydar Aliyev put an end to the threat of the country's collapse, separatist tendencies and civil war. He ensured unity of the state. "Establishment of public-political stability, stoppage of military operations and signing of the 'Contract of the Century' laid the basis for the introduction of broad-scale reforms in all areas.

3.2 Comprehensive Transformation

Since its independence, Azerbaijan has turned from a Soviet republic into a full, independent and sovereign state, which was succeeded to transform its political, economic and social model, different from the regional countries. Optimal utility of rich natural and human resources, moral and psychological qualities of the people geared its socio-economic development which enabled Azerbaijan to be transformed from an ordinary Soviet republic into a developed state.

Figure 4.



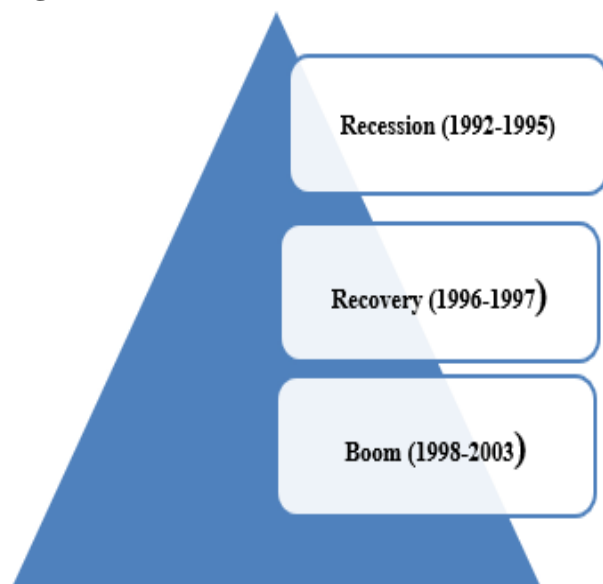
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3.3 Immense Social Development

Azerbaijan has achieved an immense social development. It has successfully transformed

oil capital into a human capital. It initiated diversified but integrated policy measures to further improve the education system due to which it has now achieved a knowledge-based economy. Its state education program is now rated among the best in the world. New schools, hospitals, museums, olympic centers, cultural institutions and recreational areas are contributing to the improvement of the social life (Aliyev, 2002).

Figure 5.



Source: Created by the author.

Oil and gas exploration, high FDIs, joint ventures, diversification process and better productive channels created economic boom due to which its high GDP ratios were maintained and secured.	Initially economic transformation was hard to achieve, experience of acute recession, no substantial economic and business activity, very low industrial productivity etc.	Introduction of series of economic reforms successfully transformed national economy into market economy with greater liberalization etc.
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3.4 Productive Channels & Competitive Country

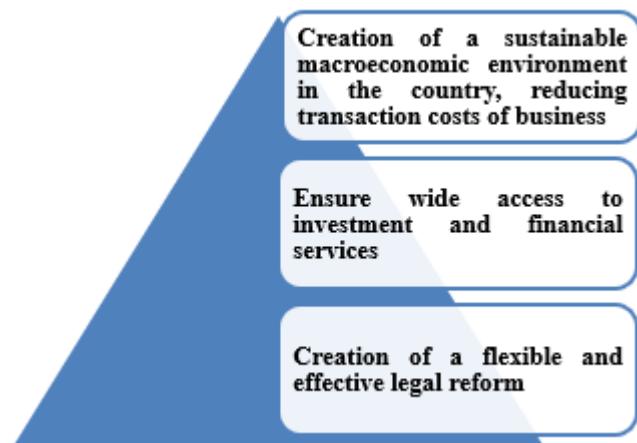
Azerbaijan has become one of the most competitive countries in the world due to which high inflows of Foreign Direct Investments (FDIs) and joint ventures are always on the move. It is also icon of tolerance and interfaith harmony where diversity of humanity and faith is protected. It has strategic leadership in shape of visionary President H.E. Ilham Aliyev due to which despite declining oil and gas prices its macro-economy is still stabled and sustained.

3.5 Miraculous Socio-Economic Development and Short Terms Reforms

He achieved miraculous socio-economic development by initiating and implementing series of short as well as long terms socio-economic reforms in the different spheres of

economy, civic and production channels. He turned poverty into production, inflation into international cooperation, unemployment into massive generation of job creation and above all decline of socio-economic development into robust socio-economic growth which was rapid and sustained too.

Figure 6.



Source: Created by the author.

When elected the President of Azerbaijani in 1993, there was 20-23 % decline in the GDP of the country. As a result of the urgent steps taken under Heydar Aliyev's leadership, the economy overcame the recession and a breakthrough began in 1994 – 1995. The recession was prevented and revival started since 1996. Economic reforms provided the improvement of financial situation in the country and there was an increase in the state budget each year (Sivas, 2014).

Great attention was paid to privatization in the reform system of Heydar Aliyev. He led hard and efficient work connected with the development of the privatization program. At his initiative "Program of privatization of the national property in the Republic of Azerbaijan in 1995-1998" was developed (Aghaev, 2011).

4. Heydar Aliyev's Long-Term Reforms

He introduced many meaningful long terms socio-economic reforms which are now paying its dividends which are highlighted in the below diagram.

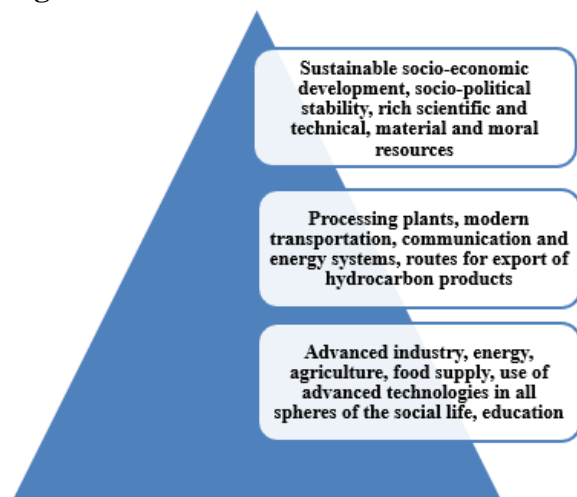
5. Contract of Century & Socio-Economic-Geo-Political Dividends

The “**Contract of Century**” underlined not only economic, but also geopolitical significance which is now paying its dividends in the country. Under the leadership of President Ilham Aliyev, Azerbaijan passed through different “*Phase of High Economic Growth*” and gained and sustained high economic growth in 2003-2013 which successfully transformed its socio-economic policies (Rosenberg, and Saavalainen, 2003).

It was signed with 13 transnational oil companies (Amoco, BP, McDermott, Unocal, SOCAR, LUKoil, Statoil, Exxon, Turkiye Petrolleri, Pennzoil, Itochu, Ramco, Delta) of a number of countries of the world (USA, Great Britain, Russia, Turkey, Norway, Japan and Saudi Arabia) on joint exploitation of 'Azeri', 'Chirag' wells and deep part of 'Guneshli' well in

Azerbaijan sector of Caspian Sea and share division of oil production (Aliyev, 1994).

Figure 7



Source: Created by the author.

Azerbaijan by signing the agreement with big oil companies of Europe on a large scale became the first country among Commonwealth of Independent States (CIS) countries. It founded the international cooperation in the Caspian Sea.

- a) Inclusion in the international economic system.
- b) Start of new chapter of socio-economic prosperity.
- c) Integration with international community.
- d) Consolidation of state independence of Azerbaijan.
- e) Beginning of inflows of FDIs (At the moment more than 210 foreign-invested enterprises representing 63 states function in industry field, thousands of workplaces have been opened. 74 % of investments made in national economy in 2003 was directed just to the industrial fields (Aliyev and Shahbazov, 1997).
- f) Start of joint ventures ('open door' policy that was founded by nationwide leader and is implemented at the present day, number of foreign and joint ventures increased 3 times during these years (Mehdiyev, 2008).
- g) Transfer of technologies.
- h) Access to modern technologies and expertise especially in oil & gas exploration.

Azerbaijan had been admitted nearly to of all international institutions, including in 1992 International Monetary Fund (IMF), World Bank, European Bank of for Reconstruction and Development (EBRD), Islam Development Bank, in 1999 Asian Development Bank. The main directions and specifications of social-economic policy strategy, which is continued successfully and improved by the President of the Republic of Azerbaijan, Ilham Aliyev, is to transit to a market economy and to form a social, diversified national economy, which possesses the ability of self-development and to integrate to the world economy (Kazimli, 2007).

As a result of the implementation of this policy, obtained successes were strengthened, macroeconomic stability was secured, diversification of the economy, development of non-oil sectors and regions accelerated, efficient usage of strategic international reserves was secured, the stability of national currency and confidence of banking system increased, conservative external debt strategy implemented, support from government to entrepreneurship intensified,

social welfare of population improved sustainably.

National-Level

It created conditions for:

- a) Liberalization of national macro-economy.
- b) Privatization (The main objectives of privatization, as stipulated in state programs, were to establish self-regulating market economy environment on the basis of private property and free competition principles for economic entities, to reconstruct structure of the economy pursuant to the requirements of market economy, to allure investments into economy, including foreign investments, to improve standard of life and social conditions of the population).
- c) Formation of Market Economy.
- d) Implementation of business & investment and people's friendly economic policies.
- e) Public-Private Sector developed.
- f) Start of entrepreneurship (More than 3,000 new industrial enterprises were opened in 1993-2003 and number of them reached 5536 for January 1, 2004 (Aliyev, 2020).
- g) Diversification of macro-economy.
- h) Increasing the competitiveness.
- i) Production levels increased (Volume of production increased due to visible progress almost in all the fields of industry as well in oil and gas, chemistry and oil chemistry, machinery and metal processing, building materials industry. The processing industry develops also along with the production industry. Over the last six years, production increased 1.5 times in processing industry fields, as well 43% in the food industry, 2 times in wood production, 30% in paper production, 2.5 times in chemical production, 5 times in building materials production, 3 times in metallurgy industry (State Statistical Committee of Azerbaijan, 2016).
- j) Beginning of service-oriented economy (Reforms realized in the bank system played a great role in removing the distrust in banks that existed in the first years of independence. Modern bank building works started in the country, works implemented in the direction of the formation of a two-stepped bank system, strengthening of banks, growth of their authorized capital. Weak banks, unable to work under conditions of free market economy and stand the competition, were eliminated. The number of banks functioning in the country decreased four times, and the capital base of the bank system increased 5 times (Black Sea Trade & Development Bank (2020).
- k) Introduction of series of reforms in different fields of survival and production channels.
- l) Land and Agriculture reforms.
- m) Gradual development of non-oil sectors.
- n) Start of sustained social development.

Conclusion

Heydar Aliyev left behind an independent and prosperous nation grounded in democratic institutions, a rapidly developing economy and a swiftly increasing role in the modern world.

Unforgettable historical personality, great political figure Heydar Aliyev is both the builder of an independent country and the architect of modern Azerbaijan. Heydar Aliyev is one of the most prominent historical and political figures of the XX century. This fame stems

from his unprecedented services to his nation, a rich life path, long years of prestige as a statesman, and his wise and tireless activities.

Heydar Aliyev devoted all his life to serving the people, always laid on the people in his activity, applied to the people in the most difficult moments. The people of Azerbaijan spared no support to him. The nation of Azerbaijan will always pay tribute to the loving memory of Heydar Alirza oğlu Aliyev, the national leader of the Azerbaijani people, wise leader and genius personality.

The national leader of Azerbaijan Heydar Aliyev is both the architect of independent Azerbaijan and the builder of the most stable and fastest-growing economy in the world. A strong socio-economic base established by the National leader in mid-1990s is currently serving to the entire welfare of the Azerbaijani people and its bright future.

Heydar Aliyev occupied an honorable place in Turkic and world history for his extraordinary services and contributions to the happiness and prosperity of Azerbaijan and peace in the region and world.

Heydar Aliyev is one of the greatest builders of the present-day democratic Eurasia, as one of the prominent leaders of the 20th century." Heydar Aliyev was the most important person in the Southern Caucasus for long time. His extraordinary personality led Azerbaijan to the way of prosperity.

Today's Azerbaijan, independent Azerbaijan is Heydar Aliyev's creation. It is not just words. It is a reality, it is truth. Azerbaijan has become a successfully developing country thanks to the strengthening of the political system, creation of the statehood traditions and adoption of the Azerbaijanism ideology in 1993-2003.

Great Leader Heydar Aliyev's unparalleled services in terms of enhancement of statehood, and restoration of socio-political stability in the country, and emphasized that radical reforms carried out in all spheres have laid solid foundations for economic development.

Today, as a result of continued pursuit of Heydar Aliyev's political course by the President of the Republic of Azerbaijan, H.E. Ilham Aliyev, economic development has become continuous; Azerbaijan has been transformed into a country with stable from a political and macroeconomic perspective, continuous and sustainable economic development, and a reliable partner in ensuring energy security of Europe.

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