

# CIVIL PROCEDURE AND ECtHR JURISPRUDENCE: ECONOMIC IMPLICATIONS AND AZERBAIJAN'S EXPERIENCE

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**Abstract.** This article examines the economic implications of European Court of Human Rights (ECtHR) jurisprudence on civil procedural law, focusing on Azerbaijan as a case study. The study explores how ECtHR decisions have influenced legislative reforms and judicial practice in Azerbaijan, and analyzes the effects on economic efficiency, investment attractiveness, financial costs, and the stability of the legal framework. Since joining the Council of Europe and adopting the European Convention on Human Rights (ECHR), Azerbaijan has undertaken numerous judicial reforms to align its civil procedure with European standards. These efforts have focused on reducing case backlogs, ensuring the timely enforcement of court decisions, and enhancing judicial independence, all of which have a direct impact on the country's business environment. The study reviews significant ECtHR cases involving Azerbaijan, evaluates reform measures (such as the introduction of specialised commercial courts, simplified proceedings for minor claims, and alternative dispute resolution mechanisms), and discusses their economic impacts. The findings indicate that while reforms inspired by ECtHR principles have improved Azerbaijan's judicial efficiency and international image (as reflected in improved ease-of-doing-business rankings), challenges such as inconsistent application of ECtHR case law, corruption, and incomplete implementation of judgments continue to undermine the full economic benefits. It is therefore essential for the country to pursue further harmonisation with ECtHR standards and strengthening the rule of law if it is to enhance investor confidence and sustainable economic development.

**Keywords:** civil procedure, European Court of Human Rights, economic impact, judicial efficiency, investment climate, Azerbaijan.

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## 1. Introduction

Azerbaijan's legal system has undergone significant changes since the country joined the Council of Europe in 2001 and ratified the European Convention on Human Rights (ECHR) in 2002. By accepting the ECHR, Azerbaijan permitted individuals under its jurisdiction to appeal to the ECtHR. The Court delivered its first judgment involving Azerbaijan in 2006, finding a violation of the right to a fair trial. Over the past two decades, ECtHR jurisprudence has increasingly highlighted areas of concern in Azerbaijan's civil procedure and judicial system, particularly in relation to Articles 6 (right to a fair trial) and 13 (right to an effective remedy) of the ECHR. These areas include excessive delays in

court proceedings, non-enforcement of domestic court decisions and issues of judicial independence and impartiality. It is evident that each of these issues has not only legal ramifications but also economic consequences. The protraction of litigation and the non-enforcement of judgements have the capacity to act as a deterrent to investment, increase transaction costs, and erode confidence in the rule of law. Furthermore, extending beyond the direct influence of the ECtHR, Azerbaijan's motivation for judicial reform has been fuelled by economic considerations. The precipitous decline in global oil prices in 2015 and the resultant pressure on the Azerbaijan economy, which is oil-dependent, have served as a clarion call to enhance governance and attract more diversified

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investment. This economic imperative reinforced the push for a more efficient and transparent judiciary, in line with the country's human rights obligations. Like many post-Soviet legal systems, Azerbaijan's judiciary has historically faced challenges in terms of efficiency and transparency. In the early 2000s, court proceedings were often slow, and backlogs of cases led to delays that could last for years. Such delays led the ECtHR to find violations of the "reasonable time" requirement of Article 6 in numerous cases. Azerbaijan has not been subject to a formal pilot judgment procedure concerning systemic delays or non-enforcement (unlike Ukraine, which was subject to the *Burmych v. Ukraine* ruling). However, the European Court of Human Rights (ECtHR) has adjudicated numerous cases against Azerbaijan pertaining to these issues. By 2022, the ECtHR had issued approximately 300 judgments against the Republic of Azerbaijan, with a substantial proportion relating to fair trial rights and the enforcement of judicial decisions. The prevalence of these judgments indicated to the Azerbaijani authorities that further reforms were necessary to address structural issues in civil procedure and court administration. The relationship between judicial efficiency and economic development has been a significant area of interest within economic research. Recent studies have demonstrated a direct correlation between judicial efficiency and key economic indicators, including investment climate, financial stability, and overall economic growth. The European Commission's 2022 EU Justice Scoreboard highlights a positive correlation between judicial efficiency and the quality of business environments and investment climates in EU Member States (European Commission, 2022). In a similar vein, the World Bank's 2023 report underscores the direct relationship between judicial efficiency and improvements in doing business, emphasizing positive developments in Azerbaijan following procedural reforms (World Bank, 2023). The OECD (2023) provides cross-country evidence that lends support to the notion that judicial reforms, particularly those influenced by ECtHR principles, contribute significantly to economic stability by enhancing legal certainty and reducing corruption. Furthermore, the IMF's analysis underscores the correlation between efficient legal systems and augmented economic growth, as well as heightened foreign direct investment attractiveness. The IMF (2023) asserts that robust judicial frameworks are imperative in emerging economies such as Azerbaijan. Moreover, the European Bank for Reconstruction and Development (EBRD, 2023) emphasises how judicial reforms in post-Soviet nations, including Azerbaijan, positively impact economic stability and investment attractiveness by addressing governance issues and judicial predictability. Collectively, these

studies provide a compelling economic rationale for Azerbaijan's alignment of its judicial reforms with ECtHR standards.

## 2. ECtHR Jurisprudence and Civil Procedure Reforms in Azerbaijan

The influence of ECtHR jurisprudence on the evolution of Azerbaijan's civil procedural law is evident in the country's reform trajectory. In response to violations identified by the ECtHR, including instances of protracted judicial proceedings and the failure to implement court rulings, Azerbaijan has initiated a series of legal and institutional reforms. These reforms are designed to enhance the efficiency of the judicial system and align with European standards. These reforms have been driven in part by the government's recognition that an effective judiciary is critical to both human rights and economic development. Reducing delays and backlogs: One of the consistent findings of the ECtHR is that undue delays in judicial proceedings violate the right to a fair trial. Lengthy civil litigation or enforcement proceedings not only violate individual rights, but also affect economic efficiency by tying up resources in unresolved disputes. To address this, Azerbaijan has introduced procedural mechanisms to expedite cases. In particular, in December 2018, amendments to the Civil Procedure Code of Azerbaijan established a new chapter on "simplified procedures for small court disputes". Under these amendments, small civil claims (up to 2,000 AZN) and economic claims (up to 10,000 AZN) can be resolved through a streamlined procedure without a full court hearing. It is incumbent upon the courts to review such claims based on written submissions and to issue a judgment within 30 days. This reform was directly aimed at improving efficiency and was influenced by practices in other European jurisdictions as well as the need to meet the "reasonable time" standard of Article 6. By expediting low-value and uncomplicated cases, judicial resources can be allocated to more complex matters, thereby reducing overall backlog. Early results of this innovation suggest a reduction in resolution times for minor disputes, benefiting creditors, small businesses and citizens through faster enforcement of contracts and payments. Improving the enforcement of judgments: Another area of scrutiny by the ECtHR has been the non-enforcement of domestic judgments, which the Court considers to be a violation of the right to an effective remedy (Article 13) and often of the right to property under Protocol 1, Article 1. In the context of Azerbaijan, the execution of final civil judgments has been of critical importance. The 2018–2019 judicial reforms also placed emphasis on the execution of court decisions. Specifically, the Presidential Decree of April 3, 2019, "On deepening reforms in the

judicial-legal system," emphasised the significance of ensuring the full and timely enforcement of court judgments as a priority. Measures such as the strengthening of the state bailiff service, the introduction of stricter oversight of enforcement procedures, and the use of electronic tracking for the execution of judgments have been part of the reform agenda. The objective of these measures is to enhance the enforcement of ECtHR judgments, with a view to addressing instances where the applicant's domestic victory has remained unfulfilled for an extended period due to inaction. From an economic perspective, the efficacy of enforcement mechanisms is pivotal in instilling confidence in businesses and investors. Contractual rights and awarded damages, while significant, are rendered largely ineffective if court decisions cannot be effectively implemented. Ensuring effective enforcement helps mitigate financial risks and contributes to a more stable business environment. The impact of ECtHR jurisprudence also aligns with broader efforts to modernize the judiciary to support economic development. A notable example is the creation of specialized courts for business-related cases. The 2019 Presidential Decree resulted in the establishment of new commercial courts (or specialisation within courts) to adjudicate disputes pertaining to entrepreneurship, including tax and customs-related issues. The decree acknowledged that the prevalence of inconsistent judgments and a paucity of expertise were having deleterious effects on the legal environment for businesses. By July 2019, a second dedicated commercial court will be established in Baku, increasing the number of judges dedicated to commercial disputes from five to nine, which will speed up the handling of such cases. The rationale is that judges well versed in commercial law can adjudicate more efficiently and predictably. This specialisation was influenced by European models and encouraged by bodies such as the Council of Europe's European Commission for the Efficiency of Justice (CEPEJ). It directly addresses concerns raised by businesses (and noted in ECtHR-related reform discussions) that protracted or ill-informed court processes were effectively a barrier to entrepreneurship. Early indicators, including the World Bank's Doing Business reports, have commended such measures. Azerbaijan was cited for facilitating the enforcement of contracts by introducing e-payment of court fees and expanding commercial courts. As a result, the average time to resolve a commercial dispute at the trial level in Azerbaijan is now around 277 days, significantly faster than in previous years and one of the better performances in the region. For foreign investors and local entrepreneurs alike, these changes signal a more reliable dispute resolution environment, thereby improving Azerbaijan's investment attractiveness. Introduction of Alternative

Dispute Resolution Mechanisms: Reflecting ECtHR principles that promote access to justice, Azerbaijan has expanded alternative dispute resolution methods to facilitate faster and more amicable resolution of civil disputes. A key milestone was the adoption of the Law "On Mediation" in 2019. This legislative measure was formulated with the assistance of CEPEJ experts and the World Bank, and its implementation formalised the practice of mediation as an adjunct to the court system, with a particular emphasis on the resolution of civil and economic disputes. The emphasis on mediation was further reinforced by ECtHR judgments that underscored the necessity for more accessible and less formal avenues to justice in civil matters. Mediation has been shown to reduce the court caseload and provide parties with faster, cost-effective resolutions, which have clear economic benefits. By 2020, mediation centres will be established and judges will refer certain cases to mediation before litigation. This is expected to reduce legal costs for litigants (who might otherwise spend years in court) and improve the overall efficiency of contract enforcement, thereby having a positive impact on the business climate. Digitisation and transparency are key aspects of Azerbaijan's reforms, which incorporate digital tools to meet both ECtHR standards and economic objectives. While the ECtHR does not explicitly mandate digitisation, it has consistently emphasised the importance of effective remedies and transparency in judicial proceedings as fundamental to the right to a fair trial. In response, Azerbaijan has accelerated the implementation of an electronic court system. The 2019 Presidential Decree mandated the Ministry of Justice to complete the rollout of the e-court information system, including a searchable database of court decisions. The establishment of an online platform for the filing of cases, the monitoring of progress, and the publication of judgments is intended to enhance the transparency and accessibility of the judicial system in Azerbaijan. This digital transformation, drawing on successful examples from other countries and CEPEJ guidelines, has an economic payoff: it reduces administrative burdens, minimises opportunities for petty corruption (as interactions between users and court staff become more automated), and saves time. To illustrate this point, in 2017 a pilot electronic court project in Baku's Yasamal district automated the processing of uncontested debt claims, allowing some orders to be issued within a 24-hour period. Judges expressed their appreciation for this innovation, as it relieved them from routine cases and enabled them to concentrate on complex disputes. The success of the pilot project, known as the "Silk Way" initiative, led to plans for nationwide implementation. This demonstrates how technology can help meet the ECtHR's timeliness requirement while also enhancing business confidence

in the judiciary. Through these efforts, Azerbaijan follows European trends, often guided by CEPEJ best practices, in leveraging technology for a more efficient judicial system.

### 3. Economic Implications of ECtHR-Driven Reforms

Azerbaijan's experience shows that aligning civil procedure with ECtHR standards has significant economic implications. Judicial efficiency, fairness, and accountability, which are central to ECtHR jurisprudence, also serve as key pillars of an attractive investment climate. The reforms implemented in Azerbaijan in response to ECtHR guidance and Council of Europe recommendations have had a dual impact by enhancing human rights compliance while strengthening economic performance indicators. Their effect on economic efficiency is particularly notable, as a well-functioning civil justice system lowers business costs by ensuring that contracts are enforceable and disputes are resolved without unnecessary delays or expenses. Empirical studies in Europe support the notion that judicial efficiency is correlated with economic growth. When courts resolve cases more quickly and predictably, businesses face less legal uncertainty and can plan with confidence. In Azerbaijan, the introduction of simplified small claims procedures is likely to have improved domestic economic efficiency by reducing the time that small businesses have to wait for debts to be recovered or obligations to be enforced. The creation of specialised courts for commercial disputes means that businesses can have their cases heard by expert judges, potentially reducing the number of appeals and the inconsistency of judgments. This specialisation not only responds to the ECtHR's call for competent courts, but also contributes to economic efficiency by streamlining the processing of cases in key economic sectors (tax, customs, contracts). There is also a macroeconomic dimension. By clearing case backlogs and accelerating proceedings, Azerbaijan's judiciary can more effectively support credit markets and commerce. When loan contracts and property rights are enforced without delay, banks become more willing to lend, and investors gain confidence, knowing that legal remedies are accessible in a timely manner. Research indicates that judicial inefficiencies, such as prolonged litigation or ambiguous rulings, can deter investment and even lead to capital flight, as investors seek jurisdictions where the rule of law is consistently upheld. In the case of Azerbaijan, ongoing improvements have been recognised externally. The World Bank's Doing Business 2020 report ranked Azerbaijan 34th out of 190 economies for overall ease of doing business, reflecting progress in the quality of regulations and contract enforcement. In the specific area of contract

enforcement, Azerbaijan's score and ranking improved after the reforms, with the country noted for innovations such as electronic payment of court fees and an increase in the number of judges handling commercial cases. While these changes were of an administrative nature, they were underpinned by the overarching objective of aligning with international standards of justice. These standards are further reinforced by the jurisprudence of the ECtHR and the country's obligations under the ECHR. Consequently, the mean duration for the resolution of commercial disputes at the trial level in Azerbaijan is currently approximately 277 days, which is considerably faster than in previous years and is among the most efficient performances observed in the region. Investment attractiveness and foreign direct investment (FDI) are closely linked to a country's human rights record, including the integrity of its courts, which has a complex yet important impact on foreign investment. Investors, particularly those from rule-of-law countries, often conduct due diligence on the legal environment. The ECtHR's monitoring has effectively provided an external audit of Azerbaijan's legal system, highlighting areas in need of reform. By addressing ECtHR judgments through reforms, Azerbaijan has signalled to international investors that it is committed to strengthening the rule of law. For example, in January 2018, President Ilham Aliyev issued a decree to encourage investment activity and better protect the rights of foreign investors. This decree called for the drafting of a new Law on Investment Activity that would be aligned with international standards. This new law would include mechanisms to compensate investors for damages or lost profits due to unlawful actions. These policy measures are complementary to the judicial reforms, in that the investment law provides substantive guarantees, and the procedural reforms (in courts and enforcement) ensure that these guarantees can be effectively realised. The timing was notable as it came while Azerbaijan was implementing court reforms, suggesting that improving the judiciary was part of a broader strategy to attract investment. Azerbaijan also faces competition for foreign investment from regional peers. For example, neighbouring Georgia, which has pursued aggressive judicial and anti-corruption reforms, ranks notably higher on governance indicators. Should the Azerbaijani legal system be perceived as deficient, investors may be inclined to favour countries with more robust judicial reputations. This regional context provides an additional incentive for Azerbaijan to sustain the momentum of reform in order to enhance its economic competitiveness. The establishment of courts and procedures that are favourable to business has a direct appeal to investors. When disputes arise between foreign investors and local partners or authorities, the availability of a fair and efficient forum to resolve them can determine whether

investors find the risks acceptable. In the past, investors in some countries with weak judicial systems have relied on international arbitration or investment treaty tribunals to seek justice, which can be costly for states (both financially and in terms of reputation). Azerbaijan's endeavours to strengthen its judicial system may result in a reduction of reliance on external arbitration, thereby instilling confidence in domestic legal remedies. This is economically beneficial as it keeps dispute resolution costs lower and within the national system. The financial implications of inefficient legal systems: Inefficiencies within the legal system can impose tangible financial burdens on both the state and private actors. Prior to the implementation of reforms, Azerbaijan incurred expenses due to its shortcomings in civil procedure in a number of ways. One was through compensation awarded by the ECtHR: when applicants win cases against Azerbaijan in Strasbourg, the government must pay "just satisfaction" (damages and costs). Individually, these sums are not enormous, but cumulatively they represent resources lost through avoidable problems such as delays in court proceedings. More importantly, the domestic economy bears the costs when justice is delayed or denied. Companies may build a "legal risk premium" into contracts or avoid certain transactions altogether. For example, a supplier may charge more or require advance payment if it fears that enforcing a contract in Azerbaijani courts could be lengthy. Similarly, banks may limit lending if they are uncertain about the timeliness of collateral repossession or debt collection in the event of a default. These hidden costs can deter economic activity and innovation. By implementing the changes initiated by the ECtHR, such as speeding up court proceedings and improving enforcement, Azerbaijan aims to reduce these hidden costs. Simplified court proceedings reduce the costs of lawyers and court expenses associated with lengthy litigation over small claims, effectively saving money for small businesses and ordinary citizens. The promotion of mediation can also save significant amounts of money by resolving disputes without lengthy court proceedings. Moreover, as judicial efficiency studies have shown, improvements in court performance can lead to higher levels of investment and growth. Azerbaijan's reforms, although relatively recent, are expected to have similar positive effects: a more predictable legal environment lowers the cost of capital and can increase the country's creditworthiness over time. It is also important to consider the costs of corruption, which are often linked to inefficiency. An opaque, backlogged system creates opportunities for bribery and favouritism (e.g., to expedite a case or to enforce a judgment out of turn). This not only violates the rule of law (and the ECHR requirement of a fair trial by an impartial tribunal), but also acts as a tax on business. Azerbaijan's Corruption Perceptions

Index (CPI) score in recent years has reflected persistent issues. In 2023, Azerbaijan scored just 23 out of 100, ranking 154th out of 180 countries, indicating that corruption and weak institutional integrity remain challenges. Every point of improvement in governance has the potential to boost economic performance. By following ECHR rulings and Venice Commission recommendations to strengthen the independence and integrity of the judiciary, Azerbaijan could reduce corruption-related costs. This in turn would improve its CPI and make it a more attractive place to do business. International experience shows that economies with a stronger rule of law tend to have higher productivity and GDP per capita, as investors feel more secure in committing resources. The Stability of the Legal Framework is crucial for long-term economic planning.

ECtHR jurisprudence has pushed Azerbaijan toward a more stable legal framework by necessitating that laws and procedures align with Convention standards. For example, where the ECtHR has found that a particular procedural rule violates the European Convention on Human Rights (ECHR), as has happened in some countries in relation to trials in absentia or restrictions on the right of appeal, it is incumbent on Azerbaijan and other states to amend their legislation to prevent future violations. Such amendments contribute to a more coherent and stable procedural code, often with clear guidance on fair trial guarantees. In the case of Azerbaijan, ongoing co-operation with European legal experts has led to improvements in civil procedure. For example, the involvement of the CEPEJ helped to develop guidelines for the selection and evaluation of judges, which were adopted to ensure that judges are competent and independent. Over time, building a merit-based judiciary reduces politically motivated shifts in jurisprudence and promotes consistency in case law. From a business perspective, a stable legal framework means that the rules of the game do not change unexpectedly and that similar cases have similar outcomes. This consistency has improved in Azerbaijan as courts increasingly look to ECHR case law for guidance, standardising interpretations of rights such as fair trial and property protection. Azerbaijan's Supreme Court has also issued instructions to lower courts to take ECHR decisions into account, helping to prevent the kind of erratic or arbitrary rulings that deter investors. To illustrate this point, consider the example of property disputes. Historically, expropriation or eviction cases were handled inconsistently. However, with the precise guidance provided by the ECtHR in cases against Azerbaijan's peers and a few against Azerbaijan itself, courts have become more cautious to follow due process. They are now aware that any major lapse could result in an ECtHR appeal and subsequent liability for the state. In summary, the alignment of

Azerbaijan's civil procedure with the jurisprudence of the ECtHR has gradually created a more efficient, reliable and fair legal system. This in turn strengthens economic efficiency, attracts investment, reduces unnecessary costs and stabilises the expectations of all market participants. Significant challenges remain to fully realise the economic benefits of these reforms.

#### 4. Ongoing Challenges and the Road Ahead

Despite notable progress, Azerbaijan still faces challenges in ensuring that ECtHR jurisprudence is fully integrated into domestic practice and that the intended economic benefits of judicial reform are realised. The inconsistent application of case law remains a concern, as not all judges and lawyers are equally familiar with ECtHR case law or willing to apply it. While formal training programmes have been conducted, there have been instances where domestic courts did not reference relevant Strasbourg principles, leading to judgments that were later overturned or questioned. This inconsistency can undermine confidence in the legal system, both public and commercial. Business thrives on predictability, and if similar cases lead to different outcomes, this unpredictability is a risk in itself. Continuing legal education and possibly more translations of ECtHR judgments into Azerbaijani are needed so that judges and lawyers can apply international human rights standards in the same way. Ensuring judicial independence and combating corruption are among the most profound challenges. The ECtHR has, in cases from various countries, underscored that an independent tribunal is part of the Article 6 fair trial guarantee. In the context of Azerbaijan, concerns have been raised regarding the independence of the judiciary. There have been anecdotal reports of informal influence by powerful interests or government officials, though substantiating evidence is lacking. This perception has been known to affect economic decisions, for example, a foreign investor might fear that a local court will favour a domestic party with political connections, regardless of the legal merits. Such fears can deter investment or lead investors to seek contract clauses that avoid local jurisdiction (such as arbitration abroad), meaning that local courts lose out on important cases that could set positive precedents. Azerbaijan's 2019 reforms have taken steps in this direction, such as increasing judicial salaries and requiring strict disciplinary action for judicial misconduct. The April 2019 decree explicitly aimed to "ensure the independence of judges" and prevent external interference in judicial affairs. In the long term, it is imperative that judges are insulated from undue influence and that anti-corruption measures are rigorously enforced within courts. This will not only ensure compliance with Article 6 of the Convention

but also enhance Azerbaijan's reputation as a nation governed by the rule of law, thereby fostering both domestic entrepreneurship and foreign investment. The implementation of ECtHR judgments remains an ongoing task. The Committee of Ministers of the Council of Europe supervises how Azerbaijan enforces the Court's judgments, and as of the end of 2022, over 200 cases were pending execution, including several leading (precedent-setting) cases. Some of these cases relate to civil procedural issues (such as non-enforcement or fairness of proceedings). Delays in fully implementing these judgments (e.g., by passing specific legislation or reopening flawed court cases) may send a mixed message about Azerbaijan's commitment to reform. From an economic perspective, a backlog in the implementation of human rights judgments could worry investors who equate it with broader governance issues. It is therefore in Azerbaijan's interest to proactively address the root causes identified by the ECtHR. This can be achieved by changing laws, training judges, or providing remedies to victims, thus preventing repeat violations and demonstrating a steady improvement trajectory. A notable illustration of this phenomenon is the series of cases emanating from the *Mammadli v. Azerbaijan* judgment, which pertains to the treatment of civil society activists. These cases continue to be subject to the enhanced oversight of the Committee of Ministers, owing to delays in the complete restoration of the applicants' rights. While these cases concern political rights rather than commercial matters, their non-implementation has the potential to adversely impact Azerbaijan's international image and, consequently, investor confidence in the consistency of the rule of law. Public trust and the usage of the legal system serve as the ultimate test of reforms influenced by ECtHR standards. The key question is whether individuals and businesses feel confident using the legal system to resolve disputes, as public trust in courts is crucial. Historically, when people doubt the fairness or speed of the courts, they may resort to informal means or not enforce contracts at all, which stifles economic activity. There are encouraging signs: court users in Azerbaijan have started to see improvements, such as faster processing of small claims cases and more user-friendly court services (e.g., e-filing and information kiosks). The rise of mediation also provides an alternative that can preserve business relationships through amicable settlements. However, sustained efforts are needed to ensure that these initiatives are widely available, including in regions outside the capital Baku, so that the economic benefits of an improved justice system are felt across the country. Azerbaijan's government has acknowledged many of these challenges, and its strategic documents often refer to the importance of aligning with European standards. International partners, including

the European Union and the World Bank, continue to provide support for projects aimed at the modernisation of the judicial system. It is anticipated that forthcoming reforms will encompass more profound qualitative enhancements, thereby ensuring not merely the expediency of justice, but also its efficacy. For instance, the development of coherent jurisprudence to protect property rights (in accordance with the interpretations of ECtHR's Protocol No. 1) is vital for areas such as intellectual property, land, and contractual rights, which are key for a diversified economy.

## 5. Conclusions

Azerbaijan's civil procedural law and practice have evolved significantly under the combined influence of ECtHR jurisprudence and the country's economic development strategy. The case study of Azerbaijan demonstrates that compliance with international human rights standards, particularly those of the ECtHR, can be achieved in conjunction with improvements in economic governance. By addressing issues such as judicial delays, inconsistent rulings, and weak enforcement – problems illuminated by ECtHR cases – Azerbaijan has taken steps to create a more efficient and reliable legal system. These steps include legislative changes (such as the introduction of simplified procedures in 2018), institutional reforms (such as specialised commercial courts and a new mediation framework) and technological innovations (such as e-courts and automated case management). The economic impact of these reforms is broadly positive. A more efficient judiciary lowers barriers to doing business, reduces uncertainty in trade and improves the protection of property and contractual rights. Early outcomes, including enhanced rankings in ease-of-doing-business reports and anecdotal feedback from businesses, suggest an increase in confidence in Azerbaijan's dispute resolution mechanisms. Furthermore, the alignment with the standards of the ECtHR

has enhanced Azerbaijan's international standing, instilling confidence among investors that grave violations of fair trial rights are being addressed and that there is external oversight of the country's legal reforms. Nevertheless, the process of achieving the dual objectives of judicial fairness and economic efficiency is an ongoing one. Azerbaijan must continue to ensure that legal reforms are not only enacted on paper but also implemented in courtroom practice. This encompasses the ongoing training of judges in ECtHR case law, the vigilant enforcement of anti-corruption measures, and the engagement with civil society and the legal community to monitor the impact of reforms. For instance, the judiciary could leverage Artificial Intelligence (AI) tools to assist with case management and decision support. This is an idea that is already being discussed within Azerbaijan's legal community. The judicious application of such technology has the potential to further streamline procedures and enhance consistency, thereby complementing the ongoing human-driven reform initiatives. Consequently, future research and policy should pay close attention to the interplay between judicial reform and economic outcomes, ensuring that gains in legal standards translate into tangible improvements in the lives and prosperity of the population. The experience of Azerbaijan suggests that other countries seeking to leverage human rights compliance as a driver for economic improvement should note that, while challenges in transforming the judiciary are substantial, the payoff in terms of rule of law and economic growth is well worth the effort. In conclusion, an economic analysis of ECtHR jurisprudence demonstrates that the protection of human rights in civil procedure, ensuring timely, independent, and effective justice, is not merely a legal or moral obligation, but also a foundation for sustainable economic development. The case of Azerbaijan highlights that as the country continues to align its civil procedure with European standards, both its citizens and its economy stand to benefit from the enhanced rule of law.

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