

By Farid Abbasov

In July 2007, Vladimir R., a Georgian businessman, traveled by car from Tbilisi to Baku for business. The 400-kilometer drive from the Georgian-Azerbaijani border to Baku made his pocket lighter by 180 new manat (US\$211). He said he paid numerous small bribes to Azerbaijani customs and road police officials. "All that started at the customs on the Azerbaijani side," Vladimir explained. Although Vladimir's documents were in order, a customs officer demanded a 60-manat (US\$70) bribe before he would allow him to cross the border. "We argued a lot and I finally paid 40 (US\$47)," Vladimir said.

20 kilometers further along, Vladimir's jeep was stopped by road police on the highway. "I did not violate any rules. As I understood later, the police are used to stopping all cars with foreign plates there," Vladimir said.

The officer first sought reasons to delay Vladimir's trip, and then asked for a 100-manat bribe (US\$117). A bargaining session full of shouting ended with a 45-manat (US\$53) deal.

At the next police post, Vladimir tried a new tactic: "I stretched my documents with five-manat (US\$6) banknotes before giving them to policemen every time they stopped me." By the time he reached Baku, Vladimir paid a total of 140 manat (US\$164) in bribes to policemen along the way.

"Corruption remains a major problem in Azerbaijan, affecting all levels of society and threatening the economic, social and political development of the country," reported the Parliamentary Assembly of the Council of Europe. The road police are just one of the corrupt state agencies affecting daily lives of ordinary people. After a significant increase in road police wages in 2005, some improvements were notable. However, they didn't last long. Now Azerbaijanis can easily escape the official penalty, including cash payment and withdrawal of a driver's license, by paying a five- to 40-manat (US\$6 to \$47) bribe right on the street. Variations of the amount depend on the severity of traffic violation and the size of the driver's pocket.

Bribery among road police is ubiquitous. For the price of a 400- to 500-manat bribe (US\$470 to \$597) a driver's license can be obtained within two days without any exams and tests. The annual mandatory technical test of your car will cost you 50 manat (US\$59); if you refuse to

pay, obscure criteria will be applied to deny your car proper authorization.

If you buy a car, it will go nowhere until you pay 400 manat (US\$470) as an illegal “installation” fee to the road police’s registration department. The booming car purchase statistics imply that illegal road police revenue obtained via documentation of car purchases and mandatory tests is a lucrative multi-million business.

The government often fails to adjust its policies toward behavior that stimulates corruption. For instance, owners of luxury cars are always ready to pay from 50 (US\$59) to several thousand manat for so-called “prestigious” number plates, and the government takes no action to benefit from the demand for these plates. As a result, corrupt road police officers take advantage of the situation.

Corruption in Azerbaijan is endemic. Government institutions, especially in the area of procurement of goods and services, are not transparent. “Every third manat from the country’s consolidated budget in 2006-2007 is being spent on ambitious government projects on infrastructure improvement. Meanwhile, there are serious problems with this spending while the system is not transparent [selection of projects, choosing of contractors and implementation],” says Inqilab Ahmadov, director of the Baku-based Public Finance Monitoring Center (İctimai Maliya Monitoring Markazi).

In July 2007, Elxan Salaxov, correspondent of the local Gun Sahar weekly, received the “Media Key” (Media Açarı) journalist award for a series of articles called “Bridge-eaters.” He investigated the transparency of the government’s spending on the construction of traffic bridges in Baku between 2006 and 2007. According to Salaxov, tens of millions of manat were allocated from the budget without detailed descriptions of costs, and then spent without any public bidding. “According to the government, each bridge cost in average 7 million manat (US\$8.2 million). However, the public in Azerbaijan is not aware of the procedures for selection of contractors and procurement for those construction works,” the journalist said.

Azerbaijanis traditionally face corruption when dealing with education, health care, courts and public utility services. Bribery in the education system begins in kindergarten and ends at university graduations. Parents have to pay extra 10 to 20 manat (US\$12 to \$23) per month per child to kindergarten teachers. During high school, parents pay 300 to 400 manat (US\$352 to \$470) a year to school

directors to falsify attendance records while their children study with private tutors to prepare for university admission exams. At the universities, every semester costs the lazy student from 200 to 1,000 manat (US\$235 \$1,175).

In the state health care system, patients or their relatives have to “thank” the heavily underpaid doctors and nurses for services. Each surgery has a “fixed” price depending on its complexity.

The judiciary remains among the most corrupt institutions in Azerbaijan. According to Alimamed Nuriyev, coordinator of NGO Cooperation Network Against Corruption (Korrupsiyaya qarshi QHT sabakasi), judges wages have increased four times since 1999, but the largest number of citizens’ complaints about corruption still involve the courts. Corruption in the country’s Economic Court (entrepreneurs often call it the “Economic Exchange”) is a serious obstacle to investment growth in Azerbaijan.

Business circles complain even more about corruption in customs, where total bribes may reach 35 percent of the value of imported goods. Another headache for local and foreign entrepreneurs is the newly (2006) established Ministry of Emergencies. Its unclear, complex and frequently changing standards interfere in all kinds of business activities. The only way to satisfy the ministry is a bribe or the purchase of an item (like obligatory fire safety equipment) from a company personally affiliated with its top officials.

The government does recognize the existence of corruption and is making efforts to reduce it. On March 12, 2007, the top-level government commission against corruption published a report about implementation of the state program in the fight against corruption from 2004 to 2006. Legislative improvements in the criminal code and other key laws made corruption a heavier crime and defined it with more detail. The hiring of government employees is increasingly managed on competitive grounds.

President Ilham Aliyev introduced “The National Strategy on Increasing Transparency and Strengthening the Fight Against Corruption in Azerbaijan in 2007-2011.” The strategy engages a broad range of government agencies in a systematic approach and envisions a broad range of measures aimed at reducing corruption. For example, some of the measures will simplify businesses registration procedures.

According to Prosecutor General Zakir Garalov, 150 people have faced corruption charges since 2005. 56 cases have been taken to courts by his agency's Anti-Corruption Department and another 258 people have been found guilty for corruption by the courts.

The completed trial of former Health Minister Ali Insanov and the ongoing trial of former Economic Development Minister Farhad Aliyev are the most telling corruption cases in recent years. Both ex-ministers were arrested in October 2005 on coup charges, but later only faced charges of "economic crimes." The ex-ministers turned their trials into a political show, revealing the subtle corruption network of the Azerbaijani government. Still, not a single law enforcement agency has set up investigations based on the revelations.

The Council of Europe's Group of States Against Corruption recently published a report calling Azerbaijan a country "where the scale of corruption is threatening its economic and political development." So far, the Azerbaijani government has taken very modest and inconsequential steps toward fighting corruption in its country. As a result, Azerbaijan continues to be criticized for corruption by the global community.