

Corruption Allegations Fuel Azeri Energy Crisis

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Accusations are flying as one of the biggest petroleum producers in the Caucasus runs out of oil.

Azerbaijan's president, Heydar Aliev, has blamed venal bureaucrats for a major energy crisis, which has plunged the former Soviet republic into darkness.

Aliev claims corrupt officials have been stealing oil and creaming off proceeds from the electricity industry. His opponents, however, insist that the crisis has more to do with his government's incompetence.

Some parts of Baku are without electricity for much of the day, or even longer. And in rural settlements, which have long been martyrs to power cuts, the shortages have been far more acute.

Meanwhile, the independent television channel, Azerbaijan News Service, has been broadcasting worrying reports that there is only enough fuel oil for another three days. Newspapers say there's enough for at least another week.

The situation is comical and nonsensical: oil is running out in one of the main petroleum producing countries in the region.

People are rapidly losing patience with the government. Protest meetings have been held in Gyanzh, the second biggest city in Azerbaijan after Baku, and Sabirabad, a southern region of the country, for the most part inhabited by refugees from Armenia.

In the northern centre of Belakan, villagers met to demand that the government sack the head of a local electricity supply company and the head of the executive authorities in the region, but the gathering was disrupted by police.

Recently, television stations broadcast a bizarre show entitled, "Emergency meeting with the president of the country". In the broadcast, Aliev affected anger with his subordinates over the energy crisis, blaming it on "corrupt" and "irresponsible" officials.

The Azeri leader accused some of the unfortunate bureaucrats featured in the show of stealing oil and selling it off. "Some of the people sitting in this room are living comfortably on those proceeds," he said.

He also claimed functionaries were enriching themselves out of electricity bill payments. Officially, just under a third of bills are paid, but Aliev believes the real figure is twice as high with corruption accounting for at least half the proceeds.

Aliev spoke of other serious economic crimes, ranging from the syphoning of oil from petroleum pipelines to fraudulent dealings in the energy sector. He said it was an astonishing fact that several illegal oil-refining enterprises were operating in Azerbaijan.

The head of state demanded that the public prosecutor investigate the alleged crimes and severely punish

those found guilty. He also called on his cabinet to immediately draw up proposals for the privatisation of the country's electric supply network.

Furthermore, Aliev hit out at the state-owned power generating companies, sacking the deputy president of Azerenergy, Mahomed Novruzov, and the acting president of Azerigas, Alihusein Dzhamalov, for failing to resolve the fuel crisis - a move that has infuriated some members of the opposition.

They believe that Aliev is looking for scapegoats to deflect attention away from his own government's shortcomings. The deputy chairman of the Party for National Independence of Azerbaijan, Nazim Imanov, believes the fuel crisis is less to do with corruption than the government's lack of an economic strategy.

The chairman of the economic commission of the Musavat Party, Gubad Ibadoglu, blames the problems on the slow pace of reforms in the energy sector. Two years ago an electricity privatisation decree was enacted, but it was never implemented as corrupt bureaucrats risked being deprived of "dirty money".

Both Imamov and Ibadoglu believe that the country produces sufficient electricity, but shortages arise because some of it gets sold abroad illegally. Some believe resources are also squandered on grandiose leisure centres. A local millionaire and friend of the president's family, Iskender Khalilov, built one such centre in downtown Baku. A revolving spotlight on its roof lights up the city throughout the night.

The people, as always, believe the situation will sort itself out and the guilty parties will be punished. They remain silent and simply wait for the day when the authorities' appetites are sated. In Azerbaijan, though, people are naive. They don't understand that, here, the authorities are insatiable.

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