

Description of the Research Project

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Topic: Historical Analysis Of The Energy Sector In Kyrgyzstan And The Causes Of The Current Energy Crisis

This research project analyzes the current problems of the energy sector in Kyrgyzstan from its Soviet history perspective, exploring how the interplay of political, economic and socio-cultural factors caused the current energy crisis. We use a mix of source materials to conduct the analysis: reports and secondary data from international institutions, academic research papers, and personal first-hand insights obtained through living in the country. In our investigation we delve into the principles that governed the construction of the electricity grid and the energy supply sources in the Soviet period. We outline key principles of Soviet planning in order to understand the key role played by infrastructure sectors in the USSR, and the political-economic factors governing the planning and growth path of these sectors. One such principle was capturing economies of scale. Hence, the design of the high-density grid in the region encompassed different Central Asian states and the Soviet Union, taking strategic advantage of different supply sources in different countries. This led to a well-diversified energy supply mix. Another planning principle was adherence to low consumer prices. After the USSR breakup, the central management of this system was abolished and the different newly independent states inherited different parts. Kyrgyzstan got saddled with a truncated system, clearly sub-optimal from a national viewpoint. It suffers from a very high dependence on one large hydro supply source and an unhealthily high dependence on electricity throughout the economy. Meanwhile, the importance of socio-cultural factors is evident from the fact that the population has remained deeply antagonistic towards electricity price increases, so that the dire financial situation of the hydro generation plants could not be improved. In many ways, the Soviet past still hangs heavily over the country's current energy problems, which severely constrains its capacity to develop adequate solutions for the future.