

Impact Factor:

ISRA (India) = 6.317
ISI (Dubai, UAE) = 1.582
GIF (Australia) = 0.564
JIF = 1.500

SIS (USA) = 0.912
ПИИИ (Russia) = 3.939
ESJI (KZ) = 8.771
SJIF (Morocco) = 7.184

ICV (Poland) = 6.630
PIF (India) = 1.940
IBI (India) = 4.260
OAJI (USA) = 0.350

SOI: [1.1/TAS](#) DOI: [10.15863/TAS](#)

International Scientific Journal Theoretical & Applied Science

p-ISSN: 2308-4944 (print) e-ISSN: 2409-0085 (online)

Year: 2022 Issue: 11 Volume: 115

Published: 10.11.2022 <http://T-Science.org>

Issue

Article



M.V. Khalilova

International University of Kyrgyzstan
Candidate of Economic Sciences, assistant professor
Kyrgyz Republic, Bishkek

V.I. Guseva

Kyrgyz-Russian Slavic University
Doctor of Economics, Professor,
Kyrgyz Republic, Bishkek

N.M. Namatbekova

International University of Kyrgyzstan
Candidate of Political Sciences, assistant professor
Kyrgyz Republic, Bishkek

INDUSTRIALIZATION OF KYRGYZSTAN: RETROSPECTIVES AND MODERNITY

Abstract: The article attempts to comprehend the experience of industrialization in Kyrgyzstan during the Soviet period and the possibility of its use in modern processes of market restructuring of the economy. The features of socialist industrialization in the Kirghiz SSR are briefly analyzed, possible ways of carrying out the reindustrialization of the Kyrgyz Republic at the present stage are outlined. The relevance of this problem is caused by the need to determine the modern model of economic development of Kyrgyzstan.

Key words: Kyrgyz Republic, socialist industrialization, industrialization, economic development.

Language: English

Citation: Khalilova, M. V., Guseva, V. I., & Namatbekova, N. M. (2022). Industrialization of Kyrgyzstan: retrospectives and modernity. *ISJ Theoretical & Applied Science*, 11 (115), 477-481.

Soi: <http://s-o-i.org/1.1/TAS-11-115-25> **Doi:**  <https://dx.doi.org/10.15863/TAS.2022.11.115.25>

Scopus ASCC: 3308.

Introduction

An appeal to the past experience of the historical and economic development of Kyrgyzstan in order to determine the optimal model of economic development corresponding to its current state in the context of globalization is urgently needed. The purpose of the article is to consider the experience of carrying out socialist industrialization in Kyrgyzstan and to note its positive and negative aspects and the possibilities of using the experience of the past in the modern life of the country.

In the history of the socio-economic development of Kyrgyzstan in the Russian-Soviet period, industry played a significant role, being the locomotive of the progressive development of the national economy, changes in the social structure of

society, and the formation of an advanced image of the people and the country.

Materials and methods

The dialectical approach to the study of the patterns of formation and development of the industrialization process of the Soviet period and the potential of modern Kyrgyzstan served to analyze the experience of industrialization in Kyrgyzstan, general scientific empirical and theoretical methods of system analysis, analogy, historical and logical research methods, as well as induction and deduction, data visualization techniques were used.

Results and discussion

Impact Factor:

ISRA (India)	= 6.317	SIS (USA)	= 0.912	ICV (Poland)	= 6.630
ISI (Dubai, UAE)	= 1.582	ПИИИ (Russia)	= 3.939	PIF (India)	= 1.940
GIF (Australia)	= 0.564	ESJI (KZ)	= 8.771	IBI (India)	= 4.260
JIF	= 1.500	SJIF (Morocco)	= 7.184	OAJI (USA)	= 0.350

The history of Kyrgyzstan from the time of acceptance of Russian citizenship to the collapse of the USSR proceeded in the general context of Russian-Soviet history. Therefore, all their advantages, achievements, shortcomings and contradictions had a common methodological and theoretical basis.

Since the middle of the XIX century, being a colony of the Russian Empire, Kyrgyzstan has been objectively involved in the world commodity circulation as a raw material appendage. The industry of Kyrgyzstan before the Great October Socialist Revolution consisted of small semi-industrial enterprises for the extraction of coal, salt and primary processing of livestock raw materials. After the end of the civil war, these rudiments of industrial production were undermined.

The modernization processes that began in Kyrgyzstan with its entry into Russia in the middle of the XIX century, significantly intensified in the early XX century, due to the large-scale transformations that the Great October Socialist Revolution brought with it.

The end of the 20s - 30s of the XX century dramatically changed the socio-economic portrait of Kyrgyzstan. During this period, large-scale changes took place in all spheres of life of the Kyrgyz society, associated with a radical restructuring of political, socio-economic relations that affected the socio-economic system, education, health care and other areas of society.

The Kyrgyz people acquired statehood, Kyrgyzstan became a union republic, which became equal with other republics of the USSR.

In Kyrgyzstan, as in the whole Soviet country, in accordance with the instructions of V.I. Lenin, the Communist Party and the government put forward the task of forced industrialization, capable of putting the Soviet state among the economically developed countries of the world. The main emphasis was placed on large-scale industry not only in the central industrial areas, but also in the national republics. In the uniform distribution of productive forces throughout the territory of the Soviet country, the leadership saw the most important means of eliminating the economic backwardness of the peoples who were transitioning to socialism from the pre-capitalist system.

The industrialization of Kyrgyzstan was designed to solve such important tasks as the elimination of the technical and economic backwardness of the republic, its transformation from agrarian to industrial-agrarian, strengthening and expanding socialist industrial relations, and the creation of a material and technical base, the formation of qualified national workers and engineering and technical intelligentsia.

In general, the tasks of socialist industrialization in Kyrgyzstan were the same as in the country as a

whole, but the conditions and pace of their implementation had their own distinctive features. In Kyrgyzstan, the task was much simpler and at the same time a hundred times more difficult. Kyrgyzstan has started to industrialize, being a backward agrarian region.

Industry and modern agriculture were not to be reconstructed, but to create, often from scratch, almost to create anew a cadre of skilled workers and engineering and technical intelligentsia.

"In this regard, the most important feature of the industrialization of Kyrgyzstan was the increase in the pace of economic development, the advance of its industrial development in comparison with the central regions of the USSR" [1].

"Industrialization required huge investments. For Kyrgyzstan, the main source of industrialization was the fraternal assistance of the peoples of the USSR in the form of appropriations from the budgets of the USSR and the RSFSR. Therefore, the growth rate of capital investments in the national economy of the republic was higher than in the country as a whole. Thus, in the first five years, the share of the federal budget in the budget allocations of Kyrgyzstan was 96.3%, and the share of the local budget was 3.7%" [2, p.548].

"State lending was also an important source of industrialization of Kyrgyzstan. The amount of long-term loans for the needs of industrial construction in the republic was 3.4 million rubles in 1926, 8.4 million rubles in 1928" [3, p. 44]. Industrialization was also facilitated by the savings of workers placed in savings banks, a strict regime of saving money and material resources, and the struggle to reduce overhead costs.

"The total volume of industrial output in 1940 exceeded the level of pre-revolutionary Kyrgyzstan by 10 times" [1, p.7]. "The years of industrialization had a great impact on the growth of the well-being of the population of the republic. For 13 years, from 1926 to 1939, the state budget of the Kirghiz SSR increased more than 70 times" [4].

It should be noted that the predominance of agricultural production in the republic necessitated the priority development of the processing, food and textile industries, as well as the mining industry, which contributes to the development of natural resources.

The main principle of the industrialization of Kyrgyzstan was the approximation of production to sources of raw materials, fuel and areas of consumption, taking into account national factors in the distribution of productive forces and the division of labor. This approach contributed to the correct combination of the interests of the Kirghiz SSR with the interests of the country as a whole.

During the Great Patriotic War, the industry of the republic grew sharply, the output of gross

Impact Factor:

ISRA (India) = 6.317
ISI (Dubai, UAE) = 1.582
GIF (Australia) = 0.564
JIF = 1.500

SIS (USA) = 0.912
ПИИИ (Russia) = 3.939
ESJI (KZ) = 8.771
SJIF (Morocco) = 7.184

ICV (Poland) = 6.630
PIF (India) = 1.940
IBI (India) = 4.260
OAJI (USA) = 0.350

industrial output in 1945 was higher than the pre-war 1940 by 22%.

However, the structure of industrial production in the Kirghiz SSR was drastically changed towards the development of heavy industry due to the evacuation of more than 30 plants and factories of defense significance here without taking into account the economic conditions of the republic for political reasons dictated by defense necessity.

The post-war period is characterized by the implementation of a new grandiose industrial construction, but without taking into account economic feasibility. As a result, the production base of the heavy industries of the Kyrgyz SSR has significantly strengthened, the machine-tool, tool-making, instrument-making, and electrical industries have developed, which were cut off from the sources of raw materials and components. The economy of Kyrgyzstan developed as an organic component of the national economic complex of the USSR, within the framework of the all-Union division of labor, which allowed it to function only within its framework, depending to a large extent on the supply of raw materials and components from other republics. Any industrial production in the republic could function successfully only in close relationship with the whole country. As a result, the share of Kyrgyzstan's industry grew from 3% in 1913 to 50% in the 80s. The republic's industry, created during the years of Soviet power, produced 211 times more products than in 1913. Kyrgyzstan has become an industrially developed country. The successes achieved in such a short period of time could be called a "Kyrgyz miracle".

However, ignoring the economic laws of development, the huge centralization of the national economy of the country, the functioning of the economy, primarily on the basis of ideological and political laws, led the Soviet economy to a crisis and collapse.

With the collapse of the USSR and economic relations, the massive outflow of the European population, the industry of Kyrgyzstan, almost completely dependent on the Union budget, was dismantled, since it did not have a solid base of existence and raw materials for heavy industry. The transition to market relations had a negative impact on the industry of Kyrgyzstan.

Due to the loss of financial support from the central budget of the Soviet Union, Kyrgyzstan was in an economic crisis. In order to maintain the previous achievements, Kyrgyzstan needed significant financial and technical assistance from the international community.

In just the first 10 years after independence, the country rolled back in its economic development and turned from an industrial-agrarian into an agrarian-industrial country, the most important sector of the economy of which was agriculture.

Today, the industry of the Kyrgyz Republic is in a very difficult situation. The Kyrgyz Republic is a classic example of deindustrialization, it fully corresponds to the definition of Caincross [Cairncross A. What is deindustrialization? - London: Pergamon, 1982.] (Cairncross, 1982), according to which the country has:

- a consistent decline in the volume of industrial production or employment of the population in the manufacturing sector;
- the process of migration from the production of goods to the production of services, in which the share of industrial production in the final product decreases and the share of services increases;
- reduction of industrial production in the export structure of a country or region;
- the long-term persistence of the trade deficit leads to the inability to pay for imports and, consequently, leads to a new round of decline in industrial production.

In the economic science of Kyrgyzstan, in contrast to the official state economic policy, various points of view have been put forward on the formation of ways to develop the country's economy.

Thus, in the Kyrgyz historical science, possible alternative ways of socialist industrialization of the Kyrgyz Republic were put forward. Back in 1962, a book by the economist N.E. Esipov, who questioned the correctness of the choice of industrialization in Kyrgyzstan through the creation of heavy industry. The economist noted the correct industrial policy pursued in Kyrgyzstan during the first five-year plans, when "the starting point for industrialization was light industry enterprises, without which it was difficult to erect a building of heavy industry from scratch, when the production of consumer goods had to be drawn into the whirlpool of industrial production in the shortest possible time. life of the local population, prepare the ground for heavy industry, strengthen the development of trade" [5, p.105]. Due to a number of historical reasons in connection with the Great Patriotic War, which caused the need to strengthen the country's defense capability, heavy industry began to develop in Kyrgyzstan in favor of specific military consumption. This direction of priority development of heavy industry remained in the future, in the post-war years. N.E. Esipov called the subsequent stage of industrial development of the republic a period of continued industrialization. He put forward the concept of a more complete use of raw materials and labor resources of each national republic and the general principle of efficiency, strengthening the local production base to bring it in line with the raw materials of the republic, combining industrialization with the correct geographical location of enterprises. To do this, he proposed to create the necessary model for the development of Kyrgyzstan as an economic region, taking into account the proximity of production to consumption areas, the economic

Impact Factor:

ISRA (India)	= 6.317	SIS (USA)	= 0.912	ICV (Poland)	= 6.630
ISI (Dubai, UAE)	= 1.582	ПИИЦ (Russia)	= 3.939	PIF (India)	= 1.940
GIF (Australia)	= 0.564	ESJI (KZ)	= 8.771	IBI (India)	= 4.260
JIF	= 1.500	SJIF (Morocco)	= 7.184	OAJI (USA)	= 0.350

efficiency of natural resources and the availability of appropriate labor resources, in each republic should develop, first of all, those industries for which there are the most favorable natural and economic conditions.

Subsequently, his point of view was supported and developed by M. Malabaev, who also believed that for the Central Asian industrially backward regions of the USSR, first of all, it was necessary to develop the light and food industries, that is, the industries of group "B" - the production of consumer goods. If this concept had been implemented at the time, then perhaps Kyrgyzstan after the collapse of the USSR would not have faced, or to a lesser extent, the severe economic problems of the current decline in the level of economic development.

Kyrgyzstan is in the process of searching for ways to update the economic system, choosing a model and strategy for economic development. Most economists tend to think that the reindustrialization of the country should be at the heart of the economic recovery [7]. The various authors are essentially united in understanding the strategic development goals and the need for reindustrialization in the country. However, there are certain discrepancies in the definition of priorities and the nature of actions. At the same time, the drivers of the rise of industry are called the most diverse branches of industrial production, however, all economists are united in one thing, understanding by reindustrialization not only the process of effective innovative renewal of traditional sectors of the economy, but also the creation of new high-tech industries in accordance with the new technological order.

The unity of views is also manifested in the opinion of the majority on the issue of the development of heavy industry in Kyrgyzstan in the form in which it developed during the Soviet period. Mechanical engineering is given a certain importance, but only within the framework necessary in connection with the emerging new sectoral structure of the economy: mechanical engineering for the agricultural and food industries, mining and servicing hydropower [8]. At the same time, it is proposed to bet on new types of industries: the development of the radio-electronic and electrical industries using semiconductor materials obtained on the basis of our own mineral resources, etc. Such an approach to industrial policy takes into account, in our opinion, the historical experience of the development of our republic [9].

In our opinion, the launch of reindustrialization processes for Kyrgyzstan is due not only to the need to ensure the restoration of traditional basic industries on a modern technological basis (modernization policy), but to the need for sectoral and structural restructuring of industries, taking into account the raw material, labor and other opportunities of the country.

What else does the experience of our history teach us?

As it is known, in the Soviet Union, the entire economy was rigidly state-controlled, the state exercised full control over economic activity. In Kyrgyzstan, in an effort to quickly introduce the principles of a market economy into the economy, they chose a liberal-market economic model, a policy of reducing state regulation of business, which ultimately led to a violation of the balance of interests of the state, business and the community and was one of the reasons for the decline in industrial production. Meanwhile, in the modern economic development of many countries of the world, the role of the state in managing economic processes is increasingly increasing. The USA, France, Germany, Japan and other highly developed countries are actively taking measures to support or develop specific sectors of the economy with the help of the main instrument – industrial policy. In a country where transformational processes are taking place, the role of the state is even more increasing. According to the Russian economist professor Yu . Knyazev, "the state plays a big role in the market economy. In different countries and at different stages of their development, state intervention in economic life varies in scale and means, but it is inevitably carried out, turning the state in the person of its authorities into the most important economic entity" [6, p. 28].

Therefore, taking into account our historical experience in Kyrgyzstan, it is necessary to determine the necessary balance in the implementation of the role of the state in the economy, since only the state is able to implement a set of legal, economic, organizational and other measures in the formation of a new type of industry structure [10].

During the Soviet period of our history, the economy of Kyrgyzstan and, in particular, its industry was closely integrated into the unified national economic complex of the USSR, which made it possible to create an industrial-agrarian economy in an underdeveloped area in a short time. At the same time, there is a high dependence of the republic's industry on inter-republican supplies of raw materials and materials.

By now, when the Kyrgyz Republic is part of the global world economy, the international division of labor has already secured for all countries their place in the system of international production of goods and services, we can say that the West has already integrated our economy into the world community as a primitive, resource-based, underdeveloped countries with an inefficient, uncompetitive market.

Conclusion

Foreign economic integration in a globalized world is necessary, but on different terms that respect our national interests. We are convinced that this can be achieved only as part of an integration grouping, in

Impact Factor:

ISRA (India) = 6.317
ISI (Dubai, UAE) = 1.582
GIF (Australia) = 0.564
JIF = 1.500

SIS (USA) = 0.912
ПИИИ (Russia) = 3.939
ESJI (KZ) = 8.771
SJIF (Morocco) = 7.184

ICV (Poland) = 6.630
PIF (India) = 1.940
IBI (India) = 4.260
OAJI (USA) = 0.350

regional integration, in particular, within the framework of the EAEU. The restoration and development of economic ties with neighbors in the region, but on a new basis, will enable the republic's industry to develop. At the same time, it is necessary to calculate which positions should be used to enter the regional, which – to the continental, which – to the world market.

Concluding our reflections on the lessons of history, I must say that today, in a difficult transition period for our country, we need to use our experience of economic development, take into account positive and negative aspects, and be able to apply them taking into account modern realities.

References:

1. Malabekov, T.A. (1972). *The development of the socialist industry in Kyrgyzstan*. (p.36). F.: Kyrgyzstan.
2. (1988). *History of the Kirghiz SSR: in 5 vols. T. 3*, (p.651). F.: Kyrgyzstan.
3. (1931). *Report on the work of the government of the Kirghiz ASSR for two years (March 1927 - April 1929)*. (p.44). Frunze.
4. (n.d.). *CSA KR*, f.350, op.11, d.108, l.29.
5. Esipov, N.S. (1962). *Industrial construction in previously backward countries*. (p.344). Frunze: Publishing House of the Kyrgyz State University.
6. Knyazev, Yu. (2008). Social functions of the modern state. *Problems of theory and practice of management*, No. 1, pp. 28-38.
7. Asankanov, A. (1989). *Socio-cultural development of the modern Kyrgyz rural population*. (p.212). Frunze: Ilim.
8. Balbakov, M. (1987). *Quality of labor and production efficiency*. (p.120). Frunze: Kyrgyzstan.
9. Vedenin, N.N. (1988). *Legal regulation of production and technical support of agriculture*. (p.169). Moscow: Nauka.
10. Goldpgein, G.Z. (1983). *The main direction of the implementation of the Food Program*. (p.108). Frunze: Kyrgyzstan.