

Authoritarianism is Not Advised in Dealing with Energy Consumption

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Since rational consumption of energy is quite a problem worldwide, international organizations such as the World Bank, USAID, and the U.N. provide support to worthy initiatives within this field, including in the CIS countries. These bodies assume the role of donors, providing financial support to different projects. Armenia, Lithuania, Moldova, and Ukraine were included in a related project. Currently, these countries are at the documentary stage - studying and accumulating the most advanced experiences with regard to energy efficiency. There is no doubt that financial means are disbursed only for concrete developments, judicious proposals.

Armenia is undergoing development, but it is not to say that such projects are simple and do not require time and effort. It is interesting that this country chose incentives as a method of promotion of energy efficiency in the housing sector and public buildings. This means that when the schools, kindergartens, polyclinics, or other public institutions save energy, the funds from the savings are not paid back into the budget but are reinvested or spent on covering the expenses of the relevant institution.

The method of using incentives is certainly far more progressive than the one chosen by Ukraine – the method of state command and control. In Ukraine, the former president Leonid Kuchma issued a decree to reduce energy consumption in the country by 25% which was accomplished. It is not the most appropriate way as it kind of “smells” like naphthalene of the Soviet times. In any case, it does not bring along the anticipated effect. Overall, authoritarianism is not advised to policies in a country which is on its way to a market economy.

The method of stimulation launched in Armenia is more progressive and brings along satisfactory results. In Armenia, this method was also promoted in the Law on reduced consumption and regeneration of energy. Representatives of all concerned ministries and departments, energy specialists, academy scientists, and certainly the Alliance to Save Energy in Moldova (initiated three years ago) participated in drafting this law. Initially, an idea was proposed to create a council of power engineers within the Government of Armenia, to be soon rejected in fear of promulgating a commanding style. Instead, an independent council was created to promote energy efficiency. This council attempts to solve the serious issues within the energy sector, including whether to halt the functioning of the nuclear power plant. Extensive professional discussions take place within the framework of the council, and no command-type decisions are tolerated. This democratic formation is comprised of approximately 40 members, headed by chairman and deputy chairman, although their functions are quite symbolic, because the decisions are adopted by all members.

Certainly, Armenia has its own Ministry of Energy. But their ministry mainly deals with the country's energy policy and strategy. Strange as it may seem, thermal energy supply is a separate

field under patronage of the Ministry of Economy and Finance. This is because important loans were taken to ensure such supply, and the state is responsible for these loans.

So, this is all we can say in general terms about Armenia's experience in promoting energy efficiency. Its energy specialists studied various documents from over 20 countries under development in order to draft the Law on reduced consumption and regeneration of energy. In other words, any important work requires the corresponding efforts.