

Economics

Personal Remittances in the Post-Soviet Countries (Comparative Analysis)

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ABSTRACT. In the new post-Soviet states formed after collapse of the Soviet Union the increasing unemployment, intensified conflicts and low incomes dramatically aggravated the migration processes. Millions of workers went abroad to find job and some of them found work in the post-Soviet countries (Russia, Ukraine). Very often the job seekers moved illegally to the country of destination. Some of the post-Soviet countries (Baltic States, etc.) had no problems as they joined the EU, while the other group of countries (Georgia, Moldova, Ukraine) choosing the course of European integration could not avoid the barriers. Some of the members of the Commonwealth of Independent States (CIS), such as Armenia, also suffer migration problems. Despite conflict situation between Russia and some of the countries including Georgia, Russia still attracts foreign workers, who remit quite a considerable sum of money to their countries. There is specific situation in the countries of the Central Caucasus: in some of them the personal remittance received is an important source of GDP at the expense of sharp decrease in the number of local population. According to the conclusion of the research in recent years the volume of personal remittance received and the rate of its growth in the world are significantly higher than the remittance paid for the previous period, whereas there was no major difference between them in the early 1990s. Major cause of such a tendency is the collapse of the socialist system and the personal remittances made by the post-Soviet labor force from abroad to their countries. Those funds are spent on the livelihood of their families. Meanwhile they create additional demand for national currency and constitute a significant part of GDP. Unless stimulating conditions for repatriation of national labor force are created and the local resources (the real economic sector) are activated, those people will become estranged from their homeland, where the circle of their relatives will reduce. Many of them will receive foreign citizenship and in the end the number of the local population and the personal remittances will gradually decrease.
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Keywords: globalization, personal remittances (received, paid); central caucasus; post-Soviet countries.

Throughout the world, the modern trends of globalization dramatically accelerated the reform process in both transition and developed countries. In

new (restored) post-Soviet states formed after the collapse of the Soviet Union [1-8] the increased unemployment, intensified conflicts and low income

Table 1. Personal remittances in the world (\$billion)

	Received	Rate of received 1990=100%	Received (% of GDP)	Paid	Rate of paid (1990=100%)	Total
1990	67.87	100.0	0.40	66.731	100.0	134.601
1999	129.212	190.4	0.42	113.696	170.4	299.601
2000	121.222	178.6	0.37	115.485	173.1	294.322
2008	406.216	598.5	0.65	316.008	473.6	722.224
2009	388.197	572.0	0.66	303.16	454.3	691.357
2015	553.534	815.6	0.76	383.766	575.1	937.3
2016	296.14	436.3	0.45	342.13	512.7	638.27

• The data of the World Bank, National Statistics Office of Georgia and the National Bank of Georgia are used in the paper.

Table 2. Ten leader countries in personal remittances, received (\$billion) in 2016

Country	1990	2016	%, GDP (2016)	Population growth rate (1990=100%)
1.China	0.195	35.226	0.31	121.5
2. Philippines	1.465	31.145	10.2	121.5
3.Mexico	3.098	28.668	2.7	149.4
4.France	4.035	24.22	0.98	114.3
5.Germany	4.876	16.683	0.5	104.1
6. Belgium	3.583	9.867	2.1	113.9
7.Italy	5.075	9.713	0.5	106.8
8.Indonesia	0.166	9.079	1	143.9
9.Guatemala	0.119	7.469	10.9	179
10.United States	1.17	7.201	0.04	129.5

sharply aggravated the migration processes. After the collapse of the socialist system [9-14] millions of workers moved abroad to find a job. Many new problems came forward including the problems related to cause and effect of personal remittances.

In recent years, the scales of personal remittances especially increased. At the end of the 20th century (from 1970 to 2000) the rate of personal remittances grew relatively slow. At the beginning of the 21st century (from 2000 to 2014) the rate sharply increased. During the last 2-3 years, the trend of their reduction is noticeable. Namely, in the period between 1970 and 2014 personal remittances received 287-times increased in the world amounting to 553.3 billion US

dollars (2014). Its rate particularly increased between 2000 and 2014 (4.6 times) despite the decrease in 2009 caused by certain reasons. In the same period, the volume of personal remittances paid increased reaching the peak of \$ 400 billion in 2014 (3.5 times more than in 2000). The volume of personal remittances paid is significantly lower than the personal remittances received (about 72%), but in total the personal remittances are reflected in solid figures (Table 1; Table 2; Fig. 1).

The above-mentioned data show the following trends:

- Sharp increase of the personal remittances received, especially in 2015;

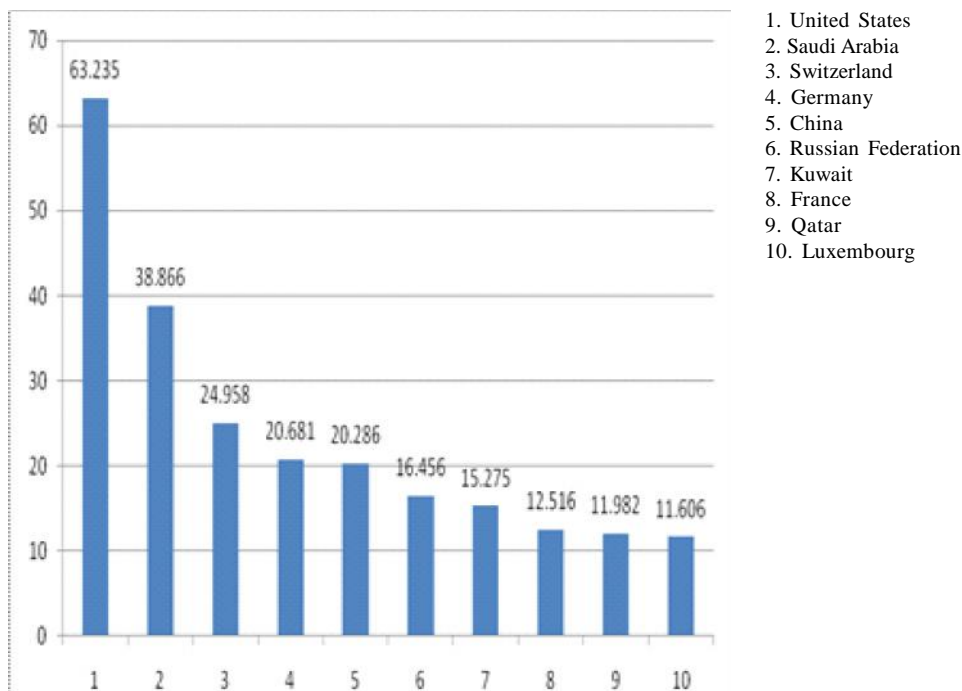


Fig. Ten leading countries in personal remittances, paid (\$billion) in 2016

- Small percentage share in the volume of personal remittances received in the total World GDP;

- Lower rate of increase of personal remittances paid compared to personal remittances received;

- China (having a miserable rate in 1990) outperformed in personal remittances received as a result of rapid migration of the Chinese labor force to different countries of the world;

- In the “Top Ten Leader Countries”, along with the increase of personal remittances paid the number of population also increased;

- At the top of ten leader countries in personal remittances paid is the US, while the Russian Federation is the sixth.

Thus, the scales of personal remittances significantly increased for the last quarter of the century. The volume and the rate of personal remittances received are significantly higher than those of the personal remittances paid, whereas in the early 1990s there were no major differences between them. Such tendencies are largely conditioned by the collapse of the socialist system as the post-Soviet labor force make personal remittances to their countries, which cannot be permanently continued.

Below we will analyze comparative indices of the post-Soviet countries.

The “Post-Soviet Stage”

Since the collapse of the former Soviet Union, in many newly formed post-Soviet countries there is a specific picture of personal remittances. Increasing unemployment, intensification of conflicts and the low incomes of the employed people dramatically increased the migration process - millions of citizens left for the foreign countries to find a decent job. Many of them found job in the post-Soviet countries (e.g. Russia). In that process, the following trends were identified: illegal movement of the labor force, which is still a problem. However, there was no problem of emigration for the “post-Soviet” Baltic countries, as they joined the EU. The situation was different in other group of countries (Georgia, Moldova, Ukraine) having chosen the European integration course. Their territorial integrity was violently disrupted and the citizens of those countries could not avoid the barriers, primarily from the Russian side. The “post-Soviet” countries will never succeed without economic innovations. Some of the members of

Table 3. Personal remittances received in post-Soviet countries from 2003 to 2016 (\$billion)

Country Name	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Armenia	0.336	0.788	0.915	1.169	1.644	1.904	1.44	1.669	1.799	1.915	2.192	2.079	1.491	1.382	20.723
Azerbaijan	0.156	0.204	0.623	0.79	1.268	1.518	1.255	1.41	1.893	1.99	1.733	1.846	1.27	0.643	16.599
Belarus	0.164	0.239	0.199	0.268	0.288	0.583	0.504	0.575	0.891	1.053	1.214	1.231	0.927	0.92	9.056
Estonia	0.051	0.167	0.264	0.402	0.411	0.362	0.34	0.357	0.438	0.461	0.568	0.544	0.446	0.479	5.29
Georgia	0.248	0.359	0.446	0.627	0.883	1.065	1.112	1.184	1.547	1.77	1.945	1.986	1.459	1.151	15.784
Kazakhstan	0.042	0.057	0.062	0.084	0.143	0.126	0.198	0.226	0.18	0.178	0.207	0.229	0.194	-	1.926
Kyrgyz Republic	0.07	0.179	0.313	0.473	0.704	1.223	0.982	1.266	1.709	2.031	2.278	2.243	1.688	-	15.159
Latvia	0.157	0.218	0.379	0.48	0.551	1.92	1.585	1.258	1.505	1.499	1.605	1.56	1.354	1.269	15.34
Lithuania	0.115	0.577	0.745	0.994	1.433	1.565	1.239	1.673	1.954	1.508	2.06	2.113	1.372	1.28	18.628
Moldova	0.484	0.701	0.915	1.176	1.491	1.888	1.352	1.753	1.813	1.986	2.192	2.076	1.54	1.465	20.832
Russian Federation	1.114	2.207	3.437	3.82	4.666	5.737	5.105	5.25	6.103	5.788	6.751	7.777	6.903	6.434	71.092
Tajikistan	0.146	0.252	0.467	1.019	1.691	2.544	1.748	2.021	2.722	3.222	3.698	3.384	2.259	1.867	27.04
Turkmenistan	-	-	-	0.014	0.03	0.05	0.034	0.035	0.035	0.037	0.04	0.03	0.016	-	0.321
Ukraine	0.33	0.411	2.408	3.102	5.29	6.782	5.941	6.535	7.822	8.449	9.667	7.354	5.845	-	69.936
Uzbekistan	-	-	-	0.898	1.693	3.007	2.071	2.858	4.276	5.693	6.689	5.828	3.104	-	36.117
Total	3.413	6.359	11.173	15.316	22.186	30.274	24.906	28.07	34.687	37.58	42.839	40.28	29.868	16.89	328.059

the Independent Community (CIS), such as Armenia, also have the migration problems. Despite conflict relations with some countries, Russia still attracts the labor force because of its rich resources. Thus, the amount of personal remittances paid by Russia are quite significant for many countries (Table 3; Table 4).

The data in Tables 3 and 4 show the following:

- From 2003 to 2016 the volume of personal remittances received in the post-Soviet countries amounted to more than US\$ 366 billion;

- The leader countries receiving personal remittances from the other countries are: Russian Federation, Ukraine and Uzbekistan;

- Personal remittances received from the other countries play an important role in Armenia, Georgia, Moldova, Kyrgyzstan;

- The share of personal remittances received from the other countries is insignificant in Turkmenistan, Azerbaijan, Estonia and Kazakhstan;

- There is no data on personal remittances paid by Uzbekistan and Turkmenistan in the World Bank database;

- Most of the personal remittances were paid by the Russian Federation in 2003-2016, in total more than 281 billion US dollars, including personal remittances paid to other post-Soviet countries whose citizens work in Russia, etc.

In general, the data is important but not enough for a long term. The point is that unless the stimulating conditions are created for repatriation of the labor force employed abroad [3, 8], unless local resources (the real sector of the economy) are activated, those people will become estranged from their homeland, where the circle of their relatives will reduce. Many of them will receive foreign citizenship and in the end, the number of the local population and the personal remittances will gradually decrease.

The dynamics of personal remittances received in Central Caucasian countries is shown in Table 5.

Comparative analysis of the Central Caucasus data [15] shows that:

- The largest amount of personal remittances per capita was received by Armenia and Georgia;

- The percentage share of personal remittances received from the other countries is the highest in

Table 4. Personal remittances paid by post-Soviet countries between 2003 and 2016 (\$billion)

Country Name	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Armenia	0.026	0.184	0.207	0.182	0.239	0.224	0.18	0.227	0.3	0.315	0.355	0.391	0.364	0.358	3.552
Azerbaijan	0.131	0.172	0.239	0.274	0.405	0.567	0.638	0.954	1.28	2.073	1.903	2.031	1.293	0.74	12.7
Belarus	0.028	0.047	0.052	0.07	0.103	0.171	0.133	0.116	0.134	0.142	0.151	0.181	0.162	0.12	1.61
Estonia	0.019	0.026	0.05	0.075	0.093	0.098	0.092	0.123	0.113	0.113	0.1	0.114	0.09	0.123	1.229
Georgia	0.022	0.024	0.027	0.027	0.032	0.051	0.034	0.055	0.077	0.087	0.088	0.086	0.096	0.194	0.9
Kazakhstan	0.651	1.219	1.893	2.958	4.212	3.462	2.934	3.006	3.409	3.809	3.804	3.55	3.137	-	38.044
Kyrgyz Republic	0.018	0.03	0.053	0.068	0.09	0.101	0.107	0.168	0.228	0.286	0.39	0.454	0.363	-	2.356
Lithuania	0.042	0.28	0.259	0.426	0.567	0.652	0.679	0.552	1.026	1.135	0.852	0.905	0.589	0.584	8.548
Latvia	0.005	0.009	0.017	0.025	0.041	0.913	0.673	0.443	0.559	0.569	0.608	0.57	0.495	0.416	5.343
Moldova	0.044	0.042	0.046	0.057	0.072	0.092	0.087	0.116	0.08	0.093	0.094	0.147	0.154	0.134	1.258
Russian Federation	2.264	4.19	6.827	12.104	19.881	29.719	21.148	21.454	26.01	31.648	37.217	32.64	19.689	16.456	281.247
Tajikistan	0.064	0.119	0.145	0.395	0.184	0.199	0.124	0.184	0.201	0.263	0.24	0.304	0.165	0.087	2.674
Turkmenistan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ukraine	0.004	0.006	0.186	0.255	0.353	0.714	0.613	0.703	0.849	1.003	1.716	1.702	0.627	-	8.731
Uzbekistan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3.318	6.348	10.109	17.04	26.396	37.089	27.599	28.291	34.534	41.94	48.207	43.89	28.074	20.147	372.982

Table 5. Personal remittances received in Central Caucasian Countries, 2003-2016 (\$Billion)

Country	Received	Received, % GDP (2015)	Paid	Population comparison between 2016 and 1990 (%)
Azerbaijan	16.599	2.4	12.7	136.4
Armenia	20.723	14.2	3.552	82.7
Georgia	15.784	7.1	0.9	78.5
Turkey	22.907	0.2	4.984	147.5

the GDP of Armenia and Georgia, while it is significantly lower in Turkey and Azerbaijan.

- There is a sharp decrease in the number of population and intensification of migration processes in Armenia and Georgia.

Conclusion

The modern trends of globalization increased the migration scales and the dependence of the "post-Soviet" countries on external factors. As a result of investigation the following trends were identified: sharp increase in the global flows of personal remittances received in recent years, in particular in 2015; a small percentage of personal remittances received in World GDP; low rate of increase in personal remittances paid compared to that of the personal remittances received;

China is the leader in personal remittances received, while it had no significant amount in 1990, but it increased as a result of rapid migration of Chinese labor force to different countries of the world; in the Ten Leader Countries, along with the increase of personal remittances received, the number of their population is also increasing; at the top of the ten leader countries in personal remittances paid is the US with Russian Federation at the 6th place. From 2003 to 2016 the volume of received personal remittances amounted to more than 366 billion US dollars in post-Soviet countries. Among the post-Soviet countries, the leaders in personal remittances received from other countries are: Russian Federation, Ukraine and Uzbekistan. Personal remittances received play an important role in Armenia, Georgia, Moldova and Kyrgyzstan. Their share in

Turkmenistan, Azerbaijan, Estonia and Kazakhstan is insignificant. Among the countries of the central Caucasus most personal remittances per capita were received in Armenia and Georgia. Armenia and Georgia have the highest percentage share of GDP, while cor-

responding figures for Turkey and Azerbaijan are modest. The increase of the personal remittances received in Armenia and Georgia is accompanied by a sharp decrease of population and the increase of migration processes.

ეკონომიკა

ფულადი გზავნილები პოსტსაბჭოურ ქვეყნებში (შედარებითი ანალიზი)

ე. მექვაბიშვილი* და თ. ათანელიშვილი*

* ივანე ჯავახიშვილის სახელობის თბილისის სახელმწიფო უნივერსიტეტი, ეკონომიკისა და ბიზნესის ფაკულტეტის თეორიული ეკონომიკის კათედრა, თბილისი, საქართველო

(წარმოდგენილია აკადემიის წევრის ა. სილაგაძის მიერ)

გლობალიზაციის თანამედროვე ტენდენციებმა მსოფლიოში მკვეთრად დააჩქარა და გააფართოვა ფულადი გზავნილების მასშტაბები. მე-20 საუკუნის ბოლო წლებში (1970-2000) ეს მაჩვენებლები შედარებით ნაკლები ტემპებით იზრდებოდა; 21-ე საუკუნის დასაწყისში (2000-2014) ზრდის ტემპები მკვეთრად დაჩქარდა; ბოლო 2-3 წლის პერიოდში შესამჩნევია მათი შემცირების ტენდენცია. ამ თვალსაზრისით, საბჭოთა კავშირის დაშლის შემდეგ ახლად ჩამოყალიბებულ პოსტსაბჭოურ ქვეყნებში განსხვავებული სურათი ფიქსირდება: უმუშევრობის ზრდამ, კონფლიქტების გაძლიერებამ და დაბალმა შემოსავლებმა, მიგრაციული პროცესები მკვეთრად გააღრმავა, მილიონობით მუშახელი სამუშაოს საძებნელად უცხო ქვეყნებში გაემგზავრა; ამავდროულად ბევრმა მათგანმა სამუშაო ადგილი პოსტსაბჭოურ სხვა ქვეყანაში (რუსეთი, უკრაინა...) იპოვა. ამ პროცესში გამოიკვეთა შემდეგი ტენდენციები: ხშირად მუშახელი არალეგალურად გადაადგილდებოდა მიზნის მისაღწევად; ქვეყნების ერთ ჯგუფს (ბალტიისპირა ქვეყნები) ნაკლებად აფერხებდა გადაადგილების ბარიერები, ვინაიდან ისინი ევროკავშირში გაწევრიანდნენ; ქვეყნების მეორე ჯგუფი (საქართველო, მოლდოვა, უკრაინა), რომლებმაც ევროინტეგრაციის კურსი აირჩია, ბარიერებს ვერ აცდა, როგორც ზოგადად, ასევე რუსეთის მხრიდანაც; რუსურსებით მდიდარი ქვეყნები ცდილობენ მიგრაციული პრობლემების შეწყვეტას, მაგრამ ამას ყოველთვის ვერ ახერხებენ. დამოუკიდებელი თანამეგობრობის (დსთ) წევრი ზოგიერთი ქვეყანა, მაგალითად სომხეთი მიგრაციული პრობლემების მარწმუნებში მოექცა ისე, როგორც საქართველო და სხვ.; მიუხედავად ცალკეულ ქვეყნებთან, მათ შორის საქართველოსთან დაძაბული ურთიერთობებისა (ტერიტორიების ოკუპაციის გამო ...) რუსეთი მაინც იზიდავს უცხოურ სამუშაო ძალას და ამ მუშახელის მიერ თავიანთ ქვეყნებში ფულადი გზავნილები სოლიდურია. თავისებური სურათი ჩამოყალიბდა ცენტრალური კავკასიის ქვეყნებშიც: ზოგ მათგანში ფულადი გზავნილები მშპ-ის მნიშვნელოვანი წყაროა, მაგრამ ეს მოხდა ადგილობრივი მოსახლეობის მკვეთრად შემცირების ხარჯზე. კვლევის შედეგად მიღებული დასკვნის მიხედვით ბოლო წლებში მსოფლიოში ფულადი გადმორიცხვების მოცულობა და ზრდის ტემპი მნიშვნელოვნად აღემატება წინა პერიოდის ფულადი გადმორიცხვების მაჩვენებლებს, მაშინ როდესაც 1990-იანი წლების დასაწყისში მათ

შორის დიდი სხვაობა არ ფიქსირდებოდა; ასეთი ტენდენცია დიდწილად განაპირობა სოციალისტური სისტემის დაშლამ და, მათ შორის, პოსტსაბჭოური სამუშაო ძალის მიერ უცხოეთიდან თავიანთ ქვეყნებში განხორციელებულმა ფულადმა გზავნილებმა; ეს თანხები გარდა იმისა, რომ იხარჯება მათი ოჯახების საარსებო მოთხოვნილებებისთვის, იგი იმავდროულად ეროვნულ ვალუტებზე დამატებით მოთხოვნას ქმნის და შეადგენს მშპ - ის მნიშვნელოვან წილს; უცხოეთში დასაქმებული სამამულო მუშახელის დაბრუნებისთვის თუ არ შეიქმნა მასტიმულირებელი პირობები, არ ამოქმედდა ადგილობრივი რესურსები-ეკონომიკის რეალური სექტორი, ეს ადამიანები სულ უფრო მეტად დაშორდებიან თავიანთ სამშობლოს, სადაც შემცირდება მათი ახლობელთა წრე, ბევრი მათგანი უცხო ქვეყნის მოქალაქეობას მიიღებს და საბოლოო ჯამში, ადგილობრივი მოსახლეობის რიცხოვნობა და უცხოური ფულადი გზავნილების მოცულობა თანდათანობით შემცირდება.

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Received June 2017