

THE ROLE OF ECONOMIC DEVELOPMENT IN MIGRATION PROCESSES

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The main capital in the modern economy is the human capital. It is the bearer of intellectual capital and also the main driving force of innovation development. The preservation and development of this capital is a competitive advantage of any country. The welfare of countries depends on the processes of moving of human capital.

Today Ukraine – as a commodity country – exports not only grain, metal, honey, but also the most valuable kind of capital – knowledge and human capital. Therefore, instead of exporting intellectual digital services in the form of rent from intellectual capital, we are depriving ourselves of this opportunity and thus enhancing the competitive advantages of other countries. Today, neighboring countries are preparing strategies to drag the most valuable out of Ukraine. These are not black earths, which today are not so relevant in modern agrarian technology and not a metal of low purification. The most valuable resource today is people.

According to various data, there are six to eight million citizens, who migrated to earnings abroad. Even official statistics reflect this trend: the number of registered unemployed in 2017 decreased from 429 thousand people in January, to 354 thousand in December, but the number of vacancies in the Ukrainian labor market, by contrast, over the same period increased from 47 to 50.5 thousand. Ukraine, since 2015, lost about 40 billion UAH annually due to the migration of Ukrainians abroad. According to Bloomberg, more than 1 million Ukrainians migrated to earnings abroad from 2015 to 2017, in particular to Poland (507 thousand people), Russia (343 thousand people), Italy (147 thousand people), the Czech Republic (122 thousand people), the USA (23 thousand people) and Belarus (22 thousand people) [1].

Migration depends on many factors, the main of which are low economic welfare, social insecurity, military conflicts, the absence of barriers to migration, etc. We statistically analyzed the impact of economic welfare, which is reflected by GDP per capita, on the migration of the population, which is represented by the indicator of net migration: the excess of the number of people entering the country, over the number of departing. The net migration rate (coefficient) indicates the contribution of migration to the overall level of population change. The net migration indicator does not distinguish between economic migrants, refugees, and other categories of migrants and does not distinguish between legal and illegal migrants [2]. The scheme of the interconnection is shown in the figure.

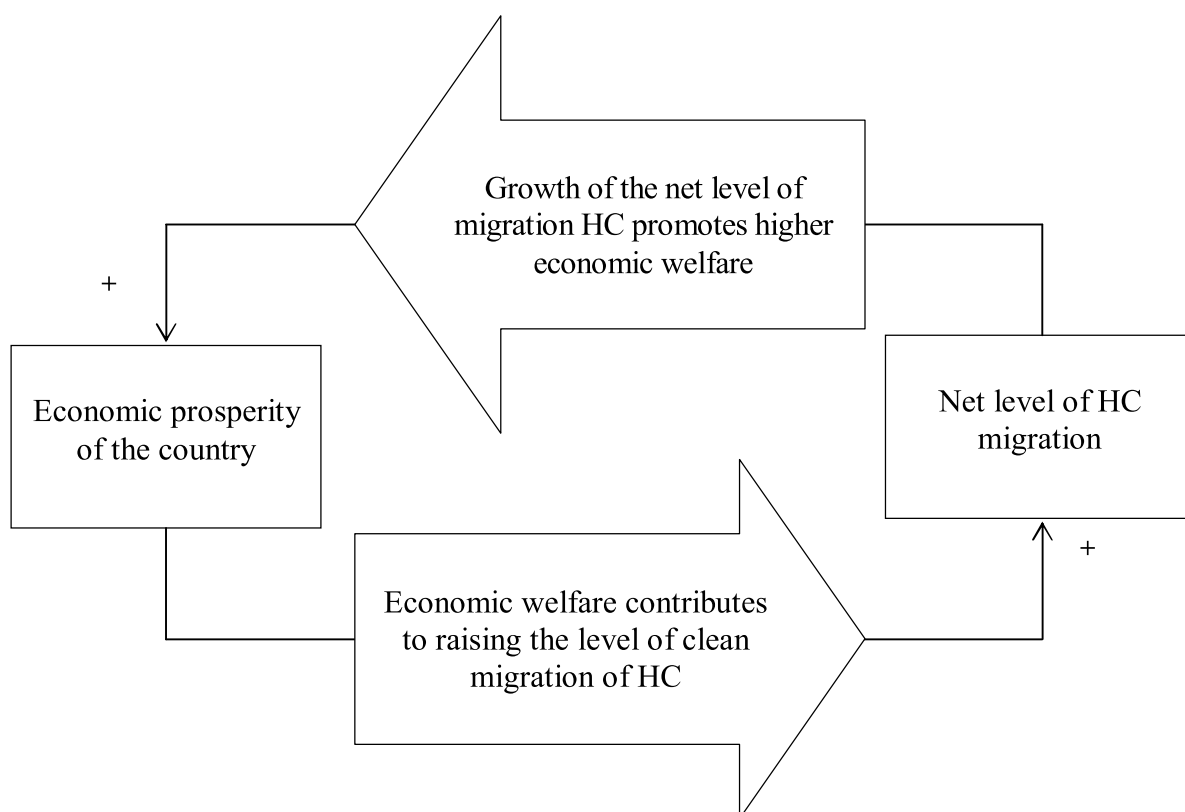


Figure –Diagram of the interconnection of economic welfare and human capital migration (HC)

We processed data in 186 countries around the world. It is established that the correlation coefficient is equal to 0.6, which indicates the dependence of migration on economic welfare by 60%

and 40% it depends on the other factors. This conclusion suggests that the main efforts today should be directed towards creating institutional conditions for the economic development of the national economy. This will stabilize the pace of migration and develop better strategies for the preservation and development of the human capital. This can be achieved by creating new jobs by increasing the share of small businesses and increasing the number of private entrepreneurs. At the same time wages should be raised to the competitive level of neighboring countries. It is also worth simplifying the terms of registration and business. Particular attention should be paid to optimizing the tax system so that it is transparent and profitable both to the state and to employers.

References

1. The labor migration from Ukraine can be stopped in a few years – Groisman [Electronic version] / UNIAN. – Access mode: <https://economics.unian.ua/finance/10076504-trudovu-migraciyu-z-ukrajini-mozhna-zupiniti-za-kilka-rokiv-groisman.html>.
2. List of countries by migration rating [Electronic resource] – Wikipedia. – Access mode: <https://ru.wikipedia.org>.