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## **DIE WIRTSCHAFTLICHE ENTWICKLUNG EUROPÄISCHER REGIONEN IN DER AUSBILDUNG - UND ARBEITSMARKTPOLITIK – ÜBERGÄNGE UND STRATEGIEN III.**



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#### Title

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AUSBILDUNGS- UND ARBEITSMARKTPOLITIK – ÜBERGÄNGE UND  
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## Prolog

In Ihren Händen erhalten Sie eine Reihe von bemerkenswerten Beiträgen, die viele der Top-Themen des Unternehmens ansprechen, die soziale Beziehungen und die aktuellen problematischen Themen hervorheben. Informationen zu den Prioritäten des Unternehmens oder zu den Bedürfnissen der nationalen Ebene sind immer aktuell, da sie auf individuelle Probleme und Lösungen hinweisen.

Wir sind uns bewusst, dass die Entwicklung eines Systems der Entwicklungshilfe auf individueller Ebene ein langfristiger Prozess ist, der einer umfassenden personellen Unterstützung, regionaler und lokaler wirtschaftlicher Unterstützung, Unterstützung für die Entwicklung der technischen und sozialen Infrastruktur und auch zur Verbesserung der Attraktivität des ländlichen Raums unterliegt Qualität der erbrachten Dienstleistungen.

Im Fokus der Verlage stehen keine schlechteren Indikatoren, die nicht immer von Vorteil sind. Erwähnenswert ist der Begriff Arbeitslosigkeit, der in vielen Bereichen den Rekord bildet, selbst dort, wo sich viele Länder in einem Mangel an qualifizierten Arbeitskräften befinden. Der oben genannte Fachkräftemangel stellt eine ernsthafte Bedrohung für die weitere Entwicklung der Unternehmen und der gesamten Wirtschaft dar, und daher ist es sehr wichtig, die allgemeine und berufliche Bildung an die Anforderungen des Arbeitsmarktes und an die Anforderungen der Arbeitgeber anzupassen.

Die Regionalpolitik in diesem Bereich fordert insbesondere eine wirksamere Bildung und die Lösung einer Situation, in der ein Mangel an qualifizierten Arbeitskräften gewährleistet werden muss. Ehrliche Arbeit ist ein vorrangiger Wert der Sozialdemokratie, und deshalb ist es von grundlegender Bedeutung, dass insbesondere die Regierung Zusagen für die gesamte Gesellschaft garantiert, in der jeder hochwertige Dienstleistungen und qualitativ hochwertige Dienstleistungen erhält, so wie sie diese benötigen.

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## THEORETICAL BASIS OF MIGRATION CAPITAL AND ITS SIGNIFICANCE FOR ECONOMIC PROCESSES IN THE STATE

Anna Tsimbolinets

#### Summary

This article systematizes and investigates the theoretical essence of migration capital. It identifies the main points of view regarding the positive and negative impact of transfers of migrant workers to the recipient country. A general analysis of the impact of migrant transfers on the Ukrainian economy and its features are presented.

#### Key words

migration capital, private transfers, international migration, labor migrants.

#### Preface.

The transformational processes in the global economy, due to the intensification of the integration of national economies, the growing transnationalization, the deepening of the internationalization of production and exchange, are accompanied by the intensification of international migration processes. Due mainly to the causes of the individual economic nature, international migration serves as a significant factor in national economic growth both in recipient countries and in donor countries of human capital. To a large extent, the processes of international migration affect global redistribution of capital, enhance modern processes of geo-economic transformations in the format of structural changes in world financial architecture, and so on. For many emerging markets, migrant remittances serve as one of the key sources of GDP. Thus, the study of modern trends in the formation and movement of migration capital in the world and in developing countries, the peculiarities of national policies for attracting migrant transfers to accelerate national economic growth have a significant level of relevance.

#### Materials and methods of research.

The problem of migration capital and its use in national strategies for economic development is increasingly being studied in domestic and foreign scientific literature. Thus, considerable attention is paid to the study of the role of migration capital as a source of economic growth in recipient countries. It is proved that migration capital increases national income, allows balance of payments balance, provides growth of personal savings and investments in the country. The research of these problems is devoted to the work of A. Gaiducky, V. Oliynik, T. Romashchenko, O. Fursova, O. Shimanskaya [1-4]. At the same time, insufficiently studied issues of effective government policy of integration of migration capital for accelerating economic growth, the task of economic policy of Ukraine in the context of transformational transformations of the global economic space and exacerbation of foreign policy challenges.

The methodological basis of the article is the scientific research of domestic and foreign scientists, the dialectical method of cognition, the systemic, complex and structural-functional approach, quantitative and statistical analysis.

#### Research results.

Migrant remittances attract more and more scholars and researchers in international organizations, which is due to the significant increase in the amount of money sent by migrants to their homeland, mainly in developing countries. Money transfers have the potential to reduce poverty in a direct way by providing financial resources to meet the basic needs of households and indirectly by providing a monetary base for the creation of new assets and facilities that contribute to the well-being of the entire community, such as healthcare facilities, and they are an incentive for economic growth.

The flows of private remittances for the economic development of emerging market economies are gaining increasing importance as they are characterized by stable revenue relative to borrowed external credit resources and inflow of private investment. In most developing countries, the volume of migration capital is significantly higher than official development assistance programs.

Given the increase in the share of migration capital in the structure of external income of financial resources of developing countries, it is important to determine the importance of its contribution to national economic growth. In theory and practice, the regulation of flows of private transfers is a common idea of their role as an important and stable source of foreign

economic financing of national economic growth. At the same time, national governments should take special measures to stimulate the use of private remittances as an investment resource for economic development. The study of the level of dependence of some macroeconomic indicators of the development of individual countries, characterized by significant scale of attraction of migration capital, reflects a significant differentiation of results. In most sample countries, private remittances are characterized by a high level of correlation with the indicators of foreign trade.

At the same time, it should be noted that the positive effect of remittances can only have a temporary manifestation at both the micro and macro levels. According to R. Chami and K. Fullenkamp, there are many different ways in which remittances can have an impact on the economy, but they are not at the same time as the power and quality of their influence are crucial to many of the economic and social conditions on which it depends, How possible and effective is the use of remittances.

Households of migrants generally show a higher level of consumer spending and a lower level of absolute poverty than the rest of the country's inhabitants who do not receive migrant transfers. Researcher D. Rata argues that remittances can play a key role as a powerful resource against poverty as they tend to increase household incomes in developing countries. So, studies on Moldova, conducted by A. Stratan, have shown that money transfers have contributed to reducing the depth of poverty. At the same time, J. Adams and A. Kuecheuča point out that international money transfers do not have a greater impact on reducing depth and mitigating negative impacts of poverty, but they do not diminish its quantitative volumes. After analyzing 71 developing countries, R. Adams and J. Paige found the relationship between money transfers and poverty reduction, confirming with the help of statistics that an increase of 10% in remittances leads to a reduction in the share of people below the poverty line in the country the origin of migrants, by 3.5%. Similarly, J. Anyanva and A. Yergidzhappor, who analyzed the flow of money transfers in the example of 33 African countries during the period 1990-2005, concluded that remittances caused a decrease in the depth and magnitude of poverty.

A study by D. Kapoor found that remittances are often part of a risk-sharing strategy for households and are emerging as a kind of "social insurance" in countries that are in a state of economic and political crisis. Thus, the ability of households to withstand external

economic shocks increases. An example of such social insurance can be Egypt, when migrants supported the social stability of their families during

the events of the Arab Spring of 2009-2011. While FDI and ODA in the country shrank, money transfers increased, fully confirming its counter-cyclical nature. At the same time, such positive dynamics contrasts with other empirical studies that emphasize the overestimation of remittances in combating poverty.

The danger of remittances lies in the fact that they create a culture of dependence on external revenues among migrant families, reducing motivation to work among recipients of remittances. An Angola survey found that 16% of households are fully reliant on money transfers as the main source of income, although it is believed that the level of dependence on remittances in developing countries can significantly outweigh these figures. The result of such dependence may be the inhibition of the development of the local economy, and in case of a serious economic crisis in the country of origin of the migrant instability in obtaining money transfers can lead to economic vulnerability of households of migrants. A major factor limiting the function of social equalization of migration capital is that not all categories of inhabitants in developing countries wishing to migrate have a financial resource for this. The process of international migration is rather selective and expensive, since it faces a number of restrictions in the migration regimes in a number of key destination countries of migration. The impact of cash transfers on economic development is shown in Table 1.

Table 1.

**Interconnection of money transfers and economic development**

	<b>Positive impact</b>	<b>Negative impact</b>
<b>National level</b>	Growth of national income in the event that money transfers are transmitted through formal channels	A significant amount of remittance can lead to a revaluation of the national currency, which negatively affects exporters.
	Recipient countries receive higher levels of	Destabilization of weak economies

	credit confidence in the international lending market	
	Recipient countries have the opportunity to stabilize the national balance of payments	Rise in inflation
		Strengthening regional inequality between accepting and non-accepting money transfers by regions of the country
<b>Локальний рівень / рівень домогосподарств</b>	Growth of economic growth of regional economies through stimulation of consumption, demand for local goods and services, as well as promotion of job creation	Formation of demand for imported products instead of produced by local workers
	Potential growth of local capital reinvestment in business development	Growth in the value of land, real estate, construction materials
	Provision of basic needs (food, health care, education, housing)	Strengthening the dependency of recipients of migrant proceeds
	Social equalization and access to benefits at the local level that were not available to households prior to migration	

Accordingly, the inability of the poorest part of the population of developing countries to emigrate and, accordingly, to transfer part of the proceeds to their homeland,

may even lead to an increase in the uneven distribution of income between international and domestic migrants, as well as between migrants and locals in the country of origin who did not go to work abroad.

The economic behavior of migrant households usually leads to an increase in the value of goods and services in the local market affecting the entire local community, including those households who did not participate in the migration process. For example, it happened in Cape Verde, where a significant relative flow of money transfers led to a sharp increase in consumption by recipients of money transfers and, consequently, to an increase in prices. Also, individual studies indicate that money transfers can deepen inequality in the distribution of revenues in a regional context, in particular between central and peripheral regions. In addition to the purely financial side, the non-material effects of migration are also significant. For example, research by P. Levitt points out that migration leads to a number of socio-cultural changes. In his work, the researcher proposes to consider as "social transfers" those ideas, style of behavior, social capital, which moves to the countries of origin of migration with the assistance and direct frequency of the migrants themselves. Such transfers play a critical role, in particular, to promote the entrepreneurial activity of reimmigrants in their country of origin upon returning to their homeland. Levitt offered three main types of social transfers:

- normative structures, which included ideas, values, etc .;
- a system of practice, in particular, acquired abroad skills;
- social capital.

The transfer of skills is one of the most important social transfers that arises both in the context of the permanent and temporary return of the migrant to the country of origin. Recognition of the important role of diasporas in transferring their skills to their homeland is contained in a number of international programs, in particular, in the program of the International Migration Organization "Migration for the Development of Africa". This program facilitates the temporary return of qualified professionals to their countries of origin.

At the same time, some qualitative migration studies point to the significant problems that are being created for countries of origin with the loss of a part of the productive forces of countries in the process of international labor migration and the limited possibilities for

returning workers to their homeland. Thus, the research of the Moldavian Center of CIVIS and the international organization IASCI showed that in most cases there were problems with the re-migration of Moldovan workers. The reason for this was the structural weakness of the home business environment, which did not facilitate the integration of migrants into the local labor market as a labor force, or the creation of their own business, which ultimately led to a loss of their interest in the potential opportunities of the domestic labor market and contributed to the re-emigration from the country.

The effect of money or social transfers on the distribution of human capital in the country of origin of migration largely depends on the quality of the structures of the local labor market. In fact, the process of emigration and reemigration in the absence of effective migration management can destabilize the potential for long-term economic development and strengthen the social stratification in the country of origin of migration. In order to prevent the negative impact of the migration process, it is important for governments to develop and implement projects to ensure the stability of human capital in the domestic labor market, rather than focusing exclusively on the monetary phenomena of emigration (Mačkinová, 2015).

At the same time, it should be noted that it is impossible to argue that the relationship between the money transfers and economic growth or employment is absolute. For example, in the study A. Stratana shows that in the case of Moldova, where the remittance rate in relation to GDP ranged from 14-19% in 2006-2011, the correlation between migratory income capital and growth of the national economy. Mikes are not clearly expressed. An important role in the the use of migratory income development of the financial market, macroeconomic the government, as well as the direction of using them recipients.

A number of studies confirm the important positive effect of remittances both on bank deposits and on bank lending to the private sector. They argue that remittances act as substitutes for other financial assets such as lending and insurance, which are not always available in developing countries. By stimulating investment and consumption, remittances can potentially reduce the size of the recession in a particular country or lead to the economical growth of the local economy. In turn, S. Yassin points to the existence of a positive correlation between money transfers and the development of the financial system in developing countries, as well as in countries with dynamic economies, mainly in the Middle East and North Africa .



The IMF and the World Bank recognize the important role money transfers as steel and countermeasures the source of external financing, which is relatively easy to access for low-income countries of his income. Having the opportunity to get bigger the volume of loans in the presence of a significant transfers to the country, developing countries, have the opportunity to use the resource as a source for long-term investment, which ultimately should contribute to sustainable economic growth of the country. In practice, Ram the stability program of the debt that was introduced the World Bank and the IMF in 2009, allows countries to maintain a higher ratio government debt to GDP, in the if the share of money transfers in the country exceeds 10% of national income and 20% of the indicator export of goods and services.

Money transfers are a major factor in international labor migration, which affects the economic development of third world countries. The largest recipients of transfers of migrants are India and Mexico (over 10 billion dollars each), the Philippines (6.4 billion), Morocco, Egypt and Turkey (3 billion), and transfers to Lebanon, Bangladesh, Jordan, the Dominican Republic, Salvador and Colombia are approaching 2 billion

Transfers are private transfers of funds and do not create any obligations of the parties. First of all, they are spent on providing elemental living conditions of households. With a certain critical mass, they have a positive impact on the current account of the balance of payments, and also have anticyclic impact on the economy. Many developing countries use future cash flows as collateral (guarantees) in obtaining loans on the international loan market. For most recipient countries, the flow of funds has exceeded the amount of official financial assistance and is a more effective means of combating poverty, in effect implementing the principle of self-help.

The beneficial impact of migrant transfers is, moreover, in risk diversification and access to unofficial debt capital markets, easing the restrictions on loans imposed by the official banking sector on small investments. If remittances are invested, they stimulate the growth of production, and if they go for consumption, then they cause a positive multiplier effect.

It is worth noting, however, that the potential of a huge inflow of capital was almost never fully realized. Governments of developing countries and international organizations have a lot to do to turn large-scale flows of remittances of migrants into a powerful factor in economic development. Otherwise, these flows can lead to negative consequences: increased

income differentiation, inflation of real estate prices, concentration of land in the hands of migrant families, rising unemployment, etc.

Improving the living conditions of the local population, accumulating migration capital, gives grounds for some foreign and domestic scholars to absolutise its positive impact. They tend to see significant remittances for the socio-economic development of the state. For them, migrant workers are "heroes of today's time." However, we are far from intending to share their point of view, even if, firstly, funds received from abroad are mostly "eaten". This is confirmed by the experience of the majority of exporting countries of the labor force, whose main mass is used to repay debts related to the cost of emigration, as well as to satisfy the most basic human needs (food, clothing, housing, education). Only a small percentage of migrants' currency turns into investment capital, which can positively affect economic transformations in the country. Secondly, the conversations about the supposedly unique multiplicative effect that occurs in the economy due to the growth of consumption volumes among the population due to legends, do not, in our opinion, compelling evidence. This is explained by the fact that relatives and close migrant workers spend the mentioned funds mainly on the purchase of foreign products, which are distinguished by higher quality in comparison with domestic analogues. Thus, if one can speak of a multiplicative effect, then only in relation to the economies of other states, since consumption of foreign goods and services stimulates the development of their production abroad. The same means of labor migrants spent on the purchase of national products can not significantly contribute to economic development, since the industries that produce it can not properly influence the growth of the country's economic power.

In addition, statements about the exclusively positive impact of migration capital do not take into account the threats associated with it. And they exist. First of all, we mean the emergence of so-called "rentier countries." In Western scientific thought, this phenomenon was firstly explained by the example of the poorest states of the Pacific basin. These countries, relying exclusively on foreign exchange earnings from abroad, gradually begin to neglect the development of their own economy, thus preserving their economic backwardness. The governments of these states are completely satisfied with foreign currency interventions, which allow the local population at least somehow to make ends meet. However, as rightly noted by I. Melnikov, the socio-economic policy that causes emigration of labor resources inevitably leads to a delay in solving such urgent national

problems as ensuring employment of the population and accelerating economic development. In many donor countries, the growth in the volumes of transfers of labor migrants leads to a decrease in output for exports. This state of affairs is due to the illusory strengthening of the rate of the national currency, which occurs as a result of an increase in the supply of foreign currency on the domestic market. In addition, migration capital, in the case of a slight increase in domestic production, is able under certain conditions to intensify inflationary processes.

One more, convinced, important argument not in favor of migration capital is that in the donor countries of the labor force there are unemployed people who are quite satisfied with their unproductive position. According to statistics, in the Philippines, in households where there are no migrants, and in households where they are, the average income is practically the same. However, if the representatives of the first group fruitfully work for the production of a national product, then the overwhelming majority of citizens of the second leads a "parasitic" way of life, entirely relying on the earnings abroad of the funds of their relatives.

Differences in the impact of migration capital on certain macroeconomic indicators are due not only to the difference in the scale of labor migration, the size and potential of economic systems, the professional-age structure of migrants, but also the features of the national economic policy.

In the context of transnational activities of migrants, collective money transfers are of particular interest. The history of ethnic associations that send money for collective use in their hometowns or villages began a long time ago. Between 1914-1924, New York Jewish associations sent millions of dollars to communities that were ruined by war in their countries of origin in Europe. For a long time collective transfers of migrants to their places of origin were mainly philanthropic in nature. Such transfers are especially activated after natural disasters.

As a result of the increase in the number of participants in transnational activities, collective remittances acquired qualitatively new characteristics. Resources mobilized in this way, together with innovative schemes, stimulate the development of agricultural regions in need of modernization.

Collective remittances are combined with government funds. Similar initiatives contribute significantly to the local health and education system, benefitting, equally, the families of migrants and all other inhabitants. Since 1993 in Mexico, one of the most notable was the "two to one" program: each dollar of collective transfers of migrants is deducted in dollars per federal and state budget. Later, the dollar was added from the municipal administration and the program was named "three to one". From 1992 to 2001, within its framework, migrants invested \$ 5 million in 400 projects, while the total amount of investments in these projects amounted to \$ 15 million.

Usually such investments go to local public needs or to infrastructure - water purification, equipment or construction of schools, roads, medical centers, places of recreation and entertainment, parks, etc. Transnational organizations of migrants who are actively involved in the development of their homeland "make the state interact with them in new forms" and, in fact, create "parallel power structures" in relation to the traditional regime.

The scale and degree of institutionalization of collective remittances, along with the use of advanced telecommunications and new methods in the financial sector, have a significant impact on the nature and pace of development of donor countries. Access to the diaspora of migrants, their relatives, as well as official authorities in a single virtual information space allows them to unite to solve the most urgent local tasks, including financing of economic and social programs.

In scientific sources the meaning of the concept of migration capital is most often determined taking into account the sources of education, form, content, nature, characteristics of the movement and the purpose of remittances. The latter are not just wages earned abroad, but part of the savings that are made for the development of their households through investment. Consequently, money transfers carry out a direct and multiplicative capital-forming function, ensuring sustainable socio-economic development in recipient countries. Migrant money transfers, unlike other investment resources, are to a small extent dependent on crisis processes and have a clearly expressed anticyclical nature of the formation and functioning. Failing to take into account the IMF's funds, due to a sharp decline in foreign investment, official money transfers have become the largest external financial resource that has entered Ukraine. Recently, migration capital plays an important role in the socio-economic development of Ukraine. With the development of migration processes, the

liberalization of conditions for the cross-border movement of labor and its employment abroad, the volume of migration capital is significantly increasing. The research of the International Organization for Migration, the World Bank, the IMF, OECD, proves that migration capital enables to provide better living conditions for relatives and relatives of migrants at home, and also used by many recipient countries for national, regional and local development.

Numerous studies have shown that the growth of volumes of migration capital contributes to the increase of the gross domestic product in the recipient countries of transfers. In particular, for developing countries, the growth of volumes of migration capital by 1% leads to an increase in GDP by 0.14%. In the context of individual regions, this dependence may be even higher: for example, in Eastern European countries, the growth of migration capital by 1% can provide an increase of 0.33% of GDP itself.

According to the NBU definition, private remittances (international remittances) are international remittances and flows of resources to households (in cash and in kind) coming from other countries and are mainly related to temporary or permanent migration of the population. According to many scholars, private money transfers have advantages over other financial flows. They are relatively stable and do not create debts for the receiving countries. They come in those areas of the economy that least meet the standards for investing in foreign direct investment and bank loans. Studies confirm that money transfers have a positive effect on the balance of payments, reducing the current account deficit. Countries receive an additional source of foreign currency to finance imports.

According to some assumptions, the Ukrainian economy would lose about 7% of its potential without stimulating the impact of remittances, and 10%

an increase in money transfers per capita will reduce the share of the population living in poverty by 3.5%. In view of the above, for Ukraine this means that the growth of migration capital by 10% per year can give an impetus to GDP growth in the country by more than 3%. Significant volumes of migration capital inflows contribute to the growth of the financial potential of the budget system of the recipient countries. This is indirectly due to a significant increase in the level of income of the population-recipients of transfers and increase their solvency. However, migration capital is also of great importance for the budget system of Ukraine. The lack of statistical comparisons and correlation studies at the state level does not make it possible to talk about the specific impact of remittances on the

development of the budget system of Ukraine, but the definition of the ratio of migration capital to the main budget indicators convinces that this influence is indisputable.

Large-scale labor migration leads to positive consequences of Ukraine's economic development. The role of migration capital as a source of financing for economic growth processes is quite significant. In addition, the nature and mechanisms of the impact of migration capital on the financing of the economic sphere of the world economy makes it possible to regard money transfers of labor migrants as a kind of stabilizer for the macroeconomic situation and generator of progress of developing countries. In addition, due to flows of migration capital, some countries may mitigate the state budget deficit and compensate for additional demand for foreign currency. At the same time, migrant transfers are one of the most stable sources of foreign capital inflow into the country, far outpacing foreign direct investment, portfolio investment and international technical assistance, which has grown rather cyclically and dropped. Ukrainians work abroad for the most part in the field of services, seasonal work in agriculture, as well as in construction. But the global financial crisis and the reduction of production staff in Europe and the CIS can cause a massive return of "guest workers" to Ukraine. The mass return of migrant workers who have lost their jobs abroad has certain social and economic risks (Prykhodko, V.,). Ukraine does not wait for "gastarbeiter" and can not protect them. The first problem they encounter after returning to their homeland is the lack of vacancies. Experts also argue that the economic crisis, on the contrary, stimulates Ukrainian workers to productive labor. It also facilitates the movement of labor migrants within the European Union in search of better work (Holonič, J., 2014.). Unfortunately, most of our compatriots are abroad in the status of illegal migrant workers and belong to the most discriminated and vulnerable category of foreigners. Therefore, the number of appeals to public authorities of Ukraine from citizens who fall into difficult situations abroad is increasing, asking them to help and protect them. The study of the problem of labor migration shows that the most loyal attitude towards Ukrainian migrants in Spain, Portugal, Italy and Ireland. And the hardest is in Germany, France and the United Kingdom. Only 35% of the total number of migrant workers have legal status. Therefore, it is advisable to develop and adopt the Migration Code of Ukraine, as well as to create the State Migration Service of Ukraine, which would coordinate the activities of all structures, whose mandate includes the regulation of migration processes. Potential migrant workers are better aware of the market prospect than other citizens. They are 1.5 times more likely

than other citizens to support the creation of favorable conditions for entrepreneurship in Ukraine. But, having become acquainted with the practice of doing business abroad, our compatriots are convinced that dealing with this business in our country - it is risky. Therefore, the money earned abroad is spent on housing construction, on the education of children, on consumer goods, but not on the opening of their own business. However, money is over and you need to go abroad again. Regular trips to work in Europe are for many Ukrainians in the way and content of life. Naturally, there is a desire to naturalize in the "country of reception" and to stop their multinationals. According to rough estimates, irrecoverable losses in the flow of labor migration for Ukraine make up 20 to 30%. In Zakarpattia already there are villages, whose population has almost completely left abroad.

The constant growth of the volume of private transfers to Ukraine in the last one and a half decades has contributed to a change in the structure of household expenditures, when the smaller part was directed to food, housing, and more to education, treatment, recreation, the purchase of durable goods. In general, such processes contribute to maintaining and improving the quality of human potential that is consistent with global trends. According to studies in many countries of the world, the growth of transfers contributes to the development of the educational level of youth, the reduction of infant mortality. At the same time an increase in the number

institutions of higher education in Ukraine during the period of independence were not accompanied by an adequate increase in the quality of human capital, did not lead to a significant increase in the productivity of social work, faster economic growth. Moreover, in recent years, structural imbalances in the labor market have been accumulated, and a significant part of graduates with higher education are forced to work not on specialty. Another direction of using remittances from abroad during this period was investing in the real estate market, which, among many positive effects, led to a significant overheating of the market and an increase in demand for credit resources. Given the rapid deterioration of the general economic, macro-financial situation in Ukraine in 2013-2014, growing currency instability, and the strengthening of restrictions on currency exchange operations in the context of state economic policy, such a possibility of further use of remittances appears to be the least likely.

Money transfers of migrant workers exceeded the amount of subsidies to local budgets from the state budget by 1.7 times. Thus, the targeted support of migrants for their

households is significant, and in depressed regions of Ukraine, migration capital can not only complement, but also replace budget funds and state support for social development. The volumes of migration capital are almost equal to the budget of the Pension Fund of Ukraine. This situation has a positive effect on the livelihoods of the retirement age population, whose relatives work abroad. Migrants help the state provide better conditions for pensioners by sending them additional financial resources. In addition, migrants provide households and material. The cost of things purchased for them is sometimes higher than retirement payments.

An important sphere of influence of migration capital is the banking system. The value of remittances for the banking system of Ukraine and the impact on it are uncontested. The ratio of migration capital to its main indicators is quite significant. The banking institutions on average gave 200 billion UAH to individuals. loans in a year equal to the volumes of migration capital. In addition, migration capital accounts for 25% of all loans issued by banks to the economy of the country. The role of migration capital in the development of the credit market is significant. On the one hand, migration capital contributes to the expansion of lending to citizens and private entrepreneurs. On the other hand, in the case of limited credit and negotiable resources, remittances remain the only source of entrepreneurial activity in many households. Therefore, transfers of migrants become an integral part of households' strategies. This is also confirmed by comparing the volumes of migration capital with the financial indicators of households in Ukraine. Unlike other private foreign investment resources, money transfers refer migrants to households of their relatives and friends, helping them to provide better living conditions. The ratio of migration capital to household incomes and expenditures is a start-up part.

Experts from the European Training Foundation (ETF) conducted a study regarding directions of use of transfers at home. The results showed that the part of the money is spent on the current consumption (food, clothing, utilities, treatment). At the same time, there are significant differences in the cost of transfers between migrants (who returned) and their households (families). Migrants are more savings and consume almost 20% less money than this is done by their households.

The problem of transforming migration capital into a real investment resource of the economy was not solved in Ukraine either during the period of economic growth or during the period of post-crisis recovery.

Meanwhile, the foreign experience of the effective attraction of migration capital for national economic development determines the priorities: improving the mechanism for the implementation of remittances, including through the strengthening of official channels, stimulating their growth, encouraging productive use, and directing transfers for development interests.

It is difficult to determine the real prospects of attracting migration capital for economic development of Ukraine today, given the acceleration of crisis phenomena, the loss of a significant part of the economic potential caused by violations of the territorial integrity of the state. At the same time, the top-priority measures of state policy should be the expected qualitative changes in the national economic system, technological structural transformations, irreversible changes as conditions of conducting business in Ukraine. Given the need to combine anti-crisis measures of short-term impact with the strategic objectives of the national economic breakthrough, the long-term nature of measures to attract migration capital should be taken into account. The positive result of attracting private transfers as a source of economic growth can be expected in the event of a combination of numerous events.

One of the key areas of state policy on labor migration regulation should be to stimulate the investment of migrant workers in Ukraine's economy and ensure the return of migrations. To this end, it is necessary to develop and implement a special program for the adaptation of labor migrants to Ukrainian society, which changes during their absence, the core of it should be to stimulate self-employment and micro-entrepreneurship for people who return after work abroad, minimizing the tax transfer; expansion of channels and forms of private transfers; encouraging the use of migration capital in the areas that generate GDP, through the system of preferential taxation; use of mechanisms of public-private partnership, etc. This program should, in particular, provide for preferential terms of taxation during the start-up period, the permission for duty-free import of means of production by Ukrainian citizens from abroad, promotion of professional development and retraining, provision of legal and consulting assistance. This program should be supplemented with local small business development programs, creation of new jobs, in particular at the expense of the funds earned by Ukrainian citizens abroad (today the efficiency of attracting "migration" funds to the Ukrainian economy, in particular small business, is extremely low). Moreover, for the implementation of such programs, it is realistic (with the corresponding focus of the

efforts of the Ukrainian government structures) to receive support from the recipient countries of the domestic workforce, who in the conditions of the crisis, obviously, will be interested in returning Ukrainian workers to their homeland.

### Conclusions

The social and economic role of remittances for their recipients can not be overemphasized, since they not only provide financing for households, but they can also be a source of economic growth for emigration countries. It is important that remittances often have an anticyclical effect due to the intensity of migratory flows, the specifics of the transfer behavior of migrants, and the government policy. The scale of private transfers from abroad in many countries reaches a record 20-50% of GDP, which determines the potential for accelerating national economic growth.

The analysis we have carried out makes it possible to talk about the ambiguous impact of migration capital on the development of exporting countries. On the one hand, these transfers contribute to a partial improvement of the living conditions of migrant relatives. On the other hand, migratory capital has, to a certain extent, a negative impact on donor countries of migrant workers. Under certain conditions, these funds can cause the curtailment of export-oriented industries, the development of inflationary processes, and, most importantly, the deepening of the economic backwardness of the state as a whole.

Those interested in distributing the myth of "miracle" of migration capital may be owners of private financial institutions and "experts" serving their corporate interests. Due to speculative operations with money transfers of labor migrants, the representatives of the newly emerging big bourgeoisie are able to substantially increase their capital.

As for Ukraine, the meaning of migration capital for social development is obvious and indisputable. Studies have shown that remittances make a significant correlation with GDP and other key indicators, play an additional generator of social development and significantly affect the growth of key sectors of the economy. Transfers are a significant additional income for the population, they are an important source of currency inflows and could significantly increase the gold and foreign exchange reserves of Ukraine. Money remittances of migrant workers are stable and do not create debts for the country. They come to those areas of the economy where it is difficult to provide standards for investing foreign

direct investment and bank loans, have a positive impact on the balance of payments and is a source of currency inflows into the country.

In view of the above, it should not be about promoting labor emigration in order to receive money transfers in the future, but about creating decent living conditions in the countries of origin that would enable national labor resources to work in favor of the homeland.

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