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## Personal remittances in Belarus: trends and challenges

### Prywatne przekazy pieniężne na Białorusi: trendy i wyzwania

**Abstract:** *In recent years, international labour migration has become an integral part of the modern world economy. Labour migration is an important source of financial inflow for certain countries. The migrants' personal remittances sent to the country enable families to increase their consumption level and a cumulative demand as well as stimulate production development. In other words, they are a tool by means of which the country can solve a complex of internal social and economic problems more successfully. Some part of the money received is invested in development of the national economy through purchasing shares, land and real estate. In this regard the account and cost assessment of the migrants' personal remittances are urgent. The chapter concerns the trends of the global international migration as well as international migration in Belarus. Special attention will be given to detailed analysis of the size and structure of the migrants' personal remittances in their basic elements, the countries of departure and countries of destination. The analysis is based on the statistical data of the National Statistical Committee, the National Bank of Belarus, the Department of Economic and Social Affairs and Population Division of the United Nations.*

**Keywords:** international migration, migrant's personal remittances, compensation of employees, personal transfers, capital transfers

**Streszczenie:** *W ostatnich latach międzynarodowa migracja zarobkowa stała się integralną częścią nowoczesnej gospodarki światowej. Migracja zarobkowa jest ważnym źródłem dopływu pieniędzy do gospodarki w wybranych krajach. Przelewy zarobków migrantów wysyłane do kraju umożliwiają rodzinom zwiększenie poziomu konsumpcji i skumulowanego popytu, a także stymulują rozwój produkcji. Innymi słowami są one narzędziem, za pomocą którego kraj może skuteczniej rozwiązać kompleks wewnętrznych problemów społecznych i gospodarczych. Część otrzymanych pieniędzy jest inwestowana w rozwój gospodarki narodowej poprzez zakup akcji, gruntów i innych nieruchomości. W związku z tym rachunek i ocena kosztów osobistych przekazów migrantów są bardzo ważne. Artykuł dotyczy trendów globalnej migracji międzynarodowej oraz międzynarodowej migracji na Białorusi. Szczególna uwaga zostanie poświęcona analizie wielkości i struktury osobistych przekazów migrantów w ich podstawowych komponentach, krajach opuszczenia i krajach przekazu pieniędzy. Analiza opiera się na danych statystycznych Krajowego Komitetu Statystycznego, Narodowego Banku Białorusi, Departamentu Spraw Gospodarczych i Społecznych, Oddziału ds. Populacji Ludności Narodów Zjednoczonych.*

**Słowa kluczowe:** migracja międzynarodowa, przekazy pieniężne migrantów, rekompensata pracowników, przelewy osobiste, transfer kapitału

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## Introduction

At present the world economy integration and globalization connected to free movement of goods and capital as well as human resources has a special relevance. Labour migration as an integral part of international migration is followed by the continuous movement of the migratory capital (remittances) between the countries. Obviously, the global volumes of migration capital demonstrate a steady upward trend.

Money transfers are important, not only because they help the least well-off layer of the population to survive, they are also considered to be both an additional source of financing the host country's economy and an essential factor in its development.

Issues of the labour migration and migrants' personal remittances play a significant role for the Republic of Belarus. On the one hand, labour migration which involves a change in permanent residence leads to considerable losses of human capital, and also promotes a deficit of the workers in some sectors of the Belarusian economy (construction, transport). On the other hand, the labour force migration allows reducing the unemployment rate and poverty rate in the country. It also gives an opportunity to gain a new experience and knowledge abroad to be used in Belarus on return. It improves the balance of payments of Belarus through the migrant's remittances.

## The current trends of migratory processes

In recent years the concept of international migration connected to a continuous increase in the number of people crossing international boundaries for the purpose of changing residence has acquired particular relevance. As a result, there are many social, economic and political problems related with the migration flows.

According to the Department of the population of the UN data about international migration<sup>2</sup>, the number of international migrants from 1990 to 2015 increased by more than 60% (from 153 million people in 1990 to 244 million people in 2015) (figure 1).

Figure 1 indicates that the number of international migrants increased non uniformly over the analyzed period. In the 90s, scales of international migration were more moderate: for the period of 1990-1995 the increase of the migrants number reached 5.4%, in 1995-2000s, it was 7.4%.

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<sup>2</sup> United Nations, Department of Economic and Social Affairs, Population Division (2015). *Trends in International Migrant Stock: The 2015 revision* (United Nations database, POP/DB/MIG/Stock/Rev. 2015) – Access mode: <http://www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml>.

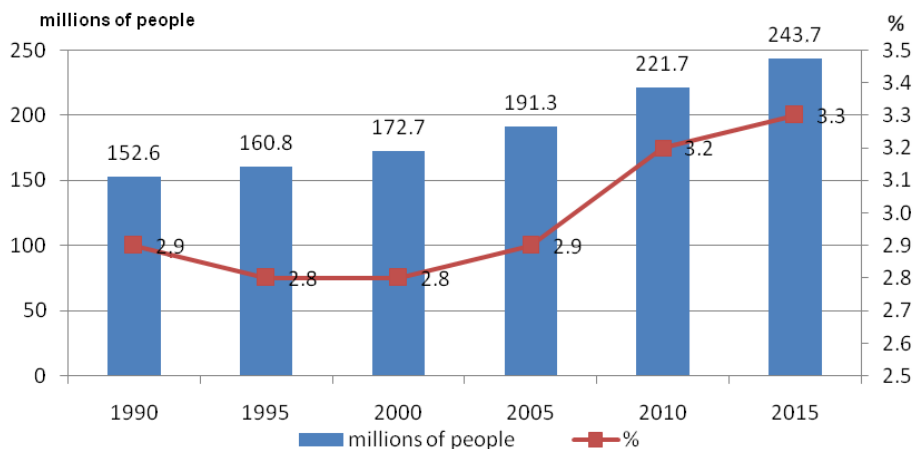


Figure 1. The number of international migrants (millions of people) and their share in the total number of the world's population (%) for 1990-2015

Source: own study based on United Nations, Department of Economic and Social Affairs, Population Division (2015). *Trends in International Migrant Stock: The 2015 revision* (United Nations database, POP/DB/MIG/Stock/Rev.2015).

The number of international migrants has increased by 18.6 million people (by 10.8%) during the period 2000-2005. The sharpest growth was recorded in the period of 2005-2010: during this period the number of migrants increased by 30.4 million people which made 15.9%, while for the last five years the increase was 22 million people (9.9%).

The geographical centres of immigration are the most developed countries: countries of Western Europe, Canada, USA and Australia (table 1).

According to the UN experts, during the period 1990-2015 the number of international migrants in developed countries increased by more than 70% which made 58.1 million people. The majority of all migrants live in Europe (31.3%); more than 11% are in Western Europe. The United States of America are the second in the number of immigrants(19-20%).

If we consider the rate of international migration growth we can see that for the whole analyzable period (from 1990 to 2015) the number of migrants annually increased by 3.6 million people on average, and it peaked in the period 2005 to 2010 (on average 3% per year).

International labour migration which involves the majority of countries in the world is a considerable part of international migration. One of the reasons for international labour migration is the non-uniformity of the world economic development, income inequality and opportunity inequality in different countries, industrialized and developing countries in particular. Another important factor influencing international labour migration is a demographic imbalance of the population. In developing countries there is a labour redundancy, while in developed countries there is a shortcoming in certain branches which are not in demand among the local population. For example, foreign workers make up 70% of all the people employed in the municipal sector of France. Migrant

workers make the 90% of total labour force employed in the construction of 6 Arab states in the Persian Gulf, etc.<sup>3</sup> In general, the share of foreign labour in the total number of the population practically in almost all receiving countries is higher than the proportion of the foreign population in the total population of these countries. The cost of the foreign labour force allows deriving maximum profits from its use is the third and most important reason for the labour migration scale.

Table 1. Geographical structure of international immigration

	1990		1995		2000		2005		2010		2015	
	million people	%	million people	%	million people	%	million people	%	million people	%	million people	%
World	152.6	100	160.8	100	172.7	100	191.3	100	221.7	100	243.7	100
<i>includes:</i>												
Europe	49.2	32.24	52.8	32.84	56.3	32.60	64.1	33.51	72.4	32.66	76.2	31.27
Western Europe	16.2	10.62	18.3	11.38	20.4	11.81	22.8	11.92	25.2	11.37	27.4	11.24
- Germany	5.9	3.87	7.4	4.60	9.0	5.21	10.3	5.38	11.6	5.23	12.0	4.92
- France	5.9	3.87	6.1	3.79	6.3	3.65	6.7	3.50	7.2	3.25	7.8	3.20
- Switzerland	1.3	0.85	1.5	0.93	1.6	0.93	1.8	0.94	2.1	0.95	2.4	0.98
Russian Federation	11.5	7.54	11.9	7.40	11.9	6.89	11.7	6.12	11.2	5.05	11.6	4.76
UK and Northern Ireland	3.7	2.42	4.2	2.61	4.7	2.72	5.9	3.08	7.6	3.43	8.5	3.49
Australia	4.0	2.62	4.2	2.61	4.4	2.55	4.9	2.56	5.9	2.66	6.8	2.79
Canada	4.3	2.82	4.9	3.05	5.5	3.18	6.1	3.19	7.0	3.16	7.8	3.20
United States of America	23.2	15.20	28.5	17.72	34.8	20.15	39.3	20.54	44.3	19.98	46.6	19.12

Source: own study based on United Nations, Department of Economic and Social Affairs, Population Division (2015). *Trends in International Migrant Stock: The 2015 revision* (United Nations database, POP/DB/MIG/Stock/Rev.2015).

The Republic of Belarus is also involved in the process of the global labour population movement. In conditions of a natural population a decrease, reduction of the growth of young people of working age, a decrease of the local labour force and, as a consequence, a decrease of the employment rate of the population, the attraction of labour migrants to the country is of great importance to Belarus.

Figure 2 demonstrates that the number of labor migrants in Belarus has increased by several times since the beginning of the 90s. Figure 2 indicates that the Republic of Belarus appeared to be both a supplier of labour and the recipient throughout the analytical period. Moreover, the numbers of labour migrants coming to Belarus was insignificant until 2010. The reason for it was rather strict national labour legislation. Only since 2010 the flow of immigrants began to grow quickly, this is closely connected with a new Law of the Republic

<sup>3</sup> V. Iontsev, *Features of the modern labor migration in Russia. Foreign labor in the Russian labor market: new approaches to the account and analysis of external labor migration*, Bryansk 2016, p. 200, 37-49.

of Belarus on “External Labour Migration” (came in to force on July 12, 2011). It defined the order of employment of foreigners permanently living in the Republic of Belarus<sup>4</sup>.

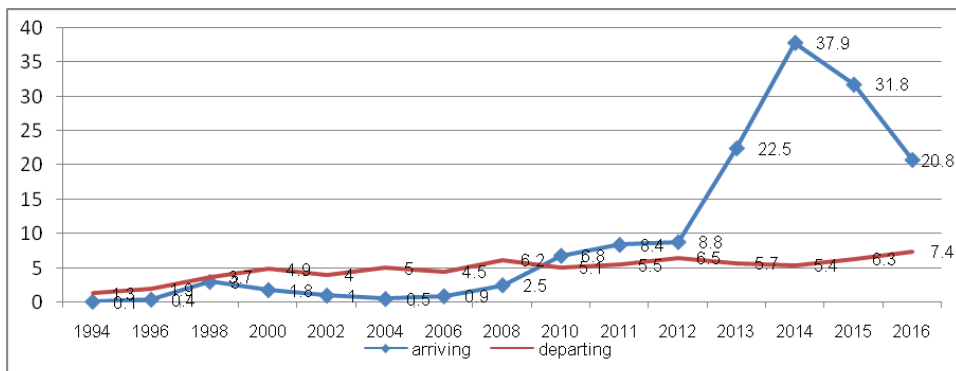


Figure 2. The number of migrant workers of the Republic of Belarus arriving and departing with contracts for 1994-2016 (thousands of people)

Source: own study based on *The accounting of migrant workers and workers immigrants for 1994-2016*, Department on nationality and migration of the Ministry of Internal Affairs of the Republic of Belarus.

At the same time divergence of flows on entrance (import) and departure (export) of labour migrants is characteristic for Belarus. While the number of those who left the country for work exceeded the number of those who arrived till 2009, the situation changed radically since 2010. The analysis of the labour migrant flow under contract showed that in 2010 the number of those who arrived exceeded the number of those who departed by 1750 people, in 2012 it exceeded by 2247 people, and in 2014 it already exceeded by 32 thousand people. This trend continues even now: according to the Department of Citizenship and Migration of the Ministry of Internal Affairs in the Republic of Belarus in 2016 the number of arrived labour migrants was more than those gone abroad by 13.4 thousand people<sup>5</sup>.

Thus, the international labour migration became an integral part of the modern world economy and is one of the main factors of social transformations both in donor countries and in host countries. One of the positive aspects of migration for the host country is the reduction in production costs as immigrant workers receive a considerably a smaller salary than local workers, and also the lowering of costs for its preparation in the case of qualified labour. Positive aspects of international migration for donor countries is the fact that people working abroad acquire new professional skills, experience, knowledge in the

<sup>4</sup> L. Tikhonova, E. Krasinets, *Labor migration and migration policy of the Republic of Belarus within integration into the Eurasian Economic Union*, “Journal of International Law and International Relations” 2015, No. 2, p. 10-13.

<sup>5</sup> *The accounting of migrant workers and workers emigrants for 1994-2016*. Department on nationality and migration of the Ministry of Internal Affairs of the Republic of Belarus. – Access mode: <http://mvd.gov.by/ru/main.aspx?guid=323453>.

labour process. On returning to their homeland they use them to increase the productivity of labour<sup>6</sup>.

In addition, international labour migrants make an increasing contribution to the economic development of the countries to which they moved as well as the countries from which they came by sending significant remittances to their relatives in their homeland. In other words, for donor countries labour migration is also an important source of currency inflow into the country. The remittances transferred to the country allow families to increase their consumption level, increase aggregate demand and stimulate the production development. In general, it gives a chance to the country to solve a complex of internal social and economic problems more successfully. Some of the received money is invested in development of the national economy through purchasing shares, land and real estate.

Proceeding from this, not only the accounting of migration flows in the country but also the accounting, analysis and cost assessment of the labour migrants' remittances has great importance at the present time.

### **The labour migrants' remittances in the Republic of Belarus**

The International Monetary Fund defines labour migrants' remittances as a household income from foreign economies arising mainly from the temporary or permanent movement of people to those economies<sup>7</sup>. They largely consist of funds and non cash items sent, or given by individuals, who have migrated to a new economy and become residents there, and the net compensation of border, seasonal, or other short-term workers who are temporarily employed in an economy in which they are non-resident.

Remittances are transported through formal or informal channels. Formal remittance channels are those officially authorized to operate in the money transfer business, such as banks, money transfer operators, or other officially registered institutions. Semi-formal remittance channels include formal institutions providing money transfer services outside the regulatory mechanisms of the country authorities. Informal remittance channels are outside financial regulation and supervision, but are often legal (for example, transportation of money or goods through the boundary). Remittances are derived mainly from two items in the balance of payments framework: income earned by workers in economies where they are non-resident (or from nonresident employers) and transfers from residents of one economy to residents of another (figure 3).

Compensation of employees refers to the income of border, seasonal, and other short-term workers who work in an economy where they are non-resident, and to the income of resident workers employed by a nonresident entity. In other words, it is part of the earnings of family members abroad which they give to their relatives in the homeland.

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<sup>6</sup> T. Gafurova, B. Hitov, *Money transfers in system of indices of the balance of payments*, "Banking messenger", 2013, No. 4/585 (February), p. 8-15.

<sup>7</sup> *International operations with money transfers. A manual for originators and users*, IMF, Washington 2011, p. 101.

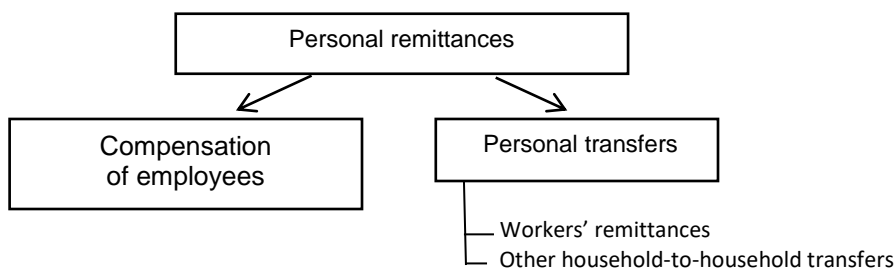


Figure 3. The elements of personal remittances

Source: own study based on T. Gafurova, B. Hitov, *Money transfers in system of indices of the balance of payments*, "Banking messenger", 2013, No. 4/585 (February), p. 8-15.

The trends of the compensation of employees received from abroad and paid abroad in the Republic of Belarus is provided in figure 4. Figures proves that despite the excess of the number of the arrived labour migrants over number of departed labour migrants the flow of the compensation received from abroad considerably exceeded flow of its payments abroad throughout the researched period. Moreover, the volume of the flow from abroad tends to increase. So, in 2005 the amount of the received compensation of employees made 120.3 million dollars, then in 2010 it increased 2.7 times to 327.7 million dollars and over the next 5 years – 2.16 times. In 2016 in comparison with 2010 the amount of the compensation of employees received from abroad increased more than 27% and in comparison with 2005 – almost 3.5 times. At the same time in 2016 in comparison with 2015 there was a slight decrease in labour earnings received from abroad (by 0.5%) and a significant decrease in payments to non-resident labour migrants (by 36.9%).

Thus, it can be concluded that from the departure of labour migrants without registered contracts (informal employment) exceeds the official labor exchange under contracts registered by the Department of Citizenship and Migration of the Ministry of Internal Affairs of the Republic of Belarus many times. Such an uncontrollable departure to work abroad is characteristic of the Mogilev, Gomel and Vittebsk regions. It is mainly labour migration to border areas of Russia and until recently Ukraine. According to the estimates of Belarusian scientists the independent labour migration of Belarusian labour far more exceeds those registered and accounts for 500 to 800 thousand people. 75% of the labour migrants leave the country for the purpose of employment in Russia. According to Federal Migration Service for January 1, 2015 there were 524 thousand people from Belarus on the territory of the Russian Federation<sup>8</sup> the majority of whom are involved in the Russian economy.

<sup>8</sup> L. Tikhonova, E. Krasinets, *Labor migration and migration policy of the Republic of Belarus within integration into the Eurasian Economic Union*, "Journal of International Law and International Relations" 2015, No. 2, p. 10-13.

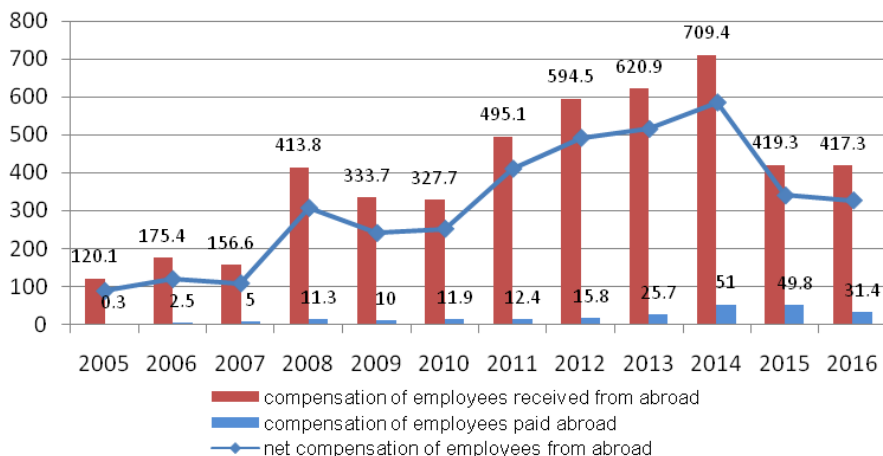


Figure 4. The trends of the compensation of employees received from abroad and paid abroad in the Republic of Belarus for 2005-2016 (million dollars)

Source: own study based on the data of the National bank of the Republic of Belarus.

To analyse the compensation of employees flow, the concept "net compensation of employees" is also used. Net compensation is calculated by deducting taxes, social contributions paid by nonresident workers in the country of employment, and transport and travel expenditures related to their work abroad from (gross) compensation (for example, living, supply, payment of taxes, cost of purchase of the ticket, etc.).

The personal transfer is the second element of personal remittances. Personal transfers consist of all current transfers in cash, or in other forms, made or received by resident households, to or from nonresident households. In other words, the personal transfers include all current transfers between resident and nonresident individuals.

The difference between personal transfers and pure net compensation of the people who are going abroad in job searches is based on the duration of their stay and their status of residence in the host country. The migrants who are going abroad for the purpose of employment for a period of a year or longer change their status of residency, i.e. they become residents of the host economy. In this case their remittances to residents living in their former country are recorded as "personal transfers". At the same time the salary of border, seasonal, and other short-term workers who work in an economy where they are not resident is reflected as "compensation of employees".

From the data of the National bank of the Republic of Belarus it is obvious that from 2005 to 2016 the value of personal transfers received from abroad grew more than 6 times (from 80.8 million dollars in 2005 to 503.1 million dollars in 2016) (table 2).



Table 2. Tendency of the personal transfers in the Republic of Belarus for 2005-2016 (million dollars)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Personal transfers from abroad including:</b>	<b>80.8</b>	<b>92.8</b>	<b>131.7</b>	<b>169.5</b>	<b>170.1</b>	<b>247.6</b>	<b>395.5</b>	<b>458.6</b>	<b>592.6</b>	<b>521.9</b>	<b>507.9</b>	<b>503.1</b>
workers' remittances												
million dollars	78.5	90.1	128.3	164.0	165.2	198.8	350.4	400.2	522.8	447.6	423.2	432.2
%	97.2	97.1	97.4	96.8	97.1	80.3	88.6	87.3	88.2	85.8	83.3	85.9
<b>Personal transfers abroad including:</b>	<b>52.1</b>	<b>67.9</b>	<b>98.2</b>	<b>159.7</b>	<b>123.0</b>	<b>103.8</b>	<b>121.4</b>	<b>125.9</b>	<b>125.1</b>	<b>130.2</b>	<b>112.5</b>	<b>88.6</b>
workers' remittances												
million dollars	51.9	67.8	96.6	156.9	120.8	86.5	106.4	111.2	103.3	94.8	52.6	42.4
%	99.6	99.9	98.4	98.2	98.2	83.3	87.6	88.3	82.6	72.8	46.8	47.9

Source: own study based on the data of the National bank of the Republic of Belarus

More than 85% of personal transfers listed in the economy of the Republic of Belarus are workers' remittances from abroad. To calculate the amount of remittances of the working migrants in the Republic of Belarus the information of their bank accounts is used. Based on this, the amount of the remittances of individuals carried out through bank accounts is determined, taking into account payments through international money transfer systems. Another information source is data of RUP "Belpochta" on postal and electronic money transfers.

At the same time the problem of estimating the volumes of the cash transfers is typical for the Republic of Belarus. Such cash transfers is money which is taken by persons independently, or through their intermediaries and isn't reflected in the banking statements. World Bank data indicate that official transfers of migrants make up only 29% of the world's real cash flows<sup>9</sup>. In the context of the fact that informal labour migration from Belarus is directed mainly to the Russian Federation, remittances from Russia are the main tool for transferring money from labour migrants to their families. Within it, the accounting and recording of such cash remittances, due to the lack of sufficient information to carry out quality control of their volume is the major current concern in Belarus.

The total value of personal remittances (the amount of employees' compensation and total value of the personal transfers) in the economy of the Republic of Belarus for 2016 made 830.4 million dollars that is 7.8 times more than the size paid abroad and almost 5 times more than the level in 2005. Comparing the volume of all personal transfers arrived from abroad with the amount of direct foreign investment in the economy of the country, then during the analyzed period the share of personal remittances was from 8 to 10% of the inflow of FDI into the Republic of Belarus. However, unlike investment flows, the remittances of labour migrants have a stable character and can be considered a reliable source of foreign exchange earnings improving the credit rating of the country and, under other favourable conditions, promoting economic growth.

<sup>9</sup> T. Gafurova, B. Hitov, *Money transfers in system of indices of the balance of payments*, "Banking messenger", 2013, No. 4/585 (February), p. 8-15.

Thus, all remittances coming into the national economy influence the development of the recipient country's economy to a greater or lesser extent. It doesn't depend on what channels are used to transfer the money labour migrants use. However, officially registered personal remittances can be considered a source of financing for the social and economic transformations carried out at the expense of migrants' money.

### **The economic consequences of migrants' remittances**

The experts are very ambivalent about the influence of the migrants' remittances on the host economy.

The positive aspect is that, unlike many other types of financial flow, remittances aren't the external debt of the country and don't involve obligations to repay the debt in the future. They are usually not related to different political and economic conditions that the recipient country must follow (for example, in the case of receiving official support for development purposes from the international financial institutions).

On the other hand, remittances are listed among the most vulnerable layers and group of the population to help them to survive during tough times. Besides, they have a countercyclical character and activate during the crisis periods followed by stricter fiscal policy, reduction of public expenditure on education, health care, growth of the number of the unemployed, etc. In these conditions the additional resources arriving directly to those who need it most of all are irreplaceable.

According to experts, migrants' remittances are one of the factors of lowering the poverty level in the country. It is expressed in the increase in the size of gross domestic product per capita as well as in changes the distribution proportions of the income between different groups and segments of the population<sup>10</sup>. Besides, such cash flows can promote growth of the population's savings.

In addition, although only a small share of the migrant remittances is connected to bank accounts it is considered that the transfers of labor migrants help to strengthen the country's banking system and stimulate its financial development, which is especially important for countries with economies in transition. It promotes the growth of the number of people making payments through international money transfer systems and the number of people accessing the services of banks and non-banking financial institutions is increasing. It also promotes growth of the population's financial literacy by attracting and stimulating competition and innovation among banks, money transfer operators and other financial institutions.

The positive aspect is also that significant volumes of transfers reduce a deficit of the current account of the balance of payments that is one of the most necessary conditions to the implementation of economic reforms.

At the same time, remittances of labor migrants can also have negative consequences for the economy of the host country, Belarus in particular.

One of the challenges associated with remittances as a source of foreign exchange is that large inflows of money transfers in US dollars or euros contribute to the dollarization / europeanization of the country of destination and

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<sup>10</sup> G. Glushchenko, *Money transfers of the international labor migrants: characteristics and determinants*, "Statistics Questions", 2005, No. 3, p. 38-50.

this applies to both official transfers (foreign currency accounts and foreign currency loans in the banking system) and also an unofficial part of them (cash savings of households in foreign currency). This problem is especially acute in the conditions of macroeconomic instability, high inflation, and devaluation of the national currency. Experts mark that some level of dollarization can be positive for countries with economies in transition as it promotes the development of domestic financial markets and can limit the risk of the currency exchange rate for foreign investors. However, it limits the efficiency of monetary policy, increases balance risks that arise as a result of a currency volume mismatch in banks balances as well as increases the vulnerability of a banking system in the case of an economic crisis and devaluation of the currency<sup>11</sup>.

The remittances can negatively affect the supply-demand ratio in the labour market, and as a result, the population employment rate. Their influence on the size of the aggregate supply in the labour market is that recipients of remittances can replace their labour incomes and, therefore, reduce their work activities. On the other hand, if remittances inflow to the country causes an increase in the consumption of imported goods and a decrease in the consumption of domestic goods, it can reduce the labour demand.

Besides, it has been proven that remittances play a crucial role in the creation of an inflationary spiral, warming up demand for consumer goods. In other words, they promote the price growth in those sectors in which recipient households invest most often. Thus, the surveys conducted by experts showed that the excess of the means received from labour migration, is used primarily by the population to improve living conditions. The growth of such private investments into real estate promotes a sharp increase in housing prices in the recipient regions.

In addition, to the economic consequences, migrants' remittances have a negative social burden. Social costs of migrant remittances for some families can be more considerable than their economic benefits in some cases. In particular, a long absence of family members due to labour migration compensated by regular money transfers and gifts from abroad promotes a domination of consumer interests among those who stayed at home, destroys emotional communications, redistributes gender roles, changes important functions of a family and also increases the risk of a divorce<sup>11</sup>.

## Conclusions

Migrants' remittances have a significant effect, not only on the social and economic situation of a single country, but also on the economic development of the whole regions of the world. The main factors influencing the value of migrants' remittances are the number of migrants, value of the salary received by them, availability of dependents, the level of household income, the economic situation in the country receiving the migrant, exchange rates, etc. The transfers, as a rule, increase during economic recessions, military conflicts or

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<sup>11</sup> O. Kupets, *Development and ghost effects of money transfers of migrants in the CIS countries: Ukraine*. Research and development report KARIM East RR 2012/06 – Access mode: <http://www.carim-east.eu/media/CARIM-East-2012-RU-06.pdf>.

natural cataclysms. The amount of remittances increases and becomes more frequent during certain periods depending on the cultural or religious traditions of migrant groups, for example New Year, Christmas, etc.

In this regard the major tasks related to labour migrants remittances are:

- increase in openness and transparency of the money transfer market;
- direction of cash flows through legal channels;
- counteraction to the use of cash flow for the purposes of organized crime and terrorism;
- improvement of legislation for joint supervision of the transfers between the partner countries.

Excluding the listed, the problem of expanding and improving sources of data on migrant remittances remains urgent for the Republic of Belarus. As mentioned above, in the Republic of Belarus the balance of payments data compiled by the National Bank on the basis of banks' reports and information on postal and electronic money transfers of RUP "Belpochta" are used to characterize the volume of such cash flows. However, a considerable part of remittances passes official channels and is carried physically by people, or by their intermediaries and isn't reflected in banking reporting. In this regard, carrying out special surveys of households and surveys of individuals (senders and recipients of the remittances) are becoming especially relevant. Such regular surveys have already been conducted in a number of countries: in Russia and the Republic of Kazakhstan – once a year; in Tajikistan – once every half-year; in Armenia – quarterly. In some countries one-time special surveys on migration and remittances of households are carried out (Moldova, Poland)<sup>12</sup>.

In the Republic of Belarus a sample survey of employment and unemployment as well as a sample survey of households on living standards carried out quarterly can lay a basis for such inquiries.

To improve the accounting of personal remittances in the Republic of Belarus it is also advisable to minimize cost and other barriers hindering the implementation of money transfers; improve normative and institutional mechanisms to facilitate the transfer of remittances through formal channels; pay attention to issues of accounting for small amount transfers.

The analysis of migrants' remittance volumes in the Republic of Belarus confirms an increasing significance of this phenomenon for the national economy in the future.

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