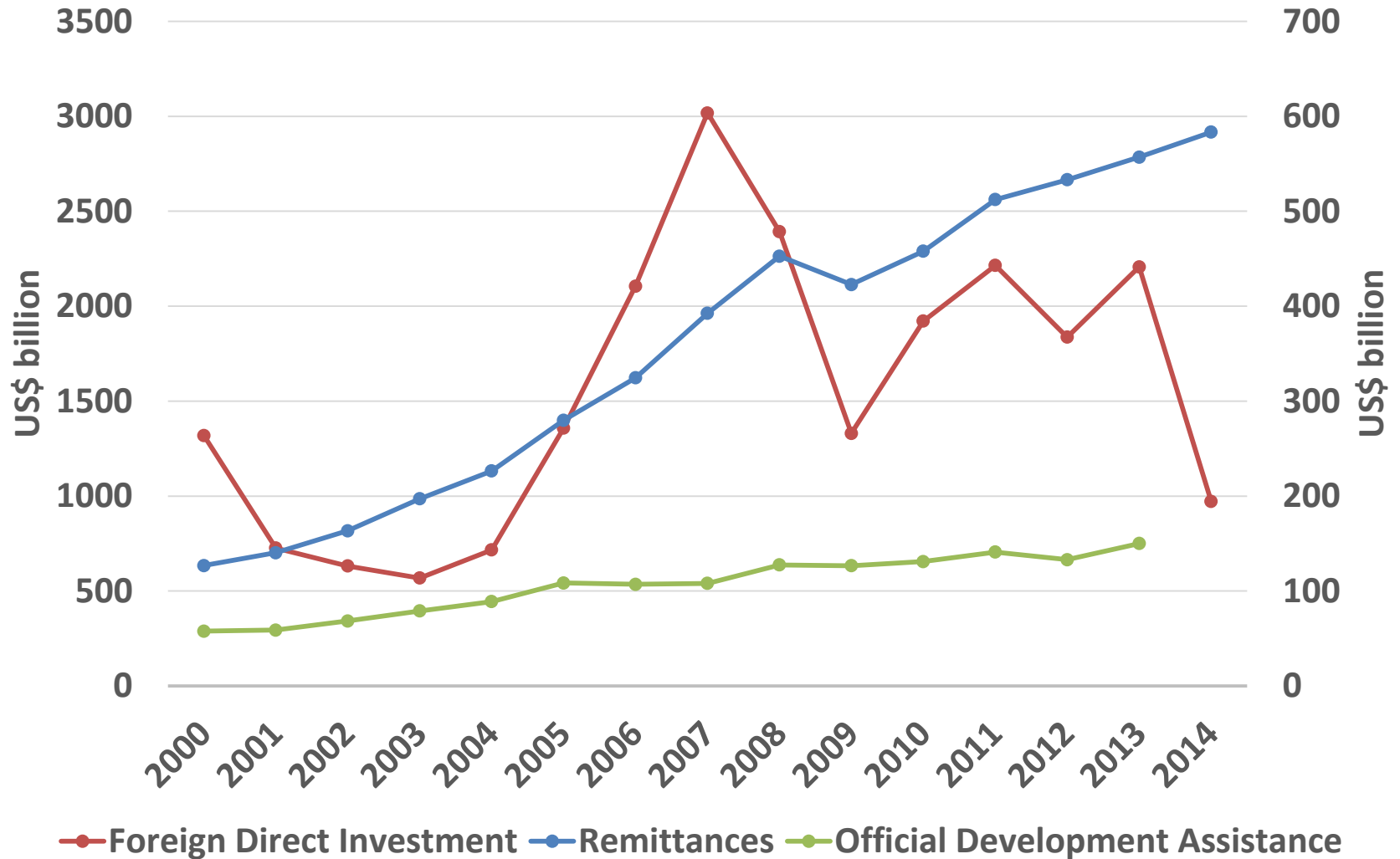


Do Workers' Remittances Promote Economic Growth in Kyrgyzstan?

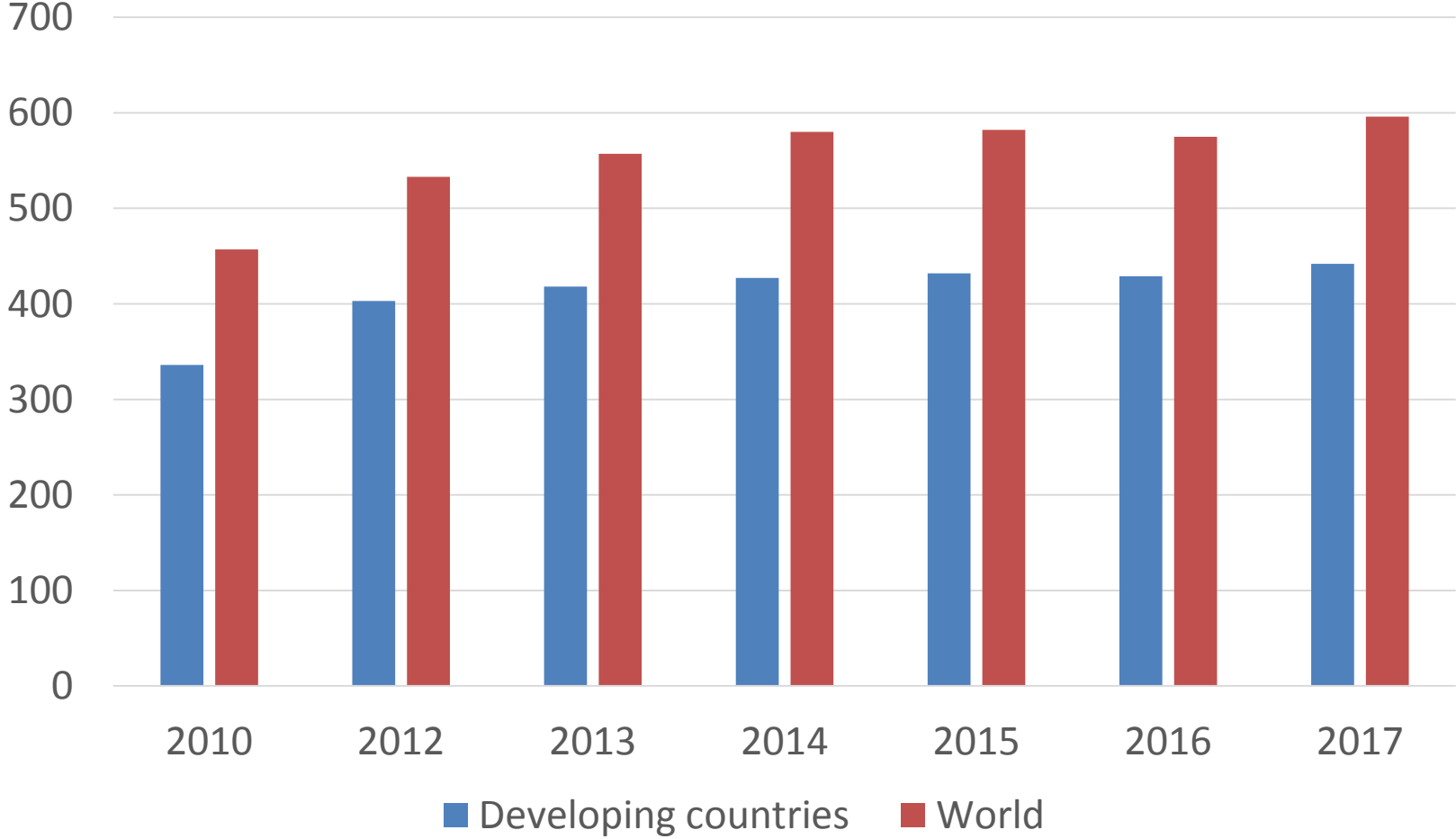
Gulnaz Atabaeva, PhD candidate, Department of
Economics

Alatoo International University, Bishkek, Kyrgyzstan

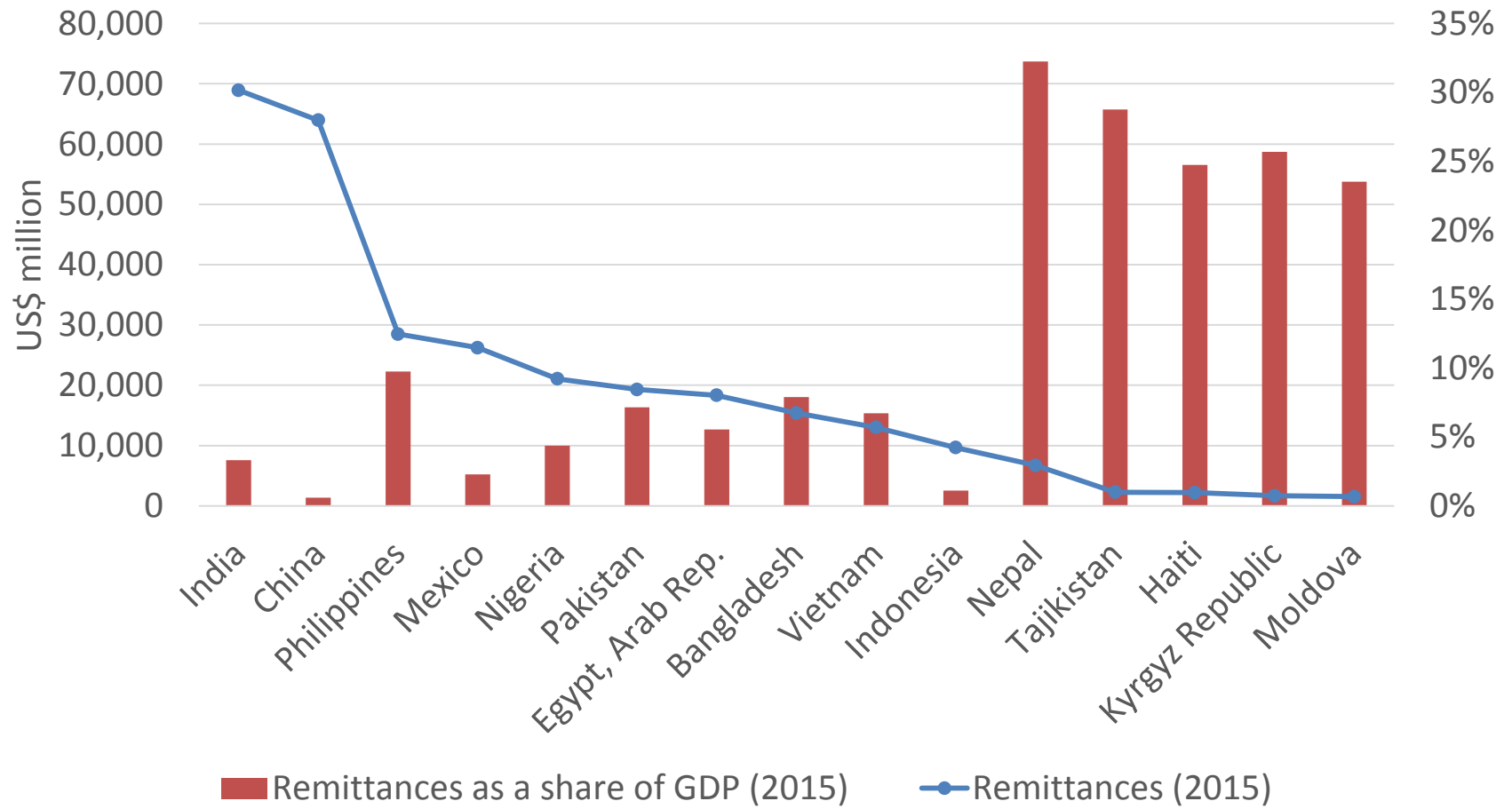
Dynamics of Remittances, ODA and FDI



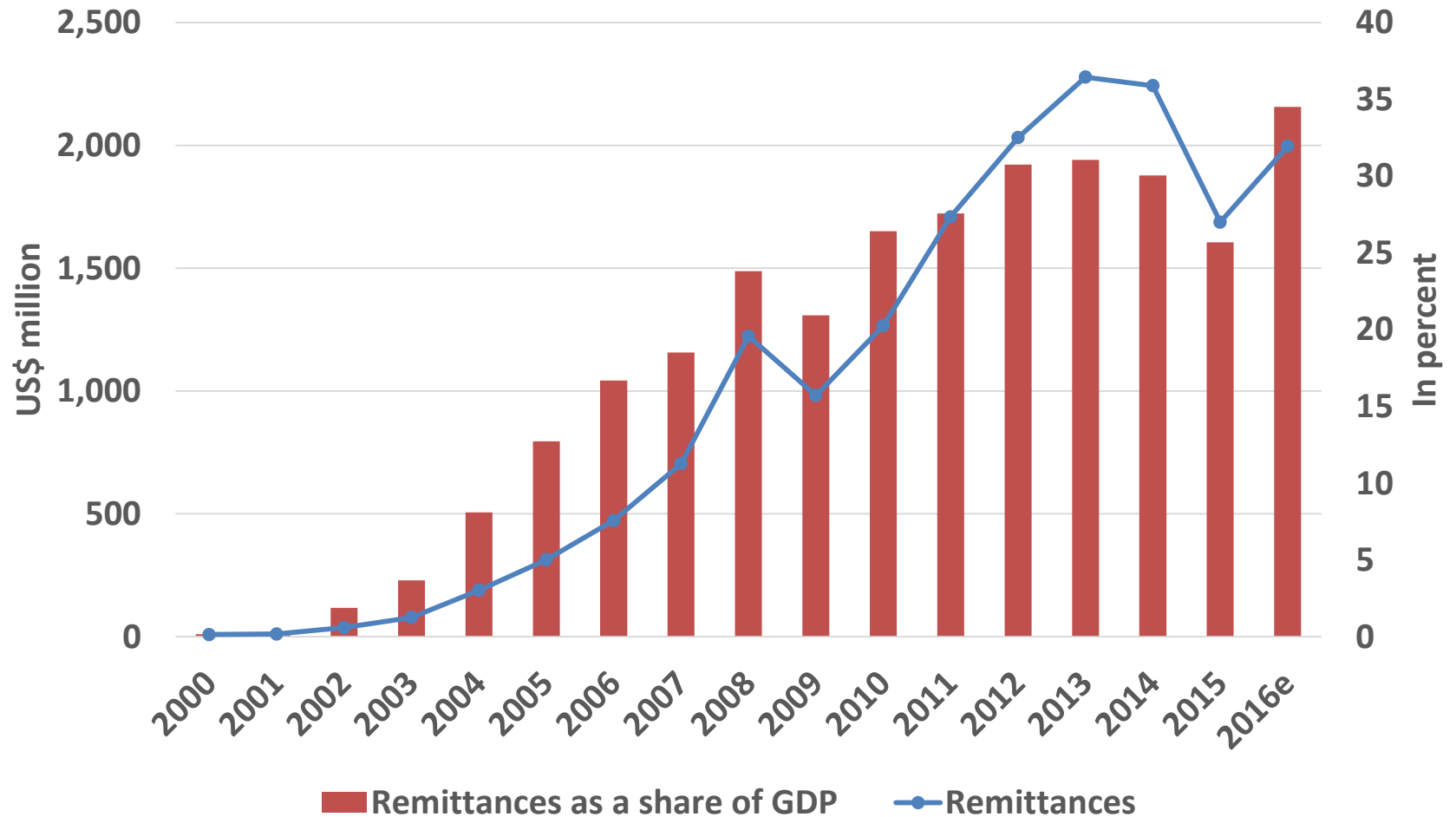
Remittances to Developing Countries (\$ billions)



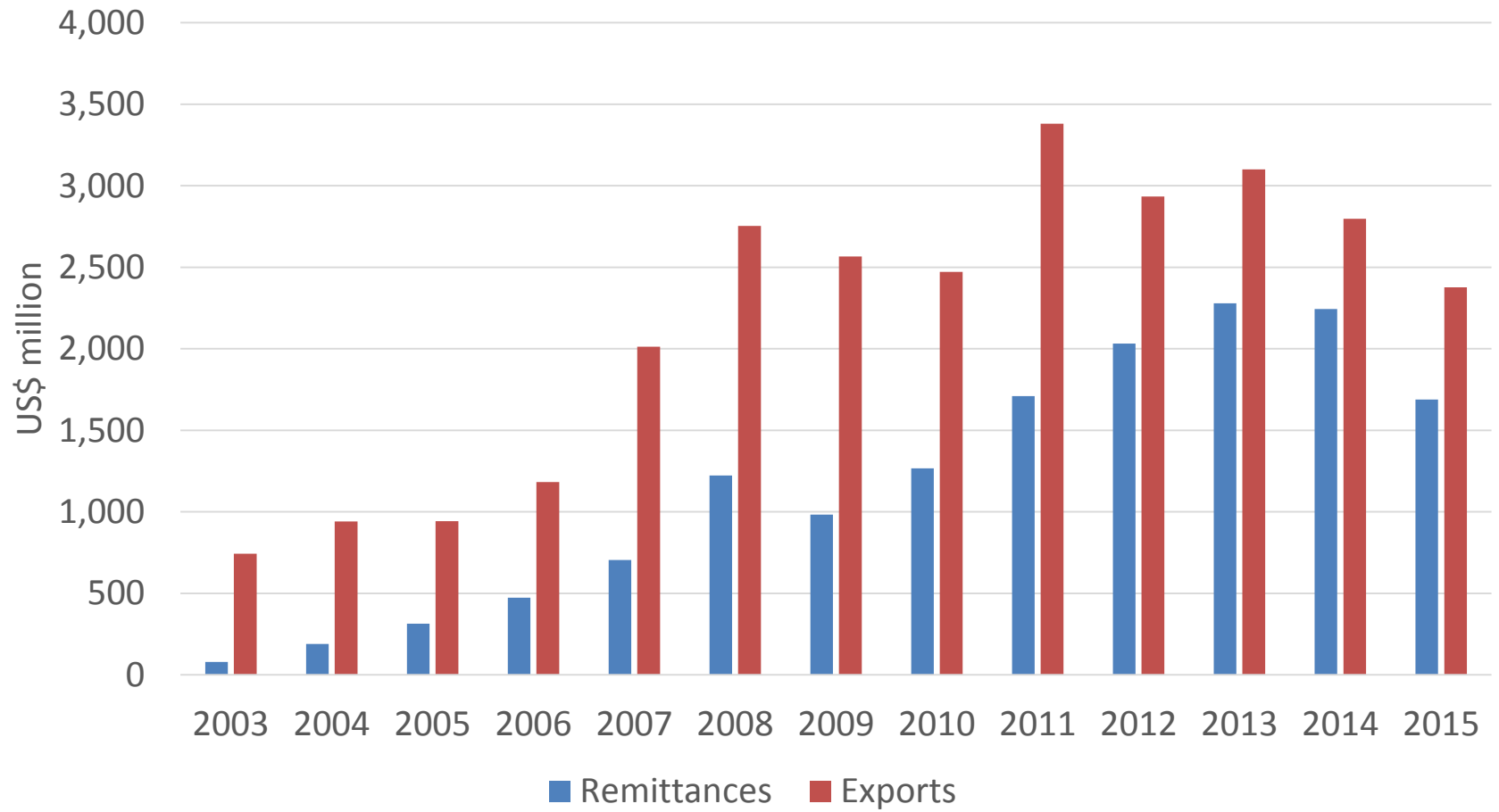
Amount and Share of Remittances to GDP in Different Countries



Amount and Share of Remittances to GDP in Kyrgyzstan



Remittances in comparison with Exports

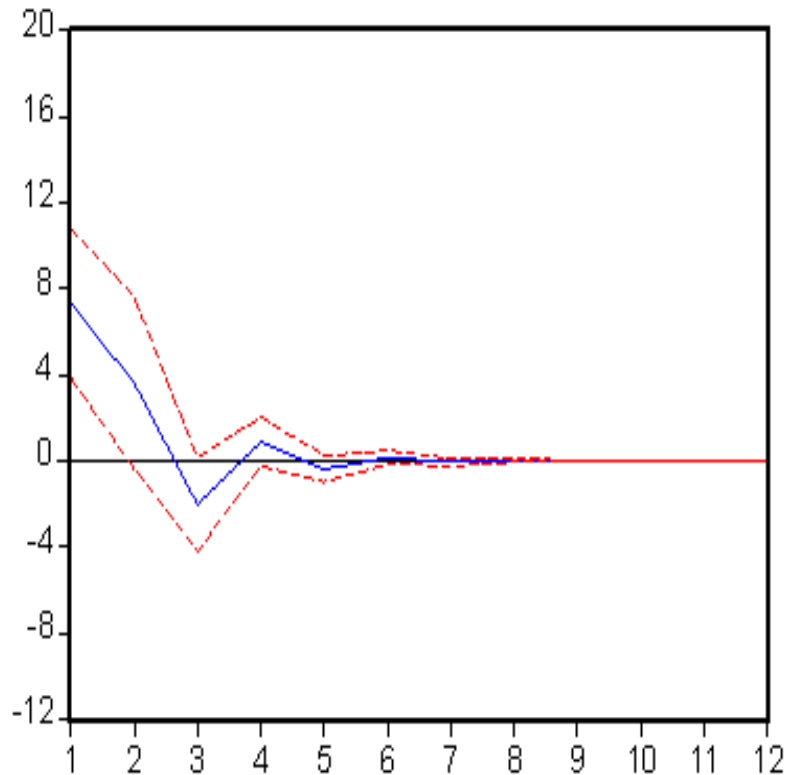


Assessment Methods

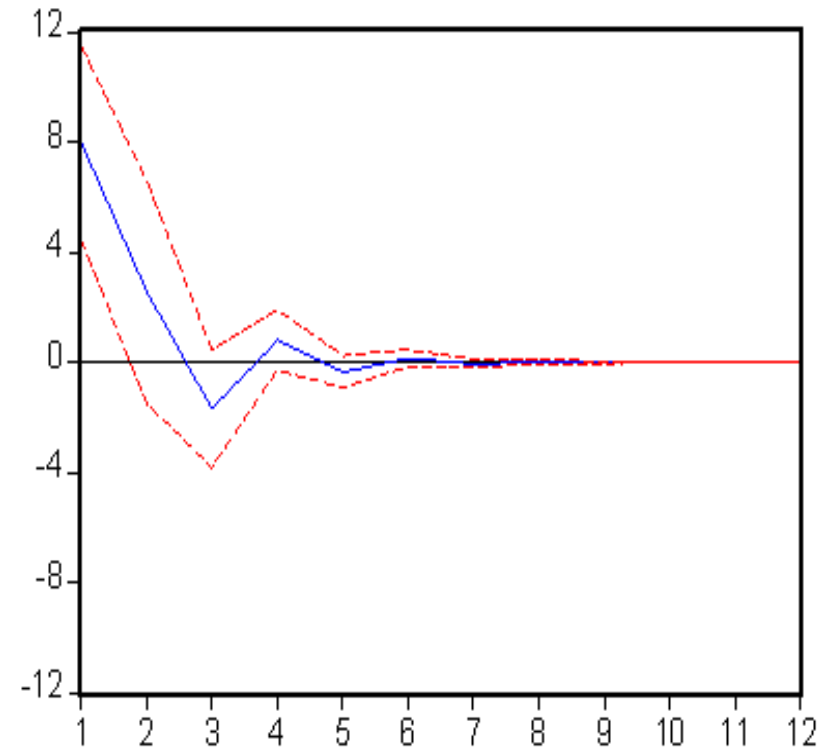
- 1. Autoregressive Distributed Lag Modeling (ARDL)**
- 2. Panel Data Analysis**
- 3. Vector Autoregressions (VAR)**

Short-term Impact on Economic Growth

Response of GDP_REAL to REMIT



Response of IMPORT to REMIT



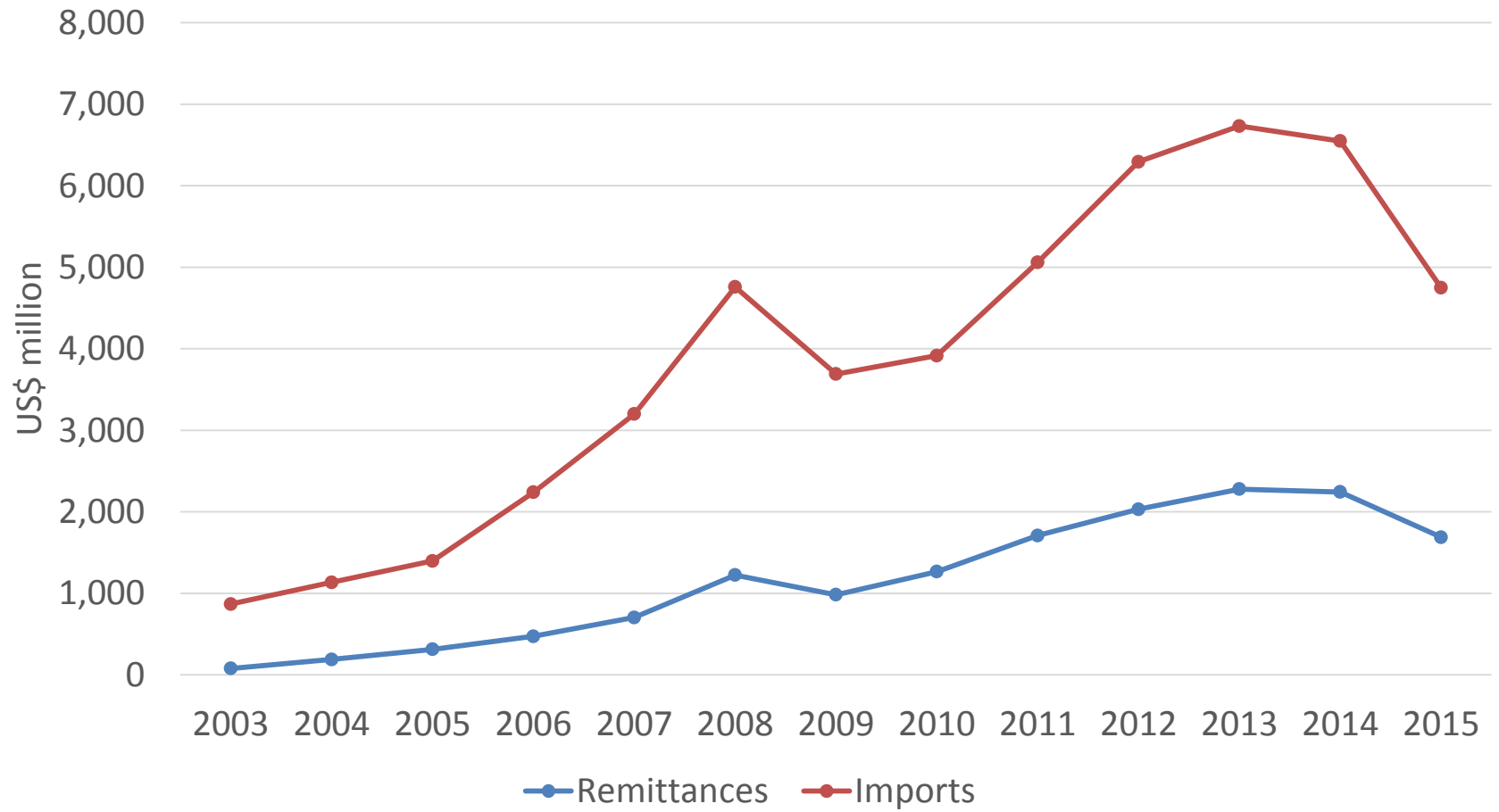
a) Response of GDP to shock of remittances

b) Response of imports to shock of remittances

Short-term Impact on Economic Growth

- $\uparrow R \rightarrow \uparrow C \rightarrow \uparrow \mathbf{GDP}$ (2 months)

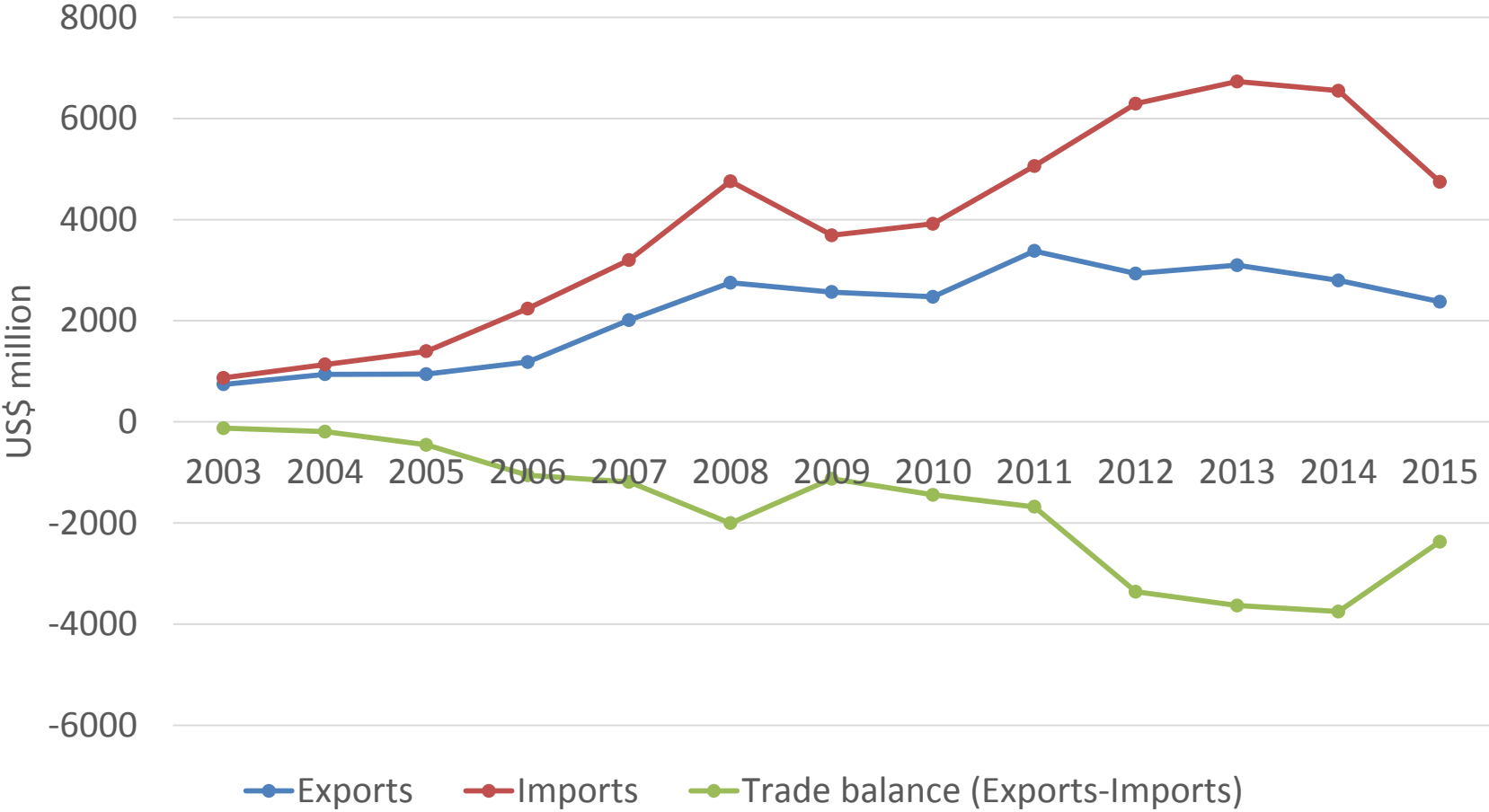
Dynamics of Remittances and Imports in Kyrgyzstan



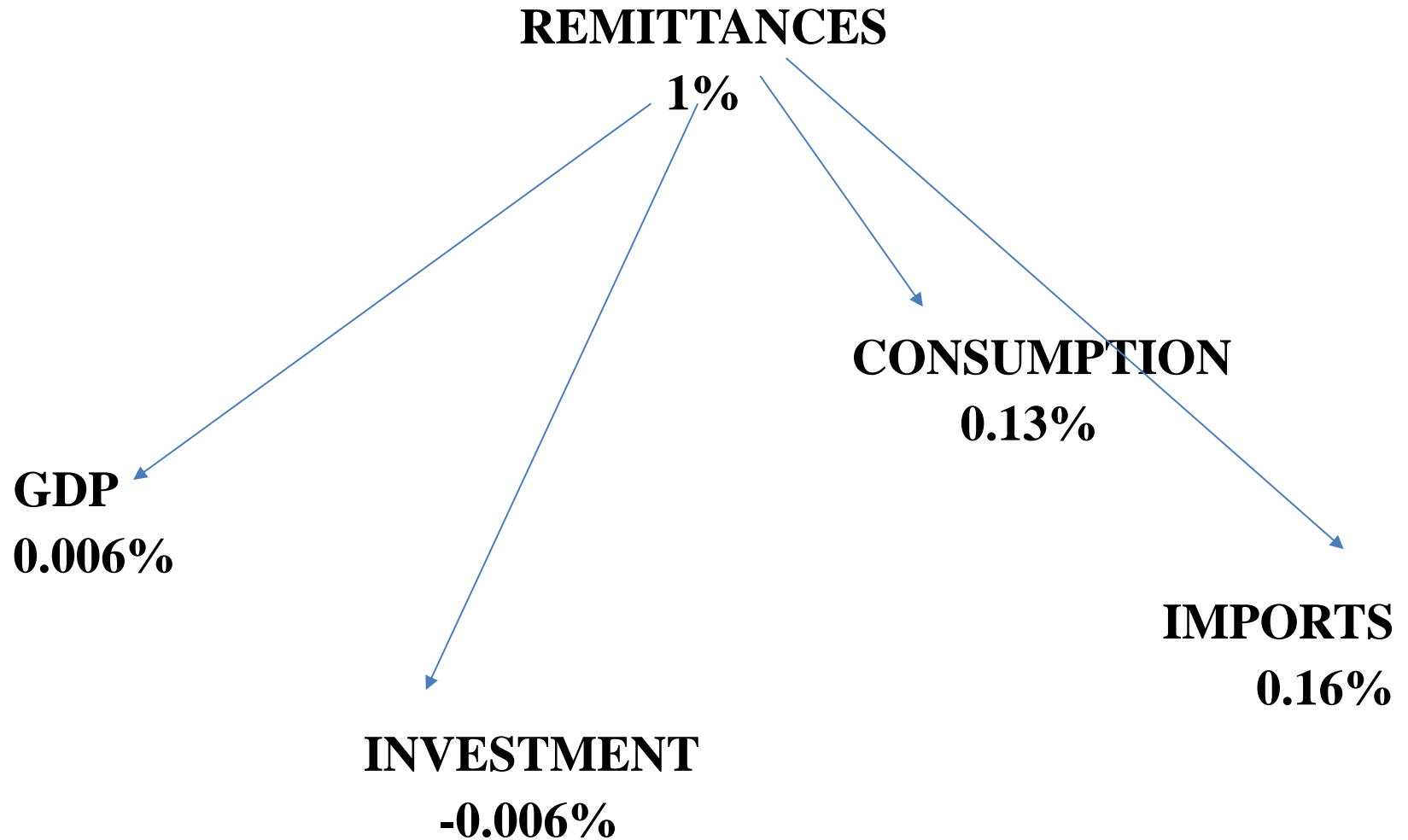
Long-term Impact on Economic Growth

- $\uparrow R \rightarrow \uparrow C \rightarrow \uparrow M \rightarrow \uparrow \text{Trade Deficit (X-M)}$

Dynamics of Exports, Imports and Trade Balance in Kyrgyzstan



Long-term Impact on Economic Growth



Long-term Impact on Economic Growth

- Increase of remittances leads to rise in imports.
- With the increase in imports, domestic production becomes uncompetitive.
- In the long term increase of remittances adversely affects investment.