MACROECONOMIC STABILITY IN CIS COUNTRIES AND UKRAINE: A STATISTICAL APPROACH

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Keynes's concept of macroeconomic instability were considered in recent works of E. Kurmanalieva and K. Fedorov (2012), who investigated the impact of global financial and economic instability on the CIS, and N. Skorobogatova (2016), who highlighted concepts of appearance and elimination of macroeconomic instability, as well as the Keynesian approach to overcoming issues in Ukraine's macroeconomic instability.

In our view it is possible to evaluate the level of economic instability in CIS countries and Ukraine using the coefficient of variation and calculating a variance of certain key macroeconomic indicators that are as follows: export (E) and import (I) value, gross domestic product per capita (GDP), foreign direct investment (FDI), inflation rate (IR), industry value added (Ind), agriculture value added per worker (Agr). We have analyzed the dynamics of mentioned indicators and have obtained the results that are shown in Table 1.

Table 1 Quantitative indicators of CIS countries in the context of macroeconomic stability

Indicator	Stable indicators (variance low: 33 % or less)									Unstable indicators (variance is significant (34-60 %) or high (60 % or more))								
	Average value 2010-2016 by countries*									Average value 2010-2016 by countries*								
	ARM	AZE	BLR	KAZ	KGZ	RUS	TJK	UKR	MDA	ARM	AZE	BLR	KAZ	KGZ	RUS	TJK	UKR	MDA
E, bln US$	4	33	42	82	3	568	3	78	3,5									
I, bln US$	6	22	45	78	6	495	4	88	6									
GDP per capita, thousand US$	4	7	7	12	1	13	1	3	2									
FDI, current mln US$	-0,4								-0,3		-1	-2	-7	-1	15	-0,2	-5	
IR, consumer prices, %									7	5	4	28	7	8	8	7	13	
Ind, bln US$	3	36	23	70	2	545	2	35	1									
Agr per worker, thousand US$	15	3	14	7	2	10	2	6	4									

Source: calculated by the author on the basis of (The World Bank, 2017; World Data Center for Geoinformatics and Sustainable Development, 2017). * remarks: 1) we use the ISO Alpha-3 codes to indicate countries. 2) Some relevant data of Turkmenistan and Uzbekistan are not accessible.

As shown in Table 1, the variance of foreign direct investment and the inflation rate in the CIS is significant or high. Since these two indicators have a significant impact on country's economic potential and business competitiveness, we can conclude that it is a strategic task for certain countries which are characterized by a significant FDI and IR instability to develop a brand new governmental strategy aimed at the financial rates unsteadiness reducing.

References:

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3. The World Bank (2017), Indicators, retrieved from: http://data.worldbank.org/indicator.

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