

CAPITALIZATION OF NATIONAL WEALTH: KEY CHALLENGES AND DEVELOPMENT OPPORTUNITIES

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Abstract

The provision of public finances of the state, as well as the increase in their efficiency and scale, the growth of the population's well-being, and the development of the national economy depend on a number of factors and prerequisites. These factors, both in the present and in the long term, predetermine the main strategic directions of socio-economic progress. To ensure the comprehensive development of society and the strengthening of the country, it is necessary not only to achieve an adequate level of consumption but also to ensure a sufficient norm of accumulation, which serves as the basis for further development and expanded reproduction. If this natural course of reproduction is not ensured, society loses guarantees of further development, which may result in the undermining of the country's security and the failure of the state's economic policy. In other words, it is essential to have certain financial, material-technical, labor resources, and natural reserves from the perspective of future development, which can ensure further socio-economic progress. Thus, the formation and multiplication of the country's national wealth acquire not only economic but also political significance and importance.

The state and process of economic progress and expanded reproduction are characterized by several macroeconomic aggregate indicators. Among these, the calculation of gross domestic product (GDP) (with its various modifications, such as the volume, growth rate, GDP per capita, etc.), national income, gross national income, and other macroeconomic indicators with their various modifications is particularly emphasized.

However, the main shortcoming of these indicators is that they essentially represent the current state of a country's development without reflecting its potential and capacity for socio-economic development. This key gap is addressed by the indicator of national wealth.

Currently, the unified methodological guidelines of the World Bank are widely used for defining and calculating national wealth. National wealth constitutes an integral part of the System of National Accounts (SNA). The SNA serves as a foundation for calculating economic growth by governments, the private sector, international organizations, and other stakeholders.

National income and well-being are based on the assets or wealth of a country, calculated based on various criteria. National wealth includes the following four components: produced capital, natural capital (resources), human capital, and net foreign assets.

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It follows that the primary source of increasing a country's national wealth is the growth of gross domestic product. One of the methods for calculating the magnitude of gross domestic product (GDP), as the main macroeconomic indicator for assessing the country's economic potential (strength), is the expenditure approach. The article discusses the relationships of distribution and redistribution of national wealth and their impact on the formation of incomes of different population groups.

Keywords: national wealth, income groups, public finances of the state, economic growth, GDP, GDP growth rate per capita

Introduction

The economic development of the former Soviet Union countries has undergone complex transformational processes, driven by political changes, challenges in transitioning to a market economy, and varying levels of global economic integration. The pace of economic growth, development trajectories, and economic policies of these countries differ significantly depending on their natural resources, human capital, governance systems, and international economic relations.

The South Caucasus countries, Armenia, Georgia, and Azerbaijan represent a unique region where economic development is influenced by both internal reforms and external factors. Georgia has focused on infrastructure development, positioning itself as a regional transit hub; Azerbaijan continues to rely on its oil and gas industry, creating economic dependence on resource exports; and Armenia, with limited natural resources, is compelled to build its economy based on human capital development and technological innovation.

Over the past decades, Armenia's economic model has gradually shifted from a labor-based model to one dominated by capital income. Despite the overall growth in national wealth, the country's economic stability remains dependent on effective governance, innovative policies, and the implementation of long-term development strategies.

The aim of this study is to assess the economic development trends of Armenia, the South Caucasus, and the former Soviet Union countries by analyzing their national wealth structure, economic growth dynamics, and income distribution patterns. Based on this analysis, well-founded recommendations will be presented to ensure economic stability and growth.

National wealth is widely recognized as a measure of a country's economic potential and well-being. Simon Kuznets (1955) emphasized the relationship between economic growth and wealth accumulation, arguing that wealth acts as a catalyst for sustained development. He noted that unequal income distribution could limit the overall socio-economic impact of growth¹. The World Bank's unified methodological guidelines for national wealth estimation provide a comprehensive framework for measuring produced, natural, and human capital, and their report highlights the role of wealth in sustainable economic development².

Wealth distribution has been a focal point of economic inequality debates. Thomas Piketty's *Capital in the Twenty-First Century* (2014) provides an extensive historical analysis, showing that wealth inequality has grown disproportionately due to lower taxation on inherited

¹ Kuznets, S. (1955). "Economic Growth and Income Inequality." *American Economic Review*, 45(1), pp. 10-12.

² World Bank. (2006). *Where is the Wealth of Nations? Measuring Capital for the 21st Century*. Washington, DC: World Bank, pp. 25-30.

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capital³. Similarly, Stiglitz (2012) explored how unequal distribution of wealth hinders economic growth and creates systemic instability, particularly emphasizing the need for redistributive fiscal policies⁴. Anthony B. Atkinson (2015) further outlined practical approaches to reduce inequality, including progressive taxation and public wealth-sharing mechanisms⁵.

Gross Domestic Product (GDP), while a widely used measure, has been criticized for its inability to fully capture a nation's wealth. Herman Daly (1996) advocated for using genuine savings and national wealth as indicators that incorporate environmental and human capital considerations⁶. Hamilton and Clemens (1999) proposed adjusted net savings, which account for natural resource depletion and investments in human capital, as a more accurate measure of long-term wealth⁷.

The institutional frameworks governing wealth capitalization and distribution play a significant role in economic outcomes. Douglass C. North (1990) analyzed how political and economic institutions shape wealth creation and allocation, emphasizing that inclusive institutions foster equitable growth⁸. Acemoglu and Robinson (2012) expanded on this by demonstrating that inclusive policies contribute to sustained wealth generation, whereas extractive policies exacerbate inequality⁹.

In the South Caucasus, disparities in wealth distribution and income levels are pronounced. Grigoryan (2017) examined the region's structural economic challenges, highlighting the uneven capitalization of natural and human resources and its impact on income inequality¹⁰. Mammadov and Petrosyan (2018) explored the relationship between natural resource wealth and economic growth in the region, emphasizing the need for diversified economic policies to reduce overreliance on natural resources¹¹.

Research Results

Ensuring the sovereignty and independence of the state, the improvement of the population's well-being, and the development of the national economy depend on several factors and prerequisites that determine the main strategic directions of socio-economic progress both in the present and the long term. To ensure the comprehensive development of society and the strengthening of the country, it is necessary not only to achieve an adequate level of consumption but also to secure a sufficient rate of accumulation, which serves as the foundation for further development and expanded reproduction. If this natural course of reproduction is not ensured, society is deprived of guarantees for future development, which can undermine the country's security and lead to the failure of the state's economic policy. In

³ Piketty, T. (2014). *Capital in the Twenty-First Century*. Harvard University Press, pp. 430–440.

⁴ Stiglitz, J. E. (2012). *The Price of Inequality: How Today's Divided Society Endangers Our Future*. W.W. Norton & Company, pp. 62–65.

⁵ Atkinson, A. B. (2015). *Inequality: What Can Be Done?* Harvard University Press, pp. 91–94.

⁶ Daly, H. E. (1996). *Beyond Growth: The Economics of Sustainable Development*. Beacon Press, pp. 45–48.

⁷ Hamilton, K., & Clemens, M. (1999). "Genuine Savings in Developing Countries." *World Bank Economic Review*, 13(2), pp. 339–341.

⁸ North, D. C. (1990). *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press, pp. 68–71.

⁹ Acemoglu, D., & Robinson, J. A. (2012). *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. Crown Business, pp. 87–90.

¹⁰ Grigoryan, A. (2017). "Economic Development and Wealth Distribution in the South Caucasus." *Caucasus Analytical Digest*, 93, pp. 6–8.

¹¹ Mammadov, R., & Petrosyan, T. (2018). "Natural Resource Wealth and Economic Growth in the South Caucasus." *Economic Journal of the Caucasus*, 12(4), pp. 126–128.

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other words, it is essential to have certain financial, material-technical, labor resources, and natural reserves from a perspective of long-term development, which can ensure continued socio-economic progress. Thus, the formation and multiplication of the country's national wealth acquire not only economic but also political significance and importance.

The state and process of economic progress and expanded reproduction are characterized by several macroeconomic indicators. Among these, the gross domestic product (GDP) is of particular importance, calculated in its various modifications, such as its absolute size, growth rate, and per capita GDP. Additionally, the calculation of national income, gross national income, and other macroeconomic indicators with their various modifications is vital.

However, a primary shortcoming of these indicators is that they represent, so to speak, the state of development at a given moment without providing insight into the potential and opportunities for socio-economic development. This significant gap is addressed by the national wealth indicator. Unfortunately, despite its importance, the Statistical Committee of the Republic of Armenia (formerly NSC of the RA), with over three decades of history, has yet to calculate the value of this indicator. Currently, the unified methodological guidelines for defining and calculating national wealth, developed by the World Bank¹², are widely accepted. National wealth is an integral part of the System of National Accounts (SNA). The SNA serves as a foundation for calculating economic growth by governments, the private sector, international organizations, and other interested parties. National income and well-being are based on a country's assets or wealth, calculated using various criteria. National wealth comprises the following four components: **produced capital**, **natural capital (resources)**, **human capital**, and **net foreign assets**. It follows that the primary source of increasing a country's national wealth is the growth of gross domestic product (GDP). One of the methods for calculating GDP, a key macroeconomic indicator for assessing a country's economic potential (strength), is the **expenditure approach**, expressed with the following formula:

$$GDP = \text{Consumption} + \text{Investments} + \text{Government Purchases} + \text{Net Exports}$$

Since the primary source of investments at the national level is **gross accumulation**, it is advisable to use this indicator. Gross accumulation includes **gross fixed capital formation** plus changes in **inventory (stocks)**.

Analysys

As shown by the trends in the main components of GDP structure (Fig. 1), during 2012–2023, the share of consumption exceeded GDP in some years (2012, 2013, 2014). From 2015 to 2020, it accounted for more than 90% of GDP, while in 2021–2023, it decreased from 84.9% to 79.4%, which is a positive trend as it leaves more resources for accumulation. With such indicators, it is evident that Armenia's economy is more "consumptive" than "accumulative." This is also reflected in the accumulation rate (gross accumulation/GDP, as a percentage), which declined by 4.0 percentage points in 2023 compared to 2012. Similarly, the net exports/GDP ratio decreased by 24.1 percentage points over the same period.

Sustainable long-term economic growth requires more intensive inclusion of investments and portfolio assets. While GDP is an important metric for measuring economic growth, it accounts only for income and production, failing to reflect changes in the core asset

¹² World Bank Group. (2018). *The Changing Wealth of Nations 2018: Building a Sustainable Future*. Retrieved from <https://openknowledge.worldbank.org/bitstream/handle/10986/29001/9781464810466.pdf>.

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base. Observing GDP in isolation may not accurately depict the economic situation. It does not capture the depletion of natural capital or asset depreciation, nor does it answer critical questions such as whether investments and wealth accumulation are growing due to population increase, or if the composition of assets aligns with the country's development goals.

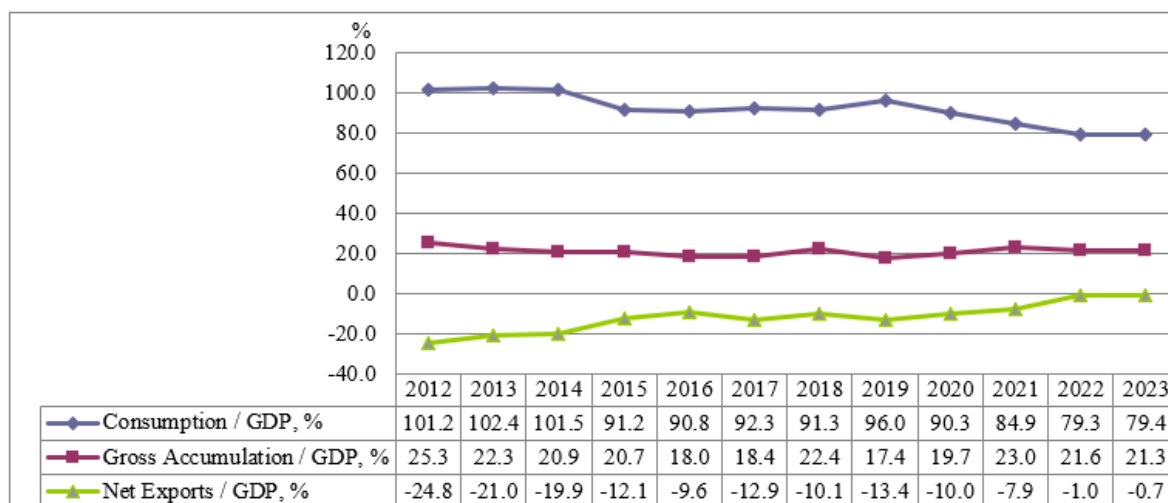


Fig. 1 The Ratio of Consumption, Gross Accumulation, and Net Exports to GDP in Armenia, 2012–2023¹³

The calculation of national wealth, as noted, is based on the following four components, categorized by asset classes:

- **Produced Capital:** Expressed at market prices and includes buildings, machinery, equipment, residential and non-residential urban land.
- **Natural Capital (Resources):** Includes energy resources (oil, gas, coal), minerals (10 categories), agricultural land (pastures and arable land), forests (timber and certain unique forest products), and protected areas. The value of natural capital is calculated as the discounted sum of rental income over the entire active period of the resource.
- **Human Capital:** Measured based on the value of efforts, skills, and experience of the population classified by gender and employment status (employed or self-employed). The value of human capital is calculated as the discounted sum of lifetime wages.
- **Net Foreign Assets:** The difference between a country's foreign assets and liabilities, such as foreign direct investments.

Among macroeconomic components that characterize the socio-economic development of each country, national wealth holds a crucial place. It is measured both at the scale of individual countries and per capita. The national wealth indicator is not merely a quantitative measure but also a qualitative, synthetic indicator. It reflects the effectiveness of utilizing the economic system and social infrastructure potential of the country and its level of development.

This indicator primarily characterizes a country's socio-economic potential for creating material and spiritual goods, serving as the foundation for shaping and improving the standard of living of the population.

¹³ Compiled by the authors based on data from the Statistical Committee of the Republic of Armenia.

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It is worth noting that the issue of national wealth has been and continues to be a fundamental subject of study in economics. Adam Smith's seminal work *The Wealth of Nations* (1776) laid the foundation for economics as a distinct field of study. Both historically and today, economics seeks to identify the sources of national wealth formation in various nations and the primary methods and pathways for increasing this wealth.

Surprisingly, despite the Republic of Armenia having embarked on the path of independence nearly three decades ago, the Statistical Committee of Armenia has yet to publish data on the country's national wealth indicators.

The methodology for calculating this important macroeconomic indicator and the work on its quantitative assessment have only been developed at a global level over the past 15 years. The first study by World Bank specialists was published in 2006 under the title *"Where is the Wealth of Nations. Measuring Capital for the 21st Century."* This study introduced the concept of national wealth, its assessment methodology, and provided quantitative estimates of national wealth and its components for several countries worldwide¹⁴. The second publication by the World Bank in this direction, *"The Changing Wealth of Nations: Measuring Sustainable Development in the New Millennium,"* was released in 2011¹⁵. This report clarified methodological issues and expanded the scope of countries included in the assessment. The third study in this field, titled *"The Changing Wealth of Nations 2018: Building a Sustainable Future,"* was published in 2018. It is notable for its refined methodology for assessing national wealth, the quantitative evaluation of its individual components, and the expansion of the range of countries included in the analysis¹⁶. The data summarized in that report pertain to the year 2014, while specific data for former Soviet Union countries are presented in Tab. 1. The latest report on national wealth, titled *"The Changing Wealth of Nations 2021: Managing Assets for the Future,"*¹⁷ was published in 2021. It includes an overview of national wealth per capita for countries and country groups worldwide, along with its individual components for the year 2018 (Tab. 2).

Tab. 1 presents the per capita national wealth figures, composition, and structure for countries of the former Soviet Union, income-classified country groups, and the world, based on the latest available estimates.

As evident from the table, the size of wealth varies significantly both across individual countries and income-classified country groups, which is influenced by the proportions of the different components forming national wealth. For instance, in the Republic of Armenia, the share of subsoil assets in the wealth structure is 4.1%, whereas in Azerbaijan, this figure is 42.1% (more than ten times higher than Armenia's), and in Georgia, it is twice as low as Armenia's. It is also clear that the primary component of wealth globally is **human capital**, accounting for 64.5% of the world's wealth, while in high-income OECD countries, it is 70.4%. Armenia does not lag far behind the global average in this regard, with human capital

¹⁴ *"Where is the Wealth of Nations. Measuring Capital for the 21st Century."* The International Bank for Reconstruction and Development/The World Bank, Washington, D.C., 2006, pp. 19, 143–158.

¹⁵ *"Where is the Wealth of Nations. Measuring Capital for the 21st Century."* The International Bank for Reconstruction and Development/The World Bank, Washington, D.C., 2006, pp. 159–162.

¹⁶ *"The Changing Wealth of Nations: Measuring Sustainable Development in the New Millennium."* The International Bank for Reconstruction and Development/The World Bank, Washington, D.C., 2011, pp. 27–49.

¹⁷ *"The Changing Wealth of Nations 2018: Building a Sustainable Future."* International Bank for Reconstruction and Development / The World Bank, Washington, D.C., 2018, pp. 28–29, 38–39.

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comprising 51.7% of the country's national wealth. In contrast, Azerbaijan has one of the lowest human capital shares among the former Soviet Union countries, at just 14.0%.

Table 1

**Per Capita National Wealth, Composition, and Structure for Former Soviet Union Countries,
Income-Classified Country Groups, and the World in 2014**

Countries and Income-Classified Country Groups	National Wealth	Including				
		Produced Capital	Natural Capital	of which: Subsoil Assets	Human Capital	Net Foreign Assets
1	2	3	4	5	6	7
Armenia	52,894	15,451	12,702	2,150	27,329	-2,588
	100.0	29.2	24.0	4.1	51.7	-4.9
Azerbaijan	85,341	20,061	45,935	35,938	11,961	7,384
	100.0	23.5	53.8	42.1	14.0	8.7
Belarus	99,685	33,388	21,882	1,167	49,004	-4,588
	100.0	33.5	22.0	1.2	49.2	-4.6
Estonia	258,903	91,646	20,093	591	155,041	-7,876
	100.0	35.4	7.8	0.2	59.9	-3.0
Georgia	44,327	20,415	7,344	917	21,251	-4,682
	100.0	46.1	16.6	2.1	47.9	-10.6
Kazakhstan	180,911	40,150	66,606	53,440	76,617	-2,461
	100.0	22.2	36.8	29.5	42.4	-1.4
Kyrgyzstan	24,429	6,159	12,570	1,490	6,729	-1,029
	100.0	25.2	51.5	6.1	27.5	-4.2
Latvia	236,906	113,746	18,738	0	113,472	-9,049
	100.0	48.0	7.9	0.0	47.9	-3.8
Lithuania	169,046	63,254	12,758	174	100,081	-7,047
	100.0	37.4	7.5	0.1	59.2	-4.2
Moldova	35,380	14,213	4,898	0	17,852	-1,582
	100.0	40.2	13.8	0.0	50.5	-4.5
Russia	188,715	48,807	46,921	38,247	90,812	2,175
	100.0	25.9	24.9	20.3	48.1	1.2
Tajikistan	42,286	30,397	7,431	229	5,015	-557
	100.0	71.9	17.6	0.5	11.9	-1.3
Turkmenistan	146,831	39,740	59,062	37,843	47,510	519
	100.0	27.1	40.2	25.8	32.4	0.4
Ukraine	56,053	25,171	13,345	5,210	18,952	-1,414
	100.0	44.9	23.8	9.3	33.8	-2.5
Average of Former Soviet Union Countries	115,836	40,186	25,020	12,671	52,973	-2,343
	100.0	34.7	21.6	10.9	45.7	-2.0
Low-Income Countries	13,629	1,967	6,421	568	5,564	-322
	100.0	14.4	47.1	4.2	40.8	-2.4
Lower-Middle-Income Countries	25,948	6,531	6,949	1,944	13,117	-650
	100.0	25.2	26.8	7.5	50.6	-2.5
Upper-Middle-Income Countries	112,798	28,527	18,960	6,623	65,742	-432
	100.0	25.3	16.8	5.9	58.3	-0.4
High-Income Non-OECD Countries	264,998	59,096	80,104	72,074	111,793	14,005
	100.0	22.3	30.2	27.2	42.2	5.3
High-Income OECD Countries	708,389	195,929	19,525	8,011	498,399	-5,464
	100.0	27.7	2.8	1.1	70.4	-0.8
World	168,580	44,760	15,841	7,262	108,654	-676
	100.0	26.6	9.4	4.3	64.5	-0.4

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Note: Data for Uzbekistan are missing. Values are expressed in US dollars for the numerator and as a percentage of total wealth for the denominator. Compiled and calculated by the authors based on "The Changing Wealth of Nations 2018: Building a Sustainable Future," International Bank for Reconstruction and Development / The World Bank, 2018, pp. 226–233.

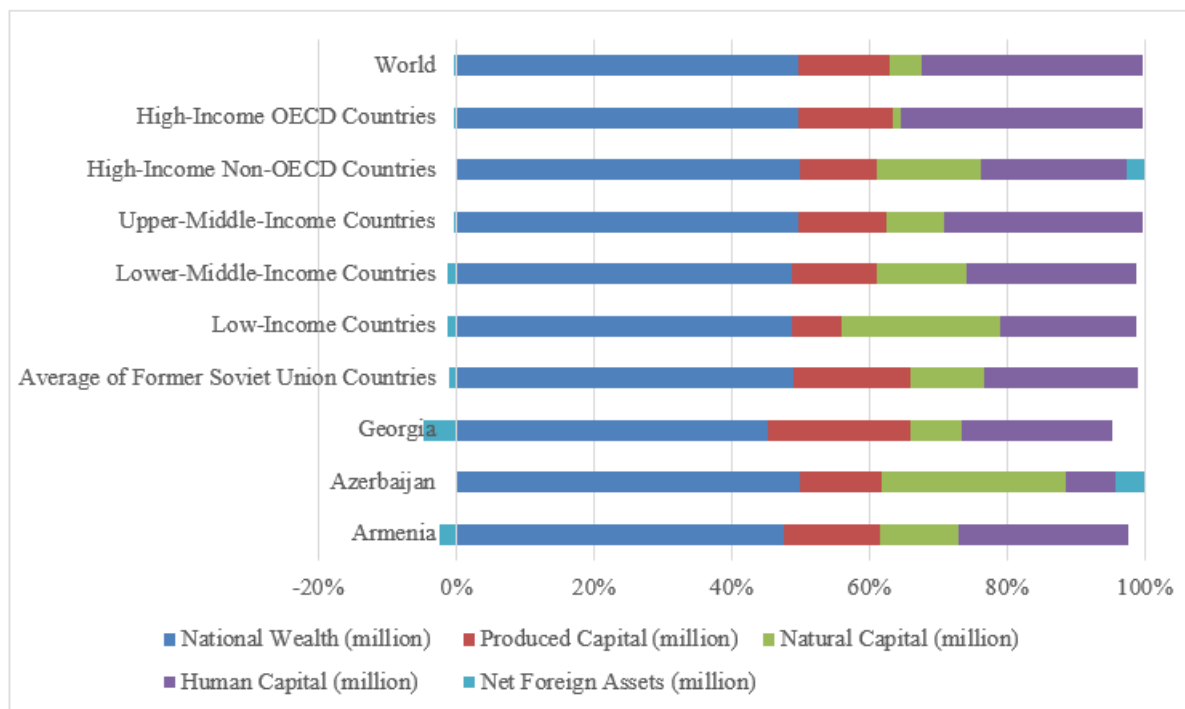


Fig. 2 Per Capita National Wealth, Composition, and Structure in Armenia, Azerbaijan, and Georgia by Income-Level Country Groups and the World, 2014

From the analysis of the table data, the following conclusions can be drawn:

- **Per capita total national wealth:** The highest values are observed in Estonia (258,903), Latvia (236,906), and the Russian Federation (188,715), while the lowest values are in Tajikistan (42,286), Moldova (35,380), and Kyrgyzstan (24,429). This means the difference between the country with the highest per capita national wealth (Estonia) and the country with the lowest (Kyrgyzstan) is 10.6 times, while the difference between the highest value (Estonia) and Armenia's value is approximately five times.
- **Produced capital:** The highest values are observed in Latvia (113,746), Estonia (91,646), and Lithuania (63,254), while the lowest values are in Armenia (15,451), Moldova (14,213), and Kyrgyzstan (6,159). The difference between the countries with the highest and lowest values for this component is 18.5 times, while the difference between the country with the highest value (Latvia) and Armenia is 7.4 times.
- **Natural capital:** The highest values are found in Kazakhstan (66,606), Turkmenistan (59,062), and Russia (46,921), while the lowest values are in Tajikistan (7,431), Georgia (7,344), and Moldova (4,898). The difference between the countries with the highest and lowest values for this component is 13.6 times, while the difference between the highest value and Armenia's value is about five times.
- **Human capital:** The highest values are found in the three Baltic states: Estonia (155,041), Latvia (113,472), and Lithuania (100,081), while the lowest values are in Azerbaijan (11,961), Kyrgyzstan (6,729), and Tajikistan (5,015). The difference between the countries

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with the highest and lowest values (Estonia and Tajikistan) is 31 times, while the difference between the highest value and Armenia's value is 5.6 times.

- **Net foreign assets per capita:** This indicator is positive in fuel and energy resource-exporting countries, such as Azerbaijan (7,384), the Russian Federation (2,175), and Turkmenistan (519). For all other countries, net foreign assets have a negative value. The three countries with the largest negative values are Lithuania (-7,047), Estonia (-7,876), and Latvia (-9,049), while the smallest negative values are observed in Tajikistan (-557), Kyrgyzstan (-1,029), and Ukraine (-1,414)¹⁸.

By the per capita total national wealth indicator, the Republic of Armenia ranks 10th among the 14 former Soviet Union republics. For the produced capital indicator, Armenia ranks 12th; for natural capital, 10th; and for human capital, 8th. In terms of population size, Armenia also holds the 10th position.

Considering that a significant portion (51.7%) of Armenia's per capita national wealth consists of human capital, and that Armenia demonstrates a comparative advantage in the composition of its national wealth components, it can be concluded that human capital is the primary factor driving the increase in national wealth. Therefore, the economic policies implemented in the republic must be aimed at developing human capital and improving its utilization efficiency. Tab. 2 provides data on the per capita national wealth, its components, and structure for the former Soviet Union countries grouped by income levels, as well as for countries worldwide, as of 2018. It was noted that national wealth consists of several key components: produced capital, natural capital, human capital, and net foreign assets. Among the selected countries, the Russian Federation has the highest per capita national wealth, amounting to 173,394 USD, which is attributed to the large values of produced capital and non-renewable natural capital.

In Armenia, the per capita national wealth is relatively low at 48,031 USD, with the majority (59.9%) allocated to human capital. Latvia and the Russian Federation have the highest values in national wealth for produced capital, with 121,108 USD and 77,549 USD per capita, respectively. In Armenia, produced capital amounts to 17,263 USD, making up 35.9% of the total national wealth.

Azerbaijan leads in non-renewable natural capital, with 16,121 USD per capita (or 44.4% of national wealth), due to the country's oil and gas reserves. In Armenia, renewable natural capital amounts to 4,888 USD (10.2% of national wealth).

Estonia is a leader in human capital, with 157,308 USD per capita, which constitutes 59.6% of Estonia's national wealth. In Armenia, human capital makes up 28,775 USD (59.9% of the total national wealth), making it the primary component of the country's wealth.

Among regional characteristics, it should be noted that the Baltic countries (Estonia, Latvia, Lithuania) have high values of human capital, which is due to the high level of their educational and social systems. Central Asian countries (Kazakhstan, Turkmenistan, Tajikistan) have a high level of natural capital in their national wealth, which is attributed to the presence of mineral resources in these countries. Among the South Caucasian countries, Armenia and Georgia have a lower share of natural capital in their national wealth compared to

¹⁸ World Bank Group. (2018). *The Changing Wealth of Nations 2018: Building a Sustainable Future*. pp. 226–232. Retrieved on April 1, 2021, from <https://openknowledge.worldbank.org/bitstream/handle/10986/29001/9781464810466.pdf>.

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other countries. The low level of natural capital indicates limited mineral resources, but this can be mitigated through the development of produced and human capital.

Table 2

Per Capita National Wealth, Composition, and Structure for the Former Soviet Union Countries Grouped by Income Level and the World in 2018

Countries and Income- Classified Country Groups	National Wealth	Including				
		Produced Capital	Natural Capital	of which: Subsoil Assets	Human Capital	Net Foreign Assets
Armenia	48,031	17,263	4,888	287	28,775	-3,181
	100.0	35.9	10.2	0.6	59.9	-6.6
Azerbaijan	36,315	11,475	3,157	16,121	8,367	-2,805
	100.0	31.6	8.7	44.4	23.0	-7.7
Belarus	77,516	30,775	8,987	517	40,798	-3,562
	100.0	39.7	11.6	0.7	52.6	-4.6
Estonia	263,969	97,983	14,174	764	157,308	-6,261
	100.0	37.1	5.4	0.3	59.6	-2.4
Georgia	38,510	22,690	3,619	287	18,074	-6,159
	100.0	58.9	9.4	0.7	46.9	-16.0
Kazakhstan	109,074	32,785	4,704	28,073	47,630	-4,117
	100.0	30.1	4.3	25.7	43.7	-3.8
Kyrgyzstan	15,328	6,013	4,183	804	5,543	-1,216
	100.0	39.2	27.3	5.2	36.2	-7.9
Latvia	233,600	121,108	13,986	0	107,129	-8,623
	100.0	51.8	6.0	0.0	45.9	-3.7
Lithuania	191,787	71,648	9,619	108	116,240	-5,827
	100.0	37.4	5.0	0.1	60.6	-3.0
Moldova	31,608	22,601	3,833	8	6,719	-1,553
	100.0	71.5	12.1	0.0	21.3	-4.9
Russian Federation	173,394	77,549	9,956	22,799	61,081	2,009
	100.0	44.7	5.7	13.1	35.2	1.2
Tajikistan	24,668	18,889	1,773	241	4,433	-668
	100.0	76.6	7.2	1.0	18.0	-2.7
Turkmenistan	102,707	33,795	5,806	22,822	40,473	-189
	100.0	32.9	5.7	22.2	39.4	-0.2
Ukraine	55,272	32,545	4,818	1,697	16,729	-517
	100.0	58.9	8.7	3.1	30.3	-0.9

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Average of Former USSR Countries	100,127	42,651	13,332	6,752	47,093	-3,048
	100.0	42.6	13.3	6.7	47.0	-3.0
Low-income Countries	11,462	3,176	2,666	271	5,726	-377
	100.0	27.7	23.3	2.4	50.0	-3.3
Lower-middle-income Countries	27,108	7,368	2,751	902	16,847	-761
	100.0	27.2	10.1	3.3	62.1	-2.8
Upper-middle-income Countries	141,682	36,606	6,040	5,145	93,794	97
	100.0	25.8	4.3	3.6	66.2	0.1
High-income Non-OECD Countries	400,891	93,160	3,288	120,029	134,604	49,811
	100.0	23.2	0.8	29.9	33.6	12.4
High-income OECD Countries	621,278	217,190	9,522	3,537	396,222	-5,192
	100.0	35.0	1.5	0.6	63.8	-0.8
World	160,167	49,950	4,948	4,026	101,797	-554
	100.0	31.2	3.1	2.5	63.6	-0.3

Note: Data for Uzbekistan is missing.

In the denominator, the unit is USD, and the declaration is based on the percentage of national wealth.

Compiled and calculated by the authors based on *The Changing Wealth of Nations 2021: Managing Assets for the Future*, International Bank for Reconstruction and Development / The World Bank, 2021, pages 445-462.

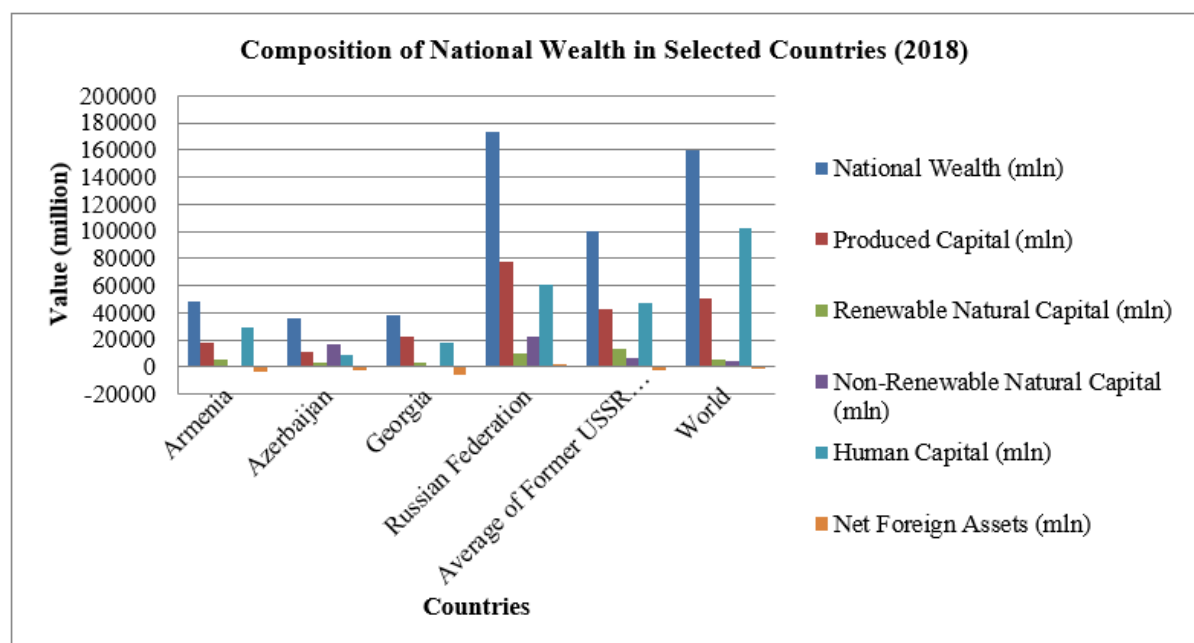


Fig. 3 Per Capita National Wealth, Composition, and Structure in Armenia, Azerbaijan, Georgia, the RF, the Average of Former Soviet Union Countries, and the World in 2018

Tab. 3 provides data on per capita national wealth in various countries and economic unions (groups) from 1995 to 2020.

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The Baltic countries (Estonia, Latvia, and Lithuania) have the highest national wealth, attributed to EU integration and economic reforms. In 2020, Estonia was the leader with per capita national wealth of 260,000 USD. Resource-rich countries (Russia, Kazakhstan, Azerbaijan) accumulated significant growth up to 2015 due to their large shares of natural capital. However, the decline observed in 2020 highlights the risks associated with resource dependency. The moderate growth in Armenia, Georgia, and Moldova is primarily driven by human capital and infrastructure development. Among upper-middle-income countries, a notable disparity exists, with per capita national wealth reaching 180,000 USD in 2020, where human capital predominates.

Table 3**Per Capita National Wealth in Various Countries and EU (Groups) from 1995 to 2020¹⁹**

Country	1995	2000	2005	2010	2015	2020
Armenia	7,800	9,500	16,000	25,000	38,000	48,000
Azerbaijan	6,000	8,500	12,000	18,000	28,000	37,000
Belarus	14,000	18,000	25,000	40,000	60,000	75,000
Estonia	25,000	40,000	85,000	150,000	210,000	260,000
Georgia	7,000	8,500	15,000	25,000	38,000	40,000
Kazakhstan	22,000	30,000	55,000	85,000	110,000	115,000
Kyrgyzstan	3,500	5,000	8,000	12,000	18,000	24,000
Latvia	30,000	45,000	85,000	140,000	200,000	240,000
Lithuania	27,000	42,000	80,000	130,000	190,000	210,000
Moldova	6,500	8,000	13,000	20,000	28,000	32,000
Russian Federation	45,000	60,000	100,000	150,000	200,000	170,000
Tajikistan	4,000	5,500	9,000	15,000	22,000	25,000
Turkmenistan	15,000	20,000	35,000	65,000	85,000	100,000
Ukraine	12,000	17,000	30,000	50,000	75,000	90,000
Average of Former USSR Countries	19,000	27,000	45,000	75,000	105,000	120,000
Low-income Countries	4,000	5,000	7,000	10,000	14,000	18,000
Lower-middle-income Countries	6,500	10,000	18,000	28,000	45,000	55,000
Upper-middle-income Countries	15,000	25,000	50,000	90,000	140,000	180,000
High-income Non-OECD Countries	80,000	120,000	200,000	300,000	400,000	450,000
High-income OECD Countries	120,000	200,000	350,000	500,000	600,000	650,000
World	12,000	18,000	35,000	60,000	85,000	105,000

Note: The wealth of countries is assessed considering human, produced, and natural capital, as well as net foreign assets.

National wealth includes not only the produced capital of the economy (e.g., buildings, infrastructure) but also human resources (education, skills) and natural resources (renewable and non-renewable). Net foreign assets can be either positive or negative, depending on the country's international debt situation.

One of the critical issues in the methodology of calculating national wealth is uncovering the relationship between the magnitude of national wealth and a country's GDP. It is evident that an increase in national wealth is achieved through GDP growth, more specifically through the portion of GDP used for accumulation, which eventually transforms into one of the aforementioned components of capital or is distributed among them in specific proportions.

Let us examine the relationship between per capita national wealth and GDP in OECD (Organization for Economic Co-operation and Development) countries and the Republic of Armenia. This relationship essentially characterizes the period it takes for GDP to "capitalize"

¹⁹ Compiled and calculated by the authors based on the data from *The Changing Wealth of Nations 2021: Managing Assets for the Future*, International Bank for Reconstruction and Development / The World Bank, 2021. The electronic resource is available at: <https://openknowledge.worldbank.org/handle/10986/36400>, accessed on December 13, 2024.

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and transform into national wealth. It is also clear that the shorter this period, the more efficiently a country's economy operates, enhancing its reproductive capabilities and socio-economic development potential. From an economic standpoint, this indicator best reflects the quality of a country's governance, serving as a stable guarantee for the socio-economic development of the economy and the continued improvement of living standards for its population.

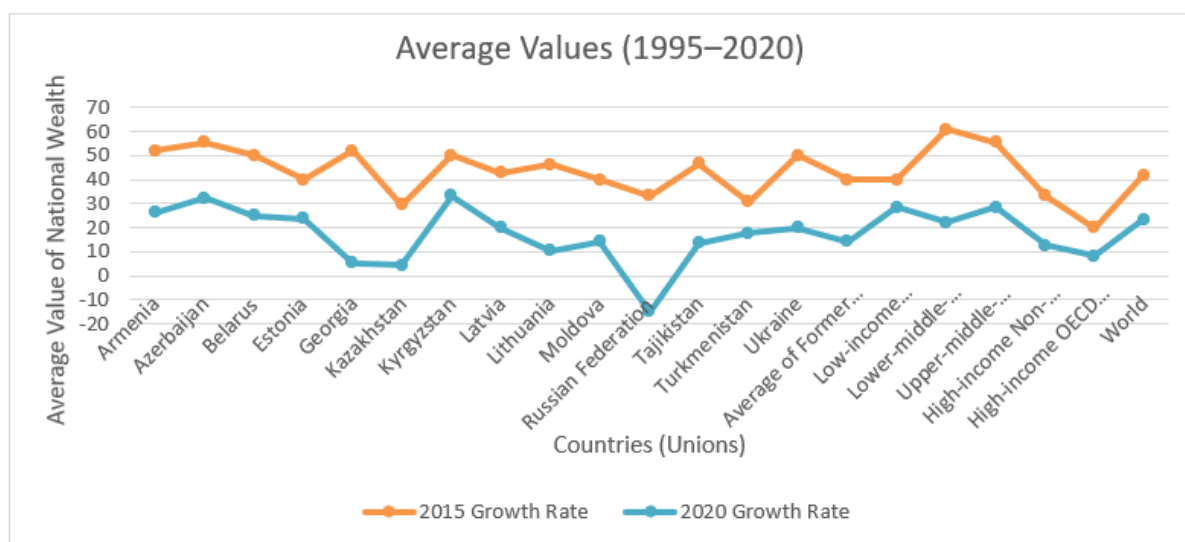


Fig. 4 Per Capita National Wealth in Various Countries and Economic Unions (Groups) Worldwide, 1995–2020, and Growth Rates for 2015 and 2020

The analysis of the data shows that the ratio of per capita national wealth to GDP is the smallest in Turkey, at 4.4 years. In Estonia, this indicator is 13.2 years, while in Armenia, it is 13.7 years. Regarding higher national wealth-to-GDP ratios in other OECD countries, for instance, the ratio in the United States is 18.0 years, in Canada 20.2 years, and in Switzerland 16.8 years. This can be explained by the high per capita GDP in these countries, where increasing GDP requires more resources and effort compared to countries with lower per capita GDP.

It can be concluded that the national wealth indicator has become one of the most important characteristics for assessing the efficiency of national economies. Economic policy should focus on increasing national wealth and its components. Given the importance of each component, particularly over the long term, comparative advantages should guide decision-making. Examining this phenomenon from this perspective reveals that Armenia's economy requires significant structural changes, particularly through the diversification and development of economic sectors that generate the highest added value by expanding and utilizing the potential of human capital.

To achieve the above-mentioned goals, the following measures should be prioritized:

- **Developing a methodology for calculating Armenia's national wealth** by the Statistical Committee of the Republic of Armenia (involving the country's leading economists in the process) and regularly publishing data on the size and structure of national wealth, for example, twice a year.

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- **Including the size of national wealth created annually** as a key indicator for evaluating the performance of the government and its ministries and agencies.
- **Enhancing the efficiency of human capital**, recognizing the main advantages inherent in Armenia's population, such as a high level of education, significant intellectual property potential, and so on.
- **Increasing the share of high-tech goods and services** as well as technologies (especially advanced technologies) in the structure of exports. This would improve the effectiveness of human capital and net export indicators, considering Armenia's strong prerequisites for achieving this²⁰.

In the system of a country's national wealth and its distribution relationships, measuring the magnitude of personal (individual) wealth accumulated by citizens holds a significant place. This is a highly complex and labor-intensive task. In the context of Armenia, this issue is further complicated by the lack of comprehensive and reliable data. Specifically, there have been no studies conducted in Armenia on either the complete national wealth or the distribution and valuation of its individual components and elements. Moreover, solving this problem involves registering and evaluating movable and immovable property owned by hundreds of thousands of households and citizens.

To address this gap, it is necessary to conduct a study that at least outlines the benchmarks for analyzing other, more partial data. For households, studying the Gini coefficient could reveal the share of wages, real assets, or financial means in total personal income, thereby providing insights into the structure of personal wealth. This phenomenon exists in many other countries as well. However, it is noteworthy that based on the results of research involving, for instance, more than 1,000 households, one could establish the degree of concentration of national wealth and its components in the hands of the top 10% (decile) of households, as well as the top 5% and the wealthiest 1%. Such a statistical picture can be derived through a Pareto distribution analysis, which is considered the best approach for studying wealth distribution in research samples and has been applied in similar studies in numerous countries.

Regarding comparisons between countries, certain challenges arise, largely due to differences in sampling methodologies, methodologies, and tools used in such studies. Nevertheless, it should be noted that the results of a study on the structure and distribution of national wealth in Armenia could closely resemble those from similar studies in other countries. Since the composition of national wealth is multifaceted, encompassing financial and natural resources (particularly subsoil, land, and water resources), a segregated approach to determining their value is often applied.

Information on the financial reserves of a country's citizens in Armenia can be obtained from two official sources: banks and the regular studies conducted by the Deposit Guarantee Fund. Data from these two bodies, while maintaining the confidentiality of individual depositors, can be grouped according to the objectives and priorities of the study and recalculated based on the decile or other groupings of monetary distribution. Alongside these estimates, it is also possible to construct a relatively reliable picture of financial assets.

²⁰ Markosyan, A., & Matevosyan, E. (2018). *National Wealth as a Key Indicator for Assessing the Degree of Economic Capitalization*. In *What to Do: Current Issues and Strategic Directions for the Development of Armenia's Economy*, Proceedings of the Scientific-Practical Conference (Yerevan: Antares), pp. 95–106.

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To verify data on the financial assets of public officials (including identifying their sources), these data can be compared with the declared (registered) amounts of their financial assets. The greatest discrepancies between declared and actual asset sizes typically exist for valuable assets such as real estate (land plots of various purposes, residential and non-residential houses, apartments).

In recent years, the sharply rising prices for real estate, particularly land plots, have "compelled" the government to develop an updated concept for real estate management and draft an action plan. This effort resulted in the adoption of the Law²¹ of the Republic of Armenia "On Establishing a Procedure for Cadastral Valuation of Real Estate Approximated to Market Value for Taxation Purposes", approved by the National Assembly of Armenia on November 19, 2019 (Law No. HO-225-N). We also believe that, given the critical national importance of land resources, it is necessary to establish committees at both the republican and regional levels to clarify property rights over land plots (particularly those of state significance, which cover over 700,000 hectares in Armenia) and to improve their management. These committees' operations should be regulated by government decisions. This will enhance the role and significance of regional administrations (marzpetarans) as territorial bodies of state governance in managing state property and improving its efficiency.

The development of a process and program for such measures is further emphasized by the fact that in previous years, state-owned land plots were handed over to communities for "management." Instead of performing this function, these plots were often used by certain political forces or figures to secure votes during national elections. Thus, state property (mainly land plots) became a subject of trade or a tool for corruption, thereby discrediting both territorial and state governance institutions.

To better understand the composition and structure of these land plots, it is sufficient to note that as of July 1, 2018, of Armenia's total land area (2,974.3 thousand hectares), 335.6 thousand hectares were protected zone lands, 30.5 thousand hectares were lands of special significance, 334.0 thousand hectares were forest lands (of which 289.2 thousand hectares were forest-covered), 25.8 thousand hectares were water lands, and 0.6 thousand hectares were reserve lands, making a total of 726.5 thousand hectares classified as state property. As of July 1, 2022, these figures were as follows: 2,974.3 thousand hectares (total land area), 335.5 thousand hectares (protected zone lands), 30.4 thousand hectares (lands of special significance), 333.9 thousand hectares (forest lands, of which 289.1 thousand hectares were forest-covered), 25.8 thousand hectares (water lands), and 0.6 thousand hectares (reserve lands)²².

To determine the total magnitude of the Republic's national wealth, it is necessary to evaluate not only the assets managed by citizens (individuals) but also those controlled by legal entities, communities, and state-owned organizations. Special attention should be given to the accounting and valuation of subsoil and water resources. It is evident that carrying out these tasks requires the development of new methodological approaches, time, and significant financial resources. However, these efforts are essential for obtaining a complete picture of the Republic's national wealth, expressed in monetary terms.

²¹ See the Law of the Republic of Armenia "On Establishing a Procedure for Cadastral Valuation of Real Estate Approximated to Market Value for Taxation Purposes", adopted by the National Assembly of the Republic of Armenia on November 19, 2019 (Law No. HO-225-N). Official legal information system of Armenia: www.arlis.am.

²² Statistical Yearbook of Armenia 2023, Yerevan, Statistical Committee of the Republic of Armenia, p. 362.

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The relationships between national wealth and the formation and distribution of population incomes, as well as addressing the challenges arising in this domain, are at the center of socio-economic policies implemented by governments worldwide (both in developed and developing countries). This is because the rates of economic growth, its quality, and efficiency are significantly influenced by the proportionality of income and wealth distribution among different population groups, which forms the foundation for social harmony and partnership within society. Moreover, achieving this objective requires targeted economic policy tools that ensure the alignment of interests and sustainable development of various population groups within society.

One of the primary reasons for the "Velvet Revolution" that occurred in the Republic of Armenia in April-May 2018 was the distribution of income and national wealth, which had led to societal polarization creating a wealthy minority and a large proportion of impoverished individuals. Aristotle had already noted that if your state has a small number of wealthy individuals and a large number of poor people, you essentially have two states: one for the rich and another for the poor.

Furthermore, the low per capita GDP, the inequitable distribution of GDP between labor and capital, the high poverty rate (26.4% in 2019, 27.0% in 2020, 26.5% in 2021, and 24.8%²³ in 2022 based on the 2019 methodology), along with numerous other factors, have shaped an economy in the Third Republic characterized by low efficiency in wealth creation and accumulation.

The analysis above highlights the need in Armenia to improve the relationships between the formation and distribution of population incomes and national wealth. In this context, economic research and analyses in this domain gain both scientific and practical importance.

The growth of the population's welfare and the development of the national economy in any country are influenced by a range of factors and prerequisites, which, especially in the long term, determine the main directions of socio-economic development. To ensure the comprehensive development of society and the strengthening of the state, it is necessary not only to achieve an adequate level of consumption but also to secure a sufficient rate of accumulation. This serves as the foundation for future development and expanded reproduction. If this natural process of reproduction is not ensured, society is deprived of the guarantees for further development, which could lead to the weakening of national security and the degradation of the state. In other words, from a long-term development perspective, it is essential to have sufficient financial, material, technical, labor resources, and natural reserves to ensure future economic progress.

Over the years, an unjust society has been formed in the Republic of Armenia, mainly due to inefficient distribution mechanisms. This has resulted in severe income polarization among the population, low wage levels, the concentration of wealth in the hands of a small group (clans), leading to large-scale emigration and high levels of poverty. While there are statistical data available on the formation and distribution of GDP and the distribution of income among various population groups in Armenia, the Statistical Committee of the Republic of

²³ Statistical Yearbook of Armenia 2023, Yerevan, Statistical Committee of the Republic of Armenia, p. 156. Statistical series of the Statistical Committee of Armenia: <https://armstat.am/am/.nid=12&id=15008>.

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Armenia does not calculate or publish data on the formation and distribution of national wealth. This omission complicates research on this critical economic category.

Thus, the fair distribution of incomes and wealth, the resolution of contradictions between labor and capital, the formation of national wealth, and its multiplication gain not only socio-economic but also political significance. Therefore, the issue of forming and distributing national wealth should remain at the center of attention for economists and researchers. It should pursue the following goals:

- **Identify trends in the formation and distribution of national wealth and population incomes in the modern world.** This involves examining trends in the growth of population incomes and wealth, particularly in the context of changes in consumption and accumulation proportions.
- **Study consumption patterns of households,** analyze the causes and consequences of absolute and relative poverty among populations in various countries, and explore effective systems and mechanisms developed and implemented by governments worldwide for forming and distributing population incomes and wealth.

By addressing these objectives, it will be possible to gain a deeper understanding of the processes shaping the formation and distribution of national wealth and to develop policies that promote equitable and sustainable socio-economic development.

The next issue is the study of the peculiarities of income formation and distribution among the population in the Republic of Armenia. The relationships of income formation and distribution in Armenia have been analyzed, with particular attention given to the changes in the consumption structure of households and an assessment of the nature of these changes. Significant focus has also been placed on the sources of income formation for the population and their transformations over recent years. A crucial part of the research has involved examining the savings of the population, their growth, and the distribution of these savings among various social groups, as well as assessing the actual distribution patterns.

In recent years, there has been an absolute increase in population incomes in Armenia, along with an average annual growth in real per capita consumption and a reduction in poverty rates.

However, it is evident that the distribution of incomes in such a manner cannot foster an atmosphere of social harmony among different social groups, and may even achieve the opposite effect. This suggests that the formation of incomes among various population groups in the Republic has not been equitable and is a consequence of an unjust distribution of GDP. This situation is largely due to a significant decrease in the share of wages in the formation of income and an increase in the incomes of capital owners.

For instance, in 2021, compared to 1990, the share of wages in GDP fell from 57.4% to 34.2%, while the share of capital owners rose from 31.7% to 53.6%. The share of the state (taxes on production and imports as a share of GDP) decreased from 17.8% to 12.4% (see Tab. 4).

The question arises: is it possible to distribute GDP more equitably to achieve a certain harmony between the incomes of labor, capital owners, and the state. The implementation of such a social policy is illustrated in Tab. 5, the data of which show that within just 10 years (1980–1989), it was possible to achieve a balanced and targeted income distribution policy.

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It is evident that the share of the low-income population decreased from 2,101 thousand individuals in 1980 to 1,117 thousand in 1989, resulting in their proportion of total income falling from 67.8% in 1980 to 33.5% in 1989. During the same period, the share of the middle-income group rose from 27.7% (861 thousand individuals) in 1980 to 46.1% (1,537 thousand individuals) in 1989. Thus, the middle class constituted the majority of the population.

Table 4**Structure of Income Formation in the RA, 1990–2022 (as a percentage of total)²⁴**

Years	Wages of Employees	Taxes on Production and Imports	Subsidies on Production and Imports (-)	Gross Operating Surplus and Mixed Income of the Economy	Including:		Domestic Output (Gross, at Market Prices)
					Consumption of Fixed Capital	Net Operating Surplus and Net Mixed Income of the Economy	
1990	57.4	17.8	6.9	31.7	14.9	16.8	100.0
1991	52.5	8.1	1.9	41.3	15.0	26.3	100.0
1992	38.4	9.0	0.6	53.3	16.6	36.6	100.0
1993	41.8	6.0	0.9	53.1	15.1	38.0	100.0
1994	41.5	5.8	1.1	53.9	14.8	39.1	100.0
1995	39.3	5.4	0.4	55.7	14.3	41.4	100.0
1996	39.9	6.7	0.3	53.6	15.0	38.6	100.0
1997	41.8	9.2	0.4	49.3	14.4	34.9	100.0
1998	41.3	10.2	0.1	48.7	13.6	35.0	100.0
1999	42.9	11.8	1.4	46.8	14.1	32.7	100.0
2000	42.7	11.4	0.7	46.6	14.6	32.1	100.0
2001	41.8	11.8	0.6	46.9	14.3	32.6	100.0
2002	39.5	12.0	0.6	49.1	14.9	34.2	100.0
2003	40.3	11.4	0.6	49.0	14.0	35.0	100.0
2004	39.5	10.5	0.6	50.6	13.2	37.4	100.0
2005	39.4	10.7	0.4	50.3	12.7	37.6	100.0
2006	39.0	10.4	0.3	50.9	11.7	39.2	100.0
2007	38.2	11.7	0.3	50.4	11.5	38.8	100.0
2008	37.2	13.0	0.2	50.0	10.5	39.5	100.0
2009	38.4	12.3	0.1	49.4	10.9	38.5	100.0
2010	37.1	12.8	0.1	50.1	11.3	38.9	100.0
2011	36.6	12.4	0.1	51.0	10.7	40.3	100.0
2012	34.5	12.5	0.1	53.1	12.6	40.4	100.0
2013	34.0	12.6	0.1	53.6	12.7	40.9	100.0
2014	33.7	12.8	0.1	53.5	12.7	40.8	100.0
2015	34.4	12.0	0.2	53.7	13.8	39.9	100.0
2016	34.8	11.4	0.2	54.0	13.9	40.1	100.0
2017	34.5	11.6	0.1	53.9	13.5	40.5	100.0
2018	33.8	12.0	0.1	54.3	13.0	41.2	100.0
2019	33.3	13.0	0.3	53.4	12.3	41.1	100.0
2020	35.2	12.3	0.2	52.5	12.9	39.6	100.0
2021	34.2	12.4	0.2	53.6	12.6	41.0	100.0
2022	35.4	11.5	0.3	52.8	13.8	39.0	100.0

²⁴ Compiled and calculated by the authors based on data from the Statistical Committee of the Republic of Armenia, <https://www.armstat.am/am/.nid=202>.

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Total (1990–2022 Average Annual)	38.92	11.05	0.62	50.61	13.39	37.21	100.0
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Although the number of high-income individuals and their share in total income also increased, their proportion accounted for only 20.4% of total income.

It is necessary to address the methodological approaches used in Armenia to calculate (record) the incomes of various income groups, as well as the shortcomings of these approaches. For instance, during certain periods, studies on annual incomes excluded households receiving state assistance and those with incomes above a certain threshold.

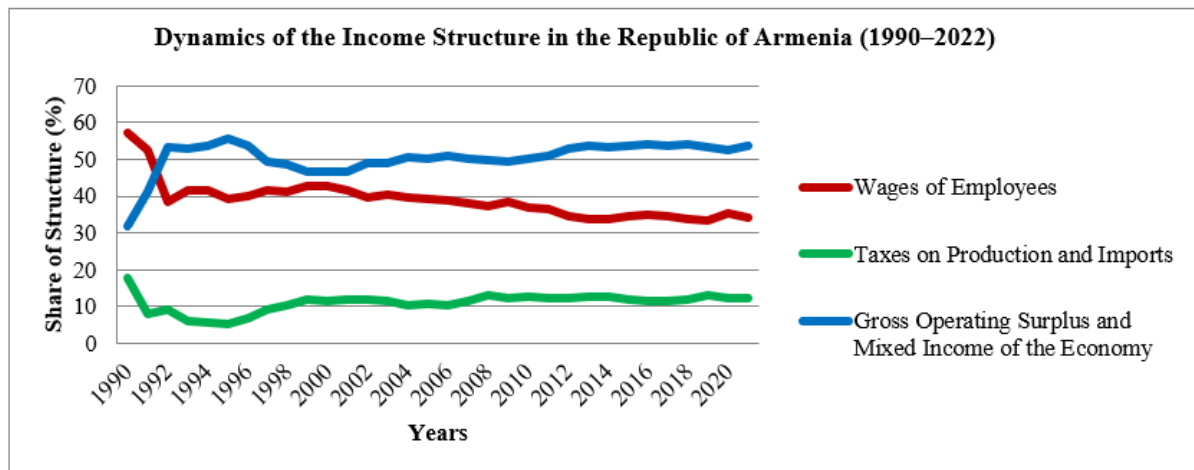


Fig. 5 Structure of Income Formation in the RA, 1990–2022 (as a Percentage of Total)

Table 5

Distribution of the Population of Soviet Armenia by Per Capita Income and Groups with Low, Medium, and High Incomes, 1980–1989 (Based on Integrated Household Budget Data)²⁵

	Average Annual Population							
	Thousand People				Percentage			
	1980	1985	1988	1989	1980	1985	1988	1989
Entire Population, Including Per Capita Total Income per Month, Rubles	3112	3349	3479	3335	100	100	100	100
Up to 50	450	217	120	80	14.8	6.5	3.4	2.4
50-75	891	699	513	397	28.6	20.9	14.7	11.9
75-100	760	825	746	640	24.4	24.7	21.5	19.2
Low-Income Groups (Up to 50–100)	2101	1741	1379	1117	67.8	52.1	39.6	33.5
100-125	470	627	695	650	15.1	18.7	20	19.5
125-150	256	416	510	517	8.2	12.4	14.7	15.5
150-175	135	244	344	370	4.4	7.3	9.9	11.1

²⁵ Compiled and calculated based on the data from *The Economy of the Armenian SSR in 1989: Statistical Yearbook*, Yerevan, Hayastan, 1991, p. 39. Available on the official website of the Statistical Committee of the Republic of Armenia: <https://www.armstat.am/file/doc/99507078.pdf>.

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Middle-Income Groups (100–175)	861	1287	1549	1537	27.7	38.4	44.6	46.1
175-200	68	139	221	354	2.2	4.1	6.3	7.6
200-250	56	124	211	261	1.8	3.7	6.1	7.8
Above 250	16	58	119	166	0.5	1.7	3.4	5
High-Income Groups (175–Above 250)	140	321	551	781	4.5	9.5	15.8	20.4

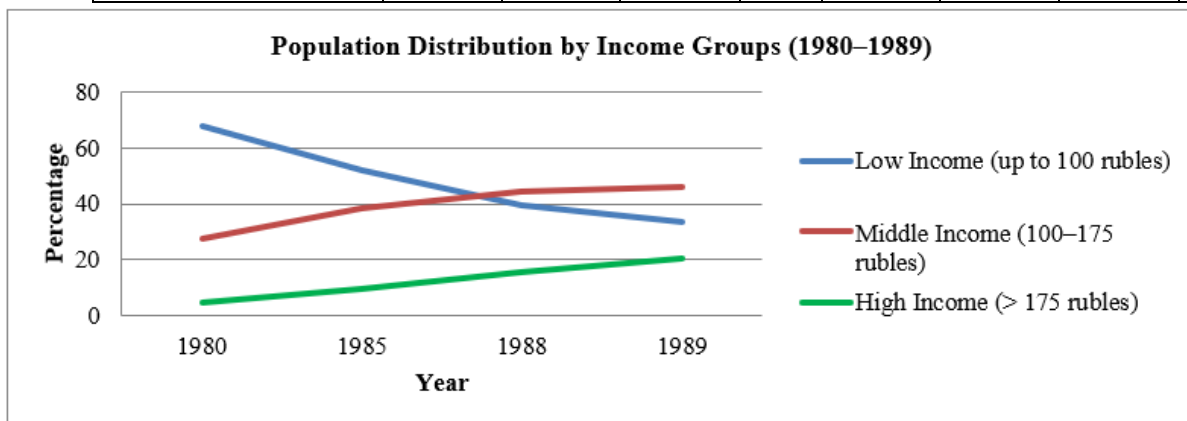


Fig. 6 The Distribution of the Population of Soviet Armenia by Per Capita, as well as Low, Middle, and High-Income Groups of Total Income for the Years 1980–1989
(Based on Data from the Integration of Family Budgets)

Although surveys conducted since the mid-2000s deliberately avoided excluding any groups, two key shortcomings in sample formation persist:

- Urban surveys do not include data on the incomes of self-employed individuals (households) and employer households, instead relying on expenditure data to estimate their incomes.
- Rural surveys exclude non-agricultural rural households.

According to our estimates, these two groups together account for about 40% of households in Armenia, which were essentially excluded from the income and expenditure surveys. Consequently, official statistics indicating improvements in the Gini coefficient should be viewed and assessed with a degree of approximation.

Although the Statistical Committee of Armenia (formerly the National Statistical Service of Armenia) has made adjustments to sampling methodologies in population income and expenditure surveys, the reliability of income formation and distribution data remains questionable. In particular, it is necessary to create an additional sample for low-income groups to obtain more representative data.

Let us also consider the relationships in the formation and distribution of national wealth in the Republic of Armenia (RA). As noted, the Statistical Committee of Armenia does not calculate or publish data on the national wealth of the country. This can be regarded as one of the significant shortcomings in the work of Armenia's statistical services, which needs to be addressed within the next 1–2 years. Moreover, this does not merely involve calculating and publishing a few figures. It is evident that while the World Bank provides serious

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methodological guidelines and research on calculating and assessing national wealth, these require localization, taking into account the specific characteristics of Armenia's economy.

It is also essential to understand that the indicator of a country's national wealth is not just a number but a summary measure that characterizes the state of the economy. It can serve as a guide for developing the "roadmap" for the country's future economic development. National wealth, like a mirror, reflects the key factors of socio-economic development, which define the pillars of economic growth and should become the tools and mechanisms for developing and implementing economic policy.

Of particular importance is the development and expansion of economic activities in the republic that generate the highest added value. This is critical for ensuring the growth of national wealth. Additionally, this approach can improve the structure of the economy, leading to the creation of an efficient economic system with all the progressive priorities and measures required for development in critical areas.

Conclusion

The role of national wealth also becomes crucial in establishing a socially just state and ensuring social solidarity among different layers of the population. This is achieved by developing and implementing principles for the distribution of national wealth that optimally balance the interests of the state, the business community, and social groups.

The country's tax system is of critical importance in achieving this goal. Armenia's tax system is generally effective and capable of ensuring revenue collection while maintaining, at least in principle, a degree of progressivity. Naturally, the primary task of the tax system is revenue collection rather than redistribution. However, with the reforms initiated and partially implemented under the new tax code, the goals of horizontal and vertical equity in revenue collection and distribution were chosen. Most of these, however, remain debatable.

It is necessary to briefly discuss and evaluate the various types of taxes in Armenia, including value-added tax, income tax, profit tax, property tax, land tax, and other forms of taxation. A review of these tax types will make it possible to establish an efficient system for redistributing income and national wealth between labor and capital. The need for such redistribution will create an effective environment, particularly for stimulating labor and enhancing its efficiency.

This necessity is driven by the fact that more than half of Armenia's national wealth is concentrated in human capital. Such an approach is justified by the reality that the level of labor remuneration in Armenia, both in absolute and relative terms (the share of the wage fund of employees in GDP), is comparatively quite low. This situation fails to create adequate material incentives for wage earners, leading to low labor productivity and, consequently, slow growth in national wealth.

The former Soviet Union countries have undergone a complex process of economic transformation, resulting in significant economic disparities.

- Russia's economy is heavily dependent on natural resources, which provide it with high national wealth but limit human capital development.
- The Baltic states (Latvia, Lithuania, Estonia) outperform other countries in the region due to their integration into the EU, promotion of innovation, and infrastructure development.

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- Central Asian countries, particularly Kazakhstan and Turkmenistan, possess large natural resource reserves, but the lack of economic diversification remains a challenge.
- Belarus and Ukraine rely heavily on produced capital, but external debt and political instability hinder economic growth.

The South Caucasus countries (Armenia, Georgia, Azerbaijan) exhibit different economic models and challenges.

- Georgia is making significant investments in infrastructure and transport connections, allowing it to become a regional transit hub.
- Azerbaijan continues to rely on the oil and gas industry, creating economic dependence on raw material exports and limiting the development of other sectors.
- Armenia has limited natural resources, which forces its economy to focus on human capital development and technological innovation.

Armenia must focus on education, innovation, and technological development to utilize its human capital more effectively.

- The limited availability of natural resources means that the country's economic growth should be ensured through high value-added sectors.
- Increasing produced capital and investments is crucial for economic stability and the growth of national wealth.
- Armenia's per capita national wealth declined from \$52,894 in 2014 to \$48,031 in 2018, indicating overall economic decline or inefficient capital utilization.
- The share of human capital increased from 51.7% in 2014 to 59.9% in 2018, highlighting that the country's economic growth mainly depends on a skilled workforce.
- The share of natural resources dropped significantly, from 24.0% in 2014 to 10.2% in 2018, showing reduced dependence on natural resources or their reevaluation.

Today, the former Soviet Union countries have different economic models, but for Armenia and the South Caucasus countries, education, technology, and effective governance policies can become key factors in ensuring sustainable economic growth. Armenia's main economic challenges include increasing productivity, utilizing capital more efficiently, and reducing social polarization. For long-term economic growth, it is essential to promote innovation, education, production, and tax reforms.

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ԱՋԳԱՅԻՆ ՀԱՐՍՏՈՒԹՅԱՆ ԿԱՊԻՏԱԼԱՑՈՒՄԸ. ՀԻՄՆԱԽՆԴԻՐՆԵՐ ԵՎ ԶԱՐԳԱՑՄԱՆ ՀՆԱՐԱՎՈՐՈՒԹՅՈՒՆՆԵՐ

Մ. Ա. Մարկոսյան

Մ. Քոթանյանի անվան տնտեսագիտության ինստիտուտ

Պետության հանրային ֆինանսների ապահովումը և դրա արդյունավետության և ծավալների ավելացումը, երկրի բնակչության բարեկեցության աճի և ազգային տնտեսության զարգացումը պայմանավորված են մի շարք գործոններով և նախադրյալներով, որոնք ինչպես ներկայում, այնպես էլ երկարաժամկետ հեռանկարում կանխորոշում են սոցիալ-տնտեսական առաջընթացի հիմնական ռազմավարական ուղղությունները: Որպեսզի ապահովվի հասարակության բազմակողմանի զարգացումն ու երկրի հզորացումը, անհրաժեշտ է ոչ միայն սպառման բավարար մակարդակի ձեռքբերում, այլև կուտակման բավարար նորմայի ապահովում, ինչն էլ ընկած է հետագա զարգացման և ընդլայնված վերարտադրության հիմքում: Եթե չի ապահովվում վերարտադրության այս բնականոն ընթացքը, ապա հասարակությունը զրկվում է հետագա զարգացման երաշխիքներից, ինչն էլ կարող է դառնալ երկրի անվտանգության խաթման և պետության տնտեսական քաղաքականության ծախսողման պատճառ: Կամ, այլ կերպ ասած, անհրաժեշտ է ունենալ հեռանկարային զարգացման տեսանկյունից որոշակի ֆինանսական, նյութատեխնիկական, աշխատանքային ռեսուրսներ և բնական պաշարներ, որոնք կարող են ապահովել սոցիալ-տնտեսական հետագա առաջընթացը: Այդպիսով, երկրի ազգային հարստության ձևավորումը և դրա բազմապատկումը ստանում է ոչ միայն տնտեսական, այլև քաղաքական կարևորություն և նշանակություն:

Տնտեսական առաջընթացի և ընդլայնված վերարտադրության վիճակն ու գործընթացը բնութագրվում են մակրոտնտեսական մի շարք ամփոփ ցուցանիշների օգնությամբ: Դրանց շարքում կարևորվում են համախառն ներքին արդյունքի (դրա հաշվարկման տարբեր մոդիֆիկացիաներով (փոխակերպումներով), օրինակ՝ դրա մեծության չափը, աճի տեմպը, մեկ շնչի հաշվով ՀՆԱ-ն և այլն), ազգային եկամտի, համախառն ազգային եկամտի և մյուս մակրոտնտեսական ցուցանիշների հաշվարկը՝ դրանց տարբեր մոդիֆիկացիաներով (փոխակերպումներով):

Սակայն նշված ցուցանիշների հաշվարկման հիմնական թերությունն այն է, որ դրանք, պատկերավոր ասած, բնութագրում են երկրի զարգացման տվյալ պահը՝ առանց

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ներկայացնելու սոցիալ-տնտեսական զարգացման հնարավորություններն ու ներուժը: Այս հիմնական բացը չեզոքացնում է ազգային հարստության ցուցանիշը:

Ներկայումս ընդունված են ազգային հարստության սահմանման և հաշվարկման Համաշխարհային բանկի միասնական մեթոդական ցուցումները: Ազգային հարստությունը հանդիսանում է Ազգային հաշիվների համակարգի (ԱՀՀ) անբաժանելի մասը: ԱՀՀ-ն հիմք է հանդիսանում կառավարության, մասնավոր հատվածի, միջազգային կազմակերպությունների և այլ հետաքրքրված անձանց կողմից տնտեսական աճի հաշվարկման համար:

Ազգային եկամուտն ու բարեկեցությունը հիմնվում են երկրի ակտիվների կամ հարստության վրա, որոնց հաշվարկման հիմքում ընկած են տարբեր չափանիշներ: Ազգային հարստությունը իր մեջ ներառում է հետևյալ չորս բաղկացուցիչները՝ արտադրված կապիտալ, բնական կապիտալ (պաշարներ), մարդկային կապիտալ և զուտ արտաքին ակտիվներ:

Ասվածից հետևում է, որ երկրի ազգային հարստության ավելացման հիմնական աղբյուրը համախառն ներքին արդյունքի աճն է: Համախառն ներքին արդյունքի (ՀՆԱ-ի)՝ որպես երկրի տնտեսական ներուժի (իզոլորության) գնահատման հիմնական մակրոտնտեսական ցուցանիշի մեծության հաշվարկման եղանակներից մեկը ծախսային մեթոդն է: Հոդվածում քննարկվում է ազգային հարստության բաշխման և վերաբաշխման հարաբերությունները և դրանց ազդեցությունը բնակչության տարբեր խմբերի եկամուտների ձևավորման գործում:

Բանալի բաներ. ազգային հարստություն, եկամուտների խմբեր, պետական հանրային ֆինանսներ, տնտեսական աճ, ՀՆԱ, մեկ շնչին ընկնող ՀՆԱ-ի աճի տեմպ:

КАПИТАЛИЗАЦИЯ НАЦИОНАЛЬНОГО БОГАТСТВА: КЛЮЧЕВЫЕ ПРОБЛЕМЫ И ВОЗМОЖНОСТИ РАЗВИТИЯ

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Обеспечение государственных публичных финансов, а также повышение их эффективности и объёмов, рост благосостояния населения и развитие национальной экономики обусловлены рядом факторов и предпосылок, которые как в настоящее время, так и в долгосрочной перспективе определяют основные стратегические направления социально-экономического прогресса. Для обеспечения всестороннего развития общества и укрепления государства необходимо не только достижение достаточного уровня потребления, но и обеспечение достаточной нормы накопления, которая лежит в основе дальнейшего развития и расширенного воспроизводства. Если не обеспечивается этот естественный процесс воспроизводства, общество лишается гарантий дальнейшего развития, что может привести к подрыву безопасности страны и провалу экономической политики государства. Иными словами, с точки зрения перспективного развития необходимо наличие определённых финансовых, материально-

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технических, трудовых ресурсов и природных запасов, которые могут обеспечить дальнейший социально-экономический прогресс. Таким образом, формирование и приумножение национального богатства страны приобретает не только экономическое, но и политическое значение и важность.

Состояние и процесс экономического прогресса и расширенного воспроизводства характеризуются с помощью ряда макроэкономических агрегированных показателей. Среди них важное место занимает расчёт валового внутреннего продукта (ВВП) с различными модификациями (например, объём, темпы роста, ВВП на душу населения и др.), национального дохода, валового национального дохода и других макроэкономических показателей в их различных преобразованиях.

Однако основным недостатком указанных показателей является то, что они, образно говоря, отражают текущее состояние развития страны, не раскрывая её потенциала и возможностей социально-экономического развития. Этот существенный пробел восполняется показателем национального богатства.

В настоящее время для определения и расчёта национального богатства используются единые методологические рекомендации Всемирного банка. Национальное богатство является неотъемлемой частью Системы национальных счетов (СНС). СНС служит основой для расчёта экономического роста правительствами, частным сектором, международными организациями и другими заинтересованными сторонами.

Национальный доход и благосостояние основываются на активах или богатстве страны, которые рассчитываются по различным критериям. Национальное богатство включает в себя следующие четыре компонента: произведённый капитал, природный капитал (ресурсы), человеческий капитал и чистые внешние активы.

Из сказанного следует, что основным источником увеличения национального богатства страны является рост валового внутреннего продукта. Одним из методов расчёта объёма ВВП — как основного макроэкономического показателя оценки экономического потенциала (мощности) страны — является метод затрат. В статье рассматриваются вопросы распределения и перераспределения национального богатства и их влияние на формирование доходов различных групп населения.

Ключевые слова: национальное богатство, доходные группы, государственные публичные финансы, экономический рост, ВВП, темпы роста ВВП на душу населения.

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