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«STATISTICAL ANALYSIS OF ASSESSMENT OF THE VOLUME OF
THE HIDDEN ECONOMY IN THE REPUBLIC OF UZBEKISTAN»

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STATISTICAL ANALYSIS OF ASSESSMENT OF THE VOLUME OF THE HIDDEN ECONOMY IN THE REPUBLIC OF UZBEKISTAN

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Annotation. This article examines the content and state of the hidden economy in our country, statistical methods used to assess its size. Measures to reduce the share of the hidden economy in our country as much as possible are also explained.

Keywords. hidden economy, hidden economy volume, white collar, gray hidden economy, indirect methods, direct methods, integration method, balance method.

It is no secret that there is a hidden economy in almost all countries of the world, and its share varies from country to country.

The attitude of scientists to the hidden economy is also different.

Some criticize it negatively, accusing it of having a negative impact on economic development, managing the state economy, of forming the basis of criminal activity, others admit that it is the foundation of new areas of the economy and innovation, first secretly, and then officially.

The secret economy is a complex socio-economic reality, which includes not only economic social structures, economic interaction in society, but, above all, the satisfaction of personal and group interests of individuals who make up part of the country's population, which cannot be controlled by society, then there is a large amount of additional income (profit) - this is the criminal use of state and non-state property, as well as economic wealth and entrepreneurial ability, hiding it from the management and control of state bodies. It is closely related to the open formal economy and is an integral part of it. Each secret activity is completely different.

Therefore, to solve the problems of

the hidden economy, it is necessary to indicate its main directions and segments.

The shadow economy refers to economic activity that develops outside of state accounting and control and therefore is not reflected in official statistics. The scale and nature of activities in the shadow economy vary widely, from large proceeds of crime (such as drug trafficking) to "rewarding" a plumber with a bottle of vodka for a repaired faucet. Different types of covert activities vary in quality.

The main directions of the hidden economy. Three criteria are used to identify types of secret activities: their connection with the "white" ("first", official) economy and subjects and objects of economic activity. From this point of view, the hidden economy can be divided into three sectors (Table 1):

- "second" ("white collar"),
- "gray" ("unofficial");
- "black" ("secret") hidden economy.

Although the study and analysis of the hidden economy has been going on for about half a century, scientists and analysts still do not have a unified approach to its analysis. For example, in English-language sources one can come across such terms as "informal economy", "shadow economy", "shadow economy",

"black economy", and these terms have different meanings for different researchers. The "second" shadow economy is the illegal economic activity of workers and employees of the "white" economy at their jobs, which leads to a

hidden redistribution of the previously created national income. This type of underground economy is called "white-collar" because these activities are mainly carried out by "good people" ("white-collar workers") in the management staff.

Table 1

Criteria for differentiating the hidden economy[1]

Key Features	Second Hidden Economy	Gray Hidden Economy	Black Hidden Economy
Items	Leaders of the official ("white") sector of the economy	Informal reservations	Professional criminals
Objects	Redistribution of income without production	Production of ordinary goods and services	Production of prohibited and scarce goods and services
Connection with the "white" economy	"White" is inseparable from the economy	Relatively free	"White" is autonomous in relation to the economy

There are as many ways to measure the shadow economy as there are definitions. Approaches such as Mauren (2003) and Schneider (2002) are worth mentioning. In general, all methods can be divided into two parts:

- direct methods, i.e. micro-approaches
- methods based on the choice of taxpayers, that is, indicating the development of the hidden economy in a certain period.

direct methods. These are microeconomic approaches that use well-designed surveys and sampling based on voluntary responses or tax audits and other compliance methods.

Sample surveys are widely used to estimate the hidden economy [2].

Shadow economy estimates can also be based on discrepancies between income reported for tax purposes and income measured by spot checks. In this regard, financial audit programs are particularly effective. Since these programs are designed to measure the amount of

undeclared taxable income, they can also be used to calculate the size of the shadow economy. However, this approach is associated with a number of difficulties. First, using data on tax compliance is equivalent to using a (possibly biased) sample of the population [3]. In general, the selection of taxpayers for tax audits is not carried out randomly, but on the basis of characteristics of submitted (tax) returns that indicate a certain likelihood of tax fraud.

Therefore, such a sample is not random for the entire population, and estimates of the hidden economy based on a binary sample may be inaccurate. Second, estimates based on tax audits reflect only the part of the shadow economy that has been identified by the tax authorities, and this may represent only a fraction of all hidden income.

The country is implementing large-scale reforms aimed at creating favorable conditions for doing business and improving the investment climate in the areas of monetary, foreign exchange, tax and foreign trade policy.

At the same time, expert assessments and surveys conducted among business entities indicate that the hidden turnover in the economy remains at a high level, especially in such areas as trade and public catering, road transport, housing construction and repairs, and the provision of housing services. which makes the economic activities of conscientious entrepreneurs infringing on their interests, creating unequal conditions for doing business for them.

It is noteworthy that in order to reduce the level of the hidden economy in our country, conduct business activities, including the creation of equal conditions for competition by reducing the regulatory and administrative burden, and automate procedures for complying with tax laws. and to simplify its procedure [4] it should be noted that the following tasks were defined:

a) introduction of the procedure for non-inclusion of income received from individuals using bank cards and contactless payments of small businesses in the field of public catering, in order to implement the mandatory payment of general taxes;

b) reduction of the turnover tax rate from 25% to 13% for persons operating in the field of real estate;

c) allow construction companies to hire workers on a temporary basis without concluding an agreement with the right to pay wages in cash in an amount not exceeding 10 percent of the total wage fund for the reporting period (excluding the amount of social tax). In that:

d) construction organizations ensure the payment of income tax and social tax collected from individuals in accordance with the established procedure, and also submit their register to the state tax authorities indicating the amount of money paid to employees hired without a contract on a monthly basis;

e) bodies of the state tax service carry out automatic identification of taxpayers on the basis of registers provided by construction organizations, and ensure the

accounting of income tax and social tax collected from paid individuals.

f) implementation of the norms of the legislation providing for social protection of workers in case of accidents at work, to persons hired without concluding a contract;

g) implementation of measures aimed at improving the efficiency of ministries and departments in the fight against the shadow economy and corruption, the development of a "road map" to improve tax and customs administration, etc.

In many countries, especially in Uzbekistan, the methods of statistical assessment of the hidden economy allow choosing specific approaches, tools and methods for calculating indicators that reflect various aspects of the hidden economy [5]. Currently, there are no standard, universal approaches that ensure the success of such a calculation in any economy. Of course, it is impossible to obtain direct and 100% statistical certainty in assessing the scale of the hidden economy.

The result largely depends on the qualifications of the appraisers and their opportunities to obtain additional information.

Researchers who determine the parameters of the hidden economy themselves often consider them indicative and give only the most general idea of the phenomenon. This is explained, firstly, by the specifics of the hidden economy, which, by definition, is hidden from accounting, control and registration, that is, from any observation, and secondly, by the probabilistic nature of most of the methods used for calculating [6].

In recent years, methods for assessing the hidden economy in world practice have received significant development. Many methods can be divided into direct and indirect. Direct methods of covert accounting provide detailed and qualitative information and are based on the results of various types of surveys (households, labor force, etc.) and

tax audits.

Sample surveys are widely used to measure both the size of the shadow economy as a whole and its individual components. The results of such surveys depend on how the questions are worded. Well-designed interview questions allow people to overcome the desire to hide their participation in hidden economic processes. Questions are asked in such a way that the interviewer does not understand the true purpose of the study.

This approach is also successfully used by the Statistical Committee of Uzbekistan, which focuses on the study of labor costs and hours worked when estimating the size of the shadow economy.

Balance methods are the most common in determining the parameters of hidden and informal economic activity and are based on a comparison of a number of interrelated indicators - income and expenses; resources and use.

The inconsistency method associated with balance sheet methods is based on a comparison of data sources and statistical documents. The residual method can be used to calculate hidden turnover, which reflects the sale of goods and services on the unorganized market by unknown

enterprises and individuals.

A method based on examining the difference between total income consumed and the alternative implied income produced is reconstructed on the basis of tax paid data or value added data produced. This method is relatively simple, but has serious drawbacks. Firstly, the difference between income produced and consumed can be related to many factors, not only related to the existence of the shadow economy and the income received from its activities [7]. For example, the calculation of income generated and the calculation of costs associated with the efficiency of tax services are also very complex. Second, black market purchases by official and underground entities are excluded from the analysis, unless they are included in the cost calculation with a special adjustment. Thirdly, in such calculations it is impossible to determine the origin of income that is spent more than is produced. It remains unclear whether the income was legitimate but unaccounted for due to weaknesses in the methodology used, or whether it was undeclared and derived from criminal activities, or whether it came from savings funds and various forms of savings.

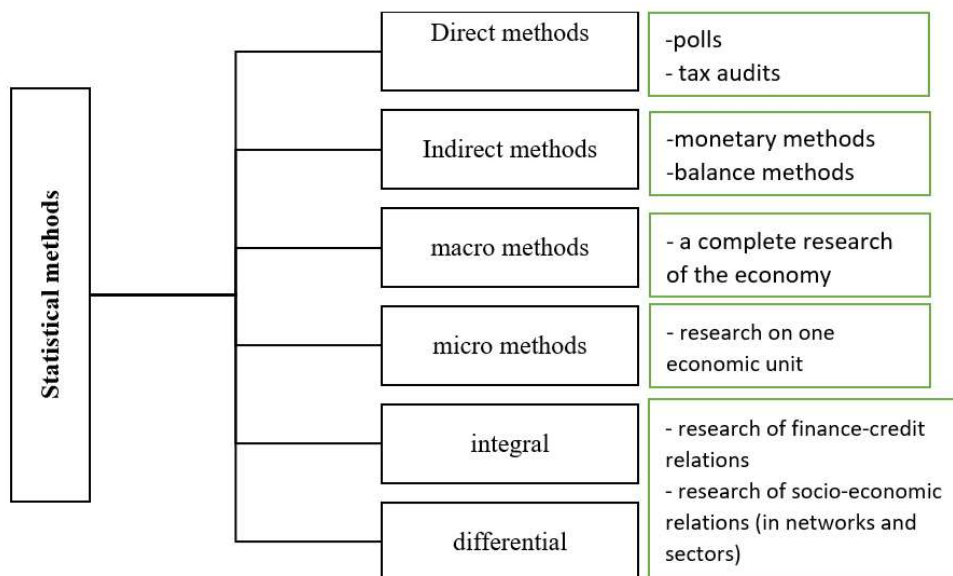


Figure 1. Statistical methods of estimating the size of the hidden economy in the Republic of Uzbekistan

Thus, the above analysis of existing methods of measuring the hidden economy shows that the national statistics service has the ability to measure the size of the unobserved economy. The public can be assured of the adequacy of the assessments offered and the impartiality of

the methods used. At the same time, the main task of official statistics is to improve the methodology of statistical monitoring and calculation of indicators, as well as to find the most effective methods of obtaining representative data on hidden economic activity.

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