



CAUSES OF EMERGENCE OF THE HIDDEN ECONOMY AND WAYS TO REDUCE ITS IMPACT

Mavlyanov Muzaffar

Namangan Institute of Engineering and Technology, independent researcher

Annotation: in this article, the reasons for the emergence of the hidden economy and the ways and directions of reducing its negative impact on the economy have been developed, and scientific proposals and recommendations have been prepared accordingly.

Keywords: shadow economy, networks, functions, competition, structures, sectors, tax evasion, foreign capital, shuttle, barter trade, hidden unemployment, corruption.

Introduction. Today, the hidden economy exists in many countries, mainly in developing countries, which are developing at a high rate, and their share in the economy remains high. It can be understood from the research that today's criminal economy is inextricably linked with economic relations, it is desirable to identify the main signs of the criminal economy's dangers to society during economic activity and eliminate it in time. In addition, the clandestine economy includes criminal and non-criminal clandestine economic sectors.

But it is not possible to distinguish between these two branches, the boundaries of the two types of activity become more complicated in the conditions of imperfect competition, it is difficult to determine the effects of its positive and negative functions, unjustified taxation, the reason why all types of the hidden economy are flourishing under the influence of the irresponsibility of some government officials. will be In addition, restrictions of various forms also have an effect, to assess the level of criminality of the underground economy, it is necessary to take into account its economic efficiency, activity and destructive effect.

Main part. Such changes occur in economically weak countries and the institutional environment is not compatible with the activities of business entities, in an uncompetitive environment and in a highly monopolized economy, the hidden economy develops rapidly. One can learn about goal management from research on the hidden economy.

The unlimited needs of people in turn drive them to become infinitely rich, while some are forced to go into hiding due to improper tax policies, inconsistencies in administrative legislation, and other fringe benefits. Let's talk about the structural structure that determines the transition of the economy to a hidden state, which, in turn, is one of the most basic types of the hidden economy.

The most basic parts of the structural structure of the underground economy proposed above have been developed, as a result of which it is possible to divide the underground economy into large groups. It should be noted that there is no clear border between the approximate parts of the hidden economy, the border between the components of the hidden economy is constantly changing during the development of the economy. In particular, organized criminal groups make extensive use of relationships between legal entrepreneurs to "collect taxes" from informal sector enterprises and to legitimize their activities. All the companies operating in this field strengthen cooperation with each other in the field of clandestine activities, as they are outside the legal norms.

Based on the composition of the hidden economy, it is divided into several main sectors. The production sector of the underground economy (informal economy) clearly shows the share of the

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underground economy in the gross domestic product, its redistributive sector includes various economic crimes. There are two sectors of the underground economy, which are always uncontrolled and unregulated activities. For this reason, it is not reflected in statistical reports, laws in the country are not fully observed. They can also include the household sector, and the hidden economy manifests itself in the form of tax evasion, tax evasion, and evasion of state registration fees. Not only can the above industries be attributed to the underground economy, at the same time, under the influence of administrative-ordering in accounting, inconvenient taxes, and the collection of various duties, the entrepreneur voluntarily looks for ways that are convenient for him, and contributes to the development of the underground economy against his will. This is clearly visible in the activities of households. At the same time, it is necessary to clarify the main functions of the hidden economy. Because without having accurate information on the main types, forms, and functions of the underground economy, it is impossible to develop measures to reduce the share of the underground economy or eliminate it. For this reason, we focus on its main functions. The main functions of the hidden economy are divided into three major groups that are related to each other. The Swiss economist Dieter Cassel showed positive functions as a form of economic management in the market economy.

The function of distribution in the economy consists in mitigating economic fluctuations in the economic situation by redistributing resources between the legal and underground economies or preventing their negative effects as much as possible. During its activity, the hidden economy provides the legal economy with its resources, in a certain sense, it performs a stabilizing function by providing the part that is not provided by the legal economy. In addition, it solves a number of problems in the economy or satisfies newly emerging needs in the market, increases the employment of people, albeit secretly. At the same time, the distributive function is carried out by solving the important problems of the enterprise, preventing production from stopping, accelerating people or production in this area, implementing innovations that are not approved from above, forming a non-state financial base for solving social problems and unwanted social is to mitigate the contradictions.

Results and discussion. In general, the negative effects of the underground economy outweigh the positive effects on society, and they harm the economy on a large scale. On the one hand, it reduces the well-being of society as a whole by providing an opportunity for redistribution of society's income in favor of relatively small privileged groups. On the other hand, it destroys the centralized management system of the economy, creates a false sense of well-being in the government, and requires urgent measures to be taken against them. State influence on the hidden economy should be implemented in a differentiated way. The non-compulsory economy should be affected indirectly by creating a favorable market environment, and the criminal economy should be affected by direct administrative methods in the form of decrees, decisions, programs, and orders based on the constitutional law. with the active participation of law enforcement agencies. In most developing countries, we can talk about the parallel coexistence of informal and formal economies. In the course of socio-economic reforms in these countries, the dissolution of old state structures and the emergence of new institutions (state, economy and public administration, formation of market infrastructure, etc.) are taking place at the same time. This process is aggravated by imperfect legislation, underdeveloped accounting and taxation system, corruption of officials and low level of market relations.

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The uniqueness and originality of the underground economy is associated with such features as tax evasion, capital investment abroad, double accounting, shuttle and barter trade, hidden unemployment, and corruption. The country's hidden economy is unevenly manifested in various areas. Another feature of the new underground economy was widespread underground employment. According to the latest research, only 48 million people are employed in the sectors of the economy where statistical data are taken into account, and 38 million people of working age are "employed in something that no one knows about", that is, they have a second job that is not officially registered, about half of them are "brokerage", one-third work in retail trade, and the rest in the shuttle business (illegal passenger transport). In most developing countries, we can talk about the parallel coexistence of informal and formal economies.

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The development of the world economy at the end of the 20th century. characterized by the global character of social reproduction, which reflects the increasing interdependence of national economies and the process of globalization. Thus, the world economic community is turning into an integrated economic system in which individual national economies are structural elements of a single world space. However, this situation has created new opportunities for the consistent development of the world community, as well as new global threats, that is, the transnational nature of the underground economy.

The share of the hidden economy in the global gross domestic product cannot be precisely calculated, it is estimated at many trillions of US dollars. In particular, in the report of the Financial Stability Board (FSB) on the hidden transactions of banks and other financial institutions around the world, the total volume of hidden transactions in 2019 was 67 trillion dollars, which is not much less than the world's gross domestic product. In the same year, the largest segment of the global underground economy is "white-collar" crime, which is considered a set of non-violent crimes committed by individuals, groups or corporations in the course of business activities for profit. Many large companies have been accused of fraud, the use of fraudulent financial schemes, tax evasion and manipulation of financial statements.

In the process of globalization, the polarization of the world system is increasing. Residents of developed countries have the opportunity to use all the advantages of modern civilization, while a large part of the world's population is on the verge of survival, which serves as the basis for the underground economy. There is a constant increase in illegal labor migration from less developed countries to developed countries.

In recent decades, the most popular destinations for migration have been the United States and the European Union. In the last decade, Russia has also become one of the world's attractive centers for illegal migration. There is a growing conflict between the global nature of the economy and the local nature of taxation. Large corporations are able to successfully avoid taxes by setting up their operations in so-called offshore zones.

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Globalization has led to the rapid development of the "world wide web" - the Internet, as a result of which the volume and quality of available resources have increased significantly, and various abuses have increased. A new area of clandestine activity has emerged - cybercrime, which involves crimes committed using a computer system or network. With the help of computers and the Internet, many large companies have used fraudulent financial schemes, tax evasion and manipulation of financial statements. Today, such crimes make up 42% of the crimes committed, and their number is constantly increasing. Another manifestation of globalization has been the development of the international drug business and illegal arms trade, comparable in scale to the world oil business. Modern drug business supplies three main products (heroin, cocaine, hemp derivatives) to consumers in two main regional markets (USA, Western Europe). There are three main centers of cultivation and production of the main types of medicines: Southeast Asia, Southwest Asia and Latin America. In addition, the drug business is one of the sources of funding for international terrorist organizations, and a significant part of the proceeds from the drug trade is used to buy weapons and arms.

Conclusions. Illicit arms trafficking differs from other international criminal activities in that the main source of clandestine supply is almost always in the legal economy. Every year, the danger associated with the possibility of illegal trade in weapons of mass destruction (chemical, bacteriological, nuclear weapons) is increasing. The number of conflicts related to the leakage of nuclear materials from the former USSR has long been measured in the hundreds. It is clear that in the conditions of globalization, the problems of the hidden economy can be solved only when the efforts of the world community, including the activities of international organizations, law enforcement agencies, and civil society institutions, are united.

For many countries and individual entities, the underground economy has become the basis of life support. In addition, some countries will not be able to completely eliminate the shadow economy, because its elimination requires the implementation of expensive social programs to redirect the population's activities and create new legitimate income sectors. A structural analysis of the hidden activity of the world makes it possible to distinguish the constantly repeating stages (phases) in it.

The secret economic cycle is the process of sequentially changing the individual steps necessary for the implementation and continuous renewal of the hidden economic activity. From all of the above, it can be concluded that the underground economy exists and develops in most countries and regions of the world, but its scope and characteristics are closely related to the level of maturity of national economic models and market relations.

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