

**INFORMAL SECTOR MECHANISMS IN DETERMINING ECONOMIC GROWTH
IN THE EXPERIENCE OF DEVELOPED COUNTRIES**

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Abstract: this article provides information on informal sector accounting and their working mechanisms in foreign countries.

Keywords: informal sector, capital, macroeconomic consequences, hidden, Eurostat, institutional, social, legal.

Empirical evidence shows that the informal sector is an important source of employment in many countries, mainly in developing and underdeveloped countries. In countries with a high level of poverty, activities in the informal sector are the only source of income for the population. At the same time, the expansion of this sector has a negative impact on the level of income in the economy. Therefore, studying the macroeconomic consequences of the existence of the informal sector is of high theoretical and practical importance.

International Labor Organization documents note that the informal sector has an important influence in some countries, but in most countries it consists of self-employed or small enterprises that have no formal organization or capital and are engaged in casual employment. In Eastern Europe and Central Asia, the informal sector is an important part of the economy [4].

To date, there is an important set of approaches and tools for describing the informal sector in economics. First coined in the early 70s, the term "informal" has been used in different ways for different purposes. Today, the term "informal", "hidden" is used in a broad sense, referring to the concept that defines behavior that is sometimes not described by available statistical sources. In fact, there are many ways to analyze the hidden sector, based on different approaches depending on the indicators and the scope of the topic. For example, C. Rakovsky emphasizes that the initial definitions of the informal sector focused on its legal status, size or taxation.

The second approach aimed at identifying the informal sector also belongs to the category of structural approach and is called the (hidden) hidden approach of the economy. Underground (underground) economists reject economic dualism and identify ways to integrate production forms, production units, technologies, and workers into local, regional, and international economies. The underground economy includes terms such as industrial restructuring, internationalization of capital, and flexible specialization; In relation to the informal sector, the terms "hidden economy" and "hidden economy" are preferred. Studies on the hidden economy analyze relations of production (especially mechanisms of labor subordination), patterns of accumulation (e.g., links between informal activities and large firms), class stratification, and the (re)orientation of production under changing economic, institutional, social, and legal conditions. . Research on the shadow economy includes labor market analysis (using surveys and census data) and case studies of specific industries and their workers.

Of course, the concept of the informal sector, as noted above, is very comprehensive, and in order to clarify this concept in the study, Eurostat's [2] tabular approach to achieving the full performance of the gross domestic product is presented. The tabular approach [3] identifies and

presents in a table the types of incompleteness (including the informal sector) in the estimation of the gross domestic product. This approach is drawn from Eurostat, the Economic Commission for Europe and the Organization for Economic Co-operation and Development's public domain documents on the subject.

Eurostat has developed a methodology known as the 'table approach' to improve the robustness, reliability and completeness of national accounts with EU candidate countries.

The tabular approach allows to link incomplete data (from N1 to N7) with the methods used by countries (for example, the labor input method, tax control, VAT comparison, etc.) to determine the total consumption of the gross domestic product. It should be noted that the incomplete categories in the national accounts can be classified according to the informal sector unit with N3, N4 or N5 according to different N. Therefore, as a key aspect of the tabular approach, it can be stated that all possible sources of national exclusion are identified and included in N categories of one type or another, and that there is no overlap between categories.

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