

## THE CONCEPT OF THE SHADOW ECONOMY AND SOME RECOMMENDATIONS FOR ITS ELIMINATION

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### **Abstract**

In this article, the authors theoretically justify the term “shadow (fake) economy,” which is considered a form of the hidden economy in the official sector, and systematize its manifestations. Attention is also paid to the economic consequences of the shadow economy. The authors have developed their own scientific proposals and conclusions on preventing and eliminating the shadow economy.

**Keywords:** Official sector, hidden economy, shadow (fake) economy, digital economy, informal employment, self-employment, unrecorded economic activity, taxable and non-taxable shadow economy.

### **Introduction**

**Access.** The relevance of the topic. As a fake economy is artificially swelling the country's macroeconomic indicators, which is a process that reflects the welfare of the people and economic development. It is also a process that leads to looting of budget and other sources of budgetary financing for its illegal interests by some group individuals. A fake economy is very wide since the economic risk that conveys to the world's interests such as other types of hidden economy.

**Analysis of literature on the topic.** Although there are many studies in both international economy and in our country, in our theoretical methodical literature, scientific research is almost non-practical processes in sectors of the economy. International scale J.K. Skott, H.J. Chang, M. Mathastukomo, M. Hadson, N.N. Similarly, scientists such as Tolb, T. Picketti, about scientists of the CIS and our country, Neklesin, I. nigmatulin, A. Dulmonmonov, M. Rakhmatov research.

**Research Methodology.** During the explanation of the concept of fake economy and some Recommendations on certain recommendations on its elimination, the logical approach, comparative analysis, grouping, induction and dudukia, induction and other methods of economic analysis were used.



**Analysis and results.** One direction of the deteriorating economy in the formal sector is a false economy. One type of manifestation of the secret economy in the formal sector is due to a fake economy. This is mainly related to the use of roads, such as falsifying the economy, that is, it has been a job. The specific feature of this is that the fake economy is mainly in the formal sector. To fully explain this, it is necessary to pay attention to the definition of this concept. The fake economy is a form of a secret economy, which is formed in the formal sector, in which economic activity is understood through the introduction of false information to the official development of the funds by business entities and to ensure the positive growth of economic and statistical indicators.

This is done through non-performance work and services, false documents of the sale of non-sold goods. In this case, false contracts, false bankruptcy and other cases are used.

Representatives of the formal sector are interested in this economy. Because on the one hand, the official sector, commodity work and services, and avoid taxation through the fact that it does not provide the volume of sales and sales. It has been not the other hand, that it is done by the state in various ways, which has been completed. In this form of the hidden economy in the formal sector, the form of hide and reducing taxes of goods, works and services sold by economic entities, which in turn is not registered in the state statistical agencies. One of the measures to prevent the denomination of the hidden economy in this form in the formal sector should be used as a result of the digitization of the economy, the integration of the database of control bodies, the use of the control system. By introducing digitization to the economy of our country, a hidden economy, its component is being reduced by year and quantity. However, despite these measures, the total share of total amount remains high. The cases of Komerial control and tax audit of the Samarkand regional tax authorities in 2021 were identified, while these entities were calculated in 4,46.9 billion soums in 3623 entities in 2023, amounted to 1877.5 billion soums. 348.0 billion soums were calculated with additional tax and payment<sup>1</sup>. Apparently, it is a large amount of the economy of our country.

The most widely used situation of the hidden economy includes work such as social facilities, irrigation and land reclamation systems, road construction, public procurement, various subsidies.

In addition, the company can also include wages and acquires them in the name of citizens, the warehouse, and the acquisition of money from the budget and subsidies on the basis of money calls, fake documents, and other cases.

### **All forms of fake economy in the formal sector are reflected in the state statistics.**

If we judge the false economy in terms of the state budget, it can be divided into two categories.

These are:

1. Economy;
2. Salized (concealing) fake economy.

<sup>1</sup> Пардаев М.К., Н.Абдувохидов., “Хизматлар соҳасида яширин иктисодиёт кўламини аниқлаш ва бартараф этишининг айрим йўналишлари”, Journal of new century innovations-<https://scientific-jl.org/index.php/new>, volume-65\_Issue-3\_November-2024, 28-бет;



A falient economy for the official sector is the type of work, which is performed by the issuance of unemployed and sold and sold illegal subsidies, which is not actually working on official reports on the basis of false documents. In this case, the interests of "interests of the officials of the people are contrary to the interests of the people" form the priority. In general, the future should not be allowed to live in a false economy. At the same time, businesses are relevant tax and mandatory payments on the volume of the formal reports on false documents and reflected in statistic indicators. The main purpose of this activity is to smuggle several dozens of money from the taxes paid. This is a clear evidence that the Organized number of information services on the official reports of the Republic of Uzbekistan in March 2025 will be the fact that the Organized furniture has been exported to 2025 and incorporated the state budget by 24.5 through the state budget. The billion soums were recovered and plundered the same amount of budget funds.

In order to ensure that the taxes are not taxed (concealed), official reports, official reports, enter the state of statistical indications artificially increase (reduced) statistical indications by entering the territory of the region.

This form of fake economy is not economically interested in the businesses. If this fake economic activity is drawn, economic entities will never allow it. Although this economic activity does not cause economic damage to economic entities, these false figures have a significant impact on the country's formation of the country in formation. This, on the other hand, leads to the confusion in the country to artificially affect GDP and confuses the government in strategic decisions and undermines the Immigrant in the international scale.

The economic consequences of this form of false economy are even more frustrated than other forms of the hidden economy. For example, in Article 35 of the Law of the Republic of Uzbekistan No. 836 of the Law "On public debt" No. 836, the maximum amount of public debt shall not exceed 60 foose GDP<sup>2</sup>.

Therefore, there are strict measures to prevent a false economy in the formal sector, otherwise the country's economy remains on its own outer debt. Today, the average of 45% of foreign debt is used to cover budget expenditures. The value added in this field is not created, accordingly, corresponds to these debts at the expense of other sources. This definitely leads to some complexities. Unfortunately, this fake economy is common in practice, especially many cases of writing to ensure positive growth, and the volume of work and services fulfilled, and the creation of new jobs, poverty reduction. In particular, on September 11, 2024, the Prosecutor General's Office of the Republic of Uzbekistan was identified to formal reports by writing 764723 jobs in the country and the relevant measures were taken<sup>3</sup>.

<sup>2</sup>Ўзбекистон Республикасининг 29.04.2023 й.даги "Давлат карзи тўғрисида"ти ЎРҚ-836-сонли конуни, LEX.UZ;

<sup>3</sup>Пардаев М.К., Н.Абдувохидов., "Яшил иктисодиётда инновацион ва инвестицион фаолиятни ривожлантириш:муаммо ва ечимлар" мавзусидаги Республика илмий-амалий анжумани материаллари, СамИСИ, 252-бет, 2024 йил 22-23 ноябр, ISBN:978-9910-702-01-3.



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The registration of citizens in Samarkand region is 50,7903 in the current state of citizens (current) in the current official (listed as an official employee in other enterprises and organizations)<sup>4</sup>.

The above information shows that in both the international levels have a clear tariff of the hidden economy. Another unique characteristics of the secret economy belongs to this notion of several sectoral Science networks (economics, law, sociology, et.) Therefore, tariffs for this process also have been a debate between the researcher scientists. In this study, the study of the secret economy was attempted to economic and statistical system in terms of the state budget. Emphasis that the hidden economy is not taxed in many scientific literature, the result of our research is confirmed that in practice it has also been confirmed by the taxable and state statistics. The fact that the formal sector is reflected in full statistical reports, the volume of fake economy for the smuggling and subsidies of the state buddies is known (the purpose of illegal assimilation of the calculated taxes). The formal sector is reflected in statistical reports without taxation, including economic and statistical indicators to change economic and statistical indicators for the better.

### **Conclusions and Suggestions**

The concept of false economy and the recommendations to eliminate the recommendations on the recommendations of its elimination were concluded to some conclusions and developed recommendations.

**First**, we believe that based on the full reflection of the volume of fake economies in statistical indicators, the definition of the concept of false economics is theoretically educational literature.

**Second**, based on the availability of a false economy, we also developed a definition of this concept. Hence, it is expedient to develop a "road map" to eliminate this type of economy by digitizing the economy.

**Third**, it is advisable to make unpleatable amounts of goods, creating unplanned items, creating unplanned amounts, creating unplanned amounts, and completely eliminate the false information that it is paid, and completely eliminate the false information that is paid.

In short, if the recommendations developed in this article are put into practice, the share of hidden and false economies in the economy is declining, and approaches real numbers in the volume of the country and ensures the stability of the country's economy.

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<sup>4</sup>Самарқанд вилояти солик идоралари маълумотлар базаси асосида муаллиф томонидан тайёрланган материал;

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2. Ўзбекистон Республикасининг 29.04.2023 й.даги “Давлат қарзи тўғрисида”ги ЎРҚ-836-сонли қонуни, LEX.UZ;
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4. Самарқанд вилояти солик идоралари маълумотлар базаси асосида муаллиф томонидан тайёрланган материал;