

# Hidden economy and its scientific-theoretical foundations and socio-economic consequences.

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**Abstract:** This article is about the hidden economy and its scientific-theoretical foundations and socio-economic consequences. General concepts about hidden economic situations are briefly explained.

**Keywords:** Globalization of economy and society, traditional institutionalism, official borders, money laundering.

**Introduction:** The hidden economy (it is also called the informal, unobserved, hidden economy) has existed in human society since the early stages of the formation of state administration, and by now has become an urgent problem for all countries of the world. The scale of the development of the hidden economy depends on the level of development of each country, its socio-economic situation and the features of state regulation and management of the economy. Therefore, the place and role of the hidden economy in the economy of each country is different. Studies and observations show that the scale of the underground economy is somewhat smaller in developed countries, and more extensive in developing countries, as well as in former socialist countries that are undergoing deep reforms in order to transition to a market economy. That is why it is of urgent importance for all countries to study and research the nature of the secret economy, the reasons for its emergence and development, its impact on social and economic development, its drastic reduction, and the fight against it. In the economic literature, these issues have been studied scientifically since the 70s of the 20th century. In the science of economics, the characteristics of the modern development of the economy are being studied from the point of view of institutional economics as the influence of formal and informal institutions operating in society on socio-economic development. Conditionally, economic and legal studies can be studied in three directions:

1) economic theory (concepts) of law - study of the economic efficiency of legal norms regulating legal business activities (R. Coase, R. Posner, etc.), and the impact of legal norms on economic practice (R. La Porta) ; 2) study of the clandestine (hidden) economy - economic activity that is hidden from official accounting and control, and in most cases is of an illegal nature (E. De Soto); 3) economic theory of crime and responsibility - studying the activities of criminals as a special type of professional activity, as well as the effectiveness of various methods of reducing crime (G. Becker and others.)

These three directions overlap in most cases, but the difference in subject matter and methods is noticeable. The economic theory of law studies the official ("white") economy; experts on the underground economy mainly focus on the informal ("grey") sector; The economic theory of crime studies criminal ("black") business. The economic theory of law and the economic theory of crime are streams of neo-institutionalism. Economists and sociologists, representatives of traditional institutionalism, are often involved in the study of the underground economy. Currently, the globalization of the economy and society, the deepening of the integration processes are leading to the erosion of official borders between countries. The developed world unites and forms alliances, eliminating borders. In such conditions, advanced methods (both in a good and bad sense) that have appeared in any corner of the world are rapidly spreading throughout the world. For this reason, it is important to study the forms of economic manifestation of the informal economy, the methods of their identification and evaluation, as well as the fight against it (if necessary) or the directions of legalization. In this regard, the President of the Republic of Uzbekistan Shavkat In his Address to the Oliy Majlis on January 24, 2020, Mirziyoyev stated that "unless the "hidden economy" that seriously hinders our reforms is eliminated, neither healthy competition nor a favorable investment environment will be formed. The Cabinet of Ministers will, within two months, attract foreign experts, " he stressed that he should thoroughly analyze the factors of the emergence of the "hidden economy" and approve the program to combat it.

The main part: Corruption, which is one of the manifestations of the hidden economy, has a very negative effect on the development of society. Therefore, the fight against corruption and its prevention are urgent for all countries. President of the Republic of Uzbekistan Shavkat Mirziyoyev said, "Fourthly, unfortunately, the evil of corruption in our society is hindering our development in its various forms. If we do not prevent this evil scourge, it will not be possible to create a real business and investment environment, and in general, no branch of society will develop. The fact that entrepreneurs are still facing corruption in areas such as land allocation, cadastre, construction, licensing, customs, banking, and public procurement is clearly shown by many appeals to the President, as well as statements in the press and social networks. People's participation in the fight against corruption We will not be able to achieve the high goals we have set for ourselves, unless the top layers and the best specialists are involved, and all members of our society are not vaccinated with the "honesty vaccine", so to speak. We need to move from fighting the consequences of corruption to its early prevention," he said, setting an important task for the society. In order to vaccinate the population of our country with the "honesty vaccine", it is appropriate to teach and inculcate in the minds of pupils and students the necessary concepts on the issues of secret economy and corruption in all educational systems. In the following years, teaching of secret economics began in higher education institutions. Including this subject among the main taught subjects, developing and publishing textbooks and training manuals is gaining urgent importance. This study guide is one of the first works in this regard, in which students are to form the basic concepts and skills of the causes, nature and socio-economic consequences of clandestine economic activity, as well as measures to combat it. the goal is set. The authors welcome feedback from readers, experts and professors on further improvement of the study guide. The operation of the secret economy poses a potential and real danger and threat to the economic security of the state. It affects normal economic processes, the formation and distribution of income in the formal economy, international trade, investment, and economic growth. In economic science, the following criteria are used to determine which sector of the economy belongs to the informal, criminal, fictitious, clandestine or open, official economy: - fiscal (tax) interests of the state; - real volume of GDP; – legal parameters; - a description of the interaction of economic entities. The hidden economy is manifested in the concealment of income from taxation. The methods of tax evasion are as follows: - opening several account numbers in different banks and conducting money transactions through them without being fully indicated in the accounting; - use of trust, promissory notes and other accounts; - keeping "double bookkeeping", dealing with cash, thereby hiding income and cash receipts from taxes; - by registering an enterprise in one city, district, but opening an account number in banks in another city, district, they avoid paying taxes in the place where the enterprise is registered and in the place where it operates, that is, they evade; - increase the cost of the products (services, works) sold due to unaccounted expenses; - in official accounts and payment documents, based on the agreement of the parties, the value of the work performed (rendered services) is shown at low prices, and the rest of it is distributed among themselves in the form of cash. Cash income is hidden from taxation. Operations carried out in the realm of the hidden economy can be divided into the following types:

- economic and financial transactions that are completely excluded from accounting and are not taken into account anywhere. Such operations are carried out by legally registered and unregistered enterprises; – partially hidden operations. In this case, a part of the operations carried out by enterprises, that is, a part of the received income, is not taken into account in the accounting and is hidden from taxation. The clandestine economy is divided into criminal, criminal or unmonitored sectors of the clandestine economy, depending on whether or not it conflicts with the current legislation. Economic activity is generally hidden in the criminal, i.e. criminal, underground economy. In the unobserved, informal sector of the economy, spending or income is hidden or not taken into account at all.

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 single approach to its analysis. For example, in English-language sources, you can find terms such as "informal economy", "underground economy", "shadow economy", "black economy". , and these terms mean different things to different researchers

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