

THE SHADOW ECONOMY IN UZBEKISTAN

Najmiddinov Dilshod

teacher of the Jizzakh branch of UzMU

Abstract: The economy of Uzbekistan was in crisis throughout the entire period after the collapse USSR, and one of the negative consequences was the growth in the volume and various forms of the shadow economy. The shadow sector took on such forms as criminal proceeds, tax evasion and shadow employment. All these activities fall under the definition of the shadow economy, a phenomenon that is extremely complex and presents certain problems in measurement.

Keywords: The shadow economy, GDP, crisis, Strategy of actions, digital economy.

ТЕНЕВАЯ ЭКОНОМИКА В УЗБЕКИСТАНЕ

Нажмиддинов Дилшод

преподаватель Джизакского филиала УзМУ

Аннотация: Экономика Узбекистана находилась в кризисе на протяжении всего периода после распада СССР, одним из негативных последствий которого стал рост объемов и различных форм теневой экономики. Теневой сектор принял такие формы, как преступные доходы, уклонение от уплаты налогов и теневая занятость. Все эти виды деятельности подпадают под определение теневой экономики, явление чрезвычайно сложное и представляющее определенные проблемы в измерении.

Ключевые слова: Теневая экономика, ВВП, кризис, Стратегия действий, цифровая экономика.

In seeking to understand the size of the world economy, we are usually

guided by official statistics on output, trade and investment. But there is a driving force in today's world market that has, hitherto, rarely been recognized for its tremendous economic impact. It is what we will refer to as the shadow economy.

When studying the "shadow economy" phenomenon, it should be noted that the methodological foundations of the shadow economy phenomenon have not been sufficiently studied: "The complexity of the shadow economy phenomenon, expressed in a variety of forms of manifestation, involved entities, stages of economic activity at the regional level, requires the development of methodological approaches based on economic theories that consider various aspects of this phenomenon" [1] (Agarkov, 2008).

There is no single generally accepted structure of the shadow economy. Not today there is a consensus on whether the criminal economy is part of the shadow economy [2] (Burov, 2017). For example, V. Radaev separates the shadow and criminal economy, and A. Nesterov and A. Vakurin consider the shadow economy as subsystems of the criminal economy [3] (Nesterov, 1995). An analysis of domestic and foreign sources on the problems of the shadow economy showed that the methodological basis for its research is very diverse, and its application is associated with the approaches used and the goals and objectives set for the researcher. It is noted that when considering the main approaches researchers have a wide range of views on understanding the shadow economy on the criteria by which economic phenomena can be attributed to the sphere of the shadow economics [2] (Burov, 2017).

The nature of shadow economic relations is complex and heterogeneous. Entrepreneurial activity at the current stage of development is characterized by both completely illegal forms of economic activity (for example, the production of quality goods permitted by the state, but not taken into account), and a combination of legal and shadow activities in the work of the same enterprise. We do not consider criminal activity (underground production low-quality

products - alcohol, as well as drugs, printing counterfeit money).

We can talk about the elements of shadow activity that are present in the work of almost every small enterprise, and it should be noted that the shadow activity of large enterprises has its own specifics and is not as regular as that of small businesses.

According to the private organization called “World Economics” the size of Uzbekistan's informal economy is estimated to be 27.2% which represents approximately \$73 billion at GDP PPP levels. It means that the country's rank is among TOP 15 according to the lowest rates in Asia Pacific countries [4]. Four years ago the rate was around 40-50% based on the info provided by the UN branch in Uzbekistan. The difference is considerably low and this is because of the current political strategies of the country like “Strategy of actions for 2017-2021”.

Due to the fact that the wide implementation of the digital economy and its support occupy an important place in the future development plan of Uzbekistan [5], large-scale measures have been set for the development of the digital sector of the economy, and in accordance with the implementation of these tasks, new electronic document circulation systems are being introduced in the country, electronic payments are being developed and the regulatory legal framework in the field of e-commerce is being improved, electronic infrastructure and commerce are being formed, the transition to digital transformation is being implemented step by step in all aspects of the economy.

Among the works carried out in recent years on the implementation of digital transformation, a new version of the Unified interactive state services portal, a virtual lobby of the Prime Minister for reviewing businessmen's applications, “business.gov.uz” portal was launched in order to further develop forms of contactless communication between citizens and business entities with state bodies.

The “Digital Trust” fund was established, aimed at the implementation of

the most promising and strategically important projects for the development of the digital economy, as well as measures in the field of development and implementation of block chain technologies.

In order to significantly save time and labor resources for the review and agreement of draft regulatory legal documents to all interested ministries, agencies, local executive authorities using electronic digital signatures, including the simultaneous discussion of the general public and experts and rapid dispatch a single electronic system "project.gov.uz" was introduced.

"IT-parks" with modern infrastructure have been established in the country to digitize technological and business processes of the digital economy, production, logistics and trade of finished products. The free activity of companies in the field of crypto-asset and block chain technologies has been launched.

Such changes, in turn, serve to significantly reduce the scale of the underground economy in the country.

As a conclusion, it is obvious that the shadow economy is amongst up to date issues for all over the world. However, Uzbekistan is on the right path to the stable economic growth and decreasing the effects of the shadow economy.

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