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SHADOW ECONOMY AS A CONDITION FOR SHADOW COSTS FUNCTIONING

Economic activity is unpredictable and associated with different unforeseeable consequences. Thus, the topicality of the research consists in definitions of shadow economy and shadow costs, also determining the causes of shadow economy as the main environment for shadow costs functioning.

In accordance with the article, the main foreign researchers of this problem are Hart K., Gutmann P., Feig, E. etc; the main domestic scholars are Bazilevich V., Mandibura V., Varnaliya Z., Mazur I. The investigation focuses on the definition of the shadow costs. The shadow costs are costs of adaptation to work in the shadow economy.

This paper shows different approaches to analyze the main causes of the shadow economy and the main causes of shadow costs. The crucial point of investigation is that the determinants of the shadow economy have the general and specific causes.

Different authors focus on different classifications depending on

economic, political, moral, sociological and other factors of influence. There are a large number of studies that rely on this statement. In accordance with the article the major drivers of the shadow economy are the corruption in our society, the tax burdens, the social deformation, the excessive government control, the influence of cultural elements, the shortcomings of the political system, the global transformation of the world economy, etc.

The main point of research is the relation between the shadow economy and shadow costs. The shadow economy is the environment for shadow cost. Furthermore, the shadow economy includes the shadow costs.

To draw the conclusion, it is possible to say that the shadow economy is one of the biggest threats to the national security that is why the investigations of shadow costs like the unit of measurement of shadow economy is very important for the effective management of the national economy.