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SHADOW ECONOMY AS A THREAT TO NATIONAL SECURITY

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The shadow economy is inherent in the economic system of any state without exception. However, depending on the scale, it affects the economic and socio-political processes in a given country in different ways.

In the literature, the allowable size of the shadow economy is 5-10% of GDP, this scale does not cause significant changes or violations in the socio-economic processes of the state. An increase in the size of more than 30% of GDP is evidence of the existence in society of a reproductive system of shadow economic relations, which leads to an imbalance in the economy (Borusevych, 2012).

According to the Ministry of Economy of Ukraine as of the 1st quarter of 2021, the size of the shadow economy is 30% of official GDP, which exceeds critical limits (Department of Strategic Planning and Macroeconomic Forecasting,). In turn, this leads to disparities in the economy, losses of the state budget, reduced financial security, ineffective decisions of socio-economic policy. That is why, in order to ensure the sustainable development of the country and improve the living standards of the population, it is necessary to minimize both internal and external threats to economic security, one of which is the shadow economy.

The concept of "shadow economy" means economic activity aimed at generating income bypassing government regulation, monitoring and taxation. It includes monetary and non-monetary transactions of a legal nature that are subject to taxation (Feige, 2016; Mazurenko et al., 2021; Bozhenko, 2021; Starchenko et al., 2021; Dudchenko, 2020; Yelnikova and Barhaq, 2020; Goncharenko and Lopa, 2020; Eddassi, 2020).

An increase in the share of the shadow sector leads to an increase in the level of instability in society, its criminalization and the emergence of threats to economic security (Shkarlet et al., 2019; Vasilieva et al., 2017; Bublyk et al., 2017; Fila et al., 2020; Gallo et al., 2019). According to the National Security Strategy of Ukraine, the most threatening for economic security is the high level of shadowing of the economy, the lack of sufficient incentives to legalize income and increase shadow employment.

The shadow sector, as a system of economic relations not regulated by the state, associated with the formation and use of funds to meet their own needs or commit illegal acts, is a danger to all components of the economic system (Ziabina et al., 2020; Chukwu and Kasztelnik, 2021; Medani and Bhandari, 2019; Samoilkova, 2020; Yarovenko et al., 2020; Mazurenko and Tiutiunyk, 2021; Pimonenko et al., 2021; Kryvykh and Goncharenko, 2020; Matsenko et al., 2021;

Lazorenko et al., 2021; Oleksich et al., 2021; Mamay et al., 2021; Taraniuk et al., 2020). Such relations are carried out in relation to the distribution of the value of GDP, income from foreign economic activity and part of the national wealth, which are then used to reproduce shadow relations, criminal or terrorist activities (Dyuz-Kryatchenko & Lisitsyn, 2014).

Such crimes as: money laundering; withdrawal of currency to offshore zones and to bank accounts of fictitious firms or abroad; withdrawal of funds from state control and taxation; misuse of budget funds is the most dangerous threat to economic security and requires an immediate response.

These phenomena are most actively spread during crises and economic reforms, creating an even greater imbalance in the economic and social system of the country (Podmazko, 2014).

Given the complexity of the organization of shadow schemes in the economy and active penetration into various spheres of public life, identified the main areas of its impact on the development of relations in:

- economic environment: increasing the tax burden on businesses and individuals; reduction of revenues to the budgets of different levels due to the optimization of taxation and concealment of the real value of the object of taxation; deformation of the structure of budget expenditures by underfunding of priority and socially important activities; increase in public debt; reducing the investment attractiveness of the country; creating pressure on market competition; withdrawal of national capital outside the country.

- social environment: increasing criminalization of society, lower living standards, increasing official unemployment in the country, increasing the level of income inequality, weakening social protection and security, increasing external migration, exacerbating social conflict and tension in society.

Unfortunately, it is impossible to completely get rid of the shadow economy, but it is possible to reduce its scale by creating favorable conditions for increasing economic and investment activity of economic entities in the formal sector. That is why the primary task of the state on the way to de-shadowing and preventing economic threats is to develop a comprehensive approach that will take into account the peculiarities of the national economy, based on international experience and international standards to combat them.

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