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Tax And Organizational Components Of The Policy Of Countering The Shadow Sector Of The Economy.

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ABSTRACT

The article discusses the main reasons for the imbalance of the processes of influence of the executive authorities of the regional level on the informal sector. It is noted that the lack of a comprehensive plan to counter the expansion of the shadow segment of the market characterizes the formation of the relevant state policy as imperfect and requiring detailed scientific and practical study. In this regard, it is proposed to synchronize the processes of countering the shadow economy at the interregional level.

Keywords: shadow economy, state regulatory influences, tax burden, executive authority, business entities.

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INTRODUCTION

The current stage of the socio-economic development of Russia is characterized by combining the efforts of the state and civil society in the direction of counteracting various forms of corruption. Work is actively carried out to identify sources of income, types of activities, market segments, branches of the economic complex and social sectors that generate threats of a corruption nature. One of the conditions for the successful resolution of this problem of national significance is the mobilization of efforts by all segments of society to reduce the size of the shadow sector of the economy.

The shadow economy is a phenomenon of economic and other activities that cannot be unambiguously characterized by a short and scientifically grounded definition: numerous theoretical discussions continue on this topic. It is necessary to expand research on applied problems of countering the shadow economy. At the same time, parallel studies in related areas, the development in terms of understanding the nature of the studied processes of human economic behavior and related corporate relations are very important. Undoubtedly, long-term programs and strategies for the development of regions and territorial and sectoral complexes are necessary, taking into account the need to counter the shadow sector in the national economic space.

The formation of the legislative base of Russia's economic policy with respect to the shadow economy began in the period of the 1990s. In this regard, a number of legal acts regulating the procedure for state influence on some elements of the non-observed economy took place. These include the Federal Law "On Countering Corruption", which contains a number of measures of a predominantly administrative nature in terms of reducing the level of corruption in the country.

Despite the direct relationship between corruption and the shadow economy, we consider it necessary to note that this law is only a small element of the state's policy regarding informal economic relations. It unilaterally and indirectly affects the process of reducing the level of illegal operations of the shadow sector in the country.

The Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation in Respecting Illegal Financial Transactions" adopted in 2013 is aimed at reducing criminal economic activity in the form of financial fraud. Its content also does not relate directly to the state policy regarding the shadow economy. Unfortunately, the reduction of the criminal component of the non-observed economy is not promoted by the Federal Law "On Counteracting the Legalization (Laundering) of Criminally Income and the Financing of Terrorism".

The Russian Federation is guided by a number of international legal acts in terms of limiting certain manifestations of the shadow sector of the economy. In particular, the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, the United Nations Convention against Transnational Organized Crime, the United Nations Convention against Corruption, the Council of Europe Criminal Law Convention on Corruption have been ratified.

The international agreement on the direct impact on the shadow economy with the participation of Russian organizations FATCA ensures transparency of banking operations in the global financial market. Its conditions open up prospects for detecting cash flows hidden from taxation. Currently, the number of companies participating in this Agreement includes almost 1,000 Russian financial organizations. At the same time, this document assumes only a unilateral impact on the shadow economy in Russia and is of a sectoral nature, since it only helps to identify non-cash shadow transactions that are transnational in nature. Thus, the Russian Federation currently lacks a comprehensive legal act, which would be the basis of the state policy regarding the shadow economy. The existence of such a problem already at the first stage of the process of the formation and implementation of Russia's domestic policy with respect to the informal sector makes its further implementation more difficult. This is the most important reason for the consistently high level of functioning of the non-observed economy in the country [4].

The lack of a comprehensive plan to counter the expansion of the informal sector characterizes the process of shaping the relevant state policy as imperfect and requiring detailed scientific and practical study to determine rational mechanisms for a stable socio-economic development of the country.

RESULTS AND DISCUSSION

The scientific publications of Russian scientists present conceptual and practical provisions for the formation of a comprehensive document expressing the state approach to effectively countering the processes of expansion of the shadow sector of the economy. Presented in the scientific literature development contain some measures to prevent violations of the current legislation in the field of economic relations, consider the sources of their occurrence, motives of use and the most common areas of application. Separate research results and formulated proposals claim recognition as a comprehensive plan or rationale for government policies to counter the expansion of the shadow economy. However, it should be noted that their content is usually aimed at reducing the number of corrupt actions in the provision of public services, financial transactions, the implementation of land relations, the implementation of tender procedures, etc. Known proposals and recommendations of scientists currently do not allow qualifying their cumulative content as a completed basis for the formation of an effective state economic policy to counter the expansion of the informal segment of the country's economic complex.

The actual absence of a systemic regulatory impact on the informal sector in the Russian Federation is due, among other things, to the insufficiency of comprehensive scientific research of an economic nature, which makes it possible to become a conceptual basis for the development of relevant state policy. At present, the goals, objectives, mechanisms and instruments for the implementation of state regulatory impacts on the shadow segment are not fixed by law. This allows us to qualify the current model of limiting shadow turnover in the economy as imperfect according to the accepted type and set of elements, which is in the phase of formation of its structure and preparation for the optimization process.

Thus, on the part of the state, separate fragmentary measures are taken to reduce the size of the shadow component of the country's economic complex [2]. Unfortunately, objective data indicate a lack of effectiveness of the activities carried out in this direction.

Among the reasons for the expansion of the shadow sector, researchers cite a high level of tax burden, pressure on business from various regulatory agencies, volatility in the foreign exchange market, lack of foreign economic stability, the introduction of economic sanctions against Russia by developed European countries, etc. One cannot but agree with these arguments. In each individual case of the manifestation of a shadow economic turnover, the cause is something objective. At the same time, the following thesis should be completely justified: unfortunately, the set of regulatory state measures used is not effective (Figure 1).

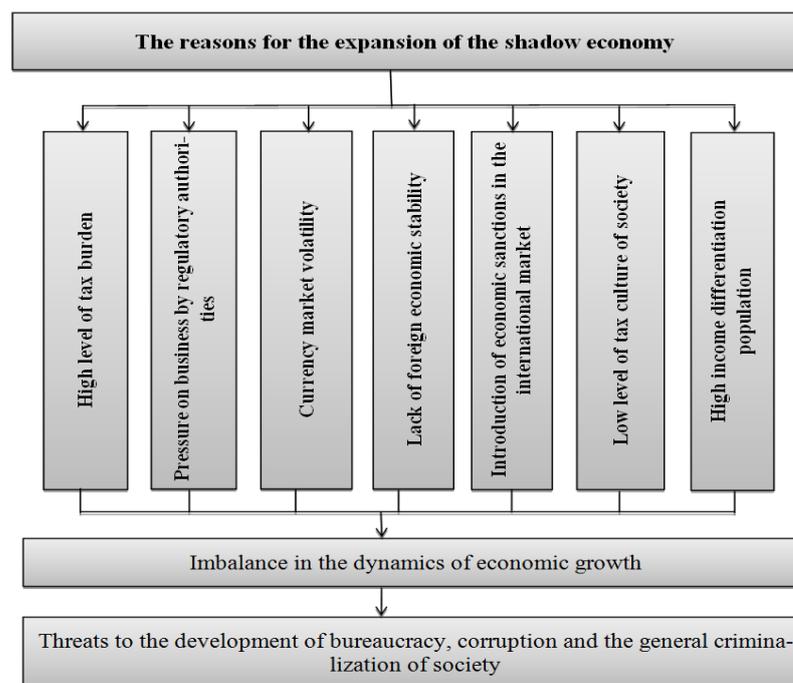


Figure 1: Causes and effects of the expansion of the shadow economy

Considering such a measure as a reduction in the level of the tax burden, let us note its inefficiency for Russia. This is due to the fact that for the period after 2005. The aggregate tax rate on organizations' income was reduced by 2.1%, that is, on average, the reduction in the total tax rate was actually only 0.21% per year. This reduction was carried out in the period from 2005 to 2010, after which there was an increase in the tax rate in 2011 by 0.4%, and in 2012 - by another 4.2%.

Such a cyclical nature of the cumulative tax rate on enterprises' incomes is reflected in the behavior of economic entities with a delay of 1 year, in particular, in the propensity of entrepreneurs to evade taxes. This is confirmed by the synchronous nature of the dynamics of the level of the shadow economy and the aggregate tax rate on the income of organizations [3].

Based on the characteristic for the Russian economy correlation of factors of shadow turnover and tax pressure on business, it should be concluded that an evolutionary, but much more substantial annual reduction in the aggregate tax rate in order to reduce the level of the shadow economy in the country is advisable.

An effective measure of the implementation of state policy in relation to limiting the size of the informal sector is to simplify business registration. Order of the Government of the Russian Federation of 07.03.2013 No. 317-p approved an action plan "Optimization of registration procedures for legal entities and individual entrepreneurs", the purpose of which is to reduce the time and financial costs of registering a business, as well as reducing the number of registration procedures. As part of the implementation of this order, amendments were made to federal legislation, in particular - to the Federal Law of 08.08.2001N129-Ф3 "On the State Registration of Legal Entities and Individual Entrepreneurs".

In order to simplify business registration procedures, the tax authorities introduced the "Interactive Registration of Individual Entrepreneurs" service, which is currently also extended to legal entities. This makes it possible to register a business through an Internet portal, which, in turn, significantly reduces the time and, accordingly, the economic costs of conducting legal business activities. In this regard, it can be assumed that this measure may have a significant stimulating effect on the decision of informal business structures to transfer business to the official sector of the economy. However, the actual impact of simplifying the registration of legal entities and individual entrepreneurs on the level of the shadow economy can be traced only in the long term.

It should be noted that the decision to reduce bureaucratic registration procedures and the formation of cumbersome constituent documentation of business structures was made as part of the program to support small and medium-sized businesses. At the same time, the need for a regulatory impact on the shadow sector of the economic complex was not taken into account by government agencies. At the same time, an obvious and proved fact in the practice of foreign countries is the positive correlation between the size of the shadow economic turnover and the level of transaction costs for doing business.

A positive impact on the containment of informal economic relations in Russia was made by changes in tax legislation introduced in early 2015. Additions to Article 346 and Chapter 26 of the Tax Code of the Russian Federation were focused primarily on supporting small business, which was also identified as the leading priority. The regions were given the right to provide so-called "tax holidays" to small business entities, the essence of which is to exempt the latter from paying taxes within two years after state registration. The established procedure for tax relief can now be used by those individual entrepreneurs who, within two years from the date of registration, switched to the patent or simplified taxation system [1].

The introduction of preferences in the form of "tax holidays" did not imply the adoption by the state of a measure to directly counter the shadow business. This was only a side effect, accompanying the involvement in the economy of individuals engaged in informal business activities without the involvement of the labor of employees.

At present, the paradoxical practice of initiating regulatory instruments has been adopted in our economy: the negative trend in tax revenues to the consolidated budget serves as a motive for government agencies to introduce measures to improve the functioning of enterprises in the official sector. Meanwhile, the reduction in tax collection indirectly indicates an increase in the scale of informal activities, provided that the

quality of the work of the fiscal authorities is maintained. Most of the measures taken by the state to support entrepreneurship result in the partial transfer of the shadow business to the official sector. This is a feature of the state economic policy - the indirect impact on the shadow sector through the stimulation of the legal component of the economic complex.

The actual absence of direct influence on the shadow sector is undoubtedly a significant drawback and a significant omission of state economic policy. Under these conditions, the informal segment of the market is able to adapt to regulatory influences and find new reserves for maintaining illegal incomes. This is explained by the fact that the level of profitability of enterprises in the shadow sector, as a rule, exceeds the corresponding figure of a legally organized business. In this regard, in our opinion, control is required over the processes of formation and implementation of the policy regarding the shadow economy in Russia, the implementation of which is possible by developing a special plan indicating the time intervals for implementing each of its points and securing the responsible performers from among the representatives of government bodies .

In the context of the development of the above document, it seems necessary to identify the actual problems of the formation and implementation of Russia's economic policy with respect to the shadow economy. For this, it is especially important to understand the history, nature, specificity of the processes associated with it, which are characteristic of the Russian Federation.

The processes of formation and implementation of national economic policies, despite their close interconnection and interdependence, are carried out by various representatives of government bodies that perform different tasks and often strive to achieve different goals in content. This explains the institutional complexity of the logical continuity of the processes of formation and implementation of the state policy of Russia with respect to the shadow economy, which does not allow to take into account all causal relationships in its implementation, which contradicts the basic principles of building an effective strategy.

In the Russian Federation, the subjects of the formation of economic policy at the macro level on the part of the legislature are the Federal Assembly and the Council of the Federation, and on the part of the executive, the Government of the Russian Federation. The executive authorities at the federal level also include: federal ministries, federal commissions, federal services, state committees.

Currently, at the level of the executive branch, non-systemic measures are actually being developed to reduce the level of the shadow economy, which are reflected in separate regulatory and legal acts, which are subsequently accepted for consideration and approved by the legislative bodies of the federal level. The impact on the activities of economic entities (micro level) in the framework of the state policy in relation to the shadow economy is carried out indirectly through the meso-level, which includes the system of regional government bodies, consisting of interacting government structures of various spheres of activity.

The executive authorities at the meso-level, represented by regional governments, ministries, committees and departments, are in fact a complex structured link between business entities, regional legislative bodies and federal state authorities in the scheme of interconnection of the processes of formation and implementation of economic policies to counter the shadow economy. Often they perform functions that are significantly different in nature, so their activities to prevent the trends of the expansion of the shadow sector cannot be systemic.

Obtaining as a directive administrative-legal acts formed at the macro level, reflecting the principles and regulating the implementation of economic policy across the country, as well as instructions of federal executive authorities, the executive authorities of the Federation subjects cannot become effective actors in implementing the state policy regarding the shadow economy. One of the reasons for this is the variety of environmental conditions for the functioning of the subjects of the territorial shadow market, due to regional geography, national traditions, specialization of the economic complex, natural conditions, etc.

In addition, the effective implementation of government policies limiting the shadow business is hindered by factors characteristic of the whole country. They are universal in nature and include the following:

- contradictions between regional actors in the implementation of state policy with respect to the shadow economy, representing the interests of both the meso- and macro-level, and the actors

- of the shadow economy regarding the transition of the latter from the shadow to the official sector and the payment of taxes;
- the disordered interaction of regional executive authorities in reducing the level of the shadow economy;
 - low level of tax culture of the population and the opportunistic behavior of economic entities regarding the implementation of statutory rules for building economic relations;
 - the imperfection of the processes of formation and accumulation of information on the causes, conditions and the real scale of the functioning of the shadow market at the territorial level (Table 1).

Table 1: Characteristics of factors constraining the effective implementation of the policy of restricting shadow business

Factor name	Level of manifestation	Means to eliminate the negative impact
Contradictions between regional actors in the implementation of the policy of countering the shadow economy and business structures	Meso and micro level	Increase the total legal incomes of business structures and consistent tax optimization across the country's economic complex
The irregular interaction of regional executive authorities in reducing the level of the shadow economy	Meso level	Formation of horizontal functional links between the executive authorities in terms of countering the shadow economy
Low level of tax culture of the population and opportunistic behavior of business entities	Macro, meso and micro level	The development of the tax culture of society and the formation of partnerships between business and government
Imperfection of the processes of formation and accumulation of information about the state of the shadow market	Macro, meso and micro level	Formation of a system of indicators and trajectories of the movement of information about the state of the shadow market from business structures to legislative bodies

The impact of the first factor can be reduced by increasing the total income of organizations and consistently carrying out tax optimization in the implementation of fiscal policy. Reducing the tax burden must necessarily be accompanied by an improvement in the quality of life of the population, since the low tax burden, combined with the low incomes of a particular business entity, does not improve the quality of life of its employees, therefore, does not increase incentives for building transparent economic relations and functioning within the legal market segment. Second the factor is a natural consequence of the activities of each of the executive bodies within only their own powers and about absence of a close relationship in order to reduce the level of shadow economy in the region. The actual absence of horizontal interaction between them leads to a decrease in the effectiveness of the implementation of state economic policy measures in relation to the informal sector.

The third factor belongs to the category of historically established ones and is determined by the collision of state budget interests with the desire of economic entities and the population to maximize their own revenues. To neutralize the influence of this factor, it is advisable to develop the tax culture of the society, as well as to demonstrate intolerance towards bureaucracy and corruption, which directly affect the level of shadow business in the regions and the country as a whole.

In part four of the factor, it should be noted that in domestic statistical practice there are no direct indicators for identifying the size of the shadow business and orderly trajectories of movement of relevant information from the micro-level entities to the federal government bodies that take legislative decisions.

CONCLUSION

The solution of the stated tasks on the formation of the state policy of actively counteracting the expansion of the shadow business should be carried out purposefully and systematically. An important condition for achieving the desired effect here is the simultaneous adoption of regulatory management decisions in all regions. This is due to the impossibility of ranking these tasks by priority and importance with

respect to achieving the main goal - ensuring a comprehensive impact on the causes of the emergence and expansion of the shadow business in the country.

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