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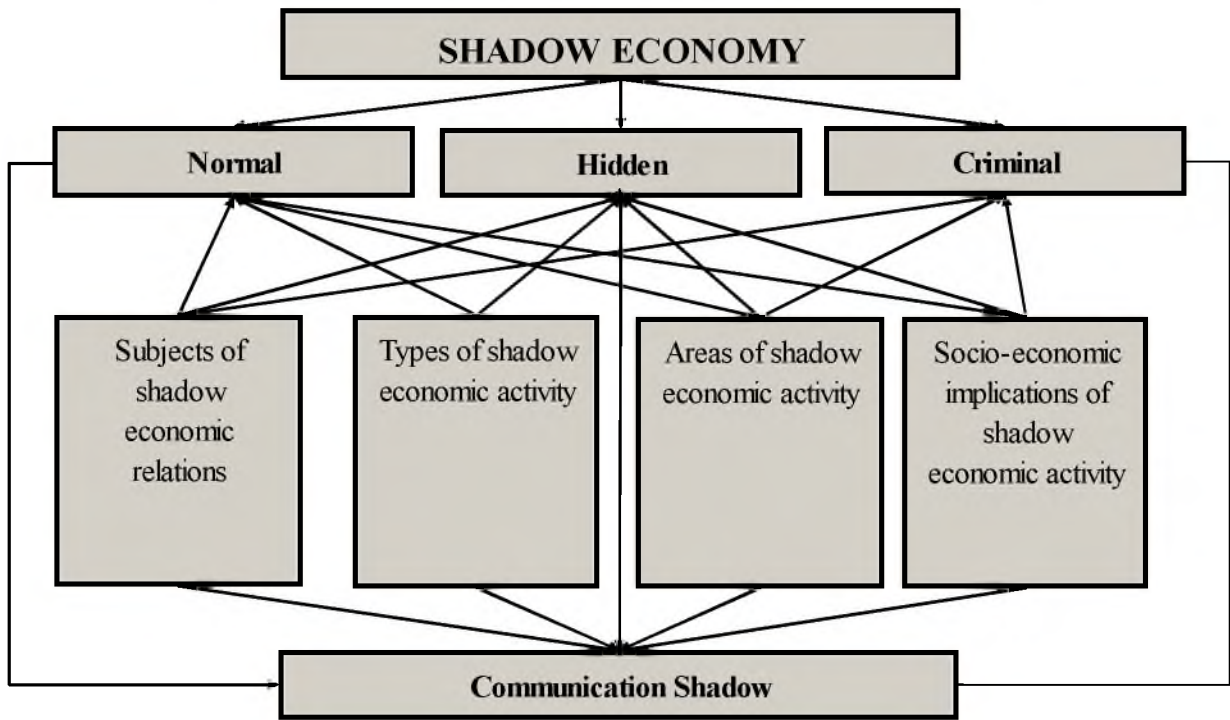
SHADOW ECONOMY: THE NATURE, CAUSES AND WAYS TO OVERCOME IT

For the sustainable development of Ukraine's economy and its entry into the world community, the expansion of the shadow economy is a significant obstacle. It adversely affects all economic processes, in particular, it contributes to a reduction in tax revenues in the structure of the budget through the development and improvement of various tax evasion schemes, which complicates the fulfillment of financial obligations by the state, to reduce the level of financial security; corruption in public authorities increases; the level of criminalization of society increases because of the increase in the number of economic crimes; competitiveness and investment attractiveness of the country are decreasing; the outflow of domestic capital abroad and so on.

The scale of the shadow economy has reached a critical level, therefore the search for directions for minimizing the shadow economy as important prerequisites for the growth of the economic security of the state is relevant.

The purpose of the article is to study the essence, components and peculiarities of the shadow economy in Ukraine, to find out the main causes of the emergence of the shadow economy and its manifestations, and identify ways to overcome it. The main reasons hindering Ukraine's economy getting out of the "shadows" were investigated and measures to promote economy legalization were proposed.

The structural and logical scheme of the shadow economy is clearly depicted in the figure 1.



The shadow economy has a significant negative impact on all socioeconomic processes that take place in society. Without taking into account the shadow economy it is impossible to carry out economic analysis at macro and micro levels, to adopt effective administrative and legislative decisions. The spread of the shadow economy leads to a sharp decline in the effectiveness of public policy, the difficulty, and sometimes - the impossibility of regulating the economy by market methods with the use of monetary and tax policy tools.

However, the shadow economy at the permissible level also has a positive effect. Wolf Schäfer states: "The shadow sector can be classified as a market system in which there is almost no friction to coordinate demand and supply." The growing shadow economy opens up new opportunities for employment, not only the shadow, as this sector needs productive goods in the legal sector (materials, services), in the sectors of the shadow economy there are innovations that increase social welfare, the shadow economy can absorb shocks the official economy, contributing to the stability of the system as a whole [2, p. 188].

Nevertheless, any shadow economic activity is a crime. Economic crime is driven by a deviation from the generally accepted standards of social development, which is still unstable in Ukraine and is characterized by legislative inconsistency, administrative confusion, and so on. Therefore, it will be appropriate to note that the transition to the shadow economy is

not only a departure from the standards of social development, and may also be forced behavior of economic entities. In general, economic activity is carried out on legal grounds, but real final financial results are concealed in order to evade tax payments [3, p. 108].

As a result of the fact that the size of the shadow economy can not be fully accounted for by official statistics, further development of accounting methods and assessments of this phenomenon becomes impossible. Therefore, the fight against the shadow economy should be complex. It should be noted that reforms are needed not only at the state level, but also internationally. This is due to the fact that the phenomenon of shadow economy is global. With the increasing level of globalization of financial systems, more opportunities are created for manipulating financial instruments and pricing instruments in order to optimize the mechanism of taxation and the laundering of "dirty" money [3, p. 4].

As Ukraine is a member of the Council of Europe, it imposes on it the obligation to consistently implement international requirements for combating criminal economics and laundering of "dirty" money. This is before all:

1. The provisions of the Vienna United Nations Convention "On the Illicit Traffic in Narcotic Drugs and Psychotropic Substances" (1988 p.).

2. The Council of Europe Convention №141 on Laundering, Withdrawal, and Confiscation of the Proceeds from Crime, adopted at the Strasbourg Conference in 1990, in the Model Law of the United Nations "On Money Laundering from Drugs", as well as other documents, which regulate the international struggle on these issues.

In addition, in Ukraine there is a regulation issued by the Cabinet of Ministers of Ukraine and the National Bank of Ukraine "On Forty Recommendations of the Group for the Development of Financial Measures to Combat Money Laundering (RATF)" of August 28, 2001 №124, which binds executive authorities, banking and other financial institutions are guided by the proposed recommendations in their activities. [5, p. 25-28].

The study leads to the conclusion that the shadow economy is a complex socioeconomic phenomenon, available in any country. The existence of a shadow economy poses a threat to the national security of a state. However, its dualistic character has both a positive and a negative impact on the national economy.

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THE POSSIBILITIES OF HOTEL BUSINESS DEVELOPMENT IN UKRAINE

The hotel business of Ukraine is a major component of the tourism industry. The development of domestic and international tourism encourages the construction of hotels. The question of the development of the hotel business is urgent for the current development of the tourism industry and performs one of the main functions of tourists – to provide housing and household services during the trip. Today, the hotel industry specializes not only in the main services (accommodation and food), but also in a large number of additional (spa, gym, hairdressing salon, swimming pools, various entertainment programs, etc.)

The geographic position of Ukraine is quite favorable for successful tourism and, the hotel business as well. The peculiarities of the geographical position of Ukraine are that Ukraine is located at the crossroads of transport and tourist flows from Europe to Asia. Being a European state, it borders