

# Образец перевода с редактурой носителем английского языка

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## **Introduction**

This article considers the problem of corruption and illegal cash flow in relation to a Russian population using a single index, money out of fiscal accounting, which is the earnings of labor released from tax control. Under any conditions, this is a violation of criminal or administrative law. For integral analysis of the study population's corruption forms, which manifests in relations with organizations rendering public services to the population and other service organizations, the article introduces the concept of petty corruption.

For the research, a hypothesis was formulated that the Russian population's involvement in a shadow economy is three-pronged: wide-scale illegal economic activity, tax evasion by being paid part of a salary in cash 'under the counter', and participation in corrupt payment practices when receiving services from public servants.

In the course of the research, the hypothesis was validated. The authors used standardized (percentage) values in combination with absolute demographic data available from government statistics and applied the economic index method to calculate the overall volume of money unaccounted by the revenue authorities and circulating among individuals. This method also enabled the authors to categorize the illegal flow of money based on social and age population groups and by the types of their withdrawal 'into the shadow economy'. These calculations allowed the authors to determine an average value of the overall volume of potential fiscal charges that the state loses on an annual basis.

## **Literature Review**

The shadow economy problem has existed since the period of permanent spread of markets and fiscal system consolidation as the basis for state budget formation to strengthen the state's defensive and social functions. However, in the 20<sup>th</sup> century, the shadow economy problem drew researchers' attention to a sharp increase in the capital circulating therein. In a number of cases, it became comparable to individual state budgets. In 1983, the first international conference on the shadow economy was held in Belefeld; in 1991, a conference of European statisticians on hidden and informal economy was held in Geneva [1].

In May 1996, the problem of shadow economy scale estimation was considered, along with other issues, at a joint meeting on national accounting held by the United Nations Economic Commission for Europe (UNECE) (Eurostat) and the Organisation for Economic Co-operation and Development (OECD). Eurostat has also established a special working group on the hidden economy [2, 109]. In Russian, interest in the shadow economy problem came into sharp focus in the 1980s in the fields of science and economics [3].

In addition to these international events, to date, researchers have focused on the shadow economy as an economic activity that is unregistered legally and can damage official businesses in related industries, as well as a government's budget in the form of unpaid taxes. According to this concept, the shadow economy includes: a) activities for the production, exchange, and use of goods

and services prohibited by law and b) activities for the production and exchange of goods and services permitted by law, but intentionally concealed to defraud revenues and avoid remitting taxes and other mandatory payments under current regulatory enactments. The shadow economy involves creating a system of informal links between economic actors, often based on their personal relationships and direct contacts, and supplementing the formal procedure for organizing economic ties [4, 67].

Over the last several years, the shadow economy problem has increased in Russia. Moreover, in addition to the economic consequences, government officials and researchers have begun to raise the issue of the social consequences created by the population's involvement in the shadow economy [5, 6].

In economic terms, studies analyzing the illegal flow of money can be divided into three groups: those exploring the causes and mechanisms of the shadow economy operation; those analyzing the structure and social causes of corruption; and those studying tax concealment tools. Entrepreneurial activity is a primary focus of all three areas of research. In particular, the economic causes and consequences of shadow economy expansion and its inhibitory influence on civil economy development have been studied [7, 8, 115-132]. A number of studies have dealt with the nature of shadow financial flows and the factors related to their formation in a modern economy [9, 50-53], the formation of a shadow economic activity subculture [10, 129-136, 11, 152-160], and the financial content of shadow capital [12, 58-65, 13, 304-307]. A number of studies have analyzed the structure of the shadow economy and its impact on an interstate scale in the European Union [14, 199-228], in the Eurasian Economic Union (EAEU) member states [15, 77-83], and in the countries of Central and Eastern Europe [16, 62-73]. Corruption is another important topic of research. The major focus in these studies is on the social implications of public involvement in corruption [17, 246-272] and ways of combating corruption [18, 332-355, 19].

In recent years, researchers have increasingly begun to investigate a population's involvement in the shadow economy. This problem is especially urgent for countries with developing economies, and it primarily relates to the sphere of income tax non-payment on illegal (not registered legally) economic activity [20, 11-36, 21, 354-366, 22, 1263-1290]. Studies on a population's involvement in the shadow economy are especially enhanced in Russia, including all types of tax evasion, such as shadow payroll [23, 90-95, 24, 30-40]. While it has been shown that tax evasion contributes to an increase in the scale of the shadow economy, the methodology for calculating the values has raised doubts about its validity, and, therefore, about the accuracy of the empirical values that are reported [25, 26-32, 26, 15-26].

This article considers a different sphere of shadow monetary movement (petty corruption) concealed from fiscal accounting involving the general public, including both the employed population and pensioners. This entails officially unaccounted wages and taxes unpaid by individuals. Petty corruption is a practice generated by the interactions between ordinary citizens and officials. It includes various gifts and services rendered by citizens to an official and that official's family members. Petty corruption covers the area of routine interactions between citizens and authorities (health, education, legal proceedings, various types of registration, military conscription, and personal security). It can manifest as provocation [27, 4-11] and extortion of a bribe [28, 66-70].