Methodological approaches to the construction of an econometric model of hidden profits at the micro level

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Abstract

Application of econometric analysis methods to such relatively underexplored field of scientific knowledge as the shadow economy which is characterized by a higher degree of difficulty in getting its assessments forces in some cases to refuse to comply with mechanical use of econometric tools and formulate a number of assumptions without which the problem can not be solved. In order for the method worked well, it should be found a rational relationship between the source data, the prerequisites of the methods used, and the provisions of econometric theory. In addition, it is necessary to have a clear understanding of the socioeconomic cause-effect relationships between phenomena. As practice shows, availability of information only is insufficient to obtain reliable estimates of the shadow economy and the calculations associated with their prediction. There is currently no legally established recommendations on methods of formation predictive estimates of the shadow economy. This leads to the need to find effective forecasting models and techniques as a tool for management of the shadow economy. Simulation of legally unregistered processes on the basis of correlation-regression analysis allows with a high degree of reliability to evaluate the relationship between hidden profits and the dominant factors, to rank them in order of importance, and to determine the contribution of each factor to the development of shadow economic activities at the micro level.

Keywords