

Determinants of the Shadow Economy in Russian society.

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- **Abstract:** This research aims to substantiate the main determinants of the shadow economy in Russian society. Within the research framework, the authors have analyzed more than 300 factors by the principal component method, which allowed identifying the orthogonal factors that make the greatest contribution to the variance of the data. A linear relationship is assumed between the hidden factors and the observed variables. Based on the mentioned approach, a factor analysis of the interrelationships among indicators characterizing various aspects of the life of Russian society over the period from 1992 to 2019 was carried out. Using the MIMIC approach, which considers a set of factors and indicators and allows theoretically covering the entire shadow economy, the authors obtained a structural equation for calculating the shadow economy index. The proposed method makes it possible to identify statistically significant specific determinants of the shadow economy and assess their impact on the shadowization level in the Russian economy. The method performance evaluation is confirmed by calculations, the results of which, according to the authors, are more objective and closest to current realities. The research results supplement the previous attempts to assess the scale of shadow economy expansion in Russian society and can be used in other studies and in practice. The author's approach to measuring the shadow economy of Russian society has been proposed and analyzed.
- **Keywords:** Russian society, shadow economy, shadowization level