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Yelyzaveta ZELINSKA, Postgraduate Student,
Department of Smart Economics,
Kyiv National University of Technologies and Design
Kyiv, Ukraine

INTERNATIONAL DESTRUCTIVE FACTORS OF ECONOMIC SHADOWING

In the current context of globalization, the problem of economic shadowing is acquiring a new and particularly dangerous scale. Economic activities that fall outside official accounting and control not only undermine the economic stability of individual states but also pose threats to the global financial system as a whole. The international nature of shadow processes facilitates the spread of illegal schemes, tax evasion, money laundering, and the formation of unregulated markets [1, c. 18]. Contemporary challenges require a deep understanding of the nature of international destructive factors driving the shadow economy, as well as the search for effective mechanisms to overcome them.

The destructive factors of economic shadowing are those elements and processes that contribute to the withdrawal of economic activities from the legal framework, thereby undermining economic stability, reducing state budget revenues, and exacerbating social inequality. At present, this issue is particularly relevant due to the growth of global financial flows, the development of digital technologies, the spread of cryptocurrencies, and the challenges of international legal regulation [2, c. 184]. The shadow economy not only weakens states economically but also creates conditions for the deepening of geopolitical instability. Table 1 illustrates the main international factors contributing to economic shadowing, showing how various factors, from the globalization of financial flows to technological innovations, interact to expand shadow markets and evade regulation.

Table 1. The destructive factors of economic shadowing and their negative impact

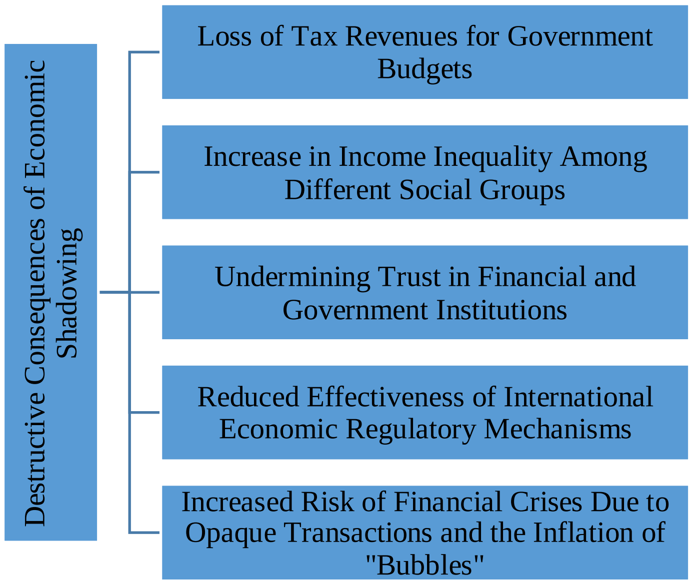
№	Factor	Problem Description
1	Globalization of Financial Flows	The rapid movement of capital across countries complicates the control of financial transactions. This dynamic makes it harder to monitor and regulate international financial activities, leading to potential risks such as capital flight and the spread of illicit financial operations.
2	Use of Offshore Zones	The concealment of income and tax evasion by registering companies in jurisdictions with minimal regulation. Offshore zones often serve as havens for hiding assets, making it difficult for authorities to track and tax these funds, thereby contributing to the expansion of the shadow economy.
3	Transnational Organized Crime	Smuggling, drug trafficking, human and arms trafficking create large volumes of illegal financial flows. Criminal organizations generate vast amounts of illicit capital through illegal trade, which is funneled into global financial systems, further fostering shadow markets and undermining legitimate economies.
4	Money Laundering	The legalization of funds obtained through criminal means via financial instruments and institutions. Money laundering allows illicit money to enter

		the formal economy by disguising its origins, making it harder to trace and confiscate illegal wealth.
5	Imperfections in International Legislation	The lack of unified standards for financial exchanges and coordination between states. Disparities in international legal frameworks make it easier for individuals and organizations to exploit loopholes, evade laws, and perpetuate the growth of the shadow economy.
6	Differences in National Legal Systems	The use of legal "gaps" to avoid responsibility and optimize taxes. Variations in national legal systems allow businesses and individuals to exploit differing regulations, enabling them to circumvent laws and tax obligations by relocating operations to more favorable jurisdictions.
7	Technological Innovations Without Proper Oversight	The use of cryptocurrencies and anonymous transactions on the Darknet for shadow operations. Technological advances, especially the rise of cryptocurrencies and encrypted digital transactions, provide anonymity and ease of transfer, making it difficult to trace and regulate illicit financial activities.
8	Illegal Migration and Undocumented Labor	The formation of shadow labor markets that deepen social inequality and weaken state control. Illegal immigration often leads to the creation of informal work sectors, where individuals are exploited without proper legal protections, and wages remain off the official radar, contributing to the growth of the shadow economy.

Source: author's own development

The destructive consequences of economic shadowing significantly impact the global economy, threatening financial stability, social justice, and economic integration. These issues have become more pressing due to the globalization of financial flows and technological advancements [3, c. 70]. Figure 1 illustrates the key negative effects of economic shadowing on the global economy.

Figure 1. The destructive factors of economic shadowing and their negative impact



Source: author's own development

The fight against international economic shadowing destructive factors involves a range of measures aimed at reducing shadow processes on a global scale. Among them are the implementation of unified international financial monitoring standards, such as FATF, which enables the creation of a global network for controlling financial flows and reduces the risk of illegal transactions. Strengthening control over offshore jurisdictions is essential to prevent tax evasion [4, c. 49]. International cooperation between law enforcement agencies contributes to the effective detection of criminal economic activities, while regulating the cryptocurrency market helps reduce the anonymity of transactions used for shadow purposes. Furthermore, the creation of mechanisms for the legalization of migrant labor helps reduce illegal employment and facilitates the integration of migrants into the formal economy, which in turn increases tax revenues and reduces social inequality.

Thus, the shadowing of the economy at the international level is a complex and multifaceted phenomenon that harms not only individual countries but also the global financial system. Globalization, technological advancement, uneven development of legislative frameworks, and the activities of transnational crime contribute to the deepening of shadow processes. Effective counteraction to this threat requires not only national efforts but also broad international coordination, transparency of financial operations, and the strengthening of global economic standards. Only through joint action can the international community mitigate the destructive impact of the shadow economy and ensure sustainable development in the future.

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