

## **THE SHADOW ECONOMY AS A CHALLENGE IN INTERNATIONAL ECONOMIC AND LEGAL COMMUNICATION**

In the globalized world, international communication is vital for the development of the economy, politics, science, security, and culture. While globalization has fostered intergovernmental cooperation, it has also brought challenges, notably the growth of the shadow economy. This unregulated sector undermines national budgets and complicates legal regulation globally. The shadow economy is not just a domestic issue; it threatens international stability, economic justice, and security [1].

The shadow economy in international communication has a significant impact on the economic stability of countries and their interaction on a global level. It encompasses illegal or concealed economic operations that are not recorded in official reports, making it difficult to assess the actual scale of economic activity [2]. This can lead to losses in tax revenue, undermine legitimate businesses, and contribute to increased corruption and money laundering, all of which negatively affect international financial relations and the resilience of economic systems. Table 1 presents the key areas and influencing factors of the shadow economy's impact on international economic communication.

Table 1. The Impact of the Shadow Economy on International Economic Communication (economic aspect)

Area	Economical Impact of the shadow economy
Distortion of statistical data	The shadow economy undermines the reliability of key indicators such as GDP, employment, etc.
Tax evasion	Shadow actors avoid taxation, creating unfair competition and distorting global markets.
Illicit financial flows	Funds are often transferred offshore, causing capital loss and financial instability.
Security implications	Links to organized crime and terrorism elevate the shadow economy to a global security threat.
Impediments to international cooperation	Lack of transparency hampers international projects, investment, and aid efforts.

*Source: author's own development*

From a legal perspective, the shadow economy in international communication involves violations of financial, trade, and tax laws, exploiting legal gaps between jurisdictions. Organizations such as the FATF and the UN aim to establish unified frameworks for financial transparency and tax information exchange. Effective response requires stronger international cooperation and continuous legal reform [3]. Table 2 outlines the key areas and regulatory measures addressing the shadow economy within the context of international legal communication.

Table 2. The Impact of the Shadow Economy on International Economic Communication (legal aspect)

Areas	International Regulation of the shadow economy
International Conventions and Agreements	UN Convention against Transnational Organized Crime (Palermo Convention); UN Convention against Corruption; EU Directives on Anti-Money Laundering
Initiatives of International Organizations	FATF (Financial Action Task Force) — development of standards for combating money laundering; OECD — BEPS (Base Erosion and Profit Shifting) project to address tax avoidance by multinational corporations; IMF, World Bank — analytics and technical assistance to countries in implementing reforms.

Information Cooperation	Implementation of automatic exchange of tax information between states (CRS — Common Reporting Standard); Signing of intergovernmental agreements on the exchange of financial data (e.g., in accordance with FATCA — the U.S. Foreign Account Tax Compliance Act).
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*Source: author's own development*

However international legal and economic communication faces challenges in combating the shadow economy due to differences in legislation, legal and linguistic barriers, and a lack of trust. Low digital integration and ethical concerns also hinder efforts. While international media and experts promote transparency, they can also be used for political pressure.

Thus, the shadow economy is a complex phenomenon that significantly impacts international economic and legal communication. Addressing these challenges requires coordinated legal policies, effective financial controls, digital transparency, and strengthened trust between states. Only through such cooperation can sustainable development and economic security be achieved in a rapidly changing world.

Література

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**INTERNATIONAL AND INTERCULTURAL COMMUNICATION  
IN SHAPING UKRAINE'S IMAGE:  
DEVELOPMENT STRATEGIES**

**MATERIALS  
OF THE INTERNATIONAL  
SCIENTIFIC AND PRACTICAL CONFERENCE**

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**Міжнародна і міжкультурна комунікація у формуванні іміджу України: стратегії розвитку:** зб. матеріалів Міжнародної наук.-практ. конф. Київ, 01 травня, 2025 р. Київ: Міленіум, 2025. 178с.

Збірник укладено за матеріалами Міжнародної науково-практичної конференції «Міжнародна і міжкультурна комунікація у формуванні іміджу України: стратегії розвитку», що її провела кафедра філософії та міжнародної комунікації гуманітарно-педагогічного факультету Національного університету біоресурсів і природокористування України. Наповнення рубрик синхронізовано з основними напрямками роботи конференції.

Видання розраховано на науковців, викладачів, аспірантів, студентів.

The collection is compiled on materials of the International scientific and practice conference «International and intercultural communication in shaping Ukraine's image: development strategies» a held by the Department of Philosophy and International Communication of the Faculty of Humanities and Pedagogy of the National University of Life and Environmental Sciences of Ukraine. All the materials are synchronized with the guidelines of the conference.

Forscientists, lecturers, postgraduates, students.

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