

**MULTIFACTOR THEORY OF THE GENESIS AND REPRODUCTION OF  
"SHADOW ECONOMY"**

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**Summary:**

Current article discusses the factors that determine and provoke the emergence and existence of the "shadow economy". Based on previous research and summarizing the experience in the study of shadow practices, the article presents an innovative Multifactor theory of the genesis and reproduction of the "shadow economy". In essence, Multifactor Theory assumes that in addition to being distinguishable as exogenous and endogenous, the causes and factors of shadow economic practices differ according to the specific functions they play in the processes of emergence and existence of shadow economic practices.

The Multifactor Theory presented is created to make possible the empirical study of the factor determination of the "shadow economy" in Bulgarian society.

**Keywords:** Undeclared work; shadow economy; employment; social survey  
methodology

**JEL:** E26; E32; H26; H32; A14

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