

INSEAI 2023 - LECTURE

FROM NATIONAL SYSTEMS TO REGIONAL REALITIES:

NEW ADVANCES IN MEASURING THE SHADOW ECONOMY IN CENTRAL AND
EASTERN EUROPE USING CURRENCY DEMAND AND DYNAMIC PANEL METHODS



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15:00 (Brazil) / 19.00 (CET)

Place: UFRJ / online
[Link to Meet](#)

ABSTRACT

The lecture presents two empirical studies on measuring the shadow economy in Central and Eastern Europe using enhanced Currency Demand Approach techniques and dynamic panel models. The first study analyses 13 CEE countries (1995-2022) and shows that taxation and enforcement capacity are the main long-run drivers of excess currency demand, indicating that meaningful reductions in informality require strong institutional enforcement. The second study estimates regional (NUTS-2) shadow economy levels in 11 CEE EU countries, revealing significant intra-country disparities linked to regional enforcement, labour market structures, and financial inclusion. Together, the studies provide an integrated framework connecting national determinants with regional heterogeneity in informality. The session will be held in English.

More information: INSEAI2023@uam.es
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