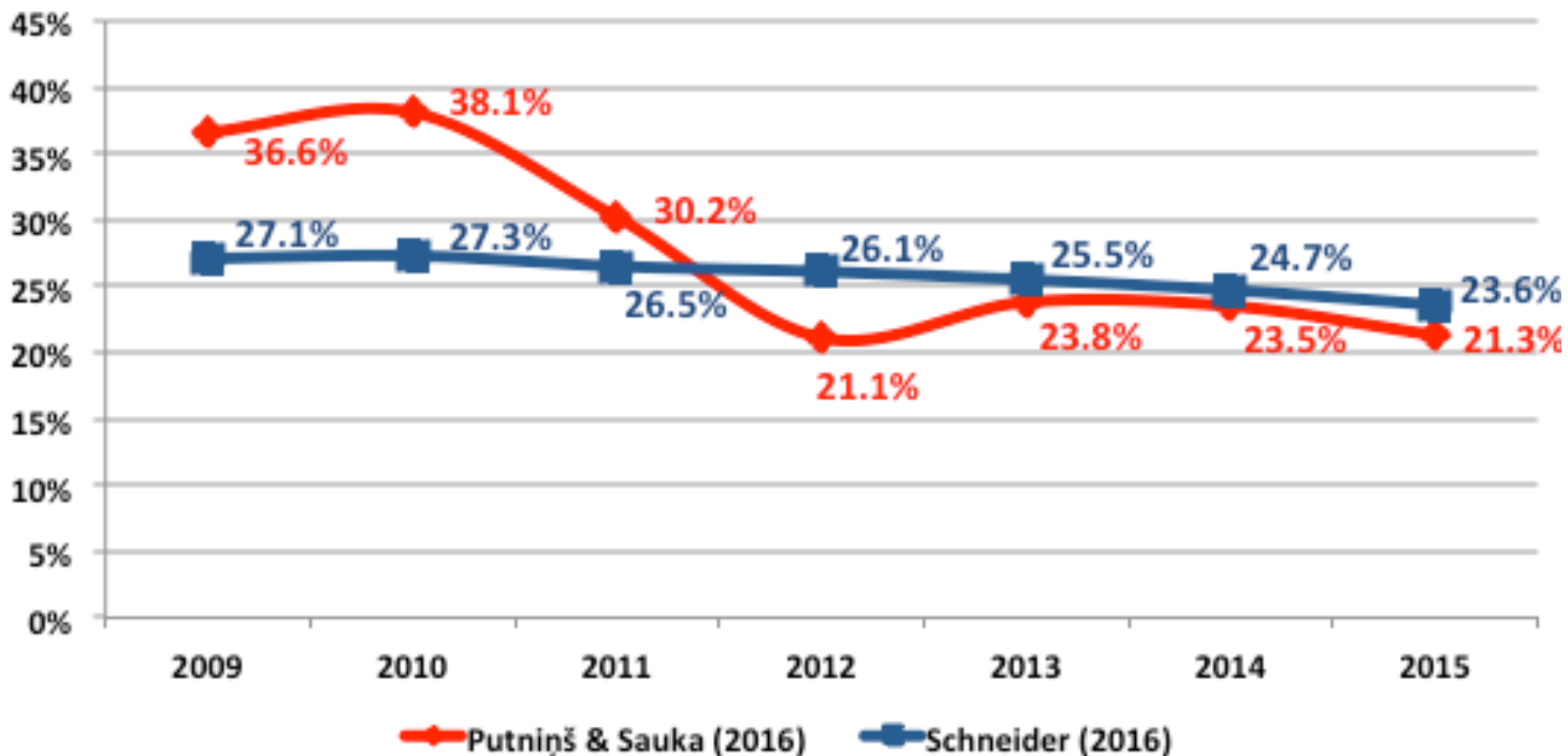


# SHADOW ECONOMY IN LATVIA



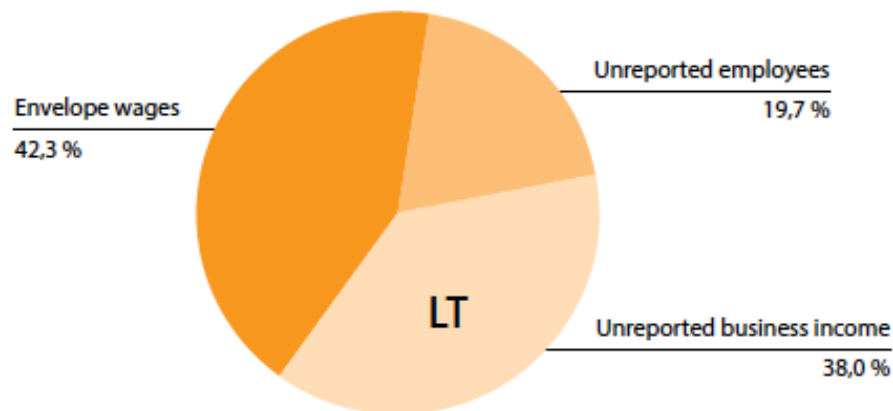
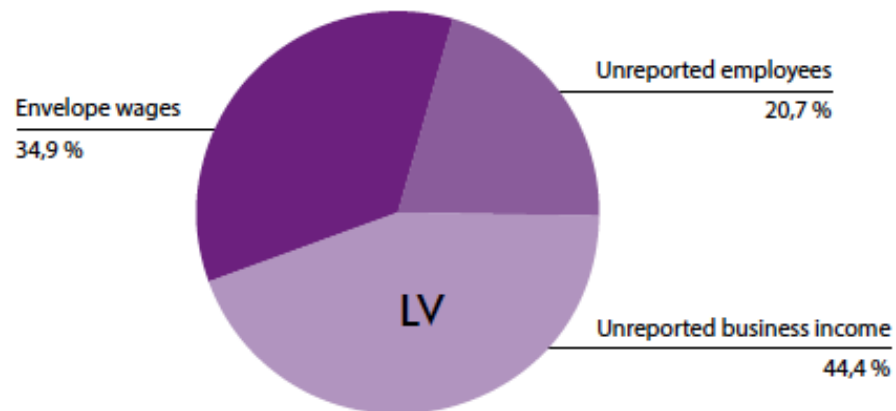
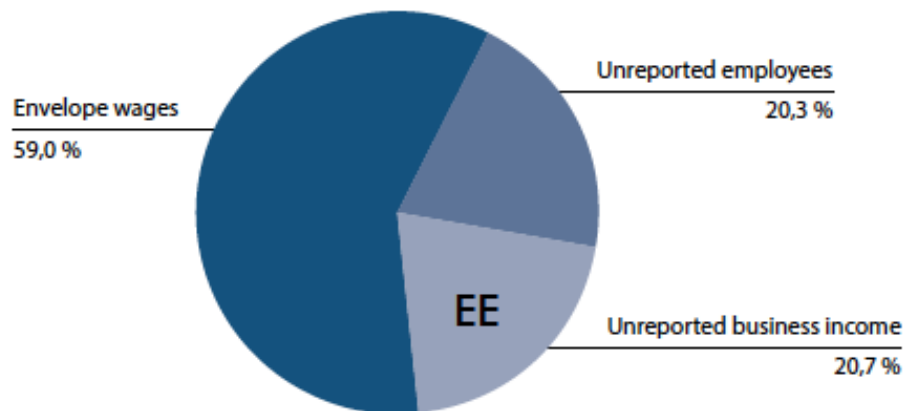
Dr. Arnis Sauka  
Stockholm School of Economics in Riga

# Dynamics of the Shadow Economy in Latvia 2009-2015



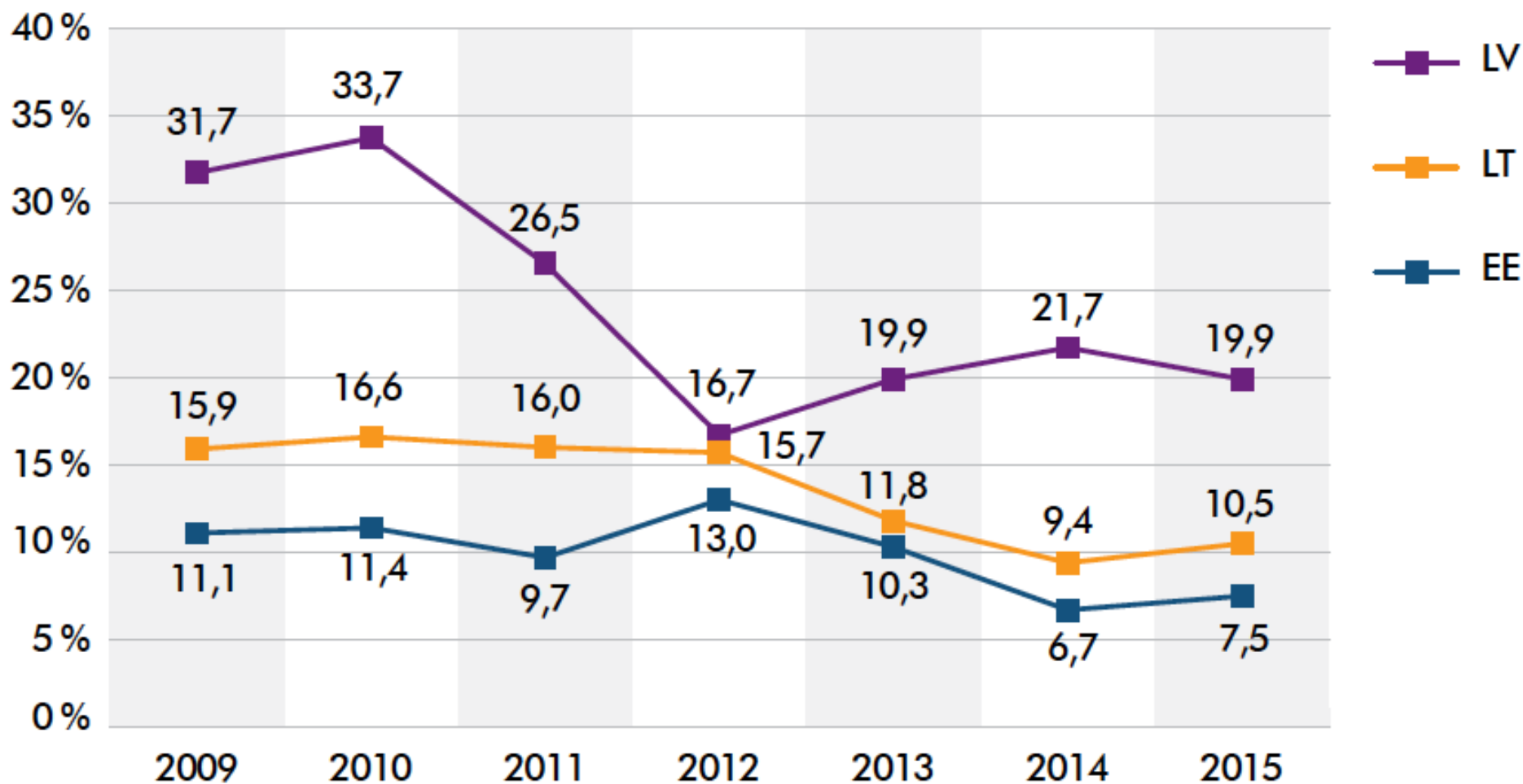
# Components of the shadow economy in the Baltic States, 2015

(Putniņš & Sauka, 2016)



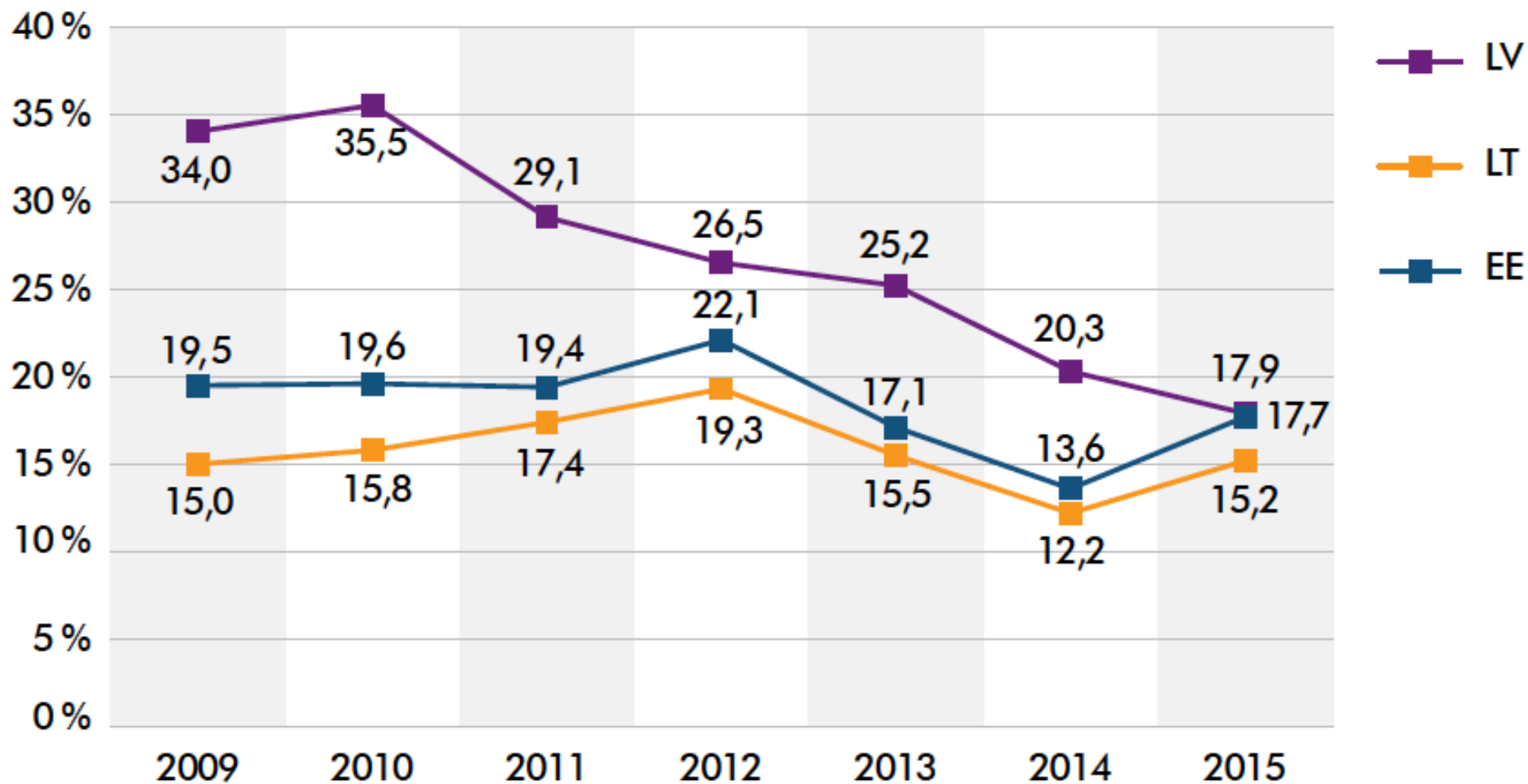
# Underreporting of business income 2009-2015

(Putniņš & Sauka, 2016)



# Envelope wages 2009-2015

(Putniņš & Sauka, 2016)



**Shadow economy is different across industries, in different cycles of economic development, in different company sizes, regions, countries...**

**Angle for today: foreign investors in Latvia viewpoint:**

- How big is the problem in its various components?**
- What causes shadow economy in Latvia?**
- What has been done to decrease shadow economy in Latvia? Analysis of some specific activities.**
- What still should be done?**