

Informal Economy in Albania

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Abstract: *There have been made many studies about informal economy, and different reasons and causes have been related with it. Many activities are considered as shadow or informal, but for some of them have been excluded by some researcher. A clear definition of informal economy is not found. This paper studies what is informal economy, what is included and excluded from it, reasons and causes that make it happen, its effects in the economy in general and to the society. Then the informal economy in Albania is studied. What have been the factors of a so developed informal economy in Albania, what are its effects to the Albanian economy and society, estimates of shadow economy are given in relation to the GDP for Albania and some other Balkan countries. Recommendations of what must be done in Albania to decrease the informal economy are given.*

Keywords: *Informal economy, Albania, corruption, taxes.*