

EconWorld2025@Prague

The Course of the Informal Economy in Turkey

Mehmet Oğuz Arslan¹¹Anadolu University, Turkey

ABSTRACT

The informal economy, which refers to all legal and illegal economic activities that are not recorded, is one of the most fundamental problems of many countries today. Especially the idea that the development of informal economic activities is faster than the development of formal economic activities and therefore the informal economy may become the most important sector of the general economy has increased the importance of the issue even more. In this framework, determining the reasons for the emergence of the informal economy is very important for the economy administrations of countries to develop appropriate policies to combat the informal economy. For this purpose, the size of the informal economy should be estimated realistically. Unlike the traditional methods used in estimating the size of the informal economy such as the GNP approach, the measurement approach through tax inspections, the employment approach and the monetarist approach, fuzzy logic, one of the artificial intelligence methods, has recently come to the forefront as a new method for estimating the size of the informal economy. This study aims to contribute to the formulation of fiscal and economic policies to combat the informal economy by estimating the size of the informal economy in Turkey for the 25-year period between 2000 and 2024 using the fuzzy logic method.

KEYWORDS informal economy; fuzzy logic; Turkish economy

JEL C69, E26, O17