Table 4 **MIMIC estimation of the shadow economy of 21 highly developed OECD countries, 1990/91, 1994/95, 1997/98, 1999/2000, 2001/02, 2002/03, 2003/04, 2004/05 and 2006/07**

Cause variables	Estimated coefficients
Share of direct taxation	0.392**
(in % of GDP)	(3.34)
Share of indirect taxation	0.184(*)
(in % of GDP)	(1.74)
Share of social security contribution	0.523**
(in % of GDP)	(3.90)
Burden of state regulation (index of labour market regulation, Heritage Foundation, score 1 least regular, score 5 most regular)	0.226(*) (2.03)
Quality of state institutions (rule of law, World Bank, score –3 worst and +3 best case)	–0.314* (–2.70)
Tax morale (WVS and EVS, Index, Scale tax cheating always justified = 1, never justified = 10)	–0.593** (–3.76)
Unemployment rate (%)	0.316**
	(2.40)
GDP per capita (in US$)	–0.106**
	(–3.04)
Indicator variables	Estimated coefficients
Employment rate	–0.613**
(in % of population 18–64)	(–2.52)
Average working time (per week)	–1.00 (residual)
Annual growth rate of GDP (adjusted for the mean of all 22 OECD countries)	–0.281**
	(–3.16)
Change in circulation of local currency per capita	0.320**
	(3.80)

Notes: Further details and test statistics are available from the author. t-statistics are in parentheses; (*), *, ** indicate significance at the 90%, 95% and 99% confidence levels respectively.