



НЕФОРМАЛНАТА ИКОНОМИКА И ТРУДОВАТА ДИСКРИМИНАЦИЯ В ГЛОБАЛЕН АСПЕКТ

THE INFORMAL ECONOMY AND THE LABOUR DISCRIMINATION IN A GLOBAL ASPECT

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Abstract: There's an informal sector in each economy, regardless of the fact if it is developed or developing. In Bulgaria the share of illegal business in the GDP (Gross Domestic Product) is critically high – 22%. This share varies around 5% in the countries from the European Union. The high percentage is usually justified with the slow structural transformation of the economy in the transition period to market economy. The deindustrialization of the post-socialist economy defines the mass unemployment and poverty. They are the key factors of the informal economy.

Today the labour discrimination is characterized by new conflict zones in the economic environment. The patriarchal stereotypes concerning the socio-economic role of the woman, inherited from the past, are deeply ingrained in the mentality of the European society.

The study is with a focus on the unequal social-economic status of women. The basic aim is the strategic elimination of the factors which influence the size of the informal economy of the GDP in our country.

The research synthesizes several lines: a review of the scientific works, analysis and interpretation. A comparative aspect with a broad spectrum of criteria is included in the methods – historical age, geographical environment, good practices, and others.

The topic is researched through the prism of different scientific fields – philology, sociology, economy, and in the context of two remote historical periods – The Victorian Age (1837–1901) and the digital XXI century.

It should be noted, however, that the multidisciplinary scientific studies replace the mono-disciplinary ones in the Western universities in the 1960s. The multidisciplinary method gets popular, and is applied in the scientific research activity in Bulgaria in the last few years.

Key words: discrimination, illegal economic activity, equality in labour, socio-economic infrastructure

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Introduction

The topic concerning the equality of both women and men in the labour environment is a subject of many sociological, economic and cultural scientific studies. Yet, the problem connected with the informal economy continues to be current today, and it influences the labour discrimination.

There is an informal sector in each economy, regardless of the fact if it is developed or developing. Yet, Bulgaria holds one of the first positions among the countries from the European Union concerning the relative share of the illegitimate economic activity in the GDP (Gross Domestic Product).

The study focuses on the unequal socio-economic status of women in the employment payment of labour, health insurance, security, etc. The key aim is the strategic elimination of the factors which influence the size of the informal economy in our country.

The study synthesizes several lines: a review of the scientific works, analysis and interpretation. A comparative aspect is included in the methods which is with a wide spectra of criterium – historical era, geographical environment, good practices, etc.

The topic is developed through the prism of different scientific subjects (philology, sociology, economy), and in the context of two remote historical periods – The Victorian Age (1837–1901) and the digital XXI age.

The Gender Inequality in the Victorian Age

The English writer Charlotte Bronte extracts the topics of her social novels from the authentic patriarchal environment.

The social status of women is constructed in the family. The discourse in the novel *Shirley* describes in detail the way of life of the typical patriarchal family of Mr Yorke, who is an heir to an ancient Yorkshire family. Mrs Yorke personifies the patriarchal educated wife from the middle class.

The father's main obligation in the patriarchal family is to ensure a profession for his sons. That is why, Mr Yorke carefully observes both the psychical and physical health of his sons. The father is determined to direct his son Martin to a lawyer's career.

The mother is in charge of the bringing up of the girls in the Victorian family. She is supposed to teach them everything that is necessary for a good housewife: to sew, to cook, to behave in society in a sophisticated way. That is why Mrs Yorke constantly puts embroidery in the hands of her two daughters, in order to deviate them from other activities untraditional for women.

The patriarchal educational system discriminates the girls during The Victorian Age. They usually study at the popular boarding schools in Europe where they are prepared to be good wives and mothers, e.g. for their marginal role in the social and economic life. The twelve-year-old daughter of the Yorke family, Rose, rebels against the patriarchal constraints in education and the career exclusion of women:

Right, mother! And if my Master has given me ten talents, my duty is to trade with them, and make them ten talents more. Not in the dust of household drawers shall the coin be interred. I will not deposit it in a broken-sprouted teapot, and shut it up in a china closet among the tea things. I will not commit it to your work table to be smothered in piles of woolen hose. I will not prison it in the linen press to find shrouds among the sheets. And least of all, mother (she got up from the floor) – least of all will I hide it in a tureen of cold potatoes, to be ranged with bread, butter, pastry, and ham on the shelves of the larder (Bronte, 1993, p. 300).

Today the European educational system is reformed. Both girls and boys study together at one and the same schools. Women choose their profession alone. Yet, the patriarchal stereotypes regarding the socio-economic role of the woman, are deeply ingrained in the mentality of the European society.

The mass participation of the modern women in the paid labour is characterized with a different peculiarity and intensity in the countries from all over the world. The global feminization of employment forms conflict zones in the labour environment.

The Modern Conflict Zones in the Socio-Economic Environment

Equal opportunities for the professional qualification of the two genders are established through the neoliberal educational policy: "In 2017 the common number of the Bulgarian graduates is 1369 thousands from whom 543 thousand men (39,7%) and 826 thousand women (60,3%)". (NSI, 2018, p. 43).

The biggest number of both women and men with university education is the age group 24–34 years. The numerous young people with high education who look for a professional realization are the ones who form the modern conflict zone "**qualified human resources – labour market**".

The deindustrialization of the economies in transition to market economy in the Eastern and Central European countries, including Bulgaria, generates unemployment. The highly-qualified women and men remain without an alternative for suitable jobs. They usually make a compromise and work in the

fields where a high educational degree is not required: “Almost three quarters of the employed women (1070 thousands) work in the retail trade, tourism and others, e.g. 53,8 % from all who are employed in the field of services” (NSI, 2018, p. 45).

The most apparent case of labour discrimination (by age, gender and ethnic group) is in the search for employment, e.g. in the conflict zone **“hired workforce – employer”**.

The discrimination of women in the application for jobs takes several forms. Many of the employers in the private companies impose age limits. Other managers announce only the low positions in the work hierarchy, which are without perspective for a career development. The popular syndrome **“unattractive job positions”** is established. They do not correspond to the professional profile of the preferences of the applicants for jobs.

The employers prefer hiring men in the management, policy, production and IT, the other conditions being equal. The hypothesis is that women are more engaged in the family in comparison to men. The opinion of the business ladies is similar. They also consider that the domestic obligations and the bringing up of young children interfere with the concentration, necessary for the execution of their professional duties.

Both pregnancy and motherhood are reasons for a hidden gender discrimination in the application for a job. It should be noted, however, that the discrimination of the employed women in our country is much higher than the one in The European Union: “In 2003 the discriminated by gender in the jobs in Bulgaria were 3,0% men and 11,0% women. In comparison these points in the European Union are respectively 0,4% men and 0,5% women.” (Mihova, G., 2007, p. 47).

Today the information technologies establish the modern form of labour- **“telecommuting”**. In 2020–2022 due to the COVID 19 more and more employees work from home through a computer supplied by the employer, and connected with the other colleagues in a network. The work from distance is a priority for men. The women who bring up small children do not have the opportunity to work online all the daytime.

The third conflict zone is **“law guarantees – labour discrimination”**. The employers continue applying the gender criteria in the measuring of the labour productivity of both women and men. The discrimination in the labour relations derive from the traditional prejudices concerning the basic function of the woman, e.g. the so-called **“reproduction”**. It includes the giving birth and bringing up of children, and taking care of the sick and aging members of the household. Yet, the men perform the productive economic activity – production of goods and services with the aim of the material security of the family. Such a stereotypical model of gender relations is characteristic of all modern European societies, but to a different degree.

The work from home (home-office) corresponds to the conflict zone **“law guarantees – labour discrimination”**. In case of telecommuting the labour legislation is violated – the work conditions, the engagement at the workplace, etc. The work from home office determines the new term **“right of switching off”** that is the right to legislatively regulated working time. That is why, some countries in Northern Europe include the clause about the right of switching off in their labour codes.

The European Social Chart is in force since 1965 and was revised in 1996 as a unified instrument for the protection of the basic socio-economic rights. This universal international contract obliges the governments to remove the gender discrimination from their national policy.

A number of directives of the European Union which are connected to the equality of the genders, including the employment, is transposed with the Law concerning the protection against discrimination from the 1st January, 2004.

The observations and the data of the analysts show that in some regions of our country the relative number of unemployed young people from both genders is very high. They are the potential contingent of the informal economy.

The Informal Economy Defines the Labour Discrimination

The informal economy is also called unofficial, illegal, hidden, grey, shady, etc. In Bulgaria the share of the grey zone in the GDP is critically high – 22%. This percentage was around 5% in 2004 for the countries from The European Union (Stoyanova, K., 2004, p.133).

The high share of the informal economy in the GDP of the country is usually explained by the slow structural transformation of the economy in the transition period to market economy. The deindustrialization of the post socialist economy determines the mass unemployment and poverty. These are the key factors of the informal economy.

The undeclared earnings from the shady business decrease the incomes in the budget with billions each year. The illegal companies do not pay taxes, do not make social expenses for the training of their staff, and do not digitalize their activities. The informal sector competes with the legitimate economic subjects in a dishonest way.

The illegal employment acts as a buffer on the labour market. The unemployed uneducated and lowly qualified women and men are hired in the illegal production. Some qualified Bulgarians work for an additional income, and others use the informal sector as a trampoline for a higher business position.

It should be outlined that women dominate in the informal economy only at our country. Their widest participation is in the following fields and activities: trade and services (hotel and restaurant management, hairdressing and cosmetics, childcare, care of the sick and the elderly), home production directed to the market, including the agriculture. The textile, sewing and food industry is being feminized:

According to the sociological research of the European Commission, 37% of the women in Bulgaria who are over 15 are employed in the informal business. This point is much higher, due to the fact that most women work in the so called "invisible activities" as commercial crafts (sewing, knitting, domestic helpers, etc. (Stoyanova, K., 2004, p.133).

The groups at risk (families with many children, one parent families, single mothers, youth without income, or below the minimum of existence) are the potential labour resource of our informal economy.

The factors for the establishment and increase of the informal business are complex (social, economic, political) – from the tax policy through the administratively controlled corruption, to the labour market.

The bureaucratic barriers and the corruption in the registration of the micro firms increase the expenses of the start-ups considerably. At the same time the administrative-controlling practice at our country is directed mainly to the big tax payers who are mostly punctual. The impunity motivates the owners of the small companies to violate the labour and financial legislation.

The format for hiring workforce through inhouse contracts used in the West European countries becomes more and more popular in Bulgaria, too. The basic labour rights of the employed are violated in many aspects: jobs, conditions of labour, social insurance, working hours, remuneration and other clauses characteristic of the collective labour contracts.

The information and communication technologies increase the informal employment. Lawyers, writers, translators, consultants on investments, property and business, advertising agents work alone at home offices.

The discrimination by age is a regular labour practice in the grey sector. Under-age youth are hired with all the negative consequences for them. They work without contracts and with low payment usually below the minimal salary.

Good practices for the decrease of the share of the informal economy in the GDP are applied. The taxable income is decreased with part of the expenses in Belgium (through vouchers) and in France (through cheques) in order to motivate the households to prefer registered companies for services. Two socio-economic aims are achieved – from one side, the use of legal services is increased, and from the other – the new official start-ups are expanded.

Activities to limit the informal activity are undertaken in our country, too. It is obligatory to issue receipts in the retail trade. The bank transactions are regulated.

The clause concerning the obligatory written labour contract and its registration in the National Statistical Institute is included in the Labour Code. The key aim is to stop the direct leak of the social funds. The unemployed who are registered at the Labour Bureaus are often hired in illegitimate businesses at the same time.

The most brand new mechanism for the limit of the share of the grey economy in our country is connected with aiding the citizens with the repair of their flats. If they attach an invoice to their tax return

issued by a registered construction company for its paid labour, they could decrease their expenses in 2021.

The conclusions and suggestions of the Chinese team of experts who research the informal sector in Shanghai are of interest to this study:

The increase of the taxes as one of the major factors of the illegal business is pointed out in all results of the study. That is why, we suggest that the government reforms its tax system in such a way so as the small companies preserve their activity.

The administrative-controlling activity increases the labour expenses in the formal economy. That is why it should be stressed on the better application of the legal regulations, instead of expanding the very regulations. (Jugan, J., 2003, p. 39–63)

The informal economy is not just a Bulgarian or a European phenomenon, but a world one. The tendency is for the multinational companies to pay an equal tax everywhere around the world. The biggest and fastest developing economies reached an agreement concerning a 15% global corporate tax on the G-20 Summit in Rome, 20-30 October, 2021.

Conclusion

Bulgaria is not only a law-abiding and democratic, but also a social state. That means that the society has the legal liability to the elementary welfare of each and every citizen. That is why, the government policy should include active initiatives, programmes, strategies and measures for the achievement of equal opportunities for the professional realization of all, regardless of their gender, age and ethnicity.

Last, but not least, it should be pointed out that the labour discrimination corresponds to the unemployment and poverty which determine the grey labour employment. Thus, the basic factors for the establishment and increase of the informal economy will be eliminated after the improvement of the social-economic infrastructure in our country.

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