

## **Unmasking the stereotypes used to rationalize the “shadow economy”**

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**Abstract.** Based on abundant empirical data from a nationally representative sample survey and on relevant statistical-mathematical processing of these data, the article demonstrates that the stereotypes used to rationalize the “shadow economy” are immanent to public opinion on this problem. Intricately entwined in the tissue of public attitudes, moods and assessments, these stereotypes assume values that take on a life of their own. Deeply permeating the way of thinking of Bulgarians today, they are perceived as reference models of the attitude to shady economic practices. The stereotypes used to rationalize the shadow economy serve precisely as the value-normative basis of the high tolerance that Bulgarians show for such practices.

**Keywords:** shadow economy, deviant behaviour, societies in transition, anomie, public opinion

### **1. Introductory remarks**

This article reflects the latest research efforts to enrich science with empirical arguments, hitherto uncommented upon (and/or underestimated), regarding the complex nature and structure of public opinion on the shadow economy. Although more than a few studies have recently focused on the degree of dissemination of shady economic practices, the view is still common that the shadow economy is projected in an exceptionally complex way on public opinion; that it is so well concealed within public stereotypes and social-economic relations as to be hard to measure and unravel. Is this really so? When sufficient time is devoted to studying the shadow economy and its projections on public opinion, it becomes clear that the concrete empirical aspects of shady economic practices are distinct and visible enough: far from veiled, in certain cases they are openly used to resolve social-political issues. In the daily life of Bulgarians - whether they be employees or entrepreneurs - shady practices are present as a necessity. They are a fact that must be reckoned with by anyone who seriously intends to pursue economic activity in Bulgaria. Generally speaking, in everyday

life, people respond to their encounter with the shadow economy in two basic ways: 1) they accept it as a manifestation of non-legitimate economic conduct, and if (or when) they become part of it, they are careful that these activities remain well masked and concealed (Koev 2009; Chengelova 2014); 2) they accept it as an objectively given fact and do not feel it reprehensible that it is part of a widely accepted reality and is hence “socially legitimated” (Chengelova 2019). Although reflected in a complex way in public opinion, the fact that shady economic practices exist is vividly reflected in the modes of thought and assessment of people today.

This article presents the findings of a research project on “The Shadow Economy as a Deviant Practice”, conducted in 2016-2019. The project was implemented by a team of scholars from the Institute for the Study of Societies and Knowledge at the Bulgarian Academy of Sciences. The team was stimulated by the idea of viewing and explaining shady economic practices through the optic of sociology of deviance (Zlatanova 2017). The project set itself some ambitious tasks, which I will not dwell on here; still, I would point out that, in situating the study within classical and recent theories of deviance (Merton 2006; Messner 1988; Agnew 1992; Bernburg 2002; Cloward, Ohlin 1961; Cohen 1955; Messner, Rosenfeld 1994; Murphy, Robinson 2008), the general aim was to analyse typical shady economic practices as specific models and forms of deviant behaviour by revealing the habitus and social fields of informality characteristic of Bulgarian society in course of transformation<sup>1</sup> (Bourdieu 1993) and to thereby explain the basic models of informal (shady) economic behaviour of individuals. Since the object of the present article is rationalizing stereotypes, here we will abridge the theoretical reasoning and findings that we reached when analysing the classical and contemporary theories of deviant behaviour. Still, we will note that the leading theoretical basis we assumed was Merton’s concept of anomie and strain (Merton 2006) and his classification of the five typical modes of behaviour in anomie (conformists, innovators, ritualists, retreatists, and rebels). Subsequently complemented by other authors (Murphy, Robinson 2008; Chengelova 2015), Merton’s concept served as a basis for constructing eight types of behaviour in anomie societies, where to the above-mentioned five modes were added the maximizers, neutralizers and alternators. In order to explain the nature and specific characteristics of these eight types of behaviour, we additionally constructed an author’s conception (in Bourdieu’s sense) of four basic habitus of informality, in the framework of which these types actually occur.

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<sup>1</sup> In the framework of this project, we elaborated a conceptual view regarding the existence in transforming Bulgarian society of four habitus of informality: 1) the compensatory; 2) the rationalizing; 3) the destructive; and 4) the ignoring. The concept of habitus is interpreted entirely in the sense Bourdieu ascribes to it, and is based on his theory of comprehensive reflexive sociology and socioanalysis. In Bourdieu’s sense, we distinguish four separate habitus of informality, thereby describing four separate types of economic behaviour. The characteristics of these four types serve sufficiently to distinguish and define separate aggregates of human activities, attitudes, value, beliefs, intentions for action, as well as assimilated behaviour models.

The specific objective of the project in question was to identify the structure of public opinion regarding the shadow economy and the degree to which individuals are inclined to internalize the stereotypes and beliefs prevalent in public opinion; and on this basis, to establish a typology of economic behaviour among Bulgarians today, in identifying the elements of conformist behaviour and deviant behaviour.

That is why, in the framework of the project, a nationally representative survey was conducted, entitled **Shady Economic Practices as Specific Forms of Deviant Behaviour (October-November 2018)**. It was based on a two-stage stratified cluster sample<sup>2</sup>. The envisaged total size of the sample ( $n = 1000$  persons) guarantees the stochastic precision of the estimate  $\hat{p} = \pm 3\%$  at a preset maximum admissible error of  $\Delta_p = \pm 3\%$ . The empirical data were gathered using the standardized interview method, with interviewers visiting the respondents' homes. The analysis of the socio-demographic characteristics of the respondents justifies the assertion that the survey encompasses people whose characteristics adequately reflect the real structure of the Bulgarian population by gender, age, education and place of residence. The analysis presented here is entirely based on the empirical estimates collected during this nationally representative survey.

## **2. Rationalizing stereotypes regarding the shadow economy: A “convenient” justification for participation in shady practices**

The attitude of individuals towards the shadow economy is manifest through forms of participation in various sorts of shady practices. Regardless of their great heterogeneity, what is common to these shady practices is that in the course of economic activities that are generally allowed by the law, violations occur of the fiscal, labour, and social insurance legislation. For its part, the basic attitude of individuals towards the shadow economy results from a complex interlacing of attitudes, dispositions and beliefs. If we operationalize the complex set of inclinations, beliefs and personal attitudes, we will attain a system of basic stereotypes that predominate in public opinion and under whose influence individuals build their attitude to the shadow economy. The present study has confirmed the initial research hypothesis that two types of stereotypes coexist in public opinion.

**The first kind of stereotype**, conventionally called **disapproving**, derives from the socially desirable conduct: in the context of these stereotypes, the shadow economy is censured and condemned as a practice that causes damage to honest economic actors and therefore should be persecuted and punished.

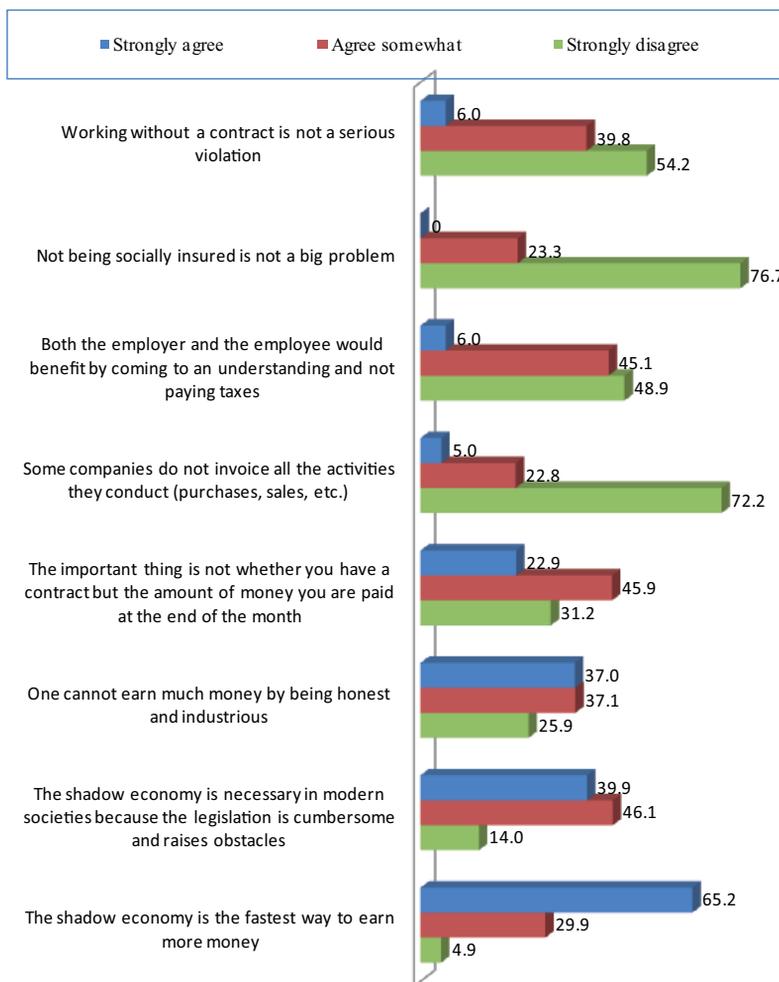
**The second kind of stereotype** mirrors another layer of public opinion and may provisionally be called **rationalizing**. In this case, the shadow economy is disapproved of but is also seen as an objective necessity arising from gaps in

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<sup>2</sup> The justification of the sample was made by Prof. DSc Svetlana Seykova, a member of the project team.

legislation and motivated by its obvious capacity to yield quick profit and benefit. Let us examine in detail the nature and influence of rationalizing stereotypes, and to what degree they have been adopted by Bulgarians today.

We may assign to the **rationalizing types of stereotypes** the following assertions/stereotypes existing in public opinion: 1) working without a contract is not a serious violation; 2) not being socially insured is not a big problem; 3) both the employer and the employee would benefit by coming to an understanding and not paying taxes; 4) some companies do not invoice all the activities they conduct (purchases, sales, etc.); 5) the important thing is not whether you have a contract but the amount of money you are paid at the end of the month; 6) one cannot earn much money by being honest and industrious; 7) the shadow economy is necessary in modern societies because the legislation is cumbersome and raises obstacles; 8) the shadow economy is the fastest way to earn more money (Fig. 1).



**Fig. 1.** Rationalizing stereotypes regarding the shadow economy

The purpose of rationalizing stereotypes is, by using various arguments, to find a logical justification for applying and tolerating shady practices. The arguments individuals use are various but what is common to all is the attempt to exculpate one shady practice or another by finding reasons to interpret the shadow economy as a logical result of certain objective circumstances (for instance, gaps in and frequent amendments of the laws, or the imperfection of the institutional environment). This kind of stereotypes reflects the desire of some individuals to belittle the negative effects of shady practices and to emphasize the so-called constructive effects of the shadow economy, namely, its ability 1) to create jobs where other forms of employment are lacking, 2) to increase the net income of people through forms of shady/undeclared labour, which is looked upon as socially “legitimate” behaviour in the context of a poor living standard, 3) to neutralize the imperfections of the laws and the practical application of the laws.

In this article, we will focus on the analysis of those rationalizing stereotypes that, according to the data of our survey, are the most widespread and most widely supported by public opinion, and which define the attitude of individuals to the shadow economy and largely determine the probability of inclusion in shady practices.

### **2.1. The shadow economy is necessary in modern societies because the legislation is cumbersome and raises obstacles**

The first surveyed stereotype refers to the hypothesis that the shadow economy emerges and exists sustainably because the legislation is cumbersome, complicated in its application and, instead of creating a favourable environment for developing business, produces obstacles and difficulties. In fact, one of the theories regarding the shadow economy, inspired by the ideas of K. Hart (Hart 1973), rests on the assumption that over-regulation of the economy by the state creates conditions for the emergence of informal economic relations and leads to the appearance of large shares of shadow economy in the GDP.

The respondents in our survey have obviously found enough serious justifications for the stereotype proposed for assessment. Nearly two-thirds (39.9%) have stated that the shadow economy is really necessary in modern societies because it compensates for the gaps in legislation and neutralizes its cumbersome procedure and the obstacles it raises. About half the respondents (46.1%) expressed partial agreement, which may be considered to indicate that the stereotype in question provokes arguments for and against it. Curiously, however, only 14.0% of the respondents have expressed strong disagreement with this statement. This definitely shows that the prevalent stereotypes in public opinion are in support of the functional expediency of the shadow economy - it is deemed necessary because it is provoked by the condition and complexity of the legal environment.

In checking the correlation between the respondents' socio-demographic characteristics and the nuances of their assessments, the following correlations were found:

- The impact of **gender** is relatively weak (Cramer  $V^2 = 0.125$ ; Chi-square  $X^2$  As. Significance = 0.000)<sup>3</sup>; still, men are more inclined (45.9%) than women (34.1%) to assess the shadow economy as a necessary fact in view of the inconvenient legislation;

- **Age** is more significant for the opinions on the stereotype being tested (Cramer  $V^2 = 0.254$ ; Chi-square  $X^2$  As. Significance = 0.000). An examination of the assessments points to surprising findings. Usually younger people are inclined to be tolerant of shady practices. Here we find different types of reactions: the older persons expressed a greater degree of strong support for the stereotype in question, thus showing they accepted to a greater degree that the shadow economy was an objective necessity in view of the confusing and slow-working legislation;

- As for **education**, its impact on the internalization of the stereotype in question can be calculated as near to the average (Cramer  $V^2 = 0.268$ ; Chi-square  $X^2$  As. Significance = 0.000). Here there is an inverse ratio: as the educational level increases, the share of persons who find that the cumbersome legislation justifies the existence of shady practices decreases;

- The survey established a medium degree of impact of **employment status** (Cramer  $V^2 = 0.426$ ; Chi-square  $X^2$  As. Significance = 0.000). Four categories of persons present large shares of strong agreement with the stereotype under question: 90.0% of the unemployed, 60.0% of civil servants, 55.6% of pensioners, and 50.0% of students;

- A medium in strength correlation is found to exist between the respondents' **size of income** and their assessment with regard to the stereotype in question (Cramer  $V^2 = 0.439$ ; Chi-square  $X^2$  As. Significance = 0.000). The largest shares of people expressing strong agreement with the stereotype are persons with an income between 501 and 600 BGN (78.0%), with income between 201 and 300 BGN (76.7%), with income between 401 and 500 BGN (67.3%), and without income (58.9%). Curiously, the persons with the highest income, (above 1,500 BGN) have mainly indicated the option "strongly disagree" (61.7%), thus expressing a negative attitude to rationalization of the existing shadow economy and its justification based on the ineffective legal environment.

## 2.2. The shadow economy is the fastest way to earn more money

Another key stereotype in public opinion concerns the capacity of shady economic practices to generate considerable financial resources, including capital, in a short period of time. When we formulated this statement, we were aware this would partially provoke the thinking of the respondents, but we wanted to test the moral resistance of people and whether they would take off their social masks when answering this question. The registered assessments were somewhat

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<sup>3</sup> Two basic coefficients have been used to establish dependencies between two variables: Cramer  $V^2$  and Chi-square  $X^2$ . They are interpreted as follows: Cramer  $V^2$  is significant for values between 0.000 (the lowest significance) and 1.000 (the highest significance); Chi-square  $X^2$  As. Significance has the highest significance at 0.000 and the lowest at 0.05; in the text, we comment mostly on the correlations with a significance of 0.000.

surprising: two thirds of the respondents (65.2%) fully agreed with this assertion, 29.9% had some doubts, but agreed somewhat, and only 4.9% disagreed that the shadow economy offers the quickest way of earning more money.

The existence of such a stereotype in public opinion is symptomatic. We must be aware that in order for a given stereotype to exist in public opinion, and to be widespread, it must lean on real facts. Since two thirds of the people believe this stereotype, they must have their reasons, based either on personal observations and impressions or on the experience of people they know. In other words, the widespread presence of this stereotype, according to which shady practices offer the quickest possibility for earning more money, must be considered a clear indication that, on the one hand, shady practices are a fact in Bulgarian economic reality and, on the other hand, that shady practices offer better possibilities for acquiring financial resources through activities based only on legitimate economic means. The question arises: how is obeying the law related to the individual's economic behaviour. **If people acquire empirical proof that violation of the norms leads to a more effective economic behaviour, this would mean that more and more individuals would adopt deviant forms of behaviour and would prefer to be prosperous economic deviants rather than poor and disappointed, but obedient, economic subjects.**

The study of the correlation between the basic socio-demographic characteristics of individuals and the internalization of the stereotype that “the shadow economy is the fastest way to earn more money” reveal the following interesting trends:

- The impact of **gender** seems rather weak (Cramer  $V^2 = 0.215$ ; Chi-square  $X^2$  As. Significance = 0.000), but only at first glance. There are serious differences in the assessments of the two genders. The most obvious difference is the respective shares of those who strongly agree with the tested stereotype - 74.2% of men and 56.5% of women. Judging by the results, men are more inclined than women to believe that the shadow economy offers possibilities for making more money;

- The stereotype in question is not equally internalized by the different **age** groups (Cramer  $V^2 = 0.186$ ; Chi-square  $X^2$  As. Significance = 0.000). The shares of strong agreement with the stereotype in question vary considerably, although always remaining high: they are highest among persons aged 56-65 (81.7%), among those aged 26 to 35 (72.7%), those up to the age of 25 (69.1%) and persons aged between 46 and 55 (66.7%);

- The impact of **employment status** is stronger (Cramer  $V^2 = 0.239$ ; Chi-square  $X^2$  As. Significance = 0.000). Unemployed persons (100%) express strong agreement with the stereotype that “the shadow economy is the fastest way to earn more money”. The shares of strong agreement are also high among the employed (65.9%), the self-employed (62.5%), students (61.5%), civil servants (60.0%), retired persons (57.7%);

- **Income level** has a relatively strong impact on the support for or rejection of this stereotype (Cramer  $V^2 = 0.401$ ; Chi-square  $X^2$  As. Significance = 0.000). The highest share of persons adopting this stereotype as a personal rule of conduct is among those with incomes ranging between 201 and 300 BGN

(100%), without income (80.0%), with an income of 501-600 BGN (79.7%), of 1,201-1,500 BGN (77.4%), of 301-400 (70.5%), and of 701-800 BGN (60.9%).

**The registered assessments deserve close attention.** It is nowise accidental that two thirds of the respondents have internalized this rationalizing stereotype related to the shadow economy. This suggests that in real life people find reasons to justify tolerance and adoption of shady practices as a good economic option for earning money. All this raises very urgent questions, including questions as to the actual possibility for the official economy to maintain a stable policy for raising income. If the economy is not able to create favourable conditions for acquiring a good income, people would be driven to shady economic practices that, while holding risks, offer the possibility for quick earning.

### 2.3. Working without a contract is not a serious violation

In the survey, we included a widespread stereotype in public opinion that concerns a basic violation of labour legislation: working without contract relations. The stereotype was formulated as an “innocent form” of violation; nevertheless, the respondents’ self-censorship was strongly activated, as made evident by the answers. Only 6.0% of the respondents express strong agreement with this stereotype, thereby admitting that they deem working without a contract to be a quite normal phenomenon. More important, in our opinion, are those 39.8% of respondents who have expressed partial agreement with this stereotype. This is an in-between stance that ensures moral comfort: these people do not directly state they accept this practice, but neither do they reject it entirely. Those who categorically oppose the practice of undeclared work are 54.2%, which is also an indicative figure. The percentage is not 70 or more but a little over 50%. This once again suggests that working without a contract is not perceived with the strictness it merits and is not categorically rejected. Obviously half the respondents, under certain circumstances, might be tempted to work without a contract.

The analysis of the correlation between the socio-demographic characteristics of the respondents and their assessments indicates the following:

- **Age** is an influential factor that comes close to the average (Cramer  $V^2 = 0.265$ ; Chi-square  $X^2$  As. Significance = 0.000). A view of the assessments according to the age of the respondents shows one expected tendency and one surprising one. The highest share of strong acceptance of the stereotype is present in three age groups: 9.1% of the persons aged 26-35 years, 5.8% of the persons aged up to 25 and 5.4% of the persons aged 35-46. What is surprising is the assessment of persons aged over 66: 10.7% of them declare that working without a contract is not a serious violation. This is the highest share among all age groups. The assessments confirm our observations by other indicators of this survey: persons of the oldest age group (over 66) are inclined to support a more socially “uninhibited” behaviour: they clearly have a stronger tolerance for certain shady practices; respectively, they are more inclined to participate in such shady practices than are persons aged 35-65. This inclination among the elderly age group may most probably be explained by the fact that they are outside the labour market and have an ensured monthly income in the form of a pension,

the amount of which in most cases does not satisfy them, creating in them a negative attitude to the idea of entering into official work relations;

- The overview of the assessments according to the characteristic of **education status** (Cramer  $V^2 = 0.335$ ; Chi-square  $X^2$  As. Significance = 0.000) indicates that this stereotype is present mostly among persons with basic education (16.7%) and persons with secondary education (12.1%). In the two other education level groups, the shares of this attitude are respectively 4.3% among persons with secondary vocational education and 0% among persons with a higher or college education. 79.2% of the persons with a higher or college education strongly reject the idea of work without a contract, which makes them the education group with the most negative attitude to this type of violation of labour relations;

- The analysis regarding the characteristic of **employment status** sheds further light on our observations concerning the stereotype of work without contract. The correlation is of medium strength (Cramer  $V^2 = 0.329$ ; Chi-square  $X^2$  As. Significance = 0.000). Analysis shows that the highest tolerance is registered among three groups of people: the unemployed (20.0%), pensioners (14.1%) and, in last place, the employed (4.9%). It should also be pointed out that those most strongly opposed to the idea of work without contract are the employers (87.0%), followed by the self-employed (75.0%) and pensioners (71.8%);

- There is a weak influence of **income level** on the acceptance or rejection of the stereotype that work without contract is admissible/legitimate; but the figure comes close to the medium (Cramer  $V^2 = 0.277$ ; Chi-square  $X^2$  As. Significance = 0.000). Strong agreement with the tested stereotype is registered in two income ranges: among people with low income (10.0% of persons with income 401-500 BGN, 10.5% of persons with income 301-400 BGN, 13.7% of persons with income 201-300 BGN and 8.4% of persons without income) and among persons with income 801-900 BGN (17.7%) and 901-1000 BGN (10.1%). This again confirms our observations with regard to other indicators in this survey; namely, that persons with income acquired from social welfare payments (unemployed) and persons receiving net monthly income between 300 and 500 BGN are more vulnerable to shady practices.

#### **2.4. Both the employer and the employee would benefit by coming to an understanding and not paying taxes**

Interesting responses were provoked among respondents with regard to the rationalizing stereotype that both employer and employed would profit by not paying the whole amount of due taxes. For the worker, payment for income tax is “completely lost money”, as it obviously decreases the net sum he/she earns. For the employers, there is no particular benefit to employ a worker for whom they do not pay income tax; but this would practically mean hiring a person without work contract, which means the employer would not make insurance payments for this worker out of his own resources. The interviewers claimed that the respondents met this question with a certain anxiety; yet notably, as many as 45.1% of the responses indicated partial acceptance of this stereotype. Only 48.9% categorically rejected the tested idea. Categorical support was given by only 6.0% of respondents.

The further analysis of the assessments by the socio-demographic characteristics of the surveyed persons shows the following statistically important correlations:

- **Age** has an influence close to the medium (Cramer  $V^2 = 0.277$ ; Chi-square  $X^2$  As. Significance = 0.000), but there is no linear correlation for this factor. Instead, several age groups appear that contain more distinct shares of strong internalization of the tested stereotype: 12.2% of persons aged up to 25, 10.1% of persons aged 26-35, 14.6% of persons aged 56-65, 1.7% of persons above the age of 66 and 2.5% of persons aged 46-55;

- Regarding **educational status**, the influence of the attitude of “tacit consensus” is rather weak (Cramer  $V^2 = 0.221$ ; Chi-square  $X^2$  As. Significance = 0.000). Here again, the evident tendency is that, as the educational level increases, the share of strong support/agreement with the tested stereotype decreases;

- There is a strong correlation between **employment status** and the assessments of respondents (Cramer  $V^2 = 0.446$ ; Chi-square  $X^2$  As. Significance = 0.000). 40.0% of the unemployed show strong support for the tested stereotype. The shares are lower in two other status groups: 10.0% of civil servants and 2.4% of hired workers. The other status groups have not yielded shares of strong agreement, but have high shares of partial agreement: 66.7% of the housewives, 58.5% of the hired workers, and 50.0% of self-employed persons;

- Regarding the **income level** of the respondents, the survey found a dependency of medium strength (Cramer  $V^2 = 0.392$ ; Chi-square  $X^2$  As. Significance = 0.000). Strong support for the statement regarding a “tacit consensus” between employers and employed is registered among 11.2% of persons with income 901-1,200 BGN, 6.6% of persons with income 701-800 BGN, 5.3% of persons without income. Surprisingly, among the persons with income 201-300 BGN, 43.8% have indicated that it would be mutually profitable for employer and employed to come to an agreement and “save on” the payment of taxes. Evidently, this assessment reflects the existing relations and practices in which persons (mostly unemployed) are hired to work without a contract; this is profitable both to the hired worker and to the employer.

### **2.5. The important thing is not whether you have a contract but the amount of money you are paid at the end of the month**

While the testing of the stereotype regarding work without a contract meets with moderate responses, the stereotype according to which “The important thing is not whether you have a contract but the amount of money you are paid at the end of the month” reveals the hidden real motives for work in the shadow economy. 22.9% of the respondents strongly agree with this statement, while 45.9% agree somewhat. Only 31.2% indicate categorical rejection of this statement. We find that only one third of society is entirely against shady practices in employment relations.

It is not to be underestimated that one fifth of the respondents frankly admit they are not interested in the formal side of the matter as to whether there is or is not a formal work contract. The important thing for them is the amount of income received from work. If work in the official, normally regulated economy

does not yield the expected income, this leads to the fall of moral inhibitions and the preference for ways of gaining income that lie outside the sphere of the legitimate. The tested stereotype was presented in conversational form, and its cognitive strength was tested in a pilot survey before being included in the questionnaire. It was found to be easily recognizable by people and opened a torrent of concealed emotions; no researcher had dared to ask something so obvious yet that is considered to lie at the edge of the lawful.

The search for statistically significant dependencies between socio-demographic characteristics of individuals and their inclination to internalize the stereotype of partial invoicing of the actual turnover of companies shows the following correlations:

- **Gender** plays a relatively weak role (Cramer  $V^2 = 0.212$ ; Chi-square  $X^2$  As. Significance = 0.000), but if we look carefully at the concrete assessments, we will find significant differences between the two sexes. Strong support for the tested stereotype is registered among 31.9% of the men and 14.2% of the women, i.e., **men are at least twice as inclined to support the tested statement**;

- The influence of **age** falls within the limits of medium-in-strength dependencies (Cramer  $V^2 = 0.314$ ; Chi-square  $X^2$  As. Significance = 0.000). The examination of the assessments shows very large differences between the younger and the older generations: while 61.9% of the young people aged up to 25 indicate that the important thing is not so much to have a work contract as the amount of money you gain by the end of the month, in the other age groups this stereotype is supported by 38.4% of those aged 26-35, 14.7% of those aged 36-45, 18.1% of those aged 46-55, 15.2% of those aged 56-65 and 5.6% of those aged above 66. The younger generations are evidently not interested very strongly in the formal side of employment relations; their net monthly income is what mainly interests them. This particularity in the thinking of the young generations should be had in mind and measures should be taken to educate in them attitudes of respect for the laws and formal employment relations; otherwise, in the near future we might find ourselves in a society where the social norms of obeying the laws reach zero and are replaced by the wide prevalence of non-legitimate employment relations;

- **Educational status** is another characteristic with medium force (Cramer  $V^2 = 0.313$ ; Chi-square  $X^2$  As. Significance = 0.000). The stereotype in question is fully internalized by 66.7% of the persons with secondary vocational education and only 5.0% of the persons with higher/college education.

## **2.6. One cannot earn much money by being honest and industrious**

Not least in importance for the study is the tested influence of the stereotype that “one cannot earn much money by being honest and industrious”. Again, being asked in conversational form, this question meets with wide agreement. 37.0% of the respondents strongly agree with this statement, while 37.1% agree somewhat. What is impressive in this case is that only 25.9% completely reject this stereotype. These assessments are a reflection of the stereotype accumulated by generations of Bulgarians who have doubted the usefulness of being honest and hardworking. The existence of a strong tendency to believe in the low social

and economic effectiveness of honesty and hard work is an alarming signal. It explains the high tolerance for the shadow economy and the unwillingness to censure the violation of the laws.

The socio-demographic influences on the tested stereotype appear as follows:

- The impact of **gender** should be assessed as weak (Cramer  $V^2 = 0.204$ ; Chi-square  $X^2$  As. Significance = 0.000). But if we look closely at the assessments of the two sexes, we will find significant differences: the tested stereotype is fully internalized by 46.1% of the men and 28.1% of the women. Thus, **twice as many men share this view and probably base their economic behaviour on it**;

- **Age** proves to have a comparatively small influence (Cramer  $V^2 = 0.211$ ; Chi-square  $X^2$  As. Significance = 0.000). Overall, there is a tendency to decreasing shares of full support for the stereotype with the increase of age;

- The influence of **educational status** upon the assessments should be defined as weak, but tending towards medium (Cramer  $V^2 = 0.250$ ; Chi-square  $X^2$  As. Significance = 0.000). With the increase of the education level, the shares of persons who have fully internalized this stereotype - that one cannot earn much money by being honest and industrious - tend to decrease. These shares are 66.7% among persons with basic education, 45.3% among persons with secondary general education, 43.5% among persons with secondary vocational education and 21.1% among persons with a higher/college education. **Education obviously plays a role in the acceptance or rejection of this stereotype.** The survey shows that the longer a person remains within the education system and becomes socialized in various kinds of knowledge on society and social ties, the greater the awareness of his/her social economic behaviour and the less vulnerable he/she is to shady economic practices, including the stereotypes that deny the effectiveness of honesty and industrious behaviour;

- The correlation of the assessments with **employment status** is exceptionally strong (Cramer  $V^2 = 0.448$ ; Chi-square  $X^2$  As. Significance = 0.000). The analysis indicates that this stereotype is most strongly assimilated by the unemployed (80.0%!!!), but also by civil servants (likewise 80.0%), pensioners (35.2%), the employed (31.7%), the self-employed (25.0%) and students (20.4%). Partial agreement is indicated mostly by housewives (100%), the employed (48.8%), students (59.2%), high school students (50.0%);

- **Income level** is a characteristic that exercises an influence of medium strength (Cramer  $V^2 = 0.425$ ; Chi-square  $X^2$  As. Significance = 0.000). We find no linear correlation in any direction, but the data are very intriguing. Strong agreement with the statement that one cannot earn much money by honesty and work is expressed by 100% of persons with income up to 200 BGN, 52.6% of persons without income, 46.6% of persons with an income of 201-300 BGN, 33.3% of persons with an income of 301-400 BGN, 41.8% of persons with an income of 401-500 BGN, 25.4% of persons with an income of 501-600 BGN, 43.7% of persons with an income of 601-700 BGN, 66.9% of persons with an income of 701-800 BGN, 50.0% of persons with an income of 801-900 BGN. Above an income of 900 BGN, the shares fall to about 10% and reach 0% among persons with an income above 1,500 BGN; the latter hold positions between partial agreement (59.6%) and strong rejection (40.4%).

## Conclusion

The conducted nationally representative survey definitely confirmed that the rationalizing stereotypes regarding the shadow economy hold a permanent and important place in public opinion. Through them, individuals find sufficiently “reasonable” arguments to explain shady practices and to justify their existence in the modern market economies.

The analysis presented above confirms the findings of previous observations on shady economic practices, namely, that individuals of a middle economically active age strive to follow a socially acceptable behaviour and comparatively rarely share the inclination towards shady economic practices, while the youngest and eldest persons are much more uninhibited and demonstrate a higher inclination to deviant behaviour and shady practices. The causes of this vary among the youngest and eldest generations; more importantly, both age categories perceive shady practices as socially legitimate and speak about them frankly without fearing the sanction of social norms. All this evidently indicates a weakened force of moral rules and of “written laws”.

The conclusion imposes itself that **in a society with continuous and growing anomie, the social norms drastically lose their sanctioning force and give way to new stereotypes, some of which legitimate behaviour modes that were previously considered deviant. Social conformism, viewed as obeying social norms and placing the interest of society above personal interests, give way to various models of deviant economic behaviour. Some of these models consist in withdrawal (isolation and capsulation, building a universe of one's own); others refer to an open revolt and disregard for the rules. The common feature of these two is that deviant behaviour models pave the way to the breakdown of social solidarity, the substitution of alienation for social cohesion, disregard for the interests of others and persistent fixation on personal interests as most important for the individual.**

The survey presented above is yet another useful “provocation” for science, as it establishes contradictory and debated correlations in modern Bulgarian society. The study confirms the conclusion of other leading Bulgarian researchers (Chavdarova 2018) indicating the complex and contradictory character of the informal economy and its objective “inevitability” in modern economies as well as its heterogeneity and tendency towards mimicry depending on the objective economic environment.

Together with this, the survey opens a view to the complex construction of social-economic relations and their projection in public opinion. Regardless of the multiple nuances in the intellectual and evaluating models of Bulgarians today, the following is obvious: public opinion regarding the shadow economy is full of complex, heterogeneous and changing structures of evaluation. Significant among these are the rationalizing stereotypes used by individuals as explanatory matrices that justify and excuse participation in shady economic practices. The more widespread the rationalizing stereotypes related to the shadow economy, the higher the tolerance of society for its daily manifestations, and the more frequent the elements of deviance in the behaviour of individuals.

That is why, if Bulgarian society wants to minimize shady practices in the economy, it should undertake action and measures for an intelligent change in the way of thinking of people and their attitude to violation of the norms of economic activity. This is certainly a complicated activity that requires long efforts. But **if these processes are not initiated, society will continue to sink into anomie and will turn into a bunch of alienated, isolated individuals who disregard the ideals of society.**

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