

**HIDDEN ECONOMY INDEXES
IN BULGARIA 2002-2015:
RESULTS AND METHODOLOGICAL NOTES**

This publication presents the results and the methodological notes from 15 years of experience of CSD with developing and applying survey-based hidden economy indexes in Bulgaria. It is intended to provide policy-makers and practitioners, as well as fellow civil society organisations, think-tanks, and researchers with background and guidance on CSD's experience in monitoring the hidden economy in Bulgaria.



BULGARIAN-SWISS COOPERATION PROGRAMME
БЪЛГАРО-ШВЕЙЦАРСКА ПРОГРАМА ЗА СЪТРУДНИЧЕСТВО

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Center for the Study of Democracy
5 Alexander Zhendov Str.
1113 Sofia
tel.: (+359 2) 971 3000
fax: (+359 2) 971 2233
csd@online.bg
www.csd.bg

Contents

1. Introduction	3
2. Hidden Economy Indexes in Bulgaria: Population and Business (2002 – 2015).....	5
3. Dynamics of the Hidden Economy 2002-2016.....	11
4. Methodology of Index Calculation.....	12
Hidden Employment Index – Population	12
Hidden Turnover Index – Population	14
Index Companies in the Hidden Sector – Business	17
Assessment of the Size of the Hidden Economy - Business.....	17

1. Introduction

The definition of hidden economy is typically based on **two interrelated criteria**:

- To what extent is a certain economic activity legal and/or performed by legally-operating economic entities; and
- To what extent is a certain economic activity and its outcomes reported and registered by the official statistics and information systems of state institutions.

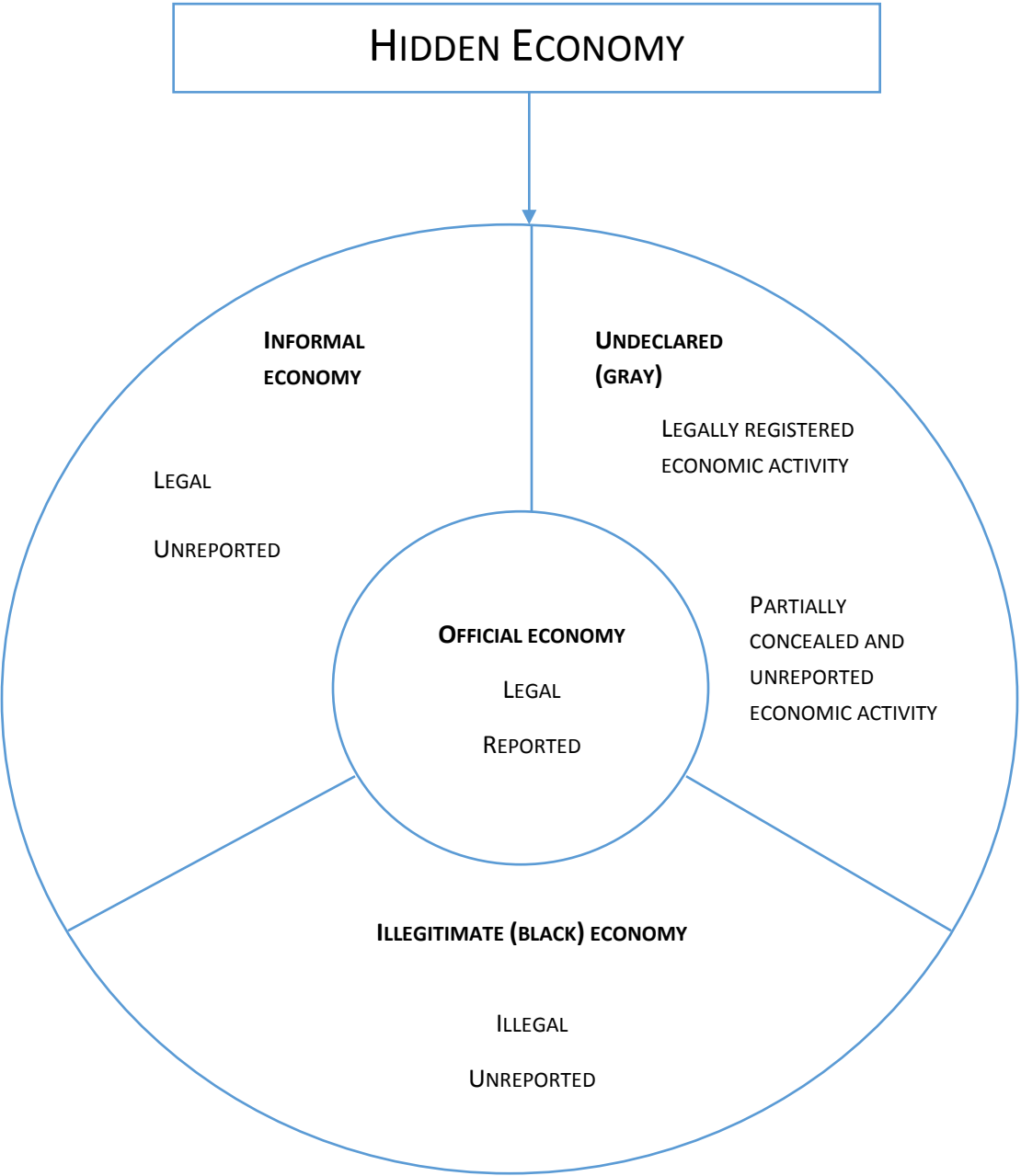
The first criterion gives ground to the terms **illegal, illegitimate, black, and underground economy**. In this case, the term hidden economy designates production of commodities and activities that are not legally permitted and/or are performed by illegal economic entities. Examples include activities like drug dealing and smuggling, trafficking of people, stolen goods trade, and other types of criminal economic activities. The second criterion gives ground to the terms **undeclared, unregistered, unreported, and informal economy**. In this context, hidden economy includes economic activities and their outcomes, which are legal by nature, but are not registered or recorded partially or entirely by the respective authorities (e.g., statistical offices, tax and duty administrations, local administration, etc.). Examples include unregistered employment, unpaid work, hidden income and turnover of otherwise legitimately operating businesses, tax evasion, avoidance of social and healthcare security payments, domestic production for own consumption, volunteer work, etc.

Based on the above criteria, **four economic sectors** can be distinguished:

- **Official** economy (legal and reported);
- **Informal** economy (legal, yet unreported). It includes home-made produce and domestic labor, unpaid voluntary work, some of the activities of the self-employed and small businesses with no obligation to declare their activities, etc.;
- **Illegal (black)** economy (illegal and unreported). It includes illegal activities or unlawful production of commodities, as well as economic activities carried out by illegal economic entities;
- **Undeclared (gray)** economy (legal, yet unreported). It includes underreporting the activities of legally-operating businesses, not registering the entire staff, as well as underreporting income. This concept also covers tax evasion and the avoidance of social and healthcare security payments.

The term hidden economy covers the latter three phenomena, namely, informal, illegal (black), and undeclared (gray) economy, all three of which are not reported to the authorities.

Figure 1. Spheres of the Hidden Economy



Source: Center for the Study of Democracy, 2002.

Various methods of observing the hidden economy and its key aspects are used serving different research purposes. Following is a short overview of the most widespread methods measuring and assessing undeclared employment and unregistered (undeclared) work.¹

Direct Approaches

Direct approaches are mainly carried out on micro level and based on data on separate economic entities involved in hidden economic activities one way or another. Most commonly used direct methods are:

- Representative studies of hidden economic activity;
- Studies of time budgeting;
- Tax audits.

As a rule, direct methods underestimate the share of the hidden economy, as they do not capture all its aspects and dimensions. But they produce higher estimates compared to the exhaustiveness calculations in the SNA provided by the official statistics. Furthermore, survey studies are too expensive to ensure a textbook representativeness of the data as budget constraints force them to use smaller samples. The gathered quantitative assessments of the occurrence of hidden economy depend on respondents' willingness to cooperate and provide accurate information on hidden economic activities.

Indirect/Macroeconomic Approaches

Indirect methods are mainly based on macroeconomic indicators related to hidden economy. These methods utilize official data on the level and dynamics of various in-kind and in-cash economic indicators. Using selected theoretically and/or empirically justified assumptions on the correlations between these economic indicators and the hidden economy, aids an assessment of the hidden economy's scale, structure, and dynamics. Among the most frequently used indirect methods are the assessment of the hidden economy through monitoring electricity consumption; monetary approaches measuring hidden economy's relationship with money transactions; GDP statistics, etc.

2. Hidden Economy Indexes in Bulgaria: Population and Business (2002 – 2015)

Hidden economy surveys in Bulgaria have been carried out by the Center for the Study of Democracy and the market and social research agency Vitosha Research since 2002. Based on data from these surveys, **a system of synthetic measurements in the form of composite indices for assessment of the hidden economy** was developed. The reason for choosing these particular indicators was to reduce the multiple aspects of the hidden economy phenomenon to a manageable number of illustrative and easy to interpret the indices.

¹ For a more comprehensive review of the methods described here see The Hidden Economy in Bulgaria, Center for the Study of Democracy, 2004.

The Business Hidden Economy Index consists of the following indices:

1. Size of the hidden economy – this index summarizes subjective perceptions of business representatives of the scope of the hidden economy in the country as a whole, and by sector. It includes two sub-indices:

- 1.1 Subjective assessment of the share of the hidden economy in the country as a whole;
- 1.2 Subjective assessment of the share of the hidden economy by sector.

2. Hidden labor relations – reflects the practice of employing workers without formal contracts, or under contracts which do not reflect actual remuneration. It has two sub-indices:

- 2.1. The share of employees without a contract in the respective sector;
- 2.2. The share of the employees under contracts with “hidden clauses” in the respective sector (envelope wages).

3. Hidden turnover – captures the extent to which different ways for hiding turnover are prevalent in the respective sector. The index includes the following sub-indices:

- 3.1. Reporting lower than the actual turnover;
- 3.2. Reporting lower than the actual profit;

Similar indicators and indices were also constructed on the basis of data from surveys of the Bulgarian population. For example, for the undeclared work/employment a sub-index “Undeclared Employment Relations” of the **Index of the Hidden Economic Activity of the Population** is used, gathering data on the share of employees without a registered labor contract or a contract with “hidden clauses” (envelope wages), as well as the level of unpaid social security and healthcare contributions. This index is comprised of several basic indicators:

- Share of workers without a registered labor contract (for primary or secondary employment);
- Share of workers under a contract with “hidden clauses” (for primary or secondary employment) (envelope wages);
- Share of workers with no social security;
- Share of workers with no healthcare security;
- Size of remuneration, on which social and healthcare contributions are paid.

The Hidden Economy Indexes in Bulgaria, calculated by the Center for the Study of Democracy, represent the longest available time series for the country obtained through reliable, transparent and consistent over time methodology. Two main types of indexes are calculated - **Index of the Hidden Economic Activity of the Population** and **Business Hidden Economy Index**.

The Index of the Hidden Economic Activity of the Population is based on a *representative sociological survey among the population*, in which a number of specific questions, similar to those in a *victimization* survey, establish whether the respondent has been part of various gray practices - both in his/her work, as well as when purchasing products and using services for which by law a fiscal document is needed. Such an approach has many advantages over alternative methods:

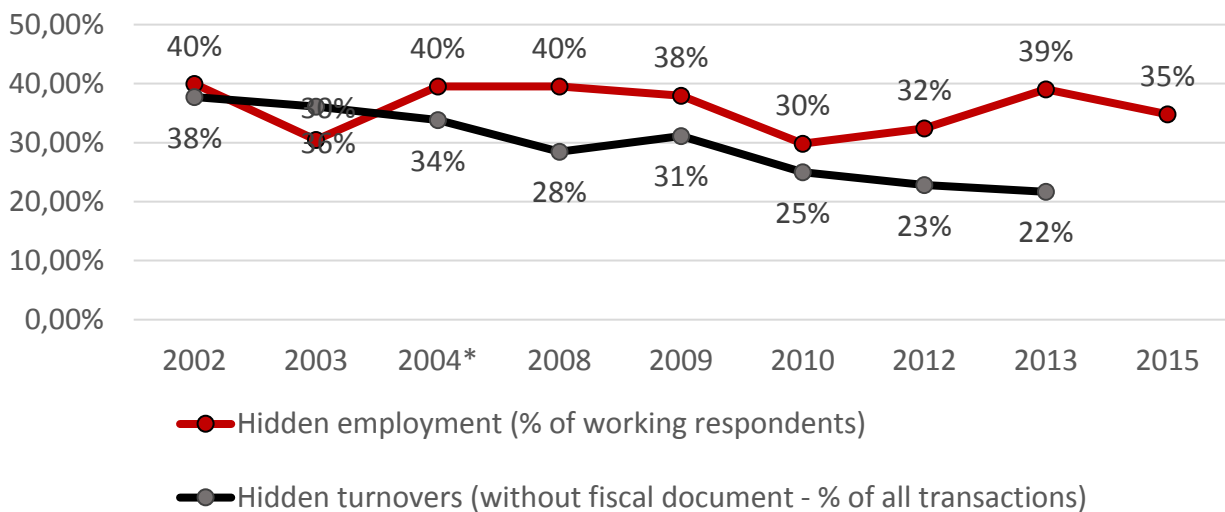
- Calculating and interpretation of the indexes is transparent and intuitive - it is clear how the final indicators are obtained, it is understandable what exactly they reflect and it is easy to

move from end composite indexes to primary data and questions, on the basis of which final assessments are made.

- There is no subjective element common to the use of weights (coefficients defining the relative contribution of individual components in the index) based solely on expert estimates.
- It is possible to calculate the stochastic error related to sample size and to calculate confidence intervals for the final indexes. Thus, it can be judged whether a change in the levels of the indexes is within the statistical error or whether it is statistically significant.

The two main indicators of hidden economic activity, which are calculated are:

Figure 2. Hidden Employment and Hidden Turnover – Population



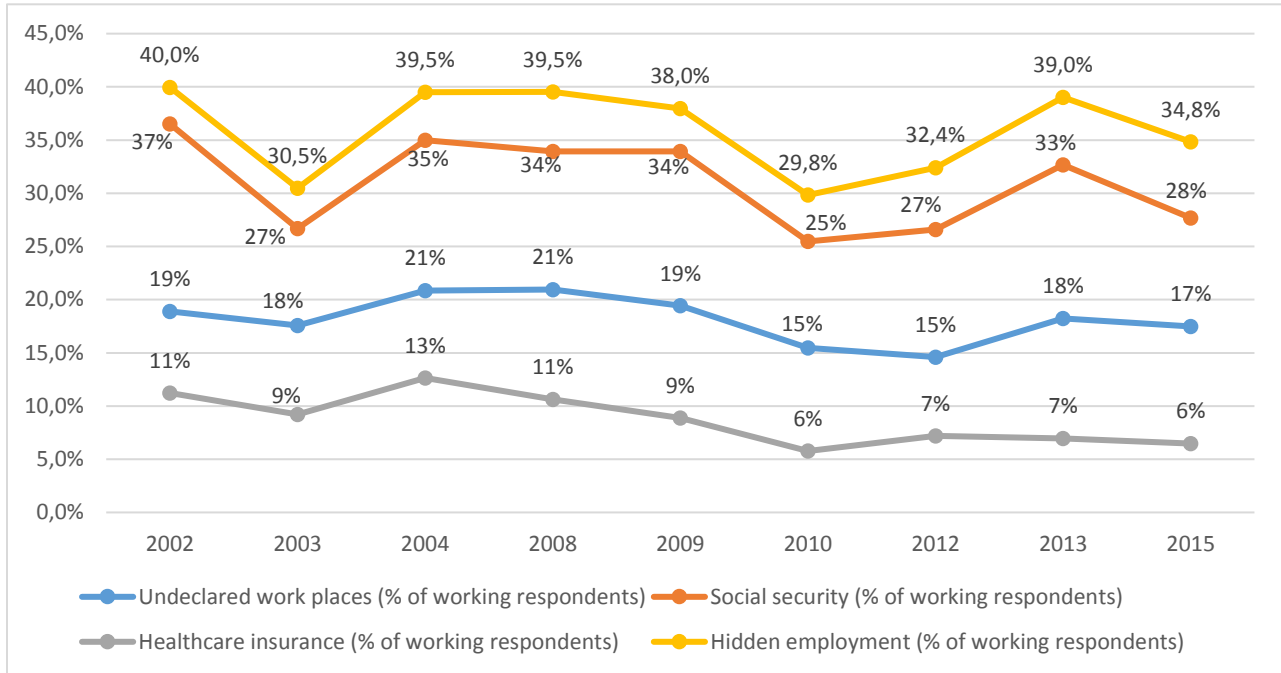
* Data for 2004 are the average of two surveys conducted in March 2004 and November 2004.

The Business Hidden Economy Index is obtained by representative survey among companies/enterprises. Unlike the population, companies cannot be asked directly whether and to what extent they are involved in the hidden economy (use gray practices). Thus questions in business are directed to the perception of the participants of the survey about the size of the hidden economy in the country as a whole and in their respective area. Respondents evaluate the frequency of specific gray practices among their direct competitors. The methodology assumes that in these evaluations the respondents take into account both their in-depth knowledge of the industry and their own practices.

As with most assessment methodologies based on perceptions of respondents, business indexes are characterized by a certain degree of subjectivity – e.g. respondents give much more negative assessments of the hidden economy as a whole in the country than for their own industry. In this sense, business indexes are rather supplementary and help for a better understanding of the processes, while the indexes calculated on the basis of the survey among the population give more quantitative and objective evaluation.

The *Hidden Employment Index* is formed from three main components, represented by the sub-indexes **Undeclared work places**, **Social security** and **Healthcare insurance**. To what extent these components affect the dynamics of the general index **Employment** can be seen from the figure below showing the movement of the main index and its components over the years.

Figure 3. Hidden Employment and Sub-Indexes – Population

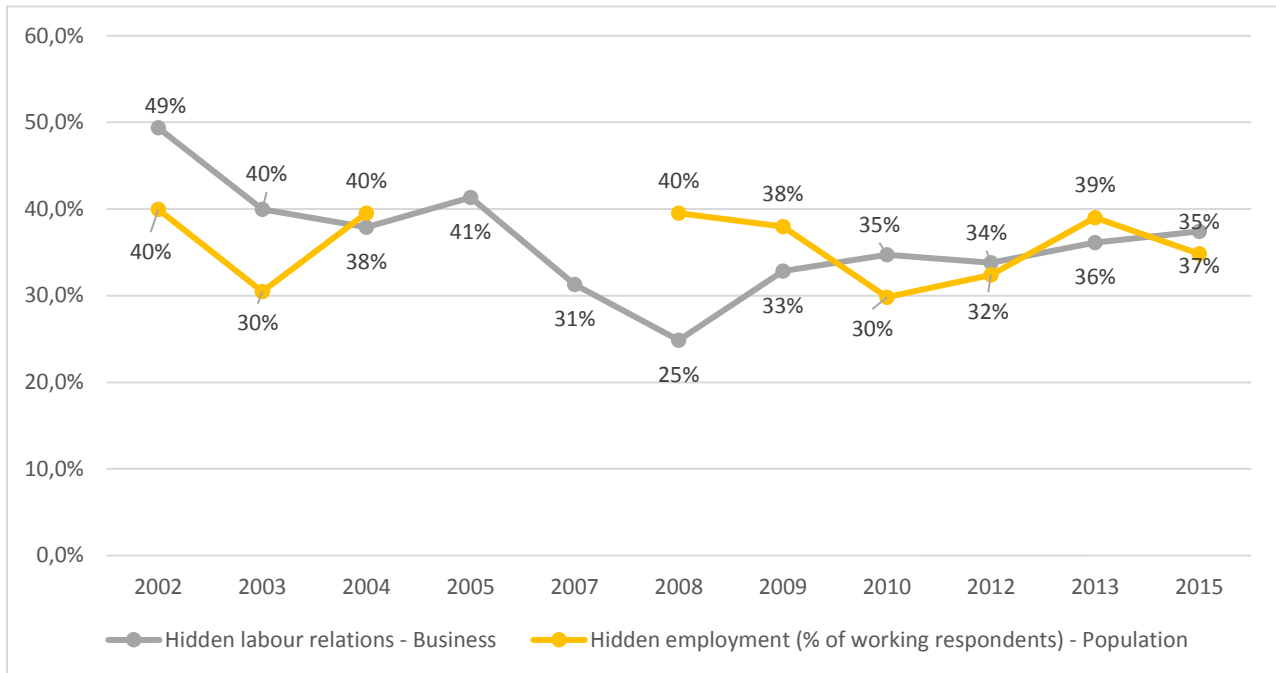


Cases where there is no contract at all are pretty rare, as well as cases where health care or social security are not paid at all. Most often hidden employment is due to the additional payment made in parallel with fictitious employment contract, for which the corresponding taxes and insurance are being paid, but the actual cost is higher. That is not always clear from the direct question about whether respondents receive cash by hand, although positive answers of this question are not few. Much more often this becomes clear from the amount, for which security contributions are paid. This understandably is related to unauthorized payment (which respondents may be reluctant to state directly, but admit under such a form).

On the figure below the assessments of the **Hidden employment**, based on the survey among the population, can be compared to **the Business Hidden Economy Index**, developed on the basis of assessments among the business.

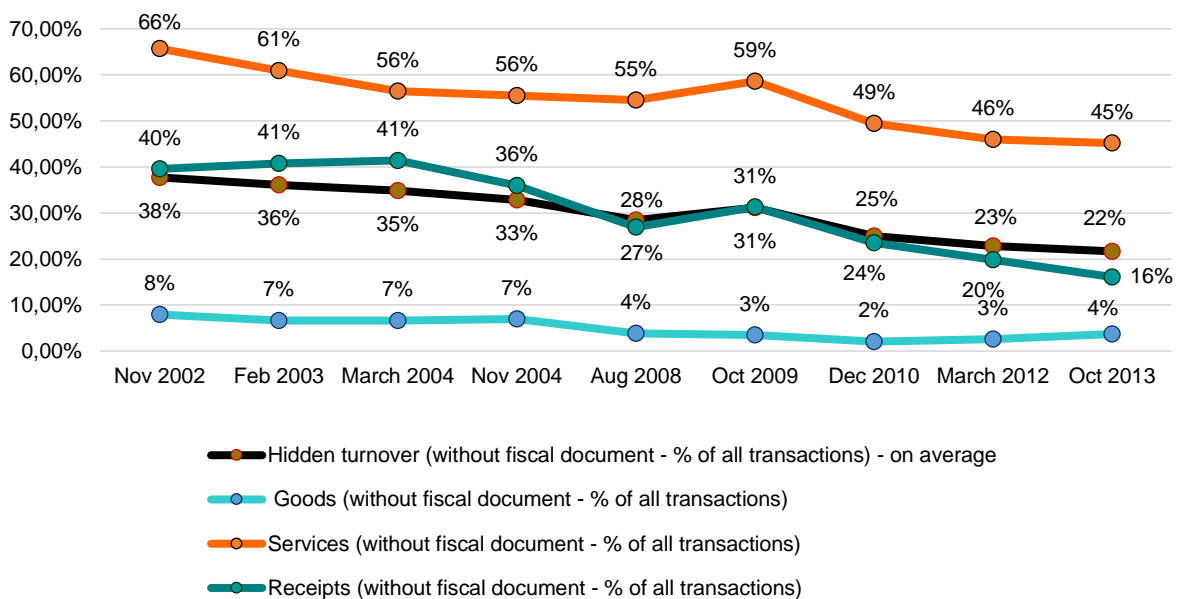
It can be seen that although with a similar magnitude, there are some differences between the evaluations of the population and the perceptions of business. This may be due to a shift in time - phenomena that are recorded earlier in business are observed later by the population. For example, in business there is a minimum in 2008, then peak, while the population minimum is in 2010 and then begun an increase of employment in the hidden sector.

Figure 4. Hidden Employment - Population and Business



The components of the Hidden turnover index can be observed on the figure below. It can be seen that the overall index Hidden turnover moves almost parallel with the sub-index Sales receipts, which in turn includes key goods for the consumer basket such as food, clothing, alcohol and cigarettes. Goods, which include larger, but also more rare items (washing machine, TV) are offset by the services in which the share of transactions without fiscal document are still nearly half of all transactions.

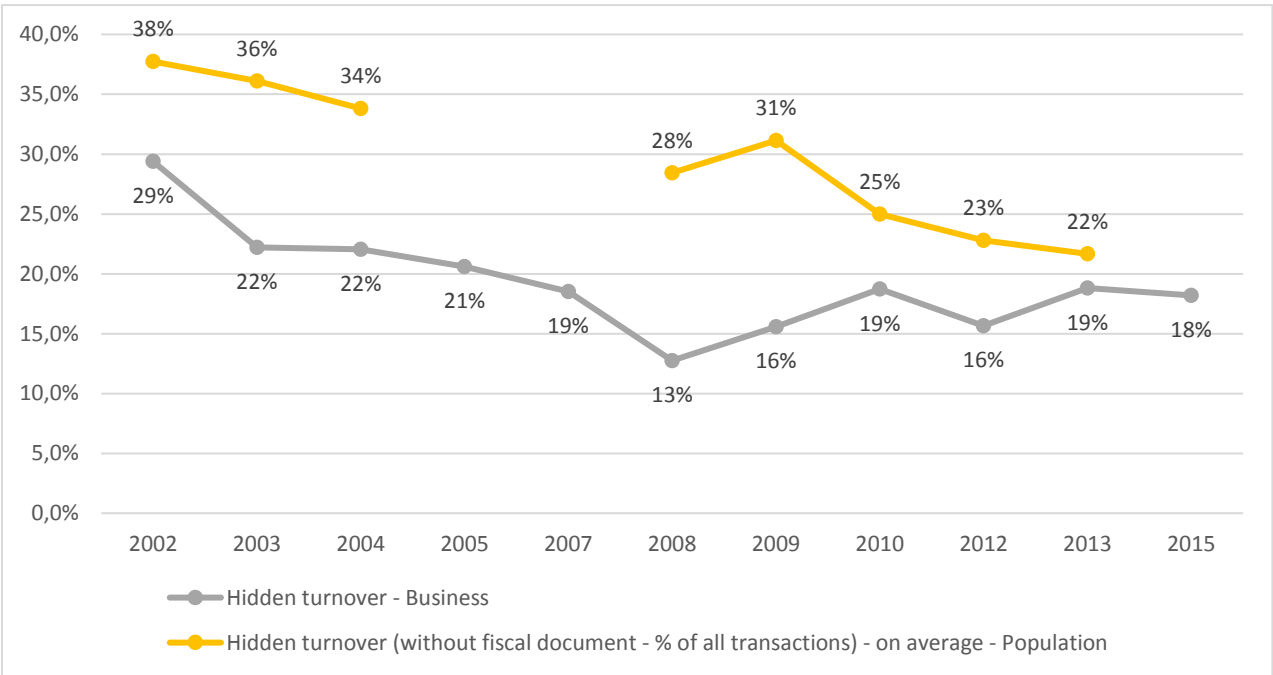
Figure 5. Hidden Turnover without Fiscal Document – Population



It should be noted that the decline in hidden turnover, which is observed among the population, is not apparent to the same extent in the business perceptions. It should be taken into account that the evaluations of business are about their own industry, which probably reduces the overall assessment and levels of the index. Thus it is essential to observe the relative change of business perceptions. Such a change can be seen only temporarily from 2007 onwards.

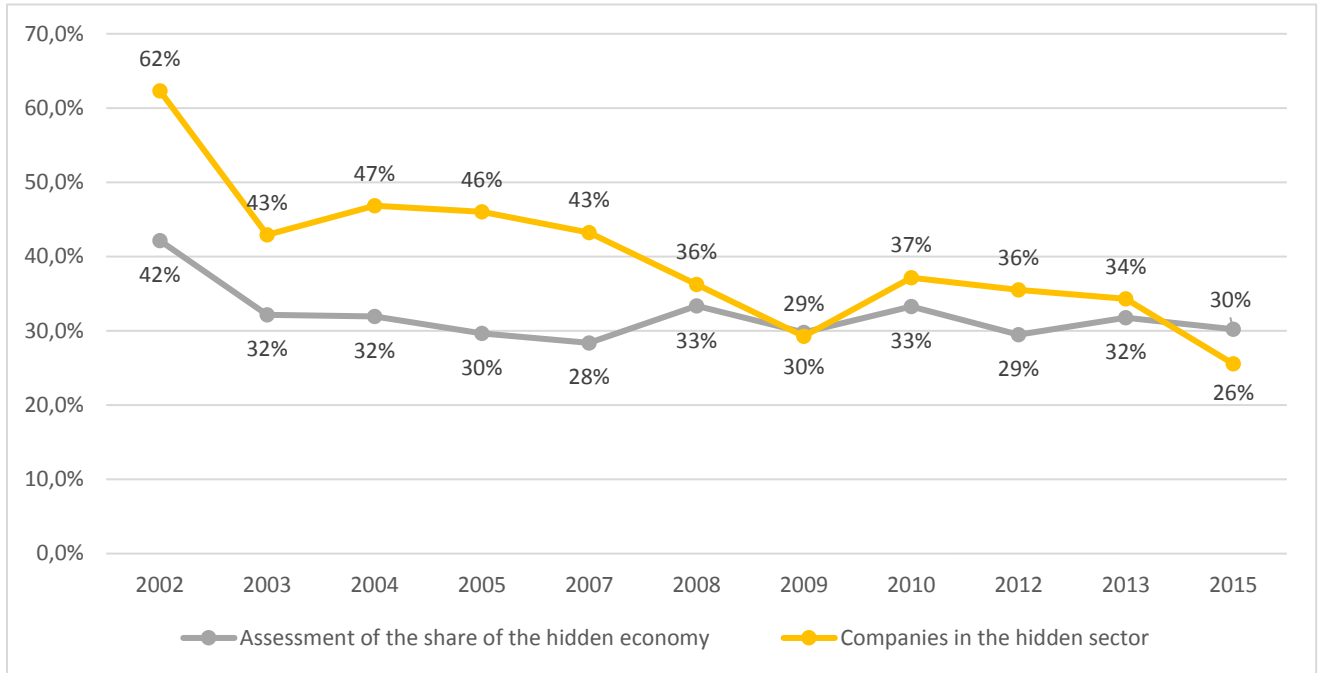
The above comparison illustrates how both types of surveys complement each other. The indexes estimated on the basis of survey among the population include objective information (albeit on a sample basis), as opposed to business, where evaluations are subjective and reflect the perceptions of interviewed representatives of the businesses. However, obtaining fiscal documents on the behalf of the population does not exhaust all hidden turnover scenarios.

Figure 6. Hidden Turnover – Population and Business



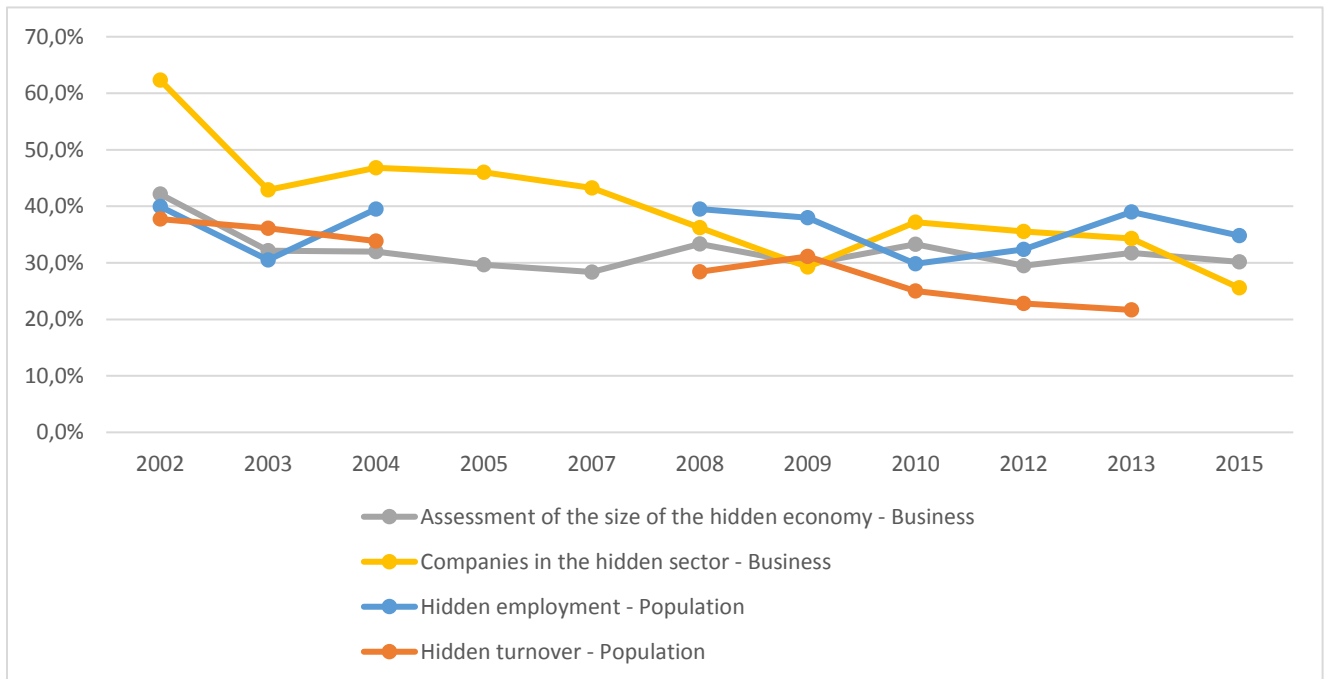
The Business Hidden Economic Activity Index reflects the overall vision of the business about the share of the hidden economy, while the index **Companies in the hidden sector - business** is obtained on the basis of detailed assessment of competitors in the industry of the respondent in terms of number of practices inherent to the hidden economy. On the figure below the two indexes are presented.

Figure 7. Assessment of the Share of the Hidden Economy - Business



3. Dynamics of the Hidden Economy 2002-2016

Figure 8. Dynamics of the Hidden Economy 2002-2016 – Business and Population



4. Methodology of Index Calculation

The hidden economic activity indexes are calculated on the basis of respondents' answers to the questions below. For convenience, each of the items has a unique code (e.g. Q1, Q3, etc.) and each of the responses also has a unique numeric or alphanumeric code (e.g. "1", "A", etc.).

Hidden Employment Index – Population

Initially question Q1 aims to establish whether the respondent performed any work (additional or main) against payment:

Q1.

In the last month, did you work / have you been engaged in:

(more than one answer is possible)

A. Main work occupation against payment

B. Additional paid work outside your main job

C. Activities related to your home farm (garden, fields, animals)

D. Perform any services (for friends, relatives, acquaintances or others) against payment (e.g. in construction, repairs of damaged equipment / furniture, shopping, cleaning, child care or elderly person care, etc.)

E. Unpaid activities (performance of services / support for friends, relatives, neighbors - shopping, cleaning, child care or elderly person care, etc., voluntary work for charities, foundations, etc.).

For all employees (main or additional work against payment) questions are asked related to the existence of an employment contract, whether real wage corresponds to the one in the contract, the existence of social security and healthcare insurance, based on the official payment recorded in the contract. Below are presented specific questions about **main work occupation**. The questions about additional paid work are the same - the codes of the relevant questions for **additional work** are given in brackets after the code of the questions about main work occupation.

Q3.(Q9)

Do you personally have a signed contract with the employer you mainly work for?

(only one answer, question is asked only if the answer to Q1 is A)

- 1 Yes
- 2 No
- 3 Self-employed, freelancer
- 4 Owner/ so-owner of a firm
- 9 Do not know/ no answer

Q5.(Q11)

In the last month, have you been paid remuneration, higher than the one claimed in the contract signed with your main employer (meaning an amount, not included in the contract, but is a verbal agreement with the employer)?

(only one answer, question is asked if the answer to Q1 is A and the respondent has a contract)

- 1 Yes
- 2 No
- 9 Do not know / no answer

Q7.(Q13)

Do you get social security contributions at your workplace?

(only one answer, question is asked if the answer to Q1 is A)

- 1 Yes, my employer pays social security contributions
- 2 Yes, I pay my social security contributions
- 3 Both sides - the employer and myself, pay social security contributions
- 4 I do not have social security contributions paid for me
- 9 Do not know / no answer

Q7A.(Q13A)

What sum is covered by your social security contributions at your main workplace?

(only one answered, question is asked if the answer to Q1 is A and the answer to Q7 is 1-3)

- 1 Minimal wage, even though the total sum of my remuneration is higher
- 2 Minimal wage, which is the actual remuneration I receive
- 3 The sum corresponding to my contract, even though the total sum of my remuneration is larger
- 4 The sum corresponding to my contract, which is the actual remuneration I receive
- 5 Other (please specify).....
- 8 Do not know / not sure
- 9 No answer

Q8.(Q14)

Do you get healthcare/ medical insurance at your main workplace?

(only one answer, question is asked if the answer to Q1 is A)

- 1 Yes, my employer pays healthcare insurance
- 2 Yes, I pay healthcare insurance
- 3 Both sides - the employer and myself, pay healthcare insurance
- 4 No, I do not pay healthcare / medical insurance
- 9 Do not know / no answer

The **Hidden employment** index represents the percentage of respondents (of all working respondents) who have indicated that they have participated in a gray practice on **at least one of the questions**². The assumption here is that if, for example social security is not paid on the real

² If Q3 = 2 or Q9 = 2 or Q5 = 1 or Q11 = 1 or Q7 = 4 or Q13 = 4 or Q7A = 1 or 3 or Q13A = 1 or 3 or Q8 = 4 or Q14 = 4

wages, that is usually associated also with giving cash by hand and the workplace is to a large extent (or completely) "gray".

It should be noted that the respondents, who have undertaken additional work are very few - their share over the years ranges between 2% and 5% of the sample, while employed with main work occupation are between 40% and 50%. Also cases where the main job is "white" but the additional workplace is "gray" are very rare - such cases increase the share of employed in the informal sector (the level of the indicator **Hidden employment**) by 2% on average.

The **Hidden employment** index can be divided into several sub-indexes - **Undeclared work places**, **Social security** and **Healthcare insurance**.

The sub-index **Undeclared work places** reflects the share of workers without employment contract or receiving higher remuneration than claimed in their employment contract.³

The sub-index **Social security** gives the percentage of workers who do not have social security contributions paid (either not paid at all, or not paid on the basis of their salary contract)⁴

The sub-index **Healthcare insurance** gives the percentage of workers who have no healthcare insurance (answer 4. I do not have healthcare / medical insurance paid to question Q8 and Q14).

Hidden Turnover Index – Population

The Hidden turnover index is based on how often respondents have received fiscal document for different types of purchases. Questions Q22 and Q23 are related to larger or more expensive goods/appliances, Q24 aims at goods for the consumer basket such as food, clothing and shoes, etc. Questions Q25 and Q26 are related to the use of services for which traditionally the issue of document is quite rare.

Q22. IN THE LAST 2 YEARS HAVE YOU BOUGHT ANY OF THE FOLLOWING ITEMS?

Q23. IF YES, HAVE YOU RECEIVED ANY TYPE OF DOCUMENT (INVOICE OR RECEIPT) FOR THE PURCHASE?

Proceed row by row. One answer to each row of question Q22.

If the answer to Q22 is "1 - Yes" ask question Q23. If the answer to Q22 is "2 - No", proceed to the next line. For question Q23: if the respondent has bought more than once in the last two years any of the goods pointed out, ask whether a document has been received in the most recent purchase of the product.

		Q22.		Q23.		
		Yes	No	Yes	No	Do not know/ Do not remember
A	Refrigerator / freezer	1	2	1	2	9

³ If Q3=2 or Q9=2 or Q5=1 or Q11=1

⁴ If Q7=4 or Q13=4 or Q7A=1 or 3 or Q13A=1 or 3

B	Washing machine	1	2	1	2	9
C	Vacuum cleaner	1	2	1	2	9
D	Dishwasher	1	2	1	2	9
E	Cell (mobile) phone	1	2	1	2	9
F	CD player	1	2	1	2	9
G	Stereo system	1	2	1	2	9
H	Car	1	2	1	2	9
I	Coloured TV	1	2	1	2	9
J	Furniture for your home	1	2	1	2	9
K	Personal computer	1	2	1	2	9

Q24. HOW OFTEN IN THE LAST THREE MONTHS HAVE YOU RECEIVED A RECEIPT FOR THE FOLLOWING GROUPS OF GOODS?

Един отговор на всеки ред.

		In all cases	In most cases	Around half of the cases	In some of the cases	Never	I do not buy those goods	DK/NA
A	Food products	1	2	3	4	5	6	9
B	Clothing and footwear	1	2	3	4	5	6	9
C	Alcohol and tobacco	1	2	3	4	5	6	9
D	Cosmetic and sanitary products	1	2	3	4	5	6	9
E	Books, textbooks	1	2	3	4	5	6	9

Q25. WHICH FROM THE FOLLOWING SERVICES HAVE YOU USED IN THE LAST MONTH?

Q26. HAVE YOU BEEN ISSUED ANY TYPE OF DOCUMENT (INVOICE OR RECEIPT) FOR THE SERVICE USED?

One answer for each row for question Q25.

If the answer to Q25 is "1 - Yes", ask question Q26. If the answer to Q25 is "2 - No", proceed to the next line. For question Q26: if the respondent has used more than once in the last month any of these services, ask whether a document has been received for the last used service.

		Q25.		Q26.		
		Yes	No	Yes	No	No answer
A	Repair / renovation of homes / buildings (carpentry, plumbing, painting, etc.)	1	2	1	2	9

B	Household maintenance (cleaning, hoeing the garden, mowing the lawn, etc.)	1	2	1	2	9
C	Restoration and repair of items (repair of car / bike or other vehicles, repair of electrical appliances, etc.)	1	2	1	2	9
D	Use of rental properties (apartments, rooms, shops, garages, etc.).	1	2	1	2	9
E	Services related to taking care of people (looking after children, elderly people etc.)	1	2	1	2	9
F	Services such as hairdressing, tailoring, shoemaking, manicure	1	2	1	2	9
G	Private lessons (dancing, foreign languages, sports, etc.)	1	2	1	2	9
H	Sale of goods (telemarketing, door sales)	1	2	1	2	9
I	Transport services (transportation, delivery when moving out)	1	2	1	2	9
J	Services related to weddings, receptions, parties (musicians, orchestra, DJ, singers, photographers, waiters, etc.)	1	2	1	2	9
K	Services related to the preparation and serving of food	1	2	1	2	9
L	Production of factory / industrial goods (engravings, wood carvings, welding products, etc.)	1	2	1	2	9
M	Professional services (psychologists, psychoanalysts, doctors, accountants, architects, mathematicians, etc.)	1	2	1	2	9
N	Services related to the access of electricity and heating (insertion and replacement of measuring instruments, network connection, etc.).	1	2	1	2	9

Each of the three tabular questions is used in one of three sub-indexes, which constitute the main index **Hidden turnover**. These are sub-index Goods, obtained as a proportion of all transactions, without fiscal document (i.e. all answers "No" to question Q23 are collected and are divided to all answers "Yes" to Q22), sub-Index Services where again the share of all transactions, carried out without fiscal document, is calculated in a manner similar to the one with Goods as well as Receipts sub-indexes. In index Receipts 5-grade Likert scale from question Q24 is transformed into percentages such that response "In all cases" is equivalent to 100 percent, "In most cases," 75% "In about half of the cases" to 50% "In some cases," 25% and "Never" to 0%. For each type of product is calculated the average share of all respondents who have given a response (from 1 to 5). The overall index Receipts is obtained as an average of the 5 types of goods in question Q24.⁵

The final index **Hidden turnover** is obtained as the average of sub-indexes **Receipts, Goods and Services**. An alternative approach for the calculation of the index Hidden turnover can be made as

⁵ An alternative approach for calculating the sub-index Receipts is, instead of calculating arithmetic mean, to take a weighted average, such that weighting coefficients for the 5 types of goods to be taken from an objective source of consumption, such as consumer basket, calculated by the NSI ,etc.

different types of goods/services are included in the total index by weighted average – i.e. any type of goods/services is included in the average by a factor that reflects the extent to which the type of product/service is present in the consumer basket. Such an approach is possible in the presence of objective statistical source and sufficiently detailed breakdown of the consumer basket in which the exact types of goods/services included in the survey questionnaire are presented.⁶

Index Companies in the Hidden Sector – Business

C11. ACCORDING TO YOU, HOW OFTEN IN ENTERPRISES/FIRMS, WHICH ARE YOUR DIRECT COMPETITORS, CAN BE OBSERVED THE FOLLOWING ACTIVITIES:

One answer to each line.

		Always	Most ly	Some times	Never	DK /N A
A.	Hiring a worker without a contract	1	2	3	4	9
B.	Hiring a worker under contract with hidden clauses (social security contributions paid on lower than the real wage, paying remuneration without documents, etc.)	1	2	3	4	9
C.	Reporting less profit than the actual	1	2	3	4	9
D.	Evasion of customs duties, taxes, etc.	1	2	3	4	9
E.	Not issuing invoices / receipts	1	2	3	4	9
F.	Reporting smaller turnover than the actual	1	2	3	4	9
G.	Carrying out illegal import or export	1	2	3	4	9
H.	VAT drain	1	2	3	4	9

The Index **Companies in the hidden sector - business** is calculated on the basis of question C11, as a share of respondents who have indicated at least one answer "always" or "mostly" irrespective of the order it was specified.

Assessment of the Size of the Hidden Economy - Business

Questions C12A and C12B form the **index of the Size of the hidden economy among businesses**. The index is formed as the average of the share indicated for the industry / sector of the respondent and the share indicated for Bulgaria as a whole⁷. The assessment of the hidden economy in the country is always higher than the assessment which respondents give for their own industry. This

⁶ In estimating the value of the relative weight of different goods/services based on statistical information about the consumer basket, available in the NSI, the resulting alternative of Hidden turnover was very close to the current version and the dynamics of the index between different waves of the survey was the same as in simple arithmetic average.

⁷ Initially the average is taken of the two values of the respondent, then the resulting values are averaged for all respondents. If a respondent has not given an answer to both questions, it is excluded from the accounts.

implies a different criterion in the evaluation - liberal when assessing the country in general, conservative when assessing the specific industry in which the respondent operates. For these reasons, taking the average of these two evaluations can provide optimal assessment of the hidden economy as a whole.

C12A. ACCORDING TO YOU, AS A WHOLE, WHAT IS THE SHARE OF 'HIDDEN' ECONOMY IN YOUR INDUSTRY/ SECTOR?

C12B. ACCORDING TO YOU, AS A WHOLE, WHAT IS THE SHARE OF THE 'HIDDEN' ECONOMY IN BULGARIA?

Please fill in. One answer in every column. If there are no such cases, please fill in '000'.

	C12A. In your industry/ sector?	C12B. In Bulgaria
	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/> <input type="text"/> <input type="text"/> %
<i>Cannot decide</i>	888	888
<i>Refuse to answer</i>	999	999

Questions C13 and C14 form the **index Hidden labor relations of the business**. The index is formed as the assessments about employed without a contract are added to the assessments about employed under a contract with hidden clauses.

C13. TO YOU, WHAT PART OF EMPLOYEES IN YOUR BRANCH WORK WITHOUT A CONTRACT?

Fill in only one answer. If there are no such cases, please fill in '000'.

% 888 Do not know/ Cannot decide 999 Refuse to answer

C14. ACCORDING TO YOU, WHAT PART OF EMPLOYEES IN YOUR BRANCH WORK UNDER A CONTRACT WITH 'HIDDEN CLAUSES' (I.E. RECEIVE REMUNERATION UNDER VERBAL AGREEMENT, HIGHER THAN THE ONE STATED IN THE CONTRACT)?

Fill in only one answer. If there are no such cases, please fill in '000'.

% 888 Do not know/ Cannot decide 999 Refuse to answer

C15 and C16 form **the Hidden turnover index of the business**. The index is formed as the average of questions C15 and C16.

C15. ACCORDING TO YOU, APPROXIMATELY WHAT PART OF THE TURNOVER OF FIRMS FROM YOUR BRANCH IS UNDECLARED OFFICIALLY?

Fill in only one answer. If there are no such cases, please fill in '000'.

% 888 Do not know/ Cannot decide 999 Refuse to answer

C16. ACCORDING TO YOU, WHAT PART OF THE FIRMS IN YOUR BRANCH PAY LESS TAXES THAN THE TAXES DUE?

Fill in only one answer. If there are no such cases, please fill in '000'.

% 888 Do not know/ Cannot decide 999 Refuse to answer