

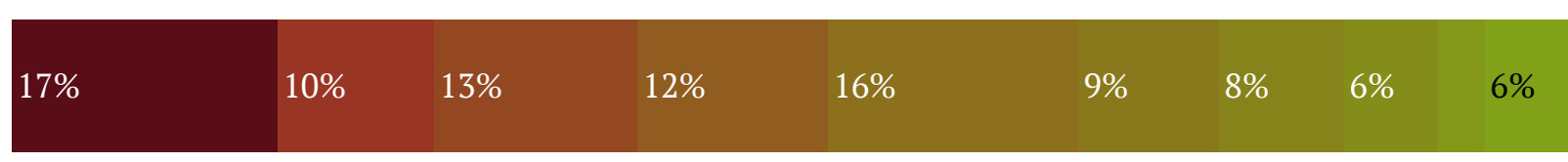
Getting a job in Balkans

Formal vs. Informal way



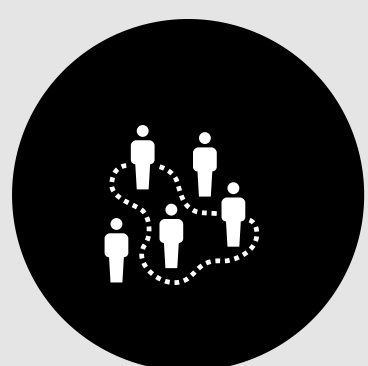
Employment based on merit, education and experience

4.49
Average evaluation



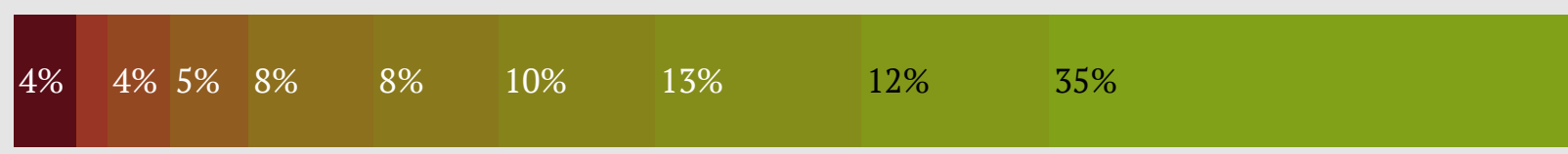
1 - Does not occur at all

10 - Occurs all the time



Employment through entering political party or party support

7.51
Average evaluation



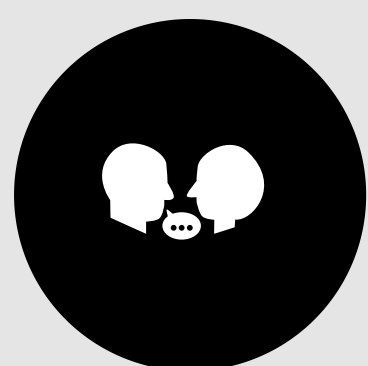
1 - Does not occur at all

10 - Occurs all the time

”

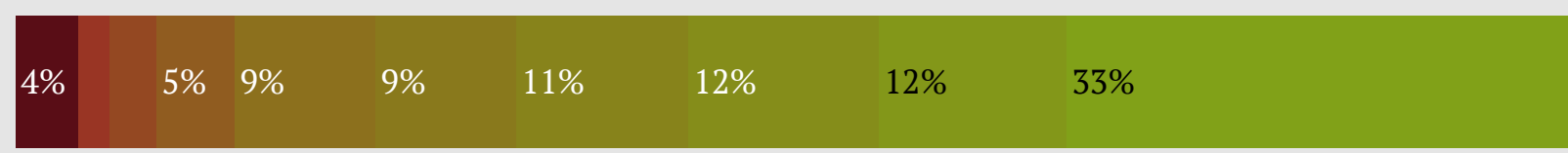
The data may indicate two interconnected phenomena: first, political parties are actively engaged in top-down practices of clientelist employment, which are reflected in respondents' perceptions; secondly, that **the idea of party-sponsored employment is deeply embedded in citizens' perceptions, to the extent that clientelist employment is seen as a normal 'rule of the game'**. This suggests that there are shared expectations which act as informal incentives on political parties' behaviour in a bottom-up manner forming a sort of vicious cycle.

INFORM Report "The Informal Life of Political Parties in the Western Balkan Societies", p. 17-18



Employment through relevant informal connections

7.46
Average evaluation



1 - Does not occur at all

10 - Occurs all the time



Employment by paying for the job

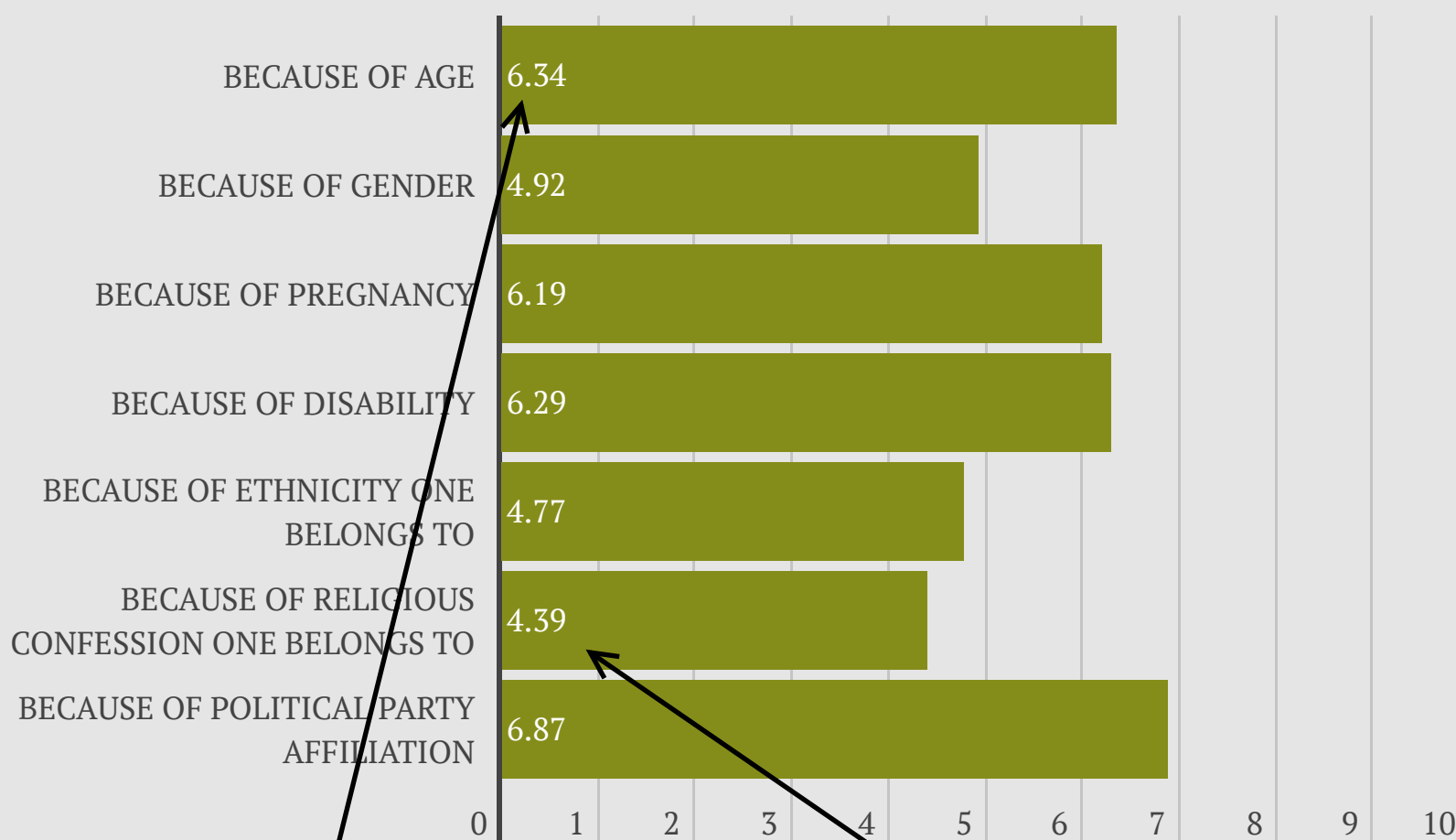
6.67
Average evaluation



1 - Does not occur at all

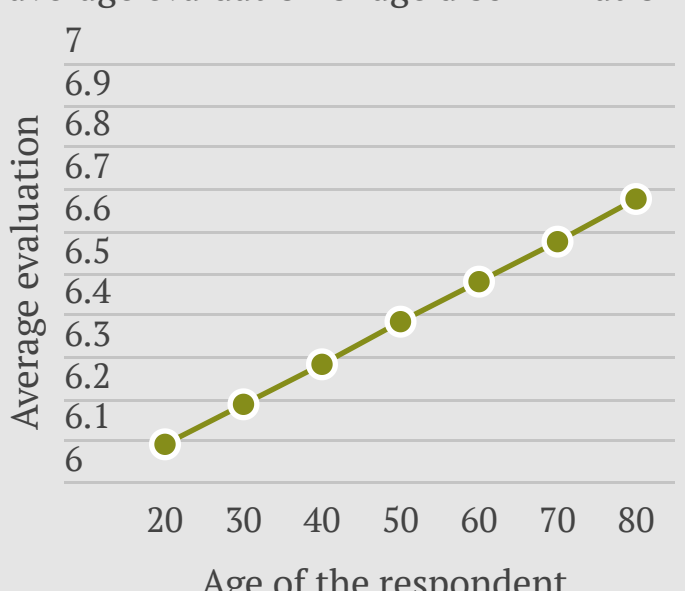
10 - Occurs all the time

How often does one lose or not get a job for the reasons below?

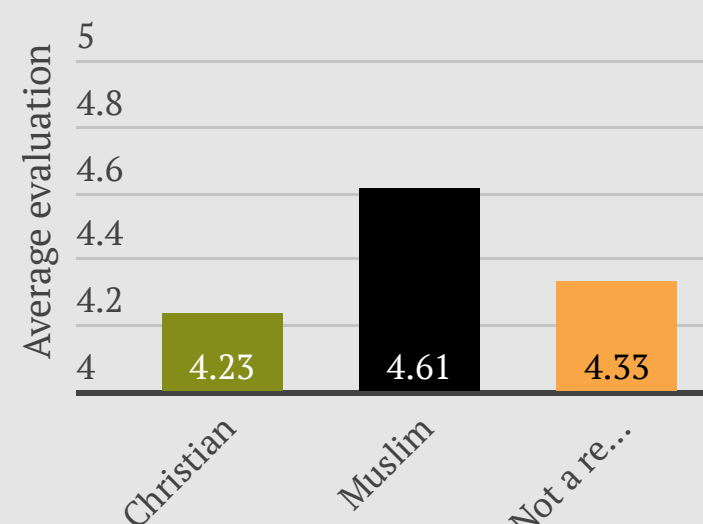


Average evaluations among the respondents on a scale from 1 (Does not occur at all) and 10 (Occurs all the time)

Age of the respondent influences the average evaluation of age discrimination



Muslims significantly more consider that you might lose or not get a job because of religious confession one belongs to

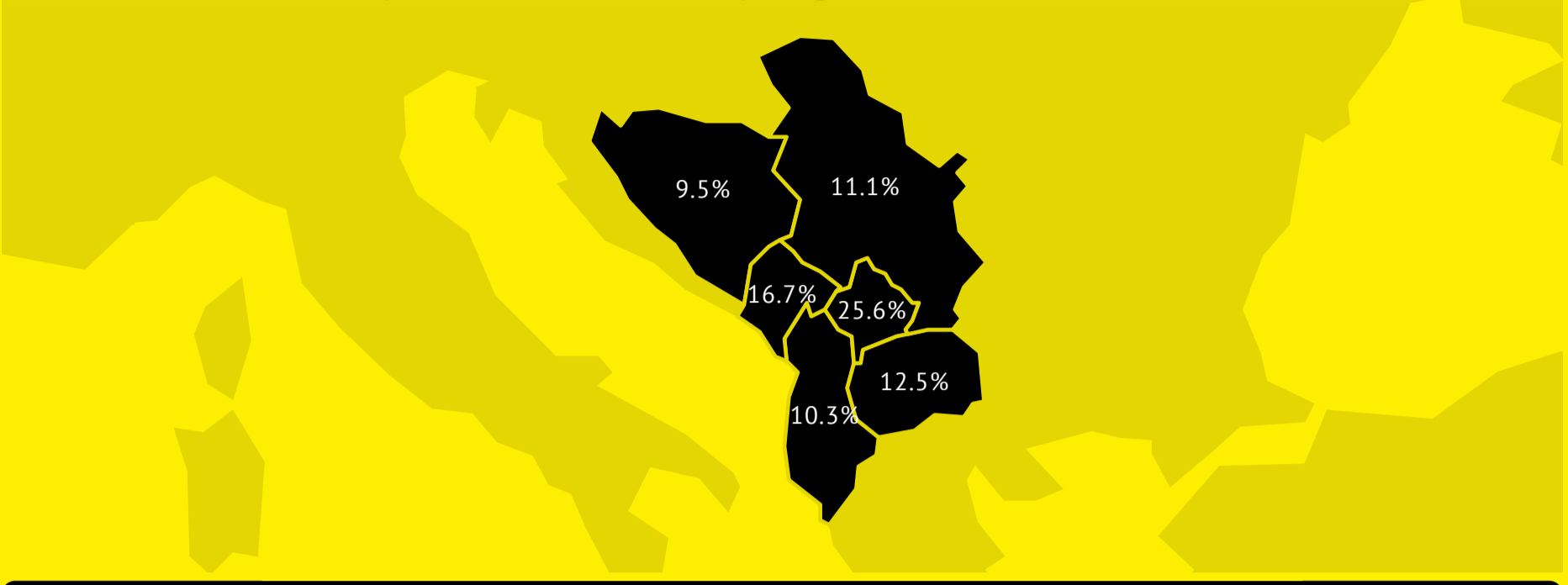


DOING BUSINESS IN BALKANS

How do entrepreneurs navigate between formal and informal economies in six Western Balkan



Around 10% of the surveyed entrepreneurs acknowledged that they have not formally registered their business

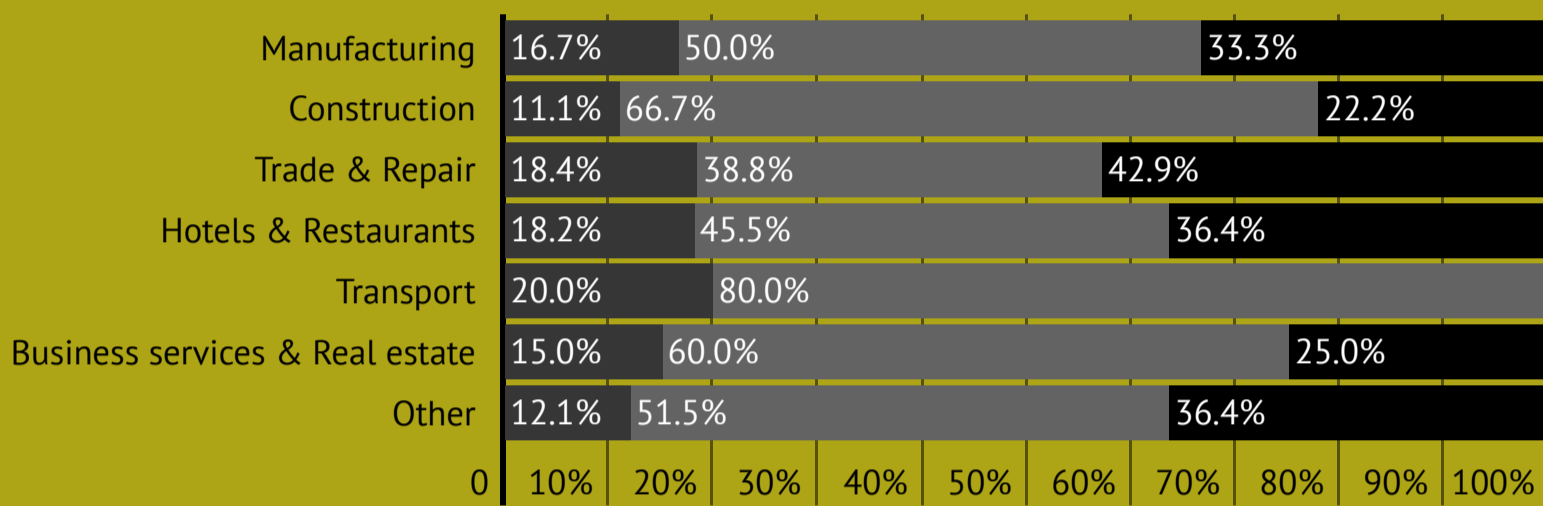


0% 5% 10% 15% 20% 25% 30%

Share of the surveyed entrepreneurs acknowledging no formal registration of their business.

Differences between countries are not statistically significant.

Do entrepreneurs expect to hire more people in the next five years?



● Less than now ● The same ● More than now

Businesses are mostly optimistic about their business activities in the near future - on average, only 16% of entrepreneurs expect to hire less people than now.



On average, entrepreneurs in Western Balkans believe that 28% of business income is not reported.



Doing Business Index

Doing Business Index is based on evaluation of starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across the borders, enforcing contracts and resolving insolvency. It ranges from 0 (min) to 100 (max).

Source: doingbusiness.org

"There are segments in our society where, to put it simply, you just have to have informal connections even when you are meeting all other criteria; that is, [besides] having the money, having a contract and other documentation – **you just have to have the ear (in formal institutions) that listens to you** in order to get what you need without damaging anybody."

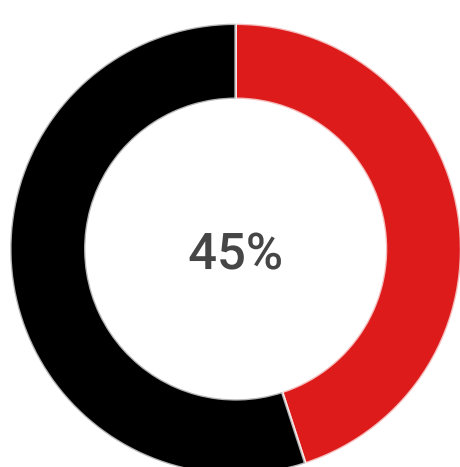


Source: INFORM report Formal and Informal Economy, p. 16

All data gathered from the INFORM Survey 2017, if not stated otherwise

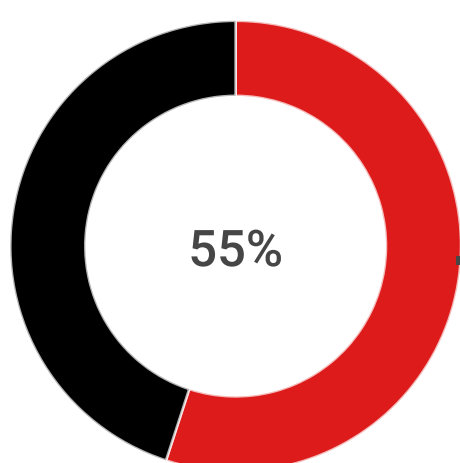
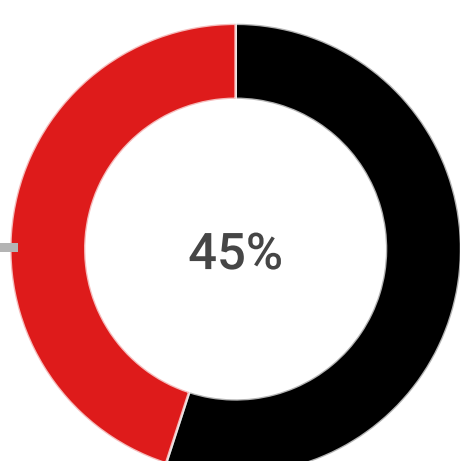
How to get around with the state institutions in Balkans?

What do people believe is common in the state/public sector?



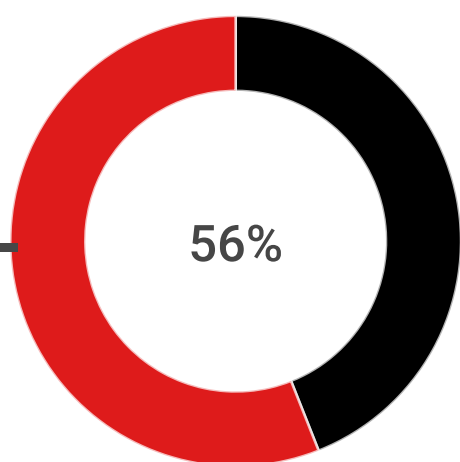
More than two thirds of respondents believe that it is a very widespread practice **to bring a gift or provide a favor** in order to get a job in state/public sector or enterprises

More than two thirds of respondents believe that it is a very widespread practice **to pay money** in order to get a job in state/public sector or enterprises

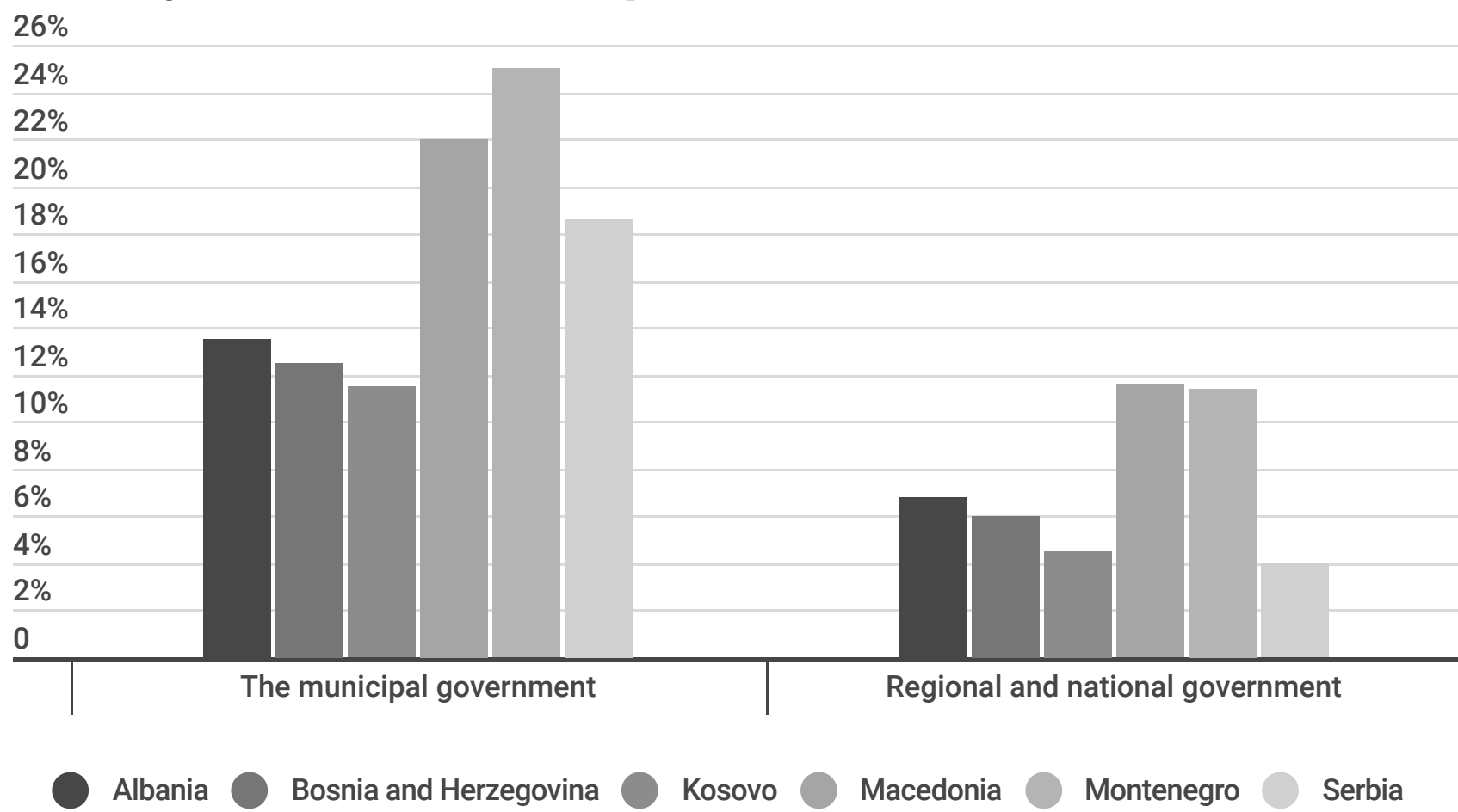


More than a half of respondents believe that it is a very widespread practice **to find contact/s (friend, relative, middleman)** in order to get a job in state/public sector or enterprises

More than a half of respondents believe that it is a very widespread practice **to become a member of a political party** to get a job in state/public sector or enterprises



Should you or someone from your household be unable to take care of any business in the regular way, do you have anyone whom you could ask for help in:



Source: INFORM survey, 2017

Respondents in the questions regards the practices in state public sector or enterprises were asked to evaluate how widespread these behaviours are in the society and evaluate them in a scale from 1 to 10. The infographic represents the share of those respondents who evaluate those practices from 1-7 against 8-10.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 693537.

Customs

vs.

Laws

How Balkans treat informal customs and formal laws?



Almost two thirds of the respondents consider custom to be more important than a law



More than half of the respondents think that bad laws should not be obeyed

50%

Half of the respondents consider that a person should not act differently than those who surround him/her



85%

Majority of respondents agree that one must always obey the law even if one will have a problem in doing that



*In Rahovec, families and kinship rely on each other for support. That's how it has always been. **We have lived with the social norm** that you have foremost to support your family and kin members.*

A returnee businessman from Kosovo
(see more in the report on [Migration and Informality](#))

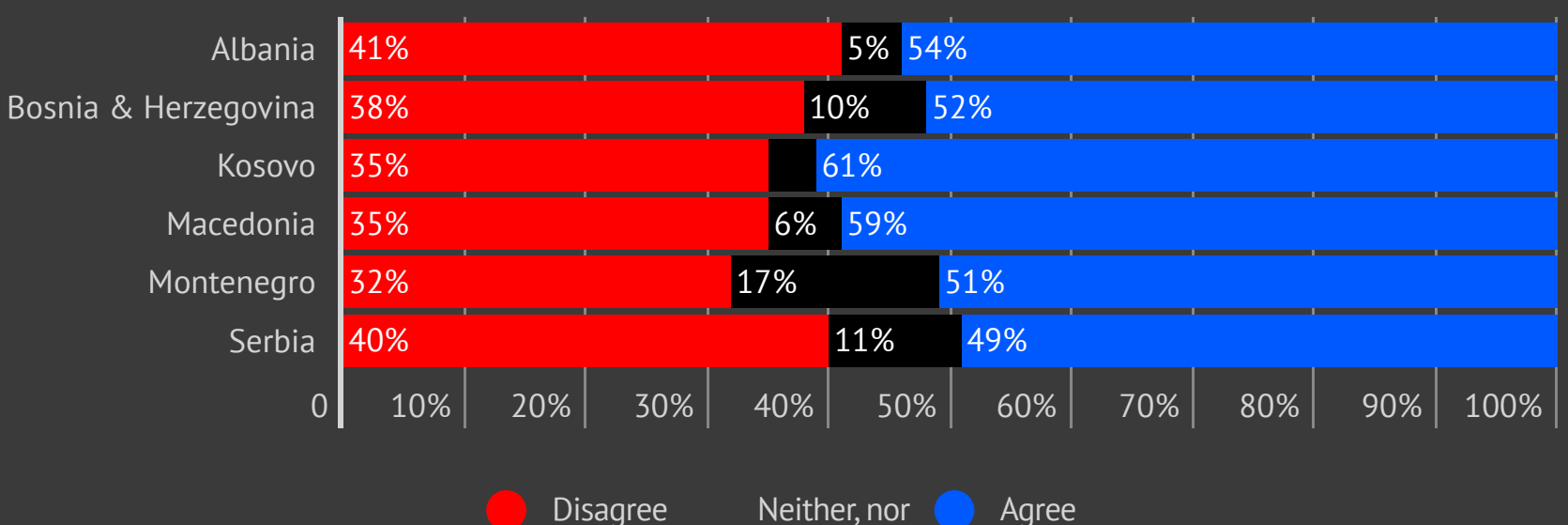


Almost three in four respondents believe that one must compromise with what is right to be able to make a living



Almost one in three respondents would help a friend even in case it means to break the law

Most of the people agree that a favor must be returned no matter what

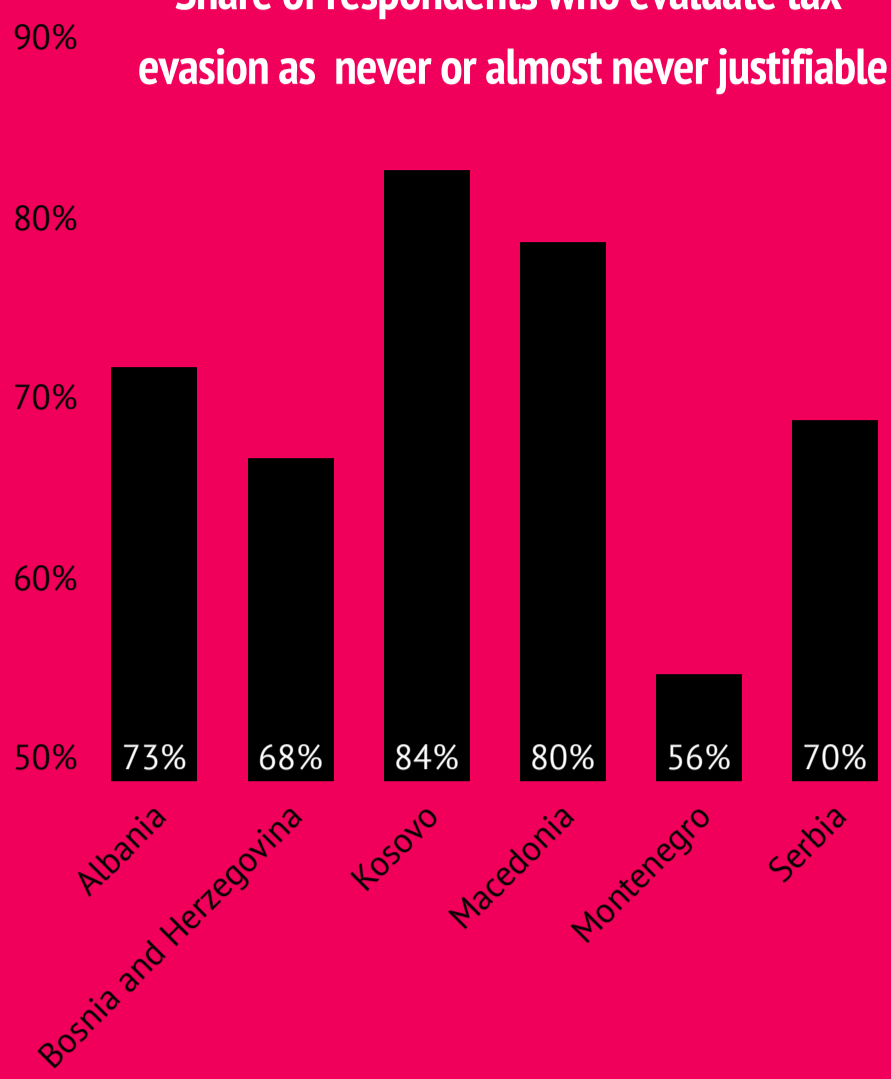


EVADING TAXES IN BALKANS IS CONSIDERED IMMORAL

ALMOST TWO THIRDS OF RESPONDENTS CONSIDER EVADING TAXES AS NEVER JUSTIFIABLE

63%

Share of respondents who evaluate tax evasion as never or almost never justifiable

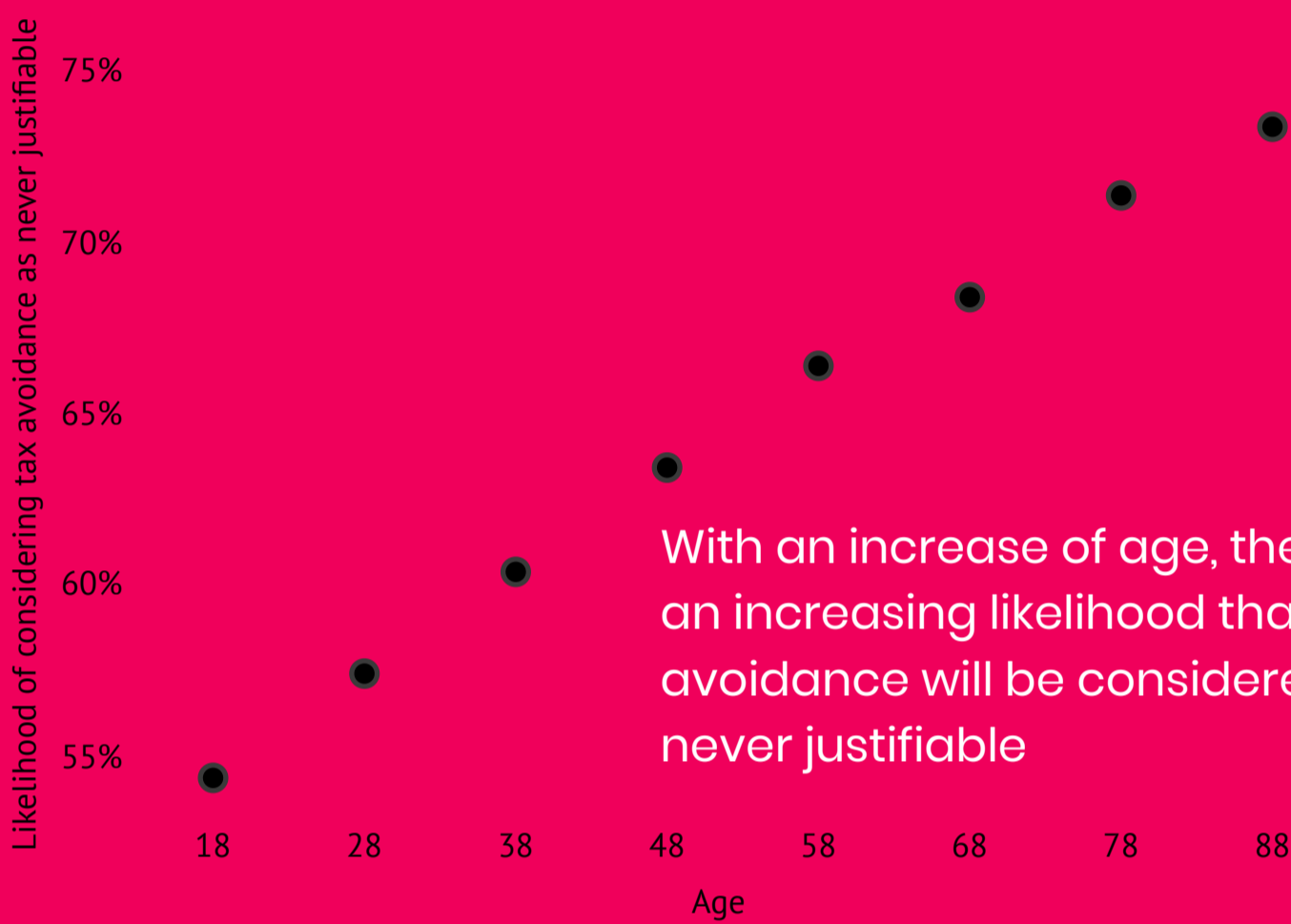


ALTHOUGH THERE ARE REGIONAL DIFFERENCES, MORE THAN A HALF OF THE RESPONDENTS IN ANY OF THE SURVEYED COUNTRY CONSIDER TAX EVADING AS NEVER JUSTIFIABLE OR ALMOST NEVER JUSTIFIABLE



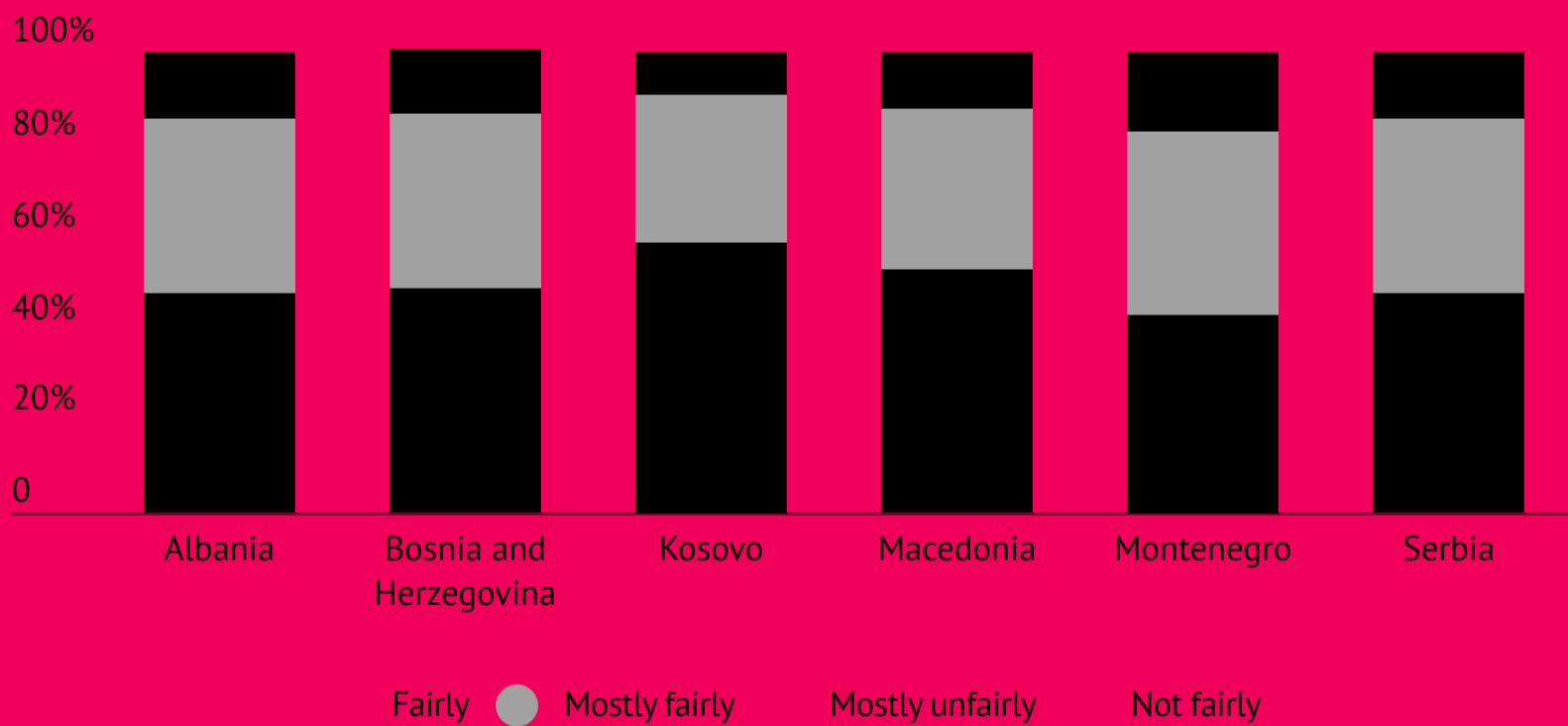
MONTHLY INCOME OF AN INDIVIDUAL HAS NO SIGNIFICANT INFLUENCE ON OPINION OF TAX AVOIDANCE

Age and tax avoidance



With an increase of age, there is an increasing likelihood that tax avoidance will be considered as never justifiable

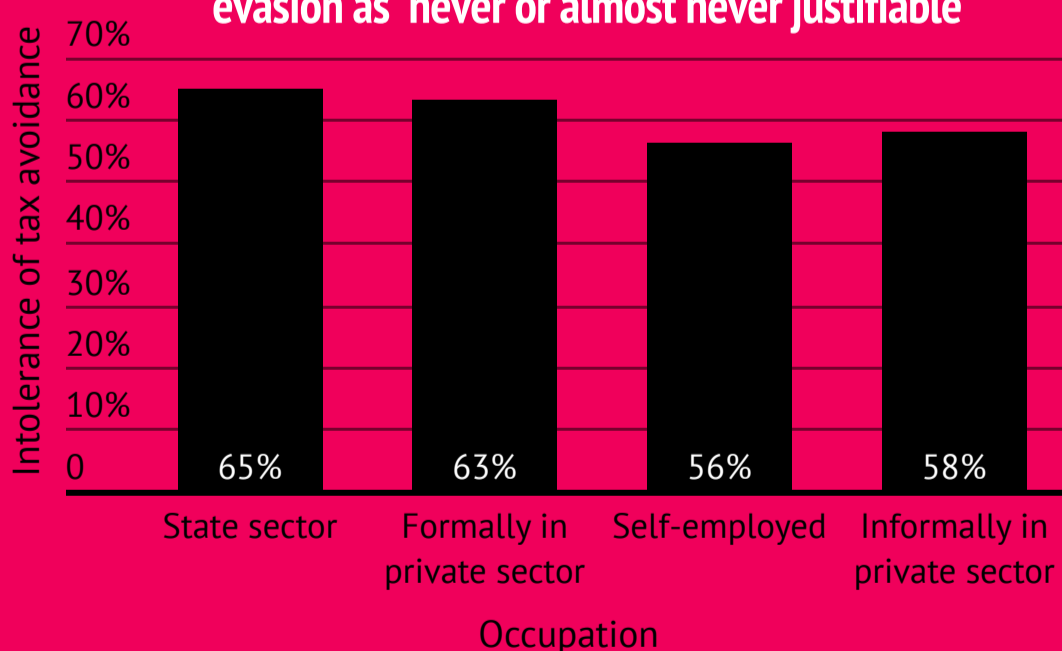
How people felt they were treated at the tax office?



The better the service the individual has received at the tax office, the higher intolerance towards tax avoidance

Those employed in the state sector, as well as formally in the private sector are more likely to intolerate tax avoidance than the self-employed individuals and those working in the informal sector.

Share of respondents who evaluate tax evasion as never or almost never justifiable



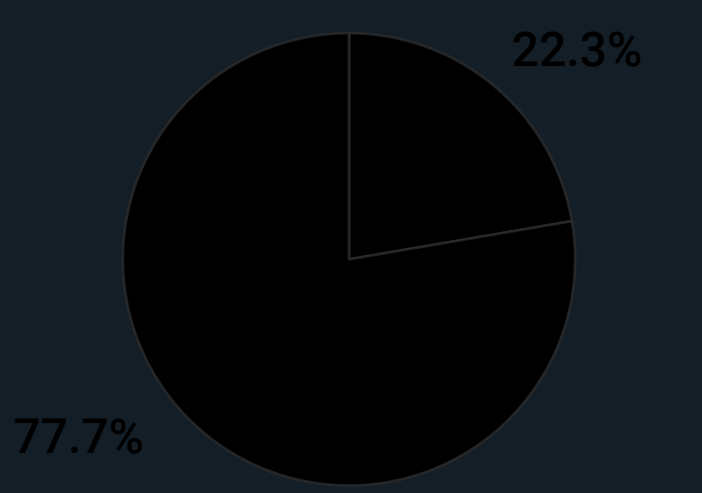
“ Policy makers should develop policies which will change attitudes towards informal economy and increase tax morality among entrepreneurs and household members. They should provide incentives to entrepreneurs and household members to make their transition to formal economy through enabling institutions, which will be more efficient and “user friendly”. Such a policy approach should yield benefits over the long term – unlike the strategy of including constraining institutions, which would produce only short-term effects.

Efendic, A., Mujaric, M., Halilovich, H., Efendic, N., Kumalic, I. Report on formal and informal economy, p. 20.

Are Balkan citizens INDEBTED?

Around one in five individuals have

LOANS

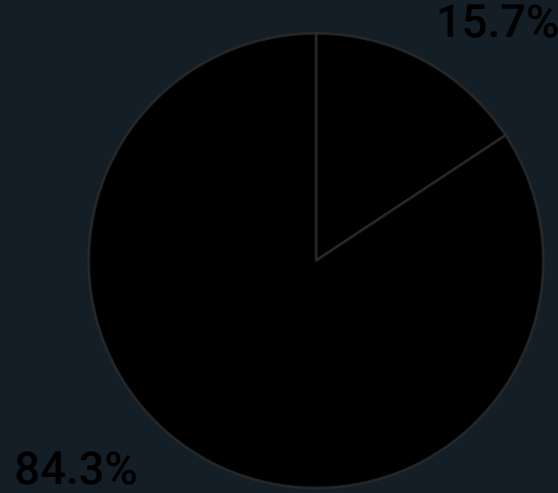


Have loans

Don't have loans

Around one in six individuals have

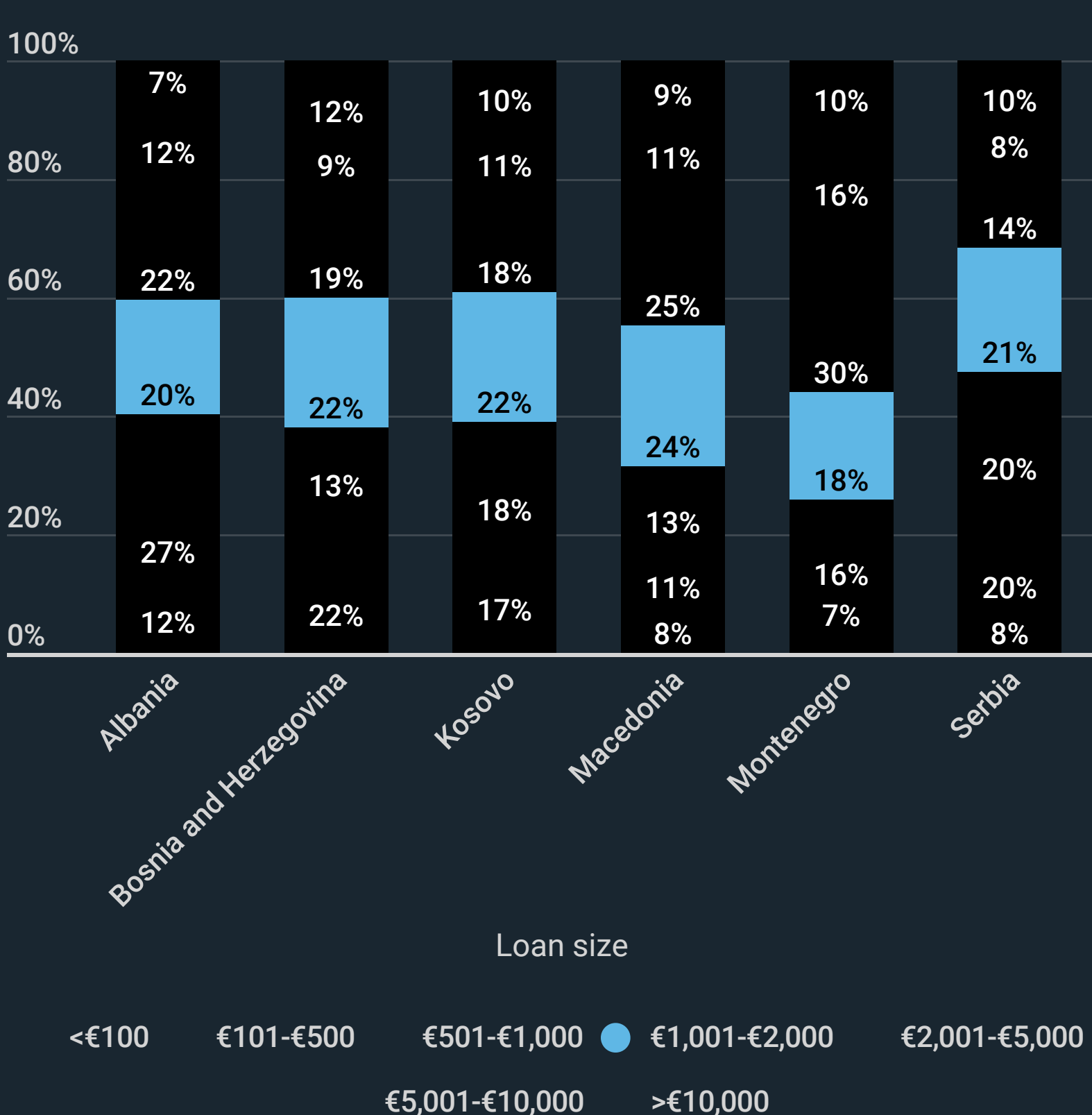
SAVINGS



Have savings

Don't have savings

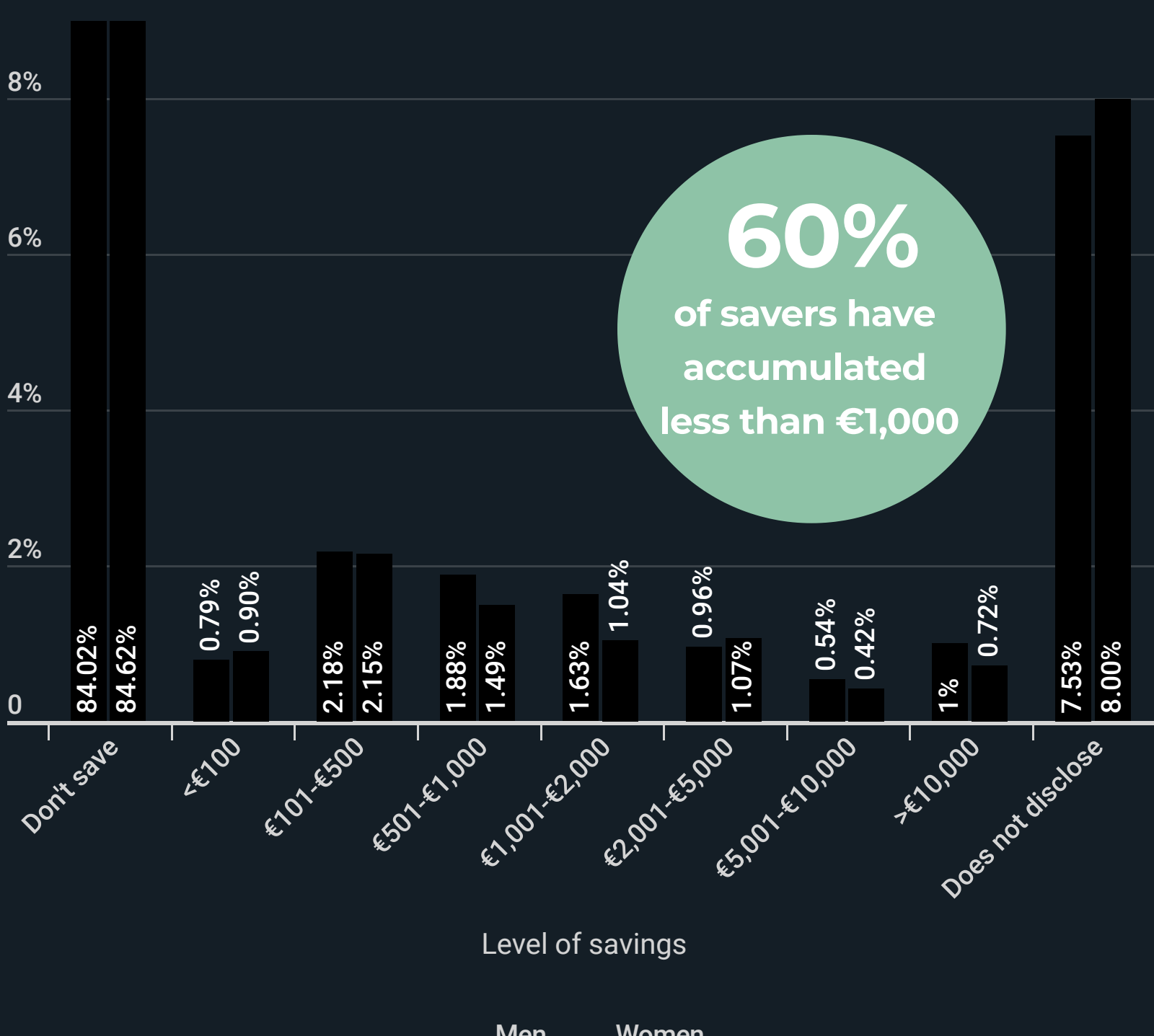
43% of debtors have a loan larger than €2,000



Loan size

<€100 €101-€500 €501-€1,000 ● €1,001-€2,000 €2,001-€5,000
 €5,001-€10,000 >€10,000

Women on average have less savings than men

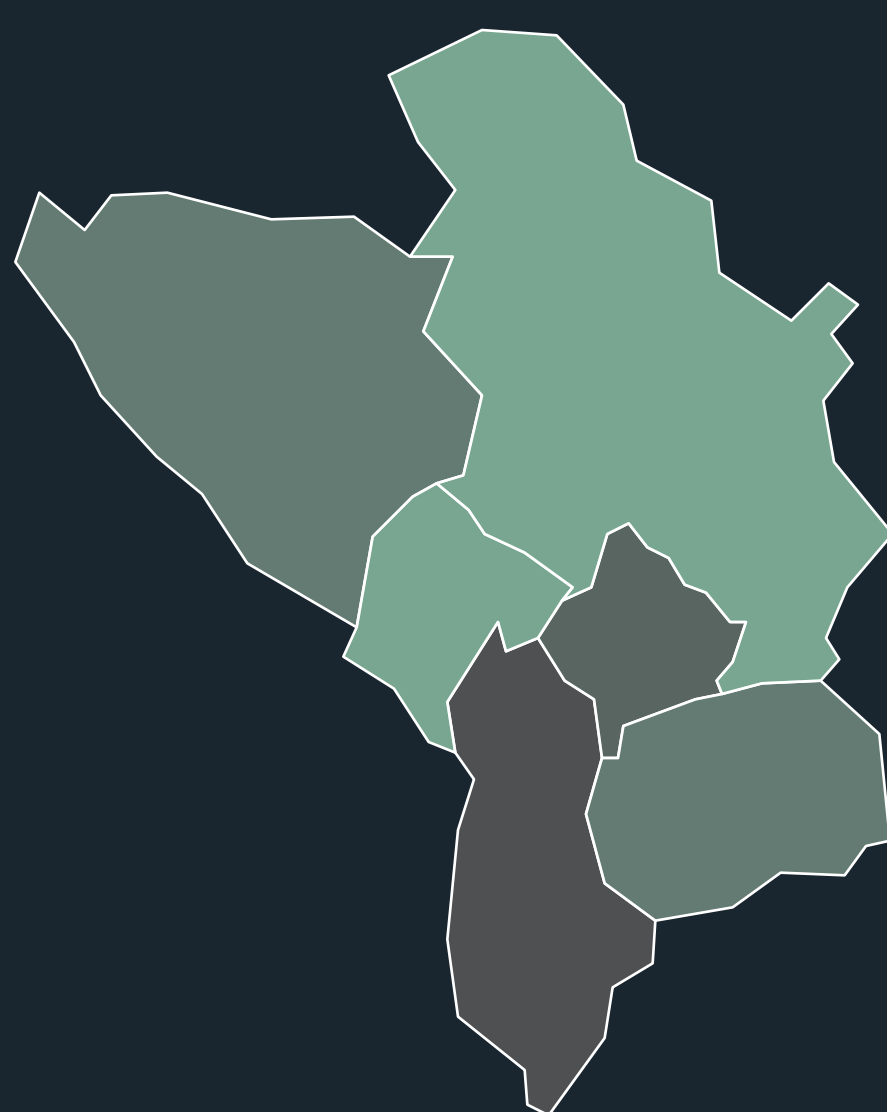


60%
of savers have accumulated less than €1,000

Level of savings

Men Women

Would your "circle of people" (relatives, friends, colleagues, neighbors) borrow you money in support?



Share of respondents with positive answer

55% 60% 65% 70% 75% 80%