

## ***Annual Conference 2014: Labour in East and Southeast Europe. Institutions and Practices between Formality and Informality***



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On June 26-28, 2014, the Institute for East and Southeast European Studies (IOS), Regensburg, organized its Second Annual Conference. The interdisciplinary conference was devoted to the relationships between formal and informal labour in East and Southeast Europe. IOS received 138 excellent submissions across a wide range of disciplines, including economics, sociology, history, and anthropology. 19 papers were selected for the presentation. During the conference, participants discussed a variety of topics such as informal employment, migration and informal networks, representations of labour, inequalities and non-work, social capital and trust.

The conference started with two keynote speeches that reflected the main theme from a historical and economic perspective. The first keynote speaker, Donald Filtzer (University of East London), discussed the role of shop floor bargaining in the Soviet Union during the Stalin era. The speaker highlighted the importance of informal relations during this period, as it was a crucial complement to formal institutions. Managers, who suffered labour shortages, had to concede certain benefits to their workers, who could threaten them to quit, or could improperly do their work. Filtzer argued that these workers' behaviours were generated by the Soviet system, which suppressed workers' attempts to mobilise collective action in order to claim better work conditions. The discussion that followed revolved around the dissatisfaction with the political system and the lack of production quality targets in the Soviet Union.

The second keynote speaker, Hartmut Lehmann (University of Bologna and IZA Bonn), also underscored the importance and policy relevance of research on informality in the post-Communist space, given the large size of the informal sector in these countries. He distinguished between productive and legalistic definitions of informal employment, giving rise to rather different empirical measures of the size of the informal sector. While the former definition is based on job characteristics, including unskilled and marginalized labour, the latter is characterized by non-compliance to the labour laws and social security systems. Lehmann argued that it is important to understand what drives workers to employment in the formal and informal sector, and highlighted the role of risk preferences as one of such drivers.

The discussion that followed the presentation also examined to what extent risk attitudes can be related to the riskiness of jobs.

The first panel of the participants' presentations addressed the issue of informal employment at the regional and firm level. First, Aleksey Y. Oshchepkov (Higher School of Economics, Moscow) argued that an increase in the statutory minimum wage raises informal employment and youth unemployment in Russia. After the presentation, the participants discussed the economic significance of the findings and the specifics of minimum wage legislation in Russia. Second, Georgios A. Panos (University of Stirling, CELMR and CER) shifted the focus of the panel to the firm level. He suggested that in the Balkans, firms of informal origin have a better economic performance in terms of sales, export, and employment growth. The discussion following the presentation revolved around the motivations to start informal businesses and raised the question of illegality vs. informality. Finally, Anne White (University of Bath) presented a qualitative study conducted in Limanowa, a small town in Poland, and highlighted that informal migration networks and social capital play a considerable role in finding a job in the local and international labour market. The audience raised some questions regarding labour law violations and underscored the differences between labour markets in rural and urban areas.

The second panel was devoted to education and discrimination. First, Nikos Potamianos (Rethymno, Crete) analysed the labour discrimination against Ottoman-Greek refugees after the Greco-Turkish war of 1919-1922. He argued that the Greek working class formation was affected by the tendencies of native Greeks to ask for "privileges" in the labour market based on their status as longstanding citizens of Greece. The discussion that followed examined whether the discrimination was embedded into official documents and to what extent it affected the social exclusion and inclusion of the refugees. Second, Dragos Radu (University College London) suggested that due to a better access to the informal networks within the established political and business elite in Romania, the return migrants with work experience abroad have higher pecuniary returns than the return migrants with foreign education only. The discussion following the presentation revolved around governmental policies toward the returnees.

The third panel continued the discussion on migration and informal networks. First, Walter Dausch (Heinrich-Heine University, Düsseldorf) highlighted the informal network existing among the Workers' Societies established by the South-Slav workers abroad. After the presentation, the participants discussed the sources of financing and legal origins of the South-Slav workers' societies as well as the conflicts between different nationalities within societies. Second, Ira N. Gang (Rutgers University, CReAM London, IOS Regensburg, and IZA Bonn) used the gap between household expenditure and income as an indicator of informal activity in Tajikistan to argue that migration is a less costly substitute for the domestic informal sector employment. The discussion that followed suggested that the legal framework of remittances might explain the findings and the taxation of remittances may force household members to hide them as informal income. Finally, Artjoms Ivlevs (University of the West of England), using individual level data from six post-Socialist economies, presented findings in contradiction with the previous speaker. He suggested that circular migrants and individuals who receive remittances are more likely to work informally or to be unemployed. The discussion underscored that the different definition of informality used by the two speakers may explain the different results.

The last panel of this conference day was devoted to discourses and representations. First, Rudolf Kučera (Masarykův ústav a Archiv AV, Prague) pointed out that during the First

World War, scientific studies of the working body increased the effectiveness of everyday practices of industrial labour in the Austro-Hungarian state. After the presentation, the audience discussed the specifics of war-type production and the industrial development after the war. Second, Rory Archer (University of Graz) analysed the workplace bulletins from a number of larger Yugoslav factories and talked about the representations of inequality and precarity in the 1980s. The participants raised the question of bulletin censorship and highlighted similarities between cartoons in Yugoslav factories and in other socialist factories.

The second day of the participants' presentations started with the panel on labour market outcomes. First, Dushko Josheski (Goce Delčev University, Štip), scrutinized the impact of democracy indices, government related variables, and economic variables, on labour market outcomes in Central and Eastern European countries. The discussion following the presentation mainly revolved around the integration of the findings in the broader economic scholarship that deals with this issue. Second, Tatiana Karabchuk (Higher School of Economics, Moscow) suggested that more liberal labour legislations result in a higher level of subjective well-being. After her presentation, the audience discussed the potential impact of the economic crisis and the possibility of a bidirectional relationship between one's subjective well-being and types of employment. Finally, Zdeněk Nebřenský (Charles University, Prague) examined the job placement of graduate students by the central government in communist Poland and Czechoslovakia (1956-1968). In his presentation, he argued that the poorly executed allocation plan created higher unemployment rates among graduate students who often needed to rely on informal networks to find work. The discussion that followed observed how individual university faculties did not respect the state-imposed quotas of admitted students, which explains the mismatch of qualifications.

The second panel of the day was devoted to inequalities and non-work. First, Ulrike Schult (Friedrich Schiller University, Jena) investigated inequalities engendered by the economic reforms in Yugoslavia, more precisely the self-management principle. Using the case of vehicle factories in Serbia and Slovenia, Schult analysed the strategies of the workers in voicing their discontent. The discussion that followed highlighted the difficulty to find data on inequalities and strikes for this period. Second, Chiara Bonfiglioli (University of Edinburgh) focused on the textile industry in former Yugoslav states; more precisely, she analysed the negative impact of de-industrialisation on textile workers during the late 1990s and early 2000s. The discussion that followed helped distinguishing between the winners and losers of the economic reforms in this region. Furthermore, the panellist argued against the use of the concept of nostalgia in this case, because it overshadows the concrete material losses of these workers. Lastly, Angelo Martelli (London School of Economics and Political Science) presented the determinants of non-standard employment and the paths to informality in contemporary Serbia. The speaker sought to determine the processes that can push someone toward an informal job. The discussion reflected the importance of a multidisciplinary approach in order to understand economic phenomena both at the country and individual levels.

The last panel of the conference focused on social capital and trust/distrust. First, László Kürti (University of Miskolc) shed light on the role of the institutionalized Committee of Grievances in late-socialist Hungary, which failed in its attempt to promote trust by letting the workers voice their discontent. The discussion revolved around the importance of rigorous data collection and the difficulties that can stem from archival research. Second, Jan Fidrmuc (Brunel University, London) reflected on the persistence of social capital. By looking at regions that have experienced large-scale population displacement in the past 60 years, the panellist tried to debunk Putnam's interpretation of social capital as rooted in long-term

historical legacies. The discussion that followed stressed the importance of embedding these findings in their historical context and the difficulty to find accurate measures of social capital. Finally, Tomás Beszenyi (Eötvös Loránd University, Budapest) analysed the concept of “fusi” – i.e., the appropriation of state-provided resources by workers for other ends – with a special focus on the Csepel car Factory in Hungary. The discussion revolved around the use of linguistic and economic literature in order to further understand the historical role played by “fusi” in communist Hungary.

In their concluding remarks, the two directors of the institute, Ulf Brunnbauer and Jürgen Jerger discussed the difficulty to interpret reality with binary concepts such as “formal” and “informal”. Such concepts often stem from a Western point of view, which might not be appropriate to depict East and Southeast European realities. Finally, both directors stressed the importance of the multidisciplinary approach promoted by the institute in order to gain a better understanding of the phenomena we study. The economic and historical approaches must not be seen as distant and irreconcilable. This conference demonstrated very clearly that the discussion between historians and economists can be highly fruitful. It allows us to overcome the inherent limits of our own discipline. The combination of quantitative and qualitative methods can strengthen the knowledge we produce on a common region of interest. The institute is proud to promote the collaboration between different disciplines, a practice that is, after all, in the academic community’s best interest.