Regulating the Belgian informal economy? 
A case study in three markets

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<tr>
<td>Dimona:</td>
<td>Déclaration Immédiate – Onmiddellijke Aangifte</td>
</tr>
<tr>
<td>GDP:</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>Horeca:</td>
<td>Hotel and Catering Industry</td>
</tr>
<tr>
<td>ILO:</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>NGO:</td>
<td>Non-Governmental Organisation</td>
</tr>
<tr>
<td>OCMW:</td>
<td>Openbaar Centrum voor Maatschappelijk Welzijn</td>
</tr>
<tr>
<td>PIG:</td>
<td>Public Interest Group</td>
</tr>
<tr>
<td>PJ:</td>
<td>Pro Justitia</td>
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<tr>
<td>PWA:</td>
<td>Plaatselijk Werkgelegenheidsagentschap</td>
</tr>
<tr>
<td>SIOD:</td>
<td>Sociale Inlichtingen en Opsporingsdienst</td>
</tr>
<tr>
<td>SME:</td>
<td>Small to Medium-sized Enterprises</td>
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<tr>
<td>SNA:</td>
<td>Systems of National Accounts</td>
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<tr>
<td>RLD:</td>
<td>Red Light District</td>
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<tr>
<td>VAT:</td>
<td>Value Added Tax</td>
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<td>WIEGO:</td>
<td>Women in Informal Employment: Globalizing and Organizing</td>
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Preface

Four years ago, in the autumn of 2010, I was given the possibility to conduct this doctoral study by prof. dr. em. Paul Ponsaers. In cooperation with Antoinette Verhage, Gudrun Vande Walle en Marleen Easton, he had submitted a doctoral research proposal on the informal economy in Belgium to the Special Research Fund of Ghent University. Based on the Crimprev project that ran from 2006-2009, a small number of researchers from Belgium, the U.K. and Italy identified the need for research on the informal economy. Subsequent meetings resulted in the development of a common framework in which each partner committed to submit research proposals. The proposal for this doctoral study was conform this framework.

After having worked for just a few months at the research institute, I was far from sure that I would be able to succeed in such an overwhelming project. But Paul, having supervised my internship and master’s thesis, believed in me and therefore encouraged me to think about the offer. Today, I am very grateful that he has given me this opportunity. So in the first place, I would like to thank Paul for having confidence in me and for his continuous involvement throughout the research project, even after his retirement. His questions encouraged me to look beyond the empirical results and to reflect about their significance.

Secondly, my sincere acknowledgments go to my two supervisors, Lieven and Antoinette. At all times, Lieven’s door was open for feedback and advice. From the beginning of the project on, Antoinette was of great support to me thanks to her expertise, commitment, and friendliness. She stimulated me to think things through more thoroughly, encouraged me to search for solutions when confronted with difficulties and reassured me when I felt uncertain about some aspects.

Likewise, the feedback, remarks and questions of Gudrun Vande Walle and Joanna Shapland, as members of the doctoral guidance committee, were of great value for this dissertation and for me. I sincerely appreciate the commitment and effort they have designated to this project.

I would especially like to thank my family and friends for their love and incredible support throughout the four years.
SUMMARY OF THE STUDY

Aims and research questions

This dissertation is about the informal economy, which is broadly defined as the reverse or the opposite of the formal economy (Ponsaers, Shapland & Williams, 2008, 645). In particular, we conduct an in-depth study of three Belgian employment markets (seasonal work, street trade and sex work) by means of a collective case study (Billiet, 2008; Creswell, 2007; Stake, 2000). This means that three separate case studies are conducted, of which the results are compared on some main topics. The general aims of the study are to identify the main characteristics of informality in the three cases and to detect the choices the Belgian government has taken regarding informality in these cases. To achieve this, five research questions are formulated and answered in all three case studies:

1. What are the main Belgian policy stipulations concerning the case?
2. In what way is the case characterised by informal economic activities?
3. If informal economic activities are present, what are the motives of people to engage in them?
4. What is the influence, if any, of policies on the informal economy in relation to the case?
5. How do respondents perceive the main Belgian policy provisions?

In each case study, the presence of informal economic activities and their relations with formal and criminal activities are studied. We identify the policy stipulations regarding seasonal work, street selling and prostitution, how this policy is perceived by different stakeholders (e.g., workers, policymakers) and how it has an influence on informality. Furthermore, we identify motivations of workers to participate in the informal economy. By answering questions such as who engages in informality, why do people engage in informality, what type of activities do they engage in, and how is informality regulated, in essence, this dissertation focuses on the nature of the informal economy (Williams & Windebank, 1998).

This dissertation contributes to the research agenda of the informal economy, by partially filling in a double gap in the literature. Firstly, previous research on the informal economy...
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has covered various topics and angles, but case-specific accounts of individuals’ motivations for engaging in informal activities and perceptions on the influence of specific policy stipulations on these motivations have been largely unexplored (Haigner, Jenewein, Schneider & Wakolbinger, 2013; Schneider, 2011; Williams & Round, 2010). Secondly, the literature on the informal economy is characterised by relatively little integrative work that connects empirical results to conceptual and theoretical propositions. This present research combines both perspectives by relating our empirical results to conceptual and theoretical ideas regarding the informal economy and responsive regulation theory of Ayres and Braithwaite (1992). Applying responsive regulation theory to the results in this dissertation furthermore contributes to the literature on regulation as it implies the application of a theory, initially developed with regard to certain areas of business regulation, to regulation of individual behaviour.

**Methodology**

Given the limited previous comparable research, this study is highly explorative. In view of this explorative nature, the aims and the research questions of our study, we opt for a qualitative approach (Flick, 2002; Klima, 2011). In particular, the qualitative approach is well-founded given our interest in an in-depth understanding of the perspectives, perceptions and beliefs of different individuals involved in the informal economy (Newburn, 2007) and our interest in a detailed analysis of the informal economy (Silverman, 2013). In line with Coletto (2010), we adhere to a partially inductive approach, in which identification, description and discussion of various aspects of the informal economy can provide elements to feed the theoretical debate on the topic. Given the explorative nature of the study, we do not formulate specific theoretical hypotheses which are or can be tested subsequently. We conduct empirical research, analyse our findings, relate them to existing theories on the informal economy and on regulation (Decorte, 2010) and establish some general conclusions on the basis of this process.

The multiple case design (Yin, 2009) is in line with Aden’s (2009) recommendation that more case-specific knowledge about the extent of different types of informal work is needed. Previous research on the informal economy has illustrated that the nature and the practice of informality vary from place to place (Marcelli, Williams & Joassart, 2010). This implies that
comparing different cases is important in contributing to a richer and fuller understanding of the nature of the informal economy.

Three different methods are combined: semi-structured face-to-face interviews, document analyses and observation. In total, 137 interviews were conducted with workers (77 interviews), policymakers (41 interviews) and intermediates (19 interviews). The main focus on workers is reflected in the highest number of interviews with them. Several types of documents were analysed in all three cases such as legislation, annual reports and dossiers at the level of the inspectorate services and the Public Prosecutor. Direct observations were carried out only in the case of street selling (50 hours).

Results

Within case analyses

The within-case analyses are presented in the second part of the dissertation. Before going into the separate case studies, we offer a literature review regarding the conceptual framework on the informal economy (article one). The literature points to the existence of a myriad of definitions and interpretations of the informal economy. This partly steered us to adopt a broad working definition of the informal economy in our study and to propose an alternative taxonomy of the relation formal, informal and illegal economy. The ideas behind this alternative taxonomy were to highlight the importance of *labour and work* when studying the informal economy and to differentiate between regulation and enforcement of regulation in determining the boundaries of the informal economy. However, on the basis of the empirical results of the three case studies, this alternative conceptualization was altered again.

The empirical results of the first case study, which focused on seasonal work in fruit-growing in South Limburg, are presented in the second article of this dissertation. The case study indicated that several types of informality were present such as undeclared labour, illegal employment, social benefit fraud, social contribution fraud, exploitation and the activities of go-betweens. Several reasons for hiring and working undeclared were identified such as the need to find enough seasonal workers in time (hiring) and topping up allowances (working). The identified reasons bear resemblance to the structuralist and voluntarist schools of
thought on the informal economy. Importantly, informal work is perceived to be executed mostly by autochthonous Belgians, Belgians of foreign origin and foreigners living more permanently in Belgium. By contrast, foreigners migrating temporarily to Belgium preferred working formally. Notwithstanding the presence of informality, we identified a process of formalisation, which means that the prevalence of informality has declined over the years. Several hypotheses are suggested to explain the ‘policy of involvement’ in this case. This policy of involvement was associated with a perceived formalizing and informalizing influence on informality.

The third article comprises the empirical results of the case study of street selling in Brussels South. Informal street selling occurred both within and without formal markets. Regarding the former, four subtypes were identified: (1) illegal employment, (2) undeclared labour of employees, (3) unlicensed selling by self-employed and (4) the sale of counterfeit goods on formal market stalls. Informal selling outside the formal markets took place outside the market domains but during the market hours. In addition, it also occurred fully independently of the markets. Informal street selling was executed mostly as a means to survive, or as a way to supplement income from social benefit or from formal or informal work. In general, the identified motivations bear resemblance to the structuralist and legalist schools of thought. The results furthermore indicate that informal street selling was executed mainly by foreigners in illegal stay, foreigners in legal stay and Belgians of foreign origin. We refer to the governmental approach regarding informal street selling as a ‘laissez-faire approach’, which was characterized by limited targeted inspections regarding informal street sales. Again, several hypotheses for this approach are proposed. The case-specific regulation did not seem to have a particular influence on informality, which could be explained by the fact that it was hardly enforced. However, some aspects of the migration policy were perceived to have a positive influence on informality executed by migrants staying illegally. In contradiction to the first case, the enforcement side of the policy hardly deterred people from informal street selling. In brief, the combination of the regulation and slack enforcement of the regulation went hand in hand with a status-quo of informality.

Lastly, the empirical results pertaining to the case of prostitution are presented in the fourth and last article of this dissertation. This case was characterized by the partial declaration of labour and income, social benefit fraud, social contribution fraud, pimping, exploitation and
activities ancillary to prostitution (e.g., shopping service, advertising). Both foreign and Belgian persons were involved in these informal economic activities, mostly for financial reasons. The identified motivations for informality could be categorized into the legalist and voluntarist schools of thought. The government adopted a policy of tolerance and a laissez-faire approach. The policy of tolerance entails that managing a prostitution business, which is a criminal offense, was tolerated and even regulated at the local level. The laissez-faire approach entails that incorrect declaration of labour and income was tolerated by the police, the social inspectorate services and the tax office. In short, the governmental approach could be related to a neutralizing influence. However, at the same time, the approach also enabled informality.

**Cross case analysis**

In the concluding part of the dissertation, the empirical results of the three case studies are summarized, compared with each other and related to the conceptual and theoretical frameworks of the dissertation.

By applying responsive regulation theory to our results, we tried to explore the usefulness of this theory for regulating the informal economy. More specifically, we studied the extent to which this theory, and in particular the two pyramids, was found in the three case studies. To do this, we applied the pyramid of regulatory strategies and the sanction pyramid to our results. We furthermore explored the extent to which the behaviour of enforcers was responsive to the motivations and behaviour of regulatees. Regarding the pyramid of regulatory strategies, in all three cases a level of regulation that is not included in Ayres and Braithwaite’s (1992) theory was found, namely self-regulation at the individual level. This refers to the establishment of agreements or arrangements by individuals instead of by representative organizations. These agreements were not enforced on the whole market and did not necessarily influence it. Regarding the sanction or enforcement pyramid, in all three cases an escalation of possible sanctions was found. However, our analyses suggest that the strongest deterrence did not necessarily stem from the most punitive sanctions, i.e. the penal sanctions at the top of the pyramids. Instead, administrative sanctions, situated lower than penal sanctions in the pyramid, were feared most by participants of the informal

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1 Insofar exploitation (1) entailed purely the managing of prostitution businesses, (2) did not include serious exploitation of individuals and (3) did not cause too serious infractions on community order.
economy. In brief, we illustrate that not all aspects of responsive regulation are found. We furthermore suggest that the theory can be useful for regulating the informal economy notwithstanding the finding that practical issues hamper the implementation of certain principles. However, more research is needed to deepen this out.

Next, we discuss the main characteristics of the workers in the informal economy and of the work they conducted. Our results confirm the segmented nature of the informal economy, in terms of the people who work in it (workforce ranging from more marginalized people to more middle-class persons), the working conditions, the activities that are performed, and the income the informal economy generates. Subsequently, we present a visualization of the relation between the formal, informal and criminal economy in each case, based on the empirical results. These analyses form the basis for a reconceptualization of the informal economy and the proposition of an adapted alternative taxonomy, in which state regulation, compliance and enforcement have a crucial role. Some difficulties remain with the adapted taxonomy, which illustrates that it should be seen as a tentative taxonomy.

As all studies, this research is characterised by some strengths and limitations. Before ending with a brief conclusion, we present some policy recommendations and suggestions for future research.

References


Samenvatting van de studie

Doelstellingen en onderzoeksvragen

Het onderwerp van deze studie is de informele economie in België. Breed genomen kan de informele economie omschreven worden als het omgekeerde van de formele economie (Ponsaers, Shapland & Williams, 2008, 645). In deze studie wordt meer specifiek een diepteeonderzoek uitgevoerd naar de informele economie in drie Belgische tewerkstellingsdomeinen (seizoenarbeid, straathandel en sekswerk) aan de hand van een collectieve gevalstudie (Billiet, 2008; Creswell, 2007; Stake, 2000). Dit betekent dat er drie aparte gevalstudies worden verricht, waarna de voornaamste resultaten met elkaar vergeleken worden op een aantal punten. Het onderzoek heeft twee algemene doelstellingen: het identificeren van de voornaamste kenmerken van informaliteit in de drie gevallen of cases en het achterhalen van de wijze waarop de Belgische overheid omgaat met informaliteit in die cases. Om deze doelstellingen te bereiken, wordt in elke case getracht een antwoord te formuleren op de volgende vijf onderzoeksvragen:

1. Wat zijn de voornaamste beleidsmaatregelen met betrekking tot de case?
2. Op welke wijze wordt de case gekenmerkt door informele economische activiteiten?
3. Indien informele economische activiteiten aanwezig zijn, wat zijn de motieven van personen om deze activiteiten uit te voeren?
4. Wat is de invloed van de beleidsmaatregelen m.b.t. tot de case op informaliteit in de case?
5. Hoe percipieën de respondenten de voornaamste beleidsmaatregelen?

In elke gevalstudie worden de aanwezigheid van informele economische activiteiten en hun relatie met formele en criminele activiteiten onderzocht. Tevens worden de voornaamste beleidsmaatregelen met betrekking tot seizoenarbeid, straatverkoop en prostitutie geïdentificeerd, wordt gekeken hoe deze beleidsmaatregelen gepercieerd worden door diverse belanghebbenden (bv. ‘workers’, beleidsmakers) en hoe deze maatregelen eventueel een invloed hebben op informaliteit. Verder worden motieven om deel te nemen aan de informele economie onderzocht. In essentie tracht deze studie aldus vragen te beantwoorden die te maken hebben met de aard van de informele economie (bv. wie neemt
deel aan de informele economie, waarom nemen mensen deel aan de informele economie, met welke informele activiteiten houden mensen zich bezig, hoe wordt de informele economie aangepakt) (Williams & Windebank, 1998).

Dit doctoraatsonderzoek tracht twee opvallende lacunes in de literatuur omtrent de informele economie aan te stippen en deels op te vullen. In eerste instantie heeft voorgaand onderzoek weinig aandacht geschonken aan case-specifieke beschrijvingen van individuele motieven om informele activiteiten uit te voeren en aan de gepercipieerde invloed van beleidsmaatregelen op deze motieven (Haigner, Jenewein, Schneider & Wakolbinger, 2013; Schneider, 2011; Williams & Round, 2010). In tweede instantie is de literatuur omtrent informele economie gekenmerkt door een beperkt aantal studies en publicaties die theoretisch, conceptueel en empirisch materiaal integreren. Dit doctoraatsonderzoek tracht deze drie invalshoeken te combineren, door de bekomen empirische resultaten te koppelen aan conceptuele en theoretische inzichten met betrekking tot informele economie en met de ‘responsive regulation’ theorie van Ayres en Braithwaite (1992). Het toepassen van de ‘responsive regulation’ theorie op de informele economie is bovendien vernieuwend in de literatuur omtrent regulering aangezien deze toepassing inhoudt dat de theorie, die oorspronkelijk werd ontwikkeld voor de regulering van bedrijven, in dit onderzoek wordt toegepast op individuen.

**Methodologie**

Aangezien er weinig vergelijkbaar voorgaand onderzoek bestaat, is deze studie exploratief van aard. Gezien deze exploratieve aard, de doelstellingen en de onderzoeksvragen van dit onderzoek, wordt gekozen voor een kwalitatief onderzoeksopzet (Flick, 2002; Klima, 2011). Een dergelijk opzet draagt meer bepaald de voorkeur daar we geïnteresseerd zijn in perspectieven, percepties en opvattingen van verschillende belanghebbenden in de informele economie (Newburn, 2007) en we een gedetailleerde analyse van informaliteit in de cases willen bekomen (Silverman, 2013). In overeenstemming met Coletto (2010), opteren we voor een gedeeltelijk inductieve aanpak. Deze aanpak wordt gekenmerkt door het identificeren, beschrijven en bespreken van diverse aspecten van de informele economie, met de bedoeling voeding te geven voor het conceptueel en theoretisch kader omtrent dit concept. Gezien het verkennend karakter van dit onderzoek worden geen
hypothesen getoetst. Wel brengen we onze resultaten in verband met bestaande theorieën over informele economie en regulering (Decorte, 2010) en formuleren we algemene conclusies op basis van dit proces.

Het uitvoeren van een collectieve gevalstudie is in overeenstemming met Aden’s (2009) aanbeveling om meer case-specifieke kennis te produceren omtrent de aard en omvang van verschillende types informaliteit. Voorgaand onderzoek heeft immers aangetoond dat de aard van de informele economie verschillt van plaats tot plaats (Marcelli, Williams & Joassart, 2010). Dit toont aan dat een vergelijking van diverse cases belangrijk is voor een beter en ruimer begrip van de informele economie.

Er wordt gebruik gemaakt van drie methodes: semigestructureerde interviews, documentanalyses en observaties. In totaal werden 137 interviews afgenomen met ‘workers’ (77 interviews), beleidsmakers (41 interviews) en andere sleutelfiguren (19 interviews) zoals sociaal werkers. Onze aandacht ging vooral uit naar werknemers en werkgevers (‘workers’), wat gereflecteerd wordt in het grootste aantal interviews met deze categorie respondenten. Diverse types van documenten werden geanalyseerd zoals jaarverslagen, wetgevende documenten en afgesloten dossiers op het niveau van de bijzondere inspectiediensten en het parket. Observaties werden enkel uitgevoerd in de case over straatverkoop (ongeveer gedurende 50 uur).

Resultaten

Within-case analyses

De within-case analyses (of de aparte analyses van elke gevalstudie) worden weergegeven in het tweede deel van het manuscript. Dat deel start echter met een literatuuroverzicht omtrent de informele economie, waarin de aandacht vooral uitgaat naar het conceptueel kader (bv. wat is informele economie, hoe kan het gemeten worden). De literatuuranalyse toont aan dat er een groot aantal definities en interpretaties bestaan omtrent de informele economie. Deze vaststelling heeft enerzijds aanleiding gegeven tot de keuze om een ruime werkdefinitie van de informele economie in dit onderzoek te hanteren. Anderzijds heeft dit ons geïnspireerd om een alternatieve taxonomie omtrent de relatie formele, informele en criminele economie voor te stellen. Deze alternatieve taxonomie is gestoeld op twee ideeën.
Ten eerste was het de bedoeling te benadrukken dat werk en arbeid cruciale onderdelen zijn van de informele economie. Ten tweede lag het in onze bedoeling de rol van regelgeving en van handhавing van regelgeving te benadrukken in de afbakening van de informele economie. Op basis van de empirische resultaten van de drie gevalstudies werd de alternatieve taxonomie echter opnieuw gewijzigd.

Het tweede artikel geeft de resultaten weer van de eerste gevalstudie, die zich richtte op seizoenarbeid in de zuid-Limburgse fruitteelt. Dit onderzoek toonde het bestaan aan van diverse soorten informele activiteiten zoals niet aangegeven tewerkstelling, illegale tewerkstelling, sociale bijdragefraude, sociale uitkeringsfraude, uitbuiting en de activiteiten van tussenpersonen. Tevens werden diverse motieven achterhaald om mensen informeel aan te nemen en om informeel te werken zoals de noodzaak om voldoende seizoenarbeiders op korte tijd te vinden en het aanvullen van uitkeringen. Deze motieven en redenen leunen aan bij de ‘structuralist’ en de ‘voluntarist’ theorieën omtrent de informele economie. De perceptie bestaat dat informele arbeid voornamelijk wordt uitgevoerd door autochтоne Belgen, Belgen van vreemde origine en buitenlanders die permanent (of voor lange periode) in België wonen. Tijdelijke migranten - die voor een beperkte periode naar België komen om te werken als seizoenarbeider - geven aan een voorkeur voor formeel werk te hebben. Niettegenstaande de aanwezigheid van informaliteit, hebben we een proces van formalisatie ontdekt, wat inhoudt dat informaliteit in de loop der jaren is gedaald. De aanpak van de overheid in deze case werd benoemd als een ‘policy of involvement’. Diverse hypotheses worden gesuggereerd om de betrokkenheid van de overheid in deze sector te verklaren, die echter door verder onderzoek zouden moeten worden getoetst. Een dubbele invloed van deze aanpak werd gepercipieerd: enerzijds zou deze aanpak een positieve invloed gehad hebben op het proces van formalisatie maar anderzijds zou deze aanpak sommige personen beïnvloed hebben in hun keuze om informeel te werken.

Het derde artikel omvat de resultaten van de gevalstudie naar straatverkoop te Brussel. Informele straatverkoop werd zowel binnen als buiten de formele markten gevonden. Informaliteit binnen de formele markten nam vier gedaantes aan: (1) illegale tewerkstelling, (2) niet aangegeven tewerkstelling van werknemers, (3) zelfstandige activiteiten zonder de nodige vergunningen (bv. leurkaart) en (4) verkoop van namaakproducten. Twee soorten van informele straatverkoop buiten de formele markten waren geïdentificeerd. Enerzijds
vond informele verkoop plaats in de onmiddellijke nabijheid van de markten tijdens de marktturen. Anderzijds vond informele verkoop plaats zonder dat dit nog een relatie had met de formele markten. Informele straatverkoop was grotendeels een overlevingsstrategie voor personen in illegaal verblijf. Tevens was het voor diverse personen ook een middel om een (gepercipieerd) ontoereikend inkomen aan te vullen. Algemeen genomen vertonen de geïdentificeerde motieven gelijkenissen met de ‘structuralist’ en ‘legalist’ theorieën over informele economie. De resultaten tonen verder aan dat informele straatverkoop voornamelijk werd uitgevoerd door vreemdelingen in illegaal verblijf, vreemdelingen in legaal verblijf of allochtonen. De overheidsaanpak werd benoemd als een ‘laissez-faire aanpak’, gekenmerkt door een beperkt aantal acties en interventies gericht op informele straatverkoop. Ook in deze case worden een aantal hypothesen omtrent deze aanpak opgeworpen. De case-specifieke regelgeving bleek geen opvallende invloed uit te oefenen op informaliteit, wat deels te wijten kan zijn aan het feit dat ze amper gehandhaafd werd. In tegenstelling tot de eerste case, schreven weinig respondenten een afschrikwekkende functie toe aan het handhavingsaspect van het beleid. De combinatie van de regelgeving en het beperkte toezicht ging hand in hand met een status-quo inzake informaliteit.

De resultaten van de gevalstudie naar prostitutie in Gent worden weergegeven in het vierde en laatste artikel van het doctoraat. In deze case nam informaliteit de vorm aan van gedeeltelijke aangifte van werk en inkomen, sociale bijdragefraude, sociale uitkeringsfraude, poierschap, uitbuiting en prostitutie-ondersteunende activiteiten (bv. boodschappers, reclame). Zowel Belgische als niet-Belgische personen waren betrokken in deze vormen van informele economie. De geïdentificeerde motieven voor informaliteit waren grotendeels financieel van aard en leunen aan bij de ‘legalist’ en ‘voluntarist’ theorieën. De aanpak van de overheid werd gekenmerkt door zowel een tolerantiepolitiek als door een ‘laissez-faire’ aanpak. De tolerantiepolitiek houdt in dat de lokale overheid de uitbating van prostitutie, wat volgens het strafwetboek een crimineel feit is, toleerde en reguleerde door er de horeca-regelgeving op toe te passen. De ‘laissez-faire’ aanpak verwijst naar de vaststelling dat incorrecte aangifte van arbeid en inkomen getolereerd werd door politie en bijzondere inspectiediensten. Samenvattend gesteld laat de aanpak van prostitutie in de case informaliteit toe. In zekere zin is er tevens sprake van een neutraliserende invloed.

2 Dit evenwel voor zover de uitbating geen uitbuiting inhield en het niet gepaard ging met opvallende overlast.
Cross-case analyse

In het laatste deel van het doctoraat worden de empirische resultaten, afkomstig van de drie gevalstudies, per onderzoeksvraag samengevat en met elkaar vergeleken. Verder worden de resultaten gekoppeld aan het conceptueel kader en de theoretische raamwerken.

Met betrekking tot het theoretisch kader omtrent regulering, trachten we te onderzoeken in welke mate de responsive regulation theorie zoals geformuleerd door Ayres en Braithwaite (1992) nuttig is voor de aanpak van de informele economie. Hiertoe onderzoeken we in welke mate de voornaamste aspecten van de theorie, en meer in het bijzonder de twee piramides, in onze empirische resultaten terug gevonden worden. Indien de piramide van regulerende strategieën wordt toegepast op onze drie gevalstudies, merken we dat een reguleringsniveau aanwezig is in de drie cases dat niet in de responsive regulation theorie wordt opgenomen. Meer bepaald gaat het om zelfregulering op het individuele niveau. Dit houdt in dat individuen in plaats van vertegenwoordigende organisaties (zoals bijvoorbeeld vakbonden) onderling overeenkomsten en akkoorden sluiten met betrekking tot bepaalde werkgerelateerde onderwerpen. Deze overeenkomsten gelden niet voor de gehele sector, maar enkel voor de personen op wie ze van toepassing zijn. Derhalve hebben deze overeenkomsten ook geen invloed op de volledige sector. In overeenstemming met de voorgestelde sanctiepiramide, werd in de drie cases escalerende sanctiemogelijkheden gevonden. Echter, de hoogste afschrikking ging niet noodzakelijk uit van de straffen die het hoogst geplaatst zijn in de piramide, met name de criminele straffen. Integendeel, werknemers en zelfstandigen ervoeren de administratieve sancties doorgaans als meer schrikwekkend dan criminele sancties. Met andere woorden, de keuze om niet informeel te werken werd meer ingegeven door de schrik voor potentiële administratieve sancties dan voor potentiële criminele sancties. Samenvattend kan gesteld worden dat niet alle aspecten van responsive regulation theorie, die in dit onderzoek werden opgenomen, werden gevonden in de resultaten. We suggereren dat de theorie nuttig kan zijn om de informele economie aan te pakken, maar dat de implementatie van de theorie wel wordt bemoeilijkt door praktische moeilijkheden.

Vervolgens worden de voornaamste kenmerken besproken van de personen die aan de informele economie deelnemen, alsook van de activiteiten die ze uitvoeren. De resultaten
Samenvatting van de studie

bevestigen de gesegmenteerde aard van de informele economie in termen van de mensen die erin werken (gaande van gemarginaliseerde groepen tot de middenklasse), de werkomstandigheden, de activiteiten die worden uitgevoerd en het inkomen dat de informele economie genereert. Daaropvolgend wordt de relatie tussen de formele, informele en criminele economie, zoals we die in de cases hebben gevonden, visueel weergegeven. Op basis van deze analyses wordt vervolgens de alternatieve taxonomie, zoals voorgesteld in het eerste artikel, herwerkt tot een aangepaste voorstelling van de relatie formele, informele en criminele economie. In deze conceptualisatie hebben overheidsregulering, compliance en toezicht een cruciale rol. Dat ook deze conceptualisatie tentatief blijft, blijkt uit het feit dat ook deze taxonomie nog vragen onbeantwoord laat.

Ook deze studie wordt gekenmerkt door sterktes en beperkingen, die achtereenvolgens worden besproken. Alvorens af te sluiten met een kort besluit, gaan we nog wat dieper in op een aantal beleidsaanbevelingen en suggesties voor verder onderzoek.

Referenties


Regulating the Belgian informal economy? A case study in three markets


Introduction

This dissertation is about the informal economy, which is broadly defined as the reverse or the opposite of the formal economy (Ponsaers, Shapland & Williams, 2008, 645). As such, informal economic activities occur outside the arena of the formally regulated economy (Chen, Jhabvala & Lund, 2001; Losby et al., 2002; Meléndez, Theodore & Valenzuela, 2010; Saitta, 2013; Webb, Bruton, Tihanyi & Ireland, 2013). In particular, we conduct an in-depth study of three Belgian employment markets (seasonal work, street trade and sex work) by means of a collective case study, in which the presence of informal economic activities and their relations with formal and criminal activities are studied. We identify the relevant policy in the cases, how this policy is perceived by different stakeholders (e.g., workers, policymakers) and how it has an influence on informality. In addition, we identify motivations of workers to participate in the informal economy. In essence, this dissertation thus focuses on the nature or character of the informal economy (e.g., who engages in informality, why do people engage in informality, what type of activities do they engage in, how is it regulated) (Williams & Windebank, 1998). Previous research on the informal economy has covered various topics and angles, but case-specific accounts of individuals’ motivations for engaging in informal activities and perceptions on the influence of specific policy stipulations on these motivations have been largely unexplored (Haigner, Jenewein, Schneider & Wakolbinger, 2013; Schneider, 2011; Williams & Round, 2010).

Aims and research questions

As will be illustrated in the first article of this dissertation, the literature on the informal economy is furthermore characterised by relatively little integrative work that connects empirical results with conceptual and theoretical propositions. This present research aims to combine both perspectives by relating empirical results to conceptual and theoretical ideas regarding the informal economy and responsive regulation theory of Ayres and Braithwaite (1992). Therefore, we conduct a comparative analysis of three case studies and relate its results to these conceptual and theoretical frameworks. We choose a partially inductive approach (see infra) in which empirical data are related to theories to find out which elements are applicable to our results and to contextualise them but not to test

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3 Important exceptions are the work of Williams and Round (2008; 2010).
theories. This partially inductive approach is related to the exploratory nature of this study, given the scarceness of similar preceding research.

The general aims of the study are to identify the main characteristics of informality in three employment markets and to detect the choices the Belgian government has taken regarding informality in these markets. As such, the sub-aims of this research are the following:

(1) To analyse the choices of the Belgian government in regulating the three cases;
(2) To analyse the prevalence of informal activities in the three cases;
(3) To analyse the influence of the relevant policy in these cases on informality;
(4) To detect the motives of participants to engage in informal economic activities in the cases;
(5) To find out perceptions of different stakeholders on the relevant policy in these cases.

Regarding the last aim, the main focus lies on perceptions of workers.

The aims of the dissertation are translated into five research questions in each case study:

(1) What are the main Belgian policy stipulations concerning the case?
(2) In what way is the case characterised by informal economic activities?
(3) If informal economic activities are present, what are the motives of people to engage in them?
(4) What is the influence, if any, of policies on the informal economy in relation to the case?
(5) How do respondents perceive the main Belgian policy provisions?

Importantly, the first research question refers to the main policy stipulations regarding seasonal work, street selling and prostitution. The fourth research question means that we look at the main policy stipulations that are applicable to labour in the three cases and how

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According to Andrews, Caldera Sanchez and Johansson (2011), existing empirical research into the influence of policies on informality highly tends to be conducted at the national level. It can be criticized for relying on unreliable proxy variables or model based estimates that already take into account the impact of tax and regulatory settings. These critics are overcome in our study.
these influence\textsuperscript{5} informality in the cases\textsuperscript{6}. For the purposes of this study, policy is defined as the combination of regulation and the enforcement of this regulation. More information about the working definitions and argumentations for these working definitions is found in the section ‘conceptual and theoretical frameworks on the informal economy and on regulation’. More information on the selection of the three employment markets and cases is found in the section ‘research design and methodology’.

Relevance of the study

Prevalence of the informal economy in Belgium

Empirical research illustrates that informal economic activities continue to play a significant and persistent role in contemporary societies (Henry & Sills, 2006). Both quantitative and qualitative researchers argue the presence of informal economic activities in the everyday life in most European countries (e.g., Schneider & Buehn, 2009; Shapland & Ponsaers, 2009a). Quantitative estimates of the size of the Belgian informal economy in 2007 ranged from 3.8% of the GDP (Gross Domestic Product) (calculated via the national accounts [NBB, 2010]) to 18.3% of the GDP (calculated via DYMIMIC model [Schneider, 2011]). Variations in quantitative estimates are not only accounted for by the varying use of definitions, but also (and foremost) by the varying use of measurement methods and characteristics of certain methods. According to Pacolet and De Wispelaere (2013a) and Pacolet, Perelman, Pestieau and Baeyens (2007), especially the reliability and validity of macro-measures of the informal economy are questionable\textsuperscript{7}. Using such a macro-method, Schneider (2013) estimated the size of the informal economy in Belgium in 2013 at 16.4% of the GDP. In the same year, the

\par\textsuperscript{5} This study does not measure the effectiveness of policy measures. As Baldwin and Black (2008) correctly argue, it is nearly impossible to measure the \textit{effectiveness} of detections systems, compliance and enforcement processes given for instance the impossibility of discovering the extent of ‘off the radar’ non-compliance.

\par\textsuperscript{6} As such, we do not identify how specific measures regarding the informal economy (e.g., data sharing) influence informality in the three cases.

\par\textsuperscript{7} For instance, Pacolet and De Wispelaere (2013b, 14) list a broad range of criticisms on the macro-model methods, which are often used by Friedrich Schneider: no view at specific sectors or socio-economic categories, no precise definition, too simplistic assumptions, no stable results, overestimation of the informal economy, assumptions need to be made about the initial level of the informal economy, difficulties to obtain reliable data on cause variables other than tax variables and the reliability of the variables grouping into ‘causes’ and ‘indicators’ in explaining the variability of the informal economy.
special Eurobarometer 402 on undeclared work in the European Union estimated that 4% of the respondents in Belgium stated having procured undeclared paid work apart from a regular employment and that 40% knew somebody who is involved in carrying out undeclared work (European Commission, 2014). The authors do however mention that the measures of the supply side provide underestimations. Specifically for Belgium, Pacolet et al. (2012) found that in 2010, 14.1% of the respondents had supplied undeclared work and that 38.8% had bought goods or services which embodied undeclared work. Notwithstanding the limitations of these different measurement methods, resulting in an over- or underestimation of the informal economy, they give some indication of the considerable prevalence of informality in Belgium.

It is thus not surprising that the informal economy receives high governmental attention (Williams & Windebank, 1998). In Belgium, several measures have been adopted to combat fraudulent practices (Pacolet & De Wispelaere, 2013a), with a specific focus on social and fiscal fraud. Illustrative for this is the coalition agreement of 2011, which mentions an intensification of the battle against fiscal and social fraud as one way of achieving the budgetary aims (Di Rupo, 2011).

Relevance for the government

When it comes to Belgium, little - if anything - is known about perceptions of informal workers regarding their (informal) work or about policies which might influence their work. However, in order to make effective choices concerning the formal reaction on the informal economy, it is of crucial importance to thoroughly understand the motives of people participating in such kind of activities and the influences on their choices (Feige, 1990; Haigner et al., 2013; Schneider, 2011; Williams & Renooy, 2008). In this study, we focus on

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8 This survey on undeclared work was administered to approximately 26,563 EU citizens (living in the 27 EU Member States and in Croatia) between April and May 2013 (European Commission, 2014).
9 In 2007, these numbers were 6% and 56% respectively (European Commission, 2007). Unfortunately, due to the low incidence of reported undeclared work, the Eurobarometer does not procure information per country regarding for instance type of undeclared work or reasons for supplying undeclared work (European Commission, 2014).
10 According to Belgian law, social fraud is defined as “every infraction on a social legislation that falls under the authority of a federal government” (art. 151 social penal code).
11 Fiscal fraud is not defined in Belgian regulatory stipulations (Pacolet & De Wispelaere, 2013a). In the national safety plan (which describes the overall police policy) however, fiscal fraud is described as organised VAT-fraud and organised fraud regarding income tax (NVP, 2012).
12 At the moment of writing (14 August 2014), no new federal government has been established yet after the federal and regional elections of May 2014.
highlighting the voice of workers regarding their informal work and their perceptions of policies. As such, this dissertation has an important practical relevance, in that it will offer some policy recommendations based on our empirical results in which workers have a prominent place.

Given the various disadvantages and advantages of the informal economy for different stakeholders\(^\text{13}\) (Williams & Lansky, 2013), authorities can struggle between several policy options regarding informality (Slack & Jensen, 2010): doing nothing (Williams & Lansky, 2013), deregulation of the formal economy (Williams, 2014), eradicating the informal economy (Williams, 2014)\(^\text{14}\) or promoting formalisation (Williams & Lansky, 2013). The deregulatory approach, which argues that informality is a result of overregulation by the state of the market and of dependency on welfare, basically aims to eradicate informality by reducing regulations imposed on employment (Williams & Windebank, 1998). A conventional approach to eradicating the informal economy is to alter the cost/benefit ratio of participating in the informal economy, by focusing on the cost-side and increasing perceived or actual likelihood of detection and penalties for those caught (Williams, 2014). Finally, promoting formalization is not aimed at fully eradicating the informal economy, but at bringing informal workers and informal enterprises as much as possible into the formal economy. This approach is divided into a hard approach (‘sticks’), which seeks to engender compliance by using deterrence measures such as improving detection and increasing penalties (Williams, 2014; Williams, Horlings & Renooy, 2008) and a soft approach (‘carrots’), which seeks to enable compliance by encouraging compliant behaviour, for instance by

\(^{13}\) Examples of disadvantages are the threat of infiltration of criminal organizations into the formal market (Shapland & Ponsaers, 2009c), loss of income for the state due to tax evasion (Europese Commissie, 2007) which affects the government’s ability to provide public goods (Bayer, 2006; Ihrig & Moe, 2001; Crombez, 2011), unfair competition for the formal market (Crombez, 2011; Pacolet & De Wispelaere, 2013b; Vande Walle & Ponsaers, 2006), no quality guarantee of the products to the consumers (Vande Walle & Ponsaers, 2006) and the lack of social protection for employees (Europese Commissie, 2007). On the contrary, employment in the informal economy can function for certain people as a means to gain a basic income - the so called survival economy (Chen et al., 2001; Vande Walle, 2008) (e.g. sans-papiers, people without a work record, youngsters with no social capital... [Shapland & Ponsaers, 2009c]).

\(^{14}\) In previous work, Williams and Windebank (1998) refer to the regulatory approach as a means to eradicate the informal economy. This approach seeks to eliminate informality and to replace informal labour with full employment and a formal welfare safety net to cushion the persons still excluded from formal employment. The main means to achieve this in this approach, is the installation of more stringent regulations and their enforcement (Williams & Windebank, 1998). In later work, Williams and Lansky (2013) do not refer to this term again, but refer to ‘promoting formalisation’. We infer from the two publications that the main difference between the promoting formalisation approach and the regulatory approach lies in their main aim: whereas the former does not aim to fully eradicate informality, the latter does.
preventing people from engaging in undeclared work and changing attitudes (Williams, 2014; Williams et al., 2008). A conceptual framework regarding these policy approaches, including measures at the societal level to tackle informality, was introduced only very recently (see Williams, 2014).

As explained by Williams and Windebank (1998), policy options are rooted in beliefs regarding the origin of informality (i.e., what are the reasons for the existence of informality) and although each option has its merit, none of the options are free of problems. Recently, research concludes that promoting formalisation (and moving undeclared work into the declared economy) is the most viable policy option although the other choices can be useful in certain instances (Williams, 2014).

Relevance for criminology

A vast amount of literature on the informal economy exists, springing from divergent disciplines (Williams, 2010) as will be illustrated in the first article of this dissertation. Within criminology however, international academic attention for the informal economy is only more recent and is thus more scarce. Within this scarce pool of criminological research, a combination of reflective or contemplative (e.g., Lippens & Ponsaers, 2006; Ponsaers, 2013; Ponsaers et al., 2008; Shapland, 2012; Vande Walle, 2008) and empirical work is discerned (e.g., Antonopoulos, Hornsby & Hobbs, 2011; Bacon, 2013a, 2013b; Bisschop, 2013a, 2013b; Saitta, Shapland & Verhage, 2013; Shapland & Ponsaers, 2009b; Vande Walle & Ponsaers, 2006; and Verhoeven, van Gestel & Kleemans, 2013).

Likewise, previous academic work on the informal economy in Belgium mainly stems from other disciplines than criminology such as economics (e.g., Pacolet & De Wispelaere, 2013a; 2013b), urban development (e.g., Kesteloot & Meert, 1999; Meert, Mistiaen & Kesteloot, 1997) and sociology (e.g., Van Meeteren, 2010; Van Meeteren, Engbersen & van San, 2009) who each have their specific research foci. Although criminologists show genuine interest in these foci, criminological research tends to focus on other, complementary facets. In sensu stricto, criminological research focuses on crime, origins of/reasons for crime and (state) reactions to crime. In a broader sense, criminology also focuses on security, victimization, rule-breaking behaviour (not only pertaining to criminal law) and reactions to such behaviour. As such, studies on motives for informality and reactions of the state to the
informal economy have a place in the ‘sensu latu’ research agenda of criminology. Thus, by focusing attention on a topic previously largely ignored in criminology, this dissertation contributes to the research agenda of criminology.

Relevance for the informal economy - theoretical relevance

Lastly, the results of this study have important conceptual and theoretical implications. First of all, our results will be used as a basis for an alternative conceptualisation of the informal economy and its relations with the formal and the criminal economy. Secondly, our empirical results will be related to the four main theoretical schools regarding the informal economy, which are discussed in the following section. Importantly, as this is an exploratory research, we do not test theoretical hypotheses derived from these theories. We do relate our empirical results to theoretical frameworks in order to better understand and contextualize the results. Thirdly, the empirical results will also be related to responsive regulation theory as developed by Ayres and Braithwaite (1992). The choice for this theory\textsuperscript{15} is not surprising as it is one of the most influential regulation theories (Bisschop, 2013b; Nielsen & Parker, 2006; van de Bunt, van Erp & van Wingerde, 2007; Van Erp, 2008) in which the government has a prominent role. In particular, we explore the usefulness of this theory - and more specifically the regulatory pyramids - for regulating the informal economy by applying them to the empirical results. Again, given the exploratory nature of the study, it is not the intention to test whether or not the regulatory pyramids are correct. It is the intention to apply the pyramids to the three cases, see how the pyramids are manifested throughout the three cases and which aspects of the pyramids are discerned in the empirical results. This is expected to lead to some interesting considerations regarding the applicability of responsive regulation theory to the informal economy.

Conceptual and theoretical frameworks on the informal economy and on regulation

Although we describe the theoretical frameworks in this introductory part, we conducted the literature review on the informal economy and on regulation before, during and after the fieldwork. As such, we entered the field with prior knowledge of key concepts regarding regulation and of the main policy stipulations (which were identified through document

\textsuperscript{15} In addition to responsive regulation theory, other regulation theories exist such as smart regulation, risk-based regulation and really responsive regulation (Baldwin & Black, 2008).
analysis, see infra), but the full literature review on responsive regulation theory was finalised after the fieldwork. In addition, before each case study, we conducted a literature review on the topic of the case study (i.e., seasonal work in horticulture/agriculture, street selling and prostitution).

**The informal economy**

*Conceptual considerations on the informal economy*

The choice to use the term ‘informal economy’ in this dissertation is not coincidental. The other related adjectives found in literature (e.g., black, hidden, underground, shadow) suggest that informal activities exist in the hidden interstices of society. However, although informal activities are hidden from the state, they are often very visible in the communities in which they take place (Williams & Windebank, 1998). Although the use of the noun ‘economy’ may wrongly suggest we study the phenomenon from an economic perspective, we deliberately choose this noun as other popular nouns (e.g., employment, sector, work) may not fully capture our aims. For instance, the term employment refers to a relationship where one’s labour is recompensed by a wage or a fee (Williams & Windebank, 1998, 3). To us, this suggests a predominance of paid work under authority of someone (cf. relationship), which implies the term may not include self-employment. It must be noted however, that by using the noun ‘economy’ we do not assume the existence of separate economies, of a clear divide between the formal and the informal economy (Williams & Windebank, 1998). The terms ‘work’ and ‘activity’ could be valuable alternatives but they refer mainly to paid *labour and activities*, whereas we are also interested in the *persons* who conduct the work (cf. double unit of analysis).

As will be illustrated in the first article of this dissertation, up until today there is no universally accepted definition of the informal economy. As such, a working definition for the informal economy is needed that could be used throughout this dissertation. Several arguments support the use of a broad (working) definition of the informal economy. As Portes and Sassen-Koob (1987, 31) state “much of this extensive debate is really over semantics and can be resolved by including in the definition all relationships of production and exchange outside the modern and state-regulated economy”. As such, a broad

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16 About the different terms and definitions of informal economy used in literature.
definition diminishes the risks of missing important empirical data (Pacolet & De Wispelaere, 2009; Pacolet et al., 2012; Saitta, 2013). Especially for research from a criminological perspective is it important to include the study of legal, semi-legal and illegal activities, which is possible when using a broad definition of informality (Saitta, 2013). Furthermore, the choice of a broad definition, which serves to establish a basic distinction between the formal and informal economies and which is then used as a framework for a more detailed analysis is not uncommon in research on the topic (Coletto, 2010). Thus, the informal economy is defined at the outset of the study as the opposite or the reverse of the formal economy (ILO, 2002, 11; Ponsaers et al, 2008, 645), thus comprising all economic activities that are not officially regulated, enforced\(^{17}\) and registered (Adriaenssens et al., 2009; Chen et al., 2001; Dell’Anno, 2003; Dobovsek, 2009; Henry & Sills, 2006; Lippens & Ponsaers, 2006; Slot, 2010). According to Ponsaers (2013), this implies that informal activities are ultimately not taxed. Importantly, this working definition does not yet incorporate the recent EU-decision to incorporate certain informal and criminal activities (e.g., prostitution, smuggling of alcohol and tobacco) into the estimates of the GDP (De Smet, 2014; Monaghan, 2014; NBB, 2010, 2014; Van Mechelen, 2014) as this decision only came into force after the start of our study.

Our working definition is an activities-based definition, which is in line with the widespread consensus to use an activity-based definition\(^ {18}\) of the informal economy in OECD countries (Williams, 2014; Williams & Lansky, 2013; Williams & Padmore, 2013). Throughout the research however, it became clear - on the basis of the empirical results - that an adaptation of the working definition was necessary. This is discussed more in detail in the last part of this dissertation (‘initial conceptualisations of the informal economy’).

Theoretical considerations regarding the informal economy

Over the years of research on the informal economy, four dominant schools of thought or theoretical models have emerged regarding its nature and composition (Chen, 2012; Williams & Lansky, 2013; Williams & Round, 2010). Although several researchers attribute

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\(^{17}\) ’Enforcement’ was added to the definition as it was hypothesized that enforcement was highly important for official registration. More explanation on that is found in the first article.

\(^{18}\) Until now, three types of definitions have been used to define the informal economy and related concepts (e.g., informal employment), namely enterprise-based, jobs-based and activities-based definitions (Ponsaers et al., 2008; Williams et al., 2008; Williams & Lansky, 2013; Williams & Padmore, 2013).
different names towards the schools (e.g., schools of thought [Chen, 2004; 2012; Chen et al., 2001; Coletto, 2010], perspectives [Williams & Gurtoo, 2012; Williams & Lansky, 2013], theories [Williams, Nadin & Rodgers, 2012; Williams & Round, 2010], or theoretical models [Williams & Round, 2010]), they do refer to the same content. In the cross case analysis we will couple the motivations for informal work - as identified in this dissertation - to the existing theorisations. Importantly, no macro-level statements will be made, for instance regarding the influences of globalisation or industrialisation on informality and thus on the reasons for the existence of the informal economy. The reason for this is that such macro-level statements are not at the core of the dissertation. It is however important to see how aspects that are at the core of the dissertation (e.g., motives for informality) are related to the existing theories.

The first model, the dualist school, considers the informal economy as comprising marginal activities that provide an income for the poor and a safety net in times of crisis (Chen, 2004; 2012). This school, also referred to as the modernisation perspective or theory (dominant in the twentieth century) (Williams & Lansky [2013]; Williams et al. [2012]) believed that informality was a residual of pre-modern economies and that informality would disappear as economies modernized. It argues that informal workers are excluded from modern (formal) economic opportunities because of imbalances between the growth rate of the population and of modern industrial employment (employment growth) and a mismatch between skills and the structure of modern economic opportunities (Chen, 2012). In other words, the persistence of informal activities is largely attributed to the lack of modern jobs opportunities to absorb surplus labour, to a slow rate of economic growth and/or a fast rate of population growth (Chen, 2004). Regarding the relation between the formal and the informal economy, this school proposes that informal units and activities have very little linkages to the formal economy. Instead, the informal economy is considered to operate as a distinct, separate sector of the economy (Chen, 2012). Most researchers agree on the fact that this school is out of date given the persistent presence of the informal economy (Chen, 2012; Williams, 2010).

\[19\] It is not the intention to test these theoretical models. If this were the intention, another design and focus is necessary if this were the intention (e.g., other methodology, other selection of cases). For instance, a full range of economic agents and environments should be studied to ensure that results do not reflect specific conditions of a particular group or locality (Williams et al., 2012). Also, our analysis implies the application of macro-level theories on micro-level results (motivations of individuals).
According to the *structuralist* school, the informal economy is comprised of subordinated economic units and workers that serve to reduce input and labour costs. As a result, they increase the competitiveness of large capitalist firms (Chen, 2004; 2012). The persistence and growth of informal production relations are - on this view - due to the nature of capitalist development (Chen, 2004), more specifically to attempts by formal firms to reduce labour costs and increase competitiveness, the reaction of formal firms to state regulation of the economy (e.g., tax and social legislation), and the process of industrialization (e.g., subcontracting chains) (Chen, 2012). As such, structuralists consider informality as a direct by-product of the development of a de-regulated globalized economy (Williams et al., 2012). Adherents of this school believe that informal and formal economies are intrinsically linked. Both informal enterprises and informal wage workers are perceived as subordinated to the interests of formal, capitalist development (Chen, 2012). Williams and Lansky (2013) - who refer to this school as the political economy perspective - add to this that informal employment in this perspective is also seen as a direct by-product of the shift away from the full employment welfare state regime. People of little use to the capitalist society are no longer maintained as a labour reserve but are transferred into the informal economy. In this view, informal workers are seen as necessity driven given their inability to find formal employment (Williams et al., 2012). Informal work is depicted as unregulated, low paid and insecure work with poor working conditions (Williams & Round, 2010). This school or perspective is sometimes referred to as the “exclusion” view (Williams & Lansky, 2013, 365). The main difference between this school and the dualist school lies in their fundamental different idea on the origin of or reason for the existence of informality. The dualist school mainly sees informality as a residue of pre-modern economies that inevitably will vanish as economies evolve. The structuralist school however sees informality as a result of capitalist developments, as a way to increase competitiveness and decrease labour costs. In both perspectives however, informal workers are excluded from the formal economy.

The *legalist* school considers the informal economy as comprised of brave micro-entrepreneurs who deliberately choose to work informally in order to avoid the costs, time and effort of formal registration (Chen, 2004; 2012). In this view, the hostile legal system (due to over-regulation [Williams et al., 2012]) leads the self-employed to operate informally. Informal employment is perceived as offering more autonomy, flexibility and
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freedom (Williams & Lansky, 2013). As a result, legalists argue that governments should introduce simplified bureaucratic procedures to encourage informal enterprises to register (Chen, 2012). This school is also known under the term neoliberal perspective (Williams & Lansky, 2013, 364).

The last school, the voluntarist school, also considers the informal economy as comprising informal entrepreneurs who deliberately avoid regulation and taxation (just like the legalist school) but this school does not attribute this to the burdens of the state but to a cost-benefit analysis of informality relative to formality (Chen, 2012). According to Chen (2012), this last school pays little attention to the economic linkages between formal and informal enterprises. It does however subscribe to the idea that informal enterprises create unfair competition for formal ones because they avoid formal regulations, taxes and other costs of production. As such, it feels that informal enterprises should be brought under the formal regulatory environment in order to decrease this unfair competition (Chen, 2012). Related to this voluntarist school is the post-modern perspective or post-structuralist theory, which argues the existence of own-account informal work for and by kin, neighbours, friends and acquaintances for non-financial reasons (Williams & Lansky, 2013; Williams et al., 2012). Informal work is chosen voluntarily, but for familial, redistributive and community solidarity reasons more than for financial reasons. The two last schools can be referred to as the “exit” view (Williams & Lansky, 2013, 365) or informality driven by exit (Williams et al., 2012, 539) and highlight the agency of workers.

Several authors (e.g., Chen, 2014; Saitta, 2013; Williams, 2010; Williams & Gurtoo, 2012; Williams & Lansky, 2013; Williams & Round, 2010; Williams et al., 2012) have argued and illustrated that one single theory is insufficient to explain all undeclared work and informal entrepreneurship and that each of these theories is more relevant to some forms of informal employment and some contexts than others. Furthermore, some authors state that exclusion is more applicable to waged undeclared work and exit to own-account/self-employed workers or that exclusion is relevant to relatively deprived populations and exit to relatively affluent groups (see Williams and Round [2010] and Williams et al. [2012] for an overview).
Regulation

Conceptual considerations on regulation

The second key concept of this dissertation is regulation. As is the case for the informal economy, there is still no uniformly acknowledged conceptualisation and definition of regulation (Baldwin, Scott & Hood, 1998; Black, 2002). Baldwin et al. (1998) refer to three meanings of regulation: (1) regulation as the promulgation of rules, accompanied with a mechanism for monitoring and promoting compliance with these rules; (2) regulation as encompassing all the efforts of state agencies to steer economy and (3) regulation as encompassing all mechanisms of social control. The first meaning is the most relevant for the purposes of this dissertation. In order to demarcate the scope of the empirical research, clear working definitions are necessary. For this purpose, we use the term ‘policy\textsuperscript{20},’ instead of ‘regulation’ to refer to the combination of regulation and the enforcement of the regulation. The term regulation is used to refer to the official body of laws and decrees at the federal, regional, provincial and/or local level. The term enforcement is used to refer to actions taken by different official actors to verify compliance with the regulation. As such, these working definitions imply a state-centred approach towards regulation (Black, 2002). The main reason for a state-centred approach is related to our aim to identify how the government deals with the informal economy in different cases (Black, 2002).

The division between regulation and enforcement is prompted by the aim to offer a more nuanced empirical analysis. By differentiating between these two aspects, a more structured and detailed analysis of the influence of both components on informality is endeavoured. Additionally, this terminological distinction between regulation and enforcement avoids confusion as to what is meant when writing about regulation (rules or enforcement). Thirdly, according to Black (2002) several government publications also use the term regulation to refer to the use of legal instruments, without integrating systems of monitoring or enforcement in their definitions of regulation. However, such a clear intentional distinction between regulation and enforcement is not consequently found in the regulation literature (Black, 2002). Several authors (e.g., Baldwin et al., 1998; Baldwin & Black, 2008; Black, 2002;

\textsuperscript{20} This term is chosen in view of the specialised literature on the relation between the informal economy and policy measures (e.g., Rickles & Ong, 2010; Williams & Lansky, 2013; Williams & Windebank, 1998).
Gill, 2002) do distinct the enforcement side of regulatory activity from the mere existence of regulatory stipulations, but this distinction is not reflected in the use of separate terms.

According to Baldwin et al. (1998), enforcement has no universal definition. According to them, it can refer to the prosecution of those in breach of the rules in response to complaints, which they argue is a simple meaning. They argue that regulatory enforcement often consists of a more subtle range of techniques of monitoring, inspecting, advising and warning, with prosecution constituting only a small part of an agency’s activities (Baldwin et al., 1998, 17).

**Theoretical framework on regulation: responsive regulation theory and the regulatory pyramids**

The theory of responsive regulation\(^{21}\), which was based on empirical work regarding the practices of regulators (Ayres & Braithwaite, 1992; Mascini, 2013; Parker, 2013), was established in an attempt to transcend or surpass the ongoing debate at that time regarding the nature and origin of regulation (state regulation or deregulation) by proposing alternative modes of regulation (Ayres & Braithwaite, 1992). The basic idea of responsive regulation is that governments should be responsive or attuned to the motivations and characteristics of those (citizens or corporations) they want to regulate (‘regulatees’) when deciding which regulatory approach they choose (Ayres & Braithwaite, 1992; Braithwaite, 2002; 2006). In other words, the choice of a regulatory strategy should be responsive to what is most appropriate in a given situation (Bisschop, 2013b). As a result, there is no standard regulatory action (Braithwaite, 2002).

One of the central ideas of responsiveness is the assumption that escalating forms of government intervention will reinforce delegated forms of market regulation. This idea is reflected in the regulatory pyramid, which is according to Braithwaite (2002; 2006) the most distinctive part of responsive regulation. Importantly however, actually Ayres and Braithwaite (1992, 38) differentiate between two regulatory pyramids: an enforcement pyramid or pyramid of sanctions (hereafter sanction pyramid) pitched at individual firms/regulatees and a more fundamental enforcement pyramid which reflects strategies at the level of markets/the entire industry (hereafter pyramid of regulatory strategies). This

\(^{21}\) In this overview, we use the terminology used by Ayres and Braithwaite (1992).
theory implies the need to look at both the written policy and at how it is put into practice. In turn, this implies the need to identify the policy first and then interview different stakeholders, which is the approach we have adopted.

The *sanction pyramid*\(^{22}\) reflects the idea of escalating enforcement depending on the conduct of the regulatees (see Figure 1). At the base of the pyramid, the lowest levels of punitive measures are found based on dialogue (e.g., persuasion, education). When moving up the pyramid, more and more punitive approaches are identified (e.g., civil penalty, criminal penalty)\(^{23}\). According to van de Bunt, van Erp and van Wingerde (2007), it is not so much the size of the punishment as the moral power of the punishment that is important in this escalation. According to Ayres and Braithwaite (1992), a pyramid of escalating or increasingly stringent enforcement measures is necessary to respond to diverse objectives of regulatees\(^{24}\). The idea of the pyramid is to always start at the bottom of the pyramid (even with serious offenses) and to only escalate to more punitive measures when lower ranked regulatory measures have failed (tit-for-tat strategy). Responsive regulation indeed suggests that regulators do not respond to the seriousness of the (alleged) offense, but to the behaviour of the regulatee (Nielsen & Parker, 2009). Only in exceptional cases can one distance oneself from this basic idea to start with dialogue based enforcement measures (Braithwaite, 2002; 2006). For instance, Ayres and Braithwaite (1992) give the example of one-off encounters between regulators and economically rational regulatees where persuasion will fail. Indeed, they argue that repeated interactions between regulators and regulatees are important in establishing future cooperation. However, according to Nielsen and Parker (2009), responsive regulation (as formulated by Ayres and Braithwaite [1992]) does not crucially depend upon repeated interactions\(^{25}\). Braithwaite (2006) argues that the rationale for ordering less costly, less coercive and more respectful options (i.e., dialogue based) lower than more dominating, less respectful forms of social control (i.e., criminal penalties) is not only to save money. According to him, proceeding to more coercive control

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\(^{22}\) The idea of a sanction pyramid was already mentioned in earlier work by Braithwaite but is further developed in Ayres and Braithwaite (1992) (van de Bunt, van Erp & van Wingerde, 2007).

\(^{23}\) Importantly, Ayres and Braithwaite (1992, 36) stress that the form is more important than the content, as specific measures may vary upon the context.

\(^{24}\) E.g., social responsibility, law abidingness.

\(^{25}\) Van de Bunt, van Erp and van Wingerde (2007, 395) on the other hand argue that repeated interactions are necessary to sufficiently know the regulatee and his/her motives, which is a necessary condition to react responsively.
after dialogic forms have failed contributes to the legitimacy of coercive control and regulation which in turn enhances compliance with the law. This idea forms the core of their explanation of regulatory compliance (Nielsen & Parker, 2009).

This pyramid was established in a period where opponents of command and control regulation (characterised by severe punishment by the state) and of self-regulation (characterised by soft punishment by the sector itself) were flatly opposed to each other. With this pyramid, Ayres and Braithwaite tried to transcend (Parker, 2013) and combine both approaches (Van Erp, 2008).

Figure 1: An example of a sanction pyramid

The second pyramid, aimed at a whole industry and referred to as a pyramid of regulatory strategies (Ayres & Braithwaite, 1992, 38), reflects escalating strategies such as voluntary self-regulation, enforced self-regulation or command regulation (first with discretionary punishment and then with mandatory punishment) (see Figure 2). Strikingly, Ayres and Braithwaite (1992) do not offer a clear definition of voluntary self-regulation. From their discussion of enforced self-regulation, it can be inferred that voluntary self-regulation is not imposed by a government on the industry or a company. According to Baldwin et al. (1998), there is even no universally accepted definition of self-regulation. According to them, used in the context of regulation, self-regulation usually refers to a scheme whereby a representative organisation develops a system of rules which it subsequently enforces

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26 Ayres and Braithwaite (1992, 35).
27 The sentence “When the state negotiates the substantive regulatory goal with industry, leaving the industry discretion and responsibility of how to achieve this goal...” (Ayres & Braithwaite, 1992, 38) suggests the government indeed does not impose specific regulations.
against its members or a larger community. In this sense, it seems that self-regulation is pitched on the level of the industry, rather than on the level of an individual firm. Other researchers however, such as Kovalenko (2013, 13), see self-regulation as “legitimate regulation of certain areas of activity by the *economic agents*\(^{28}\) (thus not necessarily representatives) without government interference”. According to Ayres and Braithwaite (1992), enforced self-regulation means that individual firms are required by the government to suggest ways by which they may comply with regulatory standards, which are subsequently ratified by the government. Subsequently, the firm is required by the state to check compliance with these standards. However, these privately written standards can be publically enforced as well. Again, command regulation is not defined by Ayres and Braithwaite (1992) but it can be inferred that command regulation bears resemblance to a ‘command and control’ approach, in which the state has a prominent role, uses legal rules and (criminal) sanctions (Baldwin et al., 1998; Black, 2002). Importantly, again Ayres and Braithwaite (1992) argue that the form of the pyramid is more important than its content: command regulation may very well be replaced by other regulatory strategies in other situations.

![Figure 2: An example of a pyramid of regulatory strategies\(^{29}\)](image-url)

The second pyramid reflects more than the sanction pyramid the process of rule-making. In essence, this pyramid is about the delegation of regulation (rule-making and its enforcement) to private parties, which is backed-up by traditional government regulation in

\(^{28}\) Italics were added by the author.

\(^{29}\) Ayres and Braithwaite (1992, 39).
case delegation fails (Ayres & Braithwaite, 1992). Applying these pyramids to the terminology used in this dissertation, the first pyramid could be considered as an enforcement pyramid (inspection and sanction aspect\textsuperscript{30}), targeted at individual regulatees whereas the second pyramid could be considered as a policy pyramid, targeted at a sector.

The key idea of responsive regulation theory is that the escalating nature of the two pyramids channels the majority of regulation into the bases of the pyramid (self-regulation and persuasion) (Ayres & Braithwaite, 1992). In other words: the possibility of escalating to more severe or intrusive actions (e.g., command regulation) or sanctions (e.g., criminal prosecution) stimulates compliance at lower levels of the pyramids (in order to avoid worse alternatives). Regarding enforcement, this is in line with what Ayres and Braithwaite (1992, 19) refer to as the ‘benign big gun’ which - simply said - implies that chances for compliance through the use of soft measures (e.g., persuasion) are higher when regulators can fall back on serious sanctions (e.g., civil penalty, criminal penalty, suspension of licenses) if soft measures do not work. In order for this idea to be the case, regulators need to project an image of invincibility towards regulatees (so that the latter fear the former), however without choosing punishment as the first sanction option in day-to-day interactions (‘keeping punishment in the background’ [Ayres & Braithwaite, 1992, 47]). Also, the sanction pyramid must be painted to be responsive to what is most feared in the eyes of the key participants in a particular industry (Ayres & Braithwaite, 1992, 155). Finally, what deterrent measure can be imposed, depends on interactions between the regulatory agency and other actors in its environment such as prosecutor (Ayres & Braithwaite, 1992).

In its original form, the two founding fathers argued that public or government regulation could be delegated to other actors such as public interest groups (via tripartism\textsuperscript{31}), firms (via enforced self-regulation\textsuperscript{32}) or unregulated competitors of regulated firms (partial industry

\textsuperscript{30} Although the sanction aspect was not taken up in the working definition of enforcement.

\textsuperscript{31} Tripartism is a regulatory policy that fosters the participation of public interest groups (PIGs) in the regulatory process (Ayres & Braithwaite, 1992, 57). The authors consider tripartism as a strategy for implementing existing laws and regulations, not for rule-making. Examples of PIG’s may be an environmental group or trade unions.

\textsuperscript{32} Enforced self-regulation means that individual firms are required by the government to suggest ways by which they may comply with regulatory standards, which are ratified by the government. Subsequently, the firm is required by the state to check compliance with these standards. However, these privately written standards can be publically enforced as well (Ayres & Braithwaite, 1992, 101).
Part I: Introduction

In later work, Braithwaite (2002; 2006) confirmed that responsive regulation is not solely reserved for governments. Instead, other regulatory actors such as private actors and NGO’s can also regulate responsively. In that respect, in more recent work Braithwaite (2006, 885) uses the term ‘nodes of networked governance’ to indicate the existence of several regulatory actors who interact in networks (e.g., state, corporations, interest groups). In later work, Braithwaite (2008) (cited in Van Erp, 2008) argues that the pyramid metaphor suggests regulation is organised in a hierarchical way whereas contemporary society is characterised by horizontal movements in which several regulators put their strengths together (Van Erp, 2008).

Also, responsive regulation has been applied to more areas than in which it was developed. Whereas Braithwaite’s work on responsive regulation tended to focus on areas of business regulation such as occupational health and safety and environmental protection (Braithwaite, 2002), he has extended this work for instance to the integration of responsive regulation and restorative justice (Braithwaite, 2002; Nielsen & Parker, 2009) and to the application of responsive regulation to war situations (Braithwaite, 2013). Furthermore, other researchers have applied the responsive regulation model to other areas such as transnational environmental crime (Bisschop, 2013b) and more diffuse, multiparty, logistically complex areas such as financial regulation (Ford, 2013). In line with this, we apply the regulatory pyramid to informal economies. Notwithstanding evolutions towards more decentred regulation conceptions and the concomitant evolution in responsive regulation theory, the original regulatory pyramids - that still offer considerable concentration on the state - are used as a frame which is put on our empirical results. As already mentioned, the main reason for this is we are interested in finding out how the government deals with the informal economy. As such, the working definitions and theoretical application start from a state-centred approach. Furthermore, as argued by Nielsen and Parker (2009), the version of responsive regulation by Ayres and Braithwaite (1992) is the most sustained and influential account of combining deterrent and cooperative regulatory enforcement strategies. It is argued by Mascini (2013) that focusing on just one aspect of responsive regulation, namely the regulatory pyramids, entails the danger of neglecting the question of how to regulate capitalist economies, which was essential in the work of Ayres and Braithwaite (1992). One

33 This strategy entails that the government regulates only a part of an industry and leaves another part unregulated (Ayres & Braithwaite, 1992, 133).
could suggest that we are guilty of the same omission. In part, this is true but as this broad question is beyond the scope of this dissertation, it does not fall within the aims of the dissertation to discuss the regulation of capitalist economies.

Of course, the responsive regulation theory is not free of criticisms. Although a full outline of these points falls beyond the scope of this research, some of the criticisms are integrated in the application of the pyramids to our results. For an extensive overview of criticisms on responsive regulation, we refer to Baldwin and Black (2008), Etienne (2013) and Mascini (2013).

**Research design and methodology**

This section describes the overall methodological choices that have been made in this dissertation. For a more detailed account of the methods, and more specifically the selection strategies regarding the cases and respondents/case-files/observation units, we refer to the appendices 1-3.

**Research design**

*Qualitative, partially inductive approach*

Notwithstanding the benefits of quantitative studies on the informal economy (e.g., empirical generalizability), we have deliberately opted for a qualitative approach. Given the explorative nature, the aims and the research questions of our study, a qualitative approach is more appropriate (Flick, 2002; Klima, 2011). In particular, the qualitative approach is well-founded given our interest in an in-depth understanding of the perspectives, perceptions and beliefs of different individuals involved in the informal economy (Newburn, 2007) and our interest in a detailed analysis of the informal economy (Silverman, 2013). Furthermore, several experts on the informal economy highlight the importance of qualitative research on the informal economy to obtain rich in-depth descriptions and understandings of the phenomenon (e.g., Ghezzi, 2010; Joassart, 2010; Slack & Jensen, 2010).

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34 Furthermore, several difficulties would exist when conducting quantitative research such as disagreements on the appropriateness of different estimation procedures (Schneider, 2005) re measuring the size of the informal economy and sampling difficulties (e.g., the unknown population, the small sample sizes) due to the absence of a sampling frame (Silverman, 2013, 145).
This qualitative research reflects a subtle realist ontology and epistemology in that we believe that there is a reality independent\(^35\) of the researcher and that the aim of research is to produce more or less accurate accounts or representations of that reality (Hammersley, 2002, 66, 73). We furthermore believe that each person has its own constructions or perceptions of that (social) reality (Hammersley, 2002, 75) and that it is possible to identify these reflections, perceptions and experiences. As such, we adopt a naturalistic model of qualitative research aimed at identifying these reflections and experiences (Hammersley, 2002, 66; Silverman, 2013, 106).

In line with Coletto (2010), we adhere to a partially inductive approach, in which identification, description and discussion of various aspects of the informal economy in certain cases can provide elements to feed the theoretical debate on the topic. We limit ourselves to the phases ‘observing’ and ‘induction’ of the empirical cycle as applied by de Groot (Billiet, 2008) and thus do not formulate specific theoretical hypotheses which are or can be tested subsequently. We conduct empirical research, analyse our findings logically, relate them to existing theories on the informal economy and on regulation (Decorte, 2010) and establish some general conclusions on the basis of this process\(^36\). The choice for a partially inductive approach fits our aim to search for meaning and perceptions of respondents (Decorte, 2010). The approach is partially inductive in that the empirical research is in part steered by our knowledge on conducting case study research\(^37\), on regulation\(^38\) and on the informal economy\(^39\) (Billiet, 2008; Decorte, 2010).

**Collective case study**

A case study implies that one case (or a small number of cases) is studied in detail, of which as full an understanding as possible is developed (Patton, 2002; Silverman, 2013), in order to

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\(^35\) With ‘independent’ Hammersley (2002, 73) means that the making of a claim about reality does not change relevant aspects of reality in such a way as to make the claim true or false.

\(^36\) As such, in this dissertation we do not adhere to grounded theory approach which is characterised by the development of a theory or theoretical hypotheses on the basis of the empirical data that are subsequently tested (Creswell, 2007; Silverman, 2013) (we relate our empirical data to existing theories instead of building new theoretical hypotheses on the basis of our data) nor do we adhere to a deductive approach which is characterised by testing (theoretical) hypotheses (Billiet, 2008).

\(^37\) Based on previous work (Boels & Ponsaers, 2011).

\(^38\) For instance, our fieldwork (i.e., interviews and observations) was influenced by our knowledge of regulation and enforcement, which was partly established by preceding document analysis. During our fieldwork, we looked at different aspects of regulation (e.g., frequency of experienced inspections, implementation regulation).

\(^39\) Based on the literature review on the informal economy in the pilot phase of the study (see infra).
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study a specific issue (Creswell, 2007). A case study is best suited if the aim of the study is to provide an in-depth understanding of one or more cases (Creswell, 2007) which is why we have chosen this for our study. In this dissertation, we conduct a collective case study (Billiet, 2008; Creswell, 2007; Leys, Zaitch & Decorte, 2010; Stake, 2000) or make use of a multiple case design (Yin, 2009) as three separate cases are studied, of which the main results are compared in order to investigate the phenomenon of the informal economy. According to Billiet (2008), collective case studies are a customary methodology in partially inductive approaches.

The in-depth qualitative study of three cases is in line with Aden’s (2009) recommendation that more case-specific knowledge about the extent of different types of informal work is needed. Moreover, case studies have the strength to offer specific and detailed knowledge on these aspects, which is crucial given the fact that the configuration of the informal economy is heterogeneous (Williams & Marcelli, 2010): “its [informal employment] configuration in any place derives from how economic, social, institutional and environmental conditions combine in multifarious ‘cocktails’ in different places to produce specific local outcomes” (Williams & Windebank, 1998, 36-37). Previous research on the informal economy has indeed illustrated that the nature and the practice of informality vary from place to place (Marcelli, Williams & Joassart, 2010) which implies that comparing different cases is important in contributing to a richer and fuller understanding of the nature of the informal economy. Furthermore, the multi-faceted character of the informal economy makes it hard to make general meaningful statements about the factors which influence the extent of informality within an economy (Andrews et al., 2011). This difficulty can be overcome by conducting in-depth qualitative case studies in specific employment markets.

In each case study, the unit of analysis - which must be defined at the outset of the study to clarify the research strategy (Silverman, 2013) - is double: workers and activities of workers (Chen, Jhabvala & Lund, 2001; Patton, 2002; Yin, 2009). At the outset of the study, the unit of analysis was the workers (i.e., people conducting informal work in the selected cases). However, throughout the research we noticed that activities of workers are inherently connected to workers as unit of analysis, which is why we offered a great deal of attention to
the activities\textsuperscript{40}. Activities as unit of analysis are important to capture the broad range of informality (Williams & Padmore, 2013) and workers as unit of analysis are important to analyse motives for informality, profile of people doing informal work and perceptions on work and policy. At the risk of being unconventional and offering a slightly less detailed (Yin, 2009) but broader analysis, both units are thus analysed. However, it is noteworthy that international bodies such as the International Labour Organization (ILO) have also shifted in unit of analysis in their research on the informal economy, which is illustrated by their changing definition of the informal economy from an enterprise-based to a jobs-based definition\textsuperscript{41} (Williams & Padmore, 2013).

\textbf{Selection strategies on three levels}

Given the comparative research design, selection took place on three levels (see Figure 3): (1) selection of employment markets, (2) selection of the case within each employment market and (3) selection of respondents/case-files or dossiers/observation units within each case. Here, we focus on the selection of the employment markets. For more information on the selection strategies for the cases and the strategies within each case, we refer to the articles 2 (seasonal work), 3 (street selling) and 4 (prostitution) and to the appendices 1-3.

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\textsuperscript{40} According to Patton (2002), the emergence of new units of analysis during field work is not exceptional.

\textsuperscript{41} The ILO describes informal employment as “those jobs that generally lack basic social or legal protections or employment benefits and may be found in the formal sector, informal sector and households” (ILO, 2011 in Williams & Padmore, 2013, 412).
Purposive or purposeful sampling steered the selection of the employment markets seasonal work, street trade and sex work (Creswell, 2007; Patton, 2002; Silverman, 2013). Moreover, the markets were selected on the basis of three criteria (Creswell, 2007). Firstly, the (supposed) presence of the markets in the countries making part of our international research group on the informal economy was necessary. Secondly, Belgian media reporting (for seasonal work) and the international research literature (e.g., Antonopoulos et al. [2011] and Nelken [2006] for street vending; e.g., Sanders [2008] for sex work) suggest the three markets can entail formal, informal and criminal activities, which allows us to study the relation between formal, informal and criminal activities (Yin, 2009). Thirdly, the markets vary according to four variables, thus allowing variation between the markets. The four variables are: (1) the public or private character of the activities (this variable thus refers to the visibility of the activities), (2) the level of basic regulation (national, regional, local), (3) the urban or rural character of the activities and (4) whether they involved employment or self-employment (see Table 1). In addition, limited research has been executed in Belgium on these three markets. As this study is a highly explorative study, the principle of variation is important in the selection of the markets, insofar the markets are still comparable.

The selection of three employment markets implies that the point of departure of the study is employment markets, its workers and their informal activities instead of a specific group of people (e.g., irregular migrants). This choice is related to the general aims of the study. Furthermore, it implies the possibility of distinguishing the diversity of people working in that market. In each market a case was selected: seasonal work in fruit-growing in South Limburg, street selling in Brussels South and prostitution in Ghent (see Figure 3). Notwithstanding not all cases received prior attention by the government (see infra), each

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42 Based on the Crimprev project that ran from 2006-2009, a small number of researchers from Belgium, the U.K. and Italy identified the need for further research on the informal economy. Funding for meetings was asked and obtained, resulting in the development of a common framework in which each partner committed to submit research proposals. Thus, the selection of the three cases are conform the common framework.

43 The electronic archive of the Belgian newspapers (Mediargus) was briefly searched through using the search terms ‘zwartwerk (black work)’, ‘fraud’ and ‘fruit sector’. This search produced a list of 28 articles published between 1995 and 2011. Of these 28 articles, 4 reported on a decline of black labour and illegal employment. The other 24 reported on controls in the sector, recorded infractions (illegal employment, undeclared labour, social fraud, fiscal fraud) and a rise in those infractions.

44 Sex work and prostitution have been previously studied in Belgium, but these studies have focused on drug use amongst sex workers (e.g., Decorte, Stoffels, Leuridan, Van Damme & Van Hal, 2011) or effectiveness of prevention measures (e.g., van Nunen, Gryseels & Van Hal, 2012), not on informality.
case is equally important. As Silverman (2013) argues, some cases might receive attention in the future and apparently trivial cases may turn out to have far-reaching implications.

As will be seen from the empirical results, the expected variation between the markets on the four variables at the outset of the study, in fact differed slightly from our empirical results based on the case studies (as is shown in Table 1) which can be attributed to the complexity of these markets. The differences are highlighted by marking them in italics in Table 1.

Table 1: The differences in expected variation in relation to the selection criteria for markets and cases

<table>
<thead>
<tr>
<th>Variables</th>
<th>Seasonal work</th>
<th>Street trade</th>
<th>Sex work</th>
<th>Seasonal work</th>
<th>Street selling</th>
<th>Prostitution</th>
</tr>
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<tbody>
<tr>
<td>Visibility activities</td>
<td>private</td>
<td>public</td>
<td>private &amp; public</td>
<td>private &amp; public</td>
<td>public</td>
<td>private &amp; public</td>
</tr>
<tr>
<td>Regulation level</td>
<td>national</td>
<td>national &amp; local</td>
<td>local</td>
<td>national, regional &amp; provincial</td>
<td>national &amp; local</td>
<td>national &amp; local</td>
</tr>
<tr>
<td>Urban/rural character</td>
<td>rural</td>
<td>urban</td>
<td>urban</td>
<td>rural</td>
<td>urban &amp; rural</td>
<td>urban &amp; rural</td>
</tr>
</tbody>
</table>

As the article on seasonal work will illustrate (article two), seasonal work can have a public (e.g., picking of fruit on the land) and a private character (e.g., sorting of fruit in closed hangars). The former is in a way publically accessible (i.e., although land is privately owned and one is thus not supposed to enter the land, one could access it relatively) but is not as visible or noticeable as for instance street selling or prostitution in the red-light district (RLD). First of all, seasonal workers are not always visible in between the trees. Secondly, one needs to have an idea as to where orchards are situated. As such, orchards are not as frequently visited by customers or outsiders as for instance market places or a RLD. The seasonal labour is regulated at a national level, which imposes case specific and non-specific national regulations. Furthermore, some regulations at the level of the region and the province are to be taken into account when accommodating seasonal workers, but no local regulation exists. Clearly, the activities have a rural character. Seasonal workers are hired on day-contracts which implies a labour relation between employer and worker.
Street selling (article three) has a public character as the activities take place in publically accessible places (e.g., streets, markets, cafés). Some of these places are highly noticeable and often frequented by many people. However, the sale in cafés is not always visible in the sense that one has to know in which cafés one has to go in order to encounter sellers. The work is regulated at a national level (cf., ambulatory trade regulation) and at a local level (cf., practical organisation of markets). Although street selling is mainly characterised by an urban setting, markets also take place in smaller towns. Street sellers can work as self-employed or under the authority of an employer.

Lastly, prostitution (article four) can have a public (e.g., street prostitution, window prostitution and mixed bar/window prostitution) and private character (e.g., private and escort prostitution) in urban settings. Regarding the former (public character), this does not mean that the sexual activities are publically visible, but it means that the prostitutes are publically visible and recognisable as prostitutes offering sexual services (e.g., by standing scantily dressed behind a window with neon lights). In a rural setting prostitution will mostly have a private character. Self-employed prostitution is not specifically regulated at the national level but the general regulations regarding self-employment are applicable. Local authorities have restricted authority to put in place regulations regarding prostitution. Prostitution related activities such as exploitation or advertising are prohibited at the national level. As a result, in theory prostitutes cannot work for an employer.

A chronological overview of how the research design has been carried out, is visualised in Table 2.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Pilot phase</th>
<th>Case study seasonal work</th>
<th>Case study street selling</th>
<th>Case study prostitution</th>
<th>Integration phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period</td>
<td>Literature review; pilot interviews</td>
<td>Literature review, empirical research, publications</td>
<td>Literature review, empirical research, publications</td>
<td>Literature review, empirical research, publications</td>
<td>Cross-case analysis, literature review, theoretical application &amp; writing-up</td>
</tr>
</tbody>
</table>
Methodology

Methods of data collection

As Silverman (2013) argues, methods are not good or bad in se, but need to be appropriate for the research questions one seeks to answer. As such, we make use of a combination of methods that in our view are best suitable to answer our research questions. Not only is method triangulation important to enhance the quality of the research (see infra), according to Creswell (2007) the use of multiple sources of information is typical to case study research. Yin (2009) even states that the use of multiple sources of evidence is strongly recommended in case studies. As suggested by him, we replicated the same procedures in each case as much as possible. Here, we summarize the used methods in general (i.e., not per case). A full overview and argumentation for the chosen methods in each case is included in the appendices 1-3 of this dissertation.

Semi-structured face-to-face interviews

Interviews are an essential source of case study evidence (Yin, 2009). The use of semi-structured in-depth interviews allows researchers to ask respondents about facts, opinions and perceptions about facts or events and about respondents’ propositions regarding certain facts (Yin, 2009). Interviews are furthermore the most appropriate method to capture motivations of people (Silverman, 2013). As we are mainly interested in identifying experiences, perceptions and motives of people regarding informal work, the choice for interviews is highly appropriate. We furthermore expected face-to-face interviews to be more successful than written surveys in including respondents (especially participants of the informal economy) in this study.

In line with Miller and Glassner (2004), we believe that interview responses can give access to the experiences and perceptions of people, which is characteristic for a naturalistic model of research (Silverman, 2013). More specifically, we follow Miller and Glassner’s (2004) belief that two persons can communicate their perceptions to one another, though acknowledging that there are ‘pollutants’ in any discussions. Consequently, we are convinced that interviews is an essential method to provide access to perceptions and
meanings people attribute to their experiences and social worlds (Silverman, 2013). For this to be possible, a sufficient level of trust between interviewer and respondent needs to be present, which can be prompted by showing genuine interest, assuring confidentiality and not being judgemental (Miller & Glassner, 2004). This belief does not rule out that we acknowledge that research interviews are an interactive process between interviewer/researcher (Holstein & Gubrium, 2004) and respondent and that the interviewer/researcher thus has an influence on the interview (Miller & Glassner, 2004), for instance in helping the respondent shifting positions in the interview to explore alternate perspectives (Holstein & Gubrium, 2004). However, as long as this is acknowledged and reflected upon, we do not see this as a problem for the quality of the research. More detailed information on this item is found in appendices 1-3. Here, it is sufficient to note that, overall, the social distance between interviewer and respondents - which was sometimes found in the three cases - was not experienced as a problem by the researcher but more as an opportunity to justify additional probing (Miller & Glassner, 2004).

In each case study, we interviewed different types of respondents: workers, policymakers and intermediates. The category of workers is divided into three subcategories, being employers (e.g., farmers, stallholders, prostitution bar managers), self-employed and employees. This category of respondents is of crucial importance as information about and from participants of the informal economy is highly important to understand the dynamics of the informal economy (Joassart, 2010). The category of policymakers is divided into two subcategories, being regulators and enforcers. Regulators are persons working for regulatory agencies, which have the power to adopt regulation. Examples of regulators are members of employers’ organisations, members of labour unions, city officials working for the mayor. Enforcers are persons working for enforcement agencies, which are authorized to control compliance with regulation. Examples of enforcers are police members and members of inspectorate services. The category of intermediates comprises a range of other respondents.

45 We are aware of the fact that a respondent can attach multiple meanings to activities, as argued by Silverman (2013). However, in our view, this does not rule out the use of this method at all, as interviews (and analysis of transcripts) allow the exploration of these multiple meanings by identifying seeming contradictions or plural statements about one aspect and by asking for clarification.

46 We approached respondents in their work identity (e.g., seasonal worker, street seller, prostitute, social worker, regulator) and asked them questions regarding their perceptions of work-related items. This does not rule out that, especially in the case of prostitution, prostitutes sometimes articulated perceptions more in line with another identity (e.g., a mother, a wife).
that do not fit the other two categories, but who do have specific knowledge about the topic
given their work experience. Examples of intermediates are social workers and street
workers. Given the expertise of policymakers and intermediates on the interview topics,
they can be referred to as experts (Flick, 2002). Table 3 gives an overview of the number of
interviews carried out in each case study. Interviews lasted between 30 minutes and two
and a half hours.

Table 3: Total amount of interviews carried out in the three case studies, divided per category of respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Workers</th>
<th>Policymakers</th>
<th>Intermediates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case of seasonal work</td>
<td>38</td>
<td>12</td>
<td>8</td>
<td>58</td>
</tr>
<tr>
<td>Case of street selling</td>
<td>17</td>
<td>16</td>
<td>8</td>
<td>41</td>
</tr>
<tr>
<td>Case of prostitution</td>
<td>22</td>
<td>13</td>
<td>3</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>77</td>
<td>41</td>
<td>19</td>
<td>137</td>
</tr>
</tbody>
</table>

We drew up topic-lists or question protocols (Beyens & Tournel, 2010; Boeije, 2005), based
on the research questions and aims of the interviews. In general, the topic lists for the same
categories of respondents contained the same topics. However, depending upon the specific
function of the respondent and aim of the interview, topic lists could vary slightly. For
instance, some interviews with policymakers were conducted in order to have more specific
knowledge on one aspect and were thus more focused on a limited number of topics (e.g.,
migration policy and its practical consequences). These topic lists facilitated comparison
between interviews (as in general the same topics were handled during the interviews),
were used as a basis for the coding scheme (see infra) and were used as a mnemonic during
the interviews to make sure that all topics were covered. Nonetheless, room was given to
deviate from the presupposed sequence of the topics, depending on the course of the
interview and the input of the respondent (Beyens & Tournel, 2010; Silverman, 2013).
Likewise, the interview method enabled the researcher to ask for clarifications and for more
information on important aspects. Also, the semi-structured character did not restrict
respondents in their answers: they were not forced to channel their perceptions into limited
answer categories (Vervaecke, Vanderhallen, Opdebeeck, & Goethals, 2002). As such, it
made it possible to add some topics in case an interview highlighted new important
findings/topics we had not thought about before. As suggested by Devillé (2006), Miller and
Glassner (2004) and Newburn (2007), we started with non-threatening questions (e.g.,
maybe it’s best to start by you telling me something about yourself/your function) in order
for respondents to feel at ease and safe enough to share information.
Nearly all interviews were recorded and transcribed verbatim\textsuperscript{47} (Silverman, 2013). In a small minority of cases, recording failed due to technical problems, recording was not allowed by respondents or recording was not feasible due to practical difficulties. Although it could be argued that recording might yield the risk of respondents feeling inhibited about talking openly, we chose to record the interviews for several reasons. Firstly, it guarantees all information is preserved (Silverman, 2013; Yin, 2009). Secondly, it enables us to literally cite respondents, which is important in qualitative research given the aim of identifying, understanding and representing perceptions (Beyens & Tournel, 2010). Thirdly, it yields the possibility of focussing on the phrasing of the questions (e.g., open-ended how questions more than closed, why or threatening questions) and on the relation with the respondent (Beyens & Tournel, 2010; Yin, 2009). During interviews, notes were taken enabling us to register additional questions (Cambré & Waege, 2010). Immediately after the interviews, personal impressions concerning the interview (e.g., impression of the respondent(s), impressions concerning the relation researcher-respondent(s), learning points for researcher) and additional information which was given after the recorder was switched off (or when respondents asked to turn off the recorder because they wanted to say something ‘off the record’) were written down (Beyens & Tournel, 2010; Flick, 2002).

Pilot interviews with policymakers and intermediates were carried out in the three cases during the pilot phase, which served multiple purposes, namely (1) to determine the extent to which it would be possible to do research in the three markets, (2) to get a first idea regarding the selection of cases (demarcation of markets) and (3) determining the sequence in which the case studies would be done. Furthermore, the pilot interviews yielded important advantages such as practising our interview skills\textsuperscript{48}, getting a first view of the topics that needed to be covered in the interviews (important to construct the topic-lists) and getting an idea whether or not we would have interesting data from the interviews (Silverman, 2013).

\textsuperscript{47} I.e. without grammatical or other tidying up (Silverman, 2001).
\textsuperscript{48} Cambré and Waege (2010) offer an interesting set of tips to conduct interviews, which were exercised in these pilot interviews.
Observations

Direct observations (Boeije, 2005; Yin, 2009) were only executed in the case of street selling. Observations in the case of seasonal work seemed of limited use and appropriateness for two reasons. Firstly, we did not feel observations of fruit-picking or fruit-sorting would yield additional data to answer our research questions (usefulness criterion). Secondly, observing seasonal workers at work would imply entering the private property of farmers (closed setting [Silverman, 2013]) and would be obtrusive for seasonal workers (even with the agreement of the farmer) given the fact that it is not normal for outsiders to access private property. However, participatory observation and immersion in the setting would have been useful for answering some research questions, but was not possible as our scholarship contract did not allow us to conduct seasonal work. More specifically, the scholarship contract does not allow income generating activities and the seasonal work regulation did not allow us to conduct seasonal work on a voluntary basis.

Likewise, although observations in the case of prostitution could be feasible in the RLD given the fact that it is publically accessible, they would not be useful in answering our research questions. Only in the case of street selling did observations seem useful, more specifically to get an idea of the organisation of informal sellers, the goods they sell, their workplaces, etc. which are all relevant in answering the second research question. In total, observations were conducted during 20 days and evenings, which amounted to approximately 50 hours of observations. The day-observations were conducted on different days and on different hours in order to have a broad view on the setting (Coletto, 2013). The results of the observations, that were initially covert as sellers did not know our intentions of being there until we talked to them, were recorded in fieldnotes (Silverman, 2013). For more information, we refer to the appendix 2.

Document analyses

Another important method in case studies is the document analysis (Yin, 2009). Documents can take different forms (Atkinson & Coffey, 2004; Patton, 2002; Yin, 2009); we have mainly analysed annual reports of different enforcement organisations, relevant legislation, information brochures (available on internet and procured by respondents/contacted organisations) and statistics of enforcement agencies. These documents were analysed
mainly in order to obtain information on the policy and on the methods of working of organisations. Furthermore, we have also analysed case files (i.e., dossiers at the level of the inspectorate services and the Public Prosecutor). In essence, a case file or dossier at the level of the Public Prosecutor is a collection of documents such as procès-verbal of the police or inspectorate services, communications between actors (police, Public Prosecutor), summaries of research findings (e.g., study on telephony system), and the verdict/judgement of the judge. The dossier analyses additionally served to learn more about the detection of infractions (how are they detected), the types of detected infractions (which can give some more insights into the relation between informal and criminal activities), the motivations for the infractions, the final decisions in dossiers and their motivations.

The actual analysis of the documents - and especially the dossiers - was preceded by the construction of a list containing the topics that should be retrieved from the documents (Vervaecke et al., 2002), which enabled systematic and structural information extraction. This structured method of working furthermore facilitated comparison between the dossiers. All relevant information was copied in hand-written notes, which were subsequently written electronically.

It is important to be aware that documents have particular functions (Atkinson & Coffey, 2004), are written for specific goals and a specific audience other than the researcher and are subject to a reporting bias: it reflects a bias of the author which is often unknown (Yin, 2009). In essence, documents are not always transparent representations of for instance decision-making processes. As a result, it is important to be critical in interpreting the contents of documents (Yin, 2009) and to keep in mind how they were produced to determine what they can and cannot be used for in research (Atkinson & Coffey, 2004). This however does not imply that documentary materials should be perceived as secondary in comparison to other methods (e.g., interviews, observations). On the other hand, they should be regarded as data in their own right (Atkinson & Coffey, 2004).

**Strategies to enhance the quality of the data collection**

In order to enhance the quality of the data collection, we have made use of triangulation, audit trail and methodological awareness (i.e., explicitly mentioning the procedures used to
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come to conclusions\(^{49}\) (Silverman, 2013). In literature, these measures are attributed the quality of protecting the reliability and validity of the research (data) (Silverman, 2013). Evidently, the methodological literature illustrates different accounts of reliability and validity in qualitative research (e.g., Holstein & Gubrium, 2004; Maesschalck, 2010; Maxwell, 2002; Patton, 2002; Peräkylä, 2004; Silverman, 2001; 2013). According to Silverman (2001) and Maxwell (2002), reliability of qualitative data should be considered for each method used (Silverman, 2001) and validity of data (or accounts of the world) should be relevant in view of the epistemology of the study (Maxwell, 2002; Silverman, 2013). As we do not believe that it is possible to give a fully accurate account of an objective reality (cf. subtle realism), reliability and validity are important to attain accounts that come as close as possible to social reality as constructed by our participants.

Reliability of the interviews, observations and document analyses: audit trail

In general, reliability is described as the consistency of findings or the degree to which the findings are independent of accidental circumstances of the research (Kirk & Miller, 1986, 20 in Peräkylä, 2004, 285). However, in our study we do not expect people’s motives and perceptions regarding informality (which are identified on the basis of interviews) to stay stable or consistent over long periods of time\(^{50}\), which implies that ‘diachronic’ reliability or the stability of findings over time (Silverman, 2001, 225) may be low. Likewise, we do not assume that similar questions will always yield exactly the same responses over time as answers of respondents are coloured by recent experiences\(^{51}\). Lastly, given the influence of the researcher on interactions during interviews\(^{52}\) (Patton, 2002), we do not expect that other interviewers would find exactly the same data as we did (inter-rater reliability). Of course, this does not mean that our accounts of motives and perceptions at the time of the interviews are not reliable. It only means that some standard indicators of reliability of interview data are less relevant in this study. To improve the reliability of the interviews in this study, we have worked with topic lists, have asked for clarification when accounts of

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\(^{49}\) Anonymous transcripts of the interviews and coding systems can be put at the disposal of the members of the examination committee, should they want to analyse them.

\(^{50}\) We do expect these perceptions to be consistent during the period of the fieldwork, which approximately took place during 6 months.

\(^{51}\) A good example of this is a sex worker who had been subject to a police inspection a week prior to the interview and acknowledged that this had changed her perspectives on her work.

\(^{52}\) More information regarding the influence of the researcher on the data is found in the appendices 1-3.
respondents were not clear, have asked the same questions in different wordings when answers were not fully clear and tape-recorded and transcribed verbatim nearly all interviews (Flick, 2002; Peräkylä, 2004; Silverman, 2001). Especially the topic lists and transcripts offer a trail of this data collection method.

The observations were carried out by one researcher. As a result, inter-rater reliability does not apply to our observations (Silverman, 2001). Again, it is not certain that exactly the same results would be found later in time given the mobility (in time and place) of sellers, market principles (which may affect the type of goods sold) and changing political choices (which might lead to more or less regulation and enforcement). Nevertheless, it remains important for persons other than the researcher to evaluate how observations were carried out (cf. audit trail). The reliability of observations was thus improved by systematizing fieldnotes in order to retain good access to the phenomena under study (Silverman, 2001). In this respect, we determined prior to the start of the observations the aim of the observations (e.g., identification of sold goods), we made short notes at the time of the observations which were expanded after the observations, we made memos regarding experienced methodological issues and ideas for further investigation (be it by observations or interviews) and finally we established specific goals prior to each observation moment, based on rudimentary analysis of previous observation data.

Likewise, topic lists were established prior to the dossier or case file analyses (document analysis), which facilitated systematic retrieval of comparable material in all dossiers. In sum, the measures taken for the three research methods come down to establishing an audit trail (Maesschalck, 2010), which helps to offer an overview of how the data have been collected.

**Triangulation**

Maxwell (2002, 41) - adhering to a realist perspective - does not believe that there is only one correct, objective account of reality, but poses that “as observers and interpreters of the world, we are inextricably part of it; we cannot step outside our own experience to obtain some observer-independent account of what we experience”. As a result, validity refers to the relationship between an account and the phenomena that the account is about.

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53 Or we detached ourselves temporarily from the setting to make notes, for instance in the toilets on the market or in the train station.
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As such, validity in subtle realism implies taking measures aimed at achieving a more “close approximation of the empirical world” (Erlandson, Harris, Skipper & Allen, 1993 in Loyens, 2012, 118). One such measure is triangulation (Loyens, 2012; Silverman, 2013). By comparing data obtained from different methods (interviews, observations and document analysis; method triangulation, Silverman, 2013) and different sources (workers, policymakers, intermediates), we try to obtain a more complete account of the informal economy in the three cases.

Regarding method triangulation, it is important to thoroughly think about which methods to combine in order to have a broader, less unilateral view on what we wish to know. As such, it is important to be aware of the strengths and limitations of each method used in view of the research questions. We opted for a combination of semi-structured interviews, document analyses and observations (only in the second case study). This triangulation served several goals. At the outset of the study we assumed that the hidden character of the informal economy might demonstrate difficulties in studying this topic as (1) participants in the informal economy might prefer to remain in the shadows and (2) even non-participants might find it hard to talk openly about the existence of informal economic activities in their sector due to the sensitivity of the topic. This could lead to troubles convincing people to participate in the study (getting a foot in the door) and to talk openly about their experiences and points of view. Thus, relying solely on interviews with participants in the informal economy could lead to biased results. By comparing and cross-checking data from different methods such as interviews, documents and files and from different types of respondents, skewed results are overcome. Furthermore, during the interviews we started with indirect questions regarding motives for informality instead of direct questions.

54 Importantly, in his view, validity is not an inherent property of a particular method, but pertains to the data, accounts or conclusions reached by methods in a particular context for a particular purpose. As such, he distinguishes different types of validity such as descriptive validity (which refers to the factual accuracy of an account), interpretative validity (which refers to the accuracy of interpretations regarding meaning attached by people to objects, events and behaviours), theoretical validity (which refers to the accuracy of theoretical concepts applied to phenomena and of the postulated relationships among the concepts), generalizability (which refers to the extent to which one can extend an account of a particular situation or population to other persons, times or settings than those directly studied) and evaluative validity (which refers to the accuracy of the application of an evaluative framework to the objects of study).

55 Silverman (2013) warns that whether or not the aggregation of data obtained through different methods and sources will lead to a more complete picture of the phenomenon of interest depends upon the ontology and epistemology the research is based upon. Given our subtle realism and naturalistic approach, we can assume that triangulation helps in offering more complete and nuanced accounts of the informal economy.

56 E.g., what could be according to you motives for people to...
course, we are aware of the fact that observations and documents cannot account for perceptions of respondents regarding informality and the policy. Only interviews can give an account of that.

By interviewing employers, workers, policymakers and intermediaries, different perspectives and perceptions are discerned, thus avoiding unilateral views (de Bakker, 2001; Flick, 2002; Stake, 2000). This is not only in line with our research questions and aims of our study, but it equally (partly) overcomes the risk of social desirable answers by participants in the informal economy.

Thirdly, the different research questions cannot be answered satisfactorily using only one method (Silverman, 2013). For instance, successfully identifying policies requires an analysis of relevant documents such as legislative documents (laws, royal degrees) and brochures. Interviews can be helpful in finding the necessary documents but cannot offer a full view on the policy. Conversely, some uncertainties or questions regarding documents can be discussed and/or clarified during interviews. Also, some questions in interviews can spring from previous observations (Silverman, 2013). As such, method triangulation can cushion limitations of one method with the advantages of other methods. All in all, by making use of this triangulation, we attempt to enhance the quality of the research (Flick, 2007; Maesschalck, 2010; Ponsaers & Pauwels, 2002; Stake, 2000).

The quality of qualitative research can in part also be enhanced by respondent validation or member check (Maesschalck, 2010; Silverman, 2013), which holds that the researcher contacts respondents in order to receive feedback on the data, the analysis or the reporting (Maesschalck, 2010). More specifically, according to Silverman (2013), member check is a possible solution to diminish the risk of anecdotalism. Notwithstanding the importance of member check for the quality of the data collection and analysis, we did not opt for this in this dissertation for two reasons. Firstly, our analysis is in English and not all interviewed respondents speak or read English. Secondly, we doubt some participants would be willing

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57 Dossiers or case files might contain information on the motives of workers for informality, but one must keep in mind that dossiers reflect a selection of information revealed through interrogations for instance by police or inspectors. Thus, dossiers might not reflect all information disclosed by workers under interrogations (but only that information that was written out in a procès-verbal). Furthermore, dossiers might reflect more interpretations made by inspectors than literal written accounts of the interrogations.

58 However, if respondents asked to read the interview transcripts or reports of the study (i.e., the articles), these documents were sent to them.
or have the possibility of giving extra time to the research (e.g., sellers having stopped their activities or changed location). We did choose to conduct the second solution Silverman (2013) offers to diminish the risk of anecdotalism, namely treating data comprehensively. For instance, we did not choose spectacular or strong citations of respondents but instead we put perceptions and all citations in their context. Also, when we found somehow deviant cases, these were fully analysed. Comparing data from different sources (respondents and methods) within each case and comparing data between the three cases could also be seen as a type of comprehensive data treatment (Silverman, 2013).

**Methods of data analysis**

Although reported in a linear way, data collection and data analysis partially took place simultaneously (Creswell, 2007). For instance, by making memos during observations or just after interviews and by transcribing interviews as quickly as possible after the interview, data analysis took place during data collection (Patton, 2002). Likewise, during the final data analysis some more interviews, informal conversations and document analysis were carried out - when possible - if gaps were detected in empirical material or when documents previously not released were available (Patton, 2002)\(^9\). This idea of non-linear proceeding is reflected in what Creswell (2007, 150) refers to as the data analysis spiral: data analysis is a process in which several facets of analysis (data management, reading and memoing, classifying and interpreting, and representing) are executed in a non-linear way. These facets of analysis fall into three general steps: (1) preparing and organizing the data for analysis (e.g., data management and reading), (2) reducing the data into themes through a process of coding and condensing the codes, and (3) representing the data.

**Within case analysis**

As is typical for collective case studies, we conducted the within case analysis prior to conducting the between case or cross case analysis (Leys et al., 2010). The analysis of our case studies was generally steered by the research questions (Yin, 2009). During the entire process of data analysis, memos containing reflections, interpretations and thoughts of the researcher, were used (Decorte, 2010).

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\(^9\) This was the case in the cases on street selling (extra interview) and prostitution (extra informal conversations and document analysis).
Each case started with a literature review on the topic of the case (i.e. seasonal work, street selling and prostitution) and a preliminary identification of the relevant policy. Document analysis, observations, interviews and further literature review were largely executed simultaneously instead of subsequently. In the three cases, only dossier analyses were mainly executed after the other data collection for practical reasons (consent lasted a while). Transcription of interviews was done as soon as possible after the interviews had been conducted⁶⁰, which allowed small adaptations of future interviews when necessary (e.g., adding of topic, greater focus on some topics) (Silverman, 2013). For the same reason, notes or memos were taken during transcribing. Fieldnotes of observations were written at the moment of or immediately after observations (Decorte, 2010). These hand-written notes (and those regarding the dossiers) were subsequently written out and numeric data (e.g., statistics regarding inspections) were put in Excel-files (‘getting to know your data’ [Decorte, 2010, 456; Patton, 2002]).

Once all data were collected and preliminary analysed (e.g., transcribed, writing fieldnotes and notes regarding case files), they were clearly sorted in order to have a good overview of the data (e.g., separate folders for the sound files and for the transcriptions; transcriptions were furthermore saved in separate folders according to the type of respondent; checking if all interviews were transcribed; making an overview of all available data). This process is what Decorte (2010, 453) and Creswell (2007, 150) refer to as data management and what Patton (2002, 440) refers to as organizing the data.

The huge amount of interview data and data extracted from case files were reduced by distinguishing relevant from non-relevant data by the process of coding (Flick, 2002) or what Baptiste (2001) refers to as tagging of data and grouping tagged data. In addition to reducing data or breaking down transcripts and notes, the process of coding served to understand the data (Flick, 2002). The notes regarding the case file analyses were coded without help from specialised software, given their manageable size (Creswell, 2007). The transcribed interviews were analysed with help of the qualitative analysis program for computer-based

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⁶⁰ Due to time restrictions, a minority of the recorded interviews in the cases of seasonal work (13 interviews out of a total of 58 interviews) and street selling (5 interviews out of a total of 31 recorded interviews) were transcribed by students. All other interviews were transcribed by the researcher.
analysis MAXQDA 2 (Creswell, 2007). Interviews belonging to the same category (e.g., employers, Belgian seasonal workers, street sellers, regulators) were coded on the basis of the same coding system to ensure comparability. The process of coding started with the initial identification of codes (i.e., concepts\textsuperscript{61}, themes\textsuperscript{62} and events\textsuperscript{63} that were given a name by the researcher\textsuperscript{64}), based on the topic lists used during the interviews, readings of the transcripts and the memos made during transcribing. More specifically, the point of departure for the initial coding system was the topic lists, which were complemented with codes based on readings of the transcriptions and memos. These readings served to identify categories that were not included in the topic lists (Patton, 2002) and to refine the codes based on the topic lists. By putting the codes inferred from the topic lists and the readings of transcripts and memos, an extensive initial coding scheme was developed. As such, this open coding (Decorte, 2010, 457; Flick, 2002, 177) that served to retain the - for the research questions (Yin, 2009) and background information\textsuperscript{65} - relevant data from the interviews was based on a combination of a priori coding (or etic-coding) and inductive coding (or emic coding) (Decorte, 2010). Subsequently, meaningful segments of the transcripts were labelled by assigning them (and the relevant questions that gave rise to the answers) to one or more codes (i.e., formal coding [Patton, 2002]). In this process, memos were used when confronted with doubts regarding the attribution to certain codes\textsuperscript{66}. This was helpful as we coded the transcripts serially: each transcript was fully coded before coding another transcript (Baptiste, 2001).

Notwithstanding the initial readings of all transcripts and memos before the start of the coding process (Patton, 2002), further comparison of coding from different interviews occasionally lead to the need to adapt the initial coding system (Decorte, 2010), that is to add new codes and delete some non-useful codes. If this was the case, the coding system was adapted and all coded interviews were re-coded using the adapted coding system. In order to avoid having to add new codes again, we included a code called ‘extra’ to absorb

\textsuperscript{61} E.g., regulation.
\textsuperscript{62} E.g., working conditions.
\textsuperscript{63} E.g., start work.
\textsuperscript{64} We did not make use of in vivo codes, which reflect exact wordings of respondents (Creswell, 2007).
\textsuperscript{65} We did not only code segments relevant to answer our research questions, but also other segments that we found relevant to contextualize the answers to the research questions (Baptiste, 2001).
\textsuperscript{66} This could suggest that the external heterogeneity of the initial codes was not perfect (Patton, 2002).
relevant data that did not match other codes (Baptiste, 2001). All in all, the final codebook was developed from different sources: topic lists of the interviews, readings of the interview transcripts and memos and a few additional codes added during the first coding when passages did not fit well in the available codes (Patton, 2002).

The coding process built the basis for the interpretative and reflective phase, which contained establishing relations between codes, comparing codes (emanating from different sources\textsuperscript{67}), attributing codes to the research questions, interpreting text fragments attributed to these codes, reflecting upon contrasting data and searching for rival interpretations of certain findings. In turn, this lay the foundation for the discussions and conclusions drawn in each case study (Creswell, 2007; Patton, 2002; Yin, 2009). It is important to note that not all codes were retained for the interpretative and reflective phase: only the relevant codes were further analysed (cf., axial coding [Flick, 2002])\textsuperscript{68}. We deliberately did not count the number of times codes appeared in our database as this conveys a quantitative orientation instead of a qualitative orientation (Creswell, 2007). Furthermore, the number of times a code appears tells us nothing about deeper meaning people attach to the theme covered by the code; it does not give us any significance in relation to our research questions.

\textit{Cross case analysis}

In comparing the three cases and in integrating the answers on the research questions over the three cases (cross-case analysis [Creswell, 2007]), we made use of cross-case synthesis as proposed by Yin (2009). More specifically, we made use of an Excel-file that displayed relevant data (and inferences and conclusions) from the three cases according to a uniform framework. This framework contained themes that appeared in all three cases (cross-case themes), which were selected on the basis of the final coding schemes. Subsequently, this framework was categorized by grouping related themes into separate word tables. This process allowed us to find similarities and differences or patterns across the three cases.

\textsuperscript{67} E.g., interviews with informal workers, interviews with social workers, case files.

\textsuperscript{68} E.g., codes referring to the functioning and organisation of certain agencies (e.g., social work organisation) were not systematically further analysed. Only when such codes seemed relevant afterwards (e.g., during the writing-up phase) were these codes analysed.
(Creswell, 2007; Leys et al., 2010). Reflection upon these similarities and differences led to transcending a purely descriptive approach.

**Strategies to enhance the quality of the data analysis**

Some specific measures were taken to enhance the quality of the data analysis. As described above, memos were used throughout the phases of data collection and data analysis. Three types of memos were predominant during the research. Firstly, methodological memos were made during and after interviews and observations, containing methodological information such as experienced difficulties or learning points for further interviews. Secondly, analytical memos were written in which issues regarding data analysis were integrated such as overlapping codes in the first coding phase. The third type of memos contained information regarding the interview context of each interview (e.g., place of interview, interruptions, perceived atmosphere) (Loyens, 2012).

Furthermore, prior to the initial coding of the interview and dossier data, transcripts were read through in order to complement the first listing of codes (based on the topic lists). Furthermore, if it appeared necessary to adapt the coding scheme, all coded interviews were re-coded on the basis of the adapted coding scheme, which resulted in a consistent coding per case study.

**Research ethics**

Offering attention to ethical considerations is not a mere option in empirical research, it is of crucial importance. This section therefore lists the efforts made in this study regarding research ethics on four critical points, being informed consent, protecting anonymity and confidentiality of respondents, data protection and security, and ensuring the safety of the respondents and the researcher.

**Informed consent**

Informed consent implies that research participants are informed about the purpose and scope of the empirical study and the possible consequences of participation before giving their consent to participate in the study (Boeije, 2005; O’Gorman & Vander Laenen, 2010). In
all three case studies we made use of the principle of phased informed consent (O’Gorman & Vander Laenen, 2010).

To workers we have explained that we were interested in their experiences and perceptions regarding their work and the policy that is applicable to their work. Furthermore, we have stressed that we were interested in learning about the nature and organisation of their work. In order not to frighten off potential respondents, the topic of the informal economy was not literally mentioned. In a first phase, this information was given orally (at the phone or in person before the interviews). In the case of street selling and prostitution, a second phase was introduced which implied that we also gave respondents an information sheet. This sheet contained information on the goals and content of the research, the importance of participation and contact details of the researcher (in case respondents had questions after participation). At the start of each interview, respondents were given the opportunity to ask questions regarding the research. More specifically, before starting the interview, we briefly explained again the goal of the interview and asked if the respondent had any more questions before starting. In case questions were asked concerning the background of the research and researcher, truthful answers were given. Furthermore, we reminded participants that they had the possibility to refuse to answer some questions and could stop the interview at all times.

A similar procedure was followed when contacting policymakers and intermediates. The only difference there is that we did mention the topic of the informal economy to them as we suspected this would less frighten off these categories of respondents given their different role; given the fact that they themselves were not involved in informality (or at least not these types we were interested in).

A related question has to do with the possible impact of publication of the study results on respondents. Respondents were reassured that the results of this study primarily served academic goals by explaining that the study was not commissioned by the government and that the study would thus not result in a research report for the government. It was stressed

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69 This was introduced in the case of street selling after having followed a summer school for doctoral students in which the importance of information sheets was stressed.

70 For instance, some respondents asked if we were interested in knowing about undeclared labour. In that case we answered that we indeed were interested in such activities. Others asked at which faculty of the university we worked. In that case we answered we worked at the faculty of Law.
that the main publication channels were academic journals and books. However, it was also explained that respondents had the right to be informed about the results of the study and that thus respondents who asked this (e.g., enforcers) would be given the final publication. As such, this might have an impact on workers (and especially the ones working informally) for instance through introduction of stricter regulation or tighter enforcement. However, as the research has revealed that regulators and enforcers were aware of informality in the three cases (regardless of our results) and that certain activities such as exploitation were already priorities for some enforcement actors, it is not certain that publication of results would have a negative outcome for workers. On the other hand, they might even have welcomed results, especially for instance in the case of prostitution, which utters or reflects the voice of prostitutes concerning the policy on sex work.

In one way, holding back the title and the main topic of the dissertation (the informal economy) from certain respondents might not be perceived as ethical. However, this choice was thoroughly thought through and opted for in order to ‘get a foot in the door’ (Verhage, 2009, 9). Furthermore, some counterbalancing measures were taken such as giving full information about the content of the interviews, explaining the right to refuse answering questions, emphasizing the neutral position of the researcher71 and explaining the potential consequences of participation in our study (e.g., our intention to publish results in academic circles instead of reporting to authorities).

Anonymity and confidentiality

Anonymity and confidentiality were guaranteed to the participants, which implies that respondents’ identities are kept confidential as much as possible. This does not only mean that respondents’ names are not revealed (Miller & Glassner, 2004); it also means concealing certain characteristics that could enable readers to identify specific individuals. The first aspect is obviously achieved by never mentioning names of respondents, for instance when citing them. Instead, we have attributed codes to the respondents, containing one or more letters (which refer to the category of respondents) and a number (which is important for the researcher to know which respondent the quote originates from). Also, on

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71 By explaining that this research did not take place on demand of the government.
the transcripts of the interviews only the date and the place of the interview\textsuperscript{72} were mentioned. Names and contact information of respondents were stored in a separate file, which was saved on the researcher’s computer protected by a personal login and password. After the research has ended, the audio-files\textsuperscript{73} and contact information of respondents will be deleted. Data from this research will furthermore not be made public for others’ use.

The second aspect is achieved, for instance by using the term ‘the (Labour) Public Prosecutor’ to refer to respondents working for the office of the (Labour) Public Prosecutor. It does not refer to the actual head of the office of the (Labour) Public Prosecutor. As such, it is not possible to identify which member of the office participated in the research. Secondly, we deliberately chose not to give the names of the markets which were studied in the case of street selling. We did reveal the names of the municipalities where the markets take place but as there are more markets in these municipalities, it is not entirely possible for readers unfamiliar with the area to identify the markets. Furthermore, even if the markets were identified, this still does not enable to identify the participants in the study. Finally, implicit actions were taken to ensure confidentiality (Miller & Glassner, 2004) such as letting the respondents choose the place (e.g., the specific café) where the interview was conducted, choosing a remote table when interviews took place in cafés (to avoid people overhearing the interview), and interrupting the interview when drinks were served at the table. Also, when respondents disclosed names, we specifically mentioned the names would not be transcribed and did not make notes of these names in our notebook.

\textit{Data protection and data security}

In essence, data protection and data security are special measures to guarantee anonymity and confidentiality in addition to protecting the uniqueness of the research (avoiding other people to publish one’s research materials). During this study, all data were saved on the researcher’s laptop, which is secured with a personal login and password only the researcher knows (O’Gorman & Vander Laenen, 2010). However, documents and data have been backed up on several occasions throughout the research on the hard-disk of the research group which is kept in a closet in a university office. During the day, offices were always

\textsuperscript{72} In case more than one interview took place on the same day.

\textsuperscript{73} The voice of participants is recognisable on the files, which implies that some persons might be able to identify the participants.
locked when researchers were out of the office. Likewise, offices were always locked at the end of the work day. In addition, the researcher’s laptop was always shut down when leaving the office for lunch breaks, meetings or interviews and the like.

Secondly, observation or interview notes were always meticulously put away in the researcher’s bag after observations or interviews to make sure nobody else could access the notes. For the same reason, notes of observations were only done in the train back to university when nobody was sitting next to the researcher.

Safety of respondents and the researcher

In addition to safeguarding the anonymity and confidentiality of participants, some additional safety measures were considered important. Given the specific research settings and the topic of this dissertation, we assumed some participants might be vulnerable to exploitation. As such, it was important to think in advance how to react when confronted with situations of exploitation or other crime. As researchers are no social workers, but cannot fail to intervene either, we had decided to refer potential victims to adequate persons/organisations (e.g., inspectorate services, police, services specialized in the protection of victims of human trafficking). Also, we assumed some participants might ask us questions concerning the policy (e.g., when they were not aware of all aspects of the policy) or concerning their rights (e.g., in the case of migrants staying illegally in Belgium). We had decided to answer the questions (in case we knew the answer) or to refer to specific experts on the matter (in case we did not know the answer).

Likewise, in these research settings it is important to think about ways to guarantee the safety of the researcher (O’Gorman & Vander Laenen, 2010). The main measure taken was the systematic mentioning of the address or area where each interview and observation took place in the Google Calendar, which is shared by all the members of the research group. In addition, colleagues were sometimes asked to monitor if the researcher came back after interviews. When interviews and observations took place outside the office hours (e.g., in the weekends or in the evenings), in addition to filling in the Google Calendar, sometimes text messages were sent to a colleague or a family member before and after interviews. By

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74 When we felt risks for the researcher were slightly higher, for instance when interviews took place in the RLD.
not mentioning the names of respondents, a compromise was found between anonymity of the respondent and protecting the researcher. On exceptional occasions, a colleague or student accompanied the researcher during observations (e.g., at night or in cafés mostly visited by male foreigners).

**Structure of the dissertation**

This dissertation comprises three main parts: (1) introduction, (2) within case analyses and (3) cross case analysis, discussion and conclusion. Importantly, this dissertation is a dissertation on articles. This means that the major part of this dissertation has already been published (or accepted for publication) in the form of journal articles and book chapters. More specifically, the second part of this dissertation (within case analyses) clusters these articles.

The **first part** aimed at informing the reader about the aims of the dissertation, the used theoretical frameworks, the research design and methodology.

The **second part**, containing four articles, mainly comprises the empirical findings. The **first article** describes the conceptual framework on the informal economy and the literature review of the first two cases (seasonal work and street selling). Throughout the study, it became clear that our initial alternative conceptualisation of the informal economy had several difficulties. As such, an alternative conceptualisation is discussed in the last part of this dissertation. Three authors joined forces for this first article. The doctoral student wrote the literature review on seasonal work and street selling ('illustration 1 and 2'), the general conclusion and added parts to the conceptual framework ('introduction' to 'measuring the informal economy'), of which the backbone was written by the supervisors. As this article reflects the literature review of the first two case studies, it is taken up in the part comprising the empirical work. The three following articles report the empirical findings per case study. More specifically, the **second article** contains the findings and conclusions regarding the first case study, being seasonal work in fruit-growing in South Limburg. A summary of the findings and conclusions of the second case study, street selling in Brussels

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75 At the time of writing and of acceptance of that article, the two co-authors were the two supervisors of the doctoral student.
South, is found in the third article. Lastly, the fourth article reports the major findings and conclusions for the third and final case study, namely prostitution in Ghent.

The last part of the dissertation is rather voluminous as it comprises the cross case analysis, discussion and general conclusions. The cross case analysis comprises three subparts:

1. A comparative summary of the answers to the five research questions. More specifically, per research question the main findings of each case study are summarized and compared with each other.
2. The application of responsive regulation theory to the three cases;
3. The reconceptualization of the informal economy, based on the empirical results.

Furthermore, the main strengths and limitations of the dissertation are described. Subsequently, we turn to the policy recommendations and some recommendations for future research. The part ends with a brief general conclusion.

References


Regulating the Belgian informal economy? A case study in three markets


Part I: Introduction


Regulating the Belgian informal economy? A case study in three markets


Part I: Introduction


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Regulating the Belgian informal economy? A case study in three markets


Regulating the Belgian informal economy? A case study in three markets


PART II: WITHIN CASE ANALYSES
Regulating the Belgian informal economy? A case study in three markets
THE INFORMAL ECONOMY IN EUROPE²⁶

Dominique Boels, Antoinette Verhage, Paul Ponsaers

“The phenomenon of the informal economy is both deceivingly simple and extraordinarily complex, trivial in its everyday manifestations and capable of subverting the economic and political order of nations”

(Portes & Haller, 2005; 1)

Introduction

The concept of ‘informal economy’ saw the light of day in a study on urban labour markets in Ghana by Hart in 1973 (Portes and Sassen-Koob, 1987). This study gave rise to the development of a number of studies and theories on the informal economy, mainly starting from the situation in Third World or developing countries, assuming that informal economy sectors would not occur in developed countries (Sassen, 1988). The basic assumption, initially, was that industrialization automatically leads to formalization of labour. Later on, however, academics started to pay attention to the role and content of the informal economy in industrialized countries or regions (Chen, 2004; ILO, 2002), to its interrelationships with immigration, to the origins of ‘informalisation’ and to the impact of informal economy on the formal economy.

In the early studies the informal economy was judged to be an economy for those who were excluded from the formal economy (and hence a victim-perspective was taken), and the informal economy had only negative associations. In contrast, more recently, we see that this perspective has shifted to one in which people working in the informal economy are seen as people who are also able to make deliberate choices, who themselves have economic power and make use of that power. Informal economy is thus no longer solely focused on disadvantage or discrimination of (groups of) people, but concerns the position of people in the labour market and the choices they make in that respect. Of course, some

activities in the informal sector may be a part of a ‘survival economy’, in which a worker needs to make a living for his family (although Castells & Portes (1989) rightly state that this could lead a worker to accept a low wage in the formal sector). According to this view, the informal economy is a process. But on the other hand, several studies have indicated that unregulated economic activities may lead to high levels of income for informal workers, sometimes even higher than those who work in the formal economy (e.g., Henry, 1978).

The informal economy hence does not equate to poverty or inequality nor exclusion or exploitation per se, it is a process and a network of relationships that are situated within the shadow of the formal economy. Portes and Haller, in their contribution on informal economy in 2005, state that the informal economy tells us something “about how social forces affect the organization of economic transactions” (Portes & Haller, 2005; 1).

In this chapter we shall focus on research into the informal economy that was carried out in Europe. First, however, we shall discuss the diversity of definitions used by researchers. Different disciplines are engaged in the study of the informal economy, leading to divergent opinions on how to study this domain, how to interpret and define the concept and which motives underlie participation in the informal economy (Vande Walle, 2008). As in literature we observe a clear divide between publications that address the topic from a theoretical or conceptual point of view and those that approach informal economy from an empirical perspective, this (unfortunate) division is equally applied in this chapter.

**Different foci in different disciplines**

After over four decades of research, the spectrum of the informal economy that is studied has only broadened in scope, perspective and outlook (Shapland & Ponsaers, 2009). The nature of the phenomenon however remains very ambiguous. Economists, anthropologists and sociologists have studied the topic from their own perspectives, focusing on different objects of study. From an economic perspective, the informal economy is interesting because of its extra-market activities and its size and extent. The main way of dealing with the informal economy is by developing models for the measurement of policy impact or for assessing the size of the informal economy (Ihrig & Moe, 2004). The basic idea is that people are ‘in it for the money’ and further motivations for participating in this economy are not sought (Ferman, Henry *et al.*, 1987). Sociologically, or from an anthropological or
ethnographic point of view, relations within the informal economy are relevant and social ties or relationships are studied. Gershuny (1979), as a sociologist, looks at the informal economy from the perspective of the nature of economic activities within a household. He describes the informal economy as a diverse collection of activities, that may be divided into three categories: the household, the communal and the underground (Gershuny, 1979). Feminist perspectives study informal economy from the assessment of women’s work in it (housework, sweatshops, domestic labour and so on). Political scientists, on their part, look at the informal economy in terms of policy implications (for or against government intervention) (Ferman, Henry et al., 1987). Surprisingly, very little cross-fertilization seems to have taken place between the different disciplines involved, making the study of the informal economy a mere multidisciplinary rather than an interdisciplinary domain (Ferman, Henry et al., 1987).

Each of the disciplines involved have developed their own questions and have mounted research that has given rise to new questions. But the multidisciplinary approach has also resulted in a multitude of definitions and interpretations, all depending on the viewpoint that the researcher takes. However, the definitions all refer to rules and regulation as a focus to differentiate the formal from the informal economy, thus implying that the informal economy only exists because of the formal economy (the official, institutional framework of economic activity). As a result, the boundaries between formal and informal economy are not fixed in time or space (Aden, 2009; Ponsaers, Shapland & Williams, 2008), implying a varying nature and extent of the informal economy (Shapland & Ponsaers, 2009). In addition, the absence of official regulation and thus registration of the informal economy and informal labour leads unavoidably to the observation that its precise volume is unknown. The informal economy is characterized by an invisibility, which makes it hard to determine its components and extent.

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77 For instance, for Castells & Portes, the informal economy refers to “all income-earning activities that are not regulated by the state in social environments where similar activities are regulated” (Castells & Portes, 1989; 12). Feige also pointed out that the fuzziness of the concept ‘informal economy’ has led to a very diverse research agenda in this domain, addressing topics such as poverty, underemployment, income inequality, the debt crisis and migration (Feige, 1990). He defines the informal economy as ‘those economic activities that circumvent the costs and are excluded from the benefits and rights incorporated in the laws and administrative rules covering property relationships, commercial licensing, labour contracts, torts, financial credit and social security systems’ (Feige, 1990; 992).
The informal economy is comprised of marginal activities that provide income in times of poverty and crisis. Furthermore, it states that the informal economy, thus regarded as a survival economy, is not related to the formal economy. The persistence of informal activities is largely attributed to the lack of modern jobs opportunities to absorb a surplus labour, to a slow rate of economic growth and/or a fast rate of population growth. The structuralist school regards the informal sector as subordinated economic units and workers that serve to reduce input and labour costs, thus increasing the competitiveness of large capitalist firms. A clear relation with the formal economy is acknowledged in this view, furthermore stating that the persistence and growth of informal production relations are due to the nature of capitalist development. The link between formal and informal economy is equally stated by the legalist school, which argues that costs, time and effort of formal registration lead micro-entrepreneurs to choose to work informally (Chen, 2004).

In contradiction to the dualist school, strong evidence exists with regard to the systematic linkage between formal and informal sectors (Castells & Portes, 1989). This implies, for example, that workers may shift between formal and informal employment on the same day. This leads the authors to conclude that the informal economy is a process of income-generation (Castells & Portes, 1989; 12). However, it has one thing in common with the criminal economy: the process stays under the radar as it is unregulated by society, in an environment in which comparable activities on the contrary are strictly regulated and enforced. This also implies that linkages between informal and criminal economy are very easy to make.

Feige (1990) has developed a taxonomy of the underground economy (which he uses as an umbrella term), in which he distinguishes between the illegal economy, the unreported economy, the unrecorded economy and the informal economy.

(1) Illegal economy: the production and distribution of legally prohibited goods and services (e.g., drug trafficking, gambling);
Part II: Within case analyses

(2) Unreported economy: actions that circumvent or evade fiscal rules (tax code); e.g. black labour;

(3) Unrecorded economy: activities that circumvent reporting requirements of statistical agencies (all activities that do not end up in the statistics);

(4) Informal economy: economic actions that bypass the costs of, and are excluded from the protection of, laws and administrative rules with regard to property, commercial licensing, labour contract, financial credit/social security systems.

Clearly these are ideal types and in practice much overlap exists between them (Renooy, 1990; Vande Walle & Ponsaers, 2006). In their distinction between formal and informal and illegal economies, Castells and Portes (1989) look at the way in which the product is produced or distributed. In their view, activities belong to the informal market when it concerns licit final products, but illicit production/distribution processes. Again, their typology can be further divided into a number of classifications of informal activities (Portes & Haller, 2005).

But here also, the types may overlap, depending on which perspective is taken (that of the worker or that of the firm) by the participants and the setting (Portes & Haller, 2005). Furthermore, the adequateness of the criteria “illicit production of illicit goods and services” in distinguishing the criminal from the informal economy can be questioned. In addition, some authors (e.g., Chen, 2004) see the criminal economy as a part of the informal economy. The segmentation of the informal economy, the perceived lack of argumentation for conceptual choices and the lack of theoretical and empirical integration (ILO, 2002) lead us to opt, following the WIEGO and the ILO, for a broad definition of the informal economy as a starting point in empirical research, which should be further delineated on the basis of empirical findings. Broadly speaking, the informal economy could be described as the opposite of the formal economy (ILO, 2002, 11), thus comprising the economy that is not officially regulated, registered (Adriaenssens et al., 2009; Chen, Jhabvala & Lund, 2001;

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78 For instance, in Belgium, human trafficking is considered as a criminal offence, thus making part of the criminal economy. However, to what extent can a human being be considered as an illicit good?

79 WIEGO (Women in Informal Employment: Globalizing and Organizing) is a global research policy network.

80 International Labour Organisation.
Theoretical discussions and research with regard to the relationships between formal, informal and criminal economy have not yet led to satisfying, universally applicable definitions and taxonomies. In most taxonomies, the terminology used (e.g., products, distribution, goods, services) seems to miss a crucial characteristic of the formal, informal and criminal/illegal economy, namely labour. In essence, in these three economies labour is executed, whether or not according to the regulation and enforcement. These considerations lead us to advocate the proposition of a new taxonomy (see Figure 1). We identify two main dimensions in policy: regulation and enforcement. In this taxonomy the formal economy is characterized by regulated and enforced labour. The informal economy can comprise labour which is 1) regulated but not enforced (e.g., undiscovered undeclared labour); 2) not regulated but enforced (e.g., dismissal of an employee without grounds) and 3) not regulated and not enforced (e.g., neighbours trading food, a friendly turn). In all quadrants illegal activities can take place. In this respect money laundering illustrates the relation between formal and illegal economy. Exploitation illustrates the relation between the informal and the illegal economy (regulated but not enforced). This figure hypothesizes a different relationship between the formal, informal and illegal economy. The main focus lies in the regulation and enforcement of labour instead of production processes, distribution processes, goods etc. Further theoretical and empirical research should however clarify this hypothetical taxonomy.

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81 We added ‘enforced’ because we argue that policy combines both a regulation and enforcement aspect. It is only the combination of both that leads to adequate registration of economic activities. For, if no enforcement existed, more concealed activities would exist.
Impact of policy on the informal economy

The impact of policy on the shape and content of the informal economy has been considered by a number of studies, the more recent ones being US-based and focusing partly on the subject of immigration (for example, Portes and Sassen-Koob, 1987; Sassen, 1988). Policy can of course impact the informal economy in several ways. First and most important, any change in the institutional boundaries of regulation of economic activities produces a parallel realignment of the formal-informal relationship: as such, the phenomenon of informal economy is ‘elusive by definition’ (Portes & Haller, 2005, 418).

Under ‘policy’ we can differentiate between two central factors: the level of regulation on the one hand, and the level of effective enforcement on the other. In addition, regulation can spring from the government/state, but also from the private sphere (e.g., the family, companies) (Huyse, 2012). Both regulation and enforcement (combined and separately) may have a serious impact on the level of informality. One result of diversity in both regulation and enforcement thereof is that the level of concealment will differ accordingly (some based on state regulation and the extent to which this is (effectively) enforced). Concealment is higher in countries where regulation and enforcement is more effective and omnipresent. Record-keeping will then miss an important part of the informal economy. This implies that the estimates that are made in these countries are very disputable, rendering policy-making (paradoxically) more difficult (Portes & Haller, 2005). Policy decisions will then only be based on the official records (Feige, 1990), which can be problematic. Furthermore, assessment of potential impacts or effects of regulation can be difficult.
Sometimes governments adopt ambiguous attitudes towards the informal economy. This can be explained by the diverse advantages/functionalties of the informal economy for the actors involved (e.g., tax evasion) as well as to the several disadvantages\(^{82}\) (Andrews, Sanchez & Johansson, 2011). The informal economy can also meet the demands for goods or services inside a specific community, e.g., goods that are not provided by the formal economy, are too expensive or not in the vicinity. Secondly, firms profit from the flexibility and lower costs in informal labour (such as in the garment industry [Sassen, 1988]). The state profits as the informal economy provides an income to those otherwise deprived of it and may result in less social unrest. Furthermore, the state profits as costs for consumption and production in the informal economy are lower, which can contribute to a stable political and economic climate. In advanced countries, the informal economy has also already given rise to new forms of entrepreneurship. Portes & Haller (2005) illustrate this by referring to Italian informal networks of cooperation and solidarity that has become a system of flexible specialization (Portes & Haller, 2005). The informal economy first spares small enterprises from burdens as registration and regulation; while as they grow, they can enter the formal economy that allows them to grow further. It can therefore be a breeding ground for new companies and new business models.

‘Measuring’ the informal economy

The informal sector today is recognized to be a functioning part of all economies (Ihrig & Moe, 2004). Assessment during the last decades also shows consistently that the informal sector is an integral component of total national economies, rather than a marginal appendix to them (Castells & Portes, 1989; Chen, 2004). The difficulty with these figures is that they are mere estimates, and that methods to estimate may differ.

Portes and Haller (2005) divide the several attempts to measure the informal economy into four categories:

(1) Labour market approach (Leonard, 1998): measurement or assessment of those percentages of the population that work informally. The method is based on employment categories in censuses or surveys, and assumes that certain categories

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\(^{82}\) E.g. lack of social protection and insurance for informal workers; negative effects on labour market outcome, productivity and growth; fiscal implications associated with tax revenue losses.
will be more ‘vulnerable’ for (partly) concealing their income - such as the self-employed, the unemployed, people who work while claiming benefits and the occupationally inactive (Portes & Haller, 2005).

(2) Small-firm approach (Williams, 2004): very small enterprises (employing less than 10 workers) are seen as an indicator of change in informal activities. This approach is based on the assumption that smaller enterprises are more difficult to control, are more flexible and less visible (Portes & Haller, 2005). Larger firms are then less likely to engage in informal activities. Of course this is a generalization.

(3) Household consumption approach (Smith, 1987): assesses the consumption of informally provided goods and services.

(4) Macro-economic approach (e.g., Feige, 1990; Schneider, 2005; Schneider & Enste, 2000): measures the total underground economy as a proportion of the GNP.\(^83\)

One can also differentiate between assessments of the informal economy according to the use of different information sources (Feige, 1990). Feige points out that use can be made of: (a) anecdotal institutional information as a starting point for raising questions; (b) micro observations (surveys, reports, tax returns and so on); and (c) macro-economic data sources for the measurement of discrepancies (e.g., national income accounts; compare income estimates through tax data sources and income estimates through national income and product accounts; estimations of unreported income; payments/transactions discrepancies; currency ratio methods – informal participants often do not have access to formal credit facilities – currency will then be the preferred medium of exchange; census and survey estimates of the informal sector).\(^84\) All in all, controversy about these different measurements still exists (Pacolet, Perelman, Pestiau & Baeyens, 2008; Schneider & Buehn, 2009), which should prompt carefulness in using statistics and stimulate researchers in using a multi method approach (Pacolet & De Wispelaere, 2009).

In accordance with the distinction between theoretical and empirical publications, the next two sections discuss empirical research in Europe on the informal economy in two specific

\(^{83}\) Gross National Product.

\(^{84}\) For more information on the specific different methods, see Anderson et al. (2011), Kazemier (2003), Schneider & Enste (2000).
sectors: seasonal work in agriculture/horticulture and street trade. It should be noted that most European literature on these two sectors, published in English, focuses on migrant informal labour as opposed to indigenous informal labour. One possible explanation is the assumption that some migrants may be more likely than nationals to enter informal markets due to their weaker positions in the formal sector (Saitta, 2010).

Illustration 1: Seasonal work in agriculture/horticulture

In most European countries the existence is recognised of informal activities in seasonal work in agriculture/horticulture. Information on informality is however mainly found indirectly, in literature on migrant workers in the agriculture and horticulture. Such research is found to be executed mainly by sociologists, agricultural economists and labour researchers.

Recruitment of seasonal workers

According to Loose and Lamberts (2010), foreign seasonal workers working in Belgium are recruited in two stages. The first phase entails the initial recruitment of one employee from a certain group. The second phase is grafted onto the first one: through the network of the first recruited seasonal worker, the employers gain access to a whole reservoir of potential seasonal workers. During the first phase of recruitment of migrants, some employers are contacted by key figures offering to procure seasonal workers, whether or not in exchange for money paid by the seasonal workers (thus operating as informal go-betweens) (Loose & Lamberts, 2010). The same holds for Norwegian farm workers, who are often recruited by family or friends and hardly ever by professional recruiters or contractors (Rye & Andrzejewska, 2010). Similarly, in the UK informal recruitment processes are common with

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85 The selection of these two sectors is based on their variation in terms of four variables: (1) public/private character of the activities (as opposed to the standard opinion, sorting of fruit in closed hangars equally makes use of seasonal work); (2) level of basic regulation (international, national, local level); (3) urban/rural character of the activities; and (4) nature of employment (wage worker or self-employed).

86 Of course, it is very well possible that literature focusing on indigenous informal labour does exist in native languages, thus not accessible for non-natives. However, we have contacted authors of the research discussed in our contribution, and they confirmed the research focus on migrant informal labour.

87 The authors argue that indigenous Belgians hardly apply as seasonal worker. The temporary and unskilled nature of the work, the low wage and the perceived image of the sector are believed to contribute to this.

88 We use the term migrant because these people live in another country and come for a delineated period to Belgium.

89 Key figures because they have a broad network and possess communication skills (e.g., English, email etc) that are crucial in terms of recruitment.
regard to migrants. Research has furthermore suggested that some employers recruit deliberately illegal migrants in order to fill in their vacancies cheaply, without too much time and effort. Others on the other hand recruit illegally but through ignorance (Dench, Hurstfield, Hill & Akroyd, 2006). Furthermore, before the Gangmaster Licencing Act of 2004 - which obliged gangmasters to be licensed - gangmasters often worked on an informal (unregistered) basis (Brass, 2004; Rogaly, 2008). This left the door open for the supply of illegal migrant work force (Anderson & Rogaly, 2005) or for exploitation, by withholding significant parts of the workers’ wages (Brass, 2004; Rogaly, 2008). However, as a result of the Act, gangmasters’ costs have risen while growers refuse to pay higher percentage fees per workers. In turn, this may lead certain gangmasters to search for other ways to gain profits, e.g., by accommodation exploitation. In addition of the gangmaster phenomenon, employment agencies are discovered to be charging workers for finding them employment or compatriots are found to be taking money from ‘new migrants’ for introducing them to agencies (Anderson & Rogaly, 2005). It should be noted that the concept of gangmasters is also applicable in southern European countries, albeit under different terms (caporalli in Italy and furgoneros in Spain, Labrianidis & Sykas, 2009, p.242).

Policy

In Norway, the regulation of migrant labour is underpinned by political will to protect migrants from exploitation. According to Rye and Andrzejewska (2010), the transitional rules established in Norway in 2004 (e.g., minimum standards for wage levels and labour conditions, registration and supervision of the incoming labour force) were seen as an important tool for preventing social dumping. When abolished in 2009, other national regulations to secure minimum levels of work conditions were agreed upon. However, despite the authorities’ efforts, official regulations are often substituted by informal labour arrangements at the farm level. Two factors are considered to influence this, namely the lack of proper control instruments (due to a lack of the state’s financial and organisational capacity to control the implementation of labour regulation) and the characteristics of work in agriculture (e.g., short term, seasonal character of the work which reduces the possibility

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90 In the Act, a gangmaster is defined as ‘a person who supplies a worker to do work … for another person’ (Anderson & Rogaly, 2005, p.22).
91 In relation to the entry of different countries into the EU.
for collective action taking by workers). Thus, in Norway, there seems to be a gap between regulation and the enforcement of regulation.

Although Dermaut’s (2010) study is aimed at charting Belgian regulations concerning seasonal work, the underlying perspective of the government is not identified. However, the work does enable us to conclude that the current regulation encompasses stipulations both for employers (e.g. the need to declare the seasonal workers on a daily basis, payment of social security contributions etc.) and for seasonal workers (e.g. limitation to the number of days one can be employed as seasonal worker). In the margin of the research, it is argued - based on interviews with both employers’ federation members and trade union members - that both Belgian agriculture and horticulture are vulnerable for fraud and moonlighting, but that various aspects of the regulation (e.g. low social security contributions, smooth system for the declaration of employment, frequent controls, free movement of EU inhabitants) - applicable to the sectors - contribute to the reduction in moonlighting. No mention is made of the underlying rationale for the regulation. De Bakker (2001) focuses purely on the employers’ side, concluding that Dutch asparagus growers experience a lot of social dissatisfaction about the policy concerning seasonal work. This dissatisfaction correlates to a considerable extent with the large disproportion between the important labour investments on the one hand and the remaining profits and scant societal appreciation for farmers on the other hand. Not totally unexpected, he furthermore reveals that the legal rules are sometimes by-passed (by nearly all interviewed farmers) through the use of (a varied range of) creative accountancy measures (e.g. partial declaration of wages, occasional non-declared employment, fail to return certain earnings, illegal employment of Polish workers). De Bakker describes these practices as partial non-acceptance of policy, which is partly made possible by an indifferent or even a cooperative attitude of seasonal workers. In sum, the researcher argues that the attitudes and practices of non-acceptance of policy by farmers take place in a political-societal context of structural confidence issues.

**Methodology**

Most research in this field uses a combination of qualitative and quantitative methods. Analysis of statistics is based on data filed in integrated administrative data bases\(^92\), on data

\(^{92}\) For instance the database of the Social Security agencies.
from agencies delivering work permits to foreigners, on data from social funds for the agriculture and horticulture, on data from the umbrella organization of inspectorates (Loose & Lamberts, 2010), and on data from (self-administered) surveys (Kasimis, 2008). Studies based on only a purely qualitative approach, generally prefer a combination of different qualitative research methods. Interviews are frequently used as a qualitative method; more specifically, semi-structured interviews with employers (de Bakker, 2001; Loose and Lamberts, 2010; Rogaly, 2008; Rye and Andrzejewska, 2010), with seasonal workers (Loose & Lamberts, 2010; Rogaly, 2008; Rye & Andrzejewska, 2010), with members of employers’ organisation and trade unions (Dermaut, 2010), with members of employment agencies (de Bakker, 2001; Dermaut, 2010), with enforcers (de Bakker, 2001; Dermaut, 2010), with members of the municipal administration (Kasimis, 2008; Rye and Andrzejewska, 2010) or with other experts (Kasimis, 2008). The choice of interviewees must be understood in the relation to the goal of the research and the specific research questions. Participating observation is often executed as additional source of empirical data (de Bakker, 2001; Rye and Andrzejewska, 2010). Literature review is quite standard in all research (e.g. Anderson & Rogaly, 2005).

**Research themes**

In the last ten years, we see different foci of research emerge in the existing literature. Loose and Lamberts (2010) mainly portrait the current situation in terms of *employment of foreigners* in the Belgian agriculture and horticulture. Based on qualitative and quantitative research methods, they thoroughly describe the labour market position of foreigners (European and non-European) in agriculture and horticulture (both fixed and seasonal employment); offences with regard to the employment of foreigners (e.g. illegal employment, undeclared employment, absence of required permits); the profiles of the foreign employees, the recruitment of foreigners, the quality of the labour (content of the labour, working conditions, working relations, working conditions). Although informality in the sector is not their main focus, they do mention the existence of employment of illegal foreigners. With regard to payment conditions, the practice of piece-work payment is reported in different countries (e.g. Norway [Rye and Andrzejewska, 2010] and UK [Rogaly, 2008]). This payment practice, which has a long tradition in horticulture, may lead to informality (Rogaly, 2008). After all, when workers who are paid piece-work do not achieve
the hourly minimum wage, they earn less than they are entitled to by law. As in some countries the inspection system is imperfect, this is not always detected. In addition, sometimes fewer working hours are recorded so that the hourly equivalent came out to be the minimum wage or above (Rogaly, 2012).

Practices of social dumping of migrant workers are described in Norway (Rye and Andrzejewska, 2010). More specifically, as existing labour and wage regulations are not implemented uniformly in many small-scale family farms, informal activities such as underpayment take place, as a result of informal wage arrangements and the absence of formal, written contracts. The existence of informal contracts is attributed to the informal character of recruitment of migrant seasonal workers. Furthermore, the researchers argue that even if formal contracts do exist, they are often violated openly. Thus, official regulations are often replaced by informal labour arrangements, which can be beneficial for farmers and seasonal workers. Farmers search for cheap labour to fill in domestic labour shortages and to minimise production costs in order to survive in a trade facing increased pressure from globalised markets. Migrants seem to be satisfied with their working conditions, which are often better than in their home country. This in turn lowers the incentive for migrants to bargain for higher wages. In addition, given the structural disempowerment of migrant workers, they have weak negotiating positions vis-à-vis their employers.

Venturini (1999) argues that both in Italy and elsewhere, migrants working in the informal economy are usually in the absence of a residence permit, a work permit, or both. Based on data provided by the Italian Central Statistical Office, this researcher concludes that, over the period 1980-1995, the overall number of both regular (declared) and non-regular (undeclared) employment in the agriculture has declined. However, when discerning between foreigners and natives working informally in the agriculture, an important decline is determined in native informal labour, whereas the number of foreigners working informally has increased (Venturini, 1999). Although an overall decline is noted in the informal labour in the Italian agriculture, an increase is detected in the number of foreigners working on an informal basis in agriculture. Unfortunately, the author does not look into possible reasons for this. According to Reyneri (1998), geographical differences exist in informal employment.

93 i.e. wages lower than required by law.
of migrant agricultural labourers. Whereas in the South of the country barely one in ten migrant agricultural workers is estimated to hold a registered labour contract, most migrants working in the North are registered. Again, no further explanation is offered.

We can infer that research highly focuses on the vulnerability of migrant seasonal workers. Migrants are considered to be vulnerable due to different reasons such as language barriers, lack of social and cultural capital, knowledge of regulation, the sometimes complex and unclear existing regulation, poor working conditions (Rogaly, 2008; Rye & Andrzejewska, 2010). It is also clear that seasonal work suffers in most countries from a decline of national labour force, which is counterbalanced by a significant migrant work force (Loose & Lamberts, 2010; Rogaly, 2008; Rye & Andrzejewska, 2010). This in turn highlights the necessity for regulation of labour in this sector, in order to meet potential difficulties or problems related to this decline and its solution.

**Explanations for informal seasonal work**

To a large extent, the same (general) explanations are found throughout Europe for the fact that undeclared seasonal labour takes place94. For several reasons, farmers in Norway and the UK are confronted with declining profit margins (e.g., due to changing relations between growers and retailers [Rogaly, 2008], due to increased pressure from globalized markets [Rye & Andrzejewska, 2010]). Thus, farmers are looking for ways to minimize their production costs, which can be found in cheap, informal labour. In addition, shortages in domestic labour can also play a role in the recruitment of (illegal) foreigners. The migrants, on their side, have few options other than accepting upfront the work conditions as the formal labour regulations are not effectively implemented by the state at the farm level. According to Reyneri (2003), minimum union wages in agriculture are rather high in most south European countries. In order to adjust the labour costs to the productivity of the farm, one can make it irregular, thus saving on indirect costs (income tax and social contribution) and on direct costs (wages). This makes these jobs less attractive for the national labour force, thus opening the way for migrant workers and particularly irregular migrants who can only find an employment in the informal economy. In short, informal employment keeps wages

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94 However, it is not because the reviewed literature focusses strongly on migrant informal labour, that national informal labour does not take place. Still, based on this overview we can infer the existence of a displacement of labour force (instead of a displacement of production), which is linked to globalisation.
and production costs down (Labrianidis & Sykas, 2009). Kasimis (2008) states that the southern European agriculture has witnessed an expansion during the last twenty years, due to the integration of the southern European countries into the EU. In Greece, this expansion brought about - in combination with demographic\textsuperscript{95}, structural\textsuperscript{96} and social factors\textsuperscript{97} - increased labour deficiencies and a high demand for flexible (seasonal) labour, independent of trade union practices and legislation. It thus comes as no surprise that unauthorised migrants account for a large proportion of those employed in Greek agriculture (Reyneri, 2003). According to Kasimis (2008) the recent regularisation acts made it very difficult for migrants to obtain a legal entry for seasonal work in the agriculture, which increased the risks of illegal migration and illegal employment.

**Section conclusions**

The literature reviewed - in which a victim perspective is often perceived - points out that large numbers of irregular migrants - not registered, thus invisible in official statistics - are estimated to work in the (seasonal) agricultural sector (Anderson and Rogaly, 2005; Brass, 2004; Dench* et al.*, 2006). It is furthermore commonly acknowledged that seasonal Mediterranean agriculture is characterised by an important reliance on migrant workers (Kasimis & Papadopoulos, 2005; Kasimis, Papadopoulos & Pappas, 2010; Labrianidis & Sykas, 2009; Reyneri, 2003), of which many are undeclared (Fonseca, 2008; Hoggart & Mendoza, 1999; Kasimis* et al.*, 2010; Parliamentary Assembly of the Council of Europe, 2003). The general difficulties in researching the informal economy are reflected in the dearth of research published in English on the informal economy. However, other potential reasons should equally be considered such as the limited importance attached to the topic. Finally, research published in other languages than English may not be easily accessible for non-native speakers.

\textsuperscript{95} E.g., rural exodus in the 1950’s and 1960’s.
\textsuperscript{96} E.g., pressure for technical modernisation.
\textsuperscript{97} E.g., rejection of low status, unskilled jobs in rural areas by young generations (see also Labrianidis & Sykas, 2009). The combination of these factors influenced the decline of the family-based (informal) labour in the Greek agriculture (Kasimis & Papadopoulos, 2005).
**Illustration 2: Street trade**

A striking gap is apparent in the literature on street trade, in the sense that the majority of the literature focusses on street trade in developing countries as opposed to developed countries. Nevertheless, in what follows, we summarize the main topics covered by literature (published in English) on street trade in Europe. As most research on this topic is executed in Southern Europe (in comparison with Northern Europe) our main focus lies on South-European publications.

**Policy on street trade**

Although the studies discussed below do not specify the regulation concerning street trade, it is clear that in most countries licences are needed or rent needs to be paid in order to work on a formal basis (in public space) (Reyneri, 2004; Witkowski, 1993).

In Italy, enforcement of informal street trade is rather reactive. According to Reyneri (2004), the Italian police do not patrol regularly and intervene only in case of serious crimes (such as drug trafficking, robberies, molestation) or when shopkeepers protest. Street vendors who are caught breaking the law on street trade, theoretically risk fines, confiscation of their merchandise or - in case of migrants without residency permit - expulsion. Thus, informal street trade continues only thanks to the limited activities of enforcers. Nelken (2006) nuances this statement in his study on immigrant beach sellers along the Adriatic Coast: he confirms that the reaction of enforcers to informal trade varies according to the gravity of the offences, but also according to the nature of the sellers (migrants or nationals). In addition, he states that enforcers focus mainly on repression and prevention as opposed to solidarity and integration. Furthermore, the task of deterring and punishing the beach sellers’ offences fall mainly on the municipal police (rather than the national police). Their most successful and feared method consists of the confiscation of the goods in question.

**Methodology**

The reviewed literature on street trade is characterized by a dominance of qualitative research methods. Interviews (semi-structured) with sellers are frequently reported (e.g., Antonopoulos, Hornsby & Hobbs, 2011; Lazaridis & Koumandraki, 2003; Nelken, 2006; Witkowski, 1993). Respondents are identified through observation (e.g., Antonopoulos et al.,
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2011) or through snowball sampling and contacts with associations (e.g., Lazaridis & Koumandraki, 2003). Interviews with tourists/clients (Nelken, 2006; Witkowski, 1993), regular shopkeepers (Nelken, 2006) and key informants (such as police, judges) (Nelken, 2006) also make part of the research methodology, just as observation (Antonopoulos et al., 2011; Witkowski, 1993) and analysis of photographic data do (Witkowski, 1993). Exact numbers of interviews vary across studies. Nelken (2006) for instance, interviewed approximately 500 beach sellers, each in their native language. Antonopoulos et al. (2011) on the other hand interviewed 25-30 sellers (in English), covering approximately 60% of the target population.

Research themes

In his research, Nelken (2006) describes how immigrant beach selling is constructed as a problem of public order, by emphasizing the perception of different interest groups (e.g., commercial interests of formal shops describing beach selling as a serious threat). Thus, the main focus is not so much on the activity of street trade per se, rather than on the social construction of (immigrant) beach selling as a problem. However, other research themes more closely connected to street trade per se emerge in the study by Antonopoulos et al. (2011), such as the identification of the chains of production, distribution and supply of goods; actors involved in the market under study (including their social, ethnic and economic background) and identification of ways of entry in the market. The display of merchandise, the different types of merchandise and consumers’ perspectives on street selling are equally under scrutiny (Witkowski, 1993).

Organisation

Street vendors in Italy offering jewellery, watches, lighters, sunglasses, handbags and CD/DVDs’ are usually from Morocco, Senegal or China (Reyneri, 2003). Although only a minority of vendors would sell imitation goods, others also infringe on laws regulating street trade. However, as the Italian police do not execute regular patrols and are characterized by a tolerance on this, activities are continued. The major wholesalers are mostly Italian. However, the goods’ distribution network is described as an archipelago, in which many wholesale dealers and mediators - in competition with each other - supply vendors (Reyneri, 1998). Some of the wholesalers are legal, others specialise in illegal production and sales.
Part II: Within case analyses

(Reyneri, 2004). Nearly all goods sold by migrant sellers are manufactured in (underground) Italian firms, benefiting from irregular distribution networks (Reyneri, 1998). Just as Antonopoulos et al. (2011) ascertained in Greece, Nelken (2006) proposes that immigrant beach sellers act as relatively independent entrepreneurs, obtain their goods from a variety of places (mainly from the same places as legal traders) and strive for absence of conflicts between the different (groups of) sellers. No support is found for the direct involvement of organised crime groups. More specifically, vendors are found to buy their merchandise from a Greek businessman, active in the legitimate CD/DVD selling, but additionally producing counterfeit CDs (Anonopoulos et al. 2011). The researchers argue that although the counterfeit CD/DVD market operates on an informal basis, it does take the legal market into account. Furthermore, the researchers conclude that the informal market contributes to the viability of the legitimate CD/DVD business, suffering losses from illegal downloading from the internet. Just as Nelken (2006), no support is found for the manipulation of sellers by organised criminals.

Explanations for informal street trade

According to Reyneri (2003), migrants’ incorporation in street trade is greater in Italy than in other countries, where the native population’s incorporation is greater. The same author states that since the beginning of immigration to Italy, street trade has been an important phenomenon. Even though a change in legislation in 1990 allowed many migrants to find work in other activities, migrant employment in the street trade kept on supporting the informal economy (Reyneri, 2003). However, from the mid-1990’s on, a notable reduction in the number of street vendors in Italy has been noticed (Reyneri, 1998; 2004). This reduction went hand in hand with more targeted activities in tourist areas, beaches in summer and big cities in the winter.

Antonopoulos et al. (2011) indicate in their study on counterfeit/pirated CD/DVDs sellers in Patras (Greece), that the vendors (exclusively Nigerian) are involved in this type of informal economy because of restricted access to the legal economy. On the other side, ethnicity appears to be a crucial variable of entry and of successful entrepreneurship in the informal street selling. Furthermore, good relations both between the sellers among themselves and between the sellers and the legal business owners and employees are an important part of the business.
The involvement of Nigerians in Greek street hawking is confirmed by Lazaridis and Koumandraki (2003). Likewise, these authors stress that street hawking is a survival strategy imposed by the lack of formal opportunities for Nigerians in Greece. Again, the selling activities are often informal, given the difficulties in obtaining self-employment licenses, the lack of work permits and/or the lack of existing networks of support (e.g., to get access to capital, develop clientele etc.). The significance of the former is illustrated by the fact that some former street hawkers decided to set up formal businesses after a regularisation procedure. The researchers see four interacting factors at the basis of informal street trade by migrants in Greece: 1) the existence of a large informal economy, which favours informal activities; 2) restricted labour market opportunities; 3) nestling in networks and 4) tolerance from state agencies towards informality.

Shortly after the fall of the communist regime in Poland, the country was confronted in the beginning of the nineties with an explosive growth in the number of street vendors and open air markets (Witkowski, 1993). Research in 1990-1991 in Warsaw (Witkowski, 1993), indicated that informal practices partly took the shape of not paying the rent (for a place on the market) to the city, because of distrust of the officials collecting the rent. Furthermore, vendors selling cigarettes out of cars avoided taxes, thus offering very competitive prices.

Section conclusions

Although a primary focus on street trade in developing countries can be seen in the literature, our literature review above indicates the existence of (informal) street vending in developed countries as well. Just as is the case for seasonal work in horticulture/agriculture, the focus of research on street trade in Europe is hardly the informal economy per se. The review points to significant participation of migrants in informal street trade, particularly in Southern Europe. Again, migrant involvement in this type of activities is attributed to restricted access to the formal economy. Notwithstanding, research in Greece emphasizes that informal street trade might be a leg up to formal entrepreneurship. A combination therefore is identified of the victim-perspective and the agency-perspective of informal workers.
General conclusion

This chapter focused on research on the informal economy in Europe. The multidisciplinary approach has led to a diversity of definitions, interpretations and taxonomies, which complicates (comparative) research. These conceptual issues are predominantly object of study in theoretical publications, whereas they are (unfortunately) not granted much attention in empirical research. Furthermore, argumentation for conceptual choices are not always elaborated, leading to difficulties in applying the theoretical definitions and taxonomies in practice. These reflections lead us to 1) prefer an inductive approach: starting from a broad description of the informal economy for empirical research, which can be further delineated according to the results; and 2) propose a new taxonomy of the relation formal, informal and illegal economy, which should be tested by theoretical and empirical research. The broad description - informal economy as the reverse of the formal economy - implies a relativeness both in time and in space concerning the coverage or content of the informal economy. This should also challenge researchers to study this domain and to test the definition in a diversity of settings. The restricted visibility of the informal economy - due to the lack of registration - should not discourage further research.

Two main approaches are discerned in empirical research on the informal economy. The quantitative approach analyses data from both self-administered surveys and various official agencies. The qualitative approach makes use of methods such as observation and interviews. These are conducted with different actors, thus capturing both the demand side as the offer and policy side of the informal economy under scrutiny. Noteworthy is the observation that qualitative research dominates the purely empirical agenda (excluding measurement studies). Interestingly, the empirical literature reviewed - stemming predominantly from southern Europe - tends to emphasize the relationship between migration and the informal economy, thus highlighting the victim-perspective. Although we do not wish to underestimate the survival potential of the informal economy for certain participants, we do wish to emphasize that the informal economy is more than a mere survival economy for the poor and desperate, subject to different forms of exploitation. Notwithstanding, it should not be forgotten that the lack of registration of the informal economy (and thus lack of visibility of its components) increases the risks of exploitation. Thus, without denouncing one or the other, both points of view should be acknowledged.
Unfortunately, empirical research does not consistently discuss and justify conceptual choices, leading readers in the dark as to the meaning and interpretation of used concepts - and thus results. Moreover, it implies a shortage or lack of empirical testing of definitions and taxonomies.

Whereas qualitative methods are frequently identified in empirical research, quantitative measures are preferred for assessing the volume of the informal economy. Again, methodological choices depend upon discipline and - by extension - chosen definition.

The perceived lack of holistic research on the informal economy, comprising both theoretical/conceptual and empirical components is highly unfortunate. The necessity/recommendation for such holistic approach cannot be overemphasized. Furthermore, as the nature and extent of the informal economy is determined by policy choices, these deserve thorough research attention. Moreover, motivations of people for engaging in the informal economy and the influence of policy on these motivations or choices are important research topics. Indeed, equal attention should be given to participants of the informal economy as victims and as economic agents.

In times of financial-economic crisis, the informal economy is highly relevant and topical. This is not only illustrated in southern European countries as Greece, where civil participation in informal economies even receives international media attention. Also, governments see advantages in tackling phenomena as social and fiscal fraud - intrinsically related to the informal economy - in order to counterbalance budget deficits, secure the continuation of the welfare state and enrich the treasury. At present, different actors have incentives to draw their attention to the informal economy. First, financial-economic difficulties might motivate employers and/or employees to work informally. Second, governments might benefit financially more than ever from tackling the informal economy. Clearly, research interests on the informal economy are not about to diminish, not even after more than forty years of intensive research.

References


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THE BELGIAN INFORMAL ECONOMY: A CASE STUDY OF SEASONAL WORK IN FRUIT-GROWING IN SOUTH LIMBURG

Dominique Boels

Introduction

Labour in agriculture and horticulture is characterized by its temporary nature (Veiga, 1999). More specifically, seasonal work is a vital part of these sectors. In Belgium, seasonal work is legally defined as ‘activities that should be executed in a relatively short time span due to the normal moment of planting, sowing, picking or selling in the horticulture and due to the sometimes quickly changing climatological circumstances’ (art.3, 18 April 1995). Experts describe seasonal work as a means of flexible employment used in order to cope with peaks of work - and thus with peaks in demand for personnel - during a delineated period (Dirix, 2011; ES2). Seasonal work in Limburg mainly consists of temporary work during peak moments in the fruit-growing business in the south of the province (ES3; ER1; EE5), where pears and apples and, to a lesser extent, strawberries are the most common grown fruit (ES3). Furthermore, the temporary work mainly takes place during the picking of the fruit, sorting of the fruit (ER1) and thinning of the trees (Loose and Lamberts, 2010). Statistics from the Social Security Service indicate that in 2010, 44,726 different officially recorded seasonal workers were active in the Belgian horticultural sector. Further differentiation highlights that the bulk of seasonal workers operated in Limburg (16,439) and more specifically in the cultivation of soft fruit (615) and stoned fruit (14,368). In addition, the highest number of seasonal workers were active in three communities in the heart of Haspengouw: Sint Truiden (5,093), Borgloon (2,720) and Nieuwerkerken (1,582). Most of

99 Put at our disposal by the Waarborg-en sociaal fonds voor het tuinbouwbedrijf. It should be kept in mind that the statistics only offer information with regard to the declared and thus registered seasonal workers.
100 This is the total number of seasonal workers in the Belgian horticultural sector in 2010. Seasonal workers can work for different employers, as long as they do not exceed 65 days of employment. This has a consequence for the way in which the data are calculated. The data discussed in this article are based on the possibility of working for different employers, which implies that some seasonal workers count as 2, 3 or 4 seasonal workers (depending on how many employers they have worked for).
101 Total numbers of fixed employees in the Belgian horticulture are not available at the Waarborg-en sociaal fonds voor het tuinbouwbedrijf for 2010.
102 Limburg is one of the ten provinces of Belgium.
103 Haspengouw is in the south of the province.
the registered seasonal workers in the Limburg horticulture were of Belgian nationality (4,427), followed by those of Polish nationality (1,089), Bulgarian nationality (351) and Indian nationality (313). In the same year, 2,858 employers employed seasonal workers. The majority of them (772) had their farm in Limburg. These data indicate that although seasonal work is often related to migrant labour (e.g., Brass, 2004; Fonseca, 2008; Hoggart and Mendoza, 1999), most official seasonal workers in Belgium are of Belgian nationality.

In addition to these seasonal workers, a total of 1,295 workers were employed year-round in 2009\(^{104}\) in the cultivation of soft fruit (e.g., strawberries) and stoned fruit (e.g., pears, apples). These employment statistics illustrate, in combination with other indicators, the economic importance of this sector and case study (ES8). As such, the 2010 report on the external trade of Belgian vegetables and fruit indicates greater export than import volumes for apples, pears and strawberries\(^{105}\) (VBT, 2011a). According to experts, Limburg is the most important region for the production of apples and pears, and the second most important region for the production of strawberries (ER2; ES8). The Union of Belgian Cooperatives in the Horticulture (VBT), comprising 9 cooperatives, mentions a turnover in 2010 of €339,756,000 with regard to fruit, which is less than the vegetables turnover (€535,752,000) (VBT, 2011c). In detail, the turnover amounted to €111,587,880 for pears, €71,493,793 for apples and €123,152,191 for strawberries (VBT, 2011b; VBT, 2011c). Still in 2010, Belgium accounted for approximately 3% of European apple production (thereby being at the eighth position in the ranking of the highest producing European countries) and 13% of European pear production (third position after Italy and Spain) (VBT, 2011c). Although no statistics were put at our disposal, an interviewed expert estimated that 70 to 75% of the fruit grown in south Limburg is exported (ES8).

Making use of the extensive data that were gathered in our empirical research, this article answers the following research questions:

(1) What are the main Belgian policy stipulations concerning seasonal work in the fruit growing?

\(^{104}\) The statistics for 2010 are incomplete.

\(^{105}\) These data are based on statistics on the level of the country. We have tried to obtain data concerning the economic importance of the Limburg fruit growing, but different organisations claimed not being able to help us, notwithstanding several organisations and experts referred us to them. As a consequence, we only have data on the level of the country.
(2) In what way is seasonal work in fruit growing in south Limburg characterized by informal economic activities?

(3) If informal economic activities are present, what are the motives of employers and employees to engage in them?

(4) What is the influence, if any, of policies on the informal economy in relation to seasonal work in fruit growing in south Limburg?

(5) How do employers and seasonal workers active in seasonal work in fruit growing in south Limburg, perceive the main Belgian policy provisions?

In this article, ‘policy’ refers to the combination of regulation and enforcement of regulation. The informal economy is defined as the opposite of the formal economy (ILO, 2002, 11), thus comprising those parts of the economy that are not officially regulated, enforced and registered (Adriaenssens et al., 2009; Chen, Jhabvala and Lund, 2001; Dobovsek, 2009; Dell’Anno, 2003; Henry and Sills, 2006; Lippens and Ponsaers, 2006; Slot, 2010). In previous work, we have proposed a hypothetical taxonomy of the relation formal-informal-illegal economy (Boels, Verhage & Ponsaers, in press). This taxonomy and the way in which our results fit into this taxonomy will be considered in the discussion. The first research question is answered in section ‘Policies in relation to fruit-growing’, whilst the following research questions are discussed in the following sections. The article ends with a conclusion and discussion.

Method

A qualitative approach was chosen in view of the explorative nature of the research and the research questions of our study (Flick, 2002; Klima, in press; Newburn, 2007). Within this approach, a combination of semi-structured interviews using a topic guide (Beyens and Tournel, 2010), document analysis (Vervaecke et al., 2002) and case file analysis was used. In total, 58 semi-structured interviews were conducted with a total of 87 respondents. Twenty interviews were done with employers, eighteen with seasonal workers (six with Belgians and twelve with foreigners) and twenty with experts. Experts fell within three categories: regulation (six interviews), enforcement (six interviews) and support (eight interviews). Regarding the document analyses, laws and regulatory stipulations, the annual reports of different law enforcement agencies (e.g., local and federal police, labour inspectorate services, labour public prosecutor), and statistics drawn up by the labour inspectorate
services were analysed. The case files completed in the period 2010-2011 of the labour inspectorate, two Offices of the Public Prosecutor and one Office of the Labour Public Prosecutor were analysed by making use of a checklist (Vervaecke et al., 2002). In total, we analysed 70 files, of which 43 related to the fruit sector. By making use of method and data triangulation, we attempted to enhance the quality of the research (Flick, 2007; Ponsaers and Pauwels, 2002), more specifically by reducing the likelihood of misinterpretations (Stake, 2000) and thus augmenting internal validity (Maesschalck, 2010). However, due to the limited number of interviewees our results cannot be taken as representative for the sector. For a more detailed description of the methodology, we refer to Boels (2012).

Results

In order to understand the results from the interviews, we first share some important general characteristics of the interviewed seasonal workers. Four main categories were found: (1) Belgians of foreign origin (five interviews); (2) autochthonous Belgians (one interview); (3) foreigners officially and legally residing in Belgium (four interviews); and (4) foreigners leaving Belgium after seasonal work (eight interviews).

The Belgians of foreign origin undertook seasonal work for financial reasons, mostly as a second-rate alternative to a fixed job which they found hard to find. For most of them, allowances (pension, unemployment benefit) which functioned as an important part of their income, needed to be topped up with extra income in order to live decently.

The interviewed autochthonous Belgian seasonal worker saw seasonal work as a convenient extra income during his vacation, in addition to his regular job.

Economic and/or ethnic problems drove the interviewed foreigners residing in Belgium to migrate (not necessarily deliberately to Belgium). As was the case with Belgians of foreign

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106 The south of Limburg falls within the jurisdiction of two judicial districts, each having one Office of the Public Prosecutor and one Office of the Labour Public Prosecutor. The Office of the Labour Public Prosecutor executes the tasks of the public prosecutor with regard to matters within the authority of the Industrial Tribunal. This tribunal is a separate court, specializing in labour law and social security law. Thus, in matters with regard to the social penal law, the labour public prosecutor undertakes the tasks of the public prosecutor (art. 22 SV and art. 152 Ger.W.)

107 The requested files at the Office of the Public Prosecutor were selected by a query through the computer system, based on their coding system. The coding of the files (every file is coded) relate to sectors in which the infractions took place. However, analyses revealed that not all files were accurately coded.
origin, due to a lack of more permanent employment, they opted for seasonal work. Whereas most workers used the money for their own expenses, some also sent money to their families in their home countries (India, Morocco, Turkey). After finishing the seasonal work, most of them tried to find other employment, within or outside the fruit sector. Those who had other sources of income received an OCMW\textsuperscript{108} allowance.

The rate of unemployment and the low wages\textsuperscript{109} in their home country were the main reasons for the temporary migration to Belgium. Employment was mostly found through a network of acquaintances or through the use of an intermediate or go-between (see below). Some deliberately chose Belgium for its wages and legal framework. Others just went where their intermediates offered them employment. The money they earned, which was generally perceived as good money, served multiple purposes such as for investment, renovating houses, dental operations, general expenses, paying fees for their studies, starting companies, paying for holidays, paying for food, buying a car, paying off loans. For the majority this employment was not an absolute necessity, but offered them upward mobility. After seasonal work, the majority went back home to study, or to their previous job if they had one (formal or informal) or to look for a new job if they were unemployed\textsuperscript{110}.

\textbf{Policies in relation to the fruit growing}

\textit{The current regulations}

In order for workers to work formally, several case specific regulatory stipulations have to be taken into consideration. These regulate three types of relations: (1) employers - seasonal workers, (2) employers - government, and (3) seasonal workers - government.

First, with regard to social security regulations, the \textit{occasional work policy} holds the possibility for employers in the horticultural sector to take on an unrestricted number of

\textsuperscript{108} The OCMW ("Openbaar centrum voor maatschappelijk welzijn") is a public agency for social welfare that ensures certain social services and thus takes care of the welfare of citizens. Providing social and financial assistance are core tasks of the OCMW, in addition to granting housing, medical care, domiciliary care, unemployment relief work, legal aid, etc.

\textsuperscript{109} The wages for seasonal work were three to four times higher than the average monthly wages in Poland and Romania.

\textsuperscript{110} A minority of the seasonal workers gave up their job in their home country to come to work in Belgium. When going back, they had enough time and money to look for a new job.
seasonal workers - at a lower social security contribution for both employer and worker\textsuperscript{111} (Dirix, 2011; KB 28/11/1969) - who can each work a maximum of 65 days a year in this system (Vlaams subsidiesagentschap, 2010). Different categories of individuals can apply for employment in this 65-days-system, each subject to different criteria. Since the expansion of the European Union in 2004 and 2007, new EU-member states’ citizens for instance can be employed. With the introduction of the bottleneck-profession regulation in 2006, this has proceeded fairly smoothly\textsuperscript{112}. Furthermore, employment needs can also be filled in using other employment forms\textsuperscript{113}. One important condition, applicable to different forms of employment, is restrictions on accumulation between income from seasonal work and an allowance (e.g., from the OCMW, unemployment allowance, pension).

Secondly, not later than at the start of the employment, the \textit{electronic immediate declaration of employment} to the Social Security Services - Dimona - should be undertaken by employers (Loose and Lamberts, 2010). As seasonal workers are hired on the basis of day contracts, each day of employment should be declared. In case an employer has failed to

\textsuperscript{111} The lower social security contributions result from (1) calculation of employers’ contributions on the basis of a \textit{fixed day} salary, irrespective of what the seasonal worker actually earns a day and irrespective of his number of working hours (art. 31bis, KB 28/11/1969) and (2) a work bonus for seasonal workers (Dirix, 2011; ES2).

\textsuperscript{112} In 2004, ten new countries entered the EU. The then existing EU member states had the opportunity to (fully or partially) limit free entrance for new member states’ citizens to their labour market during a specific transition period. In Belgium, this implied the need for an employment card B and work permit until May 2009. In 2007, Romania and Bulgaria also entered the EU, and the same protective measures were taken with regard to these citizens. The Belgian Council of Ministers decided in December 2011 to prolong the protective measures vis-à-vis Romania and Bulgaria until December 31, 2013. The bottleneck profession regulation, initiated in 2006, entails the possibility of hiring an employee of the new European member states for certain professions with an employment card B and a work permit, without having to prove that all possibilities of finding an employee on the home labour market have been undertaken (labour market inquiry). This implies that within 5 working days the necessary documents are delivered. By installing this regulation, the Flemish service for employment mediation and professional training aimed at filling the shortages recorded in certain parts of the Belgian labour market (Loose and Lamberts, 2010). Labourers in agriculture and horticulture belong to the bottleneck professions.

\textsuperscript{113} Several interviewed Belgians were active in the PWA-system. PWA, abbreviation for \textit{Plaatselijk WerkgelegenheidsAgentschap} - translated as local employment agency - is a not for profit organisation that enables the long term unemployed to undertake activities that cannot be done during regular employment due to their nature or occasional character. As it is not an employment mode, people active in this system do not build up social rights. In relation to horticulture, people can work in this system a maximum 150 hours a month, of which a maximum of 45 are outside the agri- and horticultural sectors as long as the yearly limit of 630 hours is respected (Art. 79bis, §4 KB 25/11/1991). Individuals receive €4,10 per hour on top of their allowance. Their activities should be declared to the unemployment agency, not in the Dimona database.
declare employment (in time), the Social Penal Code\textsuperscript{114} provides both penal and administrative sanctions\textsuperscript{115} for employers.

Thirdly, the \textit{accommodation} of foreign seasonal workers is subject to several nationally and provincially set out criteria. If housing is provided - providing housing is compulsory for workers who need an employment card B - the criteria are to be complied with (ER1, ER2\textsuperscript{116}).

Fourthly, self-employed farmers whose farm is not a corporation, can choose between two \textit{tax regulation systems}: (1) the regular system (based on income and costs) and (2) a fixed system. The first option implies that all seasonal workers (both Belgian and foreign) have to make a tax declaration and pay an advance tax payment of 11.11\% of their wages to the Belgian government (ES6; VDAB, 2010). The second option entails the possibility of employers paying a 20.20\% advance tax payment on fixed seasonal salaries instead of withholding taxes from the seasonal workers’ wages. In addition to not paying taxes, the advantage for seasonal workers of this system lies in the fact that their income from seasonal work is not known to the tax authorities, because their names do not have to be declared to these authorities. One of the respondents stated: ‘Actually, taxes he [i.e. employer] pays for the anonymity of his labourers’ (ER2).

\textbf{Enforcement}

A broad range of enforcement actors are active in the sector, both on an executive and policy level\textsuperscript{117}. Whereas regulation focuses both on employers and seasonal workers, enforcement primarily targets employers.

Most controls (inspections) are commonly conducted by different inspectorate services, organised within the ambit of the ‘\textit{Arrondissemantele Cel Limburg}’\textsuperscript{118}. The services can open

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\textsuperscript{114} The social penal code came into force on July 1, 2011, except for infractions against the collective labour agreements (in so far they are not sanctioned by another stipulation of the social penal code). The introduction and implementation of this code centralises the diverse stipulations of the social penal law (Brisart, 2011).

\textsuperscript{115} Penal sanctions: prison sentence of six months to three years and a fine of €600 to €6,000 (or both). Administrative sanctions: administrative fine of €300 to €3,000. Furthermore, employers are subject to sanctions based on the Social Security Law. Before the implementation of the social penal code, sanctions were foreseen by the law (art. 12bis, KB 05/11/2002).

\textsuperscript{116} These abbreviations refer to interviews, e.g., ER1 refers to the first interview with an Expert in the category Regulation.

\textsuperscript{117} For an overview of these actors, we refer to Boels and Cools (2012).
individual dossiers on the basis of individual complaints (EE1; EE5), although this happens relatively seldom (EE1). Three out of four main inspectorates checking declarations of employment deal only with employers\textsuperscript{119}; only one focuses its controls on seasonal workers, searching for accumulation between allowances and income from labour. One additional inspectorate service - which has a marginal role in the enforcement of seasonal work - controls for accumulation between a health insurance allowance and income through employment. According to police officers, the police usually have no direct role in enforcing seasonal work regulations. Still, phenomena such as illegally staying in the country, illegal employment and rack-renting are included in police safety and action plans because of their relation with fruit-growing (ZVP, 2009-2012, 2009). Enforcement of the housing and tax regulation are equally focused on compliance by employers. All in all, whereas employers risk high financial setbacks and sanctions, seasonal workers mainly risk losing their allowances and/or paying back wrongly remitted allowances.

In general, a distinction should be made between penal and administrative sanctions. Administrative proceedings stem from specific regulations, but can also be imposed if prosecution is not chosen\textsuperscript{120}.

**Evolution and background policy**

In common with other advantageous regulations in the European Union, lower social security contributions for fruit picking were first introduced at the end of the 70s (ER1; ES4). The specific tax regulation was introduced at the beginning of the 80s (ES6). The basic idea behind these provisions was the finding that the quantity of seasonal workers needed was not affordable using the regular labour costs (ER1)\textsuperscript{121}. In order to ‘whiten the black labour’ (ER1), a decrease in seasonal labour costs was introduced.

Strikingly, inspections or other controls by labour inspectorate and tax services were hardly executed in the 80s. Only since the expansion of the policy to all subsectors of horticulture at

\textsuperscript{118} See chapter 3 (art.11-15) of the Law of June 6, 2010 (Wet tot invoering van het Sociaal Strafwetboek) for more information on this cell.

\textsuperscript{119} Different employment related matters are controlled for, e.g., dimona, labour cards and work permits, social documents, correct payment of wages, working hours, payment of social security contributions.

\textsuperscript{120} This choice can be based on the policy of the Public Prosecutor’s Office, but also on guidelines from the Collegium of Attorneys General.

\textsuperscript{121} In horticulture, farmers have no influence on the price of their products, as this is determined by the principle of supply and demand.
the beginning of the 90s, have controls become more frequent and severe\textsuperscript{122} (ER3; ES5). Recently however, the frequency of controls by the labour inspectorate is perceived by most employers and enforcers to have declined. The fruit-growing sector has become less of a priority with regard to social fraud controls, which is attributed to a decline in detected infractions (SIOD, 2011). In turn, this is attributed to both controls and high fines. Graph 1 illustrates that the frequency of the joint controls have declined between 1994 and 2000, after which a small increase is detectable. As from 2008 the frequency of controls declines again.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{graph1.png}
\caption{Evolution of controls executed in the Arrondissementele Cel Limburg (1994-2010)}
\end{figure}

Different opinions exist regarding the motives of the government towards intervening in the fruit-growing business. Firstly, problems experienced in the past (such as exploitation, rack-renting) are considered to have influenced policymaking (ES4). Fiscal and social fraud, in combination with the economic growth of the fruit growing business and the coupled shortage of labour, are perceived by one regulator as the most important reasons for the introduction and expansion of the policy. The regulator claims that seasonal work used to be executed by locals, without any declaration of employment. He puts it this way: ‘Yeah, as a matter of saying, you had to be blind not to see that a couple of things happened in that sector that were not at all according to the rules of the social and normal economic and fiscal game’ (ER3). However, three employers and one expert explained that in the 80s and 90s, nearly all employers used the fixed tax system. Seasonal workers thus avoided paying

\textsuperscript{122} Unfortunately, statistics were only available from 1994 onwards.
taxes, which does not alter the fact that employers paid them for them. Secondly, protection of an economic important and expanding sector was furthermore believed by one expert to have led policymakers to introduce and maintain policy stipulations. Protection of formal employment means was also believed to motivate intervention, albeit to a lesser degree (ES4). Thirdly, the social protection of seasonal workers was not believed to have been a priority.

All in all, this system should make it attractive for employers to hire people on a legal basis as both employers and employees enjoy favourable social security contributions. This, in combination with regular controls and sanctions for infractions, was meant to stimulate employers to work on a legal basis (Loose and Lamberts, 2010). Whether this is the case is analysed in the next section.

The different shades of fruit? Informality in fruit farming

Types of informal economic activities

Both our interviews and our document and file analyses reveal that the sector under scrutiny was mostly characterized by formal activities, although several types of informal economic activities were present. A slight majority of seasonal workers claimed not to be aware of informality (both Belgians and foreigners), due to limited contact with other seasonal workers or farms. In general, seasonal workers who claimed that informality did not exist referred to the extent of controls, the high financial risks for both employers and seasonal workers and potential trouble with the police. For them, the enforcement facets of the policy were having a deterrent effect. Most experts argued that informality was still occurring, but less than in the 90s. Undeclared labour and illegal employment were particularly believed to have declined in frequency, due to the policies. Approximately half the interviewed employers stated that fruit farming is currently formal to a high degree.

Approximately one third of the interviewed seasonal workers thought that employment exceeded the 65 days, another third did not know whether or not it occurred, and the other third thought it did not happen. Most employers admitted that undeclared labour still occurred in this sector, although not on their farm. Notwithstanding, a quarter of the employers admitted currently employing seasonal workers on an undeclared basis. A
minority argued that it did not happen at all, some saying that it had diminished in comparison to the 90s. The latter was confirmed by most experts. Some general characteristics of undeclared labour were identified by employers. First, in order to minimalize the risks of getting caught, the undeclared activities often take place during winter time, in hidden or enclosed places, at night, late in the evenings, very early in the morning or during weekends. Secondly, most employers felt the demand for undeclared labour mostly stemmed from Belgian seasonal workers, who would prefer to work informally. According to one enforcer, farmers opting for the fixed tax system were more prone to use undeclared work than others. Thirdly, two argued that it happened more in farms with Indian employers and workers.

**No or late declaration of employment - dimona: undeclared labour**

Although some employers were believed by experts to have offered spontaneously undeclared labour in the past, most were believed to have been put under pressure by local seasonal workers who did not want their work to be declared. Nearly all employers admitted receiving demands from seasonal workers not to be declared. Only workers who temporarily migrated to Limburg for seasonal work preferred to work on a completely formal basis. Why was there this demand to work informally? First, workers receiving allowances preferred to combine this allowance with an income from seasonal work. Secondly, illegal people – who by definition cannot work formally - had no other means of income. For others, working over their allowed hours resulted in a larger income, which was much appreciated by seasonal workers with restricted income. This is illustrated by one group of Belgian seasonal workers, acknowledging working more than 65 days: ‘Yes, write a little, not write a little. Not writing is better.’ (SW27). A third of the employers mentioned that working on an informal basis led to a higher income for the workers as they did not have to pay taxes or social security contributions.

Two reasons can explain the succumbing of certain employers to this demand. Firstly, according to one Belgian seasonal worker and a third of the employers, employers were keen to keep good workers longer than 65 days. Indeed, the training of new seasonal workers took too large an investment in time. Secondly, recruitment difficulties before the expansion of the EU, partly due to the characteristics of the work (hard labour, low wages)
and partly due to the tax policy, were widely acknowledged by experts as having influenced employers’ choice (albeit under pressure) for undeclared work. This was confirmed by nearly a third of the employers, as illustrated by the following quotes:

‘So yeah, ... they were a bit obliged to work with those people because the fruit needed to be picked. And if you have no one else...’ (EE5).

One employer - admitting employing informal labour - explained:

‘Because their income hangs there eh! ... because some law in Brussels says that man no, but that man yes, and that man mmm has to wait a bit longer and that man no.... Boy, what are we doing? We are talking about the income of a family here, of a household, of a family... Yeah well, then such risks are taken, you don’t have much choice... Brussels can say what it wants, but I’m putting my income safe. My Poles haven’t arrived yet, yeah then you take whoever you can get at that moment’ (E12).

Another employer put it like this:

‘I’m not gonna risk not subscribing one person just to put 5 euros in my pockets, in my wallet, am I? So that is not the point. The point is the restriction of 65 days ... I do not commit fraud to embezzle money, I commit fraud simply to be able to get my harvest and that is frustrating.’ (E5).

However, since the expansion of the EU, just over half the employers experienced no recruitment difficulties and did not understand why certain employers would still be tricked into this kind of informality. Increasing profit by avoiding taxes and social security contributions or by paying lower wages as a motive for using informal labour was functional only for three employers.

The enforcement facet was perceived by seasonal workers to have an influence on non-declared work, in the sense that they were frightened of getting caught. Some also highlighted the financial risks for employers. Experts additionally perceived the expansion of the EU and the bottleneck regulation as having led to a decline in undeclared labour. Five employers stated that black money is hardly available anymore, as it became less possible to sell fruit picked using informal labour, partly due to increasing professionalization of market vendors, partly because of the changing market (e.g., supermarkets). The fact that ‘black’
wages are not tax deductible also functioned as a curb to informal labour at the employers’ side.

Furthermore, the occurrence of undeclared labour was confirmed by the file analyses and the statistics of labour inspectorate controls. The file analyses illustrate that in the period 2010-2011 the absence of dimona occurred in 16 of the 19 files\(^\text{123}\). In all the analysed files, the employers were Belgian (though one was of Indian origin). Employment of the following different types of seasonal workers was undeclared:

- Belgians who had taken early retirement (3 persons);
- Belgians who also were on allowances (5 persons; 4 of foreign origin);
- Belgians (7 persons);
- 17 Polish people;
- 10 Indian people;
- 61 not specified.

Employers claimed that the declaration had slipped their mind, that they normally declared employment later during the day (although declaration should be done before the start of work) or that they made a mistake (e.g., thought someone else would come to work). Others however confessed deliberately not having declared employment, thus taking the risk of being caught.

The statistics show that the absolute number of charges\(^\text{124}\) for undeclared labour (see Graph 2, line with squares) has significantly declined between 1996 and 2002. In 2006 a decrease is noticeable, which corresponds with the introduction of the bottleneck procedure for fruit growing. Between 2007 and 2009 there is a new decrease, which has led enforcement agencies to control outside the picking season (e.g., in relation to trimming or sorting) (EE1, EE5). In 2010 more charges were pursued. Graph 3, depicting the percentages of detected employers and seasonal workers, shows a more steady decline in undeclared labour, which was confirmed by both employers and experts. Furthermore, as Graph 3 only offers insights into detected infractions, the real quantity of undeclared labour will be higher.

\(^{123}\) However, these numbers are underestimates as they only comprise statistics of one judicial district.

\(^{124}\) We should keep in mind that these statistics depict detected infractions and that the real amount of undeclared labour will be higher.
Illegal employment

According to most regulators and enforcers, illegal employment - especially of Sikhs - was more likely to occur before the introduction of the electronic passport for foreigners (in the second half of the 2000s) and before the dimona-database. Two main approaches were identified: (1) copying legal passports and changing the photograph and (2) the phenomenon of ‘look-a-likes’ (EES), illegal people using the passport of a legal acquaintance.

125 The data come from the ‘Arrondissementele Cel Limburg’, which organizes the joint controls. This graph thus represents the evolution of different types of detected infractions in the case study. Data before 1994 were not available.
126 Data stem from the ‘Arrondissementele Cel Limburg’.
127 The use of forged passports in horticulture is also reported in other countries such as the UK (Dench et al., 2006).
(who was physically similar) to do seasonal work. A third of enforcers claimed that this illegal employment was not organised by networks, but mainly took place through individual initiatives. Only a fifth of employers believed this type of informality still occurred, partly deliberately - because employers cannot find other workers - and partly unconsciously. This is illustrated by the story of another employer, working with Belgians of Indian origin, who found it very hard to recognize his workers and to distinguish them from each other. However, he did not want to check their passports every day in order not to decrease their motivation, although he recognized the risk he was taking by stating that he ‘hopes we’re doing it right’ (E4). Two enforcers claimed that the frequency of illegal employment had declined in the picking season - where most controls were executed - but still occurred outside these peak moments. They had observed a shift from illegal employment in the picking season to illegal employment during the trimming or sorting period, as a way of avoiding fines.

The need for personnel was highlighted by the majority of enforcers as a motivation to hire illegal people. The ambiguity of employers is illustrated in this quote:

‘The employer knows that, if someone comes with a copy of a passport, the risk is high ... Okay, he needs personnel. That’s a fact, and everyone that comes in is good to pick his crop. That’s a fact. Another thing is, he does know that someone with a copy, that the risk of being an illegal is high. And he’s not going to pay legally, what is it, seven euros? He gets four euros eh.’ (EE5).

However, one Belgian seasonal worker claimed that employers could not take the risk of employing illegal people, whose only motivation for working illegally was survival (‘What would you do? That’s the point, they have to survive as a matter of saying’, SW26). In addition, the legal alternative was perceived by the majority of employers and experts as a restriction on illegal employment. The perceived decrease in illegal employment was attributed by a Belgian seasonal worker, who worked illegally in the past, to the controls and to lack of work\textsuperscript{128}. Not surprisingly, illegal seasonal workers were believed to earn less than the minimum wage.

\textsuperscript{128} He claims that enough formal seasonal workers are available to fill in the need for employment. In other words, the jobs are taken in by formal workers, so that there would not be enough work left for illegal workers.
The analysed files indicate that illegal employment had not disappeared from fruit growing. Seasonal workers of Indian, Polish\textsuperscript{129} and Bulgarian nationality were caught working illegally. Importantly, the mere detection of illegal persons did not lead to prosecution by the public prosecutor\textsuperscript{130}. Unless false documents were detected, the public prosecutor would not prosecute.

According to the statistics from the joint enforcement controls, illegal employment has declined between 1994 and 2000 (see Graph 2, line with triangles). Strikingly, an increase was detected in 2007 and 2008 after which a new decline was noticed. Graph 4 indicates a similar pattern. Interestingly, most respondents highlighted the deterrent effect of frequent controls (and high fines), but the frequency of the controls had not increased to a large extent. This does not alter the possibility of awareness of controls and potential fines.

In sum, all the methods indicated a decline in illegal employment, although the statistics showed that (1) the decline is not as spectacular as respondents hinted and (2) illegal employment has not vanished.

\section*{Social fraud}

According to the Belgian seasonal workers receiving social allowances, they did not commit fraud against social funds (social fraud). However, one group of workers stated that "It is

\textsuperscript{129} These files dated from before 2004.

\textsuperscript{130} In case these persons are working, the labour inspectorate will draw up a charge addressed to the labour public prosecutor.
possible, hey. Everything we can believe, is possible.’ (SW5), pointing to the possible existence of social fraud. Strikingly, their employer revealed that they actually did commit social fraud. Other seasonal workers said ‘For others, it is not our business to know, but for us, we prefer to mark’ (work formally). The controls and the financial losses (for both employers and seasonal workers) were felt to influence their choice to work in a purely formal way. As two employers admitted employing people receiving allowances and not declaring them, the statements of the workers should be put into perspective. This is confirmed by enforcers, claiming that social fraud is certainly present among seasonal workers receiving allowances. One employer was convinced that foreign seasonal workers do not declare their income to the Belgian state, thus committing fiscal fraud. Another employer, paying a piece rate, admitted paying a part of his workers’ wages with ‘black money’.

Graph 5: Evolution of percentage accumulation unemployment allowance and income

Changes in prosecutions for accumulating too high a total from unemployment allowances and income from seasonal work are clearly quite capricious (see Graph 2, line with crosses). Interestingly, the graph runs parallel to that for changes in the number of controls, suggesting a possible influence of the latter. Furthermore, the decline after 2006 (which is confirmed in Graph 5) might be attributable to the presence of formally employed East-European seasonal workers. The total number of charges for this type of social fraud is not lower than other types of infractions.
**Go-betweens**

The existence of go-betweens\(^{131}\) was not uniformly acknowledged in this case study. Belgian seasonal workers stated they were not aware of the phenomenon, whereas Romanian and Polish seasonal workers confirmed the existence of go-betweens in the Turkish, Indian, Romanian, Polish, Hungarian and Bulgarian environment. Surprisingly, they perceived this to be a normal aspect of the employment. They saw no harm in paying 100 to 300 euros in order to gain employment they could not find or organise on their own. However, they did stress that many seasonal workers were recruited by friends/family/acquaintances who did not ask for money for procuring a job for them. Four employers admitted having recruited seasonal workers in the past by making use of a go-between. Notwithstanding moral objections, they considered it to be an easy solution for a difficult (recruitment) problem. The majority thought go-betweens were still active for this type of work, mainly ‘offering’ Polish, Romanian, Bulgarian and Hungarian seasonal workers. As most employers believed they themselves had a big enough network of foreign seasonal workers, they stated that the heyday of go-betweens had somewhat passed. However, this did not exclude there still being some go-betweens. Most experts thought the phenomenon might occur, but were not certain about it.

Go-betweens should be differentiated from illegal labour contractors, who withhold a part of the seasonal workers’ wages in addition to a one-off payment for obtaining the employment. Most experts were of the opinion that illegal labour contracting hardly occurred in the sector; whilst employers and seasonal workers stated they were not aware of current illegal labour contractors. Interestingly, the labour inspectorate services control the payment of wages, thus controlling for illegal labour contractors, but not necessarily for go-betweens.

Only one file was opened as a result of a complaint about an employer to the police regarding the activities of a go-between\(^{132}\). The employer claimed to be paying 50 euros per month per seasonal worker who was procured. Additionally, seasonal workers would have to

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\(^{131}\) We are defining a go-between as a person or agency who procures an employment for someone else, in exchange for money (a one-off payment). The activities of go-betweens are regulated by the law of April 30, 1999 (art.12) and in the Social Penal Code (art. 175). Both the go-between and the employer can be punished.  

\(^{132}\) However, the description of the offence in the case file was ‘human trafficking’.
pay 150 euros to the go-between. The public prosecutor dismissed the case because prosecution was not considered to be in the public interest\(^{133}\).

**Human smuggling**

Two seasonal workers who were interviewed (of Indian origin) admitted having migrated to Belgium through the use of human smugglers. One Belgian seasonal worker (also of Indian origin) claimed smuggling of Indians to Belgium happened frequently in the past. The smuggling was organised by travel bureaux, with extensive advertising for their business in the streets in India. Due to the better economic situation in India, they thought the demand for smuggling would have diminished. From 2002 to 2010, a large-scale proactive police investigation in the Indian community identified both smuggling and trafficking of members of the Sikh community. Two enforcers, actively involved in the case, had opposite views with regard to the organisational aspects of the smuggling. Not surprisingly, the relation with illegal employment and exploitation is obvious. One enforcer illustrates this as follows:

‘They [...] come and recruit illegals to say: I have a little house for you, I ask - let’s say - 100 euros for it, I also have a job for you. So you will earn more than 100 euros, but you know what? Yes, to drive you by car, I ask 50 euros and then a little bit more for the insurance – I wouldn’t know which one – for the insurance I ask 50 euros. Okay, so the illegal person goes to work, he gives 100 euros for board and lodging and a whole bunch of other costs. And that exploiter puts a whole lot of money in his pocket, to do nothing as a matter of saying. And of course, then we are at the beginning of economic exploitation.’ (EE2).

According to this enforcer, smuggling of Indian people still occurs. According to the smuggled seasonal workers, smuggling from India was not necessary anymore because of (1) fewer problems in India and (2) more opportunities for legal migration. In addition, at the level of the public prosecutor, not a single file concerning human smuggling was found\(^{134}\). However, two did concern human trafficking in the fruit sector. In the first, the employer

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\(^{133}\) Deciding whether or not to prosecute is one of the major tasks of the public prosecutor. The Belgian law of criminal procedure contains two main reasons for not prosecuting: technical reasons (e.g., not enough evidence) or policy reasons (e.g., not opportune, for instance when there would be limited societal repercussions or when there are limited disadvantages).

\(^{134}\) However, as mentioned in the method section, difficulties in the coding system might explain this.
was cleared of the charge of human trafficking, but convicted of forgery. Never the less, he was given a custodial sentence. The case was identified by a joint control by the labour inspectorate service. The second dossier was opened as a result of an anonymous complaint lodged with the labour inspectorate service. According to the letter of complaint, approximately 20 Polish seasonal workers were exploited economically by two Belgian employers. In addition, the accommodation of seasonal workers was described as seriously inadequate (e.g., raging smell of the neighbouring piggery, presence of vermin on matrasses). As most concerned seasonal workers had already returned to Poland, the investigating federal judicial police argued that an immediate start to the inquiry was not expedient. In other words, the dossier was dismissed, however it was mentioned that a meeting between the public prosecutor and the police should take place. As human trafficking is a hard to prove infraction, this qualification is rarely withheld (EE6).

**Exploitation**

Two Romanian seasonal workers claimed to be aware of farmers not respecting contracts. For instance, at the end of their working period, more money was withheld for housing than was agreed upon. One group of Poles equally told the story of a farmer paying less per hour than was initially agreed. According to one employer, not paying the minimum wage was not beneficial for employers, because it leads to dissatisfaction and turnover of seasonal workers (through contacts between seasonal workers of the same nationality). Two others claimed that seasonal workers were very well aware of the minimum wage and would not be exploited: ‘It might work once, but you cut in your own flesh. You make it hard on yourself’ (E8). Yet another one thought that seasonal workers are content as long as they earn more than in their home country. Experts were divided on this matter: two thought that paying less than the minimum wage was not an exception, whilst one regulator argued that they had never heard of such infractions.

**Rack-renting**

One Belgian seasonal worker believed both foreigners and Belgians enrich themselves by asking large amounts of money for dubious accommodation. Most experts mentioned stories of rack renting in the past, without claiming with certainty that it still occurred.
Impact of the policies: less is more? More or less...

Although the intention of the policies adopted was partly to cause a decrease in the different types of informality, apparently they have had both decreasing and increasing influences on the informal economy in this case study.

Most experts believed the (broad) policy to have had a diminishing influence on informal activities. Some thought it was due to the influence of regulation, such as lower labour costs\(^{135}\) (ER1; ES3); the expansion of the EU and the possibility of easily hiring foreigners\(^{136}\) (EE5; ER1; ES3); the introduction of the electronic identity card for foreigners which complicates forgery (EE2; EE6); dimona and the database of the Social Security Service, which facilitates controls\(^{137}\) (ER1) and the housing regulations (ER1). More specifically, these stipulations are believed to have eliminated reasons to choose informal labour (EE1). More broadly, the whole of the policy was perceived by one regulator as offering very decent employment circumstances for seasonal workers (e.g., housing regulation, minimum wage, extra bonuses). This expert saw three main advantages to the policy: simplicity, legal certainty and legality. A minority of employers additionally explained the influence of tax regulation on undeclared labour. In order to be able to deduct labour costs within the regular system, these costs had to be declared and proven. In other words, employers received no benefit in paying ‘black’ wages, because these are not tax deductible. In addition, black money is only rarely available in the sector any more, partly due to the professionalization of market vendors, partly because of the changing market. Furthermore, the financial sanctions (both administrative and penal) were also perceived as highly deterrent, both by experts and employers (ER1; ES4). Some quotes from employers illustrate this.

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\(^{135}\) Thanks to lower social security contributions. Experts felt it enabled a correct way of working, that it had had a diminishing influence on informality in the sector. In addition, one expert argued that it had led to greater social control in the sector and to a diminished appreciation for fraud. Employers stated that it is a necessity for the fruit growing business to survive. As fruit farmers are subject to the principle of supply and demand, they cannot absorb their (labour) costs in the price of their product.

\(^{136}\) This resulted in not having to rely on workers who did not want to be declared. Strikingly, only a minority of employers spontaneously named this legal alternative as a decreasing influence on informality, though if asked, they did confirm this influence.

\(^{137}\) This is perceived as a serious advantage by this expert. One employer however called this a disadvantage for seasonal workers in the system: as all institutions related to the social security have access to the database, the OCMW can easily check who has worked when.
‘A seasonal worker saying: I want to come but you cannot declare me? Well, then I say: yeah, you don’t have to come! I’m not gonna take the risk to do you a favour eh. If you have to pay 100 euros less taxes, I’m not gonna risk a fine of 5,000 euros!’ (E14).

‘We don’t like to work in fear … you can’t imagine living with that pressure during the whole day’ (E10).

‘The nagging for working in black, it’s working on my nerves. I cannot pay it all from my pocket eh. I can’t sell fruit in black anymore. Nothing, absolutely nothing’ (E2).

In addition to the regulation, the deterrent effect of the controls were equally thought to have had led to less undeclared work, less illegal employment and less economic exploitation. The majority of the seasonal workers residing in Belgium referred to the controls and the high financial risks for both enforcers and themselves as an important influence on the (according to them) limited presence of informality. One regulator put it as follows: ‘… and that the fruit growers began working in a more serious way under government pressure … in the sense that the real cowboys should fall out’ (ER3). One enforcer argued that both the administrative and penal sanctions are very severe, which had had a restricting influence on the number of infractions. The enforcement side of the policy was felt to be too severe by most employers, especially since the controls in the past were described as very meticulous. Although most felt that the controls had become less frequent and less severe, one employer still thought:

‘There exists a reign of terror under the employers eh, fines of millions and companies going down due to the social controls... The whole business is steered by a fear psychosis. I do not think this is normal’ (E14).

However, another employer had a different opinion:

‘We cannot complain in the sector; we cannot complain about the controls either. If you are in accordance with the policy, then those controls do not matter’ (E15).

One enforcer claimed that employers were not easily prosecuted for illegal employment if passports were found to be forged, because the forgery would not always be easy to detect (EE3). Yet another enforcer thought that a custodial sentence given to an employer (in 2007, see above-mentioned file analysis), functioned as a serious signal toward the sector. This, in
combination with several similar investigations within a short time span and high conditional sentences, is believed to have diminished the abuse of fake passports (EE5; EE6). However, the Belgian seasonal worker thought that everything was better before the introduction of the policy. He had strongly experienced the negative impact of dimona, the regular tax system and the more frequent and stringent controls on the employment of Belgian seasonal workers\textsuperscript{138} (‘Those who want to work, simply let them work’, SW26). In general though, the combination of the regulation and its enforcement was perceived as having had a positive influence in formalising work within the ambit of the case study. As EE5 said: ‘Yeah, the wild years are mostly gone, I think’.

On the other hand, the current housing policy was equally perceived as a threat to the formal sector, due to its severity and expense. One expert put it like this: ‘It will be a positive influence, but it’s not like there will be no more black work. In every sector there are people of bad will, the rotten apples’ (ES3). The change to the regular tax system was also believed to have increased the demand by Belgian seasonal workers for undeclared labour (E8). Due to the evolution of the sector, fewer farmers worked with the fixed tax system. As a result, their seasonal workers had to declare their income and pay taxes. This is believed to have led to a decline in the motivation of Belgians to work as seasonal workers (as their existing income was raised, more taxes had to be paid). The possibility of having the fixed system was regarded as positive by most employers for a number of reasons. First, recruitment of seasonal workers was easier in this system\textsuperscript{139}. Secondly, although it implies higher costs for employers, they are enabled to deduct these costs from their taxes. Thirdly, it offers flexibility, a grey zone (‘Actually, the ministry of finance acknowledges the existence of black wages’, E2), which is appreciated by seasonal workers receiving allowances. One other expert thought that undeclared labour is partly influenced by the severity of the regulatory controls: ‘the more severe the regulation, the more severe the conditions which should be met, the more likely undeclared labour.’ (ES3). This is confirmed by the perceived influence of the regulatory restrictions. First, the restriction on the overall total of allowances and income from seasonal work was believed to intensify the demand from certain seasonal

\textsuperscript{138} When their income is known to the government, and the employer works within the regular system, seasonal workers have to pay taxes on their revenues from seasonal work. This, in combination with low wages, is believed to deter Belgians from seasonal work.

\textsuperscript{139} Because seasonal workers do not have to declare their income to the tax authorities and do not have to pay taxes on their income from seasonal work.
workers for undeclared labour. Secondly, employers not working with foreigners (e.g., due to difficulties in offering accommodation) and experiencing difficulties in finding seasonal workers, might choose to use employment exceeding the 65 days. As one employer said: ‘you cannot just pick them up here’ (E5). Two mechanisms to accomplish this have become apparent: 1) workers are simply not subscribed in dimona or 2) the initial declaration of workers is removed from dimona. This led one employer to state that, as long as there is a restriction of 65 days, informal labour will stay prevalent.

The nature of informal economic activity in fruit-picking

The aim of this contribution was to identify the degree of informality in the case of fruit-growing, the potential influence of the regulatory policies and the motives of the employers and employees to hire and work informally. Our results, based on a qualitative design, clearly indicate an intertwining of formal and informal activities. Not only can formal and informal activities take place on the same farm, but seasonal workers can shift from formal to informal employment. Although a clear distinction should be made between different types of informality, the general picture indicates a decline in informality over the last ten to twenty years. Never the less, undeclared labour, illegal employment, benefit fraud (as part of social fraud) and go-betweens still occur. Whereas most of the respondents suggested that informality is currently insignificant in comparison with the past, statistics concerning detected infractions slightly nuance this. Whereas (detected) undeclared labour, illegal employment and unemployment allowance fraud appear to have declined, this decline is not as spectacular as most respondents hinted. Furthermore, these activities have not totally vanished. Most respondents compared their perception of the current situation with their perceptions of former large-scale informality. However, in relation to this large-scale informality, a distinction should be made between the payment of taxes and the payment of social security contributions. Whereas previous non-declaration of employment entailed social fraud (not paying social security contributions), it did not necessarily entail fiscal fraud due to the fixed tax system. Given the fact that seasonal workers did not pay taxes in this system, they might overestimate the prevalence of this type of informality. As the payment of taxes in the fixed system was not related to declaration of the employment of seasonal workers, employers might equally overestimate the former presence of informality. However, given the lack of statistics before 1994, the hypothesis of over-estimation of
previous informality cannot be tested. In addition, regulators and enforcers compared the current statistics for fruit-growing with statistics from other sectors such as the construction or cleaning sector, where more infractions are detected. This indicates the relativity of their perceptions.

Strikingly, our interviews suggest that seasonal workers temporarily migrating to Belgium for the 65 days, are hardly involved in informal activities. Informal activities are perceived to be primarily due to Belgian seasonal workers or migrants residing in Belgium for longer periods. As the longer-term migrants experience difficulties finding fixed employment, it is not ground-breaking that they turn to the informal economy. Except for illegal people shunted from the formal economy, the choice to undertake seasonal work informally cannot fully be seen as a survival economy since most interviewed autochthonous and foreign workers did have other sources of income (e.g., allowances, formal jobs, other informal jobs). A pure victim perspective thus hardly applies in our case.

Interestingly, although motives for working informally have a financial/economic nature for both employers and seasonal workers, mediating influences differ for both categories. With regard to seasonal workers, the regulatory policy aspects were perceived to have had an increasing influence on their demand for informal labour. Generally, their knowledge of the policy was not very detailed. Interestingly, they did however know those aspects which were somehow related to informality (e.g., not declaring employment to the social security administration, preference for the fixed tax system). Recruitment difficulties - and thus the risk of crop loss - functioned as mediating factors for some employers. In general, however, haphazard factors (such as simply forgetting declaration) cannot be totally ruled out as explanatory factors for informality. On the other hand, regulation and enforcement (especially the latter according to employers and seasonal workers) aspects were equally perceived to have a restricting influence on informal labour in the sector. Given the relatively constant frequency of controls, employers and seasonal workers might be frightened off by stories concerning the thoroughness of the controls and the severity of the enforcers. Certain explanations for informal labour in the international literature are not identified in the Belgian case, such as declining profit margins (Rye and Andrzejewska, 2010) and high labour costs (Labrianidis and Sykas, 2009; Reyneri, 2003).
Furthermore, our results suggest that this particular case study work is characterised by a process of formalisation. In this process, reciprocity between the policy and the informal economy is discerned. Not only has informality had an influence on the introduction and evolution of the policy, the latter is equally perceived to have (had) an influence on informality. Notwithstanding the existence of regulation in fruit-growing, the enforcement of the regulations has significantly increased in the 90s in order to formalise the fruit-growing sector. According to both our interviews and document analyses this does not seem to have missed its aim, although informality was still occurring. The evolution of regulation, and more specifically the evolution of the quota, was perceived as advantageous for both employers and (temporary migrant and resident) seasonal workers. At the time of the introduction of the lower social security regulation, employers could make use of this system for only 25 days. Now, the restriction on the number of days they can hire seasonal workers has been lifted, so eventual non-declaration of seasonal workers has even less utility for them. The number of days seasonal workers can work at lower social security contributions has also expanded over the years up to 65 days. Notwithstanding this was introduced in order to formalise the sector, we should not forget that the current restriction of 65 days (in order not to compete with regular employment) is still perceived as having a potential increasing influence on informality for certain categories of seasonal workers and employers. All in all, the restriction of the 65 days and the restriction on the total amount to be earned from income from seasonal work and allowances are perceived to potentially increase informality. The existence of the fixed tax system equally leaves room for informality. On the other hand, the expansion of the EU, the bottleneck regulation and the technological advancements (e.g., dimona, electronic passports) have potential decreasing influences on informality. The enforcement side of the policy is perceived as having a deterrent and thus decreasing influence.

Several stipulations have been adopted in order to protect the seasonal workers such as the minimum wage, housing criteria and collective labour agreements. In other words, we can conclude that the evolution of the policy to its current state shows several legal protective measures for seasonal workers. The enforcement side can equally be said to favour the seasonal workers. Although they are controlled and are subject to fines, they are not the main targets of the controls. Not only are there more inspectorate services controlling
employers, employers also risk more financial sanctions than seasonal workers. However, the introduction of dimona and the admission to the database of different inspectorate services and social security administration has facilitated efficient controls in the battle against social fraud (Arbeidsauditoraat Hasselt, 2011), which can work to the disadvantage of seasonal workers. Nonetheless, the current policy still leaves certain possibilities for informal labour. More specifically, the fixed tax system enables the possibility for certain seasonal workers (e.g., in the PWA system, who do not have to be declared to the Social Security Service) to commit benefit fraud.

Discussion

We do not claim to be making statements about the sector as a whole, given the sampling difficulties and the non-representativeness of our respondents. Furthermore, partly due to the sensitivity of the topic, we do not know for certain that respondents, when they were claiming not to be aware of informal practices or claiming such practices were absent, answered truthfully. On the other hand, although we assumed that respondents would not talk openly about informality (Dench et al., 2006), some did not refrain from talking about past and current informality. However, the triangulation and the high amount of interviews can be considered as methodological strengths in our qualitative approach.

When concluding on the presence of informal activities in this case study, it is necessary to define the informal economy. Clearly, the identified activities can be described as informal activities according to Castells and Portes’ (1989: 12) definition: ‘all income-earning activities that are not regulated by the state in social environments where similar activities are regulated’. Equally, the activities described as informal in our study fit into Feige’s definition of the informal economy: ‘those economic activities that circumvent the costs and are excluded from the benefits and rights incorporated in the laws and administrative rules covering property relationships, commercial licensing, labour contracts, torts, financial credit and social security systems’ (Feige, 1990: 992). Notwithstanding, we have previously opted for a very broad definition of the informal economy, given the lack of a satisfying, universally applicable definition. Clearly, our results equally fit into our broad definition, which is that the informal economy is the economy that is not officially regulated, enforced and registered. In addition, we have proposed a hypothetical taxonomy of the relations between
the formal, informal and illegal economy (Boels, Verhage & Ponsaers, in press). In Figure 1, undeclared labour, social fraud and illegal employment can fall within the third quadrant. The labour is regulated given the different stipulations which should be followed (e.g., a maximum of 65 days, restricted accumulation, employment cards), enforcement exists (e.g., labour inspectorate, imposition of sanctions) but the activities are not in accordance with the regulation and enforcement. In addition, they are not necessarily detected by the enforcement agencies. When the same labour is in accordance with the regulation and enforcement, they fall within the formal economy in the first quadrant. However, undeclared labour, social fraud and illegal employment can equally fall within the fourth quadrant. After all, undeclared labour is not necessarily in compliance with the stipulated governmental and/or private regulation (e.g., minimum wage, restricted number of working hours, informal agreements between seasonal workers and employers). The activities of go-betweens can equally fall within the third or fourth quadrants, for the same reasons. However, this type of activities is hardly enforced as opposed to the other types of activities. The fact that the same activities can fall within several categories clearly indicates the theoretical difficulties in researching this topic.

Strikingly, some resignation was detected among experts and employers concerning the presence of informality. Never the less, the consequences for informal workers are far-reaching. For instance, their employment falls out of the scope of social security and thus hardly allows them to build up social rights. This implies that they are not insured for industrial accidents, nor is their employment considered in the calculation of their pension,
holiday allowance, unemployment allowance, child benefit or medical costs (art. 5, Law of 27/06/1969). However, some minimal guarantees hold for foreigners who work illegally such as a right of minimum wage, right of reimbursement of industrial accidents and the possible application of rules concerning labour law (such as compensation of absence because of illness). The major problem however is delivering a proof of a contract (and its content) if it is not written. In addition, the hidden character of the employment increases the risk of exploitation. Notwithstanding workers’ knowledge of stipulations such as conventional wages and channels to help (both through union actions and friends/acquaintances/ethnic networks), the risk of exploitation still remains. First, hidden employment is the only way for illegal persons to gain income through work, which puts them specifically in a vulnerable position (Dench et al., 2006). Secondly, given the restricted collective action/organisational power of seasonal workers (especially temporary migrants) (ER4), the risk of exploitation is not unrealistic. Thus, notwithstanding the extenuation of undeclared labour by some experts and employers, we feel we should not have a careless attitude towards these activities.

Our study suggests that informal activities are not used by seasonal or commuter migrants (Reyneri, 1999: 85), which nuances the general opinion of migrants’ participation in the agriculture-related sectors of the informal economy. Furthermore, this case study is clearly characterized by a demand for temporary migrant labour, thus constituting a transnational labour market. Temporary migrants often left their families back home for the sake of upward mobility. However, can we truly speak of upward mobility? Or is it survival after all? This all depends on what is considered to be upward mobility and what is considered as necessary for survival. The temporary migrants clearly did not see their migration as a means of survival. However, from a western perspective, migration for purposes such as buying a car, renovating a house or medical operations is not upward mobility. From our western perspective, this is survival since such aspects are an accustomed aspect of our lives. Still, either way, striking financial-economic differences still move people to migrate for thousands of kilometres within a united Europe (Godzimirski, 2005 in Rye and Andrzejewska, 2010). Moreover, the restricted popularity of seasonal work from the point of view of the Belgian seasonal workers is not exclusively attributable to the characteristics of the work

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(secondary labour market [Piore, 1975]) but also to the tax regulation in combination with the evolution from the fixed to the regular system.

Most respondents emphasize local economic losses related to temporary migration in the case of agricultural seasonal labour. Whereas in the past local seasonal workers spent their earnings in the local economy (e.g., restaurants, boutiques, electronic shops), the temporary migrants avoid spending money in Belgium as much as possible. Although this perception is understandable, it should not be forgotten that the admission of migrants into the labour market has facilitated recruitment difficulties (Loose and Lamberts, 2010). The evolution of the sector has led to more farmers opting for the regular tax system, resulting in seasonal workers having to declare their income. This has resulted in entry into a higher tax scale or in decreases in a partner’s allowance. In turn, this has resulted in less willingness from former seasonal workers to do the work.

In addition, the non-existent or restricted ability to accumulate allowances and income from labour not only functions as a motive for informal labour, but is equally believed to deter certain categories of people residing in Belgium doing seasonal work. This could stimulate policymakers to think about the idea of allowing such accumulation between an allowance and a restricted amount of income from seasonal work, which is by definition temporary. We can wonder how long the welfare gap will remain between western and eastern European countries. It can be expected that this pool of temporary migrants will dwindle one day. Who will then do the work? And in which labour conditions will this take place? Will it lead to more illegal employment? Or might it not lead eventually to the disappearance of the Belgian fruit-growing business completely? Another possibility is to determine an annual instead of a monthly sum which could be earned in addition to the OCMW-allowance without this allowance needing to be adjusted. This would leave the possibility of people receiving this type of allowance to work during an unbroken period in peak demand moments without losing their allowance. Clearly, the government has taken several steps in both regulation and enforcement, but still others could be considered. Meanwhile, the willingness of the government to further formalise the sector is indicated in current policy discussions (e.g., installation of a meter in dimona, establishing agreements between the employers’ organisation and actors in the battle against social fraud). The process of formalisation is thus not at its end in this case.
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VDAB (2010). De fruitcel. Uw arbeidsbureau voor seizoenarbeid. Sint-Truiden, VDAB.
Part II: Within case analyses


Legislation

Art. 22 Wetboek van Strafvordering (SV): art. 22 Code of Criminal Procedure

Art. 152 Gerechtelijk Wetboek (Ger.W.): Art. 152 Judicial Code


Law of June 6, 2010 (Wet tot invoering van het Sociaal Strafwetboek)

Respondents

ER: Expert Regulation

EE: Expert Enforcement
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ES: Expert Support

SW: Seasonal Worker

E: Employer
Part II: Within case analyses

**IT’S BETTER THAN STEALING: INFORMAL STREET SELLING IN BRUSSELS** \(^{141}\)

Dominique Boels

**Introduction**

Notwithstanding the differing scale of street selling between countries and cities (Bhowmik, 2005), this ancient activity is considered to be ubiquitous (Bromley, 2000) and increasing. The latter fact is tied to changes in the global economy associated with post-modernity (Cross, 2000). Accordingly, street vending, as an urban income-generating activity, has been studied in many settings. However, most empirical studies published in English focus on street trade in developing countries (e.g., Bhowmik, 2005, 2010), Middle and Latin American countries (e.g., Coletto, 2010; Cross, 1998; Cutsinger, 2000; Harrison and McVey, 1997; Middleton, 2003) and southern European countries (e.g., Antonopoulos *et al.*, 2011; Bellinvia, 2013; Lazaridis and Koumandraki, 2003; Nelken, 2006). Given that Western societies have also experienced more contractual and short-term employment, higher levels of unemployment and a decrease of expenditure on metropolitan administration and welfare services, urban areas in these societies are deemed to be informalised (Williams and Windebank, 2001). We thus see no reason why street selling would not occur in these societies, which implies the need to fill this gap in the literature by studying the topic in such areas.

Albeit street selling can take place in a purely formal manner (Bromley, 2000), some studies have been executed within the topic of the informal economy (Coletto, 2010; Cross, 2000), on the assumption that street selling is one of the most visible manifestations of the informal economy (Thomas, 1992 as cited by de Bruin and Dupuis, 2000). Such studies have highlighted the fragmentation and heterogeneity of informal selling in terms of organisation (sellers and the trade), working conditions, motives (Bromley, 2000; Coletto, 2010), degree of legality of the occupation of public spaces, labour relations (Coletto, 2013) and (evolution of) regulatory mechanisms (Bellinvia, 2013; Coletto, 2010; Morales, 2000; Smart, 1986). Interestingly, certain studies tend to focus on specific types of sellers, such as Nigerian disc-

sellers (Antonopoulos et al., 2011) or immigrant beach sellers (Nelken, 2006), whereas others (in the domain of economics, sociology of work and marketing) focus on geographically limited spaces (e.g., de Bruin and Dupuis, 2000; Witkowski, 1993).

Considering street selling as a form of informal economy should not imply adopting a dualistic point of view, in which the formal economy is seen as unrelated to the informal economy (Chen, 2004). Indeed, many researchers have contested the usefulness and empirical tenability of a dual point of departure (Alderslade et al., 2006; Boels, 2013; de Bruin and Dupuis, 2000; Coletto, 2010; Cross, 2000; Verhage and Shapland, 2013). Notwithstanding the main focus of this article is informal street selling and its participants, we equally endorse this lack of a clear distinction between the formal, informal and illegal/criminal economy, partly on the basis of our empirical results which confirm the fluidity of the informal economy (Cross, 2000: p. 33). In this article, we define the informal economy as those parts of the economy that are not officially regulated, enforced and/or registered (Adriaenssens et al, 2009). Rather than simply contributing to the debate on the informal economy, we fill a gap in the existing empirical literature on street selling by focusing on a North European country and the informal economy by executing qualitative research in a neglected field of study. In line with de Bruin and Dupuis (2000), Smart (1986) and Witkowski (1993) we focus on two formal open-air markets (one private and one public) and the surrounding sales venues. The focus on informal street selling in a specific area of Brussels, where both formal and informal street selling take place and have not been studied before, enables us to study the interrelated types of selling. This approach equally enables us to move beyond the study of a specific type of seller in terms of both nationality/origin and sold goods to generate a broader empirical framework. We focus on two main levels: (1) the activity and (2) the workers. We identify the types of informal street selling within the geographical boundaries of the case, but, more importantly, we identify and elaborate on the decisions of sellers with regard to their entry into the business, the organisation of their work and their own perceptions of their activities. In this respect, we identify the viewpoint of informal workers, without whom the informal economy would not exist.

The selected area, referred to as Brussels South, is geographically located in two municipalities near the Brussels South railway station (Anderlecht and Sint-Gillis). The
complexity of the Belgian government is disproportionate to the country’s size and thus requires some explanation. Since 1970, Belgium, which is a federalist country, has five levels of governance: (1) federal, (2) community, (3) region, (4) province and (5) municipality. This structure implies that whereas policy areas are regulated in general at the federal level (e.g., migration, justice, labour regulation), other related topics (or subtopics) are regulated at the level of the community (e.g., integration of migrants) or the region (e.g., employment mediation). As illustrated with regard to migration by van Meeteren et al. (2008), this can lead to paradoxical situations in which the federal government forbids certain migrants from staying legally in the country, whereas the Flemish government offers support to migrants for illegal stay. The region of Brussels comprises 19 municipalities. Although we refer to Brussels, our case study is not geographically located in the capital of the country, but in two adjacent municipalities, infamous for their flourishing informal street trade (which is the reason we selected them). Furthermore, these municipalities are characterised by multiculturalism and socio-economic deprivation.

Street selling is not defined in Belgian law but would fit under the category of ambulatory trade, which is defined by law as the sale, the offer of sale or the display (in order to sell) of products and services related to these products. In contradiction to Bhowmik (2005) but in line with Coletto (2013), we suggest that street selling is not purely self-employed labour. In short, according to the federal regulation on ambulatory activities, formal selling can be executed in public markets, private markets and public spaces such as roads, places adjacent to public roads and commercial parking lots insofar as the organisation of these activities has been approved by the host municipality. Furthermore, sellers need authorisation for ambulatory trade granted by services of the Crossroad Banks of Enterprises. The practical organisation of ambulatory trade is regulated by the municipality or the private organiser (in the case of a private market), albeit taking the federal regulations into account.

142 These authorities will change, however (the region and community levels will gain more authorities at the expense of federal government), as a result of the State Reform (the sixth in the history of Belgium).
143 In this article, the terms street selling, street vending and street trade are used interchangeably.
144 Thus, street selling is subject to the policy determined on the federal and municipal level regarding ambulatory trade.
146 This is a database hosting identification data of enterprises.
Methods

In order to grasp the diversity of street selling in the case and to understand the choices of people involved, interviews and observations were the main methods used (Beyens and Tournel, 2010; Boeije, 2005) (see Table 1). Sellers were not only approached during their selling activities but were also contacted through intermediate organisations and snowball sampling (Atkinson and Flint, 2001; Kleemans et al., 2008). Dutch, French and English were the languages in which these interviews took place. Approximately 50 hours of observations were carried out, dispersed over different days and hours in order to provide a broad view on the setting (Coletto, 2013). Additionally, documentary analyses served to identify the policy (Vervaecke et al., 2002), which we see as a combination of regulation and enforcement (cf. Cross, 2000). These methods are in line with previous research on informal street selling (e.g., Antonopoulos et al., 2011; Bellinvia, 2013; de Bruin and Dupuis, 2000). Owing to the sampling strategies and the limited number of interviews, the results cannot be taken as representative of the sector, but this does not diminish the value of the explorative research, especially given the validation of the interview results by observation (van Meeteren et al., 2008). Furthermore, since several types of sellers were interviewed, the sector was covered to a large extent.

Table 1. Overview of the interviews

<table>
<thead>
<tr>
<th></th>
<th>N recorded</th>
<th>N non-recorded</th>
<th>N respondents</th>
<th>Interview length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street vendors (SV)</td>
<td>11</td>
<td>6</td>
<td>18</td>
<td>30 min – 1.5 h</td>
</tr>
<tr>
<td>Regulators (ER)</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Enforcers (EE)</td>
<td>11</td>
<td>3</td>
<td>16</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Intermediates (EI)</td>
<td>7</td>
<td>1</td>
<td>8</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>10</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

The markets and their surroundings

The neighbourhood hosting the private market is often portrayed as a dangerous area inspiring fear and feelings of insecurity (De Caluwé, 2012). The near surroundings of the

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147 In this article, regulation refers to the official body of laws and degrees at the federal, provincial and/or local level. Enforcement refers to actions by different official actors to verify compliance to the regulation.

148 Sellers of different nationalities; sellers of different goods.

149 For reasons of anonymity, we coded our respondents. SV: street vendor; ER: Expert Regulator (i.e. persons working for institutions authorised for establishing regulation); EE: Expert Enforcer (i.e. persons authorised to enforce the law, for instance police officers, members of economic inspectorate, immigration officer); EI: Expert Intermediate (i.e., social worker, street worker, member of the legal tobacco industry).
market, however, radiate a lively, animated and multicultural atmosphere (owing to the crowd of people dragging shopping trolleys or carrying bags, traffic jamming the streets and acquaintances greeting each other) more than feelings of insecurity. The market is organised each Friday, Saturday and Sunday, attracting up to 650 traders (mostly with North African and Pakistani roots) and 100,000 visitors and/or clients during weekends (De Caluwé, 2012). On Fridays and on weekend mornings one can walk in the market and look at the merchandise without being crowded. From approximately 11:00 to 11:30 on Sundays, however, the market gets very crowded (under good weather conditions): it is constantly jammed; shopping trolleys and people bump into each other; clients check out the merchandise, talk to family/friends about it; clients and sellers are actively involved in bargaining; and sellers loudly praise their goods. Nearly all imaginable goods (e.g., food, clothing, furniture) are provisioned at low prices, mainly attracting a range of poorer clients. At the main entrance to the market, people group together around the shops (e.g., the Polish butcher’s) and pavement cafés. Talking, drinking, laughing, selling and buying are their main activities. The street opposite the main entrance is known for its flourishing car trade (import-export companies), mainly run by Africans. At the top of this street are some cafés and small shops that exhibit their merchandise on the pavement. Further down cars pass slowly and groups of men talk, observe, laugh, shout, negotiate and sell on the pavements.

Fewer than two kilometres away, the public market is open each Sunday from 08:00 to 13:00. Walking out of the railway station, one comes across stands of textiles (mostly sold by Pakistanis), beauty products and biscuits. A little further down the street along the railway tracks, there are four rows of stands with diverse goods such as flowers, handbags, linen, underwear and shoes. The market extends to the north-east, where three more rows of stands exhibit different goods such as textiles, toys, shoes, olives, bread, pastries and exotic spices. The fruit and vegetable stalls are mainly concentrated on the other side of the railway tracks.

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150 The private market is privately owned, organised and exploited by a public limited company (plc), whereas the public market is organised and exploited by the municipality. Public accessibility to the private market is restricted to market days, whereas the public market space is constantly accessible.
More insights into the nature of informal street selling

Informal street selling not only takes place within the area of the formal markets but also outside them. In regard to links with the formal markets, two types of informality are discernible: (1) informal selling in the formal markets and (2) informal selling outside the market domain, but during market hours. The ‘independent’ informal street trade takes place on the street, but also in cafés.

Informality within formal markets

Four subtypes are discernible of which illegal (and thus non-declared) employment is the first. This can take two main forms: (1) employment of people permitted to reside legally in the country but not permitted to work or (2) employment of people not authorised to stay (and thus) work in Belgium. Different tasks, reflecting different degrees of responsibility, are performed ranging from getting a coffee for an employer to helping with the supply of the stands and selling the merchandise. The smaller jobs done by migrants, who offer their services here and there during the setting-up of the market, are usually not performed on a regular basis and do not offer a fixed ‘salary’. Sale of merchandise by illegal migrants takes place on a regular basis.

Second, undeclared labour by employees authorised to stay and work in the country is assumed to occur by some respondents. For example, a regulator states:

‘I think that is the order of the day. Especially here, the foreigners, they always have an uncle, a brother, a cousin who coincidentally came along to help. So these men, they are not declared. Because in some stalls there are five, six persons. If he has to declare and pay for all of them, that can’t be profitable’. (ER1)

Sometimes, these employees receive social benefits, thus committing social benefit fraud. However, not only employees fail to declare their activities. According to an enforcer, stallholders are equally guilty of social fraud since they sometimes make use of forged authorisations.

Some foreigners need an employment card (which provides permission to work) in order to work legally. When they do not possess this card but are at work, this is also categorised as illegal employment.
Third, sellers without authorisation for ambulatory trade infiltrate the markets and blend in with the formal sellers. Two subtypes are present: (1) people walking around the market trying to sell goods (e.g., smartphones, watches, phone cards, bread, toys) and (2) people who adopt more or less fixed places between the established, formal stands. The former occurs in both markets, whereas the latter mostly occur in the public market. Between the formal stands of the public market informal sellers display counterfeit perfumes, clothing and sunglasses on the ground. Although their exact position might change from week to week, they always settle in the same row. Selling techniques vary from showing the merchandise (subtype 1) to loudly praising the reasonable price of the perfumes (subtype 2).

Lastly, counterfeit goods are sold in some formal stalls in the private market. Popular items are handbags (Gucci, Vuitton, Prada), Burberry watches, clothing (hats, t-shirts) and beauty products.

**Informality outside the private market**

In addition to bread and telephone cards, counterfeit goods (e.g., Vuitton handbags and wallets, Guess T-shirts, Dior perfumes) are sold outside the side entrance. It is notable that the sellers are not active on Sundays because of the presence of police regulating the traffic. This is deemed necessary given the huge amount of visitors attracted by the market on Sundays. Although the police are there to regulate the traffic instead of controlling sellers, the latter do not perform their informal activities right in front of the police. On Fridays and Saturdays, the sellers risk patrols, which is why all sellers keep an eye out for potential enforcers. Our interviews suggest that the seller who first sees an enforcer whistles, resulting in all sellers quickly collecting their goods and running away to the subway station or to the nearby square. The perfumes are assumed by enforcers to originate from China or Turkey. They sell for ten euros, yielding a profit of five to seven euros per bottle. In order not to compete too much with each other, sellers report making arrangements regarding the selling price. Sellers buy these perfumes from intermediates (arrangements are made by phone so that street vendors cannot identify the supply depot), who buy the goods in large quantities from importers in Antwerp or Ostend. In order to reduce risk, communications are done by mobile phone instead of in person. In this way, suppliers avoid being identified by
street sellers, who thus cannot give information on their suppliers or stocking place to enforcers.

Outside the main entrance of the market, between shops/cafés and parking spaces, people wander around on weekends to sell different goods (e.g., sunglasses, smartphones, discs). On Fridays, Saturdays and Sundays, cigarette sellers offer their products in a rather subtle manner (by gently saying ‘cigarettes, cigarettes?’). On Sundays, the number of sellers can be as high as 25, but is significantly smaller on Fridays. This difference is related to the number of clients, which is higher on the weekend. Two main groups of sellers are discernible, each working on their own territory: Polish and Romanian sellers work at the top of the market (in front of the East European shops) whereas North African sellers conduct their business further down. Interestingly, East European sellers are not there on Fridays. North African sellers work on the three market days, irrespective of the weather.

Common to both groups of sellers is their adaptation to controls by enforcers; in order to minimise the financial setback of confiscation, they do not carry their cigarettes on their person (see also Coletto, 2010). Accordingly, enforcers cannot prove they are selling cigarettes and thus cannot confiscate them. Instead, the cigarettes are hidden in the near surroundings: in shopping bags between or in parked vans, in neighbouring houses or in shops. The formal businesses employed as storage places in this trade are largely assumed to be aware of the practice. Although no direct proof is available, some experts believe the legal business receives a (financial) reward for its involvement. Some sellers work with messengers who guard the stock and bring the cigarettes when the sellers need to be supplied. Not all sellers employ messengers and the ones who do mainly make use of their services on busy Sundays. In addition to these messengers, ‘observers’ are believed by one enforcer to be on the lookout for enforcers, although this is denied by one seller. Although cigarettes are offered per carton, they can also be bought singly or per pack. Larger quantities are not sold at the market itself, but orders can be placed there, just as they can be placed over the phone. The price per carton ranges between €20 and €25, depending on the brand. Sellers do not always have all the usual brands in stock; their trade depends on
what their suppliers can sell them. At the market, illicit whites (e.g., Viceroy), counterfeit (e.g., Marlboro) and contraband \(^{152}\) (e.g., L&M) cigarettes are sold.

**‘Independent’ informal selling**

In the street opposite the private market, a specific type of informal street business exists, linked to car import-export companies. One of the main activities is the purchase of cars intended for resale and export to Africa. Usually, the cars, sometimes wrecks according to Western standards, are filled with different goods such as old TVs, mattresses or car parts, which are sold in Africa. On arrival, these cars are either still used as a means of transportation or cannibalised and their parts used to repair other cars. A seller explained that people on the street execute different activities such as making contact with car traders, negotiating prices, searching for specific car parts, selling stolen car items, servicing cars, cannibalising cars and cleaning cars. The people involved originate mainly from Niger, Guinea, Nigeria and Senegal. One seller explained that sellers of the same nationality group together. According to him, difficulties can arise within groups (e.g., delivering wrong goods, not paying in time), which are sorted out internally, sometimes with the use of violence.

Less visible is the sale of goods in cafés in the area of Brussels South. Although this type of selling exceeds the geographical boundaries of the case, the city centre is avoided because of additional difficulties linked to the presence of tourists (e.g., more café owners refusing entrance to sellers, more controls). Goods such as clothes, watches, gadgets and discs are widely sold in cafés, implying serious competition between sellers. One clothes seller, however, did not perceive other sellers as competition, given the quick rotation of clients in cafés. Most sellers have regular cafés and regular clients. The preference for cafés owned and visited by immigrant people is explained as follows:

> ‘Ah, it is really another world. So, it is a Moroccan café, I mean the owner is of Moroccan origin. A lot of Moroccans drink tea. Someone comes, even someone from black Africa or the Eastern Bloc, and he comes to sell something. They are not astonished, they are not shocked. Why? For two reasons: they know that this man has

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\(^{152}\) Illicit whites are produced legally for tax-free sale in a market where they are not sold legally. Contraband cigarettes are smuggled but are original brands.
no, erm, that it is his income. But also, in his home country it is a [customary] method of trade’. (El2).

According to a social worker, clothes sellers can pay their suppliers (e.g., Pakistani wholesalers) later in case they do not possess the necessary capital to buy their merchandise (insofar as the seller-supplier relationship is characterised by a certain level of trust). Another option is to buy the clothes at a market, where it is not necessary to buy in large quantities.

Discs (mostly of films, but sometimes also music) are sold by sellers of different nationalities (e.g., Nigerian, Kenyan, Moroccan, Guinean, Congolese). One enforcer assumed the market for this type of trade was significantly decreasing given the expanding opportunities for individuals to watch films (e.g., digital TV) or listen to music (e.g., legal and illegal downloads). Nevertheless, for the poor population it might remain an attractive market if they cannot afford digital TV or the internet. Albeit quite uniform, the method of working shows some small differences. Some sellers display discs on tables, walk around the café, return to tables to probe interest in purchase. After that, all discs are collected. Others however show their discs per table and stay at the table while clients study the deal. Sellers work nearly every day. According to some respondents, pirated discs are also sold in video-shops. These shops are believed to fabricate their own copies in order to survive given the high competition of the internet. One former disc seller even believes video-shops send out sellers on the streets as well.

The sale of discs in cafés (referred to as ‘peddling’ by Antonopoulos et al., 2011) is characterised by several degrees of professionalization. Large-scale dealers (originating from Sierra Leone, Guinea and Kenya), using sophisticated machinery, employ many sellers who are subject to different payment modalities: (1) income depends upon the number of discs sold, (2) no wage is paid, but free board and lodging are offered and (3) fixed day/month salary (approximately €150/month). Additionally, a seller explained that small-scale dealers work with less sophisticated machinery, which is also used by sellers who have enough capital to buy a duplicating machine in order to copy discs. On the other hand, some suppliers frequent the cafés and streets to sell:
‘Yeah, you have to. You give to people, you wait for your money, but sometimes you have to wait a long time for your money. And then people disappear because they are arrested... It has its risks. It’s really survival, it’s not erm... Yeah, it is big business and you can earn a living out of it but it’s always a cat-and-mouse game with the police, eh?’ (EI6).

**Enforcement of informal street selling?**

Many public and private enforcement actors are involved in the policing of street trade, which implies the presence of plural policing (Jones and Newburn, 2006a). Enforcement of the specific ambulatory trade regulation is the responsibility of the police, the economic inspectorate\(^{153}\) and the organisers of the markets. In this respect, the private market organiser hires private security (“manned guarding” [van Steden and Huberts, 2006, p. 19] or “manned or staffed services” [Wakefield, 2003, p. xxi] as a type of commercial security) and has installed CCTV (“technical equipment services” [van Steden and Huberts, 2006, p. 21] or “security hardware industry” [Wakefield, 2003, p. xxi] as a type of commercial security) to keep informal sellers out of the market (e.g., cigarette sellers) and to detect small crime (e.g., pickpocketing). Given the limited public police patrols in the private market for these goals\(^{154}\), the private owners of the market have turned to private policing in order to protect their business. A proper arrangement of the market is furthermore endeavoured by employing parking controllers (cashing parking money), market controllers (verifying the correct emplacement of stall holders and cashing their placement fee) and waste controllers. This finding is in line with Wakefield (2003, 56) stating that: “the expansion of mass private property has already placed large areas that form sites of public life under the control of private security”.

Given the nature of the activities, additional public enforcers are active in controlling the Brussels street trade such as the social inspectorate (verifying employees’ credentials). The sale of counterfeit goods falls within the scope of the police and economic inspectorate\(^{155}\). In terms of detection, however, neither of these actors gives high priority to street selling of

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\(^{153}\) The enforcement service of the federal public service for economy, S.M.E.’s Self-Employed and Energy.

\(^{154}\) These patrols are more focused on ensuring security (reassuring the public [Wakefield, 2003, p. 53] than on law enforcement (enforcement of law related to street selling).

\(^{155}\) This service has a separate unit focusing on the detection of counterfeiting. Notwithstanding several attempts, we never received an answer to our request for an interview.
counterfeiting. What is more, the police are rather tolerant of street selling, especially in the Brussels South area, given that it enables people to survive and, according to some enforcers, that it is not perceived as serious crime. Furthermore, the perceived lack of judicial consequences does not enhance the prioritising. Although most police forces have a special unit which works to detect counterfeiting, in general local authorities are more concerned with social disorder and infractions directly threatening physical harm instead of counterfeiting. One enforcer said:

‘I mean, I’m gonna buy a Dolce and Gabbana t-shirt, you’re not gonna feel attacked by that. You’re not afraid. I’m not gonna beat you. You’re not attacked. So, the feeling of insecurity, produced by counterfeiting, there’s no feeling of insecurity, hey. But if I come to steal from you or beat you or steal your purse, that’s a feeling of insecurity. So, you personally will be hurt. Then it becomes a priority. But the counterfeit Dolce and Gabbana or Louis Vuitton or whatever that I’m gonna buy, how does it hurt you? No hey.... That doesn’t have an impact on people. And politically, it hasn’t got an impact.’ (EE6)

Furthermore, enforcers claim informal street selling is seldom prosecuted in Brussels\(^\text{156}\) owing to the high workload of the public prosecutor, the small number of complaints by (informal) employees and the lack of physical harm. Only in serious cases (e.g., multi-recidivists, human trafficking, employment of four or more illegal workers) does prosecution take place. Whether or not sellers of counterfeit products are prosecuted is believed to depend on the workload of the prosecutor. In order to avoid people feeling they can act with impunity, other consequences are linked to infractions such as administrative fines, confiscation and voluntary renunciation of goods.

In terms of private industry, however, counterfeiting and piracy can have serious financial implications. With regard to counterfeiting, brand holders can join organisations that organise the detection of counterfeit products (e.g., by hiring private detectives who execute investigative functions for private companies [Jones and Newburn, 2006b; van Steden and Hubers, 2006]). In our case, their job mainly constitutes the gathering of information, which

\(^{156}\) Statistics from the public prosecutor, indicating the number of files in relation to street selling, reveal an incomplete picture, which is why they are not included in this article. They do, however, allow us to conclude that dismissal is by far the most frequent decision taken by the public prosecutor in such cases.
is subsequently handed over to the brand holder or to the police who can execute further investigations. In this respect, the relation between public policing agents and private detectives is characterised by a co-operative relationship (Jones and Newburn, 2006b). This takes on the form of operational co-operation (i.e. actual contribution in research activities of one another) and offering advice (i.e. giving advice and background information on goods and services that can be useful for investigation) (Mulkers, 2002). The tobacco industry also hires private detectives to gather information in order to hand it over to public authorities. Likewise, private detectives work for the music industry, focusing on the identification of the sources of piracy. Notably, although detection of piracy and counterfeiting is important for the private industry, the focus is not necessarily on street sellers. Whereas some brand holders adopt a zero-tolerance policy, starting a civil court procedure for each counterfeit item seized, others only take action when a predetermined minimum amount is detected. Accordingly, informal sellers do not face frequent or high risks from this enforcement scope.

The presence of private policing actors, in addition to public actors, is explained in public policing literature by several changes in the structure of formal social control, offering a more extensive role for private security personnel in public social life (Mulkers, 2002; Wakefield, 2003). At least in Britain, this is related to an increasing demand for greater security in a climate of declining faith in the police’s ability to prevent crime. In this respect, private policing can be implemented in the public sector in order to decrease perceived anti-social conduct in these spaces (Wakefield, 2003). But, in the case of informal street selling, private policing agents seem to be brought into action not only to this end. In addition to providing a sense of security, private agents are hired and private security is installed to protect the private business and its interests: the correct and honest execution of the market in order not to scare off clients and stall holders; tackling of unfair competition for brands by searching for the origin of counterfeiting. It is unclear which intention has the most weight, but the private policing agents are clearly focused on both ensuring the security of the public and on protecting the interests of the private businesses. To this latter

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157 Notwithstanding the law on private detectives and the stringent regulations regarding the exchange of information by police that apply to the co-operation between both parties.

158 This is in line with Mulders’ (2002) definition of a private investigator as a detective investigating in exchange for a payment by a client in order to safeguard his or her interests and rights.
goal, there is a form of co-operation between public and private agents, in the form of information exchange.

Choosing informal street trade: profile, organisation and motives of sellers

The sellers

The interviewed street sellers were of different nationalities: Moroccan, Polish, Mauritanian, Nigerian, Tunisian, Senegalese and Belgian. The majority of them were illegal, although in the course of the research one seller was notified that he could stay permanently as his child was born in Belgium. Of the six sellers who resided legally in the country, two still had a regularisation application running. Only one respondent was a formal, registered seller; the other 17 were informal sellers.

This sample cannot be taken as representative of the whole sector. Notwithstanding that, all respondents indicated that informal street selling is mostly executed by migrants (non-autochthonous people). Despite the high number of ‘illegal’ people participating in this type of activity, informal street trade is not exclusively the domain of people residing illegally in the country. For instance, legal residents in search of extra income (partly owing to the economic crisis) are equally involved in this business. Nearly all informal sellers are male, although some exceptions exist such as female East European cigarette sellers.

Starting the business

Social capital is of crucial importance for starting up as an informal seller. In line with Bourdieu (1986) and Leerkes et al. (2006), we describe social capital as the ability to mobilise resources (money, employment, housing, information, documents) from ethnic and familial networks. Especially for illegal people, friends, family or acquaintances play a crucial role in making contact with potential employers (both in markets and outside, e.g., in construction sector) or other sellers, which is confirmed by empirical research on survival strategies of illegal people in Belgium (Devillé, 2006; van Meeteren et al., 2009). Furthermore, with regard to disc-sellers, experienced sellers or dealers would test people (who they perceive are in need of money) by giving them some discs to sell. If they are successful, they can continue. One intermediate put it as follows:

Regularisation is one method of receiving a residence permit.
‘It’s all about the money, they are just surviving. But it’s a real network, because newcomers see that, they just accompany a friend who is doing that with another friend. He sees that: ah, what is it? That’s the way it goes. But they’re not gonna do that with just anybody’. (EI6)

Occasionally, sellers start on their own account, by asking established sellers what they need to do or whom they need to contact in order to start. After initial contacts in the car business, a newcomer needs to be tested for trustworthiness by completing a sort of internship. The same holds for selling in cafés: if problems arise, the newcomer is not welcome anymore. This finding indicates that sellers partly rely on the goodwill of café-holders.

In addition to social capital, money, as a result of economic capital (Bourdieu, 1986), is a prerequisite. For instance, cigarette sellers need to buy their merchandise in advance which can require start-up capital of €6,000 or €7,000. There are two reasons for this amount of capital: (1) a seller wants to buy several brands to reach more clients and (2) sellers cannot buy small quantities of cigarettes. First, suppliers would not sell limited quantities but second, since not all brands are available at all times, some sellers build up a reserve of certain brands. In order to copy discs, one needs a minimum of about €100 to €200 for the purchase of a computer, duplicating machine, blank discs, cover sleeves and a little bag to store the discs. Of course, more expensive machinery exists for copying discs, but less advanced machinery also does the trick. If sellers do not have this kind of start-up capital, they can sell discs for dealers and receive a commission or - as is the case for clothes, for example - they can pay for their goods after they have sold them. Thus, economic capital is less important than social capital.

**Specialisation, organisation of work and income**

With the exception of the sale of cigarettes, no consensus exists on specialisation. Whereas some sellers and intermediates argue that sellers stick to one type of good, others sell different types of goods in order to increase their income (e.g., belts and perfumes). Some sellers say they could sell different types of goods, but choose not to since they have a fixed clientele and some expertise in their business. Selling different goods would thus require an extra investment in those two areas.
The number of days and hours sellers work varies, partly depending on the type of goods sold and on the location. Cigarette sellers work from approximately eight or nine in the morning to three or four in the afternoon. The North African sellers work there three days a week and search for other (informal) jobs during the week (mainly in construction or in markets), whereas the East European sellers do not work on Fridays (some not on Saturdays either). Despite the application of the same sale prices, one seller claimed no price arrangements are discussed between sellers but that experience has resulted in similar prices. In line with Bromley (2000), the interrelations between the sellers are characterised by both competition and support, although the latter is usually reserved for members of the same (religious) background. Each seller has regular clients and additionally approaches potential clients on the pavement. Since no formal arrangements exist between the sellers with regard to clients (except the above-mentioned territoriality), fights occasionally break out over clients:

‘Me, I never fight. Never. But I see how people do it. For one client, for four euros, they fight. Because they need the money. They need it’. (SV3)

Like cigarette sellers, other sellers who work in the surroundings of the markets adopt the latter’s opening hours. Sellers in cafés on the other hand usually start after office hours, when clients start going to cafés. Their daily activities are diverse (e.g., going to school, buying merchandise, resting, searching for a job).

The income from street selling depends upon the type of goods and external factors such as the number of clients and the weather. Illegal people selling in markets earn between €25 and €40 a day (implying over 12 hours of labour). As one intermediate said:

‘They won’t exactly make a fortune. And it is extremely precarious, of course. But for people it is really a way to make ends meet, hoping to find housing and some food’. (EI5)

The wage for odd jobs in markets is usually not agreed upon before the start since sellers do not want to be perceived by employers as ‘difficult’ or ‘making a lot of demands’ (SV13). Sellers receive what stallholders wish to give that day, which varies between two and ten euros (sometimes people are paid in kind). Complaints from workers are rare, because they
Part II: Within case analyses

need all the money they can get. The profit of cigarette sellers varies between one and four euros per carton sold, according to the brand and the number of cigarettes purchased (lower in the case of a large purchase). Income is higher on the weekend but differs between sellers: from €20 to €80 on Fridays and from €60 to €400 on Sundays. Messengers are given some money at the end of the day, depending on the earnings of the seller they are working for. Sellers of phone cards claim benefits vary between half a euro and one euro per card sold, depending on the type of card. Again, during weekends and public holidays more cards are sold because of the larger market.

The majority of the sellers claim their income from street selling is enough to survive, that is, to pay for rent, food, clothing and a cup of coffee once in a while. Of course, some sellers do not execute their activities solely within the geographical boundaries of the case study. Young males often share a studio in order to reduce the rent, whereas others live in squats. If their income is not sufficient, other solutions are sought, such as borrowing money from friends, voluntary work, stealing (only one seller admitted his friends tend to steal), reliance on social aid and/or other informal jobs (e.g., moving, construction, odd jobs). These jobs, which are often desired, are not easy to obtain for two reasons: (1) demand outstrips supply and (2) employers often recruit people they know they can trust, given the fact that, in construction for instance, the workers have to handle expensive materials. All in all, sellers’ total income is either totally informal or a combination of formal and informal sources.

**Why informal street selling?**

Survival is uniformly acknowledged to be the main reason for starting informal street trade. In many cases, informal sellers are not permitted to reside and/or work legally in the country. Accordingly, because of the lack of viable (income) alternatives, informal street trade is opted for with the intention to meet basic needs:

‘But yeah, it’s just a survival strategy. Also, rent is always high here. So, in order to apply for papers, you need an address. In order to have an address, you need to pay. In order to pay, you need a job, well yeah a job or you work on the side or you know, then they know someone from their country who’s selling discs and who’s going to cafés to sell discs at three euro, five euro’. (EI6)
‘Many people who work undeclared are people who are not officially resident, illegal people, so they cannot do otherwise than work undeclared’. (EE3)

Whereas the lack of official papers can be understood as a reason to start informal selling, a social worker argues that even when people have residence and work permits some continue their activities partly because they cannot meet formal work criteria (e.g., language skills, qualifications) (EI4). For instance, practical experience is usually not enough to get a formal job; certificates are equally required:

‘And it is very..., I think that informal economy is so popular because it’s so hard to go formal. Who wants someone who doesn’t speak Dutch or French well, or who’s 40 or 50 years old?’ (EI4)

Additionally, informal street selling can supplement insufficient income (be it from social benefit or from formal or informal labour):

‘Many people do that to have an additional income. Their goal is not to earn billions and billions and billions…it’s more to improve their daily life, you see. So, they tell themselves: “Oh well, it doesn’t hurt anyone, I don’t steal, anyway, I’m not gonna take your purse, I’m not gonna steal food, I’m just doing a little business that’s harming no one. And I don’t harm the brands why? Because they have enough money”. Yes okay, but still, you don’t have to overdo it. The law is there for everybody’. (EE6)

Interestingly, the decision to sell on the streets, in comparison with other informal business, can be a result of the reflection of standard economic activities in the home country of sellers. Remarkably, some sellers prefer to work as an ‘independent’ seller than as an employee in a market since the latter makes them feel exploited:

‘They don’t have papers, you see? So, if they don’t work, what will they do to pay rent and all? Otherwise they will sleep outside. For instance, if you work with people on the market, you’ll earn €25 and have to be at the market at four in the morning until five in the evening. So €25, I don’t think this is right. You see? Because people here take advantage of people without papers’. (SV11)
One seller interviewed quit his market activity and started as an independent seller for this reason. On the other hand, some sellers do not quit their informal job since they need the money (notwithstanding that they are aware they are underpaid):

‘I can put up with being exploited because I want to eat, I don’t want to sleep in the streets’. (SV13)

In line with previous research on migrant entrepreneurial activities in Greece (Lazaridis and Koumandraki, 2003), the preference for self-employment can equally be prompted by psychological advantages such as experienced freedom and the wish not to get employers into trouble. In addition, the lack of representation of (informal) street sellers and their limited organisational power may also explain their lack of rebellion. Sellers find the work hard and would prefer to do other work (e.g., work for which they are actually qualified). Notably, most street sellers do not call their activities a job, but refer to it as ‘temporary aid’ (SV13) or ‘a defence’ (SV6) (the latter referring to police being able to confiscate goods). They do not refer to it as a regular job, given the fact that a regular job entails a long-term legal contract (they are well aware of the fact that their activities are not legal).

Most street traders interviewed furthermore acknowledge the non-legal aspect of their income-earning activities, but perceive it as a better alternative than stealing or selling drugs, albeit for different reasons. For instance, one seller prefers not to sell cigarettes for religious reasons:

‘Cigarettes? I don’t do cigarettes. No, it’s “haram”, it’s not good. It’s selling poison to others’. (SV6)

Another seller does not wish to steal or sell drugs because of the higher prison sentence:

‘You’re going to steal or something and one day or another they’re going to catch you. If you sell drugs too, one day or another they’re going to catch you. You’ll go to prison, I don’t like that. We’re already in a prison’. (SV3)

Another seller stresses he wants to do something to earn money:

‘I’m obliged to do anything to make a living. I have my mother, she needs money in Morocco. Here, I have a house, I need to pay for it. I don’t have social welfare, I don’t
have an unemployment allowance, so what would I do? Better to steal or what? I prefer to work like that, I sell cigarettes. I’d sell anything, but I don’t steal. I don’t have a habit of stealing. Now I feel I’m working, you see. I work, I don’t do something bad’. (SV11)

Another seller put it like this:

‘I’m not a criminal, I’m not a seller of drugs, I’m not a thief, nothing like that. I’m a man who wants to live like everybody else’. (SV9)

The perception of informal street trade (even when counterfeit goods are sold) as a better alternative than stealing (or other crimes) is shared by some intermediates and enforcers, who point to the lack of physical harm or lack of feelings of insecurity this offers:

‘Ow they don’t have another choice eh. What do they have to do otherwise? It’s still better than stealing eh. Come on, in the end, they do something, they sell something eh. They do not steal’. (EI6)

Strikingly, one enforcer even labels the illegal employment in markets as a form of solidarity, characteristic of Islam. Given the low enforcement priority attributed to (informal) street selling in combination with the necessity of survival, the low deterrence value of controls on informal street sellers is not surprising. First of all, the police as an institution hold no fear for African sellers:

‘The police here are peanuts. There, you are really afraid of the police, eh. They beat you and all eh. I mean... so they just laugh at them here. Just out of fear to get sent back, that yeah. They all have that, they all have that. But real fear of the police? No’. (EI6)

A differential influence of the potential implications of control can be detected. Since many sellers do not possess much, they are not able (or claim not to be able) to pay the fines. Furthermore, the risk of imprisonment is low. Although repatriation is perceived as rather uncommon, many sellers somehow still fear the risk, but by working in visible and accessible places such as markets, illegal people only increase the risk of being arrested, not of being
The consequence that undoubtedly hurts the most is the confiscation of goods, which most sellers interviewed have already been subjected to (one seller losing up to €4,000 in two years). The lack of judicial consequences also has low deterrent power:

‘So I think that if you know “today I am caught and next month I go to court” you will think twice. If you are caught today and you don’t appear in court within two years and you have already received a letter saying you are dismissed... Plus, six months pass between the time you are caught and the time you receive the first letter. These people have to survive so they just continue’. (EI8)

The continuation of informal activities does not imply a total lack of enforcement influence, however. Two sellers stopped and/or did not restart their activities and some sellers adapted their selling strategies in order to reduce the risk of getting caught (e.g., only doing business indoors with trustworthy clients). In sum, the enforcement side of the policy hardly deters people from informal selling given their need for income and the lack of viable alternatives.

**Beyond the streets: a reflection**

The above-mentioned results offer some important insights for sociologists and criminologists although the case, an area of urban poverty, might have influenced the results (e.g., overestimation of the survival function of the informal economy, confirmation of one single theorettisation on informal economy) (Williams, Nadin and Rodgers, 2012). Nonetheless, our study reveals some important similarities with studies in other countries, such as the adoption of defence strategies (Coletto, 2010), sale of counterfeit goods (Coletto, 2010) and deterrent influence of confiscation (Coletto, 2010; Nelken, 2006; Reyneri, 2004). As in previous research, barriers to formalisation (Alderslade et al., 2006) and lack of alternative opportunities (Lazaridis and Koumandraki, 2003) are important in understanding why people turn to the informal economy, in this case informal street selling, reflecting a structuralist explanation of informal entrepreneurship (Williams et al., 2012).

Furthermore, in a way, street selling is a ‘logical’ option since it requires relatively few competences (e.g., language or professional skills), is relatively accessible (given its high

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160 An enforcer claims the Immigration Office gives priority to the expulsion of illegal employees (in comparison with illegal people who work on their own account or who do not work) because the costs of expulsion are charged to the employer. Otherwise, the Belgian state has to pay for the expulsion costs.
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visibility and its execution by peers) and is for many migrant sellers a habitual method of income generation (similar to behaviour in their home country). Furthermore, this activity leans very closely to the legal trade, both for sellers and for customers. This however does not detract from the precarious position of street sellers given their working conditions (long hours, all weathers, unpredictable clients, the susceptibility to controls) and the illegal status of many sellers. Their livelihood is characterised by a high degree of uncertainty. These findings indicate that informal economic activity is not solely driven by the desire of employees to circumvent regulations and financial (social and tax) contributions. Moreover, they reflect the strength of people (e.g., flexibility, agency), who survive in precarious circumstances, partly thanks to the entrepreneurial skills reflected in their street-selling activities. For people residing legally in the country, this survival function is less dominant (they have more easily access to welfare), although it still fulfils the function of income generation. Thus, their activities can also be explained by the structuralist theorisation on informal entrepreneurship (Williams et al., 2012). Here too, accessibility and few requirements in terms of conditions to start up a street business play an important role in the selection of this type of informal work. In case of labour relations, the hiring of illegal and/or undeclared personnel is inspired by the wish or even need not to pay the minimum wages.

In regard to the policy on street selling, the regulation of ambulatory trade does not have a great influence on informality. Regarding the enforcement side of the policy, the deterrent influence of confiscation is not unique to the Brussels situation (Coletto, 2010; Nelken, 2006; Reyneri, 2004). Sellers furthermore risk forced repatriation (if they reside illegally in the country), fines (if they do not possess an employment card) or adjustment of social benefits (if they receive them). In practice however, forced repatriation is perceived by sellers, enforcers and intermediates to be rare. Since migrants who are theoretically not authorised to stay and/or work in the country continue to find their way to Brussels without being encouraged to return (i.e., low risk of forced repatriation, see infra), they have to find ways to support themselves. In an urban area with many inhabitants of similar origin, they

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161 Statistics regarding repatriations in the Brussels Region were asked, but the Immigration Office was not able to provide them on that level. Statistics are only available on the federal level. Since migrants in illegal stay have no official place of residence (because they are in illegal stay) it is not possible for the Immigration Office to associate an illegal migrant to a certain municipality/city/region. Unfortunately thus, we cannot confirm this perception with statistics.
gravitate toward a type of informal income-generating activity that thrives in such a setting. In this respect, the specific regulation of street trade seems to have less influence on informality - executed by illegal migrants - than the migration policy, which does not allow people without a residence permit to work formally and which does not always enable forced repatriation (see infra). Some migrants live for over ten years in Belgium without any guarantee that they will be given legal status, which illustrates significant flaws in the policy.

**Low prioritising**

Why does informal street selling continue in Brussels, notwithstanding the possibility to control the situation (the concentration of sellers in the surroundings of the market is well-known to enforcers) and the economic/financial reasons (e.g., loss of taxes in case of cigarette sale) for intervention? What are the explanations for the policy of tolerance or *laissez-faire* approach\(^{162}\) (Williams et al., 2012, p. 528)? First of all, informal street selling and counterfeiting are no official priority for the *local* public enforcers (local police in the area [ZVP 2009-2012]\(^{163}\), the economic and social inspectorate). No real link between street selling and serious or organised crime is perceived. At best, the sale of cigarettes is perceived as the last link in a broader network. In this respect attention is more focused on the underlying networks and the origin of the cigarettes than on the street level. Furthermore, since the markets take place on weekends (except for the private one which also takes place on Fridays), controls should take place during weekends, when enforcers cost more due to higher remuneration during weekend hours. According to the immigration officer, the availability of personnel has an influence on the limited amount of controls in the case. Local authorities are believed to prefer mobilization of expensive personnel for phenomena, which receive higher priority.

Accordingly, the high workload of the public prosecutor dictates a preference for ‘more serious’ offences, which do greater harm (financial, societal and/or physical). Since detecting and prosecuting all infractions is impossible, the decision to focus on infractions resulting in great harm is understandable and desirable. Much depends, however, on the question ‘harm to whom’? In theory, informal street selling can harm the legal industry (e.g., tobacco

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\(^{162}\) Which, in theory, is more related to a neo-liberal than a structuralist theoreatisation on informal entrepreneurship (Williams *et al.*, 2012).

\(^{163}\) In this policy plan, specific phenomena are the unit of analyses (e.g., theft in cars, youth criminality). In this respect, topics such as illegality, poverty or survival have no place in the policy plan of the local police.
industry, brands such as Louis Vuitton, Dior, etc.), clients (e.g., bad quality) and inhabitants (e.g., nuisance). In our case such harm is seen as minimal by all except a few respondents (enforcers specialised in detecting counterfeit goods and private detectives working for the private industry). As little attention is paid to street selling in terms of policy, the welfare of the informal sellers seems to be of small concern, although one of the government’s tasks is to protect all its citizens. One can hypothesise that the government gives priority to the safety of its legal residents over the safety of the illegal and more marginalised residents, who are less influential. Of course, the government does provide support for (illegal) migrants by way of social inspectorate, non-profit organisations and social workers. In essence, however, the informal sellers in this case fall well outside the scope of these institutions for different reasons. In some sense, they are characterised by a certain ‘visible invisibility’.

Third, although the enforcement establishment knows where informal selling takes place, it faces several practical difficulties in controlling street selling (e.g., informal sellers running away, referred to as a ‘cat-and-mouse game’). Enforcers claim these experienced difficulties do not play a role in the low ranking of enforcement of informal street selling. However, some do acknowledge it as ‘beating one’s head against a brick’, thus reflecting low belief in the effectiveness of enforcement. As Bacon (2013a; 2013b) has illustrated in policing illegal drug markets, such occupational beliefs may influence the everyday practice of enforcers. However, in Bacon’s study, policing drug markets was an official priority of the police, whereas policing informal street trade (and counterfeiting linked to street trade) in our studied area is not an official priority for the police (ZVP 2009-2012). As such, there is no unofficial deprioritising (in favour of crimes perceived as more pressing to deal with) of an official priority. Notwithstanding, the same rationale of enforcers can be detected in both studies: focus on the perceived ‘severe’ cases, i.e. those linked with crime. At best, in the

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164 This enforcement service checks the correct implementation of the social security regulation.
165 In order to be fully correct, perceptions of beating one’s head against a brick are also detected in enforcers specialised in detecting counterfeit, who do continue to search actively for counterfeited goods. However, since their domain of authorisation largely exceeds the case (both in terms of geographical boundaries as in terms of activities, i.e. also sale in shops), they cannot be focused entirely on informal street selling in Brussels South.
166 In the sense that officers do not always follow organisational rules and guidelines defined by policies, due to informal norms, values and beliefs which shape their decisions and behaviours (Bacon, 2013a). In short, Bacon (2013b) argues that decisions and behaviours of police officers are influenced by structural, cultural, personal and situational factors.
case of informal street selling, there is an unofficial confirmation of deprioritising. However, since the occupational culture of enforcers was not the focus of this study and was thus not studied through ethnographic fieldwork (as Bacon did), this remains a mere hypothesis.

Fourth, several public actors are authorised to enforce the regulations, resulting in the bizarre situation whereby each actor admits the low priority given to the phenomenon of street selling but at the same time referring to other actors who are supposed to be more active in this regard. In the end, no clear public ownership of the problem exists. The legal private industry, which has more interest in the phenomenon (because of the unfair competition and potential loss of clients), could be a major player, but since its main concern is the origin and distribution of counterfeit goods it focuses on those higher in the chain than street sellers. The fact that informal street selling provides goods that satisfy the needs of low-income clients in big cities (e.g., counterfeit cigarettes; Sassen, 2007) does not put enough weight in the balance. Concerning the relation between the public and private policing actors, no public-private partnerships are present (van Steden and Huberts, 2006). There is however a co-operation - in the form of proactive and reactive information exchange - between public actors and private investigators in the detection of counterfeiting. In the enforcement of the other types of informal street selling, the exchange of information is strictly reactive: when small crimes or unlicensed sellers (more specifically subtype 3 of informality within markets) are detected by the private security (and goods are confiscated), the police are informed by the managers of the private market. In this respect, the blurring of boundaries between public and private roles (Crawford et al., 2005; Wakefield, 2003) is not a real issue in this case and hardly counts as an explanation for the low prioritising of informal street selling by public actors. All in all, as in other countries (e.g., Reyneri, 2004 for Italy) street selling and counterfeiting are not high on the government’s list of priorities.

Influence of migration policy

Strikingly, the Belgian government preserves the informal economy on two levels, first and foremost by the implementation of a policy of tolerance on a local level. On the federal level, the preservation is more indirect. As already mentioned, by failing to adhere to an effective
enforcement of the migration policy\textsuperscript{167}, Belgium (and specifically Brussels) is confronted with people who remain officially under the radar. Migration to Belgium is regulated by one major law (‘Foreigners’ law’)\textsuperscript{168}, that distinguishes two types of admission to the country: (1) short stay (less than three months)\textsuperscript{169} and (2) long stay (over three months). The law identifies five different juridical motives for obtaining a residence permit: international protection (asylum), reunification of a family, economic motives, study related reasons and regularisation procedures (CGKR, 2013) (e.g., regularisation for medical or humanitarian reasons). The procedure potential migrants need to follow (and the criteria they need to meet), depends upon their juridical motive and should in principle be started in the country of origin\textsuperscript{170}. Some of our respondents entered the European Union or Belgium legally (i.e. in accordance with the different criteria of entry) – but their stay exceeded the permitted term or their procedure was still running (in which case they reside legally) – whereas others entered illegally.

The flaws in the enforcement of the migration policy in our case are mainly visible in the deficient tracing and repatriation of migrants of third countries\textsuperscript{171} in illegal stay. Theoretically, when arrested, migrants in illegal stay receive an order to leave the country (the date by which they should leave is mentioned on the order). In most cases, these migrants are encouraged to leave the country independently\textsuperscript{172}. Migrants can organise their return with their own financial resources or can make use of programs offered by the International Organisation for Migration (Roosemont, 2009). In our study, a clear tolerance towards the presence of certain illegal migrants is detected. According to the local police, they do not actively look for or arrest migrants of North-African or Pakistani origin in illegal

\textsuperscript{167} Note that the same federal public service, namely the FPS Internal Affairs, covers Migration policy and Safety and Prevention.

\textsuperscript{168} Law of 15 December 1980 concerning the admission to the territory, the stay, the settlement and the expulsion of migrants, \textit{Bulletin of Acts} 31 December 1980.

\textsuperscript{169} The permission for this type of stay (i.e. a visum) is also referred to as a Schengenvisum (CGKR, 2013, p. 36).

\textsuperscript{170} Exception to this principle is the regularisation of stay for humanitarian or medical reasons (CGKR, 2013).

\textsuperscript{171} Third countries are all countries but the EU-27 countries (CGKR, 2013). We focus on these countries since most migrants in the case originate from these countries (except the East-European cigarette sellers).

\textsuperscript{172} In theory, the mayor or his proxy needs to verify - after the term to leave the country has elapsed – if the migrant has left the country by controlling his address. Furthermore, the mayor or his proxy is required to urge the police to continue executing such residence controls (Circular of 10 June 2011 concerning the authorities of the mayor in relation to the expulsion of a citizen of a third country). In a minority of the cases, illegal migrants are immediately sent to closed centres awaiting their involuntary expulsion (CGKR, 2013). According to the immigration officer, this is the case when an illegal migrant – who can be identified – has committed offenses against public order.
stay. They do not wish to devote precious time to this activity, knowing effective results – return or forced repatriation – will fail to happen. What happens when they detect and arrest such a migrant? The police officer explains that in 99% of the cases, the Immigration Office delivers an order to leave the country immediately. They do not deliver an order to leave the country with administrative detention in a centre (where illegal migrants reside awaiting their involuntary expulsion). Two respondents differ in the perceived reasons for this. The police officer claims that (1) North African countries do not easily retrieve their own citizens (which is denied by the immigration officer) and (2) the Immigration Office wishes to avoid too many people of the same ethnic background in closed, secured centres in order to avoid riots. The immigration officer however refers to the foreigners’ law, which states that administrative detention in a closed centre can only be executed in view of forced repatriation. In case the immigration office knows that repatriation is not possible (because the migrant cannot be adequately identified), migrants cannot be detained in a closed centre. Indeed, identification and identification documents are necessary to return to the home country. According to the immigration officer, illegal migrants are aware of this and adopt several strategies to hinder their identification (e.g., deliberately not carrying identification documents). This is confirmed by one interviewed seller, explaining his deliberate use of a false name when arrested. What is the result of all this? An ordinary order to leave the country is handed over to these migrants without detention in a closed centre. Thus, these migrants are supposed to leave the country within a certain time frame, independently, which is why they are released from the police station. Since most of these migrants do not return to their home country, they stay in Brussels and continue their survival activities. This scenario is well known within the police force (and within the immigration office), and influences their daily activities – which is in line with Bacon (2012a; 2013b).

The interviewed police officer refers to the administrative rigmarole this implies. According to the CGKR (2013), the EU has agreements regarding taking over of citizens with 13 countries: Russia, Georgia, Moldavia, Ukraine, Pakistan, Sri Lanka, Macedonia, Albania, Montenegro, Serbia, Bosnia-Herzegovina, Hong Kong and Macao. However, the interviewed immigration officer argues information on such agreements is not communicated externally for two reasons: (1) avoid jeopardizing negotiations with countries and (2) agreements and cooperation with home countries often changes, e.g., in function of a change in regime. He thus doubts the reliability of the information of the CGKR (2013) on this point. During the interview with the immigration officer, we implicitly heard that cooperation with Pakistan is difficult, whereas many repatriated migrants return to Morocco (implying cooperation with Morocco).

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175 An order to leave the country immediately still implies a period of 5 days before the person can be expelled involuntarily.
The presence of illegal migrants is thus a societal reality, of which the government is well aware. We identify two more potential reasons why the government, despite the obvious advantages of ‘cleaning up’ the sector (and more specifically criminal cigarette selling), chooses not to dispel this type of informal trade. Not only would displacement be a more realistic outcome than the disappearance of the informal street trade but, more importantly, all those relying on it would be faced with serious losses (e.g., poor clients, traders going bankrupt, illegal people losing an important source of income), possibly resulting in social disorder or criminality and confronting the government with its inability to handle the consequences of migration. In this respect, informal street selling might be perceived as a social safety net, a means of income for people who would otherwise risk committing crime, rioting or revolution (Bhowmik, 2005; Bromley, 2000; Coletto, 2010, 2013; Morales, 2000). This hypothesis is confirmed by the neutralisation of informal street selling by enforcers, intermediates and sellers, who claim that informal street selling is a better alternative than stealing or other serious crimes. All in all, different assumptions about informal street selling and informal sellers and certain migration policy issues shape the low enforcement prioritisation of the phenomenon.

Associated with the difficult enforcement of migration policy is the understanding expressed by social workers and North African sellers that many North African illegal migrants experience difficulties returning home, because of unrealistic perceptions of Europe in their home countries (i.e. as a ‘land of milk and honey’). These unrealistic perceptions not only lead to migrants feeling disillusioned, but also cause them to regret having migrated and feelings of failure. Since their actual situation is rarely communicated to family and friends in the home country, we see it as the government’s task to prevent this by setting up and expanding effective information campaigns in popular emigration countries (e.g., Morocco [CGKR, 2013]).

Some migrants, of course, do obtain residence permits and/or Belgian nationality, find jobs etc. and are thus perceived as successful migrants by their compatriots. Furthermore, given that they spend their holidays in their home countries, taking different luxuries with them (e.g., fancy cars, toys, clothing) they confirm the prevailing perception of a rich Europe.

Information – and dissuading campaigns were conducted in 2012 in Cameroun, Armenia, Kosovo, Albania, Serbia, Montenegro and Russia-Caucasian area (CGKR, 2013). This year, the State Secretary of Asylum and Migration went to Algeria as part of such a campaign.
Conclusion

Our results confirm the interrelation between the formal, informal and criminal economies, in terms of work as a unit of analysis (e.g., involvement of formal enterprises in storage of goods sold informally or illegally afterwards) and of workers as a unit of analysis. Similar to Coletto’s (2013) study on street vendors in Brazil, our results indicate that street sellers have no homogeneous profiles and well-defined boundaries. Workers, in this case street sellers, can be regulated (formal workers, e.g., declared employment), can fall outside the scope of regulation (e.g., working and/or residing illegally in the country, working on an undeclared basis) or can shift between being and not being regulated (e.g., employment being declared one day, but not another day). Although workers and their work are not necessarily officially regulated, informal self-regulation does apply to the case. In this respect, sellers have a reputation to keep up so they cannot afford to sell poor-quality products (e.g., blank discs, stolen goods). Furthermore, territoriality prevails, as found in Coletto’s (2010) study on street traders in Brazil. All in all, informal trade finds a space between the imposition of regulations and the poor enforcement of those regulations. This confirms our definition of informal economy as those economic activities that are not officially regulated and enforced. Although Cross (2000) attributes the lack of enforcement to a combination of the inability of the state to do so and the ability of the poor and unorganised to oppose enforcement, we have attributed this mainly to a lack of willingness by the state to give the matter high priority and to the tolerance of state agencies. Although we have indicated some potential explanations for this, we argue the need (at least) to monitor this situation, given the extreme precariousness of the situation in which many street sellers find themselves. We furthermore argue the conceptual relevance of our empirical study given the nuances it highlights. We have not only identified different types of informal economic activities within the sector of street selling, but we have also found varying motives for informality (e.g., informal street selling greatly but not solely as a survival economy) and contrasting influences on informality (e.g., deterrent influence of confiscation but lack of deterrent influence of forced repatriation of illegal migrants). We have furthermore identified several nuances in the policing of informal street selling. Furthermore, this case equally stresses that informal economic activities are not part of the Gross Domestic Product (GDP) but are not necessarily unknown to the government (e.g., registered offences). All in all, these
conclusions stress the importance of careful use of general statements about ‘the’ informal economy.

References


Regulating the Belgian informal economy? A case study in three markets


THE CHALLENGES OF BELGIAN PROSTITUTION MARKETS AS LEGAL INFORMAL ECONOMIES: AN EMPIRICAL LOOK BEHIND THE SCENES AT THE OLDEST PROFESSION IN THE WORLD

Dominique Boels

Introduction

An extensive body of literature exists on sex work and prostitution, covering a variety of topics which include alcohol and drug use by sex workers (e.g., Decorte, Stoffels, Leuridan, Van Damme and Van Hal 2011), occupational risks for sex workers (e.g., Sanders 2004a), sexual exploitation (e.g., Demir 2010; Van Gestel and Verhoeven 2012), the social ecology of vice districts (Weitzer 2012) and the working conditions of sex workers (e.g., Daalder 2007; van San 2007). Furthermore, several studies have given us more insights into the possible policies towards prostitution and their influence on sex work and sex workers (e.g., Jeffrey and Sullivan 2009; Kavemann 2007; Sanders 2004b; 2008; Scoular 2010; van San 2009). The relation between prostitution and the informal economy, however, has been, as noted by Peršak (2013), less widely studied. As argued by Ponsaers, Shapland and Williams (2008, 645), the informal economy can be described as “the reverse side of the official economy, the boundary between which is drawn by legislation and regulation”. In this context, the informal economy comprises all economic activities that are not officially regulated and registered (Adriaenssens et al. 2009; Chen, Jhabvala and Lund 2001; Dell’Anno 2003; Dobovsek 2009; Henry and Sills 2006; Lippens and Ponsaers 2006; Slot 2010) and ultimately, therefore, taxed (Ponsaers 2013). As a result, enforcement of regulation (focused on compliance) has an important role in determining the boundaries between formality and informality. According to this definition, all non-regulated, non-registered and non-taxed prostitution forms part of the informal economy (for more detail see Peršak 2013). For the purposes of this article, prostitution is defined as making oneself available for the performance of sexual acts with another person for remuneration (see Daalder 2007, 21).

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179 Important exceptions are the works of Sanders (2008) and Verhoeven, van Gestel and Kleemans (2013). The latter have studied the presence and extent of informal economic activities within legalised window prostitution in Amsterdam.

180 By using the terms prostitution and prostitute, we aim to make clear what type of sex work we have focused on. However, throughout the article, the terms sex worker and prostitute are used interchangeably.
The present article aims to contribute to this under-researched domain. Additionally, it aims to feed the policy debate with empirical results. As contended by Huisman and Kleemans (2014), the ever-recurring debate on the legalization of prostitution is partly flawed by a conflation of normative and empirical questions. Also, according to Symons and Gillis (2014), several policy frames lack empirical knowledge regarding women’s experiences in prostitution. In this article, we hope to offer some empirical grounding for the policy discussion by reflecting on the perceptions of prostitutes and other stakeholders in the prostitution business in Ghent, Belgium\footnote{By focusing on Ghent we also fill in a gap in research on prostitution in Belgium, whose empirical material has previously been drawn from only Antwerp or Brussels (e.g., Loopmans and Van den Broeck 2011; Loopmans and Vermeiren 2009; Van den Hazel et al. 2008; van San 2007; 2009; Weitzer 2012).}. In particular, we offer insights into the relation between prostitution and the informal economy. To these ends, we address the following questions: (1) what are the main characteristics of prostitution in Ghent and (2) how does the existing policy\footnote{For the purposes of this study, policy is considered as the combination of regulation and the enforcement of that regulation.} on prostitution influence the existence of informality in Ghent’s prostitution sector? Regarding the first question, we identify the motives of prostitutes for starting in the business, their income, their perceptions of advantages and disadvantages of the work and different types of informal activities related to prostitution.

**Data collection**

The empirical results draw on a qualitative research design (Flick 2002) using a combination of document analyses, semi-structured interviews and dossier analyses\footnote{Only four dossiers at the level of the Public Prosecutor could be analysed.}. In line with previous research (e.g., Sullivan 2010; van den Hazel et al. 2008; van San 2007; Van Wijk et al. 2010), interviews were conducted with both prostitutes (22 interviews) and experts/key informants (i.e., regulators, enforcers and social workers; 16 interviews) active in Ghent\footnote{The geographical range of the study is similar to the territory of the local police zone of Ghent.}. Given the hard-to-reach character of prostitutes (Benoit, Jansson, Millar and Phillips 2005; Decorte et al. 2011; Harcourt and Donovan 2005; Kavemann 2007; Moffatt and Peters 2004), a gatekeeper willing to facilitate access was found\footnote{This sampling strategy lead to 17 interviews. Furthermore, to encourage participation (and as an expression of gratitude) and in keeping with other studies making use of interviews with sex workers (e.g., Agustín 2008; Lever and Dolnick 2010), prostitutes were given a financial reward (of €30).} (Agustín 2008; Benoit et al. 2005; Decorte et al. 2011; Kavemann 2007; Sanders 2004b; van San 2007). As this sampling strategy entails a selection bias (van San 2007), we additionally searched for respondents on
our own account - by going to windows\textsuperscript{186} and bars\textsuperscript{187} (Van Nunen et al. 2012) - and through snowball sampling\textsuperscript{188} (Atkinson and Flint 2001; Kleemans, Korf and Staring 2008). The sampled prostitutes were of various nationalities\textsuperscript{189} and between them represented all the different prostitution sectors found in Ghent\textsuperscript{190}, which is necessary to obtain a view of the diversity of prostitution (van San 2007). The end result of the sampling strategies (purposive and snowball) was a convenience sample, selected on the basis of availability to the researcher (Patton 2002; Decorte et al. 2011; van Nunen, Gryseels and Van Hal 2012). All but three interviews\textsuperscript{191} were fully and anonymously transcribed (Beyens and Tournel 2010) and analysed using MAXQDA 2.

**Regulation of prostitution**

**National**

In Belgium, prostitution itself has never been penalized (Stevens 2002). In 1948 the then prevailing regulationist discourse (Wetsvoorstel 2013) was exchanged for an abolitionist perspective. From that time, exploitation\textsuperscript{192} of prostitution has been criminalized (Van der Vonder and Van Eynde 1973; Van Loon 2008). Furthermore, local governments were (and still are) authorised to intervene regarding prostitution in order to protect public order and public decency but were forbidden to regulate the conduct of prostitution for other purposes (Loopmans and Van den Broeck 2011). Further changes in the legislation concerning prostitution were implemented in the 1980s and 1990s\textsuperscript{193} in response to several incidents and the highly influential publication by the investigative journalist De Stoop in 1992. His book exposed in detail the existence of forced prostitution and the trade in women and also the shocking lack of adequate reactions to these phenomena, involving a serious

\textsuperscript{186}This term refers to premises where window prostitution takes place.
\textsuperscript{187}This strategy lead to four interviews.
\textsuperscript{188}This strategy lead to one interview.
\textsuperscript{189}Belgian (15, one of Congolese origin), Polish (2), Dutch (1), Hungarian (2) and French (2).
\textsuperscript{190}Window prostitution (six women), bar prostitution (five women), private prostitution (six women, of which two also worked as escorts) and escort (one man and four women).
\textsuperscript{191}Only three of the 38 interviews were not recorded and thus not fully transcribed.
\textsuperscript{192}In the sense of managing/running a prostitution business. In the rest of this article, exploitation refers to managing a prostitution business. The term sexual exploitation will be used to refer to (forced) prostitution in which prostitutes cannot keep their entire earnings.
\textsuperscript{193}Among which was the law of 13 April 1995, which contained stipulations concerning the battle against human trafficking and child pornography (Bulletin of Acts, 25 April 1995). Several of its stipulations were amended by the law of 10 August 2005, with the intention of strengthening the battle against human trafficking and human smuggling and against the practices of rack-renters (Bulletin of Acts, 2 September 2005).
blurring of moral standards, corruption on the part of police officers, manifest lack of cooperation and information exchange between enforcers and even rivalry between them (De Stoop 1992). Subsequently, a parliamentary inquiry (Voorstel tot oprichting 1992) resulted in several recommendations (Verslag onderzoekscommissie 1994) and the start of a structural, integral and integrated approach to human trafficking (De Ruyver and Fijnaut 1994). Today, prostitution itself is still not criminalized but several related and ancillary activities such as exploitation of prostitution (art.379 & 380§1 penal code), prompting sexual acts in public spaces (art.380bis) and advertising sexual services (art.380ter) are. As a result, the Belgian prostitution market takes the form of a legal informal economy (Sanders 2008) in which facilitators of prostitution are criminalised but prostitutes are not. The actual labour, the act of prostitution, is not regulated and no statute specifically concerning it exists, so that self-employed prostitutes have to declare their earnings under other headings such as ‘other personal services’ (Acerta 2013; Securex 2013) or ‘escort services and the like’ (Acerta 2013). In theory, prostitutes cannot work as employees as this would imply an employer exploiting/managing prostitution, which is a criminal offence. In Ghent however, many prostitutes do work as employees, albeit under another term.

Local

As the city of Ghent is confronted with the existence of the exploitation of prostitution, a de facto legalization194 (Weitzer 2012, 79) has been opted for regarding this phenomenon. In the 1990s, a notorious gang195 held absolute sway over the red-light district (RLD) in that they controlled many prostitution premises, organised trafficking of women and enjoyed the protection of certain members of the local police. Astounded by the discovery of this gang’s overwhelming power and the police corruption involved, the mayor at the time commissioned a clean-up of the local police force and an update of the local regulations on (the exploitation of) prostitution. Concerning the former, a unit specialising in human trafficking, prostitution and marriages of convenience (Meprosch-unit) was founded. In the beginning, regulation was purely a police matter. But over time, under the influence of

194 This means that prostitution or aspects of it are illegal but nevertheless regulated by the authorities. Weitzer (2012, 79) argues that in such systems participants are allowed to operate freely as long as they do not disturb public order or violate other laws and as long as they abide by whatever rules are imposed on them by the authorities.

195 The Bende van de Miljardair.
evolutions in the RLD, it has become an increasingly integral approach\textsuperscript{196} in which the tackling of nuisance has an important place.

The point of departure is that publicly accessible establishments where window and bar prostitution take place are considered as cafés and that non-self-employed prostitutes working in these premises are considered as waitresses. As a result, the regulation of the hotel and catering industry (known locally and hereafter as horeca) is applicable to window and bar prostitution (in terms of management and employment) (Van Eekhoutte 2013), which means that the local police retain some control over these businesses through the granting (or withholding) of liquor licences (Van Gaever and Lameyse 2013). Furthermore, based on a police ordinance\textsuperscript{197} applicable to publicly accessible establishments of consumption and amusement (Stad Gent 2007), managers of windows and bars are obliged to declare both the commencement and the cessation of employment of their personnel within 48 hours of the event. In this way, prostitutes working in these establishments are registered at the local police. Social workers of the Meprosch-unit invite all new ‘waitresses’ to a consultation session to inform them of their rights and responsibilities and to collect information on them. As a result of these regulations and practices - and their rigorous application - the local police claim to have a clear picture of managers and prostitutes active in window and bar prostitution (Van Gaever and Lameyse 2013). Additionally, in order to limit infractions of public order, and thus in accordance with the New Municipal Law of 1988\textsuperscript{198}, the city has imposed specific prostitution-related regulations such as a dress and behavioural code for prostitutes (of which prostitutes are in breach if, for example, they solicit clients by dancing, gestures or tapping on the window).

On the face of it, therefore, the local police ordinances regulate prostitution solely in order to protect public decency and public order, which is in accordance with the legal stipulations (1948 law and the new municipal law). Similarly, by regulating the exploitation of

\textsuperscript{196}In order to tackle feelings of insecurity and nuisance related to prostitution, several city departments and agencies are consulted, stimulated to take preventative measures and/or offer structural solutions for certain kinds of nuisance. In addition, residents and managers of windows are regularly consulted by the city, which takes their concerns and suggestions into account. In this respect, several actors have a role in the outlining of the local policy on prostitution and its related items.

\textsuperscript{197}Art. 1 Police regulation concerning the obligatory declaration of staff employed in publicly accessible establishments of consumption and amusement, approved by the city council of 16 February 1948, altered in the municipal council of 26 March 2007, published on 29 March 2007.

\textsuperscript{198}Article 121 of this law allows municipalities to regulate prostitution insofar as the goal is to ensure public decency and public order.
Regulating the Belgian informal economy? A case study in three markets

prostitution under a different name (*horeca*) the city does not, judicially speaking, breach any legal stipulations. From a judicial point of view, regulation falls within the legal framework that determines what cities are allowed to regulate regarding prostitution. Indeed, the city does not judicially regulate the exploitation of prostitution; it is judicially adhering to the regulation of the *horeca*. However, in practice of course, the city is regulating the exploitation of prostitution. From this point of view, we can conclude that the city is not *legally or judicially* regulating the exploitation of prostitution, but is regulating it *in practice*. It is precisely because of this situation (and due to the lack of congruence between regulations, both national and local, and practice) that a grey area between formal and informal economies is created (Ponsaers 2013). Before discussing the nature of this grey area in more detail, we first describe the organisation of Ghent’s prostitution sector.

**Ghent’s prostitution scene**

**Types of prostitution**

In contrast to other Belgian cities (van San 2007; Van den Hazel et al. 2008), Ghent does not allow *street sex work* (Decorte et al. 2011; Porter and Bonilla 2010), its complete prohibition being incorporated into a police ordinance on public order and safety. This seems to be quite effective - most respondents in this study believed that street prostitution is limited.

*Window prostitution* is geographically restricted to the RLD by means of an urban development licensing system. Ghent’s RLD has over 40 window prostitution premises dispersed over four streets with 101 windows occupied 24/7 by female prostitutes of more than thirty different nationalities\(^{199}\) (Van Gaever and Lameyse 2013). It is located in an area that also hosts regular commerce, schools and residential premises. As in Amsterdam (Huisman and Kleemans 2014), windows are rented for day and night shifts. The rent, known as window money, ranges from €100 to €150 per shift. In return, women keep all the money they receive from their clients. Several respondents refer to the ‘hardening’ of the RLD since the last few years. This hardening is perceived to entail an increasingly fast turnover of sex workers, an increase in East-European sex workers\(^{200}\), a perceived increase of pimps and a

\(^{199}\) According to local police statistics, in 2013 the most registered nationalities were Hungarian (283), Belgian (91), French (45) and Dutch (43).

\(^{200}\) Which is confirmed by statistics of the local police. The same perception (i.e., hardening of the RLD as a result of more East-European prostitutes) was also found in Antwerp (Van San 2007).
perceived rush of tourists from northern France\textsuperscript{201}, the latter of which is causing many problems regarding infractions of community order (Van Gaever and Lameyse 2013).

Outside the RLD, two subtypes of \textit{bar prostitution} occur: mixed window/bar prostitution and prostitution in bars or clubs (Decorte et al. 2011; Van Nunen et al. 2012). In bars and clubs the division of earnings from clients between manager and sex worker is predetermined. For sexual services it is mostly 50/50. For champagne, managers retain a fixed amount to cover the purchase of the champagne (the so-called cork\textsuperscript{202}). In return, managers usually supply beverages and necessities for sexual services (e.g., condoms, oil, tissues). In some bars and clubs internal rules exist concerning the behaviour of sex workers (e.g., getting to work on time) and the time spent drinking champagne with clients (e.g., one piccolo\textsuperscript{203} in 15 minutes).

Private prostitution in Ghent takes on three forms: prostitutes receiving clients at home, prostitutes working in private residences run by a manager and massage salons\textsuperscript{204}. Similar to bars and clubs, managers of houses are responsible for supplying material and advertising. Lastly, escort prostitution, where prostitutes offer their sexual services on location, also takes place in Ghent (Boels, Verhage and Bauters 2013). This can be organised by agencies or by individuals (Decorte et al. 2011). As with private prostitution, the exact extent of escort prostitution cannot be determined as prostitutes active in these types are not registered as prostitutes.

\textbf{Sex workers’ perceptions regarding sex work}

\textit{Entering the prostitution business: money talks?}

This section focuses on voluntary prostitution, involving women and men who have deliberately chosen to start in the prostitution business, as forced prostitution is discussed below. This ‘voluntary’ label includes those prostitutes who, as some interviewed experts

\textsuperscript{201}Given the non-existence of window prostitution in northern France and its relatively small distance from Ghent, Ghent’s RLD is very popular with tourists from this region. With the recent criminalisation of clients in France, several respondents feared the popularity of the RLD would increase even more.

\textsuperscript{202}The amount varies from bar to bar. In one bar, for instance, a big bottle of champagne is sold at €300. The worker who drinks the champagne with the client receives €120. The manager keeps €120 for herself and the ‘cork’ is €60, which covers the purchase of the bottle (including travel costs to the shops etc.).

\textsuperscript{203}The contents of approximately two glasses of champagne.

\textsuperscript{204}Massage salons were not taken up in our empirical study.
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point out, start with sex work because they see little alternative to achieving their goals. Limited alternatives or not, nearly all interviewed experts claim that the main driving factor in starting as a prostitute is money, which is in line with previous research (Kingston 2014; van Wijk et al. 2010). Of our 22 interviewed sex workers, 16 cited financial reasons as the main reason for starting and six cited non-financial reasons. Eleven of these 16 started with a clear, predetermined goal in mind such as paying off debts, paying for relatives’ medical care, having a decent life-style or paying for studies. Five interviewed workers started in prostitution to earn a lot of money but without having a specific goal in mind. What about the non-financial reasons? One woman wanted to work as a prostitute as she already had many bed partners and thought she might as well earn money from it:

‘Because a girl who goes to clubs and has sex with a lot of men in cars, people will say she’s a hooker. But, she’s a hooker with zero money and zero respect. Me now, yes I’m a hooker, but with money and with respect. That’s how I see it.’ (SW21-bar worker) 205

Other respondents coincidentally entered the prostitution business owing to circumstances or chose to quit their former job in favour of the prostitution industry. The latter confirms Brents and Sanders’ (2010) argument that middle-class women with educated backgrounds also find their way into sex work as it is perceived as profitable and convenient. Furthermore, as argued by some researchers (e.g., Aronowitz 2014; Huisman and Kleemans 2014; Saunders 2005), these stories illustrate that prostitution cannot simply be equated with sex trafficking or forced prostitution.

As prostitution is more often than not partly informal (see infra), these reasons can be coupled to theorétisations for working informally. For most prostitutes, prostitution does not fulfil a survival function. Admittedly, some prostitutes started with prostitution in order to obtain - according to western standards - rather basic needs (e.g., pay medical care), but most earn more than enough to have a decent living. Most prostitutes did not declare their actual working hours or income correctly, in order to avoid paying taxes and thus to retain a higher net income. As such, this is mostly in line with the voluntarist school of thought

\[\text{205} \text{To ensure anonymity, we have coded our respondents. SW stands for Sex Worker. This quote is translated by the author from French.} \]

\[\text{206 For instance, one woman, having felt socially isolated after stopping her activities as a hairdresser, started as a telephonist for a friend who did sex work, progressed to being a manager in a private house and finally, having noticed she was popular with the clients there, started as a prostitute herself.} \]
Part II: Within case analyses

regarding the informal economy (Chen 2004; Williams and Lansky, 2013). Some sex workers also found the administrative formalities that needed to be complied with a burden, which is in line with the legalist school of thought (Chen 2004; Williams and Lansky, 2013).

In most cases, after the decision to work as a prostitute has been made, a place of employment is to be found. In this process, social contacts play an important role according to sex workers, as do internet advertisements and flyers. Remarkably, although several prostitutes claim their sex work is a temporary means of income, several sex workers and experts testified to the fact that prostitutes easily get used to earnings from sex work. As in other countries (e.g., Edlund and Korn 2002; Moffat and Peters 2004), money plays an important role in prostitution in Ghent. In our study, about a third (six) of the interviewed prostitutes combined their income from sex work with another means of income, either other employment or an allowance (invalidity, debt mediation). For the majority however, sex work is the only means of income.

In the RLD the ‘standard’ going rate for vaginal and oral sex lasting a quarter of an hour is €50\(^{207}\). However, since the increase in the number of Hungarian prostitutes, which started in 2011, sexual services (also unprotected) are often offered at lower prices (€20-€40). Evidently, earnings from window workers depend upon the number of clients they have, the sexual acts they perform, the amount of their window money and the amount they possibly have to hand over to a pimp\(^{208}\). Although exact prices vary, different bars and clubs have broadly similar prices for clients. These are clearly higher than in the RLD: €100 for 15 minutes of sexual services, €150 for half an hour, €200 for 45 minutes and €300 for an hour\(^{209}\). Two sex workers active in private houses explain that prices charged to clients are lower than in bars: €80 for 15 minutes of sexual services, €110-€120 for half an hour and €130-€150 for an hour. Here too, sex workers receive half of these amounts. The income from women receiving clients at home is harder to determine because their prices vary more

\(\text{\textsuperscript{207}}\) As most prostitutes either do not wish to divulge their income or claim not to be able to do so because it varies too much, we mainly provide rates for clients.\n
\(\text{\textsuperscript{208}}\) One window prostitute, working five days a week, admits to earning between €4,000-€5,000 (‘bad’ month) and €10,000-€15,000 (‘good’ month). Similarly, another, working two nights a week, earns €3,000-€4,000 a month.\n
\(\text{\textsuperscript{209}}\) One has to keep in mind that sex workers receive only half of these amounts, which implies that for 15 minutes, earnings are similar in the RLD to those in bars and clubs (without taking the window money into account).
and some of them pay taxes whereas others do not. The same holds for escorts: prices cited per hour vary between €150 and €300.

Earnings from sex work are used for several purposes: daily expenses, the purchase of luxury products (e.g., designer clothes), body care, home improvements, real estate investments in home countries (e.g., Poland) and investments in studies or job opportunities. In this respect, it seems that prostitution should not be seen as solely a survival strategy. It can also serve as an advancement strategy, a stepping stone to a life with better opportunities (Saunders 2005). Our results suggest that this advancement strategy does not necessarily mean that those who pursue it cease prostitution entirely once desired advances have been achieved. All of the interviewed women for whom prostitution has already served such purposes still work as prostitutes. In this respect, they argue their current money from sex work will facilitate future investments.

**Perceived pros and cons of sex work**

Unsurprisingly, these earnings are perceived by nearly all interviewed prostitutes as the biggest advantage of the work. Other positive aspects highlighted by sex workers were the development of self-confidence due to financial independence, learning the value of money, learning from intelligent and interesting clients, gratitude from clients (cited mainly by private and escort prostitutes), experiences offered by clients which sex workers would otherwise not experience (e.g., luxury holidays, fancy restaurants), the possibility of getting ahead in life thanks to the earnings and sexual satisfaction (this last cited by only one worker). In the light of these perceived advantages, it is not surprising that approximately half of the sex workers interviewed professed to like their job.

Of course, in addition to certain advantages of sex work, some drawbacks of the work are experienced as well. First of all, in line with international literature (e.g., Benoit et al. 2005; Brents and Sanders 2010; Kingston 2014), several experts and sex workers point to the fact that there still exists a taboo around sex work, that sex work is stigmatized and argue that many people have a mistaken view of it. As noted by Benoit et al. (2005), in order to avoid this stigmatization, many sex workers try to conceal their work in various ways such as working at a safe distance from their residence or by leading a ‘double life’. In addition, several sex workers experience physical risks (e.g., aggressive clients), medical dangers (e.g.,
liver problems due to drinking, risk of cervical cancer, risk of STDs) and mental burdens (e.g., listening to marital problems of clients, putting on an act towards clients). (See also in this respect Sanders [2004a]). Interestingly, although most of the sex workers interviewed claimed not to be too worried about their physical safety, the majority of them do take some precautions, for example refusing certain clients, having a pepper spray, deodorant, lacquer spray or knife to hand, and keeping a lock on the door (escorts). In addition, half of the sex workers illustrated how their personal and social life suffers from their work (e.g., relational problems, social isolation).

**Informality within Ghent’s prostitution scene**

As explained above, the city’s approach is to partly formalise the exploitation of prostitution. However, this does not rule out the existence of informal activities in the business. These are discussed in this section.

**Partial declaration of labour and income**

As horeca regulation is applicable to window and bar prostitution, women working in these premises are supposed to receive a paid wage based on the hourly horeca rate and their declared working hours. However, regarding the former, we have explained above that women in windows pay window money and keep their earnings and women in bars receive a percentage of the client’s expenditure\(^{210}\). Furthermore, the working hours of prostitutes are usually not declared accurately to the national social security office. A limited number of hours is declared in order to limit labour costs (mainly social security contributions) for both prostitute and employer\(^{211}\) (i.e., manager of the bar). In this respect, it is important to note that, according to many experts and sex workers, most (new) foreign sex workers are not aware of this partial declaration. As official payslips are based on the number of declared working hours with (minimum) wages applicable to the horeca, the declared income of prostitutes is less than their actual income. The end result is that the real income of

\(^{210}\)One interviewed bar worker and one club worker explain a daily fee is paid to the manager (which is also the case in private houses, according to an interviewed private worker) which is used to cover the social security contributions which employers pay for their employees. This fee amounts to approximately €25-€30 a day.

\(^{211}\)In order to be covered for inspections, many managers make use of documents stating that their employees are exceptionally working outside their contract hours. However, these ‘control documents’ are often thrown away when no inspections take place. Some managers also de-declare employment of prostitutes retroactively.
prostitutes is much higher than their declared income, even if employment hours are declared accurately. One Belgian sex worker explains:

‘In the RLD? All moonlighters. All of them. Nobody declares her full income. Nobody! Nobody does sex work to declare the full income.’ (SW11-escort)

In this respect, the lack of prostitution-specific regulation and the application of horeca regulation enables fraud by resulting in significant untaxed earnings (‘black’ money) for managers and prostitutes. Although this is perceived by certain prostitutes as an advantage, it also has a downside. Firstly, the social protection of window and bar prostitutes is based on their (limited) officially declared employment and income, which does not result in social protection that is in accordance to their actual labour. Strikingly, several interviewed policymakers somehow reconcile themselves to this state of affairs, as the following quote from an enforcer illustrates:

‘So it does not reflect the real situation but it is tolerated in that way by the police, the court and by ourselves in the sense that okay, if at least that is declared, at least that is done. In that way one builds some basic rights’ (EE2)

A magistrate says:

‘We are satisfied, everybody is satisfied with the declaration of the women’s performances at the minimum wage. And in fact we hope that they earn more than €8 an hour, given the type of activity they do. So yes, you could say that nearly all situations of prostitution are informal in one way or another.’ (EE7)

Belgian and foreign prostitutes living in Belgium are divided on this matter: whereas some see their sex work as a temporary means of earning a lot of money in a short time span (and thus do not care much about their social security), others perceive their sex work more as a real, long term job and therefore acknowledge the need to build up social security rights based on that work. In this respect, a sex worker explains:

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212 This quote is translated by the author from Dutch.  
213 This quote is translated by the author from Dutch.  
214 Idem.  
215 Other prostitutes have other means of income (e.g., other work) on the basis of which their social security is built and thus do not see the point of declaring their prostitution activities.
'If you work here and there is the horeca, then it’s like, later it’s also gonna count for your pension I think and everything. You know, I have insurance... So, it’s just a normal contract. You get everything. So this is good because when you live here it is good to have insurance if we have to go to the doctor and things like that. So, this is good.’ (SW22-window)

Conversely, a Belgian bar sex worker admits having a 16-hour contract but working far more than that in the bar. Concerning the importance of a correct employment contract she says:

‘If it’s a normal job, yes. But here I don’t attach great importance to it because it’s a profession in which you easily earn a lot of money and in which you can say you’ll stay for only three months for instance. And a 16-hour contract? Oh well, for those three months that’s not important to me. If it’s a long term job that can last for three years instead of three months, than I need a good contract.’ (SW19-bar)

Secondly, as some agreements (e.g., bank loan, tenancy agreement) require proof of a high enough income (payslip), problems can arise when prostitutes apply for such agreements. As most foreign prostitutes (especially the ones who do not live permanently in Belgium) are attracted by quick and high earnings, most respondents argue that these disadvantages do not outweigh their black earnings. However, one Belgian window workers says the following about untaxed earnings:

‘It’s a ridiculous system. They know we earn a lot of money and we cannot do anything with our money. We cannot buy a house, we cannot buy anything. The only thing we can buy with our untaxed money is luxury.’ (SW6-window)

A similar modus operandi is used in private houses, where employment and income are only partially declared:

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216 This quote is not translated but reflects the words of the respondent.
217 This quote is translated by the author from French.
218 This quote is translated by the author from Dutch.
219 One respondent working in a private house additionally explains how her manager abuses the system of temporary unemployment. This system means that if the employee does not receive his/her wages during the period of unemployment (e.g., for economic reasons) s/he can - under certain conditions - benefit from an unemployment allowance. In this way, an undeserved allowance is combined with earnings from prostitution (as the prostitutes continue working instead of being unemployed).
‘Our work is declared some days, but not all days hey. We have to pay our own social security contributions, €30 per day that our work is declared. So yes, if you are declared six days out of seven, that is eum €200 a week. Yeah, some days there is no work, other days you’re up to your ears in work. So yeah, anyhow you have to pay those €30. And furthermore, declaration of work implies way higher costs for the boss and all, so yeah.’ (SW13-private)\textsuperscript{220}

Three of the interviewed self-employed prostitutes (private and escort) acknowledged not declaring their prostitution activities at all (for varying reasons such as receiving an allowance). Five others claimed to work semi-formally in that they have all the necessary documents to work as self-employed but do not declare their full income from prostitution.

\textit{Pimping}

A general consensus exists among different categories of respondents as to the presence of pimping, which in this article refers to people (pimps) living from the earnings of prostitutes\textsuperscript{221}. Especially in the RLD\textsuperscript{222}, many girls are believed to have pimps, which is somehow striking given the frequent presence of the police in the area and their clear view of the RLD (cf., registration of managers and prostitutes, visible concentration of window prostitution). But one magistrate explained how certain characteristics of the RLD (e.g., rapid assessment of the popularity of a girl, few intermediaries, low threshold for clients) still make it an attractive sphere of activity for pimps. Importantly, usually managers of prostitution businesses are not pimps themselves. Our interviews with enforcers and our dossier analyses indicate that pimping also takes place in other types of prostitution, notably escort and bar prostitution.

In line with Demir (2010), several modi operandi for getting women into prostitution are disclosed by our respondents. First, some foreign women are believed to be tricked into prostitution under false promises of a job in, for instance, cleaning or fruit farming. Second, others are believed to realise they will be offered a job in prostitution but not be aware of

\textsuperscript{220} This quote is translated by the author from Dutch.

\textsuperscript{221} Pimping has no legal definition. However, if pimps are prosecuted, this is usually done on the basis of art. 380, 1°, 4° of the penal code (exploitation of prostitution) or (to a lesser extent) the stipulations concerning human trafficking (art. 433quinquies §1).

\textsuperscript{222} With regard to the police, this might be partly attributable to the finding that they have less knowledge of private and escort prostitution. In this respect, the dark number is higher for these types of prostitution.
the working conditions (e.g., handing over earnings, long working hours). The third possibility is the so-called loverboy method (also applied to Belgian victims), in which pimps are believed to deliberately pick out vulnerable women (e.g., young foreign women having a family to support, those living in poor neighbourhoods and/or with limited education) to enhance the chances that they will fall into their trap (see also van San and Bovenkerk 2013).

Once victims are in the hands of pimps, several methods are used to keep them in line. They can be put under pressure to continue working or to obey the pimp by his (threatening to) exercise(ing) physical violence on the victim and her family in the home country. In addition, some girls have been made addicted to drugs and hence need their pimp who also functions as their dealer. Loverboys can also threaten to inform the girl’s family about her activities. In line with Harcourt and Donovan’s (2005) findings, women can also be forced to work extra shifts when they have not earned enough money. In this context, they often work below the normal price or procure unprotected sexual services in order to obtain the required earnings, which in turn affects business in the RLD generally. This is illustrated by a Polish window worker:

‘The problem is that they [Hungarians] do a lot of things for less money. They don’t use a condom very often. Maybe I get fewer clients because of that. I open the door and I hear a lot of stupid questions about kissing, sucking without condom, and this kind of thing. It’s annoying.’ (SW9-window)

One enforcer explains how pimps do not always need to exert pressure on their victims:

‘They’re usually unlettered if they come from there [eastern Europe], because they have not finished school. They don’t speak the language, they know nothing here. What can they do? Where can they go to? So, they [the pimps] don’t have to exert pressure. They just say: “okay, you want to earn money? Fine, go your own way. Ah, but you can’t? Fine, I will help you, but then you need to hand me over so much money”. That’s not real pressure, is it.’ (EE5)

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223 E.g., unfair competition for other prostitutes, spread of sexual transmitted diseases, clients asking for lower prices and unprotected sex. The same has been reported in Antwerp’s RLD (Van San 2007).
224 This quote is not translated but reflects the words of the respondent.
225 This quote is translated by the author from Dutch. See also van San and Bovenkerk (2013) for more nuanced findings on pimping in Amsterdam’s RLD.
In contradiction to the findings of Verhoeven et al. (2013), the window prostitutes interviewed claimed pimps do not sabotage their own work directly (e.g., by demanding protection money or by barring clients from entering). Apart from taking money from them, some respondents attribute a protective role to pimps. However, this is not confirmed by prostitutes working in the RLD:

‘Maybe years before, the pimps, when you see they could make something. But now if you see, they all look like clochards and everything you know. They can’t do anything... They only come, they only bring them [girls] here and take the money. But I don’t think so they protect them. No nono! If you see them, come on! They don’t look like they can protect. Maybe if the girl cannot make money, they beat the girl. But to make problems with the clients? I don’t think so.’ (SW22-RLD)

At the time of writing, victims in Ghent are predominantly East-European (Bulgarian gypsies, Albanian and Hungarian girls). According to some interviewed policymakers, many victims do not consider themselves victims because they (1) share in the luxurious lifestyle of their ‘boyfriend’, (2) earn more than in their home country, even after handing over (a part of) their earnings, and/or (3) believe they will be permitted to keep their earnings one day. Nevertheless, the window prostitutes interviewed claimed victims are easily identifiable by the long hours they work and the fact that they look sad. Unfortunately, as victims are not often likely to press charges (cf. no perception of victimhood, fear of pimp, fear of police), investigations and prosecution of pimps is hampered. As a result, the continuation of pimping is more the result of enforcement difficulties than the direct result of the local regulatory approach to prostitution. Although legal stipulations are available to tackle pimping, enforcement of these regulatory measures is impeded. In this respect, policy does have an influence on this type of informality in that certain difficulties in proving pimping are partly responsible for the continuation of the phenomenon.

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226 This quote is not translated but reflects the words of the respondent. It could be that the men the sex worker refers to in this quote are not the actual pimps but the helpers of the pimps (van San and Bovenkerk 2013).

227 The amount of money victims have to hand over to their pimps is highly variable.
Ancillary activities and their participants

In line with previous research on prostitution and informality (Sanders 2008; Verhoeven et al. 2013), several ancillary activities regarding prostitution exist in Ghent: real estate and horeca; shopping services; accounting and advertising. Unfortunately, as a number of investigations were running during the empirical phase of our study, little information on this topic was shared by enforcers for fear of undermining the investigations. In any case, informal participants other than pimps rarely interest the detective enforcers active in prostitution. Furthermore, it is, astonishingly, only in the last three years that the prostitution business has become a domain of interest for the public prosecutor (a specific reason for this could not be given by our respondents). As a result, enforcers have limited knowledge regarding these ancillary activities and its participants.

Real estate managers and owners of windows rent their premises to managers knowing very well the uses to which they will be put, thus facilitating prostitution and its exploitation and earning money from it. The same holds for the manager of the window: he/she receives money for his window, knowing very well this is used to lure clients for prostitution. A manager of a bar has an even more direct income from prostitution: he/she retains about half of the money paid by clients for sexual services and refreshments in the bar. Unsurprisingly, earnings from rents are believed to be only partially declared.

Near the RLD, some regular cafés are renowned for the presence of pimps. In line with the findings of Verhoeven et al. (2013), these cafés offer the perfect opportunity for pimps to stay close to ‘their’ prostitutes while they are working. As also found by Verhoeven et al. (2013), shopping boys offer their services to prostitutes in the RLD in exchange for a (small) remuneration. They perform various tasks such as taking laundry to a local launderette, running errands (e.g., getting condoms or cigarettes) or accompanying women home or to their car after their shifts to offer them some protection against potential thieves. Another ancillary activity involves accountants and accounting agencies. They, of course, often perform legitimate tasks such as offering support to bookkeeping. However, three interviewed private and escort prostitutes recounted working (or having worked in the past) with an accountant who determines the amount of income from prostitution that should be declared to the government. Similarly, a bar manager confirms her administrative work is
done entirely by her accountant, who, she argues, is an expert in the prostitution business. According to these respondents, the accountants are very well aware of their facilitating role in income tax fraud.

According to art.380ter of the penal code, advertising for prostitution is not allowed. Nevertheless, private sex workers and escorts advertise their services on websites. One Belgian newspaper is infamous for its advertisements for sexual services. A private worker explained how she pays an intermediary in cash who in turn makes sure the newspaper publishes the advertisement. In this way, no official invoices linking the newspaper to sex workers are traceable.

The influence of policy on informality

Enforcement

Before discussing the influence of the policy, the way in which the regulation is enforced should be clarified. The trauma of the 1990s (see 3.1 above) still has an influence on the workings of the police. Regarding the local police, only members of the specialised Meprosch-unit are authorised to conduct inspections in Ghent’s prostitution premises. The purpose of this restriction is to prevent collaboration between police officers and managers/exploiters. However, it is possible that it could actually facilitate such collaboration because it means that a very limited number of police officers are in regular contact with managers. In order for the unit-members not to build up informal relationships with managers and prostitutes (which was found in the UK by Sanders [2005] and Kingston [2014]) and not to relapse into the mistakes of the past, a thorough control system is needed. It is with this danger in mind that, although the federal police normally focus on phenomena which extend beyond the geographical boundaries of the local police (in which the RLD falls; Van Gaever and Lameyse 2013), they also conduct controls in the RLD on the basis of an informal arrangement between federal and local police:

‘Because we consider that a bit as the control of the control. Because if everything were to be done by the local police and the same people were to go to the same places over and over again, it might give occasion for comments in the press or for

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228 One exception exists: in cases of emergency calls, members of intervention teams can also enter the premises.
certain people to abuse that... But it is considered as a way of avoiding overstepping one’s bounds as everybody here is still left with the trauma of ‘Ze zijn zo lief, meneer’\textsuperscript{229}, in the nineties.’ (EE5)\textsuperscript{230}

Notwithstanding this ‘control of the control’, control mechanisms within the local police could be beneficial (e.g., a rotation system, informing team leaders of each control conducted, thorough screening of new unit members) as the federal police do not monitor the RLD systematically. Furthermore, the monopoly of the Meprosch-unit implies a limited local police capacity for checking the prostitution sector\textsuperscript{231}.

In line with the response to the historical events, human trafficking and sexual exploitation have since 2004 been officially regarded as criminal phenomena needing the prior attention of the police in the four-year national safety plans. Accordingly, prostitution markets receive prior attention in the form of regular administrative and judicial inspections and monitoring from both the Meprosch-unit and the specialised unit of the federal police. Importantly, the Meprosch-unit concentrates on visible prostitution, specifically on the RLD, for several reasons. Evidently, the RLD contains a visible concentration of window prostitution, which is located near the centre of the city. It could also be described as a problem area, given the presence of nuisance and pimps. Concerning the former, research in the UK has equally revealed that police action regarding prostitution markets is related to the presence of nuisance (Kingston 2014). Concerning the latter, a smouldering fear still exists that history will repeat itself. This core attention towards the RLD does not rule out inspections of hidden prostitution (private and escort). Of course, as these types are more difficult to trace (one needs to search advertisements on the internet and in newspapers), preparation of these inspections requires more time and effort.

The prostitution markets receive little attention from other enforcement agencies such as the tax office and social inspectorate services. Social inspectorate services focus on labour relations and on the accurate declaration of employment, and thus do not monitor the self-employed. The agency checking the payment of social security contributions of the self-employed does not specifically focus on prostitutes. Furthermore, according to a magistrate,

\textsuperscript{229} This is the title of De Stoop’s book.
\textsuperscript{230} This quote is translated by the author from Dutch.
\textsuperscript{231} The unit consists of eleven police members and two social workers.
up until three years before the time of writing, the office of the public prosecutor did not focus on the prostitution sector. This is an astonishing omission in view of the official priority given to human trafficking in the national safety plan (illustrating a lack of continuity between detection and prosecution), but even more astonishing given the city’s specific history with sexual exploitation and the huge policy implications of its uncovering (cf. the start of a structural, integral and integrated approach to human trafficking). Currently, exploitation of prostitution is tolerated by the police and public prosecutor insofar as it (1) entails purely the managing of prostitution businesses, (2) does not include serious exploitation of women and (3) does not impact too seriously on community order. By selectively enforcing the regulation concerning exploitation, local authorities partially permit the existence and continuation of an illegal phenomenon (i.e., managing prostitution business). As noted above, several difficulties exist in tackling pimping and sexual exploitation. Nevertheless, two of the window workers interviewed expressed outrage about the obvious presence of pimps in the area, as the following quote illustrates:

‘I don’t understand why the police do nothing. But I hope they are waiting for the right time? It’s also possible. You know, that is, I think it’s everywhere, doesn’t matter where you are. Mostly there where you have girls who work in prostitution, you also have pimps who are living from the girls. So it’s like a symbiosis or something like this. But never in my life, and I’m working quite a long time, I didn’t see this so official like I see here in Ghent. They are just walking you know every day and they don’t shame themselves, you know.’ (SW9-window)232

The influence of the policy on the choices of workers

As explained above, the chosen policy on prostitution determines to what extent it forms a part of the informal economy and we have illustrated how the prostitution market in Ghent forms part of a legal informal economy. As prostitution, although legal, is not regulated, it does not exist officially. However, prostitution can be conducted formally under a different term. Our results indicate that most prostitutes work at least partially informally in that employment and income is not accurately declared. As such, informality is ‘normal’ in the prostitution business. We have seen that financial motives are a driving factor in this

232 This quote is not translated but reflects the exact wordings of the respondent.
practice (e.g., reducing labour costs, increasing net income). As Van Eeckhoutte (2013) points out, prostitutes and managers are able to correctly declare employment and income should they want to. In this respect, the lack of a specific prostitution regulation has no direct influence on this type of informality, which has more to do with a lack of compliance from prostitutes and managers\textsuperscript{233}. We agree on this point, but still feel that applying horeca regulation to windows and bars does not stimulate prostitutes and managers to fully declare their employment and income. First of all, it offers several possibilities to facilitate informality (e.g., part-time employment, control documents, low minimum wages). Given the possibility of using control documents and thus to be covered during inspections, it is not surprising some bar managers are not frightened off by the potential for their occurrence. Secondly, the horeca regulation is not adapted to the specific characteristics of the employment (e.g., method of remuneration).

However, we do feel that the limited thorough inspections on correct declaration of employment and income (e.g., fiscal inspections on declaration of income) and the perceived (by our respondents) difficulties in proving untaxed earnings might have more influence on informality than horeca regulation. Window and bar workers have not much to fear from police or inspectorate checks, as fines for undeclared labour target employers, not employees. However, if employees are found to be combining undeclared labour with benefits, they do risk financial setbacks.

Three of the private and escort workers interviewed point to a partial deterrent influence of police inspections. As a result of inspections experienced or the risk of being controlled one day, they have officially registered as self-employed, complying with the resulting administrative requirements. However, they still do not declare their full income from sex work. According to another private worker, the reason for this is that the police do not control the declared income of sex workers:

\textsuperscript{233} In the Netherlands, since 2008, the fiscal opting-in system can be applied to club, escort and private prostitution (Van Wijk et al. 2010). Although the main aim of the introduction of this condition package (meeting the established criteria is necessary for the application of the opting-in method) was to enhance the position of sex workers (Bijlagemotie Arsb 32211, 2011), it was also intended to enhance the fiscal transparency and fiscal compliance of the sector (Talideman 2010). Currently, researchers are conducting an evaluation of the regulation of legal prostitution in the Netherlands, which should take account of this system. For several reasons however, we doubt that such a system would be effective in Belgium.
‘They are not the ones checking how much you earn. That’s not what they do. In fact, they only check if your paperwork for self-employment is okay. They surely can’t sit here with you on a chair and see how many clients you do a day!’ (SW1-private)

Most other interviewed sex workers who had experienced police inspections in the past did not fear future police inspections, mainly for the same reason. Furthermore, they did not mention that potential police inspections influenced their choice to partially work informally. Interestingly, most of the interviewed sex workers who had no experience of police inspections did not fear them either.

Checking for the correct declaration of income is the duty of the tax office. However, it does not focus specifically on prostitution markets, which is again striking given the sector’s reputation for its undeclared money. It is also clear that the visibility and physical accessibility of windows and bars cannot impede tax inspections. As such, it is not surprising that sex workers’ choices for not declaring their full income was hardly influenced by tax inspections. All in all, we see that inspections of police and inspectorate services (e.g., social inspectorate, tax office) and/or the perceived risk of being inspected one day lead most but not all sex workers and managers to comply with administrative requirements (e.g., control documents, partial declaration of labour hours, registration as self-employed) but not to fully declare their labour and income. In this way, the enforcement side of the policy partially influences choices of workers regarding their formal and informal work in prostitution.

**Perceived pros and cons of the policy**

Apart from its influence on informality, the existing policy in Ghent has both advantages and disadvantages for the different stakeholders. In this article, we focus on the perceptions of sex workers. One sex worker summarizes the Belgian attitude towards ancillary activities very sharply:

‘Honestly, I don’t understand the whole concept of prostitution in Belgium. It’s not allowed. But then there’s what you’d call a grey area in which you can do it officially.

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234 This quote is translated by the author from Dutch.

235 Note: this perception does not conform to the reality as prostitution is indeed allowed. The quote is translated by the author from Dutch.
Part II: Within case analyses

But it’s not allowed. And you can’t advertise, you can’t recruit clients, you can’t put up advertisements but we have afspraakjes.com, we have redlights.be, we have all those sites. We have the paper where we can advertise. But it’s not allowed. We have window prostitution areas, but it’s not allowed. I mean, just what are we doing? I don’t get it. Truly, I honestly don’t get it.’ (SW17-private) 236

In general, the majority of our interviewed prostitutes are neutral to rather happy with the situation in Ghent, mostly because it offers them relative 237 anonymity (as employees thanks to horeca contracts and as self-employed due to the lack of specific statute), the possibility of building up social rights if they wish to, the possibility of untaxed earnings (due to slack inspections in this respect) and relative freedom due to the lack of specific regulation (see also Agustín 2008). Nevertheless, some of these prostitutes would favour the introduction of certain rules regarding hygiene standards for prostitution premises and healthcare practices (e.g., mandatory check-ups), the value of which is also argued by some regulators, enforcers and social workers. In this respect, future research could study the feasibility of introducing a self-regulatory system in window, bar and private prostitution regarding hygiene and healthcare, which could take on the form of a quality label (Rijken and van Krimpen 2007). By calling on the sector instead of the government for such regulation, local authorities would not be faced with accusations of falling foul of the legal stipulations 238 (Vermeulen 2014; Vermeulen and Van Damme 2014). In essence, it could be expected that bonafide segments of the prostitution markets (prostitution premises where sex workers work voluntarily without having to hand over money to some sort of pimp) would adhere to such quality labels, whereas malafide segments (forced, exploitative prostitution) would not (Rijken and van Krimpen 2007). Self-regulation could - when including for instance stipulations to judge the voluntariness of sex workers - furthermore potentially be helpful in more targeted inspections of forced prostitution and sexual exploitation, by leaving more capacity to public enforcers to check segments of prostitution markets that do not adhere to the quality labels. Such future research should include identification of the attitudes of

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236 This quote is translated by the author from Dutch.
237 Relative, because horeca contracts and lack of statute do not belie the fact that many prostitutes still have to live a double-life in order for their family, friends and acquaintances not to find out about their profession.
238 Notwithstanding this fact, Antwerp works with suitability certificates for window prostitution which could be considered as a form of self-regulation (Rijken and van Krimpen 2007). These comprise requirements regarding the premises, applicants for the certificate and managers of the premises. As such, a comparative research between Ghent and Antwerp could shed light on possibilities for Ghent in this respect.
managers on this point (as they would be crucial for such a system to be successful), identifying realistic norms and establishing an effective monitoring and sanctioning system. Although this would entail investments from managers (e.g., regarding hygiene standards), adhering to certain norms might have a good return on investment for them by attracting more, classier and/or generous clients. It might also improve relations with local residents and traders (not an economic consideration, but still potentially beneficial). As we have not interviewed managers of windows, we do not know how easy or difficult it is to find prostitutes to occupy the windows, but an upgrading of the RLD could also attract more prostitutes.

A minority of the interviewed prostitutes - mainly private prostitutes - are scandalized by the lack of recognition of prostitution as a profession. In this respect, it is important to note that some of them wrongfully claim not to be able to work legally due to the lack of a statute for prostitution, as the following quote illustrates:

‘Now you have the stigma of incorrectness: you’re working incorrectly, you’re working illegally. But you carry that with you constantly. You can’t say okay I chose to work as an escort and I really don’t care if you are pro or against that, I chose it. But now you can’t say that to anyone. Yeah, it’s not done because you’re working illegally. Everybody knows it’s in the black, nobody can do it officially.’ (SW11-escort)

This quote is translated by the author from Dutch.

However, most prostitutes insist on the maintenance of their anonymity, both for financial reasons (cf. untaxed earnings) and societal reasons (cf. taboo and stigmatization) and are thus not fully in favour of the regulation of prostitution (especially not of the introduction of a special statute) and its ancillary activities. In this respect, one sex worker has a pronounced opinion:

‘If the government deals with us, than we’re up shit creek. We’d better try to keep the government out of it. Let it take care of the roads and all that but in Belgian politics we do not need a regulation on prostitution. Hey, we’re the ones deciding. Should the government start to… oh… what? They’re gonna ask for taxes or what? So for each client that comes, they’re gonna say that money is for us? No, no, no! It’s not
necessary to talk about a regulation. A well-managed bar does not need regulation.’ (SW21-bar)\textsuperscript{240}

More consensus is found among respondents regarding the criminalisation of clients: both experts and prostitutes are clearly not in favour of this option. One prostitute says in this respect:

‘It’s not possible to make the world better and stop prostitution. If they will make windows euh out, everybody will move to private houses and then yeah… And how you gonna find that then? How will the police find this? Is gonna be more problems because pimps will bring more girls and they will work for less and everything gonna go worse because than this you cannot control at all. So to say that they want to punish people who pay for sex, this is stupid.’ (SW22-window)\textsuperscript{241}

Most regulators, enforcers and social workers have an ambivalent attitude to the de facto legalization, recognising both its advantages and disadvantages and also its hypocrisy. As a result, some are in favour of the regulation of prostitution and its ancillary activities, as they believe this would enhance the (social and physical) protection of prostitutes, clarify the legal framework in which enforcers operate, increase income for the government and facilitate the detection and eradication of excesses. Interestingly, Kingston (2014) found similar reasons offered by police officers and local residents (the majority of whom were in favour of legalization and regulation) in her study of prostitution in the UK. In our study, some respondents, however, feel the time is not yet ripe for prostitution to be put on the political agenda in Belgium. However, with the current policy debates in Europe (e.g., the passing of a non-binding resolution encouraging the criminalisation of clients by the European Parliament), one magistrate thinks Belgium is waiting on policy evaluations in other countries before taking action itself. As sex workers are not organised and represented in politics (e.g., no sex workers’ organisations striving for rights, no labour unions defending sex workers’ position), their voice is not heard in political debates.

\textsuperscript{240} This quote is translated by the author from French.
\textsuperscript{241} This quote is not translated and reflects the exact wordings of the respondent.
Conclusion and discussion

This article aims to contribute to the under-researched domain of the relation between prostitution and the informal economy. In this respect, our results point to an influence of both regulation and enforcement on the existence of informal economic activities within Ghent’s prostitution sector and on choices workers make in this respect. In addition, although some regulators and enforcers may be highly motivated in their work, the general policy is characterised by a high level of hypocrisy.

Throughout the years following the traumatic events of the 1990s, local regulators and enforcers consolidated their approach to dealing with prostitution markets, an approach that enables them to have a view over the sector. Given the restrictions regarding regulation of prostitution and its exploitation, back doors are used to control the sector. These back doors are not fully adequate for the activities they need to regulate. Although the interviewed police officers are highly motivated to tackle sexual exploitation and pimping, a sort of ‘laissez-faire’ mentality can be inferred regarding the limited declaration of employment and income. Apparently, many experts are resigned to the situation, as the following quote from a magistrate illustrates:

‘Yeah yeah, we can definitely organise a study day on that topic and talk about it all day long, but we’re confronted with a reality for which a policy needs to be deployed one way or another and that’s just the way it has been done here. Eh, critical questions are always possible, question marks are always possible. We’re aware of that.’ (EE7)

This resignation appears to be justified by referring to the need to ‘establish limited social rights’ and the need to ‘have a view on the sector’. However, there is an element of hypocrisy and/or insufficiency in both justifications. Notwithstanding the fact that many prostitutes gain a lot in the short term by avoiding taxes and social security contributions, their (limited) social rights are not in balance with the work that they perform. Furthermore, they will not be adequately rewarded at the end of their careers (e.g., in terms of pension) for the hard work they have done. Social security and labour law, the two main tools to ensure the protection of workers, are not sufficiently enforced and thus fail to achieve their goals. Although the fraudulent practices are an open secret, they are maintained by the slack

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242 This quote is translated by the author from Dutch.
enforcement of social law, which partly results from a lack of political will to intervene in the sector. It is argued by social inspectors interviewed that investigations by social inspectorates into prostitution have a low return on investment (see also Huisman and Kleemans [2014] and Rickles and Ong [2010]). This is mainly attributed to the difficulties of proving undeclared labour, which indicates that social law - which was promoted by the parliamentary inquiry as an important tool in controlling the prostitution sector - comes up against its limits when faced with informality. The auditing of prostitution markets does not yield enough return for the individual social inspector (who is partly assessed on obtained results) or for the government (re-claimed contributions). But... at least prostitutes have got some basic social rights!

Concerning the second justification, visibility itself is insufficient in tackling undeclared labour and pimping. Admittedly, the difficulties in proving pimping have little to do with the way the de facto legalisation operates (see, for instance, Boels and Ponsaers [2011] on the difficulties of proving human trafficking in Ghent). Nevertheless, the de facto legalisation does not offer enough tools to successfully combat these phenomena. In this respect, one can seriously doubt the influence of the obligation of ‘waitresses’ to register in combating forced prostitution as they are not required to present themselves in person at the police station - it is only necessary for managers to hand over copies of the women’s identity cards. This practice also does little to eradicate illegal employment. All in all, visibility is necessary but insufficient to combat informality. At the time of writing, the city is seriously pondering alternatives for its local regulation of prostitution as it is confronted with many incidents of disorder in the RLD and a residents’ association which is putting a lot of pressure on the mayor. As this sector is characterised by a susceptibility to exploitation, this hypocrisy is all the more astounding.

The article has also attempted to contribute to the policy debate on prostitution by offering some insights into the perceptions of prostitutes, who are one of the most important though often forgotten voices in the debate, regarding their work and its policy. Our results indicate prostitution can be opted for voluntarily, both for financial and non-financial reasons. Women starting with prostitution for financial reasons often consider other alternatives, but in the end freely choose prostitution. Of course, this finding does not deny the existence of forced prostitution and sexual exploitation. It furthermore does not mean that prostitutes
do not experience difficulties regarding their work. Our empirical results, however, do highlight the fact that prostitution can certainly not, by definition, be equated with violence, exploitation, coercion or male domination, as is done by supporters of the oppression paradigm on prostitution (Symons and Gillis 2014; Weitzer 2012). In this context, it is not surprising that no support was found for the criminalisation of clients, as this view is based on this oppression paradigm. Rather, prostitutes attach importance to building up social rights, anonymity, untaxed earnings, relative freedom, tackling pimping, hygiene and healthcare. The last two of these features are, however, omitted in Ghent’s local regulation. Other stakeholders also refer to the need to limit the nuisances related to prostitution.

This empirical study has some limitations. One is the non-random, small sample size (Benoit et al. 2005), which is why we would encourage more and broader empirical research on the perceptions of prostitutes regarding policy on prostitution. Furthermore, some might doubt the validity of taking the words of interviewed sex workers at face value because putting on a show is an essential part of their job. We acknowledge that many prostitutes put on an act, but we do not think this diminishes the value of our research. On the contrary, as we are interested in the subjective perceptions of prostitutes, interviewing them is an essential method (Newburn 2007). How could one learn something about prostitutes’ perspectives without including them as respondents? Moreover, we are interested in prostitutes’ work-related perceptions, not in their private lives. Exactly this private life is what is kept hidden from people who contact prostitutes in their working roles. Thirdly, (female) researchers are not to be equated with (male) clients as they approach prostitutes for very different goals. Furthermore, prostitutes can benefit from studies highlighting their perceptions of their work and its policy. And if prostitutes prefer to remain silent about their work, they can simply refuse to participate in empirical studies. Lastly, some congruence can be found between the results of this study and the story of an ex-escort agent who came out of the shadows and wrote a popular book about his experiences in the prostitution business (Geets 2013). All in all, several points can answer the abovementioned criticisms. We acknowledge that we have not been able to reach prostitutes who admit working with a pimp. However, thanks to triangulation, reliable information on pimping has been found. No systematic statistical data regarding inspections of the prostitution sector could be retrieved at the social inspectorate services. As prostitution is not recognised as a separate economic sector,
data are registered under the term ‘horeca’. In this respect, the lack of specific data is created by the policy. As a result, the prostitution business remains invisible to policymakers. In an era when inspectors - and by extension enforcement generally - are judged on data (e.g., number of inspections, number of positive results) this invisibility is startling. Fortunately, some compensation can be found from the federal police, who have recently started their own registration method for the prostitution business.\(^\text{243}\)

In conclusion, it is necessary to overcome a purely normative attitude to prostitution and look at empirical data to feed the policy debate. Given the varying interests and preferences of different stakeholders (Weitzer 2012), prostitution is notoriously difficult for authorities to manage. Nevertheless, it is important to identify the viewpoints of all stakeholders. Sex workers are often forgotten in empirical research, although they play a key role. Similarly, managers of prostitution premises are not to be neglected either. In this respect, more systematic research should be conducted to make an evidence-based policy possible.

**References**


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\(^{243}\) The National Bank of Belgium estimates that the size of drugs and prostitution amounts to 0.6\% of the GDP in Belgium (NBB, 2010).
Regulating the Belgian informal economy? A case study in three markets


Regulating the Belgian informal economy? A case study in three markets


Regulating the Belgian informal economy? A case study in three markets
PART III:

CROSS CASE ANALYSIS, DISCUSSION AND CONCLUSION
INTRODUCTION

In this concluding part, the empirical results of the three case studies are summarized, compared with each other (i.e., cross-case analysis [Creswell, 2007, 75]) and related to the theoretical frameworks of the dissertation. Therefore, we start by recalling the major aims and research questions of the dissertation. Secondly, we summarize the main results per research question and highlight the major findings. This includes relating the motives for informality to the main schools of thought. After that, the results are coupled to the theoretical framework on regulation. Next, the conceptual framework on the informal economy as outlined throughout the articles is adapted in view of the empirical results. Before going into the policy recommendations and some recommendations for future research, the main strengths and limitations of the study are outlined. This part ends with a brief general conclusion.

CROSS CASE ANALYSIS

Aims and research questions of the study

The general aim of this partially inductive multiple case study was divided into several sub-aims:

1. To analyse the choices of the Belgian government in regulating the three cases;
2. To analyse the prevalence of informal activities in the three cases;
3. To analyse the influence of the relevant policy in these cases on informality;
4. To detect the motives of participants to engage in informal economic activities in the cases;
5. To find out perceptions of different stakeholders on the relevant policy in these cases.

It was not the intention to measure the effectiveness of the policy (i.e. to what extent is the policy effective in achieving its goals). Rather was it the intention to study the influence of the policy on informality. As such, we looked if and how choices of workers regarding their work (e.g., work formally or informally) were influenced by policy measures. The aims of the dissertation were translated into five research questions in each case study:

1. What are the main Belgian policy stipulations concerning the case?
(2) In what way is the case characterised by informal economic activities?

(3) If informal economic activities are present, what are the motives of people to engage in them?

(4) What is the influence, if any, of policies on the informal economy in relation to the case?

(5) How do respondents perceive the main Belgian policy provisions?

For the purposes of this study, policy was defined as the combination of regulation and the enforcement of this regulation. Although regulation can spring from the state and from the private sphere (Ayres & Braithwaite, 1992; Huyse, 2012), regulation in the present study referred to the official body of laws and decrees at the federal, regional, provincial and/or local level. Enforcement referred to actions taken by different official actors to verify compliance to the regulation. According to Baldwin and Black (2008), enforcement comprises five main tasks: (1) detecting non-compliant behaviour, (2) developing tools and strategies to respond to non-compliant behaviour, (3) enforcing these tools on the ground, (4) assessing the success and failure of the tools and (5) modifying approaches accordingly. In this dissertation, we have focused mainly on the first three tasks. In the next paragraphs, the main results of the three case studies for each research question are summarized. Furthermore, the main comparative elements between the cases are discussed that could account for differences and similarities between the cases regarding the research questions.

Answers to the research questions

RQ1: What are the main Belgian policy stipulations concerning the case?

Regulation

In order to work formally in Belgium, one needs to comply with several non-case-specific national regulations such as labour regulation (e.g., limits on the number of working hours), social security regulation (e.g., declaration of employment, payment of social security contributions), tax regulation (e.g., correct payment of income tax) and migration regulation

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244 This level was not taken up in the work definition in the article on street selling as regulation on that level did not appear present in that case.

245 Studying the two last tasks would be more in accordance to studying the effectiveness of enforcement.
(e.g., possession of residence and work permits). In Belgium, these regulations are referred to as ‘special criminal law’ (Ponsaers, in press). Furthermore, one is not assumed to breach criminal law either. Remarkably, in the three cases links with criminal activities were detected (e.g., exploitation) but criminal law was not used as often as special criminal law in the first two cases.

In addition, **case-specific regulations** were adopted at different governmental levels (see Table 1 for an overview of the regulation in the three cases).
Regulating the Belgian informal economy? A case study in three markets

Table 1: Summary of the main regulatory stipulations applicable to seasonal work (case 1), street selling (case 2) and prostitution (case 3)

<table>
<thead>
<tr>
<th>CASE 1</th>
<th>CASE 2</th>
<th>CASE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REGULATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Specificity</strong></td>
<td>Specificity</td>
<td>Specificity</td>
</tr>
<tr>
<td></td>
<td>general</td>
<td>labour, social security, migration, tax, criminal law</td>
</tr>
<tr>
<td></td>
<td>case-specific</td>
<td>occasional work, housing, taxes</td>
</tr>
<tr>
<td></td>
<td>national</td>
<td>occasional work, taxes</td>
</tr>
<tr>
<td></td>
<td>regional &amp; provincial</td>
<td>housing</td>
</tr>
<tr>
<td></td>
<td>local</td>
<td>/</td>
</tr>
<tr>
<td><strong>Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>state</td>
<td>state</td>
</tr>
<tr>
<td></td>
<td>sector</td>
<td>self-regulation?</td>
</tr>
<tr>
<td><strong>Origin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus/target</td>
<td>employers &amp; seasonal workers</td>
</tr>
</tbody>
</table>

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246 Horeca is the abbreviation of Hotel and Catering industry.
National case-specific governmental regulation: goals and targets

The existence of national case-specific regulations of the activities in se was found in two cases, namely seasonal work and street selling. For seasonal work, the occasional work policy holds that seasonal workers in horticulture can work for 65 days at lower social security contributions. Furthermore, employers in horticulture can choose between two tax systems. These case-specific regulations were introduced in the 70s-80s in order to stimulate formal employment by lowering formal labour costs. Existing informal labour, combined with the economic growth of the horticultural sector and the linked shortage of labour influenced the government to introduce measures to stimulate formal employment. Other reasons for government intervention in horticulture were identified such as malpractices in the sector (e.g., economic exploitation, rack-renting), protection of an economically important and (at that time) expanding sector and protection of formal full-time employment. In essence, governmental regulation of this sector is important to ensure fair economic trade (tackling unfair competition) and to protect workers, which can be in part achieved by adopting regulations to tackle informality. The regulation, both general and case-specific, targets mainly employers (e.g., declaration of employment seasonal workers to the national social security office, declaration of own income, housing conditions) and to a lesser extent seasonal workers (e.g., record number of worked days).

For street trade, national case-specific regulations equally apply, namely the ambulatory trade regulation. Regulation of market trade goes back as far as the Middle Ages when guilds developed standards for exchange on the markets247, based on the duration of labour. Only at the end of the 18th century did the municipality and the mayor obtain the competence to regulate market trade (Ponsaers, in press). Currently, ambulatory trade is regulated at a national and a local level. It could by hypothesized that the national regulation, as is suggested for seasonal work, serves to ensure a fair economic trade. Some support for this hypothesis is found in the fact that the national law on ambulatory trade was adapted in 2006, partly in order to facilitate inspections on markets248, to combat fraud with

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247 Aimed at protecting the reputation of the profession.
248 No further information on this is specified. The article on street selling illustrated difficulties still exist when checking ambulatory trade activities.
invalid/forged licenses and to guarantee the economic interests of consumers, SME’s and self-employed. Furthermore, the law aims at creating a balance between the interests of different stakeholders (e.g., ambulant traders, fixed traders, community life, consumers and communal organisations) (FOD Economie, 2006). As such, protecting economic interests and tackling informality could be seen as significant intentions of the law. The regulation mainly targets employers and/or self-employed sellers (e.g., authorisation to conduct ambulatory trade, practical issues regarding organisation of stalls).

For prostitution, no national case-specific regulation exists (cf., prostitution is not officially recognised as a profession although it is not illegal). In the case of self-employment the general regulations concerning self-employment are to be adhered to. However, an integral regulatory approach exists regarding human trafficking. As explained in article four, this approach was introduced in the nineties after the detection of scandalous practices regarding sexual exploitation. As such, the main aim of this regulation is the protection of victims. In a corresponding fashion, third parties involved in prostitution (e.g., managers of brothels, pimps, advertisers) were criminalised. The lack of a specific national regulation for prostitution could be linked to the fact that prostitution is not recognised as a separate economic activity (at least not at the time of the empirical research), whereas seasonal work and street trade are (operationalised by NACE-BEL codification). Furthermore, prostitution has traditionally been considered in Belgium as a problem of public decency and public order, which is to be regulated by local authorities. Lastly, prostitution is highly related to moral judgements (which is less the case for seasonal work and street trade).

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249 In 2012 about one fifth of the licenses in circulation were found to be invalid, notwithstanding holders continued ambulatory activities without paying taxes and social security contributions. In order to tackle this, the law was adapted: paper licenses are to be exchanged for electronic licenses that are less easy to forge and more easy to control in real time (Belgische Kamer van Volksvertegenwoordigers, 2012, Wetsontwerp houdende dringende bepalingen inzake KMO’s, Doc 53 2564/001). In practice, paper licenses were exchanged for electronic ones as from 1 April 2013 (http://economie.fgov.be/nl/ondernemingen/Marktreglementering/Economische_vergunningen/Ambulante_activiteiten/#machtiging_of_voorwaarden, 16 May 2014).

250 SME is the abbreviation for Small to Medium-sized Enterprises.

251 According to a recent EU-decision regarding the calculation of the GDP, prostitution is considered as a separate economic, though criminal, activity. As from 2014, estimates of the GDP should include estimates of prostitution as a part of the criminal economy (De Smet, 2014; Monaghan, 2014; Van Mechelen, 2014). We come back to this point later in this discussion.

252 Seasonal work is part of the economic sector of agriculture (NACEBEL codes A01 to A03). Street trade could be categorised as market and street trade (NACEBEL codes G 47.81, 47.82, 47.89).
which is partly why we suppose politicians find it hard to reach consensus on the content of national regulation (Van Loon, 2010), resulting in the lack of a specific national regulation.

Local case-specific regulation: goals and relation with national regulation

National regulation prescribes that local authorities can regulate prostitution insofar as the goal is to protect public order and public decency\(^{253}\). In this respect, specific local regulation exists regarding prostitution (e.g., dress and behavioural code for prostitutes) which is mainly introduced to tackle nuisances and incivilities (thus protecting public order). As explained in article four, tackling nuisances was an important factor steering the local regulation on prostitution. This local regulation is more specific than national regulation and more directed towards prostitutes. Clearly, only the public or visible components of prostitution are regulated. The labour or activities themselves - which usually take place in private - are not regulated by the government. This is an important difference with the other two cases, where activities themselves are regulated given the economic competition.

Similarly, street selling is also regulated at the local level\(^{254}\) (e.g., allocation of market stalls, days and hours on which public space can be occupied). A decentralisation of regulation to the level of the city/community was stimulated in order to create a local trade which is tuned to local needs (FOD Economie, 2006). Furthermore, although this is not reflected in the official discourse, it may be possible that - as in the prostitution case - controlling nuisances is a partial aim of local regulation. Street selling is highly visible and can cause nuisances such as noise or traffic jams. Admittedly, this type of nuisance is still very different from the one caused by prostitution: noise at night (loud music in cars, hooting, [drunk] people shouting), urinating in public, violence, visible use of drugs and weapons (Politiezone Gent, 2013), women being harassed by clients. Also, possible nuisance caused by street selling disappears when the selling stops, but nuisance associated with the RLD is more permanent as the RLD does not move around and is open 24/7. As such, the hypothesis of local regulation on street selling in order to tackle nuisance might not be very likely.

Seasonal work on the other hand is not subject to local regulations, but it is to regional and provincial regulation regarding the accommodation of seasonal workers. Again, we

\(^{253}\) Typically in Belgium, mayors are responsible to regulate nuisance.

\(^{254}\) According to Baldwin, Scott and Hood (1998, 5) and Ponsaers (in press) regulation of markets by local officials is not a recent phenomenon.
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hypothesize that the limited or even non-existing nuisance caused by seasonal work may have something to do with that. The lack of nuisance implies there is no need for local authorities to adopt regulation in that regard.

Solely in the case of prostitution we found a difficult relation between the national and the local level as Ghent is confronted with the existence of exploitation of prostitution which is criminalised at the national level but tolerated and regulated (albeit under the umbrella horeca) at the local level. Also unique in the prostitution case was the influence of the local community on policymaking (both regulation and enforcement). This local community was generally not at all pleased with the nuisances associated with the RLD. At the request of the mayor, a residents’ association was established, offering local residents and business owners (prostitution businesses as well) a platform to express their grievances and desiderata regarding the RLD. This organised action seems to have influenced regulation (cf., integrated approach) and enforcement (cf. police action). How could this be explained?

Firstly, one could hypothesize that inhabitants in case 1 and case 2 are confronted with less nuisance directly associated with the studied activities. In this respect, we have illustrated above that the nuisance street selling may cause differs in intensity and nature from the nuisance caused by prostitution in the RLD. As such, local inhabitants and regular shop keepers do not seem to have much problem with (informal) street trade.

Secondly, inhabitants in case 2 are mainly poor migrants with a low socio-economic status whereas inhabitants near the RLD are predominantly white upper to middle-class people. As a result, the latter might not only have less difficulties in organizing joint action but they also have more political influence as they are more interesting electorally (see also Weitzer, 2014 in this respect). Some evidence for this hypothesis was found in the fact that the establishment of the residents’ association was an initiative of the mayor more than of residents themselves. Another point is that the inhabitants in case 2 benefitted from street selling in their area as they formed part of the (informal) sellers’ clientele. As McLain, Alexander and Jones (2008) (in Bisschop, 2013a) point out, informal activity is not only

255 This in in line with the finding from Coletto (2010) that many informal workers (mainly garbage collectors and door-to-door sellers) relied on regular shopkeepers and inhabitants of local communities to be able to continue their informal activities. In other words, the experienced costs of informality (e.g., social insecurity, uncertainty) were alleviated by community bonds and reciprocity mechanisms.
driven by producers, but also by consumers. On the contrary, individuals and families living in and nearby the RLD probably did not benefit from prostitution in the RLD\textsuperscript{256}. Furthermore, identification of inhabitants with (informal) sellers might be easier in case 2 given the similar ethnic or religious background (in case of North-African sellers). It is likely that inhabitants in case 3 saw more differences than similarities between themselves and prostitutes/managers/clients.

The case of street selling was characterised by the broadest range of special criminal law. In this case, regulation regarding counterfeiting and piracy was important given the nature of the sold goods. Self-regulation was present to a certain extent in all three cases, but this point is further elaborated in the section on regulation.

**Enforcement**

*Actors in enforcement, targets and prioritising*

In accordance with our working definition of policy, enforcement is a second crucial part of the policy. In all three cases a broad range of enforcement actors is authorized to control compliance with the regulation (see Table 2 for an overview) (Baldwin & Black, 2008; Gill, 2002). In all cases, police and inspectorate services were the most important enforcers. A good overview of the main differences between the police and the inspectorate services is found in Ponsaers (in press). For the purposes of this dissertation, the most relevant difference pertains to the powers of the enforcers: members of inspectorate services have larger discretionary power in comparison to the police. Not only do they have more options re decisions when confronted with infractions (see infra); they also have a broader and more intrusive array of investigation techniques\textsuperscript{257} such as free access to the working floor, access to the home (with a mandate of a magistrate or permission of the owner), identification of persons, confiscation and sealing of materials that can help the gathering of proof. Members of inspectorate services can enter private properties (working floor) without a mandate of a magistrate, something police members cannot do. On the other hand, the police dispose of competences to execute legal violence or pressure (e.g., carry weapons), which the inspectorate services do not (Ponsaers, in press).

\textsuperscript{256} A recent study highlights two important reasons why residents choose to live near the RLD: (1) financial reasons (lower rent) and (2) existence of new construction projects (Maesschalck, 2014).

\textsuperscript{257} Most of these are determined in the Social Penal Code (art. 23 to 42).
In the first case (seasonal work), inspections were mostly executed jointly by social inspectorate services. In this case, actions of enforcers were usually well co-ordinated (Baldwin & Black, 2008). The role of the police was limited to offering support to the inspectorate services (in terms of protection and possibility to arrest persons; cf. legal violence and pressure) and to investigate cases of illegal employment, human trafficking etc. As a result, a clear ‘ownership’ of the case was present. With the term ‘ownership’ we do not refer to the meaning that is given to the term in the regulation literature (i.e., control by enfeeble enforcers on enforcers [Gill, 2002, 537]) but to the fact that an enforcer is designated (formally or informally) as the main enforcer of the market and accordingly takes up its responsibility (i.e. actively enforcers regulation). In the case of street selling, this ownership was less present. Several actors were involved in the enforcement of the regulation such as the economic inspectorate, the local police, the social inspectorate services, the organisers of the market (local authorities and private owners) and even private security. The latter were involved to protect the business interests of companies (e.g., private market organiser, brand holders) and to a lesser extent to ensure public security (e.g., CCTV in private market). In contradiction to case 1 and 3, several public enforcement actors referred to other actors who were supposedly more active in checking informal street selling, which resulted in the lack of clear ownership of the case. Prostitution markets were mostly checked by the police, who had a clear enforcement ownership of this case.

<table>
<thead>
<tr>
<th>Case</th>
<th>Enforcement actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal work</td>
<td>Police, social inspectorate services, housing inspectorate service, tax office</td>
</tr>
<tr>
<td>Street selling</td>
<td>Police, economic inspectorate service, organisers market, social inspectorate services, customs, private security (CCTV, private detective)</td>
</tr>
<tr>
<td>Prostitution</td>
<td>Police, social inspectorate services, tax office</td>
</tr>
</tbody>
</table>

This ownership of a market was only partly influenced by the priority different enforcement actors gave to the markets. The priorities of enforcement actors were influenced by higher policy goals (e.g., action plans of the SIOD and the board for the battle against fiscal and social fraud), which are based on political and administrative decisions (Rickles & Ong, 2010). As mentioned in the introduction of this dissertation, the coalition agreement of 2011 mentioned an intensification of the battle against fiscal and social fraud as one way of
achieving long-range budgetary aims (Di Rupo, 2011, 75). Regarding the battle against social fraud, this general policy is given content and fine-tuned, for instance by the coordinating organ SIOD. In the plans of the SIOD, neither of the three markets in this dissertation were considered as sectors at risk for social fraud. However, horticulture was considered as a sector sensitive to fraud and was thus second in line regarding enforcement priority. The horeca was considered as a risk sector, which in theory implies that window and bar prostitution in Ghent, which fall within the horeca-sector, should also be regarded as a priority for the social inspectorate services. However, internal inspectorate policy goals altered this. Indeed, although inspectorate services are to comply with the policy outlines of the SIOD (and the resulting plans and actions), they still have discretionary space to add their own focus to enforcement. In the end, only the case of seasonal work received special but not really prior (cf., second line) policy attention. This is important to keep in mind when discussing the attention inspectorate services gave to the three cases. Below, we formulate some hypotheses re this prioritisation.

Inspections in seasonal work (see Table 3) were intensified at the beginning of the nineties (in terms of frequency and severity) and joint inspections were highly tuned to detected infractions. In the whole, this sector has received special attention by the inspectorate services given its perceived sensitivity to fraud (SIOD, 2013). Although the frequency of inspections had somewhat declined over the years, this case was characterised by the highest level of involvement of the government in comparison to the other two cases. All in all, this case has been ‘cleaned up’ by this ‘policy of involvement’ of the government, which is not the case for street selling nor prostitution. Enforcement mainly targeted employers. First of all, enforcers went to farms/employers on the basis of divergent aspects (e.g., previous inspections, random inspections). Seasonal workers were only checked because they worked on the farm that was inspected. Enforcers did not search for specific seasonal workers to check them; they inspected certain farms/employers and as a result the seasonal workers who worked on these farms/for these employers. As such, seasonal workers were not the main focus of enforcers. Secondly, only a minority of social inspectorate services targeted seasonal workers, checking for the illegitimate accumulation between work and allowances. Thirdly, as a result of the second reason, employers were more at risk of
sanctions\(^{258}\) (which fall outside the used definition of enforcement, but which were a result of it), both administrative and penal. In this case labour regulation, migration regulation, social security regulation and the case-specific regulations are mostly checked. We come back to the different sanctions in the section on the application of the results to Ayres and Braithwaite’s (1992) sanction pyramid. For now, it is sufficient to note that both employers and seasonal workers risk penal and administrative sanctions, based on the social penal law. This is in line with Baldwin et al. (1998, 17) who state that the powers of enforcement officers may go beyond prosecution and includes seizure and destruction of dangerous goods or shutting down of dangerous activities.

### Table 3: Summary of enforcement in the case of seasonal work

<table>
<thead>
<tr>
<th>Actors</th>
<th>Main focus</th>
<th>Official priority?</th>
<th>Target?</th>
<th>Ownership case?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>illegal employment, support inspectors</td>
<td>depends upon zone</td>
<td>employers</td>
<td>no</td>
</tr>
<tr>
<td>Social inspectorate services</td>
<td>occasional work policy, illegal employment, social fraud</td>
<td>yes</td>
<td>employers &amp; workers</td>
<td>yes</td>
</tr>
<tr>
<td>Housing inspectorate service</td>
<td>housing</td>
<td>no information</td>
<td>employers</td>
<td>no</td>
</tr>
<tr>
<td>Tax office</td>
<td>taxes</td>
<td>no information</td>
<td>employers &amp; workers</td>
<td>no</td>
</tr>
</tbody>
</table>

Street selling (see Table 4) clearly received the lowest attention of the government (laissez-faire approach) [Williams & Lansky, 2013, 366; Williams, Nadin & Rodgers, 2012, 528]. The limited targeted actions towards informal street selling were remarkable for two reasons. First of all, the activities were highly visible and concentrated in areas known to public enforcers. As such, enforcers clearly knew where (informal) street selling took place and where they thus needed to be in order to execute inspections. In this respect, one could argue that informal traders received an ‘informal licence to trade’ (Gill, 2002, 536) in the sense that they often could continue their activities without being bothered. As argued by Williams and Windebank (1998) however, the acceptance of informal employment in certain areas - albeit for varying reasons - is not rare. Secondly, it was the only case in which so many different enforcement actors were responsible for checking compliance with the regulation. It was also the only case in which private policing was present. We have observed

\(^{258}\)According to the social penal code (art. 230 and further) employees who commit social fraud are subject to the same administrative and criminal sanctions that are stipulated by the social penal code. Furthermore, based on legislation concerning several allowances, they also risk suspension of allowances.
regular police presence but these police actions were more focused on ensuring security (administrative task) than on law enforcement (judicial task). Inspectorate services did not offer their prior attention to street sales, which they justified by referring to other sectors that (according to them) required more monitoring as they were assumed to be more associated with (serious) informality (e.g., construction). The lack of priority given to street selling must thus also be seen in the distribution of limited state capacity to enforce all regulation (Gill, 2002).

Importantly, although the local police and the economic inspectorate service had a special unit focusing on counterfeiting, detection of street sale of counterfeit products appeared not to be a priority for these services. They did check street sales, but also focused on other ways to sell counterfeit products (e.g., night-shops) and on other geographical areas than Brussels South. Although counterfeit and piracy can result in important economic losses for the private industry, private actors did not necessarily focus on street sellers either (but more on the origin of counterfeit products).

Nevertheless inspections did take place. They were focused on employers, the self-employed and employees. As in the case of seasonal work, employers and self-employed were more at risk for sanctions as inspections more often targeted them (in comparison to employees). The sanctions, determined in the social penal code, were applicable to employers and employees in this case. However, additional administrative sanctions - originating from ambulatory trade regulation - were possible such as withdrawing the sales license and confiscation of goods. The ambulatory trade regulation also foresaw penal sanctions. Furthermore, people residing illegally in the country faced the risk of being repatriated, which is also an administrative measure based on the Foreigners’ law. Independent sellers who did not join a social security fund - in case this is detected - were declared in default and needed to pay overdue contributions. Prosecution, which can lead to criminal sanctions, was rather rare but in order to avoid feelings of impunity, infractions were sometimes followed by administrative sanctions. This is thus not fully in line with Gill (2002) who states that sanctions are more likely to be criminal in the case of illegal markets and administrative or civil in the case of legal markets. The empirical results point to the fact that in the informal street trade market - as studied in this research - sanctions were more often administrative than criminal.
Table 4: Summary of enforcement in the case of street selling

<table>
<thead>
<tr>
<th>Actors</th>
<th>Main focus</th>
<th>Official priority?</th>
<th>Target?</th>
<th>Ownership case?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>public order/safety</td>
<td>no</td>
<td>employers, self-employed, customers</td>
<td>no</td>
</tr>
<tr>
<td>Economic inspectorate</td>
<td>ambulatory trade, counterfeit</td>
<td>no</td>
<td>employers, self-employed, employees</td>
<td>no</td>
</tr>
<tr>
<td>Organisers market</td>
<td>ambulatory trade</td>
<td>yes</td>
<td>employers, self-employed</td>
<td>no</td>
</tr>
<tr>
<td>Social inspectorate</td>
<td>ambulatory trade</td>
<td>no</td>
<td>employers</td>
<td>no</td>
</tr>
<tr>
<td>Customs</td>
<td>counterfeit</td>
<td>no</td>
<td>employers, self-employed</td>
<td>no</td>
</tr>
<tr>
<td>Private security</td>
<td>counterfeit, ambulatory trade, public order/safety</td>
<td>Not fully</td>
<td>employers, self-employed, employees</td>
<td>no</td>
</tr>
</tbody>
</table>

As in the second case, the case of prostitution was characterised by a **policy of tolerance and a laissez-faire approach** (see Table 5). The **policy of tolerance** entails that managing - as a criminal offense - was tolerated and even regulated at the local level\(^{259}\). The **laissez-faire approach** entails that incorrect declaration of labour and income was tolerated by the police, the social inspectorate services and tax offices, notwithstanding ownership of the case by the police and their prior attention to prostitution markets. Some enforcers explained that proving undeclared labour in prostitution was very hard, which is one of the reasons social inspectorate services offered little attention to prostitution markets. But it seems to us that social inspectors were also confronted with some difficulties when inspecting undeclared labour in seasonal work, where these difficulties did not stop social inspectors from executing inspections. What is the difference then? Possibly, the different nature of undeclared labour can account for the different difficulties in proving undeclared labour. In the prostitution case, prostitutes worked more hours than they declared, but their employment was declared on the basis of their horeca-contract. In essence, prostitution was characterised by under-declared labour (partial declaration), but prostitutes were registered in the Dimona-database. Seasonal workers worked on day-contracts and their employment should be declared every single day. Undeclared work in seasonal work implies that seasonal workers were not declared to the national social security office; they were not registered in the Dimona-database. As a result, the use of the Dimona-database, which records registered employment, was of limited or even no help to prove informality in the prostitution case but it was helpful in the case of seasonal work. To prove the number of working hours, a time clock for prostitution would be helpful. However, this is absent in prostitution premises.

\(^{259}\) Insofar exploitation (1) entailed purely the managing of prostitution businesses, (2) did not include serious exploitation of individuals and (3) did not cause too serious infractions on community order.
Notwithstanding the policy of tolerance, prostitution markets still received prior attention from the local and federal police given their vulnerability to sexual exploitation (NVP, 2012) which illustrates the ambiguous attitude characteristic of this case. Furthermore, notwithstanding this high prioritisation of sexual exploitation, it appeared to be very hard to tackle it in practice, which implies a difference between what the state says it will do and what the state can do in practice. The police, as main enforcer in prostitution markets, focused on administrative matters such as compliance with the communal code and detecting pimping or sexual exploitation but not on the correct declaration of working hours. As a result, their ownership and prior attention did not lead to the effective tackling of all informality in the case.

The sanctions prostitutes and managers faced were similar to the ones seasonal workers, farmers and street sellers faced. In addition, prostitutes in window and bar prostitution faced the risk of local administrative sanctions when infringing the local dress and behaviour code. If they failed to pay these fines, they were subsequently sent to the manager of the bar where the women were working. Furthermore, managers risked losing their licenses required to run a bar (e.g., fire insurance, liquor license).

<table>
<thead>
<tr>
<th>Actors</th>
<th>Main focus</th>
<th>Official priority?</th>
<th>Target?</th>
<th>Ownership case?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td>horeca, exploitation, public order</td>
<td>yes</td>
<td>managers/pimps, prostitutes &amp; clients</td>
<td>yes</td>
</tr>
<tr>
<td>Social inspectorate services</td>
<td>horeca, exploitation</td>
<td>no</td>
<td>employers &amp; prostitutes</td>
<td>no</td>
</tr>
<tr>
<td>Tax office</td>
<td>taxes</td>
<td>no</td>
<td>employers &amp; prostitutes</td>
<td>no</td>
</tr>
</tbody>
</table>

**Potential explanations re prioritisation**

Regulations are implemented in order to serve specific goals (Andrews, Caldera Sanchez & Johansson, 2011). So far, some hypotheses have been proposed regarding these goals or the reasons why the government feels the need to regulate the three cases (see Figure 1). It was suggested that the cases of seasonal work (whose main characteristic is labour) and street selling (whose main characteristic is public trade in goods) are important to regulate given the protection of fair competition (economic reasons) and the protection of labourers (moral reasons). Prostitution (whose main characteristic is private trade in services) is regulated...
insofar as it has consequences for the public decency and order, but the private sphere (the actual sexual services) is not regulated.

Figure 1: Visual representation of the relation between policy goal, regulation and enforcement²⁶⁰

Similarly, potential hypotheses can be formulated re the differences in enforcement prioritising. Why and when does the government choose to intervene and why and when does it choose not to intervene? In essence, we hypothesize - this should be food for further research - that economic and moral reasons are important in explaining governmental intervention. Re the first, we think the state intervenes to protect its economic interests such as ensuring international trade, fair competition or accurate income tax declaration. Re the second, we think protection of the physical integrity and voluntary choice of the population is of significant importance for a state²⁶¹, which could explain prioritisation of tackling economic and sexual exploitation (seasonal work and prostitution). As informal street sellers do not seem to enforce threat of any kind on customers, residents or competitors, nobody seems to be physically at risk. On the contrary, customers choose voluntarily to buy or not to buy goods from informal street sellers; sellers do not force them to buy anything. As such, nobody really experiences coercion or physical threat. In this

²⁶⁰ This figure furthermore illustrates that regulation is not a goal in se, but that regulation is a means to achieve a goal (namely control over a certain societal phenomenon or problem).
²⁶¹ It is likely that the population also expects the government to protect physical integrity of its population.
respect, the distinction Abraham and van Schendel (2005) make between licit/illicit and legal/illegal, based on the origin of authority, is interesting. In essence, licit/illicit refers to what people consider as legitimate or illegitimate whereas legal/illegal refers to what the state considers to be legitimate or illegitimate. It is hypothesized that illegal but licit activities are tolerated in practice to a certain extent (e.g., street sales of counterfeit or pirated products) whereas illegal but illicit are not (e.g., exploitation).

Several other, though related, potential reasons are identified for the restricted attention of enforcers to informal street sales. It is possible that local authorities are well aware of the potential relations with organised crime (e.g., cigarette selling, see Boels and Klima [2013]) and the lost revenues for the state (both income tax and excise tax) but that they choose not to intervene as other factors outweigh these downsides (Williams & Windebank, 1998). It is likely that informal street selling functions as a social safety net (Bhowmik, 2005; Bromley, 2000; Coletto, 2010; 2013; Williams & Windebank, 1998). This is partly linked to the finding that informal street sellers were perceived by several policymakers as victims more than as perpetrators, which could also explain why enforcers on the street chose not to intervene. As such, they tried to protect the victims/sellers from losing income or from being repatriated to their home country. Looking at the possible outcomes of intervention, informal (illegal) street sellers had a lot to lose, even more than seasonal workers and/or prostitutes. Of course, one could also argue that because of the absence of government intervention, some sellers remained victims (e.g., because they remain in an illegal stay/work status; they do not receive shelter). Is intervention thus the best option or not? The difficulties in answering such a question again illustrates the complexity of the case and of how to best regulate informality within the case.

Secondly, informal street selling was not perceived as a problem by the local community as it was embedded in everyday social life in Brussels South (see also Williams & Windebank [1998] in this respect). Also, informal sellers were not always unfair competition for other local traders as they did not necessarily sell the same goods. For instance, regular dress shops did not experience serious unfair competition by informal sellers who sold cheap clothing as their supply (and clientele) were different. Of course, one could argue that informal sellers who sold counterfeit goods were unfair competition to the original brand holders. But was the clientele the same? Did brand holders lose clientele to informal sellers?
This might depend upon the type of goods. For instance, someone who buys a counterfeit Louis Vuitton handbag is maybe not likely to buy an original Louis Vuitton handbag, mainly because of the significant price difference. The same holds for the purchase of counterfeit or original branded clothing. This is in line with Coletto’s (2013) study on informal sellers in Brazil, who offer goods that are otherwise out of reach for a community. But what about cigarettes? In this trade, not only price plays a role but clients can also be worried about health issues (e.g., no control on content of counterfeit cigarettes). As such, it is likely that several smokers might stick to the original brands. However, as the clients’ perspectives were not studied, these opinions remain mere hypotheses.

Thirdly, difficulties in enforcing the migration regulations (cf., correct identification of migrants) also had an influence on police action towards illegally staying migrants in the case. This is related to what Parker (2006, 591) refers to as the ‘compliance trap’, by which she means that enforcers cannot impose the enforcement reaction which is deemed most successful for achieving compliance if they are not backed up by higher support (e.g., policy priority lines, political will to perceive a certain type of crime as a problem that should be tackled).

Also, we hypothesize that street sales - in comparison to seasonal work - had less economic importance for the government which might also influence the restricted state enforcement. Regarding the sale of counterfeit cigarettes for instance, the position of Belgium as a transit country might lead to the government under-estimating the size of the lost tax revenues from the street sale of counterfeit cigarettes (Boels & Klima, 2013). As illustrated in the second article, the cultivation of fruit offers temporary employment to many seasonal workers. In addition, a broad range of supporting economies surround the horticulture itself such as fruit auctions and the construction of agricultural machines, which equally produce employment possibilities. Furthermore, Limburg fruit production contributes to European fruit production262. In essence, seasonal work in horticulture offers important employment, both directly and indirectly. The economic importance of street selling is less well documented. As a result, it is difficult to judge the importance of the sector for the national or regional economy.

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262 The consequences of the recent Russian decision to stop the import of Belgian fruit into Russia is illustrative for this.
What about the economic importance of prostitution? As prostitution activities are usually not declared as prostitution, no official statistics exist regarding the importance of the sector for instance in terms of employment or in terms of revenues for the state. In this respect, invisibility equals ignorance. It should be noted however, that, following a recent EU decision, estimates of prostitution (considered as part of the criminal economy) will be incorporated in the 2014 estimates of the GDP of Belgium (Van Mechelen, 2014) and UK (Monaghan, 2014). According to preliminary estimates from 2007, the importance of prostitution and drugs would amount to 0.6% of the Belgian GDP (NBB, 2010).

The abovementioned results are summarized in Table 6 and Figure 2. When these results are related to Williams and Lansky’s (2013) overview of potential policy approaches to informal employment, it becomes clear that promoting formalization by improved detection and prevention (occasional work policy and tax regimes) was opted for in the case of seasonal work. The case of street selling was mainly characterised by the laissez-faire approach or ‘doing nothing’ (Williams & Lansky, 2013, 366). The same holds for the case of prostitution at a national level. At the local level however, we can infer a promotion of formalisation by means of promoting the benefits of formal work (cf. horeca-regulation, registration of bar managers and prostitutes at the local police). How these approaches influence informality are discussed further in detail below.

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263 We used a bottom-up approach in which the policy applicable to labour in specific markets was identified and not policy measures specifically targeted at the informal economy. As such, here we in a way relate policies with different aims.

264 At the local level, however, prostitution was very topical. By the end of 2014, there needs to be a new policy plan regarding the RLD. At the moment of writing (July 2014), the city is exploring different potential scenarios.
### Table 6: Summary of the main Belgian policy stipulations concerning the three cases

<table>
<thead>
<tr>
<th>REGULATION</th>
<th>CASE 1</th>
<th>CASE 2</th>
<th>CASE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specificity</strong></td>
<td>general</td>
<td>labour, social security, migration, tax, criminal law</td>
<td>labour, social security, migration, tax, criminal law</td>
</tr>
<tr>
<td></td>
<td>case-specific</td>
<td>occasional work, housing, taxes</td>
<td>ambulatory trade</td>
</tr>
<tr>
<td><strong>Level</strong></td>
<td>national</td>
<td>occasional work, taxes</td>
<td>ambulatory trade</td>
</tr>
<tr>
<td></td>
<td>Regional &amp; provincial</td>
<td>housing</td>
<td>/</td>
</tr>
<tr>
<td></td>
<td>local</td>
<td>/</td>
<td>organisation activities on public spaces (communal code)</td>
</tr>
<tr>
<td><strong>Origin</strong></td>
<td>state</td>
<td>state</td>
<td>state</td>
</tr>
<tr>
<td><strong>Focus/target</strong></td>
<td>employers &amp; seasonal workers</td>
<td>employers/self-employed sellers/employees (general regulation)</td>
<td>Prostitutes &amp; managers</td>
</tr>
</tbody>
</table>

### ENFORCEMENT

| **Main actors** | social inspectorate services, police market, private actors, customs | inspectorate services, police, organisers market, private actors, customs | police, social inspectorate services, tax office |
| **Priority** | yes for all actors | no for all actors but organisers market | yes for police, no for inspectorate services & tax office |
| **Approach** | Policy of involvement | Laissez-faire | Policy of tolerance/laissez-faire |
| **Regulation enforced** | all (housing least) | ambulatory trade, labour | criminal law, police ordinances, horeca |
RQ2: In what way is the case characterised by informal economic activities?

In the three cases several informal economic activities were detected, mainly undeclared labour and income, illegal employment, benefit fraud\(^{265}\) and capitalizing on the income of other people. Only in the first case, seasonal work, did we find some seasonal workers and a minority of employers who claimed not to be aware of informal economic activities or who denied the existence of such activities. In the other cases most workers (street sellers and prostitutes) acknowledged the existence of informality, not only in general but several also described executing informal activities themselves. How could this difference be explained? Of course, the possibility surely exists that certain seasonal workers and employers were indeed not aware of informality or worked formally themselves. Secondly, seasonal workers might have refrained from confessing about informality out of fear of their employer's reaction (which was less of an influence for self-employed sellers and prostitutes). Thirdly, seasonal workers might know that informality was the focus of the policy and that informality was thus an important focus of enforcement, which stopped them from talking openly about it. Another possibility is that some interviewed street sellers knew claiming to work formally would be unrealistic given the nature of their products (e.g., counterfeit clothing, smuggled cigarettes) or their reference to an illegal migrant status\(^{266}\). Although confession of having an illegal migration status to a researcher and to clients\(^{267}\) might put sellers in a vulnerable position, it might be possible that sellers were more than seasonal workers used of contacts with 'outsiders' (e.g., clients) and were less afraid of enforcement, which could also explain their openness regarding informality. Similarly, as prostitution is renowned for its black earnings, claiming to fully declare income would not have been highly credible. In this respect, certain characteristics of the cases (work and workers) could explain this difference.

Regarding seasonal work we have identified a process of formalisation over the last twenty years. Nevertheless, undeclared work still occurred. Most employers were confronted with seasonal workers (apart from temporary migrants) asking for undeclared labour as this

\(^{265}\) This entails unjustly enjoying social security allowances (e.g., unemployment, illness), “uitkeringsfraude” (Pacolet & De Wispelaere, 2009, 35).

\(^{266}\) Indeed the majority of the interviewed street sellers acknowledged not being authorized to stay (and work) in Belgium.

\(^{267}\) One seller confessed residing illegally in the country during an informal conversation during the purchase of a counterfeit item. As such, he could not know the researcher was in fact a researcher instead of a client.
resulted in a higher income for them. Referring to the minimum wages (€7.84 at the time of the interviews), it was argued that not much net income would remain after having paid taxes on the income from seasonal work. In order to have a beneficial end result, undeclared seasonal work has a double advantage: 1) untaxed earnings from seasonal work (net income) and 2) no adaptation of the allowance in the case of seasonal workers receiving allowances\(^{268}\). Several respondents explained seasonal workers did not wish to have the effort of working if their work did not have much financial advantage. As some employers were confronted with difficulties finding enough seasonal workers in time (given the unpredictable weather conditions), this request from seasonal workers was sometimes complied with. Other reasons for hiring undeclared workers were increasing profit by avoiding taxes and social security contributions or by paying lower wages\(^{269}\) or carelessness (e.g., forgetting to declare, declaration of the wrong seasonal worker, seasonal workers lying about the number of worked days).

Unsurprisingly, undeclared labour and income were also found in the cases of street selling and prostitution. More specifically, in each type of prostitution we studied (window prostitution, bar prostitution, private and escort prostitution) labour and income were usually not accurately declared to the government in order to lower labour costs (e.g., through less social security contributions) and have untaxed earnings. In the case of window and bar prostitution and prostitution in private houses, women typically worked more hours than were declared and were not remunerated in accordance with the horeca-regulation (or other regulation applicable in case of private prostitution). The other side of the coin (social security contributions not in accordance with actual work and official payslips) was perceived as important by some prostitutes, but certainly not all. Self-employed prostitutes did not need to declare their working hours. Their fraud was mainly situated in the inaccurate declaration of their income from prostitution.

\(^{268}\) Or at least no adaptation of allowance when the limited amount of work and income is exceeded. The finding that several persons receiving social security allowances were combining this with undeclared work is not in accordance with the results of a recent Belgian survey on declared and undeclared work and income. The survey found that only a small minority (4.3%) of social benefit recipients had cumulated their social benefit with undeclared work (Pacolet et al., 2012, 100). Furthermore, compared with the whole sample, social benefit recipients were underrepresented as providers of undeclared work (only 5.4%) (Pacolet et al., 2012, 102).

\(^{269}\) This is partly in line with the Belgian survey that found that one of the main reasons for the supply of undeclared work is that both parties (customer and provider) take advantage of it: the customer does not pay VAT and the supplier does not pay social and fiscal contributions (Pacolet et al., 2012, 93-94).
A specific type of undeclared labour in seasonal work was the employment of people not allowed to reside and/or to work in the country (illegal employment). This type is believed to have declined over the years but still occurred. Similarly, illegal employment took place in the case of street selling, more specifically within formal markets. This then took on the form of illegal wage employment (helpers in market stands). In addition, informal self-employment by migrants not authorised to stay and/or work in Belgium also took place in the case of street selling.

In the three cases (social) benefit fraud was detected as some social benefit recipients did not declare their labour and/or income from work to the relevant offices. In that respect, their allowance was not adapted as a function of their income from work and they thus (partly) unjustly received social security allowances. This is interesting as Pacolet et al. (2012, 120) conclude - on the basis of their survey results - that having and maintaining entitlements to social security and welfare prevents people from engaging in undeclared work.

Another aspect of social fraud was social contribution fraud which entails unjustly avoiding paying social security contributions on labour (which is a direct result from undeclared work). In the case of street selling, other types of labour that was not compliant with the regulation were detected such as people selling without authorisation for ambulatory trade and/or the sale of counterfeit goods, both within and outside formal markets.

Although not uniformly acknowledged, go-betweens were found in the case of seasonal work. Go-betweens procure employment for seasonal workers in exchange for a one-off payment. Typically, they were active in the recruitment facilitation of seasonal workers who do not live in Belgium (e.g., East-European citizens). Remarkably, many foreign seasonal workers did not see any harm in paying go-betweens for their services. As most employers argued having established a big enough network over the years, they believed the hey-day of

270 One of the explanations they offer, is that more or less the same skills and knowledge are asked in the formal and in the informal economy, which may imply that people experiencing difficulties in finding a job in the formal economy may also experience difficulties in finding one in the informal economy (Pacolet & De Wispelaere, 2013b). However, as we argue elsewhere (see ‘the nature of the informal economy – Work/activities’) informal work in the three sectors studied in this dissertation requires some basic skills, but limited to no specific skills.

go-betweens have faded. Similarly, in the prostitution business pimps organised a job in window prostitution for certain women. The difference with go-betweens is that pimps were not satisfied with a one-off payment but took money from prostitutes on a regular basis and basically lived on the prostitutes’ earnings. They furthermore usually controlled the work and lives of their victims.

According to several respondents, economic exploitation happened in the past in seasonal work, mainly in the Indian Sikh community. Forced labour was less prevalent in street selling in that sellers were not deliberately transported to Brussels to work as street sellers. The main identified reason for this was that street selling does not yield enough profit and that thus other sectors are more interesting for capitalizing on forced labour. However, another type of pressure could have a role in street selling. As several sellers had limited job and income alternatives, they were forced to do anything to earn a basic living. This pressure was not exerted by other people, but by the circumstances sellers found themselves in. Of course, such a situation opens the door to exploitation. In this respect, disc-sellers dwelling the streets and cafés under the authority of a large-scale dealer in exchange for board and lodging might be perceived as such a type of exploitation: a person arrives in Brussels, has no income, meets someone of the same ethnic/religious background and comes into contact with street selling and dealers, who subsequently can easily exert power over the newly arrived person.

In sum, undeclared labour and income appears in the three cases but could take on slightly different forms depending on the specific case (e.g., exceeding 65 days at lower social security contributions, unlicensed selling, working outside contract hours). Social benefit fraud on the other hand is similar in the three cases: failing to declare employment activities in order to have the illegitimate advantage of a full benefit and income from work. Current (self-)employment of migrants who are not authorized to stay in the country was mainly found in the case on street selling.

**RQ3: If informal economic activities are present, what are the motives of people to engage in them?**

The identified motives for informality in the three cases, in general of financial nature, are applied to the theoretical framework on the informal economy as established in the
introduction (cf. four schools of thought). This application is summarized in Table 7. This entails applying data obtained from a micro-level analysis to macro-level theories, which may account for some of the difficulties described hereunder.

Informal seasonal work was usually not performed by temporary migrants. They did not ask for undeclared work as this did not offer them additional benefits: they were happy with the official earnings and wished to avoid problems with enforcement agencies. Seasonal workers illegally in Belgium chose undeclared seasonal work because they were excluded from the formal economy, which could reflect a dualist or a structuralist perspective. Belgian seasonal workers and foreigners staying more permanently in Belgium did not perceive seasonal work as a main mode of income generation, but as an additional employment to a formal job, social benefit allowance and/or in anticipation of a better job alternative (as seasonal work is by definition temporary). As such, the last point confirmed that the informal economy is less demanding than the formal economy, for instance in requiring evidence of knowledge (Shapland, 2012). Furthermore, it also indicates that even in a country with a well-established social security system, some perceived the aid this system provides as insufficient. This indicates that the informal economy offered an additional income to certain people in need, which bears resemblance to the dualist and structuralist schools on the informal economy. Of course, this is somehow jumping to conclusions for two reasons: (1) these seasonal workers were to a certain extent excluded from the formal labour market as they had difficulties finding formal employment but they did receive formal benefits which implied them still being incorporated formally in society and (2) we did not look at the macro-structures and explanations at the macro-level for informality.

These and other seasonal workers also deliberately preferred to work informally because they felt taxes were too high (declared labour would result in low net income), which reflects more a voluntarist perspective. A minority of the seasonal workers explained social contacts were important in executing seasonal work, which could point to the importance of the post-structuralist school. For instance, some helped out neighbours or a farmer friend.

272 Purely on the basis of this motivation, this is also in accordance with the dualist school of thought as we did not look into explanations for informality on a macro-level.
273 Better refers to more permanent work with higher remuneration. In this respect, it is important to note that seasonal work was rarely done by autochthonous Belgians any more, but mainly by migrants who had few alternatives.
274 As such, we cannot distinguish between the importance of the dualist and structuralist school of thought.
However, as the financial aspect still played a role in the choice for informality by these seasonal workers (wish to retain enough net income), a purely post-structuralist perspective was not found. The money earned from seasonal work was seldom perceived as good money by these Belgian and foreign workers staying in Belgium. In this respect, it is important to note that - in contrast to the literature (Jütting & Laiglesia, 2009 in Williams & Lansky, 2013) - mean informal wages were sometimes, but not necessarily lower than mean formal wages. The phenomenon of envelope wages (European Commission, 2014; Williams & Padmore, 2013) was exceptionally mentioned by a minority of employers. By using the system of piece-work, minimum hourly wages (which were paid officially) were complemented with a non-declared wage based on the amount of fruit picked.

Farmers may hire workers informally because of recruitment difficulties. Some small-scaled farmers did not have the possibility of hiring formal temporary migrants (e.g., because they have no housing possibilities or because they have not enough work to attract temporary migrants\textsuperscript{275}) and thus fell back on local seasonal workers who preferred undeclared work. Also, some small-scaled farmers tried to reduce labour costs by hiring informally in order to be able to compete with bigger farms, which is in line with the structuralist school. This is in line with Rickles and Ong’s (2010) statement that firms operating in labour-intensive, low-skilled industries that face strong competition from businesses in other political jurisdictions are more likely to face a greater incentive to rely on informal work. However, some reduced labour costs just in order to increase profit. Another reason for farmers to hire undeclared seasonal workers was the wish to keep good seasonal workers and to avoid investments (time and money) for training of new seasonal workers\textsuperscript{276}. Also, the difficulties in planning the need for workers (ripeness of fruit highly depends upon the weather which is difficult to forecast) had an influence in hiring undeclared workers (hiring whoever one can find to safeguard the harvest). These last two reasons for undeclared work are more difficult to assign to a theoretical model. Lastly, the use of go-betweens - in order to facilitate recruitment (for farmers) and employment (for seasonal workers) - partly supports the

\textsuperscript{275} Temporary migrants typically wished to work 65 days without too much interruptions so that they could quickly return home.

\textsuperscript{276} Similar reasons were found by Ghezzi (2010) in his study on informal work in industrial districts in Lombardy (Italy).
legalist school as the services of informal go-betweens entail less administrative burdens than working with formal employment mediators.

This case study does not confirm that exclusion is more applicable to waged undeclared work and exit to own-account workers as both motives were present in this case. It does partly confirm the suggestion that exclusion is more relevant to relatively deprived populations (see Williams & Round [2010] and Williams et al. [2012] for an overview of authors making these claims) but this suggestion does not hold for all informal seasonal workers or farmers hiring undeclared workers.

### Table 7: Application of motives for informality in seasonal work, street selling and prostitution to the theoretical schools on informality

<table>
<thead>
<tr>
<th></th>
<th>Dualist</th>
<th>Structuralist</th>
<th>Legalist</th>
<th>Voluntarist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal work</td>
<td>x(?)</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Street selling</td>
<td>x(?)</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Prostitution</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

The second case study also highlighted motives supporting different theoretical models. Informal **street selling** was often done by migrants staying illegally who had no other formal means of income. As they were not allowed to stay and work in the country, they were not eligible for a formal job or benefits/allowances. Thus, facing barriers to formalisation and lack of alternative opportunities (which reflect a dualist and structuralist explanation of the informal economy), informal channels - such as informal street selling, other informal jobs or borrowing from friends and acquaintances - were their only option. As Saitta (2013, 2) points out, this case illustrates that the informal economy indicates the incapacity, or the lack of will, of the state to include certain classes of citizens in its sphere of influence and protection. Importantly, even if people obtained residence and work permits, some continued informal street selling because they did not meet the criteria to have a formal job (e.g., language skills, qualifications; see Shapland, 2012). Other sellers, who could fall back on benefits, still performed undeclared street sales - both self-employed and waged - because they could not meet formal work criteria to supplement their income (from work [formal or informal] or from benefits) or to avoid the administrative burdens of formalisation (e.g., East-European cigarette sellers) (cf., legalist school). In this respect, this case highlights more than the other two cases the importance of social and ethnic structures in which people are imbedded (Coletto, 2010) and their cultural background to explain why people
start and continue with (informal) street selling. Also, informal street selling - as a more permanent manner of gaining an income in comparison to seasonal work - functioned more as a survival strategy than seasonal work, which could be executed by definition only for a delineated period. Nevertheless, usually informal street selling offered enough remuneration to fulfil basic needs such as housing and food.

Hiring informal street sellers to help on market stalls was mainly explained by the need to reduce labour costs in view of the competition, thus reflecting a structuralist perspective. Furthermore, the hypothesis still remains that informal street sales may also be a habitus (Saitta, 2013), a mode of income-generation one is used to. Again, this case contradicts the suggestion that exclusion is more applicable to waged undeclared work as self-employed sellers could be considered to be excluded for formality. It does however confirm the suggestion that exclusion is more relevant to relatively deprived people than to affluent groups.

Applying the theoretical models to prostitution is not easy because there is not always a formal counterpart of prostitution-related activities (e.g., exploitation of prostitution). As such, it is not possible to execute certain activities in a formal way, which means that people are automatically drained towards informality or even criminality. Furthermore, most respondents did not distinguish motives for prostitution from motives for informality. This could be explained by the fact that prostitution was perceived by most respondents as intrinsically related to informality: when working as a prostitute, it was normal that not all income be accurately declared. However, this does not rule out that non-financial factors also played a role in starting with prostitution: not all interviewed prostitutes started with prostitution for financial reasons. Most women working in prostitution partly worked informally in that not all work and income was declared. The reason for this was to keep their anonymity (as prostitutes) and an amount of untaxed earnings. For some, prostitution was perceived as a temporary means of income, for instance to pay off debts or to pay for studies. As a result, as much money as possible should be earned in a limited time span\textsuperscript{277}, which could be done by not declaring all income from prostitution (where earnings were already quite high). Especially by women who had to pay off debts, were untaxed earnings

\textsuperscript{277} This does not rule out that, as illustrated in article 4, prostitution is often undertaken longer than initially planned.
deemed necessary to have a decent living because their official earnings were used to pay off debts, which resulted in limited cash to pay rent and daily expenses. In addition to a survival strategy, prostitution is also considered as an advancement strategy by women who see it as way to facilitate investments in future plans.

For the majority, prostitution was the only means of income. For workers who had several means of income however, prostitution was added to a main job or allowance. This does not mean that prostitution yielded less earnings than the other job or the allowance. Should prostitution and its earnings be declared, this would lead to an adaptation (or maybe an abolition) of the allowance. Others did not give a specific reason, but simply highlighted that untaxed earnings were always better than taxed earnings as they retained more money in the end. Some self-employed women did specifically refer to the high tax rates and found the administrative formalities that needed to be complied with a burden, which is in line with the voluntarist and legalist school. The reasons for working with a pimp (or pimping) are not incorporated in any of the models (but pimping is part of the criminal economy instead of the informal economy, which may partly explain this). All in all, not all motives are easy to attribute to one or more theoretical models.

Much of the informality found in the three cases was in essence about non-compliance with regulatory stipulations. As such, the motivations for non-compliance could be related to theories explaining regulatory compliance, in addition to theories about the nature of the informal economy. According to Nielsen and Parker (2009), such theories can be divided into three categories, namely those that see people as motivated by (1) economic calculative motivations (the fear of detection of violations and application of sanctions), (2) social motivations (the desire to earn respect and approval of significant others and (3) normative motivations (sense of moral duty to comply and agreement with the legitimacy of regulation). As such, without going into details, our results indicate that working informally was for some a calculated choice (and thus offered some support for the first type of theories). Others highlighted other motivations that are more difficult to fit into one of the three groups (e.g., wish to avoid administrative burdens or taxes who are felt as too severe). Indeed, as van Erp, Huisman, van de Bunt and Ponsaers (2008) state, fear for punishment not always stops people from non-compliance. Furthermore, they argue that inspection can also have a reverse influence, namely the development of strategic behaviour which was
found in the case on street selling where street sellers had adapted their behaviour to police patrols (e.g., hiding of cigarettes).

**RQ4: What is the influence, if any, of policies on informal economy in relation to the case?**

This research question aims to find out if policies (regulation and enforcement) that are applicable to each case had an influence on informality in the cases. In the second article we argued that **seasonal work** in South Limburg was characterised by formalisation, mainly under the influence of the regulation (general and case-specific) and its meticulous enforcement. In this respect, we have for instance pointed to the lower labour costs resulting from the occasional work policy. Furthermore, the enlargement of the European Union and the recognition of labourers in horticulture as a bottleneck profession have facilitated the recruitment of seasonal workers from new European countries. Citizens of these countries appeared motivated to conduct formal seasonal work as they could earn a lot of money according to their standards without being away from their family all year round. Other regulatory stipulations were identified to have a positive influence on the formalisation process such as the electronic immediate declaration of employment (which facilitated inspections), the abolition of the restriction on the number of seasonal workers employers could hire (which was presumed to diminish reasons to hire informally) and joint inspections by social inspectorate services (and their financial consequences). Notwithstanding this **formalizing influence**, informality still existed in seasonal work and regulation also seemed to have an **informalizing influence**.

Interestingly, the regulatory stipulations had a divergent influence: the regulatory measures with a decreasing influence on informality were different from the regulatory measures with an increasing influence on informality. In other words: the measures perceived to increase informality (e.g., regular tax system\(^ {278} \), restriction of 65 days for seasonal workers) were not the same as the measures perceived to decrease informality (e.g., enlargement of the EU and bottleneck profession). Regulatory measures did not seem to have an increasing and

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\(^ {278} \) More and more employers made use of the regular tax system, in which the names of the seasonal workers are revealed to the tax office. Seasonal workers were thus known to the government. Many preferred to remain invisible as seasonal workers to the government (e.g., in order to avoid adaptations of allowances) or wished to avoid paying taxes. As a result, they asked employers who work with the regular tax system, not to be declared.
decreasing influence on informality at the same time. Following Chen, Jhabvala and Lund’s (2001) advice, we can distinguish the policy influence on self-employment (e.g., employers) and waged work. Then we see that the more frequent use of the regular tax system and the restriction to 65 days enhanced the demand of some Belgian seasonal workers for undeclared labour. The lower labour costs, enlargement of the EU and the application of Dimona were perceived to have decreased the demand for undeclared labour by employers. As such, in general, the main regulatory measures that decreased informality did so by diminishing the demand by employers for undeclared labour. Due to these measures, employers had less incentives to ask for or accept undeclared labour. If they could fill in their vacancies with formal workers, why would they risk hiring seasonal workers informally given the real risk of being controlled and sanctioned? The fact that informal workers cost less (e.g., no social security contributions paid by employers), appeared not always to weigh up against the possible risks. On the other hand, the main measures increasing informality (or not refraining informality) did so by leaving the demand of certain seasonal workers for undeclared labour.

Of course, the situation was a little more nuanced than that. For instance, not all employers could comply with the housing regulations for seasonal workers, which is why some employers were at the mercy of seasonal workers who asked to work undeclared. In this respect, this increasing regulatory stipulation did not influence the demand of seasonal workers for undeclared labour, but the demand of employers. Furthermore, as some small-scaled farmers were not able to employ foreign seasonal workers, the enlargement of the EU had little influence on them.

In sum, for the case of seasonal work, we have detected a process of formalisation characterised by a reciprocity between the policy and the informal economy. This is associated with a formalizing influence in that the informal economy in that case was partly formalized (Williams & Lansky, 2013). How did this happen? The combination of regulation and its enforcement led to significant groups of seasonal workers, working informally, being largely replaced by temporary migrants working formally. Such a process of formalization was not detected in the other cases.
For **street selling**, the case-specific regulation did not seem to have a particular influence on informality, which could be explained by the fact that it was hardly enforced. Migration policy however, which does not allow people without a residence permit to work formally and which does not always enable forced repatriation, had a positive influence on informality executed by migrants staying illegally (not on other sellers). These migrants had few alternatives but informality, of which street selling was one.

In contradiction to the first case, the enforcement side of the policy hardly deterred people from informal street selling. First of all, given the lack of priority given by public enforcers to the activities, targeted inspections were not very frequent (cf. laissez-faire approach). Secondly, as police patrols were usually not focused on law enforcement, the mere presence of police was not very deterrent. This did not rule out inspections being feared by sellers as they could lead to confiscation of goods. However, due to a lack of viable alternatives for income generation, the enforcement side hardly deterred (illegal) sellers from informal selling and the activities could be seen as a perceived risk. Furthermore, some sellers adapted their behaviour in reaction to inspections (e.g., carrying less cigarettes; lying about nationality) (Gill, 2002), which could be perceived as an unwanted result of enforcement. As the actions of private detectives, hired by legal producers, hardly influenced the sellers themselves, they had little deterrent influence either.

Also, in the case of inspections by public enforcers, informal sellers could invent stories regarding their presence in a market stall or could simply run away. The latter was also the case for seasonal workers, active in orchards so that cannot count as a full explanation for the confined deterrent effect of inspections. What other differences were there then between seasonal workers and street sellers? The seasonal workers in our study had to a greater extent than the street sellers other possibilities to gain income (in Belgium and abroad) so they were less dependent on seasonal work for their basic income. Also, social and ethnic bonds were important to explain why people turned to street selling. We have identified different groups of sellers (e.g., North-African sellers, black African sellers) who lived and worked in their niche/community. In these specific communities, street selling was an essential part of everyday life. This again was less the case in seasonal work. Not only were there more different groups of seasonal workers (cf., four subgroups), but seasonal work did not make such an essential part of their lives partly because of its temporary
nature. Seasonal labour was by definition temporary, which implies that seasonal workers usually had other means of income during periods they did not work as seasonal worker. This was not the case for street selling. Street selling was less temporary: many sellers had no other income alternatives thus they needed to continue their activities in order to earn a living. All in all, the combination of the regulation and slack enforcement went hand in hand with a status-quo of informality or could even have an informalizing influence.

Similarly to the case of seasonal work, the regulation (or lack of regulation) had an influence on informal activities related to prostitution. Prostitution was not recognised as an official profession but could be done formally (in compliance with regulations regarding self-employment). But one could understand that the lack of recognition of a profession does not stimulate declaration of activities: why declare something to the government (who earns taxes on it) that is not officially recognised? Concerning the management of a prostitution business, a double influence was discernible. In Ghent, an illegal phenomenon (exploitation of prostitution) was partly formalised by applying the horeca-regulation to window and bar prostitution (it regulated an illegal phenomenon and shifted it into the formal economy). However, the same horeca-regulation offered some opportunities to facilitate partial declaration of employment and income (and thus facilitated informality). As such, the policy had a neutralizing (formalization and acceptance of managing prostitution business) and an informalizing influence at the same time. Whereas in the case of seasonal work, some regulatory measures were found to positively influence informality and other measures to restrain informality, we found that one and the same regulation regarding prostitution and its exploitation had a neutralizing influence whilst at the same time facilitating informality.

Above, we have described the policy of tolerance/laissez-faire approach in this case. An illustration of this approach is the restricted number of thorough interventions by the tax office or the social inspectorate services. As a result, such inspections did not have a deterrent influence. The laissez-faire approach was highly visible in the domains of undeclared labour, income and activities ancillary to prostitution (e.g., advertising). A potential reason for not tackling advertising for prostitution was that it helped enforcers to detect hidden prostitution. For instance, investigations on exploitation (could) originate from simple checks based on contact information on the internet. Unsurprisingly, this approach did not have a highly deterrent influence on participants regarding informality. Regarding
public order, the police were very active in the RLD. Furthermore, regarding pimping and sexual exploitation there was no laissez-faire approach any more. However, problems existed regarding the gathering of proof. This, in combination with the lucrative nature of these activities, enabled the continuation of these phenomena.

In sum, different influences of regulation and its enforcement were detected in the different cases which illustrates the importance of case specific analyses. This importance is furthermore illustrated by the finding from Pacolet et al. (2012, 117) and the Eurobarometer on undeclared work (European Commission, 2014) that the perceived risk of being discovered for doing undeclared work in Belgium is considered as low\textsuperscript{279}. More detailed, sector-specific analysis nuances this general finding. The results of the case study on seasonal work furthermore suggest\textsuperscript{280} that a major aim of the regulation (tackling informality) has been achieved. The cases on seasonal work and street selling equally demonstrate that the mere existence of regulation is not sufficient to tackle informality; enforcement of the regulation is also essential.

RQ5: How do respondents perceive the main Belgian policy provisions?

Interestingly, most seasonal workers did not have very pronounced views on the case-specific policy. Some Belgians and permanent migrants did find the restriction of 65 days somewhat low but still sufficient. Most temporary migrants found that enough for two reasons. First of all, they argued they could earn enough money in that period. Secondly, most of them were happy to be able to return home to their family and friends. Although employers acknowledged the necessity for the lower labour costs for the fruit sector to survive (referring to the principle of demand and offer which does not enable to integrate labour costs into the price of fruit), several still expressed regret regarding the limitation on the number of days seasonal workers can work at lower social security contributions (and the limitations on the accumulation between allowance and income from work). Furthermore, the housing regulation applicable to the fruit sector was perceived by several employers as too strict or too expensive. The fixed tax system was perceived as positive by the majority of employers since it facilitated recruitment of non-temporary migrant seasonal

\textsuperscript{279} Interestingly, the 2014 Eurobarometer reports that 36% of the respondents in Belgium think that people who carry out undeclared work have a high risk of being detected by relevant authorities. On the other hand, 60% considered the risk small (European Commission, 2014).

\textsuperscript{280} Suggest, but not demonstrate (cf., no effectiveness study).
workers (who do not pay taxes on their income from seasonal work in that system). Regarding the inspections varying perceptions exist: whereas some employers spoke of a ‘reign of terror’, others had no problems at all with existing inspections. Most temporary migrants were indifferent towards the enforcement aspect.

Informal street sellers did not have specific opinions regarding the ambulatory trade regulation as they did not comply with it. They were not confronted with it because most could not or did not want to comply with it (e.g., criteria in order to obtain an authorisation). They were not occupied with the case-specific regulation, it did not form part of their everyday life. For formal sellers, ambulatory trade regulations were formalities that can easily be done by service firms. Given the limited attention sellers gave to the regulation, this topic did not receive prior attention in interviews. Regarding the inspections, most sellers unsurprisingly did not appreciate them much but saw it as a part of their job and thus perceived it as a potential continuous risk they faced.

The prostitution case was characterised by the most attention offered by respondents towards the policy. This could partly be attributed to the fact that some workers were more concerned about policy issues regarding prostitution than in other cases. Partly this was also induced by the researcher given the actual discussion and European policy changes towards prostitution markets. Importantly, varying opinions were detected given the divergent interests of respondents. Most regulators, enforcers and social workers had ambiguous perceptions regarding the local approach towards prostitution markets, referring to the fact that the system had both advantages (e.g., possibility to build up social rights if one wanted to) and disadvantages (e.g., hypocritical system, lack of hygienic and psycho-medical provisions, social security not in accordance with actual labour, not in accordance with reality, not enough tools to combat sexual exploitation). However, the majority of these respondents found the local approach practicable given the restrictions local authorities face (cf., criminalisation of third parties, local regulation only to protect public order and decency) when handling prostitution markets. Notwithstanding, several respondents still favoured regulation of prostitution and its ancillary activities at a national level, in order to enhance the protection of prostitutes, clarify the legal framework in which enforcers

\[281\] With this term, we mean firms specialised in accounting and business administration (e.g., regarding declaration of personnel, social security matters).
operate, facilitate detection and exclusion of excesses, and enhance the income for the government. Prostitutes also differed in their opinions on the regulatory approach regarding their work although most were neutral to rather satisfied with the current approach that offers them relative anonymity, the possibility of untaxed earnings, the possibility of building up social rights and relative freedom. This does not rule out that some of these prostitutes favoured the introduction of certain rules regarding hygiene and health care. A minority of prostitutes were outraged about the hypocrisy of the system and the lack of official recognition of prostitution as a profession. However, as most prostitutes insisted on the maintenance of their anonymity, not all were in favour of regulation of prostitution and its related activities. On one point there was consensus between prostitutes and experts: criminalisation of clients was not perceived as a viable alternative as this was believed to lead to a shift to more hidden prostitution.

Section conclusions

The divergent enforcement found in the three cases is in line with Gill’s (2002) statement that there is a great diversity in interactions between regulators and markets. Only in seasonal work was and still is informality perceived by the governments as a potential problem. This is reflected in the fact that the sector has received relatively high enforcement attention through the years and still is considered as a sector sensitive to social fraud by the SIOD. Given the limited enforcement capacity, it is not possible to control all markets with the same dedication and energy. As a result, prioritisation is absolutely necessary. Notwithstanding this, it is interesting to note that our results point to a process of formalization in seasonal work which suggests that although the market still needs continuous attention it might be the time for the government to re-assess the sensitivity of different sectors. This is partly in line with the finding of Pacolet and De Wispelaere (2009) in their study on the development of an observatory for the underground economy, in which interviewed enforcers (e.g., members of inspectorate services, magistrates) indicated they insufficiently knew which sectors needed prior enforcement attention. This was attributed (by the enforcers) to the fact that attention remains focused on the traditional sectors sensitive to fraud and as long as infractions are detected in these sectors, other sectors
Part III: Cross case analysis, discussion and conclusion

remain into oblivion\textsuperscript{282}. Indeed, street selling and prostitution, both of which received no prior attention from the government and the SIOD, were characterised by a considerable extent of informality, whereas seasonal work was characterised by a process of formalization. In this respect, we may argue that the prioritisation of seasonal work has paid off, but that other markets sensitive to informality, such as prostitution, are neglected. We have suggested several potential reasons for not prioritising street selling and prostitution, which should however be studied further.

Possibly, the three cases are situated in a different historical stage in a regulation process. Horticulture and seasonal work are characterised by a past of informality which has led to government intervention in order to clean up the sector. At the moment of writing\textsuperscript{283}, the regulation on prostitution and its related activities (e.g., managing brothels) is in full evolution at the local level. The city is searching for a different approach towards the RLD as it does not seem to fully control the nuisance related to the prostitution business. The primary aim of the city remains tackling nuisance related to the RLD, not to tackle informality. Similarly, at the European level several policy changes were taken recently (e.g., non-binding resolution by the European Parliament stimulating criminalisation of clients; criminalisation of clients in France). Notwithstanding these evolutions on higher (European) and lower (local) levels, no concrete developments are detected at the national level. For the moment, prostitution is as it were ignored by the federal government, notwithstanding several bills are introduced and violence against women and sexual discrimination is topical\textsuperscript{284}. However, the fact that prostitution will be incorporated in the estimates of the Belgian GDP as from 2014 (De Smet, 2014; Van Mechelen, 2014), might indicate some changes in this area.

As mentioned above, the national law on ambulatory trade was adapted in 2006 partly to facilitate inspections on markets, which illustrates that there is some interest in the sector. Similarly, paper licenses were exchanged for electronic licenses. However, the latter might

\textsuperscript{282} This is similar to a potential risk of risk-based regulation (in which inspection and enforcement sources are targeted on the basis of an assessment of the risks that a regulated person or firm poses to the regulator’s objectives), namely that resources may be too much focused on known and familiar risks and that regulators may fail to pick up new or developing risks (Baldwin & Black, 2008, 66; Rickles & Ong, 2010).

\textsuperscript{283} June 2014.

\textsuperscript{284} In March 2014 a new draft law on discrimination against women was approved by the Justice Commission. The draft was established by Joëlle Milquet, minister of Equal Opportunities, who previously expressed her support for the criminalisation of clients of sex workers.
be helpful to check the regular, formal ambulatory trade but not to check the informal counterpart in which sellers do not have a license at all. The purely informal street selling is not affected by these regulatory changes. Perhaps actual changes in the regulation of informal street trade requires the prevalence of significant problems. As long as authorities are not confronted with significant problems, they might assume intervention is not required.

Regulating the informal economy: the usefulness of responsive regulation theory?

The previous section illustrated how the government handles informality in the three cases. In this section, we relate the empirical results to responsive regulation as developed by Ayres and Braithwaite (1992) as this is one of the most influential regulation theories (Bisschop, 2013b; Nielsen & Parker, 2006; van de Bunt, van Erp & van Wingerde, 2007; Van Erp, 2008). More specifically, we explore the usefulness of this theory - and more specifically the regulatory pyramids - for regulating the informal economy by applying them to the empirical results. Therefore, it is not the intention to test whether the regulatory pyramids are correct. It is, however, the intention to apply the pyramids to the three cases, see how the pyramids are manifested throughout the three cases and explore which aspects of the pyramids find support in the empirical results. We thus consider the extent to which the pyramids apply to our empirical results. In this theoretical application, the markets (and the people in it) are the analysis unit: we study how the markets are regulated and how enforcement is manifested (Gill, 2002). For this analysis, it is important to remember the partially inductive nature of the study. As the empirical results with the purposes of relating them to this specific theory, some information might not be as extensive as required for a full analysis. This section starts with a brief reminder of the terminology and the conceptualization of regulation. Afterwards, the regulatory pyramids are applied to the empirical results from the three case studies. The section ends with a conclusion on the usefulness of responsive regulation for the regulation of the informal economy.

Conceptualizing regulation

As mentioned in the introduction, the terminology used throughout this dissertation somehow differs from the terminology used in the regulation literature. We have used working definitions in order to clearly limit the scope of the empirical research. For this
purpose, we have adopted the term ‘policy’ to refer to the combination of regulation and the enforcement of regulation. The term ‘regulation’ was used to refer to the official body of laws and decrees at the federal, regional, provincial and/or local level. The term ‘enforcement’ referred to actions taken by different official actors to verify compliance with regulation. We adopted this state-centred approach (Black, 2002) because we aimed to identify how the government deals with the informal economy in different cases. The distinction between regulation and enforcement was prompted by the aim to offer a more nuanced empirical analysis.

Application of responsive regulation theory and the regulatory pyramids

Pyramid of regulatory strategies

We start by establishing a pyramid of regulatory strategies for the three cases, based on the empirical results. A main assumption of this pyramid is that law enforcers should be responsive to how effectively citizens or corporations regulate themselves before deciding whether to escalate intervention (Braithwaite, 2006).

Case 1: Seasonal work

For seasonal work, the pyramid is summarized in Figure 3A. The bottom of the pyramid - self-regulation at the individual level without governmental interference - refers to the agreements that are established at the level of an individual farm or farmer between (1) the farmer and seasonal workers and (2) the farmer and one or more fellow farmers. On the one hand, the farmer and the seasonal workers make arrangements on the starting hour of work, the timing and length of breaks and the work division. Such arrangements are clearly not the same in each farm. Furthermore, farmers often make arrangements with seasonal workers about the recruitment of new seasonal workers; for instance, farmers ask whether seasonal workers can help him/her finding additional or other seasonal workers for the next year. On the other hand, some farmers make arrangements among themselves regarding the housing and employment of seasonal workers. Farmers sometimes let their accommodation facilities for seasonal workers to other farmers who have no such
facilities. Additionally, in case little work is available on one farm, the farmer can ask a colleague to temporarily employ ‘his/her’ seasonal workers in order for them to have continuous work. These ideas do not entirely fit the definition of self-regulation proposed by Baldwin et al. (1998, 27) nor the idea of Ayres and Braithwaite (1992), namely that the pyramid of regulatory strategies reflects strategies aimed at a whole industry. That is why this level is put in italics in the visualization. Self-regulation at the individual level refers more to agreements made by individuals which are not bound by sector or market and are thus not enforced to the larger community of farmers. Furthermore, these arrangements have no direct influence on the market of seasonal work/horticulture. Interestingly, no self-regulatory arrangements were found between seasonal workers among themselves.

The second level is referred to as self-regulation at the sector level with governmental interference. This level comprises the elaboration of collective labour agreements. These can be agreed upon between one or more employees’ organizations (labour unions) and one or more employers’ associations or one or more employers. In such agreements, individual and collective relations between employers and employees in corporations or in a sector are determined. The government is not involved in the establishment or elaboration of these agreements, but can ratify certain collective labour agreements. Importantly, not all agreements are ratified by the government and not all employers are subject to such agreements. This depends upon the type of collective labour agreement. If collective labour agreements are ratified, infractions can result in penal sanctions (social inspectors check compliance). In the case of seasonal work, collective labour agreements were established at the level of the horticultural sector. For instance, such agreements define the term ‘seasonal work’ or establish the wage and labour conditions.

At a third and fourth level, the government has also established rules for the sector that are not covered by self-regulation (see RQ1). For instance, the regional level has established the housing regulations (decree of the Flemish government), part of which is also subject to

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285 For instance, a farmer growing pears usually has no or a limited number of seasonal workers on duty during the picking season for soft fruit. He is therefore able to house seasonal workers of a fellow farmer growing soft fruit who has no accommodation facilities in exchange for a remuneration.

286 Art. 5 Law of 5 December 1968 concerning the collective labour agreements and joint industrial committees.
provincial regulation\textsuperscript{287} (mobile housing). Similarly, the decision as to which professions are considered to be bottleneck professions has equally been enacted by the Flemish Region. Employment of foreigners\textsuperscript{288} and social security regulation on the other hand are regulated at the federal level.

\textsuperscript{287} Urban development ordinance regarding the temporary housing of seasonal workers in the province of Limburg. Province council Limburg, 19 March 2008 (Stedenbouwkundige verordening m.b.t. de tijdelijke huisvesting van seizoenarbeiders in de provincie Limburg, Provincieraad Limburg, 19-03-2008).

Regulating the Belgian informal economy? A case study in three markets

Figure 3: Pyramids of regulatory strategies in seasonal work, street selling and prostitution on the basis of the empirical results
Case 2: Street selling

The case of street selling (Figure 3B) is also characterized by several regulatory strategies. As is the case with seasonal work, some self-regulation at the level of individual sellers was identified (in italics). For formal street selling, self-regulation was limited to some clarification regarding selling prices from established sellers and even market regulators to new sellers on markets: newcomers were stimulated or alerted to attune their prices to the ones of competitors. This is clearly an unofficial measure, which is also anti-competitive. According to a regulator, this was mainly done in order to avoid newcomers asking lower prices. In order to curb competition, market managers also limited the number of stalls or sellers with similar products.

In the case of informal street selling, there was more self-regulation between sellers (as opposed to managers). Our results suggest that at least some informal sellers made arrangements amongst each other concerning the places of selling (cf. cigarette sellers) or prices (cf. perfume sellers). They also informed each other about police presence or inspections. Furthermore, sellers in cafés needed to behave in such a way that they were not denied access by café owners. This means an unspoken behaviour code was complied with in order to retain an informal selling ‘license’\(^\text{289}\). In that way, informal street selling as an informal market was in part self-regulated by its main participants.

In case sellers did not make specific arrangements, market principles drove them to organize themselves to maximize success, for instance not being active in each other’s near surroundings (e.g., telephone card sellers) or determining competitive prices. This type of self-regulation does not only influence individual informal sellers, but also affects the market of informal street selling. A reason for this self-regulation of the informal sector, could be the absence of or non-compliance with state regulation in these matters. Firstly, informal sellers did not comply with the existing state regulation; otherwise they would not be defined or considered as informal. Informal sellers did not have a fixed spot in a market to sell their products and thus needed to create their own system in order for the business to take place in an orderly fashion. Secondly, some matters were not regulated by the state, even if sellers complied with the existing state regulation. An example was the

\(^{289}\) License is put between inverted commas here as it refers to a purely informal agreement in this context, not a written piece of paper.
determination of the products’ prices: the state does not interfere with this, as this is usually determined by market principles such as demand and supply or competition. In short, informal sellers did not comply with state regulation and hence worked informally, but to a certain extent some established their own rules.

Self-regulation at sector level is one level up in the pyramidal structure. According to the economic inspectorate, regulation resulting from negotiation between employers’ federation(s) and employees’ federation(s) was limited in this market given the predominance of self-employed sellers. However, traders could indirectly influence governmental regulation thanks to the advisory function of the Board for the Independent and SME’s. As illustrated above, self-regulation of informal street sellers among themselves could also be seen as a type of self-regulation at sector level as this influences the informal market as a whole.

The third level entails governmental regulation at the local level, which was mainly observed in the practical organization of street selling and the delivery of selling authorizations (see also RQ1). To help local governments establishing communal regulatory codes on ambulatory trade, the Flemish Association of Cities and Municipalities has developed model regulations that can easily be adapted by cities and municipalities. These local stipulations need to be in line with federal regulations, namely the law and royal decree on ambulatory trade.

**Case 3: Prostitution**

In the case of prostitution (see Figure 3C), most sex workers complied with certain rules they established themselves. For instance, some sex workers took hygienic measures (e.g., washing clients), followed safety measures (e.g., selecting clients) or chose their own working hours (self-employed workers or those working in the RLD). These measures had implications not only for the individuals involved (sex worker and client) but also for the sector as a whole, depending on the number of sex workers taking such measures. Self-regulatory measures between sex workers and managers could also occur, for example when using an internal behavioural code.

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290 *Hoge Raad voor de Zelfstandigen en KMO’s*. In fact, this Board is divided into several sectorial commissions such as activities in agriculture and horticulture, the hotel and catering industry, tourism, and recreation.
Self-regulation was also present at the sector level. For instance, in the RLD, for the market of window prostitution, customary prices existed for sexual services. Similarly, no huge price differences were identified between bars or between private houses. This could have been a result of self-regulation but also of simple market principles: in order to have enough clients, you cannot be significantly more expensive than your competitors (under the assumption both offer similar services). To our knowledge, managers of windows in the RLD had no arrangements regarding the hygiene of the premises, the declaration of personnel or the hiring of victims of forced prostitution. It was striking that the amount of window money in the RLD was similar in different windows. For this reason, it might be possible that managers made arrangements, but this is just a hypothesis. Collective labour agreements existed for the hotel and catering industry and could thus be applied to window and bar prostitution (e.g., minimum wages for waitresses). However, these agreements were not established by representatives of the prostitution business (managers or sex workers).

Governmental local regulation mainly entailed applying the horeca-regulation to window and bar prostitution as well as the regulations in order to protect public order and decency. Examples of federal regulation comprised the stipulations in the penal code and the social security regulations. Given the absence of formal state regulation regarding hygiene and hiring/employing (as managers) victims, it could be interesting to study the possibility of market level self-regulation for these aspects using a quality label (Vermeulen, 2014). However, as we mentioned in article four, it would be necessary to identify the perceptions of managers as they are the ones who would need to comply. As it might not be possible for the state to impose self-regulation on window and bar prostitution (an illegal phenomenon), compliance might be controlled by a third party, e.g. an organization specializing in certifying institutions with a quality label.

Finally, the behaviour of sex workers might be influenced not solely by enforcers or managers, but also by health or social workers who regularly informed sex workers of occupational risks. This finding corresponds to the argumentation of Baldwin and Black (2008) that not all regulatees respond to pressure imposed by regulators through the enforcement pyramid.
Conclusion

In conclusion, it appears that the pyramids of regulatory strategies have exactly the same shape in the cases on street selling and prostitution, although the content differs. Furthermore, it is seen that self-regulation was present in all three cases, but not always in the way Ayres and Braithwaite (1992) meant it. The self-regulation at the individual level, which was found in the three cases, entailed establishing agreements or arrangements by several individuals instead of by representative organizations. These agreements were not enforced on the whole market and did not necessarily influence it. The self-regulation at the sector level corresponded more to the voluntary self-regulation proposed by Ayres and Braithwaite (1992). The absence of enforced self-regulation in all three cases was remarkable but is in line with the acknowledgement of Ayres and Braithwaite (1992, 106) that this strategy is mostly applicable to big firms that can afford their own compliance managers.

Government regulation was found at several levels (federal, regional, provincial, local), which is typical for the Belgian governmental structure. Regulation at lower levels needs to be congruent with regulation at higher levels. As such, this process follows an inverted pyramid structure: from the top to the bottom. A main assumption of the pyramid is that law enforcers should be responsive to how effectively citizens or corporations regulate themselves before deciding whether to escalate intervention\(^{291}\) (Braithwaite, 2006). The three cases only demonstrated this principle to a certain extent. Federal regulation was not responsive to lower levels of regulation as higher levels had not been established as a ‘stick behind the door’. They are not necessarily established because lower levels do not regulate the markets sufficiently. In other words, higher levels of regulation may be set up for reasons other than failure of lower regulation such as economic purposes or the desire to retain control\(^{292}\). Lower levels of regulation on the other hand, were responsive to higher levels of

\(^{291}\) This reflects the cumulative nature of the pyramid.

\(^{292}\) For instance, it is conceivable that the federal government chooses to regulate certain aspects of markets it wishes to keep under control and leaves other aspects of markets, which for them are less important, to the local government. For instance, in the case of street selling, the location of market stalls is possibly of no interest to the federal government, in contrast to controlling fair trade by installing licenses. Such matters could be regulated at lower levels, although that would imply local differences in these matters (and thus unfair competition), thus the failure of lower levels to regulate this could still not account for it.
official regulation as they need to be congruent with the higher levels. This means higher levels determine what can be regulated by lower levels.

**Sanction pyramid**

The sanction pyramid reflects the idea of escalating enforcement depending on the conduct of the regulatees. Applying such escalating enforcement first of all requires the possibility of enforcers to choose between several reactions when confronted with infractions during or as a result of inspections. Social inspectors and to a lesser extent police have such discretionary power. The police are legally obliged to report each infraction they detect. However, this is not realistic in practice and they allot themselves discretionary power (Gilleir, 2013). By contrast, the discretionary power of the social inspectors, authorized to enforce social regulation, is exhaustively recorded in the social penal code. Article 21 of this code prescribes that social inspectors can (1) give information and advice concerning the most efficient way to comply with social law, (2) give warnings, (3) give those infringing a period to comply, (4) select from a broad range of powers such as entering workplaces or interrogating and (5) write a procès-verbal. This means that social inspectors are not obliged to report every detected infraction to the Labour Public Prosecutor. According to the proportionality principle, inspectors can decide on the means that are appropriate and necessary for compliance (art. 19).

**Case 1: Seasonal work**

Figure 4A shows the sanction pyramid of the first case, i.e. seasonal work. At the bottom, several reactions exist for infringing self-regulatory stipulations at the individual level. Importantly, these reactions did not originate from state actors, but from individual farmers. The extent to which individual farmers used such non-state reactions for other infractions as well (such as seasonal workers lying about the number of days worked) was not clear. However, it is conceivable that farmers would not hire such seasonal workers in the future, which can be seen as a type of non-state reaction on infractions. The reactions of social inspectors detecting small infractions against social regulation are one step up in the pyramid. These reactions entail warnings and offer a time limit to solve the problem(s). This was subsequently checked by the inspectorate later in time. Depending on the degree of severity of the infractions and the behaviour of the regulatees the next step may entail
administrative sanctions. These sanctions can differ in nature and can be imposed by several institutions.

People infracting social legislation risk several administrative and penal sanctions. The social penal code (art. 101) provides a categorization of sanctions, depending on the severity of the infraction, which is operationalized into four levels (one = low; four = very severe). Administrative sanctions come as administrative fines, ranging from €10-€100 (level one) to €300-€3,000 (level four) (see Table 8).

<table>
<thead>
<tr>
<th>Sanction level</th>
<th>Imprisonment</th>
<th>Penal fine</th>
<th>Administrative fine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td></td>
<td>€10 - €100</td>
<td></td>
</tr>
<tr>
<td>Level 2</td>
<td></td>
<td>€50 - €500</td>
<td>€25 - €250</td>
</tr>
<tr>
<td>Level 3</td>
<td></td>
<td>€100 - €1,000</td>
<td>€50 - €500</td>
</tr>
<tr>
<td>Level 4</td>
<td>6 months - 3 years</td>
<td>€600 - €6,000</td>
<td>€300 - €3,000</td>
</tr>
</tbody>
</table>

Importantly, the administrative fines in levels two to four can only be imposed after the Labour Public Prosecutor has decided not to prosecute. Therefore, it is not possible to have a penal and administrative fine at the same time. The amounts of the fines determined in article 101 need to be increased by the ‘opdecimes’293, which in practice meant a multiplication by six at the time of the field work294. Furthermore, some specific administrative sanctions can additionally be applied for certain infractions such as a temporary prohibition to manage a business or the temporary closing of the business.

Several of the types of detected informality in the case of seasonal work are punished with sanctions at either level three (e.g., employment of a foreign worker without an employment card295) or four (e.g., go-betweens296, undeclared labour297, the employment of a person living on benefits298). Accordingly, people living on benefits who work without the

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293 According to Belgian law, all judicial and administrative fines for breaching social law are to be multiplied with a predetermined amount, called ‘opdecimes’. In practice, this meant a multiplication by six at the time of the fieldwork.


295 Art. 175§2 social penal code.

296 Art. 175§3 social penal code.

297 Art. 181 social penal code.

298 Art. 229 social penal code.
necessary statements are also subject to sanctions three or four\textsuperscript{299}. In addition, they risk other administrative sanctions, such as the temporary suspension of allowances or the reimbursement of non-authorized allowances. This system is based on separate laws on benefits\textsuperscript{300}. Furthermore, employees who make incorrect or incomplete declarations in order to avoid paying (enough) contributions can be punished with sanction level four. Finally, people residing illegally in the country face the risk of being repatriated, which is also an administrative measure based on the Foreigners’ law.

In case the Labour Public Prosecutor decides to prosecute, penal sanctions come as penal fines (sanction level 2 to 4) and/or imprisonment (sanction level 4). According to a respondent, the Labour Public Prosecutor, who is equally competent for infractions against combining a job and an unemployment allowance\textsuperscript{301}, prosecuted as little as possible. This was said to be due to informal arrangements with the inspectorate service checking accumulation between employment and unemployment allowances. As the offenders perceived the punishment of the inspectorate as more severe by the offenders, and as the inspectorate only sanctioned provided that the Labour Public Prosecutor did not prosecute, the latter tried to avoid prosecution. The respondent believed that the sanctions of the inspectorate were perceived as more severe, because the monetary losses are higher and take effect immediately after detection. In line with responsive regulation theory, prosecution was only found in the most severe cases, as defined in official guidelines\textsuperscript{302} (e.g., illegal employment of minors, high number of non-declared workers).

Our interviews revealed that the sanctions most feared by seasonal workers\textsuperscript{303} were the administrative ones, mainly the loss of an allowance. No one stated they were alarmed by the possibility of being subject to penal sanctions. Possibly, seasonal workers did not assess the risks of penal sanctions high, which is why they were not feared. If this is true, the underlying idea of the regulatory sanction pyramid, namely that withholding a ‘big stick’ for the ‘soft’ approach to function well, was not found in this case. Employers, farmers, stated that they were deterred by high financial sanctions, irrespective of their administrative or

\textsuperscript{299} Art. 233§1 and §2 social penal code.
\textsuperscript{302} E.g., Circular of College of Attorney Generals; internal policy of Office of the labour public prosecutor.
\textsuperscript{303} The ones working informally and the ones working formally.
penal character. Also in this case, none of the farmers mentioned the possibility of imprisonment. However, some did refer to the enormous fines one farmer had to pay. According to enforcers, this was set as an example to the sector to indicate the need to comply. This example setting thus seemed to influence the farmers’ perceptions. In brief, it is clear that penal sanctions - as the most severe sanctions - were not necessarily feared more than administrative sanctions, which are actually lower ranked sanctions.
Figure 4: Sanction pyramids for seasonal work, street selling and prostitution on the basis of the empirical results

A: seasonal work

- Penal sanctions
- Administrative sanctions (e.g., fine, suspension allowance)
- Warning, time to solve problem
- Non-state reactions

B: street selling

- Penal sanctions
- Administrative sanctions (e.g., confiscation, withdrawal license, repatriation)
- Warning, time to solve problem
- Non-state reactions (e.g., persuasion, suspension informal license, violence)

C: prostitution

- Penal sanctions
- Administrative sanctions (e.g., fines)
- Warning, persuasion
- Non-state reactions (e.g., health & safety issues, persuasion, violence)
Case 2: Street selling

The sanction pyramid of street selling is shown in Figure 4B. The enforcement of the self-regulatory stipulations (both at individual and sector level) was in the hands of the market players: sellers usually use dialogue to persuade each other to comply. In some cases, for instance in the informal car business, violence was also used. As Gill (2002) argues, using violence can be bad for business, which is why trust and chasing people off might be the preferred option in illicit markets. However, it is not clear if violence only occurred when softer methods have failed (as suggested by the sanction pyramid) or if violence occurred relatively routinely in the informal car business. In the case of sales in cafés, sellers risked owners prohibiting them from entering cafés, which comes down to losing their informal ‘license’ to sell in these cafés. The other levels of the sanction pyramid were similar to the ones described for the case of seasonal work. However, additional administrative sanctions - originating from the ambulatory trade regulation - were possible, such as withdrawing selling licenses and confiscating goods when selling without license. Moreover, independent sellers who did not join a social security fund were - if this was detected - declared in default and needed to pay overdue contributions. Prosecution, which can lead to criminal sanctions, was rather rare.

Again, informal sellers were more afraid of administrative sanctions than of penal sanctions. More specifically, they feared confiscation and repatriation the most. Based on the interviews and the limited case file analyses, it can be deduced that penal sanctions were very rare in this case. However, it was not so much the exceptional occurrence of penal sanctions that led to the limited deterrent influence of these sanctions. The content of administrative sanctions was just more feared than the content of penal sanctions. For instance, many sellers highly worried about confiscation of goods because that meant a significant loss of money. Similarly, sellers staying illegally in Belgium feared repatriation more than penal fines or imprisonment. We also notice here that it was not the case that the theoretically most severe sanctions were the most feared and had the greatest influence on compliance. Interestingly, the nature of the administrative sanctions feared in the cases on seasonal work and street selling differed. In the case on street selling, administrative sanctions such as confiscation and repatriation had a higher influence on street sellers. In
the case on seasonal work, loss or temporary suspension of allowances was perceived as more important than penal sanctions.

**Case 3: Prostitution**

Figure 4C illustrates the sanction pyramid for prostitution. Sanctions for breaching self-regulatory stipulations are diverse. At the individual level, certain individually established measures are taken. Non-compliance can lead to health related problems such as diseases or safety-related problems such as physical violence. The extent to which these problems can be referred to as ‘sanctions’ is open for discussion, but they certainly are unfavourable occupational risks that can also occur when preventive measures are taken. Several reactions of fellow sex workers were possible when it was discovered that a woman had not asked the standard price (lower price), ranging from nothing to an attempt to persuade her to change through dialogue or violence (e.g., fights, breaking windows). Warnings and persuasion when (minor) infractions were detected (for the first time) are one step higher up the pyramid. For instance, when police officers noticed window workers were not complying with the behaviour and dress code, they gave a warning before writing an administrative sanction, based on the community code and the New Municipal Law. The same administrative sanctions as in the other two cases applied to prostitution as well. In this case administrative sanctions related to tax avoidance were important, such as an administrative fine (art. 445) or a tax increase for taxes for non-declared income (art. 444). Penal sanctions were mostly reserved for criminal offenses related to prostitution, with the exception of tolerated activities such as managing a bar or advertising. In theory, criminal sanctions could also be imposed for fiscal fraud.

What sanctions did sex workers fear? No window worker expressed a deterrent influence of administrative sanctions for infringing the dress and behaviour code. Some sex workers referred to the deterrent influence of inspections and related administrative sanctions such as the suspension of allowances, the payment of overdue social security contributions or

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administrative fines. However, some claim not to be worrying about any of these sanctions. As was seen in the other cases as well, penal sanctions were hardly referred to.

**Conclusion**

In conclusion, sanction pyramids such as the one proposed by Ayres and Braithwaite (1992) were found in the three cases: in all cases an escalation of possible sanctions was found. However, the analyses suggest that the strongest deterrence did not necessarily stem from the most punitive sanctions, i.e. the penal sanctions at the top of the pyramids. A possible reason for this anomalous finding is that the Belgian government might primarily have considered the influence of enforcement and sanctions on Belgian natives, whereas foreigners not living legally and/or permanently in the country were also found to work informally. However, the case on seasonal work illustrated that informal work was mainly executed by Belgian workers and that administrative sanctions were also perceived as more deterrent by them. Furthermore, the case on prostitution illustrated that Belgian sex workers also feared administrative sanctions more than criminal ones, which could however be explained by the exceptional character of penal sanctions for partially declared sex work.

According to Ayres and Braithwaite (1992, 155) the sanction pyramid must be organized to be responsive to what is feared most in the eyes of the key participants. This was not entirely the case in this study as the most highly feared sanctions, namely the administrative ones, did not appear at the top of the pyramid. On the other hand, the finding that the state usually applied the most feared sanctions could be perceived as ‘responsive to what is feared most’. Furthermore, the results partially correspond with a criticism expressed by Baldwin and Black (2008), who suggest that enforcement strategies in the pyramid may rank differently according to context and regulation. For instance, to some firms *naming and shaming* may be seen as non-punitive but to others it might be viewed as far more punitive than a fine. Especially in the prostitution case, we found that some but not all sex workers perceived administrative fines as punitive.

The Belgian social legislation couples certain sanctions to certain offenses (see table 8). This means that enforcers, authorized to decide which sanction is imposed, are somehow restricted to act fully responsively to the behaviour of regulatees. They need to take the seriousness of the offense into consideration, apart from the motivation or attitude of the
regulate. Of course, before determining a possible sanction, infractions need to be detected. The extent to which enforcers, authorized for the detection of infractions, reacted responsively to the behaviour of regulatees is discussed in the next section.

**Responsive regulation by enforcers?**

This section explores the extent to which the behaviour of enforcers is responsive to the motivations and behaviour of regulatees (van de Bunt et al., 2007). As mentioned above, social inspectors have a legally stipulated discretionary power regarding how to react to infractions. By contrast, the police do not have a similar formalized discretionary power but they do have discretionary power in practice (Gilleir, 2013). Determining the extent of responsiveness of enforcers has to be a more hypothetical exercise than a pure application of empirical results, as identifying how exactly regulation is enforced (and thus the interactions between regulatees and enforcers) was not the principal aim of this dissertation.

**The actions of the police**

In the first case (seasonal work), the local police mainly offered support to social inspectors. This means that during regular checks they usually did not intervene and they waited at their cars or accompanied inspectors on the fields without interacting with regulatees. They only intervened when circumstances requested them to, e.g. to arrest someone. As such, the behaviour of the local police in practice was not examined in this study. Given the specialized and supra-local character of the federal police, it is hypothesized that their work mainly comprises investigation instead of persuasion to compliance.

Similarly, the local police primarily supported planned checks by the inspectorate services in the case on street selling. In theory, this means that they only intervene when circumstances require them to (e.g., using force). Besides, the local police dedicated more attention to their administrative tasks (e.g., ensuring public order) than to their judicial tasks (e.g., detecting offenses) in and around markets. As they were aware of informality but did not intervene in order to put a stop to it, they clearly did not choose a ‘hard’ approach. As they did not intervene against informality, they did not even interact with (informal) street sellers but
rather ignored them. Therefore, the behaviour of the police was not responsive to the
behaviour of street sellers.

The case on prostitution was the only one in which responsive regulation by the local police
was obvious. For instance, when the local police noticed sex workers in the RLD who did not
comply with the dress and behaviour code, they first tried to talk to the sex worker and
asked her to change her behaviour. They would only impose an administrative fine when
persuasion did not prove successful either because the sex worker refused to adapt her
behaviour or because the same infraction was detected in subsequent encounters. If sex
workers committed an infraction of the behavioural and dress code three times in two
months, the manager of the window where the sex worker worked also received an
administrative sanction. This obviously resulted in the potential risk for the sex worker to be
fired by the manager and to eventually end up in more hidden forms of prostitution.
Regarding exploitation (not in the sense of managing), the police were more inclined to act
more punitively if they had the opportunity, i.e. proof, as this was perceived as a serious
offense which is difficult to prove.

The actions of the inspectors of the inspectorate services

The interviews suggested that most social inspectors started with the least drastic decisions,
such as informing people and giving warnings and only reverted to writing a report in case of
resistant offenders (if they had enough proof). This is partially congruent with the theory of
responsive regulation. It is less known if social inspectors indeed reacted to the behaviour
and motives of regulatees in deciding which measure to take. However, inspectors
immediately jumped to the highest level in the enforcement pyramid, namely writing a
report or procès-verbal if confronted with infractions the Board of Attorney Generals
labelled as ‘serious’. On such occasions, the discretionary power of social inspectors was
limited and their reactions were not responsive to the attitude of regulatees. They primarily
responded to the seriousness of the (alleged) offense (van de Bunt, van Erp & van Wingerde,
2007). On the other hand, Ayres and Braithwaite (1992) do acknowledge that exceptions
exist on always starting with lower levels, for instance in one-off encounters.

It is important to keep in mind that checking compliance was not a priority for social
inspectors in the cases of street selling and prostitution. This could imply that political
choices and/or relations with other enforcement actors kept these enforcers from choosing the action they found most suitable (Ayres & Braithwaite, 1992). For instance, it is imaginable that in certain cases a procès-verbal would seem the ‘best option’ but that inspectors feared it would have little effect. Magistrates stated that prosecution and penal sanctions were indeed rare for cases of street selling.

Members of the economic inspectorate also had discretionary power during inspections on street selling. This authority is linked to the assignment of the economic inspectorate, namely (1) information, (2) prevention, (3) warning and (4) repression (FOD Economie, 2013). This means inspectors could choose between several actions to reach one of these goals. However, these choices were curtailed by an internal directive of the director-general, who had instructed inspectors to generally write a report for immediate settlement when checking markets. Therefore, their discretionary power was not only restricted, but it also implied that economic inspectors were usually not responsive to the conduct of regulatees. This corresponds to the argumentation of Baldwin and Black (2008) that responses of regulators are not simply shaped by the behaviour and degree of cooperation of the regulatee. In general, federal and local authorities chose not to intervene too much in street selling as a market. This was possibly based on the assumption that participants were able to regulate their own businesses. The perception that there were no significant problems might suggest that participants were indeed able to regulate themselves. However, it is also possible that problems did occur, but that the authorities were not aware of them, because of their limited interference in the market.

Other enforcers

According to the organizer of the private market, his personnel mostly tried to stallholders to comply through dialogue and persuasion. This was perceived as the best way to act in order to keep good working relations with the stallholders. Only in exceptional cases such as persistent non-compliance did they proceed to other measures such as monetary sanctions.

We also studied to what extent non-state enforcers acted responsively. As it was mentioned before, we only found some non-state regulatory and enforcement actors in the case on street selling. According to the market organizer, private security agents active in the private

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306 Electronic communication with the economic inspectorate (14 May 2014).
market tended to proceed to punitive measures immediately. In other words, instead of talking to the ‘offender’ (e.g., informal seller, pick-pocket thief), they directly informed the organizers of the market, who in turn decided which further actions were taken such as speaking with the offender, giving a warning or calling the police. Therefore, the private agents did not act in conformity with the sanction pyramid nor were they acting responsively, in contrast to the organizers of the market. Even more than the local police, private detectives did not often directly encounter informal sellers. Furthermore, private detectives could not use the same tools as the police, such as a broad network of information and could not draw up a report themselves. Compared to public actors, their options to interact with informal sellers were more limited to the bottom of the pyramid. This obviously did not exclude that they could gather information and hand it over to the police or their customer. Should this be necessary, they could later use this information as evidence in court.

**Section conclusions**

This section aims at analysing the usefulness of responsive regulation theory for the three case studies. The results showed that some but not all aspects of responsive regulation were found in the three cases.

At the outset of the research, we focused on regulation and enforcement by the state, thus taking a state-centred approach. More specifically, the initial idea was a mild\(^{307}\) form of the ‘command and control’ approach to regulation, in which the state plays a prominent role and uses legal rules and (criminal) sanctions (Baldwin et al., 1998, 14; Black, 2002, 2). However, throughout the three cases we also detected the importance of other sources of regulation and enforcement. More specifically, self-regulation was found at the level of the individual and of the market level. Governmental regulation and especially enforcement were less present in the informal than in the formal parts of the markets, which is unsurprising given the definition of the informal economy used in this dissertation. This seemed to coincide with slightly more self-regulation (without formal representation of participants) in these informal parts. The lack of government interference might lead to the

\(^{307}\) Black (2002, 3) describes command and control regulation as an approach that attributes a particular role to the state. It assumes that the state has the capacity to command and control, to be the only commander and controller and to be potentially effective in it. Such a conception obviously puts too much trust in the state and is too strong.
need for regulation and enforcement by other actors, namely the informal sector and its participants.

We hypothesized why state regulation was important in the three sectors, namely economic reasons, protection of labour and protection of physical integrity. However, these reasons should be confirmed by future research. Related to this, it was suggested that higher levels of regulation (e.g., at the federal level) were not always adopted because lower levels (e.g., local regulation, self-regulation) were not effective as is stipulated by the responsive regulation theory. On the other hand, it is hypothesized that some topics are of more general interest to the state and are thus regulated at the federal level such as fair economic trade or exploitation. This also implies that the regulation holds for the whole country. In contrast, lower levels such as a region, a province or a city/town) cover a more restricted domain (e.g., allocation of market stalls).

As stated by Baldwin and Black (2008), restricted resources mean considerable restrictions on a core enforcement task, i.e. detection. This is confirmed by Braithwaite (2006) and Tombs and Whyte (2013), who allege that state resources are not and will never be sufficient for overseeing compliance with regulation. As a result, regulatory resources should be targeted at companies or sectors where the risk of non-compliance is high (Rickles & Ong, 2010; Tombs & Whyte, 2013). This was partly found in the three cases as the state officially prioritised enforcement in the case of seasonal work (which was perceived as a sector sensitive to fraud [SIOD, 2013]) and partially in prostitution (which was perceived as sensitive to exploitation [Politiezone Gent, 2013]), but not in street selling although informality was also present there. The political will to intervene in the last market was not high (Mascini, 2013) notwithstanding a high risk of non-compliance.

This difference in enforcement prioritizing, which is determined at a general level, can be extrapolated to the actions of enforcement actors in the cases. This prioritizing essentially attributes limited governmental enforcement capacity to sectors where governmental control is considered most necessary. According to Ayres and Braithwaite (1992, 129) and Braithwaite (2002, 33), this governmental enforcement attention should be directed to

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308 This remains a hypothesis as we did not research the effectiveness of regulation.
309 This proposition is in line with responsive regulation theory and, in fact, also with risk-based regulation (Tombs & Whyte, 2013).
310 Not for the social inspectorate services and tax office, but for the local and federal police.
companies, and by extension to markets, in which self-regulatory systems are not effective in punishment, i.e. punishing non-compliance of members of a group by others in that group. But is it really because the market of street selling demonstrates effective self-regulation that it was not prioritised by the government? Although we have hypothesized that this might be the case (cf. absence of public problems\textsuperscript{311}), other potential reasons have been suggested as well throughout this dissertation such as a social safety net or the limited threat on physical integrity. In the prostitution case, individuals and the sector did not seem to effectively\textsuperscript{312} regulate themselves either regarding partially declared work and income (given its high prevalence). Thus, effective self-regulation seems hardly to be a reason for giving a low priority to the tackling of that type of informality.

A key idea of responsive regulation, namely that the escalating character of the pyramids channels the majority of regulation into the bases of the pyramids was not entirely found. More specifically, this idea was not found for the regulation aspect, i.e. there was no more self-regulation than governmental regulation. However, this idea was mostly found for the enforcement aspect, i.e. giving more lower than higher level sanctions. Nevertheless, it was not always the case that the possibility of escalating to more severe sanctions stimulated compliance at lower levels as non-compliance, informality, still existed. This is related to the finding that the highest levels of sanctions (penal sanctions) did not have the highest deterrent influence on workers. Some people had specific reasons for informal work, whereas others were not able to work formally (e.g., migrants staying illegally in Belgium). However, both groups did not necessarily perceive enforcers, mainly governmental ones, as invincible. Furthermore, we found that it was just impossible to escalate to certain levels of sanctioning in some situations. For instance, repatriation was not possible when persons staying illegally in Belgium successfully masked their true identity and nationality. Similarly, sexual exploitation could not be convicted when judges decided that there was insufficient proof. In brief, penal sanctions remain important to confront certain criminal offenses such as exploitation and human trafficking. Nevertheless, it is clear that they are not always imposed, because other measures are considered more appropriate or because they cannot be imposed for practical reasons.

\textsuperscript{311} Insofar this can be seen as a sign of effectiveness.

\textsuperscript{312} We use the word ‘seem’ to highlight the hypothetical nature of this premise as this dissertation did not aim at studying the effectiveness of regulation and enforcement.
Another key aspect of responsive regulation is the adaptation of the reaction of regulators and enforcers to the behaviour and motives of regulatees. Unfortunately, this could not be applied to the results as we did not focus on concrete interactions between regulators and regulatees. Instead, we focused on the influence of enforcement on choices to work formally, informally or criminally. Therefore, this is an important suggestion for future research.

What is then the usefulness of responsive regulation for regulating the informal economy, keeping in mind that we did not test theoretical assumptions?

Firstly, the sanction pyramid is useful as we have illustrated that an important part of the informal economy comprises activities that do not comply with existing regulation. As such, enforcement of regulation is important to tackle informality. For this, the ideas of the sanction pyramid (escalating measures according to motivations of regulatees) are useful. Secondly, the usefulness of the regulatory strategies pyramid for regulating the informal economy will depend on the aims of the government regarding informality. If the government does not see a problem in the existence of certain types of informality, it might promote self-regulation (in terms of both regulation and enforcement) and not intervene at higher levels (government intervention). In this case, informal markets will continue to exist (and maybe increase) in accordance with self-regulatory measures. As participants of the informal economy often prefer to remain informal, them regulating themselves will result in the continuation of informality. It might of course influence other aspects such as the determination of prices or working conditions. Some participants had no other options but informal work (e.g., migrants staying illegally in Belgium). They might prefer formal work, but self-regulation would not offer them that option as migration remains a governmental authority. However, if the aim is to eradicate informality, self-regulation will not be sufficient. In that case, governmental intervention and especially enforcement will be necessary.

As van de Bunt et al. (2007) state, a deliberate escalation strategy requires that the actions of judicial enforcers are attuned to the ones of administrative enforcers, in a way that judicial enforcers prosecute cases in which administrative actions do not lead to compliance. This may again not always be the reality in the three cases, which is why responsive
regulation might not always be easily applicable. This corresponds to the finding of Ponsaers, de Keulenaer and Vanhaverbeke (2003), who illustrate that judicial prosecution of matters identified by inspectorate services is rare. Moreover, files regarding infractions can sometimes be transferred from one enforcer to another, which complicates responsiveness to former behaviour of the regulatee and escalating reactions (van de Bunt et al., 2007). Indeed, responsive regulation theory in its initial form seems to give little attention to cooperation between different enforcers.

Additionally, enforcers do not always aim at compliance with regulation (as is proposed by responsive regulation theory), but can also have other goals in mind when executing their task, such as keeping a firm hand with offenders or teaching them a lesson (van de Bunt et al., 2007). What were the motives of enforcers when checking sellers residing in Belgium illegally, knowing that the sellers will not be able to comply as long as they remain unauthorized in the country? Or what did social inspectors try to achieve when - albeit not on a regular basis - checking prostitution businesses? In conclusion, some main principles of responsive regulation theory, e.g. escalating measures, are not easily to applicable in practice because enforcement agencies are embedded in a political and societal context (van de Bunt et al., 2007).

**The nature of the informal economy: rethinking its conceptual framework**

The second article in this dissertation illustrated that the term ‘informal economy’ is often used interchangeably with other terms such as underground economy or black economy (Kazemier, 2003). However, there is currently no common understanding whether they all mean the same thing and how they are related (OECD, 2002). Furthermore, the article proposed a different taxonomy regarding the relation between formal, informal and illegal economy. In this section, this taxonomy is discussed in relation to the empirical results and additional literature. The four-year qualitative research showed that it is difficult to establish a detailed and generally valid notion of the informal economy and its relation with formal and criminal economy given its segmentation (Chen, 2012; Coletto, 2010; Williams, 2010). Therefore, prudence is necessary when making abstractions about the informal economy (Coletto, 2010).
This section starts with a recapitulation of the initial conceptualization of the informal economy. Afterwards, some main characteristics of the informal economy are discussed on the basis of the empirical results, which will in turn lead to a re-conceptualization of the informal economy.

**Initial conceptualisations of the informal economy**

A working definition for the informal economy was needed at the outset of this study. We opted for a broad definition, based on several arguments found in the literature. The informal economy was defined as the opposite or the reverse of the formal economy (ILO, 2002, 11; Ponsaers, Shapland & Williams, 2008, 645), thus comprising all economic activities that are not officially regulated, enforced and registered (Adriaenssens et al., 2009; Chen et al., 2001; Dobovsek, 2009; Dell’Anno, 2003; Henry & Sills, 2006; Lippens & Ponsaers, 2006; Slot, 2010). According to Ponsaers (2013), this implies that informal activities are ultimately untaxed. Importantly, prostitution was not yet included in the estimates of the GDP and was thus not officially registered yet as a part of the GDP when beginning this research.

Throughout the research, the empirical results showed that the working definition of the informal economy needed adaptation. The working definition was refined in the third article as those parts of the economy that are not officially regulated, enforced and/or registered. The first case study indeed demonstrated that, even if informal activities are detected and state regulation is thus enforced, they still remained informal because they did not comply with the state regulation during their execution and they were not declared to the government as they ought to have been (cf. registered). As a result, they had escaped state regulation and protection (e.g., social security)\(^{113}\). Thus, the presence of enforcement does not necessarily imply that activities are formal. This is certainly true as not all actions to verify compliance (enforcement) lead to the detection of informality. This means an activity can be informal even in the presence of enforcement. In this respect, we do not fully agree with Ponsaers (2013), who states that the informal economy is characterized by an absence of formal public control institutions such as police and inspectorate services, notwithstanding the existence of regulation. We feel that an absence of enforcement or public control institutions indeed enables informal activities to continue. However, informal

\(^{113}\) Of course, if detection is followed by sanctions (administrative or penal), some rectifications are possible.
activities can also occur when public control institutions exist and are operative. Nevertheless, absence of enforcement can pave the way for informality - as was illustrated throughout this dissertation.

Public control institutions can detect informal activities, which are then registered in enforcement statistics. However, these numbers only partially reflect the actual size of informality and a dark number\(^{314}\) remains. Furthermore, informal economic activities are not formally registered for inclusion in the GDP, but Belgium is required to include estimates of informal and illegal activities in the estimates of the GDP (Pacolet & De Wispelaere, 2009; Pacolet et al., 2012) as this is stimulated by the OECD (OECD, 2002) and by Eurostat (NBB, 2010). As a result, informal activities are incorporated in estimates of the GDP (Pacolet & De Wispelaere, 2013a) although they are not fully registered in enforcement statistics; in other words, the estimates of the GDP are corrected for informal activities (NBB, 2010). According to the National Bank of Belgium, illegal activities were not included in the estimates of the GDP until 2014 (NBB, 2010; Pacolet & De Wispelaere, 2013a; 2013b). However, as of this year, prostitution, drugs and smuggling of alcohol and tobacco will be incorporated in the GDP as estimates of the criminal economy (Van Mechelen, 2014)\(^{315}\).

Therefore, it could be argued that informal economic activities are, and some criminal activities will be, registered as their estimated size is reflected in the GDP. However, registration can also refer to the adequate declaration of economic activities (labour) and income to the government, on the basis of which social security contributions and taxes are calculated. The absence of registration as a necessary condition for informality thus depends upon the definition of registration.

**The nature of the informal economy**

The empirical results allow us to make some judgements about the informal economy. It is not possible to generalize these statements to the informal economy as a whole given the methodology of the study. Nevertheless, some important findings can be related to the literature on the informal economy. In this subsection, a few findings are presented

\(^{314}\) The dark number of informality is not so much caused by the fact that victims are not inclined to report facts but rather by the failure to know whether an infraction has occurred (Ponsaers, 2013).

\(^{315}\) However, Pacolet and De Wispelaere (2013b) state that the size of illegal activities does not exceed 1% of the GDP in most countries, based on research in other countries than Belgium.
regarding the workforce (Chen et al., 2001). Afterwards, we discuss the different types of identified informal economic activities.

**Workers**

In the three cases the workers were both Belgian (autochthonous and foreign origin) and foreign (see Table 9). However, in comparison to seasonal work and prostitution, the case of street selling appeared to incorporate the smallest number of Belgians of autochthonous origin. Furthermore, foreign seasonal workers in this study were predominantly East-European and Indian whereas foreign street sellers mainly originated from North and Central Africa. Street selling is also the case in which workers often had an illegal residence and/or work status, whereas foreigners in seasonal work and prostitution were more legal (i.e., residing and/or working legally in the country). Informal activities were conducted both by Belgians (in all three cases) and foreigners (mostly in street selling and prostitution).

Several street sellers were characterised by a precarious existence given their illegal migration status, uncertain work and income and/or shabby living conditions. In this respect, social and economic insecurity characterised their existence (Coletto, 2010). Although a victim perspective was thus predominant in the case, many sellers showed empowerment and skills to survive and organise their lives and work. Although victims were also found in the prostitution markets (e.g., of pimps), we detected several persons who actively chose for prostitution. Similarly, agency (Bandura, 2006) was found in many seasonal workers who actively and positively chose to conduct seasonal work. Of course, the extent to which workers could actively choose between several alternatives was partly influenced by their ‘start position’, by their income portfolio. Some people simply had more options than others. Interestingly, most policymakers and social workers did not perceive seasonal workers as victims any more, which is confirmed by the empirical results. Also, the victim perspective on street sellers was also found in the judgements of policymakers and social workers. In the prostitution case, policymakers and social workers made a clear distinction between victims of forced prostitution and prostitutes who voluntarily chose to do sex work. In this last category, enforcers stated women were very well aware of the regulation and of their infractions of the regulation.
The shortest period of temporary migration was found in the case of seasonal work, where temporary migrants left Belgium after three months which is attributable to the case-specific regulation (occasional work policy). However, migrants with a more prolonged stay were also found, just as was the case in street selling and prostitution.

Table 9: Characteristics of workers in the three cases

<table>
<thead>
<tr>
<th>Workers</th>
<th>Case 1</th>
<th>Case 2</th>
<th>Case 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality</td>
<td>Belgian &amp; foreign</td>
<td>Belgian &amp; foreign</td>
<td>Belgian &amp; foreign</td>
</tr>
<tr>
<td>Migration status</td>
<td>mainly legal</td>
<td>legal &amp; illegal</td>
<td>mainly legal</td>
</tr>
<tr>
<td>Labour status</td>
<td>employment (seasonal workers)</td>
<td>employment &amp; self-employment</td>
<td>employment &amp; self-employment</td>
</tr>
<tr>
<td>Victims/agents</td>
<td>mainly agents</td>
<td>victims &amp; agents</td>
<td>agents &amp; victims</td>
</tr>
<tr>
<td>Political influence</td>
<td>high (employers)</td>
<td>low</td>
<td>low</td>
</tr>
</tbody>
</table>

The only case in which workers had a significant political influence on the government was seasonal work. In this case employers’ interests were protected by a powerful employers’ organisation with great political influence. This could partially explain why seasonal work was the only case in which government intervention (e.g., regulation and enforcement) was highly present. Furthermore, the national government should take international (e.g., at the level of the European Union) agreements into consideration. Although this international regulatory dimension was not taken up in the present study, this could also influence national government intervention. Seasonal workers, even the foreign ones, can join labour unions who are represented in policymaking. This organisational power and political influence was hardly the case for street sellers and prostitutes.

A third point of comparison regards the labour status of the workers. Two main informal employment modalities are identified (Chen, et al., 2001): non-waged work and waged work. Non-waged work can further be divided into employers (e.g., farmers, managers of prostitution businesses) and the self-employed (Chen et al., 2001). The self-employed can further be differentiated between ‘proper’ informal self-employment (or own-account employment) (e.g., unlicensed street sellers who do not work under the authority of someone else [e.g., clothes’ sellers in cafés] or prostitutes working on their own account and not declaring their full income) and ‘false’ self-employment which entails a person working
Seasonal workers in fruit-growing are hired on day-contracts and work under the authority of an employer. This means for instance that employers determine the working hours of workers and their task division. Street sellers on the other hand, just like prostitutes, can work as an employee and as self-employed. Self-employed sellers are responsible for the purchase and sale of their goods; they work independently of a boss. They organise their work themselves: they choose their working hours and days, they determine their own prices (sometimes influenced by self-regulation) and determine their work place (also partly in line with the internal arrangements between different sellers). Sellers can also work under the authority of someone else, even in the absence of a formal work contract. Examples are disc-sellers working for large scale dealers or migrants performing several tasks in formal markets (e.g., arranging stands, selling merchandise). Although window prostitutes have formal work contracts as waitresses, they still have relative freedom to choose several work related items such as their clients, sexual acts, working hours and working days - insofar they do not have a pimp. Of course, arrangements are made at the start of the employment regarding the choice for a day or a night shift and regarding working days. Although they are not obliged to come to work each day or to work the full shift (twelve hours), they do have to pay the window money on days they usually work (hence relative freedom). Other prostitutes with contracts in bars and private houses are expected to work on predetermined days and hours. In general, prostitutes had less freedom regarding the choice of clients and acts in bars and private houses. Self-employed prostitutes on the other hand were fully free to determine their working conditions and prices but did (have to) take some market principles into account in order to have sufficient clients (e.g., not too high prices, work enough hours).

All three cases confirm that informal work (both self-employed and waged) can occur concurrently with formal work (Williams & Lansky, 2013). Regarding informal self-employment, the stories of East-European cigarette sellers illustrate that this could be combined with formal (or informal) employment, for instance in construction. The combination of formal and informal self-employment in the same work area was found in the case of self-employed sex workers who only declared a part of their work and income.
Similarly, seasonal workers (waged workers) could work alternate formally and informally at the same farm.

These results can be related to the provisional typology for the involvement of enterprises or entrepreneurs in the formal and informal economy as established by Verhage and Shapland (2013, 400-401). They distinguish four types of which the first one entails formal enterprises that employ formal employees. Clearly, this type is fully operative in the formal economy. Secondly, they see formal firms that hire some of their employees informally (or hire the same employees both formally and informally) and take part in informal activities. This type was found in the three cases. Regarding the prostitution case, managers established formal firms, although their actual activities were criminal but tolerated. The women they hired had formal contracts, but they usually worked more hours than declared. The use of envelope wages (Williams & Padmore, 2013) in seasonal work can also be allocated to this category. The third type comprises informal entrepreneurs (self-employed) without staff. It is important to make a distinction between informal entrepreneurs (worker as unit of analysis) and informal activities performed by entrepreneurs (activities as unit of analysis). The terminology used by Verhage and Shapland (2013) suggests they use workers as the unit of analysis. The case of street selling illustrates the existence of informal (not-registered and unlicensed) sellers whereas the case of prostitution illustrates the existence of informal activities conducted by formal (i.e., registered) and informal (non-registered) entrepreneurs. Again, the results indicate that formal, informal and criminal were intertwined as formal entrepreneurs (or wage workers) might execute formal, informal and criminal activities (e.g., sale of counterfeit goods on formal market stalls, managing a prostitution business). Informal street sellers might conduct formal activities (but outside the street selling business), informal and criminal activities. Lastly, Verhage and Shapland (2013) distinguish informal or illegal entrepreneurs (informal or illegal businesses) who hire informal staff, mainly because the product that they are selling cannot be sold formally. This was not directly found in our case studies (managers from prostitution businesses were registered formally, albeit under another term). Of course, pimps and traffickers (found in the cases of prostitution and seasonal work) should be considered as illegal entrepreneurs. However, they do not formally hire persons (i.e., their victims) thus they do not fall under this category either.
Part III: Cross case analysis, discussion and conclusion

**Work - activities**

Variation in the visibility of the activities was one of the criteria to select the cases (see introduction). In essence, this criterion is two-sided: the visibility of the activities themselves on the one hand and the need for the activities to be visible in order for the business to be successful on the other. Seasonal work, which is geographically dispersed throughout the province, can be visible or hidden but the visibility of the activities is not a prerequisite for the acquisition of the product (see Table 10). This is in contrast with street selling, for which it is absolutely necessary for the workers, and mostly also for the goods, to be visible to clients. In our case, this trade was concentrated in certain spots known to regular clients. Similarly, prostitutes need to be visible to or at least traceable by clients. In line with this necessity, certain prostitution types such as window and bar prostitution are highly visible. In addition, the concentration of window prostitution in the RLD contributes to the traceability of prostitutes. Other types such as private and escort prostitution are less localizable but still easily traceable through the internet. In this respect, the two aspects of the visibility criterion do not necessarily need to correspond, for instance the need for visibility does not imply that the activities are visible in person.

<table>
<thead>
<tr>
<th>Work</th>
<th>Case 1</th>
<th>Case 2</th>
<th>Case 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visibility</td>
<td>visible &amp; hidden</td>
<td>visible</td>
<td>visible &amp; hidden</td>
</tr>
<tr>
<td>Nature</td>
<td>production legal goods</td>
<td>trade legal &amp; illegal goods</td>
<td>trade legal good</td>
</tr>
<tr>
<td>Income portfolio</td>
<td>mainly additional</td>
<td>main income / combination (formal &amp; informal; purely informal)</td>
<td>main income/combination (formal &amp; informal)</td>
</tr>
<tr>
<td>Conditions to start &amp; continue</td>
<td>social capital not necessary, professional skills</td>
<td>social capital, economic capital, relational skills</td>
<td>social capital but not necessary, relational skills</td>
</tr>
<tr>
<td>Economic importance</td>
<td>high</td>
<td>unknown</td>
<td>unknown but presumably high</td>
</tr>
</tbody>
</table>

For these three cases, differences and similarities exist regarding the nature of the activities. The case of seasonal work is characterized by the *production* of legal products, namely fruit. By picking and sorting fruit or thinning and sometimes even planting trees, seasonal workers actively participate in the production or cultivation of fruit by offering their services to

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316 To be fully correct: the sexual activities themselves are not visible, but the advertisement for the services (by women sitting or standing in front of windows in particular clothing and make-up) is visible. Thus, there cannot be any misunderstanding as to the activities that take place inside the premises.

317 See RQ 3 for a discussion of the income portfolio of workers in the three cases.
farmers. The case on street selling is distinguished by a *trade* in legal and illegal goods, for example counterfeit products. Prostitution is also a type of *trade*, characterized by the exchange of sexual services for money. In itself, this activity is legal. The product of this trade, a human body, is also legal. So, as illustrated in article four, several surrounding activities of the trade are clearly illegal, but the product that is traded (the human body) stays legal.

Seasonal work is also different from the other cases given the temporary nature of the work. Furthermore, it is important to note that contracts do not necessarily imply the availability of work. For instance, fruit picking is not possible every day due to specific weather conditions, which means that work is not automatically available. As seasonal workers are hired on day contracts, they do not necessarily receive a contract each day (and consequently have no income either). The lack of work is usually communicated at the last minute, which means seasonal workers needed to be very flexible, especially the ones who were not staying at the farm. Similarly, when case seasonal workers were expected to work when it was not planned, this was also decided and communicated at the last minute. Last-minute needs for work can cause troubles finding (enough) seasonal workers, which can function as a reason to accept informal workers or informal work. Street sellers also depended on the weather, but in another way. Several sellers worked irrespective of the weather, which means that they were available for work. However, the number of clients will be lower in bad weather, which results in less work and income. Finally, a contract as ‘waitress’ in window prostitution premises does not guarantee work because this depends on the presence of clients. Neither does it safeguard income as window prostitutes do not receive an actual wage.

Seasonal workers usually received a fixed hourly wage or a predetermined piece-wage, which was still used although it was not tolerated. In contrast, the income of informal sellers and prostitutes depended on external factors such as the number of clients, which in turn depended on other factors. For instance, the income from street selling was influenced both by the type of sold goods (which immediately implies that it was very hard to estimate the average earnings of informal sellers as one category) and by the weather. For prostitution, influential factors were the prices or the acts that were performed. Other factors not related to the clients but affecting income were the amount of window money or the amount that
needed to be handed over to a pimp. In all three cases, income could arise from a combination of formal and informal channels. The possibility of purely informal income generation was only found in the case of informal street selling. The three cases confirm that income from informal work displays a wide distribution (Williams & Marcelli, 2010).

In all three cases, social capital was important when it came to the conditions to start work, for instance to find an employment place or to have some basic knowledge. This confirms that barriers also exist to enter the informal economy and that social networks and the immediate environment are important to enter the informal economy (Shapland, 2012). As to finding a place to work, social capital had the biggest role in informal street selling as more visible or widespread channels existed in seasonal work (e.g., employment agencies) and prostitution (e.g., advertising). Once started, social contacts played an important role in informal street selling and prostitution. For instance, informal street sellers could obtain useful information on the places to buy their merchandise or the timing of inspections. Furthermore, in order to be accepted or allowed by other sellers in a territory, social contacts could play a role, for instance cigarette sellers. Prostitutes, especially in windows, bars and private houses, could learn a lot from each other about the accustomed prices, acts and ways to handle difficult clients.

It can be derived from that last point that prostitution requires relational skills such as assessing clients’ personalities and responding adequately to that or hiding feelings from clients such as disgust, fear or dislike. Similarly, relational skills are required in street selling. As such, although working as a street seller or prostitute may not require specific competences or extensive professional training, some basic psychological skills are essential. Such skills were less important in seasonal work. Farmers could explain the task division and the work that needed to be done. In case language barriers arose, the farmer usually explained something to one worker who knew enough English and who subsequently informed the other workers in their native language. However, training and skills were also necessary for seasonal workers. For instance, handiness and care were vital in order not to damage the fruit. Moreover, the workers needed to know how to pick fruit, how to thin trees or how to handle a tractor.
In the three cases, several informal activities were detected such as illegal employment, social fraud (more specifically no full payment of social security contributions, benefit fraud), go-betweens, human smuggling, unlicensed activities, sale of counterfeit goods and exploitation. The common denominator of these activities is the fact that these activities and the income generated are not declared (either fully or partially) to the government. Fiscal fraud\(^{318}\) was most explicitly found in the case on prostitution, in the sense that income from prostitution (or prostitution-related activities) was not accurately declared to the government.

The diversity of people who conducted these activities and the conditions under which they were executed confirm the continuum of types of informal work suggested by Williams (2005; 2010). This continuum implies that informal work ranges from organized varieties of informal employment to more individual or autonomous types of informality, such as self-employed concealing a proportion or all the earnings or casual one-off jobs undertaken on an informal basis. Thus, our results confirm that not all informal work can be viewed as low-paid exploitative work executed by marginal groups. Conversely, informal work can be well-paid work allowing for freedom and flexibility, done by middle-class people. As such, the results of the comparative analysis confirm the segmented nature of informal labour markets (Chen, 2012; Williams, 2010, 19; Williams & Marcelli, 2010) in terms of the diversity of economic activities, working conditions (Coletto, 2010) and the permanence of work.

Furthermore, the empirical results are in line with Oviedo, Thomas and Karakurum-Özdemir (2009), who state that informality in developed countries such as Belgium mostly involves (1) formal firms and workers who underreport their income to the tax authorities or (2) the use of undeclared labour, often performed by undocumented foreigners, especially in certain activities (e.g., construction). However, it is important to note that undeclared labour is not solely executed by undocumented foreigners but also by documented foreigners or Belgians (cf., seasonal workers, street sellers) and that it exists outside the ‘typical’ sectors of construction, cleaning and horeca.

Finally, the different empirical articles illustrated the intertwinement of the formal, informal and criminal economy (Renooy, 1990; Vande Walle, 2008; Vande Walle & Ponsaers, 2006; 288

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318 Fiscal fraud can be defined as infringing on stipulations from different fiscal codes with deceptive intention or intention to cause harm (De Nauw, 2007, 3 in Pacolet & De Wispelaere, 2009, 36).
Verhage & Shapland, 2013). This finding confirms that dichotomies are best avoided when studying and thinking about the informal economy (Coletto, 2010). Following Coletto (2010), these intertwinements are visualized in the following three figures, in which the relations between the main actors are represented. The three cases, seasonal work, street selling and prostitution, are discussed more in detail.

The fruit farms were usually formally registered enterprises (see Figure 5). However, the structures of the enterprises and the extent to which farmers fully declared their activities and income were beyond the scope of this study. In the studied case, the produced fruit was mostly sold at fruit actions (formal enterprises). Transactions between farms and auctions are formal in the sense that they are formally/officially registered. This implies that the turnover is officially known by the government. In addition, some farmers sold fruit at the farm to neighbours, local residents, passers-by or agricultural tourists, often without reporting it to the government. Therefore, income from this source was less likely to be declared (entirely) to the tax office. This type of sale was either visible from the streets by way of a notice or not visible but still known by the local residents (who came to the farm to

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319 The idea to represent the relation between the formal, informal and criminal economies in this way is based on Coletto (2010).

320 It is important to note that the different size in circles or arrows do not hold a specific meaning.
As explained in the article on seasonal work, workers could be hired formally, informally or even illegally although informal and especially illegal employment were said to have declined over the years. Some seasonal workers shifted between formal and informal employment by being hired informally one day and formally another one. Furthermore, formal and informal activities could occur on the same farm. Seasonal workers were hired either directly by farmers, for instance through acquaintances or established seasonal workers or indirectly through employment mediators. These could operate formally (e.g., Flemish department of employment agency VDAB or licensed foreign employment agencies), informally (e.g., unregistered go-betweens who ask a one-off payment for their services) or illegally (e.g., human smugglers or traffickers). The arrows in both directions indicate that mediators could search for seasonal workers on their own, but that seasonal workers could also apply for the services of mediators. Thus, the relation goes both ways. Similarly, farmers could call on mediators for seasonal workers, but mediators (mostly informal and illegal ones) could also directly contact farmers asking if they needed workers.

Figure 6: Relation between the formal, informal and illegal/criminal economies in street selling
Street sellers (see Figure 6) could work on market places, on the streets (public domain) and in cafés. A distinction ought to be made between self-employed sellers and waged workers. During the empirical phase, different situations were identified. First of all, some self-employed workers operated formally (e.g., mostly at markets), others worked informally without license or without declaring their activities (e.g., East-European cigarette sellers, unlicensed sellers in the markets) or illegally, for instance migrants in unauthorized stay. Some of these self-employed workers hired employees (also referred to as street sellers in the case), who worked formally, informally or illegally. In the two last cases, sellers worked outside the formal working hours as stated on the contracts or had no official contract. Examples include illegal employment by helpers on market stalls or disc-sellers who worked under someone’s the authority. The arrows between street sellers and clients illustrate that sellers attracted clients by shouting democratic prices or by subtly proposing cigarettes but that clients also approached sellers of their own account, i.e. without sellers attracting clients. The arrow from clients to sellers is not coloured, which shows that there is no state regulation for this relation. As quality regulations and controls on goods which are sold to clients exist (although this was not included in this case study), that arrow is coloured.

Furthermore, the figure represents the channels through which the sellers obtained their goods. Some sellers bought their goods from wholesalers, who could be formal or informal. In the visualization, the term informal is put in italics, because this is an idea that was not studied in the case. Other sellers obtained their goods from middlemen. Examples include the suppliers of cigarette sellers who, in turn, bought the cigarettes from other persons or disc-sellers who bought the discs from dealers. These suppliers could be informal or illegal (in case of counterfeit goods). Formal market stall holders could also function as middlemen for street sellers, who were not able to buy goods directly from wholesalers because they did not have the money to buy large quantities. The case study did not focus on the origin of wholesalers’ goods, but it is assumed that they bought them from factories (although there could have been intermediate people or enterprises). The intertwinement of formal and illegal activities is illustrated by the sale of counterfeit goods in formal market stalls and by the acceptance by formal traders of informal and illegal sellers of counterfeit goods in their immediate surroundings.
The case of prostitution (see Figure 7) differs from the street selling case but is similar to the seasonal work case because the work generally comprises the delivery of services to another person. Sex workers, waged or self-employed, deliver sexual services to clients. The arrows linking sex workers to clients are not coloured, which reflects the absence of state regulation: the state does not adopt regulations for the relation between sex workers and clients; for the sexual services. Self-employed sex workers can work on a formal, informal or illegal basis. Article 4 showed that a combination of formal and informal work was the rule rather than the exception. The sex workers’ place of work varied: it could be at home, hotels or clients’, but also in windows or bars as self-employed. This explains the arrow from ‘managers’ to ‘self-employed’; they then had a tenancy agreement with the manager (this was however rather rare). The bent arrow from owner premises to self-employed sex worker
reflects the hypothesis that self-employed sex workers directly rented the premises from the
owner, without using a manager. As managing prostitution is technically a criminal offence,
this activity is criminal in itself. However, in practice it was tolerated under certain
conditions, which is why it could be regarded as formal. Although this was not the focus of
the case study, some respondents argued that managers did not declare their full income
from prostitution and can hence be called informal.

Waged sex workers had an employment contract, generally as a waitress. Although they did
not do the work for which they had a contract, it was theoretically possible to work formally.
However, informality prevailed as partial declaration or under-declaration of work and
income was the rule rather than the exception. In case waged sex workers did not have the
authority to work in the country, they were working illegally. The relation between the
waged sex worker and the manager of the prostitution premises could be mediated by
middle-men or -women. For instance, friends, loverboys or pimps could bring both parties in
contact. However, the exact relation between loverboys/pimps and managers was not clear,
which explains the dotted arrow. Sometimes women contacted managers on their own (e.g.,
through the internet) or responded to advertisements on the windows.

In line with the partially inductive nature of this study, these results about the nature of
informality and the intertwinement between formal, informal and criminal activities lead us
to re-evaluate the way in which the informal economy was conceptualized at the outset of
the study.

**Rethinking the conceptualisation of the informal economy**

The working definition enabled us to study a broad range of activities that fall outside the
scope of formal state regulation. When relating these activities to conceptualisations of
informality in literature, some important conclusions can be drawn.

First, all identified activities in the three cases fell within the broad definition of informal
economy, which is logical given the broad working definition. However, these activities were
not included in all all narrower definitions of the informal economy and the informal sector
in the literature, such as those of Feige (1990), Portes and Sassen-Koob (1987) or the OECD (2002). These activities would be considered part of the informal economy by the ILO as this organization currently considers the informal economy as comprising all economic activities by workers and economic units that are - in law or in practice - not covered or insufficiently covered by formal arrangements (Williams & Lansky, 2013, 359). On the other hand, the activities could be included in other categorizations found in the literature, such as Feige’s (1990) unreported and illegal economy, Castells and Portes’ (1989) informal and illegal economy, the OECD’s (2002) underground production and illegal production, the SNA’s 1993 underground and illegal production, and the European Commission’s (2007) undeclared work and criminal activities.

Several authors and institutions exclude illegal or criminal activities from informal activities or argue that criminal activities should be distinguished from informal activities (e.g., Adriaenssens et al., 2009; Andrews et al., 2011, 7; Castells & Portes, 1989; Chen et al., 2001; Feige (1990, 991-992) specifies that informal economies are only one type of underground economies. More specifically, he believes that the informal economy comprises economic activities that circumvent the costs and are excluded from the benefits and rights incorporated in the laws and administrative rules dealing with property relationships, commercial licensing, labour contracts, torts, financial credit and social security systems.

They define the informal sector as the sum of all income-earning activities with the exclusion of those that involve contractual and legally regulated employment (Portes & Sassen-Koob, 1987, 31).

Those productive activities conducted by unincorporated enterprises in the household sector that are unregistered and/or less than a specified size in terms of employment, and that have some market production. Most of these informal sector activities provide goods and services whose production and distribution are legal, which is a characteristic that distinguishes informal production from illegal production (OECD, 2002, 13).

Underground production comprises all legal production activities that are deliberately concealed from public authorities for the following kinds of reasons: to avoid payment of income, value added or other taxes; to avoid payment of social security contributions; to avoid having to meet certain legal standards such as minimum wages, maximum hours, safety or health standards, etc.; to avoid complying with certain administrative procedures, such as completing statistical questionnaires or other administrative forms (OECD, 2002, 139). Importantly, this definition indicates a deliberate concealment with specific motivations whereas the case on seasonal work indicated that in exceptional cases non-declaration of labour occurred erroneously.

Those productive activities that generate goods and services forbidden by law or that are unlawful when carried out by unauthorized producers (OECD, 2002, 13). The OECD acknowledges that underground and illegal production are not mutually exclusive since both can overlap (OECD, 2002, 139).

The SNA 1993 defines underground production as production activities which are legal when performed in compliance with regulations but which are deliberately concealed from public authorities (Hussmanns, 2005, 9).

The SNA 1993 defines illegal production as “production activities which are forbidden by law, or which become illegal when carried out by unauthorised producers” (Hussmanns, 2005, 9).

Undeclared work is defined as “any paid activities that are lawful as regards their nature but not declared to public authorities, taking into account differences in the regulatory systems of Member States” (European Commission, 2007, 2). According to the European Commission (2007), this definition links undeclared work to social and fiscal fraud, but excludes criminal activities.
In this view, as described in the first article, a distinction is made between the nature of the final product on the one hand and the way in which this product is produced or distributed on the other hand. According to this classification, the formal economy is characterized by: (1) a legal final product and (2) a legal way of production or distribution. By contrast, the informal economy includes all activities characterized by: (1) a legal nature of the final product but (2) an illegal way of production or distribution of the final product. The criminal economy, on the other hand, comprises all activities characterized by: (1) an illegal final product and (2) an illegal way of production or distribution. With the example of human trafficking, we have already illustrated in the first article that this categorization works for goods but not for services.

The 1993 SNA (Systems of National Accounts) and OECD distinguish informal from criminal activities in another way. More specifically, they make a distinction between illegality in a strict sense, i.e. acts violating the penal code and illegality in a broad sense, i.e. acts violating rules and standards concerning taxes, social security contributions or minimum wages (OECD, 2002, 38). Thus, illegal activities are considered to violate criminal law (illegality in a strict sense), whereas underground activities do not comply with administrative law (illegality in a broad sense). This categorization obviously only works in countries that have an administrative law system, which is not the case everywhere (e.g., the UK).

Conversely, some authors in the domains of public policy, sociology and criminology consider illegal activities part of the informal economy (e.g., Chen, 2004; Gershuny, 1979; Henry & Sills, 2006; Ponsaers et al., 2008). In this respect, Ponsaers (2013, 26) refers to the concept of the ’bazaar economy’ as proposed by Ruggiero and South (1994) to question the extent to which a distinction can be made between formality, informality and illegality.

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Surprisingly, one author (Martha Chen) considers the criminal economy as part of the informal economy in one paper (Chen, 2004) but not in another one (Chen et al., 2001). General statements are made in both papers: it is not the case that in one paper a working definition is only presented for empirical purposes.

According to Ponsaers (2013) this concept refers to a variety of individuals interacting in market places, where goods and services are bought and sold without making a difference between their legal or illegal nature. Applied to contemporary cities, the concept refers to the co-existence of legality and illegality.
When the two ways of distinguishing informal from criminal activities are applied to our empirical results, the proposition of the OECD seems preferable. As such, criminal activities refer to infractions of the penal or criminal code (e.g., pimping, human trafficking), while purely informal activities refer to infractions of “special criminal law” which encompasses labour legislation, social security legislation and tax legislation.

We indeed acknowledge that a distinction between the criminal and the informal economy can be useful for conceptual, statistical and empirical purposes. On a conceptual level, the aetiology of informal and criminal activities can be explained by separate theories. Furthermore, in some countries (for instance Belgium) criminal and informal activities are regulated by different types of regulation, namely the penal code for criminal activities and the special criminal law for informal activities. Likewise, special bodies of enforcers exist to check compliance with the special criminal law such as social inspectorates, the fiscal inspectorate and the health inspectorate, whereas the police are authorized to check compliance with all legislation. For statistical purposes, separate estimates of the sizes of the informal and criminal economy can be interesting, as is illustrated by the SNA 1993 (Hussmanns, 2005). Finally, the distinction between the informal and the criminal economy enables the empirical exploration of their mutual relationships, which is more difficult when the two are confused according to Portes and Haller (2005). Furthermore, not all researchers studying the informal economy are interested in also studying criminal activities, which calls for a framework to distinguish between the two.

However, from our criminological perspective and our choice to study three employment markets (instead of one specific category of informality such as social fraud or fiscal fraud), it is necessary to incorporate both informal and criminal activities. As such, adopting a broad definition of the informal economy at the outset of the research was a good choice. Furthermore, given the wide recognition of the intertwineement between formal, informal and criminal economy (Coletto, 2010; 2013; Renooy, 1990; Vande Walle, 2008; Vande Walle & Ponsaers, 2006; Verhage & Shapland, 2013), it is highly informative to incorporate criminal activities in the research scope. In short, although a conceptual distinction between informal and criminal activities is interesting, it remains necessary to focus empirically on both.
Based on this re-conceptualization, we can summarize that the activities identified in this dissertation belong to the informal and criminal economies, whereby informal activities are seen as breaching special criminal law (specifically social and tax regulation) and criminal activities are seen as breaching criminal law. The informal activities are essential labour activities that do not comply with regulations and that are not declared to the government. As a result, social security contributions that ought to be paid for this labour are not paid and income that is generated from these undeclared activities is not declared to the government either. It is important to acknowledge that the domain of special criminal law is enormous (Ponsaers, in press) and that we cannot conclude that all infractions on every aspect of special criminal law can be defined as informal activities based on our study. In other words, all non-formal activities identified in our study that were not infractions on the criminal law, were infractions of special criminal law (more specifically social legislation and tax legislation), but our study does not allow to conclude that all infractions on every aspect of special criminal law are informal activities.

How do the empirical results and this re-conceptualization relate to the taxonomy proposed in the first article (Figure 8)? For several reasons, it seems that the taxonomy is not very helpful. For instance, the visualization does not illustrate the intertwining between the formal and the informal economies. The main idea of the taxonomy was to focus on the regulation of labour or economic activities. It was hypothesized that enforcement of regulation was a key aspect to determine whether activities belong to the formal economy. However, as argued above, the distinction between regulation and enforcement did not appear helpful in distinguishing formal and informal labour. As such, the definition of the informal economy does not need to revolve around enforcement. However, enforcement is still a crucial factor in this study. As the empirical results indicate, the mere existence of regulation is not sufficient to address informality; the regulation needs to be effectively enforced. That is why it is still important to incorporate these two components (regulation and enforcement) in empirical research focused on tackling informality. The empirical results have also shown that regulation and enforcement may influence on informality separately, which implies the need to look at both components individually.

333 For instance, is not providing compulsory safety helmets - which is an infraction on occupational health and safety regulation and an aspect of special criminal law - part of the informal economy? It is not certain that all researchers on the informal economy will perceive this as informality.
Tokman (1992 in Chen et al. [2001, 12]) states that informal activities fall outside the criminal economy but lie on a continuum between illegal or underground activities and legal or formal activities. Based on this idea, we developed an alternative visualization for the three types of economy (Figure 9).

Although this visualization represents the intertwinements between the formal, informal and criminal economies, it does not incorporate criteria to differentiate between the formal, informal and criminal economies. Therefore, it is not very informative about the way the three economies differ.

In essence, someone who complies with the existing state regulation works in the formal economy. As such, compliance is more important than enforcement to distinguish formal
from informal and criminal economy. As it was illustrated throughout the empirical articles, enforcement might have a deterrent influence and thus stimulate compliance (cf. the case on seasonal work). The prostitution case illustrated how enforcement is not always deterrent. A more nuanced influence of enforcement on informality was found in the street selling case (cf. deterrent influence of administrative sanctions, but not of penal sanctions), which illustrates that other factors than enforcement influence the choice to work either formally or informally (see also Pacolet et al., 2012 for an illustration of possible motives for the demand and supply of undeclared work).

Figure 10 shows an alternative, refined taxonomy that fits our empirical results as well as some main definitions of the informal and criminal economies in the literature. State regulation refers to the state regulation in the field of labour, work and economic activities. Compliance refers to the extent to which persons work in accordance with the regulation. It is represented on a continuum from little to much compliance as it is possible that persons comply with some regulation but not with all. This means people can take different positions regarding compliance. Informal activities occur when there is no state regulation for these activities, with the result that people cannot comply with the state regulation. In addition, there is informal labour when the labour of people is not compliant with special criminal law (e.g., labour law, social security law). However, the domain of special criminal law is too broad to determine on the basis of our study that all labour that does not fully comply with all stipulations of special criminal law is informal. Such a conclusion would broaden the domain of informality and could lead to the uselessness of the concept of the informal economy. Furthermore, gradations exist because for instance working one hour more than is authorized (breaching regulations regarding the length of work) could hardly be equated to systematic undeclared work. This idea of gradations is also partly reflected in the continuum of compliance and informality.
Summarizing, the continuum of compliance is important as people may comply with certain regulations (e.g., declaration of employment) but not with all of them (e.g., not paying the minimum wage, not declaring full income). In addition, this continuum illustrates the intertwinement between the formal and informal economies as it is possible that some people work formally at one point in time, but not at another time\textsuperscript{335} or comply with regulatory stipulations for one type of labour but not for another\textsuperscript{336}. This argumentation also applies for the column of ‘state regulation penal law’. However, if activities violate the penal

\textsuperscript{335} For instance seasonal workers.
\textsuperscript{336} For instance East-European cigarette sellers.
law, they will often also violate special criminal law, which is illustrated by the circle overlapping both categories (special criminal law and penal law). This overlap is illustrated in the case of the unlicensed selling of counterfeit cigarettes. The other way round however is not the case: not all informal activities are criminal.

The different ‘regulation’ categories illustrate that the boundaries between informal and criminal can be moved by actions of the state (Aden, 2009; Ponsaers et al., 2008; Shapland & Ponsaers, 2009).

One problem remains unsolved with this taxonomy, namely that it stays unclear why the state chooses to incorporate certain activities in the penal code and others in the special criminal law. Also, compliance with penal law will only result in formality if one complies at the same time with special criminal law.

**Section conclusions**

This section has related the empirical results to the conceptual framework on the informal economy. Firstly, these results confirm the segmented nature of the informal economy, in terms of the people who work in it (workforce ranging from more marginalized people to more middle-class persons), the working conditions, the activities that are performed, and the income the informal economy generates. As such, the results indicate that informal work is more than just exploitative organized forms of informal employment conducted for the purpose of monetary gain (Williams, 2005; 2010, 18). In this respect, it is important to bear in mind that informal work does not necessarily only entail disadvantages or difficulties (e.g., stress about being detected, frustration because people feel they can do ‘better’ or because they do not feel appreciated) but that it can also bring advantages or benefits (e.g., financial aspects, feeling of agency, social contacts, steppingstone to formal work) (Williams, 2005; 2010).

Secondly, the close intertwinement between the formal, informal and criminal economy was confirmed. As a result, the initial working definition and the proposed taxonomy of the informal economy were adapted. Importantly, some difficulties remain with the adapted taxonomy, which illustrates that it should be seen as a tentative taxonomy. The formal, informal and criminal economy were distinguished, which holds conceptual, statistical and
empirical advantages. Nevertheless, adopting a broad definition of informality or incorporating both informal and criminal activities in empirical studies remains important.

**STRENGTHS AND LIMITATIONS OF THE RESEARCH**

Like any research, this study is characterised by some strengths and weaknesses. Although they have already been described explicitly or implicitly throughout this manuscript, we briefly summarize the most important aspects in this section, starting by the study’s strengths.

The integrative (empirical and theoretical/conceptual), comparative (collective case study) and qualitative approach in this study meets the recommendations of previous research (e.g., Aden, 2009) and offers the opportunity for more in-depth, nuanced and substantive accounts of the nature of the informal economy. Looking at perceptions of different stakeholders, with a major focus on motives of workers to participate in the informal economy (by interviewing workers themselves), is an important strength as workers form the core of the informal economy. In comparison to quantitative surveys, the use of qualitative interviews enables to ask for clarifications, identify new topics and to deepen out certain topics. This in turn leads to broader (by the possibility to include more relevant topics) and more detailed accounts of what one studies.

Although we acknowledge that our rethinking of the conceptualisation of the informal economy reflects just one account of the informal economy and is by no means universally generalizable\(^{337}\), we believe that such a thought exercise is important in order to critically reflect about one’s research findings and their implications. Furthermore, it helps to remain conscious about the difficulties in grasping the informal economy and thus also the need to remain careful when making conclusions pertaining to the informal economy. Also, such thought experiments are important to make academic advancements regarding the conceptualisation of the informal economy.

By focusing on the informal economy from a criminological point of view, we try to contribute to the research agenda of criminology but, more importantly, hope to stimulate more criminological and in the end more multidisciplinary research on the informal economy.

\(^{337}\) Of course, the measures taken to enhance the quality of data collection and data analysis contribute to offering an account or representation that is as close to the social reality as possible.
Part III: Cross case analysis, discussion and conclusion

economy. The criminological perspective is reflected in our inclusion of criminal activities in our working definition of the informal economy (and thus in this study), in the focus on how the government deals with these activities and in the application of responsive regulation theory which is one of the most influential regulation theories in criminology. Moreover, this theory had (and still has) a massive influence on the way enforcement of regulation in Belgium is organised and takes place. The application of responsive regulation theory on our results does not only have a theoretical relevance, but it also concretizes the detected policy approaches towards informality in the three cases. In other words, the identified general policy approaches towards informality are studied more in detail.

On the other hand, this study is also characterised by some limitations.

The limited statistical generalization could be considered by some, mostly adherents of quantitative research, as a limitation of this dissertation. Indeed, given the small non-representative samples in this study, the results are not to be generalized to a broader population (e.g., to all seasonal workers, street sellers and sex workers). Moreover, it is important to recognize that the selection of the markets and the cases within the markets may have influenced the obtained results (e.g., overestimation of survival function of the informal economy in street selling). However, statistical generalization was not the aim of the study: case studies on the informal economy can be very useful as aggregate figures provide only a partial approximation to the phenomenon (Portes & Sassen-Koob, 1987). Furthermore, limited statistical generalization does not imply that this dissertation has not generated some important theoretical insights. Notwithstanding we did not conduct a theory-testing research, the comparative analysis offers more insights into the nature of informality and policy influences. Thus, it offers findings that are relevant for the conceptual and theoretical frameworks on the informal economy. Furthermore, it also offers some important insights relevant for responsive regulation theory. Therefore, our results have both empirical and theoretical value.

Using interviews to study the informal economy is a direct method to study the informal economy (Joassart, 2010; Williams & Windebank, 1998). One of the major criticisms on this type of measurement method is that people involved in informal work (as workers, employers or purchasers) are reluctant to reveal information about their informal activities
(Williams & Windebank, 1998) and that because of underreporting such methods therefore lead to underestimations of informality (Joassart, 2010). However, according to Joassart (2010) and Williams and Windebank (1998) this criticism has been refuted many times by several researchers making use of direct methods, by arguing that participants in the informal economy showed willingness to discuss these matters openly. Related to this, Portes and Haller (2006, 418 in Joassart, 2010, 40) argue that direct surveys are problematic in industrialized countries where regulations are better enforced and consequently “informal activities are better concealed and, […] generally embedded in tighter social networks.” According to Joassart (2010), however, reliance on such social networks (or ethnic networks) can circumvent people’s reluctance to reveal their participation in the informal economy. This latter was equally found by us in the case of cigarette sellers.

Apart from these specific criticisms on direct measurement methods for the informal economy, critics could also argue that interviews are not appropriate for identifying reasons to start (informal) work (cf. research question 3) as this would imply a retrospective account and/or poor recall (Silverman, 2013; Yin, 2009). In part, this is true. However, we are aware of this and this was partly overcome by asking respondents about their initial motives for starting informal work and about their motivations for continuing or stopping informal work. As such, respondents were stimulated to distinguish their past from their current motivations.

The sequential character of the research (conducting each case study one after the other) has some advantages and disadvantages. The positive side is that the knowledge and experience gained in one case study can be used in each following case study (e.g., additional literature on the informal economy, important insights given by respondents we did not think about before, being less easily fobbed off by some respondents). The other side of the coin is that literature read or insights gained after concluding one case study cannot be used anymore for that case study (they can however be used for the following case study or as a basis for recommendations for future research). For instance, case records338 (Patton, 2002) have been drawn up in the second and third case study but not in the first. As not having a case record for seasonal work was experienced as a deficiency

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338 Case records include all the major information that will be used in doing the final case analysis and writing the case study.
when writing the article on seasonal work (article 2), case records were subsequently written for the two following cases.

Similarly, writing a dissertation on articles has pros and cons. The main advantage lies in the fact that one receives valuable objective and international feedback on the research through the review procedures, which allows adjusting if necessary or confidence to continue on a good track. It also makes sure the researcher winds up the research instead of looking for more literature, adding new topics, searching for more respondents... However, after a manuscript is accepted for publication, it cannot be altered any more. As reading literature is an ongoing process, additional literature cannot be integrated in accepted manuscripts anymore. For instance, by reading more literature throughout the research, we have noticed that our literature review of the informal economy (the first article of this dissertation) could benefit from some supplementations. Due to the fact however that it had been published already, this was not possible anymore.

Although the comparative analysis has some important advantages (e.g., offering rich comparative material), the inclusion of three cases restricted the possibilities of broad in-depth analyses in all cases given the time restrictions. As a result, choices and selections had to be made in each case. For instance, not every interesting point during interviews could be fleshed out, because that would have implied interviews being too long in time and/or not having enough material on the topics relevant for the research questions. Also, little attention has been offered to tax fraud, which is of course an important aspect of the informal economy (Williams & Windebank, 1998). Some of these interesting points are integrated in the recommendations for future research, which are described in the following section.

**Practical and Academic Recommendations**

**Practical: policy recommendations**

On the basis of the results of this dissertation, some policy recommendations could be made regarding the governmental approach to informality in the three cases. As described in the

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339 The overall research was conducted in three years and 9 months. We spent approximately one year for each case study, which involved a literature review on the topic of the case, the empirical research (methodology, data collection, data analysis) and writing of publications (each case study resulted in more than 1 publication).
introduction, several policy approaches regarding the informal economy are possible: doing nothing, deregulation, eradicating the informal economy and promoting formalisation (Williams, 2014; Williams & Lansky, 2013; Williams & Windebank, 1998). In this section, we look at possible policy recommendations, based on our empirical results. Before doing so, two important remarks should be made. Firstly, one should keep in mind that, as this study is not a policy-oriented study, the collection of empirical results was not steered by the aim to offer detailed policy recommendations. Secondly, as we did not look into reasons for the existence of informality as a whole (and did not focus on macro-economic structures), our recommendations do not pertain to macro-economic structures but more to micro-level analysis of the three cases. As a result, they are not always easy to link to a broader policy approach.

Before going into the case-specific policy suggestions, it is important to think about the overarching question regarding the presence of informality: is it necessary to eradicate informality or could the existence of the informal economy be beneficial and desired or welcomed? In all three cases, informality had important advantages for the participants (see Table 11). For instance, informal seasonal work sometimes activated people on benefit, offered them a feeling of being useful and offered them extra cash and the feeling of being correctly remunerated for their labour (instead of when they pay taxes and social security contributions). It could also enable farmers to quickly fill in vacancies that could otherwise not be filled in (in time). Furthermore, as most informal seasonal workers enjoyed social security based on other employment or their benefit allowance, their informal work did not imply a full lack of social protection. People working illegally had some basic social rights (e.g., the right to minimum wage) although the main problem was delivering proof of employment if they requested these rights. Thus, for them working informally in practice implied limited to non-existent social protection. As several of them were not allowed to stay in the country, they did not have social security rights based on other bases either. As such, working informally was better than not working at all as that would leave them with nothing. Based on our results, we could argue that the existing informality in seasonal work is not highly worrying as informality does not seem to take place on a regular basis (it is not ‘normal’ anymore) and does not involve large-scale serious exploitation of workers (anymore). As such, keeping a finger on the pulse is necessary (also to avoid large-scale
unfair competition for other farmers) but a more stringent approach would not be recommended.

Table 11: Main advantages and disadvantages of informality in seasonal work (case 1), street selling (case 2) and prostitution (case 3)\textsuperscript{340}

<table>
<thead>
<tr>
<th></th>
<th>Workers/employees</th>
<th>Employers</th>
<th>Formal business</th>
<th>Customers</th>
<th>Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+</td>
<td>income, activation, social relations</td>
<td>quick &amp; cheaper labour, limited crop loss</td>
<td>Unfair competition</td>
<td>lost revenues</td>
<td></td>
</tr>
<tr>
<td>-</td>
<td>less social security, frustration?</td>
<td>risk caught - stress</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Case 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+</td>
<td>income, social relations, activation, launch pad to formal work</td>
<td>cheap labour</td>
<td>extra market?</td>
<td>goods</td>
<td>social peace</td>
</tr>
<tr>
<td>-</td>
<td>less/no social security, frustration?</td>
<td>unfair competition</td>
<td>quality control?</td>
<td>No guarantee products</td>
<td>lost revenues, link with crime</td>
</tr>
<tr>
<td><strong>Case 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+</td>
<td>income</td>
<td>cheaper labour</td>
<td>lower price??</td>
<td>health?</td>
<td>lost revenues, undermining legitimacy?</td>
</tr>
<tr>
<td>-</td>
<td>less social security, limited physical protection, less access to credit and financial services</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

In the case of street selling, an informal market was beneficial for people residing and/or working illegally in the country as it offered them a basic income, a sense of autonomy (Shapland, 2012) and the possibility to actively take part in local trade and establish social relations. Furthermore, we saw that some sellers conducted activities whilst staying illegally in the country but, after being granted the right to stay and work in the country, used their skills and established formal one-man enterprises with the help of social workers. In these cases, informal work was a launch pad to formal work (Williams, 2005) and should therefore not be eradicated per se (Williams, 2014). Of course, one could argue that instead of maintaining an informal economy for these people, one should focus more on a thoroughly thought-out migration policy, but this exceeds this scope of this dissertation. On the other hand, several sellers explained they were frustrated at not having the opportunities to prove their skills and experience in their field of expertise (cf. street selling was often not perceived as a real job by the sellers). This is not inherently linked to undertaking informal street sales, but more to barriers in finding formal or informal employment in these areas\textsuperscript{341}. In contrast

\textsuperscript{340} This table is inspired by Williams & Lansky (2013).

\textsuperscript{341} Although some informal street sellers had certain skills (or at least they claimed they had them) required for other jobs (e.g., construction, car mechanics), other reasons were put forward by the informal sellers as to why they did not receive the job (e.g., too much competition, lack of trust given the expensive materials that are used).
to the other two cases, is it possible that formal businesses also experienced some benefits from informal street sales in that they might indirectly reach new or broader markets? For instance, a client buying some piece of clothing in a café might afterwards buy more clothes of that brand in a regular shop, although we found little evidence pointing in that direction. As stated before, unfair competition for formal businesses is possible, although we have argued that this should not be overestimated for certain types of goods. Related to this, clients could purchase goods they could not purchase in the formal economy, for instance brand clothes and accessories (albeit counterfeit). The other side of the coin is that they had no quality control over the goods and no receipt to exchange for their purchase in case of bad quality (should they want to exchange). The benefits and costs for the government of informal street selling have already been discussed elsewhere (article on street selling) thus do not need to be repeated here. In sum, eradication of informal street selling seems not to be desired as this would leave some persons in the cold.

To a certain extent, the current prostitution case can be compared with the case of seasonal work in the eighties, when it was customary for housewives and neighbours to work undeclared on fruit picking. Currently, it is equally customary that prostitution is partly done on an informal basis. Partial declaration of work and income (and thus partly paying social security contributions and taxes) was more the rule than the exception. As such, social and fiscal fraud was normal: there was systematic fraud. But is this, from a state-perspective, justified? The main advantage of informality for workers and managers was the untaxed earnings. For most of them, the perceived advantages outweighed the disadvantages. For instance, most sex workers (especially the ones who planned to stay in Belgium) were satisfied with the social security rights they had based on the work they declared and did not care deeply about the fact that their social protection was not in real accordance with their work. Similarly, foreign ‘waitresses’ were often not concerned about their social protection, often because many\(^\text{342}\) did not know that they fell under the Belgian social security system. This finding might raise the question that social protection levels may be too high for some people’s needs. If social protection, based on a partial declaration of labour or full declaration of another type of labour (i.e., waitress instead of prostitute), is experienced as

\[^{342}\text{At least the ones we interviewed.}\]
sufficient by sex workers\textsuperscript{343}, better or more social protection will not stimulate accurate declaration of employment.

Of course, it is difficult to estimate the amount of money the government misses due to unpaid taxes but it can be hypothesized that it is higher than the amount involved in informal selling because prices are higher and because often sex workers work more hours than cigarette sellers (who seemed to earn the most). And why should sex workers and bar managers not have to pay full contributions on their work and income as other people do? Why should sex workers and managers have to escape that? It is hard work, but does that justify the systematic fraud? Many other people also work hard and do correctly pay their contributions. Furthermore, not all sex workers experience barriers in finding formal employment. Maybe the tax burden functions as a partial barrier to formalisation but this is not specific to prostitution, it is a general burden that every income-earning citizen needs to face. Furthermore, as Shapland and Ponsaers (2009) argue, tax policies in se do not encourage the informal economy; the combination of high tax rates, invisibility of the activities and an inefficient regulation is important in understanding the expansion of the informal economy.

All in all, some parts of or some scale of the informal economy seem important, even necessary for some workers and could thus remain tacitly condoned (Williams, 2014; Williams & Round, 2010) or at least not eradicated without foreseeing alternatives for the workers conducting informal activities (e.g., informal street sales). However, from a societal point of view systematic fraud by people earning good money is not acceptable\textsuperscript{344}. Likewise, some criminal activities that have close connections to the informal economy, such as economic and sexual exploitation, are difficult to consider beneficial or welcome as they harm the physical and emotional integrity of people. The discussion about the sale of counterfeit and smuggled goods, which is technically also a criminal offense\textsuperscript{345}, is less straightforward as not all counterfeit goods harm the physical integrity of people (e.g.,

\textsuperscript{343} Of course, it is possible that risk management (in essence, paying for social protection is a way of managing and cushioning certain risks) by the state and by sex workers is not the same.

\textsuperscript{344} In the same line, Pacolet and De Wispelaere (2013a, 35) argue that hunting down small frauds (people who work a few hours on the side) while tolerating big tax avoidance constructions can jeopardize the morality of citizens. As such, we infer that enforcement should focus on systematic and/or large scale fraud more than small-scaled and/or survival driven fraud.

\textsuperscript{345} Article 191 of the Belgian criminal law.
counterfeit handbags or wallets). The best option nevertheless seems to retain some of the benefits of the informal economy, while at the same time diminishing the harmful consequences of informal and criminal activities (Rickles & Ong, 2010; Shapland, 2012, 431; Slack & Jensen, 2010). However, is this possible? And if so, how? At this point, an important role is granted to enforcers and enforcement agencies. Enforcement policies could focus on tackling the criminal expansion without focusing too hard on casual informality. In the same way, enforcers on the ground could focus more on detecting crime and harmful informality than on suppressing less harmful informality. All in all, targeted policy orientations and inspections on the ground are to be recommended (Pacolet & De Wispelaere, 2013a). For this to be the case, we suggest regular and efficient communication between street-level enforcers and executive staff. Furthermore, the lack of good quality enforcement data leads us to recommend better and more registration procedures (e.g., procedures that enable comparison between agencies) for enforcement agencies. This could improve systematic evaluations of enforcement efforts (Rickles & Ong, 2010) and could lead to time series on enforcement activities, which could be used in estimating the evolution of the informal economy (Pacolet & De Wispelaere, 2013b).

Notwithstanding these general ideas, some policy recommendations could be made for each case, given the identified particularities of that case (Chen, 2012).

The case of seasonal work illustrated the existence of specific regulation that is thoroughly enforced. It could be recommended to maintain regular controls and to focus inspections on at-risk farms. Some ideas could be developed given the combination of informal seasonal work and receiving benefit allowances. Some people on benefits (with OCMW-support) were allowed to earn a limited monthly amount without this affecting their allowance. However, as seasonal work (and especially fruit-picking) is concentrated in delineated periods it might be a good idea to calculate the amount they can earn additionally on a yearly basis instead of a monthly basis. Others however could not work without their allowance being affected. Such people might be stimulated to work formally if their declaration of seasonal work would result in a higher net income than from the combination

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346 These data may be sufficient for internal use, but they are often far from user-friendly for the purpose of academic research.

347 This is somewhat in line with the new economics approach in which a basic income would be combined with employment or unpaid informal work (Williams & Windebank, 1998).
allowance and undeclared seasonal work. It is important to stimulate local people to conduct seasonal work as it might be questionable how long temporary migrants will keep on coming to Belgium to conduct seasonal work. In this respect, the feasibility of a ‘mini-job’ after the example of Germany could be studied (e.g., in terms of cost) (Williams et al., 2008) or the possibility of reducing income tax for seasonal workers. A meter in the Dimona-database, that immediately warns employers that seasonal workers have reached their 65-day quota might be interesting to reduce the number of seasonal workers claiming having worked less than 65 days and/or to take away the excuse used by employers that they did not know the seasonal worker had worked over 65 days.

In the case of street selling it seems important that all enforcers are clearly informed about the lack of public ownership instead of relying on each other for enforcement (in case this is not known already). Furthermore, as stated above, the survival function and social safety net-function of informal street selling was important but it is important to monitor and deal with criminality and illegal employment. Regarding the latter, informal workers should have the possibility to easily mention abuses to the government. As the risk exists that sellers would have to search elsewhere for an income (if illegal employment were to be tackled more severely) it is important to search for measures to encourage employers to stick to minimum wages for their personnel. Equally important is enhancing the bargaining position of labour unions for these vulnerable employees. If possible, enforcement should be more focused on the sale of counterfeit goods (and especially those which entail a risk to health such as cigarettes) than on the informal sale of legal goods.

A differential approach to informal sellers on benefits who regularly top up their allowance and the ones who do this only occasionally seems interesting as the first are more worrying than the latter in terms of state finances and the legitimacy of the state. Social fraud on a regular basis cannot be approved of because: (1) it undermines the social security system (with further consequences), (2) it undermines the will of people working correctly and paying all contributions directly, (3) it does not stimulate offenders to look for a formal job. Searching for formal employment should be stimulated as much as possible. If possible (e.g., when person gets authorisation to stay and work in the country) formal self-employment could be stimulated (Slack & Jensen, 2010). In this process, social workers have an important role as they have most contact with informal sellers (or have the opportunity to have contact
with them) and know what steps they need to take to comply with administrative rules (or know who can help them with it). Some persons who have been granted the right to stay and work in the country continue their informal selling practices due to experiencing barriers to formalization. However, these barriers are mainly experienced when looking for a job outside selling activities. It might be interesting to focus more on formal self-employment than on formal wage employment, especially given the consequences of the economic crisis. As such, many of the unemployed, with qualifications and experience, are looking for a job, and are likely to be more attractive to employers than previously informal workers with less experience. In this process, social workers have an important role as they are the ones closest to them.

Lastly, in view of the experienced difficulties with migration policy, the government could work on establishing further agreements with countries regarding the admission of nationals and on better identification procedures.

Regarding the prostitution case, the main recommendation is the legalisation of bona fide or non-exploitative (Vermeulen, 2014, 258) management of prostitution as this would allow more appropriate regulation on a local level. In that case it might be worthwhile to introduce a fixed amount of social contributions and taxes as it will remain difficult to deliver proof of the total number of clients and income. Also, a specific term should be chosen to retain the anonymity of sex workers (to which they attach great importance in light of their possible future employment and relatives). One cannot disregard the possibility that some sex workers would go underground after potential legalisation. For that reason, inspections should make more use of internet advertising, keeping good relations with social workers or other persons who have contacts with the ‘milieu’. Also, more financial means could be offered to social and health workers to build up contacts with sex workers as this would be more difficult if sex workers go underground. As long as the local government will not be able to regulate prostitution and its exploitation more than for the purposes of public decency, it might be interesting to transfer this task in part to the business itself and/or to a certification agency (BELAC) (self-regulation; van Erp et al., 2008). Of course, van Erp et al. (2008) correctly question the extent to which private parties can execute a societal control task given their commercial business interests and lack of information, authorities or power.

BELAC is the Belgian accreditation company.
Furthermore, it would be beneficial to check out the juridical possibilities of altering the system of control documents for window and bar prostitution (e.g., need to keep proof of control documents, limit on number of control documents). Furthermore, agencies and persons conducting the administration of self-employed and prostitution businesses could be offered more responsibility (and accountability) in partial declaration of employment as they finally handle declaration of employment and/or income. As such, they could be offered the task of searching and reporting ‘at risk’ declarations (e.g., because of changing declarations) and held responsible if they fail to do that (auditing). Measures to make fully declared work by sex workers more beneficial or attractive could certainly be advised (Williams, 2014). Related to this, measures to change the attitudes of sex workers regarding the payment of social security contributions and taxes could also be worthwhile considering (Williams, 2014; Williams et al., 2008). This could be integrated in the conversations between social workers of the police and newly registered ‘waitresses’. In order to reach more than the sex workers in the RLD, this could also be done by social workers of the health service. However, we feel that in order for such campaigns to be successful, the government might have to improve the redistributive justice (Williams, 2014, 25) as some sex workers felt the government did not treat them positively (for instance illustrated by the lack of official recognition of the profession). Also, we feel that measures to change the attitudes of sex workers should go hand in hand with a higher (perceived or actual) risk of tax inspections. All this implies that, prior to changing the attitudes of sex workers, the attitudes of the government regarding prostitution markets should change first. The use of the registered till system as is compulsory in certain horeca-premises does not seem feasible for prostitution premises given the cash-payments without tills. In order to help tackling nuisance and keeping an eye out for pimps, private security agents may be hired by managers in the RLD.

In all three cases it is important to have good information flow from top to bottom and from bottom to top. Regarding the latter, it is important that inspectors on the ground know the policy lines, know their authorities and are well-trained in assessing situations and dealing with people. But the other way round is also of crucial importance, namely that experiences and difficulties on the ground find their way to policymakers and policymaking. This last point requires that policymakers are open to suggestions from the ground.
Academic: recommendations for future research

Given the wide scope of the informal economy and the different perspectives on the phenomenon (e.g., economic, sociological), a huge list of suggestions for further research could be listed. However, hereunder we focus on some suggestions that spring from a criminological perspective and this study’s results and limitations.

First of all, similar research in other markets/sectors could be executed. To our knowledge, comparable research has been done only in the hotel and catering industry (Klima, 2011; 2013) and in the transport sector (Klima, 2011), although these studies have not included responsive regulation theory. Given the massive influence responsive regulation has had on the working of the inspectorate services in Belgium, it would be important to study its usefulness in other markets as well. Such research could additionally study the extent to which the adapted conceptualisation of the informal economy is found in these markets. In the end, more empirical and theoretical/contemplative work is crucial if one wishes to resolve the conceptual discussions regarding the informal economy. As the informal economy does not have reliable official statistics, more sector-specific qualitative research is needed to create more overall pictures of the informal economy in a sector or across sectors.

Secondly, all research is characterised by making strategic choices. Some interesting aspects could not be studied in this research but do deserve further attention.

First of all, future research could try to combine qualitative with quantitative research approach. More specifically, administering quantitative surveys to workers, in order to obtain more generalizable results, should be supplemented with an in-depth specification on certain findings or certain markets. Regarding the latter, ethnographic research (making use of observation and interviews) enables the researcher to get a fuller view of an informal economy with all its participants (not only suppliers, but also buyers, social relations, networks) and a more in-depth understanding of their experiences and motivations.

Secondly, this dissertation was focused on the identification of the existing regulation, its enforcement and their influence on informality. However, in order to have a better understanding of the government’s perception of informality, future research could
study how and why exactly regulation is developed and how enforcement priorities are determined. We have suggested several potential reasons, but were not able to determine whether or not they are true. More specifically, future research should focus on the influence of the main interest groups (e.g., politicians, employers’ federations, labour unions, heads of administration) on policymaking, on how policy (as an end product) is shaped by compromising between these different interest groups (i.e. interplay of political and administrative decisions). Such research should include studying whether the government has a unified policy on informality, or merely reacts to particular phenomena and their potential effects on public views. In brief, future research should integrate the process of policy-making into its scope. Such research should not solely focus on state-centred actors but also on other intervening actors in the informal economy such as consumers and the public, trades union, industries or sector employers, companies and NGO’s (Chen et al., 2001, 19-21). We have focused on government intervention, but other actors are involved as well, whose exact role in regulation and informality was not studied.

Related to this, future research could adopt a top-down approach in which the influence of some general but targeted policy measures regarding the informal economy is studied in several employment markets (e.g., datamining). Furthermore, in addition to studying the (perceived) influence of policy measures, future research should try to identify the effectiveness of such measures. However, this requires for instance knowledge of policy goals and reliable estimates of the size of the informal economy.

Fourthly, applying responsive regulation theory to the results indicated the large discretionary power of inspectors and the police. More research is needed on how this discretionary power is used, for practical and theoretical reasons. From a practical point of view, such discretionary power entails a risk for citizens of differential treatment by enforcement agents and thus uncertainty about possible outcomes of contraventions. Furthermore, studying the interactions between regulators and regulatees could inform us about how exactly the principles of responsive regulation are put into practice and how incentives and deterrents are communicated towards regulatees. In this dissertation, the focus was on direct controls (deterrents and to a lesser extent incentives [Williams, 2014]). Studying interactions should enable to identify if and how non-deterrent measures to stimulate compliance are used and communicated. From an academic point of view, such
studies can tell us more about regulation theories. Indeed, in theory the possibility to react responsively as enforcers exists. However, the extent to which this is done in practice is still largely open (van de Bunt et al., 2007). In order to study this, research should be focused on interactions between enforcers and regulatees, on factors influencing behaviour in these interactions, on how regulators communicate threat and cooperation and how regulatees hear those messages in the light of what else they know of that regulator and the regulatory and legal system (Nielsen & Parker, 2009). Furthermore, we have largely focused on specific enforcement agents active in the detection of infractions (social inspectors and police). Future research should also focus more on other enforcement agents (e.g., other enforcers active in the detection of informality, prosecutors, agents authorized for the cashing of administrative fines) and focus more in detail on the consequences of detection (e.g., are fines actually paid or not).

Fifthly, it would be interesting from a theoretical point of view to apply other theories to empirical research on the informal economy in order to broaden theorisation on the informal economy. Regarding the way in which actors deal with the informal economy, other regulation theories could be applied such as restorative justice responsive regulation (Nielsen & Parker, 2009). The latter may be interesting as our results indicate that informal workers do not so much refer to individual actions of enforcers as to enforcement institutions (e.g., the police) and possible sanctions on non-compliance. As illustrated by Nielsen and Parker (2009), the main difference between Ayres and Braithwaite’s (1992) responsive regulation and Braithwaite’s (2002) restorative justice responsive regulation lies in the fact that the first gives the individual regulator a crucial role in bringing coercion (or the threat of coercion) during interactions between the regulator and regulatee whereas the second leaves the role of coercion more to the regulatory system rather than the regulator as individual. As the respondents focused more on the deterrent influence of enforcement agencies (e.g., the police, the social inspectorate) and possible sanctions than on individual enforcement interactions, it might be interesting to study how restorative justice responsive regulation could be useful for the informal economy. This is all the more important given the results of Nielsen and Parker (2009), pointing to a higher relevance of restorative justice responsive regulation in changing attitudes and opinions regarding compliance than tit-for-
tat responsive regulation in business compliance behaviour (however, the latter did show more relevance to change behaviour).

At the individual level, it would be interesting to apply criminological theories to motivations of people to work or hire informally. More specifically, our results bear resemblance to some ideas integrated in rational choice theories, deterrence theories and Sykes and Matza’s neutralisation techniques\textsuperscript{349} (1957 in Pauwels, 2012). Therefore, studying the usefulness of these theories and approaches for the informal economy may be interesting.

Sixthly, more attention could be offered to the social bonds of people working in the informal economy with other members of the informal economy but also with the formal economy. In this respect, Coletto (2010) illustrates how social ties in the formal economy shift to social bonds in the informal economy once one enters the informal economy. This implies that the social relations of people who start working in the informal economy can alter. This was not looked at in this dissertation. As we have seen that social capital is important to find informal work and that (unspoken) approval of established workers/enterprises in the formal economy is important, for instance in street selling, it is interesting to study social relations and the strength people gain from them more in depth. It could teach us more about their influence on informal work and on how people cope with informal work. Furthermore, weakened social bonds with the formal economy might make it more difficult to re-enter the formal economy at a later point in time. All in all, future research should offer more attention to the social context in which informal activities are embedded (Slack & Jensen, 2010; Williams & Marcelli, 2010).

Lastly, when looking at the different cases, it would be interesting to study the demand side of the informal economy, particularly in the cases of street selling and prostitution. This would come down to studying employer’s reasons for hiring informally and clients’ reasons for buying goods and services in the informal economy, whilst also focusing on their perspectives regarding informal work and informal workers. Research on the demand side of the informal economy has already been conducted internationally by Williams and Martinez-Perez (2014) and the European Commission (2014) and in Belgium by Pacolet and colleagues (2012) but due to the nature and composition of their sample, the

\textsuperscript{349} E.g. denial of responsibility.
latter carefully call it a pilot study with several limitations. Notwithstanding the importance of their studies (which highlight that lower prices are important in understanding the purchase of informal goods and services but that other factors also play an important role such as avoiding the limitations of the formal economy for instance in terms of speed or availability of goods and services), it remains important to shed light on the relation between the demand and supply sides of informality more in detail in specific sectors to have more detailed information.

**CONCLUSIONS**

This dissertation was aimed at offering more insights into the nature of the informal economy in Belgium and into its regulation. We have confirmed some general trends regarding the heterogeneous nature of the informal economy. This hybrid nature implies the need for continuous in-depth case specific research, which is subsequently built up into a more general picture within and across sectors. Importantly, the application of theories on the informal economy (macro-level) on the empirical results (micro-level) illustrates that macro theories are not always useful to explain findings on a micro or individual level. Unfortunately, establishing a ‘new’ taxonomy regarding the informal economy and its relations to the formal and criminal economy appeared to be more challenging than expected. In the end, our adapted taxonomy is thus tentative. Nonetheless, we hope to have illustrated that the lack of a universal conceptualisation of the informal economy does not stand empirical research in the way. On the contrary, empirical research can only be stimulated as new empirical findings will shed more light into the characteristics of the informal economy and can feed the ongoing debate regarding its conceptualisation and theorisation.

The title of this dissertation contains the question if (and how) the Belgian informal economy is regulated. This dissertation is in essence a bottom-up study in which we identified the general policy measures pertaining to labour in three markets and looked if these measures had an influence on informality in the markets. Thus, our point of departure was not specific policy measures regarding the informal economy (e.g., datamining) and their potential influence: we did not study how such specific measures influence informality in three cases. In general, the government tries to promote formalisation, which is illustrated by the
Part III: Cross case analysis, discussion and conclusion

existence of several policy measures aimed at preventing and detecting certain types of informality (‘sticks’ and ‘carrots’ [Williams, 2014]). However, our bottom-up approach revealed market related differences in how the government deals with informality in specific cases. More specifically, of the three inspected cases, seasonal work is characterised by the highest governmental attention regarding informality, which is illustrated by the case specific regulation (to enhance flexibility and lower labour costs) and its rather stringent enforcement. It is the only case that clearly comprises incentives to work and hire formally.

We argued that the existence of some types of informality does not seem to pose severe problems but could be welcomed for several reasons (situated at different levels, e.g., societal level, individual level). On the other hand, other types of informal activities, criminal activities and larger-scale informality are less welcome for a society and for victims involved (e.g., pimping). Unfortunately, the government does not seem to succeed fully in keeping all these activities under control. In part, this is linked to the policy regarding these phenomena.

Given the heterogeneous nature of informality, it is difficult to make general statements about the ‘best way to go’ regarding the regulation of the informal economy (Williams & Windebank, 1998). This suggests the need for market-specific research on informality. By putting all the pieces together, a nuanced approach to informality could be achieved which is needed to tackle the unwelcome parts of the informal economy and condone the welcome parts.

References


Regulating the Belgian informal economy? A case study in three markets


Part III: Cross case analysis, discussion and conclusion


Regulating the Belgian informal economy? A case study in three markets


Mascini, P. (2013). “Why was the enforcement pyramid so influential? And what price was paid?”, Regulation and Governance, Vol. 7 (1), 48-60.


Part III: Cross case analysis, discussion and conclusion


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Regulating the Belgian informal economy? A case study in three markets
APPENDICES
Regulating the Belgian informal economy? A case study in three markets
Appendix 1: Methodology adopted in the case of seasonal work in fruit-growing in South Limburg


Research questions

In this case, five research questions are sought to be answered:

1. What are the main Belgian policy stipulations concerning seasonal work in fruit-growing?
2. In what way is seasonal work in fruit-growing in south Limburg characterised by informal economic activities?
3. If informal economic activities are present, what are the motives of employers and employees to engage in them?
4. What is the influence, if any, of policies on the informal economy in relation to seasonal work in fruit-growing in South Limburg?
5. How do employers and seasonal workers active in seasonal work in fruit-growing in South Limburg perceive the main Belgian policy provisions?

Case selection

Each case has boundaries which must be identified at an early stage of the research (Silverman, 2013). Applied to our dissertation, this means that it is important to explain why and how the case has been selected within the employment sector seasonal work. We have chosen seasonal work in fruit-growing given its history of and sensitivity for informality (SIOD, 2010; 2011; 2012; 2013). The area of south Limburg was chosen as most registered seasonal workers in fruit-growing were active in that area the year prior to our study (2010). In other words, that area hosted the highest number of registered seasonal workers.

These statistics have been put at our disposal by the Waarborg-en sociaal fonds voor het tuinbouwbedrijf.
Regulating the Belgian informal economy? A case study in three markets

Methods

The case ran from April 2011 to April 2012. The empirical phase, during which document analyses, interviews and case file or dossier analyses were conducted, ran from April 2011 to March 2012.

Document analyses

Regarding the document analyses, we analysed relevant legislation, brochures and documents concerning policy in the horticulture. More specifically, we looked into relevant laws and regulatory stipulations (concerning labour regulation, social security regulation, fiscal regulation, labour migration); we studied brochures encompassing all relevant stipulations concerning seasonal work in the horticulture; we analysed annual reports of different law enforcement agencies (e.g. local and federal police, labour inspectorate services, labour public prosecutor), thus identifying their specific qualifications and their methods of working in relation to the case; we furthermore analysed statistics drawn up by the labour inspectorate services, thus identifying the presence of different types of informal activities and the consequences of infractions (for both employer and seasonal worker). As statistics could be perceived as tabulated data, analysis of statistics fall under the heading document analyses (Atkinson & Coffey, 2004). The main aim of the document analyses was to identify the policy (Vervaecke, Vanderhallen, Opdebeeck & Goethals, 2002).

Either these documents were freely accessible through the internet, or we asked experts during our interviews permission to access the documents. However, access was not always procured. In some cases, the experts procured us access under the condition of not publishing specific aspects. All in all, both the retrievability (finding documents) and access were not always easy (Patton, 2002; Yin, 2009).

Dossier analyses

Written request for permission to analyse files was asked to a local police force351, one labour inspectorate service352, two Offices of the Public Prosecutor353 and two Offices of the Labour Public

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351 This local police was chosen because the town and its surroundings are the centre of the fruit sector in south Limburg. Thus, this police force is esteemed to be the most relevant for our purpose.
352 The procès-verbal of the different labour inspectorate services all contain similar information. In addition, the different labour inspectorate services conduct joint controls, and the procès-verbal - drawn up during such controls - all go to the labour public prosecutor, independent of which labour inspectorate service has drawn up the procès-verbal.
353 The chosen area (south Limburg) falls within the jurisdiction of both offices.
Prosecutor\textsuperscript{354}. Full information on the aims of the research, the research questions and guaranteed anonymity were enclosed in the written request. We deliberately asked permission to analyse files, settled in the period 2010-2011. For, we first believed that a request for analysis of settled files would maximize the chances of approval for dossier analyses (in comparison with files that were still running). Second, the period 2010-2011 was selected in order to analyse relatively recent dossiers, which were assumed to lean closely to information gained through the interviews.

This method gained us access to files of the labour inspectorate, the two Offices of the Public Prosecutor and of one Office of the Labour Public Prosecutor. The local police argued that, as they did not execute inspections on seasonal work in the fruit sector, they did not have relevant files. They only granted assistance during inspections conducted by the labour inspectorate services. The local police did however give us statistics regarding the number of fruit controls in which they offered support to the labour inspectorate services\textsuperscript{355}. One Office of Labour Public Prosecutor refused permission for study of settled files because of privacy reasons. However, an interview with a member of the Labour Public Prosecutor was possible.

The aims of the file analyses were identification of:
- detection method of infractions;
- types of infractions;
- motives of employers and seasonal workers for the infractions;
- chosen settlements and the motivation for that choice.

In total, 70 files were analysed, of which only 43 related to the fruit sector. The requested files at the Office of the Public Prosecutor were selected by a query through the computer system, based on a code system. The codes of the files (every file is coded) relate to sectors in which the infractions take place. However, analyses revealed that not all files were accurately coded. As knowing which information should be retrieved in document and file analysis is necessary before conducting the analysis (Vervaecke et al., 2002), analyses were done making use of a checklist.

**Semi structured face-to-face interviews**

During the interviews, the role of researcher is taken on, in the sense that we presented ourselves as a researcher at the university, executing a doctoral research on three employment sectors. As a

\textsuperscript{354} In Belgium, we have a separate public prosecutor, qualified for infractions on the labour laws.

\textsuperscript{355} These statistics are only available as from 2005. Before that, no statistics were drawn up.
researcher we have adopted the role of the ‘visitor’ (Flick, 2002, 58) as we only make contact with participants for interviews. In line with previous research (e.g. Braithwaite, 1984; Vande Walle, 2005) we have not emphasized our criminological background, although we did not lie about it either. In order not to frighten off potential participants, we have not mentioned the topic of informal economy either\textsuperscript{356} (see infra). However, if asked by our respondent, we have truthfully answered. As this was mainly asked at the end of the interview, we do not know whether or not this had an effect on the interview.

Respondents

In line with previous research, we have opted for semi-structured interviews with employers (e.g., de Bakker, 2001; Loose & Lamberts, 2010; Rogaly, 2008; Rye & Andrzejewska, 2010), with seasonal workers (e.g., Loose & Lamberts, 2010; Rogaly, 2008; Rye & Andrzejewska, 2010) and experts (e.g., de Bakker, 2001; Dermaut, 2010; Kasimis, 2008).

Regarding the interviews, 35 \textit{employers} were approached over the phone: 18 were found on the website of the VDAB\textsuperscript{357} (purposive sampling (Newburn, 2007)), 10 through snowball sampling (Kleemans, Korf & Staring, 2008), 3 through the trade register, 2 in a touristic flyer, 1 through the OCMW\textsuperscript{358} and one on the internet. In order to decrease the bias which is created using purposive sampling and snowball sampling, we deliberately made use of different recruitment channels. All employers were contacted over the phone prior to interviewing them. Over the phone, employers were informed about the content of the case study and of the interviews and about the role of the participant (e.g., interview of about an hour in order to shed light on the perceptions of the respondent). More specifically, we explained that the research was aimed at analysing (1) the nature and organisation of seasonal work in Limburg, (2) the current policy concerning seasonal work in the horticulture and (3) the perceptions of employers and employees in seasonal work concerning the policy. At the start of the interviews, employers were reminded about this information (phased informed consent, O’Gorman & Vander Laenen, 2010).

\textsuperscript{356} An exception was made when contacting enforcers. As their task is to enforce the relevant regulation (sometimes in addition of other tasks), we did not expect them to refuse participation because of the topic of the research.

\textsuperscript{357} \textit{Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding}, which is a Flemish service for employment-finding and professional training under supervision of the Flemish minister of Budget, Finance, Employment, Environmental planning, Sports and Heritage.

\textsuperscript{358} The OCMW (’\textit{Openbaar centrum voor maatschappelijk welzijn}’) is a public centre for societal welfare that ensures certain societal services and thus takes care of the welfare of citizens. Procuring social and financial assistance are core tasks of the OCMW, in addition to granting housing, medical care, domiciliary care, unemployment relief work, legal aid...
In total, 24 employers were interviewed (11/18 contacted through the VDAB, 7/10 through snowball sampling, 1/3 through trade register, 2/2 of the touristic flyer, 1/1 through the OCMW and 1/1 on the internet). Four of the 24 interviews took place on an informal basis (not recorded) in the field during or just after work (see table 1). Main cited reasons for not participating were the lack of time and the perceived lack of added value. The interviewed employers varied in age, length of activity in the sector, sort of cultivated fruit (strawberries, raspberries, pears, apples), size of the enterprise and profile of seasonal workers (Belgian and foreign seasonal workers). The interviews varied in length between 45 minutes and two hours.

Table 1: Overview of the number of formal (recorded) interviews and respondents

<table>
<thead>
<tr>
<th></th>
<th>N interviews</th>
<th>N respondents</th>
<th>Interview length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers</td>
<td>20</td>
<td>20</td>
<td>45 min – 2h</td>
</tr>
<tr>
<td>Seasonal workers</td>
<td>18</td>
<td>47</td>
<td>30 min – 1h</td>
</tr>
<tr>
<td>Experts</td>
<td>20</td>
<td>20</td>
<td>1h – 2h</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

Two main approaches were taken on to recruit *seasonal workers*.

Firstly, every interviewed employer was asked whether it was possible to interview seasonal workers. However, not every employer worked with seasonal workers at the time of the interviews (in these cases arrangements had been made to get in touch when seasonal workers would be present). For practical reasons, two approaches were taken on: (1) employers asked seasonal workers for participation; or when possible (2) the researcher made contact on the field with seasonal workers, asking them for participation after an informal talk. This resulted in a total of 16 formal and 3 informal interviews. The former can be divided into 5 one-to-one interviews (2 autochthonous Belgians, 2 foreign Belgians and 1 Romanian seasonal worker) and 11 group interviews (Fontana & Frey, 2000). The group interviews took place with Polish, Romanian and Belgian (of Moroccan, Indian and Ghanaian origin) seasonal workers. In case employers stated that the seasonal workers did not speak Dutch, French or English, a translator was hired. Although in the other cases employers stated that their seasonal workers did speak one of the three abovementioned languages, language barriers arose twice, which might affect the reliability of those interviews. Not all interviewed employers agreed on conducting interviews with seasonal workers employed by them. On the contrary, some

359 We deliberately do not use the term focus group, as it is not the intention to gain data *from the discussion* between the group members (Newburn, 2007). The fact that the interviews were taken in group, is more a result of practical issues than a deliberate choice.
employers did not mind us making contact with seasonal workers, but preferred not to give an interview themselves. Prior to the interviews, the same information regarding the study given to employers were given to seasonal workers.

Sampling of seasonal workers via employers yielded an important disadvantage. Indeed, it implied the risk of having a biased sample of seasonal workers. As employers functioned as gatekeepers, they decided which seasonal workers were ruled out of the research (e.g., by not allowing us to make contact with their workers, by stating that their seasonal workers were not willing to participate without having asked them) and which ones were included (e.g., by selecting seasonal workers we could talk to). The latter also raised the question of voluntariness of participation: did seasonal workers want to participate or were they encouraged by their employers? Another, though less important, issue this approach yielded is the question concerning who to interview first: employers or seasonal workers. In case employers were interviewed first, they knew what the interview was about and they might have selected seasonal workers in function of the interview or they might have enlightened seasonal workers on what they could and could not say. For practical reasons, this was however the most frequent sequence in the research.

In order to overcome the abovementioned issue, a second approach was taken on. We tried to make contact with seasonal workers through communal organisations and a non-profit organisation. By email, these organisations were asked contact information of foreign seasonal workers (non-Belgians and Belgians of foreign origin). Although one organisation referred us to other organisations, in the end we had contact data of 6 seasonal workers, without their employers acting as gatekeepers. This approach resulted in two more formal or recorded interviews (see table 1).

In nearly all the cases, formal interviews with seasonal workers took place after the work or during a break (in order not to interfere with work). Employers were more keen to liberate some time during the working hours. Interviews with seasonal workers varied between 30 minutes and one hour.

In order to avoid single participants or partial groups to dominate the interview (Flick, 2002), we used purposive questioning of more quiet respondents. This however did not appear to rule out the domination of the interview by some respondents. In addition, it has been experienced as sometimes leading to awkward or uncomfortable situations in which those respondents answered shortly,

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This centre is active in the field of inter-culturality and social cohesion, and offers services and activities in those domains to foreigners, refugees, illegal people and caravan dwellers. In addition, it informs and sensitizes the Flemish population concerning migration and integration.
simply nodded or said they agreed with what the other participants had said. Snowball sampling of seasonal workers did not prove to be successful, in the sense that the interviewed respondents claimed not knowing other seasonal workers (possibly) willing to participate. Main cited reasons (by seasonal workers) for not participating were the lack of perceived added value and fatigue (when approached on the field).

Furthermore, 20 expert interviews (Flick, 2002) were held with a total of 20 respondents (members of the labour inspectorate, of the employers’ federation, of a labour union, of an organization offering administrative support to employers in the horticulture, of an information centre for agriculture, of the federal police, of the local police force, of the mayor's services, of a fiscal accounting service, of fruit auctions, of an OCMW, of the Office of the Labour Public Prosecutor and of the VDAB service) (see table 1). Experts fell into three categories: regulation (six interviews), enforcement (six interviews) and support (eight interviews). These interviews served several purposes: (1) gaining insight in the policy, (2) identifying perceptions of experts on the policy, (3) detecting aspects of formal reaction on informality, (4) discovering valuable information concerning the case (e.g. employment measures). The sampling of experts posed less difficulties in comparison with employers and seasonal workers. We either contacted experts (persons or organisations) - based on contact data on the internet - or we were given contact information by other experts (snowball sampling). Initial contact took place by email (this enabled experts to answer when they had the time); further contact usually took place by phone. The duration of the expert interviews varied between one and two hours.

In total, 58 formal or recorded interviews were conducted with 87 respondents (see table 1): 20 experts, 20 employers and 47 seasonal workers. Seven informal interviews were conducted with a total of 4 employers and 3 seasonal workers. According to methodological standards, the number of respondents was not determined in advance but was based on obtaining the saturation point (Silverman, 2013).

The informal interviews could not be recorded (because of practical reasons, e.g. noisy machines in fields) or were chosen not to be recorded in order not to frighten off respondents. The latter occurred when making contact with seasonal workers who were finishing up their work in the field. In order not to overwhelm them or put them off, we chose not to record the first informal conversations. In addition, by going into the fields, we intended to enhance the chance of meeting

This category is the same as the category 'intermediates' used in the introduction.
and interviewing informally working and/or undocumented seasonal workers. Immediately after the (formal and informal) interviews, personal impressions concerning the interview (impression of the respondent(s), impressions concerning the relation researcher-respondent(s), learning points for researcher…) and additional information which was given after the recorder was switched off are written down (Beyens & Tournel, 2010; Flick, 2002). These measures were taken in view of enhancing the (procedural) reliability of the results (Flick, 2002).

**Effect of the researcher**

Regarding possible effects of researcher (Miller & Glassner, 2004; Silverman, 2013), we feel that being a woman did not have a differential influence on the interviews. Just once, during a group interview with young male seasonal workers, we had the impression the men may not have taken the interview too seriously. During one interview, the respondents (middle-aged Polish seasonal workers) did not wish to go deeper into their reasons for seasonal work (e.g., did not want to say what the earnings were used for, how these earnings related to their income in their home country). One respondent clarified they were not proud they had to come to Western Europe to be able to make a decent living in their home country. As such, the economic difference between the respondents and the researcher may have had an influence on that interview. In this case, the social difference between interviewer and respondents was not believed to have more advantages than disadvantages (Miller & Glassner, 2004).

**Tips and tricks for the future**

Some lessons could be drawn on the basis of this first case study.

First of all, the importance of triangulation cannot be underestimated. The use of different methods is highly important when using interviews for researching sensitive topics, in order to modify the influence of social desirable answers. This pitfall is furthermore tackled in our research by interviewing people with different interests in relation to the informal economy and by asking indirect questions relating informal economy to both employers and seasonal workers\(^{362}\). The importance of this indirect questioning is confirmed by the fact that the majority of the employers argued that informality still takes place in the sector\(^{363}\), but not in their farm. Only three out of twenty employers acknowledged working or having worked informally.

\(^{362}\) For instance, we asked if they were aware of any informal practices in the sector, if they were aware of other employers or seasonal workers not working by the rules etc.

\(^{363}\) Albeit less than before. However, empirical results of the case are discussed elsewhere.
Second, in trying to broaden our range of interviewed seasonal workers, we not only conducted formal interviews but also informal ones. However, the latter did not deliver the expected results. These interviews were very short as seasonal workers (1) wanted to go home as soon as possible, (2) did not or hardly speak Dutch, French or English. These interviews revealed nothing more than some background information on the seasonal worker (being the non-threatening questions with which interviews started) as they were too short to get to the core of the interview.

In studying a similar case, it would be utmost interesting to conduct long term participating observations (de Bakker, 2001). Not only could it lead to a more in-depth feeling with the seasonal work, but also with the seasonal workers, with employers, with inter-relations between seasonal workers and employers. Unfortunately, we were not able to conduct participating observations without infringing the law ourselves\(^{364}\), so we decided not to opt for this method. We did however had the possibility of accompanying the labour inspectorate services twice during inspections. Although this showed us how inspections on informal activities were executed in practice and how employers and seasonal workers reacted to these inspections, it covered only a few inspections. Long term immersion in the case could furthermore enable contact with undocumented seasonal workers, who undoubtedly are present in the case. This method requires far more time than we unfortunately had.

References


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\(^{364}\) The researcher could not combine a paid job at university and a job as seasonal worker (even a non-paid one) due to the specific seasonal work regulation.
Regulating the Belgian informal economy? A case study in three markets


APPENDIX 2: METHODOLOGY ADOPTED IN THE CASE OF STREET SELLING IN BRUSSELS SOUTH

Research questions

Five research questions are sought to be answered in this case:

1. What are the main Belgian policy stipulations concerning street trade in Brussels South?
2. In what way is street trade in Brussels South characterised by informal economic activities?
3. If informal economic activities are present, what are the motives of the participants to engage in them?
4. What is the influence, if any, of the policy on the informal economy in the street trade in Brussels South?
5. How do street vendors, regulators and enforcers in the case perceive the main Belgian policy stipulations concerning street trade in Brussels South?

Case selection

Each case has boundaries which must be identified at an early stage of the research (Silverman, 2013). Applied to our dissertation, this means that it is important to argue how and why the case of street selling in Brussels South was chosen as a case of street trade and why and how the methods were chosen.

The case was selected after having conducted an orienting phase, which ran from mid-June 2012 to the beginning of July 2012. The selection was based on information obtained from three academics, observations, interviews with one regulator, three enforcers and two intermediates and attendance at a meeting of local enforcers re ambulatory trade. Two of the five contacted academics never answered our request for information and the tourist information service of the city argued not being aware of street trade in the city. Based on the yielded information, the area of Brussels South was selected as this proved to be the most interesting area given its broad array of formal and informal street selling. Furthermore, it appeared to be a highly accessible area given the characteristics of the trade (i.e., selling in open places, public markets, diversity of visitors in terms of socio-ethnic background).

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365 Active in the sector of social and cultural geography, criminology, social and employment sciences.
366 A member of the Trade Department of Brussels.
367 Three members of three different local police areas.
368 One psychologist and one member of an organisation offering the possibility to traders to test out new products in an accessible manner.
Methods

The case ran from May 2012 to April 2013. The empirical phase, during which observations, interviews and document analyses were conducted, ran from mid-June 2012 to mid-January 2013. This phase was divided into three successive phases:

- Orienting phase: selection of the case (mid-June to the beginning of July);
- Research in breadthways: July-the beginning of October;

The goal of the second phase was to map out the selling activities in all its diversity, focussing on the sellers and on the enforcement of the regulation regarding these activities. This phase resulted in a thick description of the area and some first answers to the research questions. The intention was to deepen out the trade in cigarettes and in copied discs during a third research phase. However, due to difficulties in accessing disc-seller (see infra), the third phase mainly focussed on the selling of cigarettes on the streets.

Document analyses

Regarding the document analyses, we analysed relevant legislation, brochures and documents concerning policy relevant for ambulatory trade. More specifically, we looked into relevant laws and regulatory stipulations (concerning labour regulation, social security regulation, migrant labour); we studied annual reports of the economic inspection service thus identifying its specific qualifications and its methods of working in relation to the case; we furthermore analysed statistics drawn up by the economic inspection service, by the customs office, by the office of the public prosecutor and of the social inspection service, thus identifying the presence of different types of informal activities and the consequences of infractions. As statistics could be perceived as tabulated data, analysis of statistics fall under the heading document analyses (Atkinson & Coffey, 2004). The main aim of the document analyses was to identify the policy (Vervaecke, Vanderhallen, Opdebeeck & Goethals, 2002).

Either these documents were freely accessible through the internet, or we asked experts during our interviews permission to access the documents. However, not all requested statistics were procured369 (sometimes even although an initial agreement to deliver the data). All in all, both the retrievability (finding documents) and access were not always easy (Patton, 2002; Yin, 2009).

369 One law enforcement office claimed not keeping statistics concerning ambulatory trade and street selling.
Dossier analyses

Written request for permission to analyse files was asked to the Office of the Public Prosecutor and the Office of the Labour Public Prosecutor. Full information on the aims of the research, the research questions and guaranteed anonymity were enclosed in the written request. We deliberately asked permission to analyse files that were recently settled. For, we first believed that a request for analysis of settled files would maximize the chances of approval for dossier analyses (in comparison with files that were still running). Second, we aimed to analyse relatively recent dossiers, which were assumed to lean closely to information gained through the interviews. In addition, we asked statistical data concerning the number of dossiers (and decisions taken in these dossiers) handling counterfeiting, illegal employment, human trade, human smuggling and undeclared employment in relation to ambulatory trade and street selling in the particular case.

The aims of the file analyses were the identification of:

- detection method of infractions;
- types of infractions;
- motives of street sellers for the infractions;
- chosen settlements and motivation for that choice.

This method gained us access to only two files of the Office of the Public Prosecutor, of which only one related to street selling. The office of the Labour Public Prosecutor argued the impossibility to identify dossiers in which the abovementioned infractions took place. As knowing which information should be retrieved in document and file analysis is necessary before conducting the analysis (Vervaecke et al., 2002), analyses were done making use of a checklist. Due to the limited amount of files/dossiers analysed, these were not taken up in the data analysis of the empirical material re the case.

Observations

In line with previous research (e.g., Antonopoulos, Hornsby & Hobbs, 2011), observations (Boeije, 2005) were conducted during 19 days (during two of these days observations were also conducted during the evenings) and one evening. Approximately 50 hours of observations were carried out. The observations in the evening took place during the fun fair at the Brussels South station, which took place from 14 July to 19 August 2012. The observations during the day were conducted on different days (Thursday, Friday, Saturday and Sunday) and on different hours (between 7 am and 5 pm) in order to have a broad view on the setting (Coletto, 2013).
The intention of the observations was to get an idea of the organisation of the sellers, the goods they sell, their workplaces etc. During the observations, the researcher did not reveal her role as researcher, thus conducting covert observation. However, when combined with informal talks, the goal of the research was usually explained albeit in a manner assumed to be less threatening: (migrant) street sellers were told that we were interested in their life and work (i.e. street selling) in the area. In this way, without lying, we tried to gain confidence and avoid being rejected from the field.

All observations, thoughts and interpretations were written down in a field note booklet (Boeije, 2005) during or after the observations. Several modi operandi were used when impossible to make notes on the spot such as storing short notes as text messages in a cell phone, leaving the scene to make notes (outside the sight of the observed) or making last notes on the train. A differentiation was made between objective and subjective aspects (e.g. thoughts, interpretations, to-do’s). Before each observation, notes were made of the depart and arrival hours in the setting, exact place of observation and goal of observation. Field notes were not analysed by means of computer analyses program due to time restrictions.

**Semi-structured face-to-face interviews**

During the interviews, the role of researcher is taken on, in the sense that we presented ourselves as a researcher at the university. A difference was made in presenting the research to experts and street sellers. The latter were explained the research focused on the life and work of migrants in the chosen area. This indirect presentation of the research served to avoid frightening off potential respondents without lying about the content of the interview and the research. During these interviews, an genuine interest was shown in the life of the street sellers. In approaching experts, the topic of the informal economy was used and explained since they were considered to be less frightened off by the topic. During all interviews we have adopted the role of the ‘visitor’ (Flick, 2002, 58) as we only make contact with participants for interviews (and for observations in the case of street sellers). In line with previous research (e.g. Braithwaite, 1984; Vande Walle, 2005) we have not emphasized our criminological background to street sellers, who actually never asked about this background.

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370 For instance, going to the toilets of the market; going to a café in the railway station; relocating to nearby places with benches.

371 This approach was equally suggested by an interviewed intermediate of Moroccan origin, specialised in treating mental problems experienced by migrants.
Appendix 2: methodology case street selling

Respondents

For the whole case, 31 recorded and 10 non-recorded interviews were conducted with a total of 45 respondents (see table 1). In line with previous research, semi-structured interviews were conducted with street sellers (e.g., Antonopoulos et al., 2011; Lazaridis & Koumandraki, 2003; Nelken, 2006; Witkowski, 1993) and experts (e.g., Nelken, 2006).

Table 1. Overview of the number of interviews, respondents and length of the interviews

<table>
<thead>
<tr>
<th></th>
<th>N recorded</th>
<th>N non-recorded</th>
<th>N respondents</th>
<th>Interview length</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street vendors (SV)</td>
<td>11</td>
<td>6</td>
<td>18</td>
<td>30 min – 1.5 h</td>
</tr>
<tr>
<td>Regulators (ER)</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Enforcers (EE)</td>
<td>11</td>
<td>3</td>
<td>16</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Intermediates (EI)</td>
<td>7</td>
<td>1</td>
<td>8</td>
<td>1 – 2.5 h</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>10</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>

According to methodological standards, the number of respondents was not determined in advance but was based on obtaining the saturation point (Silverman, 2013).

Concerning the street traders, fifteen sellers were asked on the street/market/pubs for an interview - usually after first approaching them as a customer (Antonopoulos, 2012; Antonopoulos et al., 2011) - of which six agreed to give an interview. Before the start of the interview, they were again informed (orally and written by means of an information sheet) about the content of the study and their role as participant (phased informed consent, O’Gorman & Vander Laenen, 2010). Five interviews were arranged through an intermediate organisation (Lazaridis & Koumandraki, 2003) and two through snowball sampling (Atkinson & Flint, 2001; Kleemans, Korf & Staring, 2008). In these cases, the initial information regarding the study and the interview was offered by the intermediate organisation or the seller. However, before the start of the interview, respondents were given the information by the researcher, both orally and written by means of an information sheet (phased informed consent, O’Gorman & Vander Laenen, 2010). Street sellers gave a range of reasons for not wanting to give interviews - notwithstanding the reward of €30\(^{372}\) - such as lack of time, language barriers (not understanding and/or speaking French, English or Dutch well enough), not interested without further

\(^{372}\) One intermediate organisation gave us the tip to use a financial reward for street sellers as an incentive. They argued that this was needed to get street sellers over the edge to tell their story, which cannot be taken for granted given their experienced difficulties and experience with informal and illegal behaviour. The amount of 30€ was suggested since this is the daily amount a volunteer receives according to the Belgian law.
specifications, not interested in helping the Belgian society\textsuperscript{373} and fear. Some street sellers argued to be afraid of giving an interview because they perceived their activities as illegal, and could not be certain of my trustworthiness. This mainly occurred when approaching disc-sellers, less when approaching cigarette-sellers. The first interviewed cigarette seller argued that the fear was mainly characterised by a fear from the police and a lack of trust in everyone. He - in addition to other sellers and interviewed intermediates - argued the importance of having an intermediate person assuring the sellers. He told us that this is what he had done with the other cigarette sellers, which would be the reason why other cigarette sellers were not afraid of giving an interview to me. On the other side, another interviewed cigarette seller encouraged a colleague to give an interview since ‘getting 30€ for an interview is better than standing in the cold’. Also, four sellers agreed upon giving a recorded or non-recorded interview without someone acting as a gatekeeper. This might indicate that some sellers might not be as afraid as others, that they needed the financial incentive or that they were simply willing to share their experiences and encountered problems.

Some significant problems were encountered when searching for disc sellers (as a part of the third research phase). Although intermediates and other street sellers claimed their omnipresence in different pubs/teahouses and on the streets, we only found a limited number of disc sellers notwithstanding several observations and contact with pub owners\textsuperscript{374}. Admittedly, pub observations were not carried out in the evenings\textsuperscript{375}, when most sellers were assumed to dwell the pubs. Moreover, all but one approached disc-sellers, refused participation (see above)\textsuperscript{376}. To overcome this, participating intermediate organisations were contacted again with the request for contact with current or former disc-sellers. This approach led to one interview with a former disc-seller.

Six of the 17 interviews took place with cigarette sellers, three with (current of former) sellers of telephone cards, one with a person active in the car business in the Heyvaartstraat, one interview with a seller of belts, one with a fruit/vegetable seller, three with sellers of cloths (and handbags) and two with current or former disc-sellers. The respondents had different nationalities: Moroccan (12

\textsuperscript{373} One disc seller explicitly told that the Belgian society has screwed him by not offering him papers. More specifically, he lived since 14 years in Belgium without receiving the necessary documents whereas he knew people living for a shorter period in Belgium who did receive papers.

\textsuperscript{374} Three different pub owners were asked to put us in to contact with disc-sellers but this was not successful. Two owners were informed about the research; to a third owner we acted as a potential client leaving our phone number with the request to contact us when a seller would come by.

\textsuperscript{375} For safety reasons. The pubs are not only situated in a rather unsafe area, but some of them are uniquely frequented by male clients, due to religious reasons (teahouses). As a female researcher, this entailed an extra access difficulty.

\textsuperscript{376} The one disc-seller who told his story partly, did not want to give a formal, recorded interview (because of fear and language barrier). He told bits and pieces of his experiences in the course of several chance meetings in a pub.
sellers), Polish (1 seller), Mauritanian (1 seller), Nigerian (1 seller), Tunisian (1 seller), Senegalese (1 seller) and Belgian (1 seller). The majority of them (12) was in illegal stay, although one seller received in the course of the research documents to stay in the country due to the fact that his child was born in Belgium. Of the six sellers who resided legally in the country, two still had a regularisation dossier running. Only one respondent was a formal, registered seller; the other 17 were informal sellers. The interviews, approximately ranging from 30 minutes to 1 hour and a half, took place in pubs, a wayside restaurant, on the street/markets, at the intermediate organisation or at the house of the respondent. One interview was conducted in Dutch, one in English and all the others in French.

The difference between the recorded and the non-recorded interviews mainly lies in the fact that for the recorded interviews agreements were made in advance concerning time and place of interview. The reason for not recording other interviews was double: one seller did not want the interview to be recorded\(^\text{377}\), the others were not recorded for practical reasons (sellers talking spontaneously on the street/market; once the researcher forgot the recorder). Given the fact that certain interviews were conducted with more than one respondent, the total number of respondents is higher than the total number of interviews. In addition of these interviews, some informal chats were conducted on the selling places (market, street, fun fair) with 11 traders, two managers of a café on the private market\(^\text{378}\) and 5 managers/waiters of cafés near the public market.

The term expert was used for respondents specialized in the domain under study (Boeije, 2005, 58). In this study, experts were divided into three categories: regulators, enforcers and intermediates.

Four regulatory services were contacted through email (this enabled the respondents to react when they had the time) and/or phone, of which two agreed to give an interview. One never responded to our request (notwithstanding several attempts to reach them) and another one gave us necessary documents through email. Contact information of these services were found on the internet or provided through other respondents. Aims of these interviews were to gain insight into the policy related to street trade (and especially the regulation side), to identify the relevant regulators and to reveal perceptions of the respondents on the policy, formal and informal street selling.

\(^{377}\) He did not want to leave traces of what he had said, notwithstanding he was a registered, formal seller.

\(^{378}\) I went several times to a café with the purpose of observing the market in a subtle way, talking to the waiters, getting myself noticed in the setting and making contact (eventually) with sellers.
Regulating the Belgian informal economy? A case study in three markets

Out of the twenty contacted enforcement agencies, two agencies never reacted to our request. Three respondents never reacted to further contact notwithstanding initial reaction. Two organisations claimed not having any relevant information on the topic. In the end, fourteen interviews were conducted with members of four different local police forces, one federal police force, the Belgian customs office, the economic inspection service, the social inspection service, the Immigration Office and the office of the (Labour) Public Prosecutor. Within three enforcement agencies, more than one interview took place (with the same or different respondents). Enforcement agencies were sampled through criterion and snowball sampling (Patton, 2002). The interviews with the members of the office of the (Labour) Public Prosecutor served as an alternative for case file analyses and/or analyses of statistics (see above). These were not recorded because of practical reasons. An additional aim of these interviews was the identification of how and to which extent informal street selling is enforced.

Lastly, the intermediate organisations were asked an interview (with similar aims as the other expert interviews) and their help in contacting street sellers. This category comprised a broad range of organisations such as centres for social work, shelters for homeless, prevention services, the Red Cross, refugee assistance, medical centres but also anti-piracy federations and the legal tobacco industry. Twenty nine intermediate organisations were contacted by email, based on contact information on the internet or on data procured by other respondents. Nine organisations never reacted, six told us not having any relevant information or contacts (two of these referred us to other organisations), one organisation did not exist anymore, two referred us to other organisations and one refused participation because of the sensitivity of the topic. One organisation only gave some information by email, based on its contacts with one informal street seller. The president of another contacted organisation had already been contacted in another capacity. In the end, eight interviews were conducted with different intermediates (see table 1).

Three expert interviews were conducted in French; the others in Dutch. The duration of these interviews varied approximately between one hour and two and a half hours. Here too, informed

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379 Two respondents needed permission of a superior to give an interview. Since further contact proved impossible, it is unknown whether or not they received that permission. One respondent agreed to think about participation, but never responded again.

380 One respondent belonged to the judicial team of the customs office, whereas another one belonged to the national investigation department.

381 One respondent was not prepared for an interview, so the interview took the form of a conversation rather than a formal interview. Another respondent explained certain aspects whilst showing some statistics or whilst walking around in the building, leading me to colleagues. In both interviews, the researcher unfortunately somewhat lost control over the interview (Cambré & Waege, 2010). A third interview, with a member of a local police force, was not recorded because the respondent talked all the way through showing counterfeit goods located in different places of the organisation. Thus, the interview passed off in several places, not enabling to record.
consent took the form of phased informed consent (O’Gorman & Vander Laenen, 2010): first over the phone or by email and later in person. All in all, the samples of respondents are a convenience sample which means that certain types of respondents were most probably excluded from the sample (Silverman, 2013) (e.g., less formal sellers). This implies that the sample of street sellers is not representative and that the findings from the interviews cannot be generalized to the whole population of street sellers. Nevertheless, the inclusion of informal street sellers is highly important in light of our research questions.

During interviews, notes were taken enabling us to register non-verbal communication and additional questions (Cambré & Waege, 2010). Immediately after the interviews, personal impressions concerning the interview (impression of the respondent(s), impressions concerning the relation researcher-respondent(s), learning points for researcher…) and additional information which was given after the recorder was switched off are written down (Beyens & Tournel, 2010; Flick, 2002). This should partly lead us to say something about the effects of the researcher on the results. These measures were taken in view of enhancing the (procedural) reliability of the results (Flick, 2002).

**Effect of the researcher**

Regarding possible effects of researcher (Miller & Glassner, 2004; Silverman, 2013), we feel that being a woman has had advantages and disadvantages. It has had advantages in making contact with street sellers on the street/market because most sellers are male. The disadvantage lies in the fact that several sellers dwelled teahouses, which are hardly frequented by women. In addition, the Caucasian background of the researcher was very striking in the highly multicultural setting. As in van Meeteren, van San and Engbersen’s (2008) research, the selection of a team of interviewers with the same ethnic background as the interviewees might have improved the research (e.g. coping with religious or cultural sensitivities) although the social difference between interviewer and respondents is believed to have had some advantages. More specifically, respondents (street sellers) could recognize themselves as experts on the topic, which could be empowering and illuminating as they could talk about their lives and perceptions in a way they normally do not (Miller & Glassner, 2004). This is believed to be all the more important when interviewing people who are stigmatized or devalued by the larger society (Miller & Glassner, 2004). The fact that several sellers were happy to finally receive research attention confirms this advantage.
Tips and tricks for the future

Given our sampling strategies, we are aware that our sample was not representative (Silverman, 2013). However, we do not feel this diminishes the value of our explorative research, especially given the validation of the interview results with observations (van Meeteren et al., 2008). Furthermore, since several types of sellers were interviewed, the case was covered to a large extent. In addition, although we did not aim statistical generalization, we did aim partial theoretical generalization, in the sense that we aimed to contribute to the theorization and empirical knowledge on the informal economy.

The importance of triangulation cannot be underestimated. For instance, during interviews with street sellers some contradictions or even small lies (e.g. about their address) were detected, thus implying the need to validate or cross-check these results with other sources of data. In addition, when using interviews as a method for researching sensitive topics, the possibility of social desirable answers should always be taken into consideration.

Interviews with street sellers are often reported in literature on street trade (e.g. Bellinvia, 2013; Colletto, 2013). The strategy described by Antonopoulos (2012) - first approaching sellers as clients and then revealing the true reason for the contact - proved to be successful in this case as well. Acting as a customer permitted to make initial contact with sellers (get a foot in the door), without them distrusting the researcher.

Snowball sampling is considered to be successful in studies involving irregular migrants (see van Meeteren, Engbersen, van San, 2009). As this type of sampling has an important downside (namely a sample bias; Atkinson & Flint, 2001; van Meeteren et al., 2009), other ways of recruiting street sellers were equally applied in our case (in line with previous research; van Meeteren et al., 2008). Notwithstanding, the trust of one member of a certain community seemed to be crucial for further access to sellers (namely the North-African cigarette sellers). In this respect, the first interviewed cigarette seller could have functioned as a gatekeeper or ‘cultural mediator’ (Cardano, 2003, p.125 in Coletto, 2013). In addition, showing genuine interest in the situation of informal (migrant) sellers seemed to be successful. Indeed, most interviewed street sellers appreciated the research attention to their situation, thus indicating that our indirect, but genuine approach yielded some success.

Similar reactions are found in van Meeteren et al.’s (2008) research on the position of irregular migrants in Belgium. Some of their respondents liked participation because it enabled them to tell their story. Others hoped their participation would lead to an improved situation of them and their

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382 Sellers from different nationalities, sellers of different goods.
companions. However, as several street sellers refused to participate to the research - mostly because of fear - important difficulties in accessing the target group were encountered (see above).

Interestingly, several organisations claimed not having relevant information about informal street selling in the research setting. A potential reason for this is that many interviewed informal sellers do not frequently make an appeal to social organisations given their own social network (van Meeteren et al., 2008). Of course, other potential reasons exist such as the fact that not all organisations focus on income portfolio of their clients (which can have different reasons).

Although a long term immersion in the setting was not always possible in this case, this ethnographic tool is highly important in this type of research (see e.g. Coletto, 2013) to get a good sense of the interrelations and power relations between the different actors.

References
Regulating the Belgian informal economy? A case study in three markets


Cher participant,


En ce moment, je suis occupée avec le commerce ambulant à Bruxelles. En particulier, j’analyse le commerce en voie publique dans la région autour de la gare Bruxelles-Midi (entre autres l’Abattoir & ses alentours, le marché du midi & ses alentours). Dans l’étude, je mets l’accent sur les histoires des vendeurs. Je suis intéressée par des questions comme celles-ci :

- Qui sont les vendeurs ambulants ?
- D’où sont-ils originaires ?
- Quelle est leur histoire de vie ?
- Que font-ils pour gagner la vie ?
- Comment est-ce que leur vie et travail sont organisés ?
- Quelles sont les motivations pour le commerce ambulant ?
- …

Afin de trouver des réponses à ces questions, j’aimerais faire des interviews avec les vendeurs ambulants. Une interview dure à peu près une heure et est anonyme. Cela veut dire que votre nom ne sera pas mentionné et que ce ne sera pas possible d’être identifié dans les publications. Les résultats de l’étude, qui sont basés en partie sur les interviews, seront publiés dans des livres/revues académiques. Vue que l’étude est financée par l’université de Gand, les résultats ne seront pas rapportés au gouvernement. Si vous avez des questions, vous pouvez toujours me contacter :

Dominique Boels
Universiteitstraat 4
9000 Gent
09/264.84.52
Email: dominique.boels@ugent.be

Merci de votre participation!
Topic list street sellers

Demographic
- Nationality
- Origin
- Age

Migration
- Reasons migration + migration route
- Reasons Belgium + since when in Belgium
- Experienced difficulties

Life in Belgium
- Acquaintances & friends in Belgium?
- Family (in Belgium or elsewhere): description + activities
- Housing: found how + experiences?
- How earn a living?
- Street selling:
  - How found/started the job?
  - Independent profession or work as employee?
  - Enough to survive (% of total income; if insufficient: what else)?
  - Temporary or permanent?
  - View on other job?
  - Amount of hours work?
  - Experienced difficulties (e.g. nuisance by rules/laws/enforcement)?
  - Regulation (knowledge, content, …)?
  - Enforcement (inspections, frequency, experiences, …)?
  - Change in regulation/enforcement?
  - Contact with other formal and informal vendors? E.g. competition, friendship, exchange money, give away…
  - Profile other informal street vendors + reasons?
  - Organisation of work (e.g. determination place of selling, determinations hours of work…)?
  - Organisation of live (e.g. activities outside work)?

Goods:
- Determination of prices?
- Where do you stock your goods (+ fear of theft)?
- Where do you buy your goods?

Expectations
- Perspectives?
Appendix 3: Methodology adopted in the case of prostitution in Ghent

Research questions

Five research questions are sought to be answered in this case:

1. What are the main Belgian policy stipulations concerning prostitution in Ghent?
2. In what way is prostitution in Ghent characterised by informal economic activities?
3. If informal economic activities are present, what are the motives of the participants to engage in them?
4. What is the influence, if any, of the policy on the informal economy in the prostitution in Ghent?
5. How do sex workers, regulators and enforcers in the case perceive the main Belgian policy stipulations concerning prostitution in Ghent?

Case selection

Each case has boundaries which must be identified at an early stage of the research (Silverman, 2013). Applied to our dissertation, this means that it is important to argue how and why the case of prostitution in Ghent was selected. We chose to study prostitution instead of other types of sex work because (1) policy on prostitution was highly topical in surrounding European countries at the time of the case selection, (2) prostitution seemed utmost interesting to study as in Belgium, prostitution is legal but surrounding activities are not (this implies the possibility to study legal, semi-legal and illegal activities), (3) prostitution is the most well-known aspect of sex work, which is also reflected in the vast amount of literature on prostitution. Furthermore, Ghent was chosen as the geographical boundary for the case study for three reasons: (1) the well-known presence of a window prostitution area (‘Glazen Straatje’) in the city centre and bar prostitution on a main approach road to the city (‘Kortrijksesteenweg’); (2) the city’s specific history regarding prostitution and sexual exploitation and (3) the fact that the university where the researcher works is situated in Ghent.

Methods

The case study ran from May 2013 to March 2014. The empirical phase, during which document analyses, dossier analyses and interviews were carried out, ran from mid-June 2013 to mid-January 2014.
Document analyses

Regarding the document analyses, we analysed relevant legislation and documents concerning policy relevant for prostitution in Ghent. More specifically, we looked into relevant laws and regulatory stipulations (e.g. municipal police regulation); we studied annual reports of the local police thus identifying its specific qualifications and its methods of working in relation to the case; we furthermore analysed statistics drawn up by the social inspectorate service thus identifying the presence of different types of informal activities and the consequences of infractions. Finally, we analysed statistics of the local police concerning the number of sex workers (and their nationalities) in windows and bars in Ghent. As statistics could be perceived as tabulated data, analysis of statistics fall under the heading document analyses (Atkinson & Coffey, 2004). The main aim of the document analyses was to identify the policy (Vervaecke, Vanderhallen, Opdebeeck & Goethals, 2002).

Either these documents were freely accessible through the internet, or we asked experts during our interviews permission to access the documents. However, not all requested statistics were procured. All in all, both the retrievability (finding documents) and access were not always easy (Patton, 2002; Yin, 2009).

Dossier analyses

Written request for permission to analyse files handling illegal labour contracting, human trafficking\textsuperscript{383}, non-declared labour and pimping in relation to prostitution in Ghent was asked to the Office of the Public Prosecutor and the Office of the Labour Public Prosecutor. Full information on the aims of the research, the research questions and guaranteed anonymity were enclosed in the written request. We deliberately asked permission to analyse files that were recently settled. For, we first believed that a request for analysis of settled files would maximize the chances of approval for the analyses (in comparison with files that were still running). Second, we aimed to analyse relatively recent dossiers, which were assumed to lean closely to information gained through the interviews. In addition, we asked statistical data concerning the number of dossiers (and decisions taken in these

\textsuperscript{383} Human trafficking is defined by law as the recruitment, the transportation, the conveyance, the housing, the care of a person, the taking of control or the transfer of control over a person with the aim of:
1) exploitation of prostitution or other forms of sexual exploitation;
2) exploitation of begging;
3) conducting labour or procuring services in circumstances which are in violation of human dignity;
4) removing organs (in violation of the law on the removal of organs);
5) allowing/prompting persons to commit criminal acts and/or offenses against their will.

This article was introduced in the Penal Code by the law of 29 April 2013 (Wet tot wijziging van artikel 433quinquies van het Strafwetboek met het oog op het verduidelijken en het uitbreiden van de definitie van mensenhandel) that changed and expanded the previous definition of human trafficking.
dossiers) handling illegal labour subcontracting, human trafficking, non-declared labour and pimping in relation to prostitution in the particular case over the period 2000-2013.

The Office of the Labour Public Prosecutor quickly referred us to the Office of the Attorney General (the reason for this was not mentioned). A response from the Office of the Public Prosecutor to our initial request failed to come. Similarly, the Office of the Attorney General did not contact us with an answer to our request. Approximately three months after our initial request and after us having contacted the Office of the Attorney General several times, we received a letter from this Office which referred to the answer of the Office of the Public Prosecutor. During our contacts over the phone, the attorney-general in charge of the request attributed the long period between request and answer to the fact that the public prosecutor reflected on the way in which they could meet my request. Apparently, they had no problem with giving their consent to the analyses of case files, but they did not immediately know how they could organise the actual analyses. The reason for this is that my request contained plural infractions related to one phenomenon, which caused some difficulties. All in all, between initial request and final answer, approximately three and a half months elapsed. However, during our interview with a member of the Office of the Public Prosecutor, another explanation was offered for the long time we had to wait for a response. According to our respondent, several case files were running (some based on information inferred from settled cases) and in order not to compromise these case files, a strategy for our own case file analyses needed to be discussed.

The aims of the file analyses were the identification of:

- detection method of infractions;
- types of infractions;
- motives for the infractions;
- chosen settlements and motivation for that choice.

In the end, four case files of the Office of the Public Prosecutor could be analysed. As more files on prostitution existed in the requested period, these four files only offer partial and non-representative data.

Concerning our request for statistics, the attorney-general referred us to the Office of the Public Prosecutor, where the person we were referred to did not know whether or not it was possible to draw such statistics due to recent ICT-changes. After an inquiry at the ICT-service the ultimate answer was that the registration system did not enable extracting statistics without checking all files.

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384 Both by phone and by email. After a few failed attempts to reach the person in charge of our request through the secretariat, we ultimately found his email-address thanks to a colleague.
Regulating the Belgian informal economy? A case study in three markets

hand by hand. In the end, we thus had no statistics concerning the number of files at the level of the (Labour) Public Prosecutor concerning prostitution related offenses.

**Semi-structured face-to-face interviews**

During the interviews, the role of researcher is taken on, in the sense that we presented ourselves as a researcher at the university. A minor difference was made in presenting the research to experts and to sex workers. The latter were not explained the research focused on the informal economy but were explained the research focused on the experiences of sex workers concerning sex work in Ghent and on their experiences with regard to the regulation of sex work. Since sex workers are known to be a hard-to-reach population (Benoit, Jansson, Millar & Phillips, 2005; Decorte, Stoffels, Leuridan, Van Damme & Van Hal, 2011; Harcourt & Donovan, 2005; Kavemann, 2007; Moffatt & Peters, 2004; Van Nunen, Gryseels & Van Hal, 2012), this indirect presentation of the research served to diminish frightening off potential respondents without lying about the content of the interview and the research. Information on the research was given orally and written (see infra). In approaching experts, the topic of informal economy was used and explained since they were considered to be less frightened off by the topic. During all interviews we have adopted the role of the ‘visitor’ (Flick, 2002, 58) as we only make contact with participants for interviews. In line with previous research (e.g. Braithwaite, 1984; Vande Walle, 2005) we have not emphasized our criminological background to sex workers. If they asked about our background (which happened once), we answered truthfully we worked at the Faculty of Law but we deliberately omitted to add that we work at the department of penal law and criminology. Again, the reason for this was to diminish the risk of non-participation of sex workers and of dishonest answers. Sex workers are described as distrustful and as likely to refuse participation to outsiders or to give unreliable answers to questions about themselves and their networks (Heckathorn, 1997 in Benoit et al., 2005). Literature identifies several reasons why sex workers are sensitive, hard-to-reach and hidden populations such as their high need of anonymity (Kavemann, 2007) and stigmatization (Benoit et al., 2005). Typically, sex work is depicted in a negative light and sex workers are labelled as an outcast (the so called whore stigma). Thus, sex workers are subject to direct discrimination and rejection of others. In an attempt to escape from this enacted stigma (Benoit et al., 2005, 264), sex workers develop strategies to disguise or hide their work, isolating it from the rest of their lives.

**Respondents**

In line with previous research (Daalder, 2007; Demir, 2010; Gülçür & Ilkkaracan, 2002; Sullivan, 2010; van den Hazel et al., 2008; van San, 2007; Van Wijk, et al., 2010; Weitzer, 2012), interviews were
Appendix 3: methodology case prostitution

Conducted with both sex workers\(^{385}\) and experts/key informants. For the whole case, 38 interviews (35 recorded and 3 non-recorded) were conducted with a total of 41 respondents (see table 1).

Table 1: Overview of the number of interviews, respondents and length of the interviews

<table>
<thead>
<tr>
<th></th>
<th>N recorded</th>
<th>N non recorded</th>
<th>N respondents</th>
<th>Length interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex workers</td>
<td>20</td>
<td>2</td>
<td>22</td>
<td>20 min - 2 h</td>
</tr>
<tr>
<td>Regulators</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>45 min - 1h15 min</td>
</tr>
<tr>
<td>Enforcers</td>
<td>7</td>
<td>1</td>
<td>10</td>
<td>1h-2h</td>
</tr>
<tr>
<td>Intermediates</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>1h20 - 2h</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>3</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

As in the other two cases, we did not determine the amount of respondents in advance but we waited for saturation to be reached (Silverman, 2013). However, we did postulate in advance that we wanted sex workers active in the different types of prostitution found in Ghent.

Concerning sex workers (prostitutes), we conducted 22 interviews with just as much respondents. As mentioned above, sex workers are described in literature as hidden and hard-to-reach populations. The size of the population sex workers is unknown (Decorte et al., 2011) which implies the impossibility of random sampling (Benoit et al., 2005). Mostly, academics studying hard-to-reach populations, and sex workers more in specific, tend to combine purposive sampling (Decorte et al., 2011; Sanders, 2004; Van Wijk et al., 2010), snowball sampling (Decorte et al., 2011) and respondent-driven techniques in sampling the target groups (Benoit et al., 2005). In line with this, we used purposive\(^{386}\) and snowball sampling. Also in line with previous research on sex work(ers), we made use of a gatekeeper to access sex workers given their hard-to-reach character (Agustin, 2008; Benoit et al., 2005; Decorte et al., 2011; Kavemann, 2007; Sanders, 2004; van San, 2007). This community-academic collaboration (Benoit et al., 2005, 265) was established with a local organisation offering medical, legal and social assistance to sex workers in different sectors. This collaboration entailed more than a simple access to sex workers. The head of the organisation granted participation to the research after an interview with the researcher in which several aspects were discussed such as aims and goals of the research, motivation for the research, appropriate attitude towards sex workers,

\(^{385}\) In this document we use the term sex worker and prostitute interchangeably. The term sex work was introduced in the 80ies as a description for all types of commercial sexual services. The term also emphasizes that prostitution should be perceived as a type of work rather than deviant behaviour or female suppression (van Nunen et al., 2012). However, in order to make clear what type of sex work we study, we use the term prostitution and prostitute, without moral judgement.

\(^{386}\) The sample is chosen on the basis of certain criteria - inclusion criteria - respondents need to fulfil (e.g. executing prostitution in Ghent) (van Nunen et al., 2012).
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anonymity, trustworthiness\textsuperscript{387}, information exchange\textsuperscript{388}. After that, we discussed the characteristics and size of the requested sample. The organisation required insight into the information sheet and topic list we drew up for the interviews and gave feedback on these documents (especially on the way some items were formulated). In this respect, they offered guidance regarding the appropriateness of our data collection method (Benoit et al., 2005). They furthermore offered practical support by putting a room at our disposal where interviews could take place\textsuperscript{389}.

The use of gatekeepers to access sex workers proved to be necessary in our case, given the rather low amounts of sex workers found by other means (17 sampled by the gatekeeper, 1 by snowball sampling and 4 by ourselves; see infra). Nevertheless, using a gatekeeper implies a selection bias in that only respondents who are in contact with the gatekeeper are reached (Agustin, 2008; van San, 2007). Furthermore, we have noticed that the gatekeeper did not systematically present the research during all their contacts with sex workers but mainly asked participation to sex workers of which they thought the ‘success rate’ would be high (which might explain the low rate of refusal, see infra). This of course, implies that we accessed only a part of the sex workers (Silverman, 2013).

In order to diminish this selection bias, we additionally searched for respondents ourselves (on our own account by going to bars and windows\textsuperscript{390} (van Nunen et al., 2012)). Admittedly, for safety reasons the researcher did not go to the red-light district (where the windows are) after dark. Furthermore, it was not possible to enter in all windows. Firstly, in some windows the curtains were closed which indicates the window was closed, the sex worker was on a break or was busy with a client. Secondly, some windows were open but nobody was visibly present. Thirdly, in one window the researcher was not allowed to enter (the workers did not come and open the window\textsuperscript{391}). Notwithstanding these issues, one interview resulted from visiting the windows (which took place on

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\textsuperscript{387} The staff members explained trust and anonymity is a key aspect of their relation with sex workers. In this respect, they did not want to put their relation with sex workers, which takes a long time to establish, at risk by participating in our research and by our position/attitude towards the sex workers.

\textsuperscript{388} We agreed that the researcher would communicate all information exposed by sex workers concerning the work of the organisation towards them and the other way around that they would communicate feedback on the researcher’s work from respondents to us. At the end of the study, they will receive the publication of the study as a return on investment.

\textsuperscript{389} Sex workers were given the choice where the interview could take place: at the organisation, at their homes, at their workplace or at the university.

\textsuperscript{390} We use this term to refer to the premises where window prostitution takes place. In line with Decorte et al. (2011), the category window prostitution entailed the windows at the South area (red-light district) where women advertise behind a window but the main activity is sex (although in some windows clients can have a drink, that is not the main reason for which clients go there).

\textsuperscript{391} This was the case at ‘Salon de Cupide’, where girls supposedly have pimps.
Appendix 3: methodology case prostitution

the moment itself). If sex workers did not show any interest in the study, an information sheet\textsuperscript{392} was left at the workplace. This enabled sex workers who refused participation to contact the researcher in case they changed their mind and it enabled sex workers active in the night shift (who were not seen by the researcher) to contact the researcher in case they wanted to participate (van Nunen et al., 2007). This approach led to one sex worker of the night shift to contact the researcher by text message, indicating her interest. An appointment was made, which was cancelled by the sex worker for practical reasons. During later contact she indicated being too busy to participate. The bars were visited in the early evening (and not later to avoid sex workers being drunk or under influence of drugs). On the territory of the city, 3 bars\textsuperscript{393} exist along the road towards Kortrijk (\textit{Kortrijksesteenweg}). Going to these bars yielded three interviews. In line with Gaffney, Velcevsky, Phoenix and Schiffer (2008) we negotiated a good time for the interview. One took place at the moment itself, the two others took place at a moment chosen by the sex workers. Although a search for respondents on the internet is often used in research on sex work (Gaffney et al., 2008; Van Nunen et al., 2012; van San, 2007), this was not opted for in our study. Firstly, given the specific history of prostitution in Ghent (cf., \textit{Bende van de Miljardair}), we focused more on window prostitution and the red-light district. Secondly, time restrictions led us to abandon this option.

In total, we sampled 17 sex workers through the organisation, 1 through snowball sampling (Atkinson & Flint, 2001; Kleemans, Korf & Staring, 2008) and 4 by ourselves (see table 1). This does not rule out that we had contact with more than 22 sex workers. Two sex workers sampled through the gatekeeper could not be reached notwithstanding several attempts to contact them by phone or by email. One sex worker did not show up at the appointment and could not be reached afterwards. Two club managers answering positively to the gatekeeper refused participation when the researcher contacted them over the phone. One manager could not give a specific reason while the other said the girls told her they did not want to talk about their work. One sex worker cancelled an interview and said during contacts for a second agreement that it would be impossible to find a moment to have the interview\textsuperscript{394}. One interview with a respondent found through snowball sampling could not take place and afterwards the respondent said she did not want to participate any longer because she had no trust in people she talked to. Even after explaining the difference

\textsuperscript{392} This contained information on the study and contact information of the researcher. For the study, a specific cell phone number was used for two reasons: 1) discretion for respondents (only the researcher answered the phone) and 2) safety of the researcher.

\textsuperscript{393} Two of these bars are managed by the same managers. We had an interview with two sex workers and one manager who equally receives clients.

\textsuperscript{394} She referred to her long working hours and the care of her child after her working hours. She said that her refusal had nothing to do with the research, but with practical arrangements.
between academic research and journalism and ensuring the academic goal of the research, she put down the phone.

In line with Decorte et al. (2011) and Van Nunen et al. (2012) we registered the reasons for refusal to participate in our research, partly to determine whether or not refusal took place for particular or relevant reasons (Daalder, 2007). The gatekeeper registered two refusals, both from women working in window prostitution: one sex worker (Moldavian woman) claimed being ashamed of doing this work and another one (Albanian woman) had participated in previous studies and did not feel like participating again. Several reasons for refusing participation were identified when the researcher went herself to the windows: not interested in the study, language barriers (women not understanding the initial explanation on the study\textsuperscript{395}), €30 insufficient for an hour in comparison to earnings from sex work in the same period\textsuperscript{396} or no specific reason. As Nencel (2005) argues, giving an interview might force women to recognize their work and accept it as something more permanent whereas most of them might dream to get out of the business. This might be a non-expressed reason to refuse participation.

Respondents sampled by the gatekeeper and through snowball sampling were contacted by phone to make arrangements for the interview. The gatekeeper was offered an information sheet - drawn up by the researcher - which could be used to explain the study to sex workers. Nevertheless, before the actual start of the interview, information about the content of the study and the interview was given orally to the sex worker (cf., phased informed consent, O’Gorman & Vander Laenen, 2010). This sheet was also given to each respondent after the interview and was left in bars and windows when the researcher went to search for respondents.

The respondents included in the study worked in the different prostitution sectors (Daalder, 2007) found in Ghent\textsuperscript{397}: window prostitution (6 women), bar prostitution\textsuperscript{398} (5 women), private prostitution (6 women of which 2 also do escort) and escort (1 man and 4 women). The respondents had different nationalities: Belgian (15, one of Congolese origin), Polish (2), Dutch (1), Hungarian (2) and French (2). The interviews, in Dutch, French, English and Hungarian (with a translator), took place

\textsuperscript{395} In specific, some encountered women spoke only German, Hungarian or Spanish.

\textsuperscript{396} This reason was mentioned by a Hungarian girl who compared €30 with the price she gets for oral sex. From this, we deduct that she works under the average price which might indicate she has a pimp.

\textsuperscript{397} This was necessary to get a view on the diversity of prostitution (van San, 2007).

\textsuperscript{398} This category includes the combination of bar/window prostitution in which women can stand/advertise behind a window but behind it is a bar. The main activities entail drinking and sex. In line with Decorte et al. (2011), the category window prostitution entails the windows at the South-area where women advertise behind a window but the main activity is sex (although in some windows clients can have a drink, that is not the main reason for which clients go there).
Appendix 3: methodology case prostitution

at the workplace (8 interviews\textsuperscript{399}), at the gatekeeper’s (8 interviews), at the homes of the respondents (4 interviews\textsuperscript{400}), in a snack bar (1 interview) or in the lobby of a hotel (1 interview). The length of the interviews ranged from 20 minutes\textsuperscript{401} to two hours. In line with our second case study and with literature on sex work, respondents were given a reward of €30 as an encouragement for participation (Agustin, 2008) and as an expression of gratitude. In line with Sanders (2004) and van San (2007) we recorded the interviews when possible. All but two interviews were recorded. In one case the recorder failed to work (the respondent had given her permission for recording), in the other case the respondent preferred the interview not to be recorded (she referred to herself as a bit paranoid). A topic list, based on a literature review, was used as a guideline for the interviews (Decorte et al., 2011). Each respondent was given the opportunity at the end of the interview to add useful or relevant information they wanted to share with the researcher.

The end result of our sampling strategies is a convenience sample, which is selected on the basis of availability to the researcher (Patton, 2002; Decorte et al., 2011; van Nunen et al., 2012). As such, the sample is not representative for the population of sex workers and the results are thus not generalizable to the whole population (Silverman, 2013).

The term \textit{expert} is used for respondents specialized in the domain under study (Boeije, 2005, 58). In this study, experts are divided into three categories: regulators, enforcers and intermediates\textsuperscript{402} (see table 1). Five regulatory services - all city services - were contacted, initially through email (this enabled the respondents to react when they had the time) and if necessary later over the phone, of which four agreed to give an interview. One person, working for the integration service\textsuperscript{403}, declined an interview with the argument she did not have enough knowledge of the phenomenon. The other services are the city tax service, the town planning service, strategy and coordination service and the local prevention and safety service. The first two respondents\textsuperscript{404} were contacted on our own initiative (contact information was found on the internet); the two last respondents\textsuperscript{405} were contacted on the recommendation of other respondents. During the interview with a respondent

\textsuperscript{399} In absence of the manager of the bar/window in order to avoid influence of the manager (Daalder, 2007). During one interview however, the female manager of the window entered, contacted her husband who told us to leave the work place immediately.

\textsuperscript{400} But for two of them this was also their workplace since they receive clients at their home.

\textsuperscript{401} This interview was fixed a few days in advance. The day of the interview the respondent sent a text message to confirm the appointment but at the beginning of the interview she said she had an appointment for work (escort) so she had to leave after 20 minutes.

\textsuperscript{402} This term is used for respondents who do not fit the category of enforcer or regulator. The intermediate category encloses respondents working in the social sector (e.g. organisations offering help to victims of human trafficking or street workers).

\textsuperscript{403} This respondent was contacted on the recommendation of another respondent.

\textsuperscript{404} Working for the city tax service and the town planning service.

\textsuperscript{405} Working for the strategy & coordination service and the local prevention and safety service.
working at the local police (team human trafficking, prostitution and marriages of convenience), it became clear that this respondent was employed by the local prevention and safety service but detached to the local police. In this respect, this respondent is included in the category regulation (because the official employer is a regulatory agency). This respondent was contacted on our own initiative. The sampling strategy for these respondents is thus purposive and snowball sampling. The aims of these interviews were to gain insight into the national and local regulation of prostitution, to identify the relevant regulators and to reveal perceptions of the respondents on the policy, on formal, informal and criminal activities related to prostitution. All five interviews were recorded and fully transcribed. They ranged between 45 minutes and 1 hour and 15 minutes. Here also, topic lists were used to ensure comprehensive, comparable interviews. Each interview was concluded by asking what useful and/or relevant information had not been asked by the researcher.

Out of the eight contacted enforcement agencies, only one declined participation. As was the case with the integration service, the contacted agency argued having not enough expertise on the matter. In one agency (local police) two interviews were carried out with different respondents, each working in another team. In total, eight interviews were conducted with ten respondents working for the local police, the federal police (one interview with three respondents), inspectorate services, the Office of the Public Prosecutor and the Office of the Labour Public Prosecutor. We intended to contact all these agencies on our own initiative but three respondents were specifically recommended by other respondents and one respondent was identified during a meeting that could be attended by the researcher. Again, a combination was used of purposive and snowball sampling. The aims of the interviews were parallel to those with regulators: gain insight into the national and local policy (regulation and enforcement of that regulation) concerning prostitution, to identify the relevant regulators and enforcers and to reveal perceptions of the respondents on the policy, on formal, informal and criminal activities related to prostitution. All the interviews were recorded and fully transcribed. They ranged between one to two hours. These interviews were equally guided by a topic list and were concluded by the possibility for respondents to add any useful and/or relevant information.

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406 As described above, we carried out three interviews with respondents working at the local police but one respondent is officially employed by the local prevention and safety service and thus falls within the category of regulators. One of these two interviews was not recorded because the respondent did not perceive the interview as a real interview but more as giving some additional information to statistics.

407 Two social inspectorate services and the national institute for the social security of the self-employed (NISSE).
Furthermore, six intermediate organisations were asked an interview, with the aim to reveal more about the organisation of prostitution in Ghent. Two organisations408 declined this request due to insufficient information on the topic. Another organisation offering help to victims of human trafficking never answered our request for an interview. Two interviews were carried out with three street corner workers and one interview was carried out with a member of an organisation offering help to victims of human trafficking. These organisations were contacted on our own initiative, by email and if necessary later by phone. As is the case with the other interviews, use was made of a topic list, all interviews were recorded and fully transcribed. The ranged between one hour and twenty minutes to two hours. Again, respondents were given the opportunity to add useful and/or relevant information.

Additionally, we contacted several accountants in order to find out how the bookkeeping is done, should be done or could be done in prostitution (e.g., how to work with two sets of books or how to have cooked accounts). This idea came after several sex workers talked about the role of their accountant in their partial declaration of income to the government. Unfortunately, none of the contacted accountants responded positively to our request (mostly by saying they have no experience in that sector).

**Effect of the researcher**

Although we tried to maintain an objective attitude, the interaction between researcher and respondent introduces a form of subjectivity in the study (Miller & Glassner, 2004; Silverman, 2013). In this respect, being a female researcher was felt to be an advantage in both getting access to the respondents and in conducting the interviews (e.g., female sex workers talking about the work itself and their relation with their clients). However, as no male researcher was present during interviews or conducted interviews, this remains an assumption (Nencel, 2005).

We assume that presenting ourselves as (and being) a researcher at the university allowed us to probe on different aspects interviewed sex workers considered as obvious (e.g., window money) without sex workers showing to be annoyed about it.

As Kingston (2014) notes and as was also the case in the study on seasonal work and street selling, we found ourselves to be adaptable to different groups and contexts. More specifically, we dressed more casual for interviews with prostitutes and social workers than for interviews with regulators or enforcers.

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408 The Public agency for social welfare, OCMW. The other intermediate organisation, MSOC, did give us some information over the phone but argued not having enough information to be interviewed.
Observations?

During the course of our interviews, we picked up signals concerning the existence of hidden prostitution in cafés and non-profit organisations exploited by people of Turkish origin. Unfortunately, none of our respondents could tell us much more about this type of prostitution. In order to gather more information on this (thus exceeding mere rumours, see Van Wijk et al., 2010) we planned observations in such cafés and non-profit organisations. In order to select the observation places, we contacted several agencies (street corner work, the integration service of the city, local police). One street corner worker had contacts in that environment, but never answered to our plural requests for help (i.e., identification of places, accompanying the worker to the places). According to another street corner worker (a respondent) it was difficult for the organisation to put us in contact with places and people (assumed to be active in prostitution) due to the big taboo on the subject. Given the fact that they hardly talked openly with their clients on that subject, they found it difficult to bring us into contact with those people in order to talk about prostitution. In this respect, street corner workers did not want to put their trust relationship with their clients at stake. Also, some of them felt their knowledge, often based on a very small number of clients, was not sufficient in order to be used for academic purposes. Furthermore, that respondent argued that observation would not be very useful in the sense that in case street corner workers had some information on hidden prostitution, it was mostly originating from contacts with people rather than from observations. Due to the subtle ways in which it took place, it would have been very difficult to detect something based on observations. The integration service claimed not having enough information on the topic and the local police pointed to areas in general instead of well-defined places. Furthermore, these and other respondents pointed to access difficulties in that these places were not frequented by autochthon (female) citizens. Thus, the visit(s) of a native female researcher would have been perceived as highly unusual and suspicious. Immediately explaining the intention of the visit was expected to be unsuccessful given the concealed character of the activities (at least to people who are not supposed to be prostitution clients). Additionally, since the focus of the case study was more on window and bar/window prostitution, we abandoned the idea of observations.

Experienced difficulties

Throughout the study, we had the feeling some of the people or organisations we contacted (e.g. the National Employment Service, the city tax service, street corner work) reacted surprised when hearing we asked them for information about prostitution. They first asked why we contacted them (thus not acknowledging their potential role in or knowledge on prostitution) which was sometimes followed by mentioning they had no or not much experience with or knowledge about the
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phenomenon. Furthermore, we have sensed a certain reserve of many respondents in talking openly about the sector. Not only with sex workers, but also with enforcers and intermediates, we had the feeling they often refrained from showing the back of their tongue which was less the feeling we had in the other two case studies. It seemed like most respondents watched out carefully about what they would/could and would/could not say. This feeling was discussed with some respondents, in order to (1) find out whether or not our sentiment was correct and (2) sound out on possible explanations for this. Two respondents referred to the social taboo on the subject and the resulting discomfort to discuss the matter, which is also reported in previous research on prostitution (Kingston, 2014). A police officer mentioned the need to protect the secrecy and thus applicability of police techniques in researching (forced) prostitution, pimping and human trafficking. The member of the Office of the Public Prosecutor referred to ongoing research on the prostitution sector in Ghent-South (and its informal economy), and the need to not compromise current investigations.

Additionally, as in other research on sex work (Kingston, 2014; Sanders, 2004) we experienced practical difficulties in making appointments with sex workers. We often had to contact sex workers more than once before being able to reach them, which implied the time elapsed between the agreement to the gatekeeper to participate and the interview could be extensive. In this respect, the planned period for conducting interviews had to be extended with one and a half month. Furthermore, two sex workers who had agreed to the gatekeeper to participate could never be reached: we fell on voicemail, they did not answer to our requests on voicemail to call back, they did not respond to emails or their phone number was no longer in service. Two women initially agreed to participate, but changed their mind when calling them to make a second appointment. Indeed, three times a fixed appointment was rescheduled by the sex worker. Once, a sex worker did not show up at the appointment without noticing us. Another one texted us to confirm our appointment but had made an appointment with a client in the meantime so that she left after 20 minutes. We have noticed that interviews, when conducted at the workplace, should not take longer than one hour because women want to restart to work.

Another problem which was encountered in this case and not in the other two cases, was the extended period before the Office of the Public Prosecutor replied to our request for case file or dossier analyses. Due to this, the case file analyses were executed four months later than initially planned.

Tips and tricks for the future

Due to the non-random small sized sample (Benoit et al., 2005) and thus non-representation of the sample (Decorte et al., 2011; Sanders, 2004; Van Wijk et al., 2010), our results have limited

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generalizability. However, Maher (2000, 29) in Sanders (2004) criticises the emphasis on representativeness because it “obscures what the anomalous or the marginal can reveal about the centre... and perhaps most of all, strategies of resistance”. Notwithstanding this remark, we have included sex workers active in different types of prostitution present in Ghent, to have a (albeit not general) view on the whole prostitution scene.

Additionally, other types of bias than a pure selection bias were possible in our research. First of all, we were probably confronted with social desirability when respondents try to give the ‘right answer’. Furthermore, given we sometimes heard contradictions in the stories of sex workers, it is not inconceivable that respondents sometimes lied to the researcher. According to van Nunen et al. (2012) this might be done in order to maintain control over the situation. We tried to diminish the influence of these types of bias as much as possible by focusing on a non-judgemental, open attitude during contacts with respondents. However, when we detected contradictions, we indicated them and asked for more explanation to clarify what was meant by the sex worker.

The importance of interviewing different categories of respondents cannot be underestimated. For instance, as just mentioned, during interviews with sex workers some contradictions were detected, thus implying the need to validate or cross-check these results with other sources of data. Also, not all respondents seemed to have a thorough knowledge of the regulation on (the exploitation of) prostitution which again proves the need to combine methods instead of relying solely on one. In addition, as marked above, when using interviews as a method for researching sensitive topics, the possibility of social desirable answers should always be taken into consideration.

Snowball sampling did not prove to be very effective in our study since we only conducted one interview through this sampling strategy\(^409\). Another sex worker, found through snowball sampling initially agreed to participate but changed her mind. Unfortunately, we did not determine whether the low success of snowball sampling is because sex workers did not ask their colleagues or whether their colleagues did not want to participate.

Making use of a gatekeeper on the other hand, proved more effective in accessing the target group in the sense that most respondents (17/22, or 77%) were sampled by the gatekeeper. Both sex workers accessed through the gatekeeper and by ourselves insisted on their anonymity, but trusted

\(^409\) This was the interview that had to be ended because the manager of the window ordered us to leave the window. His wife entered the window during the interview and heard us talk about the hours of the contract. She did not ask us to leave, but sometime after she had left the window, her husband called another sex worker in the window who handed the phone over to us. Then the man said we had no permission to enter his window, and if we wanted to continue the interview, we had to do it somewhere else. He said he did not allow an interview - which according to him could harm his business interests - to be conducted in his premises.
us on this point. For this reason, we do not suspect working with a gatekeeper had much influence on the trust relation between the researcher and the sex workers once the interview ran\textsuperscript{410}. Of course, we do believe that the trust relation the gatekeeper has with sex workers influenced the choice to participate.

When working with a gatekeeper, good agreements are of crucial importance. Before agreeing to help us, the gatekeeper requested full disclosure of the goals of the research, the funding of the research, the reasons for the research, the dissemination of the results. In essence, they wanted to make sure the results of the research would not be used against or in disfavour of the sex workers\textsuperscript{411}. Furthermore, they also wanted to avoid compromising their relation with sex workers by cooperation on the research. This was done by giving feedback on our topic list and our information sheet\textsuperscript{412}, by inquiring about our own (moral) view on sex work and by giving tips to approach sex workers in a non-judgemental manner. Once they agreed participation, further practical arrangements were made. In this respect, we explained the need to include at least five sex workers per type of sex work in Ghent; the need to register the reasons for refusal of participation; the need to have a varied sample in terms of age and nationality; and the possibility to work with an interpreter. We requested them to systematically ask each sex worker they encountered during their work in the period August-October but we noticed this was not their method of working. When confronting them with this feeling, they admitted having asked only their clients of which they expected a positive reaction (which immediately explains their low rate of refusal). Also, they admitted having lost track of the study after sometime (after we had contacted them saying we had run out of respondents). Indeed, each time they found a respondent, they emailed us the name and phone number of the sex worker so we could contact the sex worker immediately.

Once, we unintentionally and subconsciously caused some discontent among the gatekeeper. One interview, which was arranged through snowball sampling (but the initial sex worker was sampled through the gatekeeper), was done with the help of an informal interpreter (a colleague’s sister who spoke Hungarian). When the gatekeeper was told about this (by us), they reacted surprised and unsatisfied, arguing that the informal interpreter was not bound by a duty of professional confidentiality. Their main concern was information about the window and the workers would leak out, thus compromising their functioning and their guarantee of anonymity they offer to sex workers.

\textsuperscript{410} Sex workers who were not sampled by the gatekeeper talked about the same topics as the other sex workers. Furthermore, the one respondent who refused recording of the interview was sampled through the gatekeeper.

\textsuperscript{411} E.g. identifying better ways to increase tax abeyance by sex workers.

\textsuperscript{412} The feedback on the topic list was not related to the content but on the way questions should be formulated in order not to intimidate respondents (e.g. they advised us to ask about the relation between sex work and pimping or criminality in general terms).
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Even after explaining we insisted on discretion by the interpreter, the gatekeeper was not fully reassured. This happened rather late in the empirical phase, when we had sampled most of our respondents.

If we execute further research on sex work, we would work again with a gatekeeper. Additionally, we would try to go more often to the red-light district in order to make informal contact with the workers. In the current study, we did not feel fully at ease in the beginning when walking there. The characteristics of the area (e.g., women advertising in lingerie behind a window) made it uncomfortable for the researcher to wonder around there without a publicly known goal. Indeed, men are supposed - at least in the perspective of the researcher - to have more reasons than women to walk in the area. As Nencel (2005, 351) says in this regard: “there is no existing role for a woman who does not prostitute...”. Nevertheless, we think this feeling of discomfort should be overcome.

We suspect being more often visible in the area might lead to less difficulties in establishing a trust relationship with certain sex workers. Of course, this approach could also lead to the opposite situation in which sex workers (and other persons present in the area such as pimps) might perceive the researcher as a member of an enforcement agency, drawing on the question ‘Why would a woman otherwise walk around in the area?’ Furthermore, due to practical difficulties (no clear names on certain windows) it was not possible to note which windows were closed when we went there. If this had been easier, we could have gone back another time to make contact with the sex workers in those windows (who were not reached now). However, after finishing the empirical phase, we coincidentally found a map of the RLD, indicating all windows. As such, this could be used during further research.

References


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Regulating the Belgian informal economy? A case study in three markets


Information sheet study sex work

Dear,

I am Dominique (I’m a woman) and I work as a scientist at the university of Ghent, faculty of Law. As part of my study on less known economic activities, I study sex work (prostitution) in Ghent. More specifically, I’m interested in your experiences and opinions. I would like to find out how you experience your work, why you started this work, what your experiences are concerning the regulation of your work and what you would like to change in the regulation of your work. Amongst others, these are the questions I would like to answer with my study. After all, many decisions are taken concerning the regulation of sex work but without consulting the people who are most involved in the work. This is why your participation to my study is so important.

In order to have a clearer view on your experiences and on the organisation of sex work in Ghent, I would like to have an anonymous interview with you. Such an interview takes about one hour and is completely anonymous. This means that your name will be mentioned nowhere and that it will not be possible to identify you. You are not obliged to answer all questions and you have the right to stop the interview at all times. You receive €30 as a reward for your participation. The results of the study will be published in academic journals/books. If you are interested to participate in my study or if you have any questions regarding the study, you can always contact me:

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9000 Gent
GSM: 0488/68.52.25
Email: dominique.boels@ugent.be

Thank you very much in advance!
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Topic list sex workers

Demography
- Nationality
- Age
- Country of birth
- Residence status

Sex work in Ghent
- Work
  o Start:
    - How found/started + conditions to start?
    - How long this work + evolution in sectors?
    - Reason (start) sex work (what before, education)?
    - Mobility: where to, reasons and organisation?
  o Current work (last 30 days):
    - Self-employed or salaried work (e.g. contract) + own preference
    - Work in multiple sectors?
    - Statute: declared or undeclared?
    - Temporary or permanent (or temporary break)?
    - Distance to work place – deliberate choice?
    - Income: size, fixed salary, hand over part of income, determination prices, who cashes from clients?
    - Enough income (% from total income, if not sufficient: what to supplement income)
    - Payment of social security contributions & taxes? Why (not)?
  o Experiences work (last 30 days – previous experiences in other types of sex work):
    - Working conditions & autonomy on them: number of working hours/day, number work days, day/night shift, hygiene, safety, number of clients/day, choice clients, choice acts, workplace (heating, facilities)
    - Labour relation: authority employer? House rules? Supply of material (e.g. condoms), written or oral agreements?
    - Experienced difficulties, disadvantages work (e.g. stigma, double life, implications family life, emotional difficulties → concrete)
    - Advantages work
    - Relation with other sex workers (competition, help e.g. in emergencies, support e.g. new workers, informal rules concerning dealing with clients...)
    - Relation with manager/boyfriend/pimp ASK IN GENERAL TERMS
      - Earnings pimp
      - Lying to pimp about number of clients, asked/received price
      - Drawing up documents: contract, wage sheet, ...
      - Relation owner of bar – manager bar? E.g. arrangements rent for window, price rent window
    - Relation with clients: how attracting clients, what with other sex workers?
    - Relation with criminality (drugs, weapons, human trafficking) ASK IN GENERAL TERMS – VIEW ON SECTOR
  - Influence policy of tolerance + experiences
    - Knowledge regulation & enforcement + how do you know
    - Influence regulation (e.g. not dancing, clothing, lack of legal statute, poor hygiene) on work and choices (e.g. in terms of underground, declaration labour, violence, working conditions)
    - Influence enforcement (private – managers, public – police, inspectorate, city) on work and choices – experiences with e.g. police (role as enforcers, help, seducer)
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Perception policy sex work
- Advantages and disadvantages of current situation?
- Advantages and disadvantages of legalisation (e.g. licenses for brothels, obliged registration of sex workers)?
- Position social security (e.g. payment when ill, building pension rights, health insurance)?
- Statute sex worker: advantages, disadvantages (e.g. for social security, working conditions, taxes, anonymity, administration)

Life outside sex work
- Activities outside work (external influence on work)
- Perspectives for future (where would you want to be in 5 years’ time)
- Wish to stop sex work (reasons, hindrance/obstructions)
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