

IOANA A. HORODNIC¹
COLIN C. WILLIAMS²
ADRIAN V. HORODNIC³

ARE PRACTICES OF COMPETITORS IN THE INFORMAL SECTOR A MAJOR THREAT FOR HOTELS AND RESTAURANTS?

***Abstract:** This paper evaluates the perceived impacts of the informal economy on registered business in the “hotels and restaurants” sector and identifies the characteristics of firms that perceive informal practices as the biggest obstacle faced in their activity. Reporting data from the Business Environment and Enterprise Performance Surveys conducted by the World Bank and the European Bank for Reconstruction and Development in 11 countries in Eastern Europe in 2013, the finding is that registered firms in the “hotels and restaurant” sector perceive informal practices as a bigger obstacle in their activity compared with firms in other sectors. Medium sized companies are less likely to consider the informal sector as the biggest obstacle faced in their activity, whilst a lack of subsidies reduces the likelihood of considering the informal sector as the biggest obstacle for the firm. The implications of the findings are then explored.*

***Key words:** informal economy; tourism; small business; sharing economy; Eastern Europe.*

Introduction

There is large literature that explores and explains the nature of informal economy. Although initially associated with under-developed countries (Gilbert, 1998; Lewis, 1959), the past decades have revealed that the phenomenon is persistent even in developed or developing economies (ILO, 2013; Williams and Lansky, 2013). While some scholars argue that the informal economy can have positive effects in specific areas, the vast majority underlines the negative effects of its existence. Governments lose money which could otherwise be used for offering to its citizens better social protection, modernized infrastructure etc. Those working in the informal sector lose their entitlement to loans, pensions and social protection. Moreover, the quality of their working conditions cannot be controlled by the state nor the employers' imposed additional conditions. Another negative result of the informal economy is the lack of fair play for registered businesses. Thus, undeclared practices provide incentives for legitimate businesses to evade regulatory compliance due to unfair competition. The aim of this paper is to explore to what extent businesses in “hotels and restaurant” sector perceive the existence of the informal sector as an important obstacle in their activity, whether

¹ Alexandru Ioan Cuza University of Iasi, Iasi, Romania, Email: Ioana.horodnic@uaic.ro.

² University of Sheffield, Sheffield, United Kingdom, Email: C.C.Williams@sheffield.ac.uk.

³ “Gr. T. Popa” University of Medicine and Pharmacy, Iasi, Romania, Email: adrian-vasile.horodnic@d.umfiiasi.ro.

this particular sector perceives the informal practices as more threatening for their business compared with other sectors, and to identify which companies in the “hotels and restaurant” sector are more likely to perceive this sector as a threat.

To commence, therefore, a brief review of the informal economy and its particularities in tourism sector will be provided. Secondly, and to begin to evaluate if informal practices are perceived as a major threat by the business in “hotels and restaurants” sector, an enterprise survey conducted by the World Bank and the European Bank for Reconstruction and Development in 11 countries in Eastern Europe in 2013 will be outlined and thirdly, the results will be reported. In the final section the implications of the findings are explored.

Informality and the tourism sector

The informal economy includes any paid activity which is not declared to the authorities for tax, social security and/or labour law purposes (European Commission 2014; OECD 2012; Schneider 2013; Williams 2004; Williams and Windebank 1998). These activities are legal in all respects except that they are unregulated by the public authorities. If the activities differ to the formal economy in additional features, then they are rather a part of the ‘criminal economy’ (i.e. illegal trades such as drugs). The informal sector is often characterized by reduced entry requirements and small-scale operations (Guttentag, 2015; Neuwirth, 2011; Schneider et al., 2011).

Informality and tourism are in most studies investigated separately although extensively explored in the literature (Rădan-Gorska, 2013). Indeed, the results of an extensive review of the research on tourism small businesses reveals that almost all the literature ignores their informal activities (Thomas et al., 2011). Furthermore, the tourism informal sector is often omitted in tourism planning or policy (Sørensen and Babu, 2008; Timothy and Wall, 1997). Yet, analysing the tourism sector, different practices belonging to informal economy can be identified. These include unregistered companies as well as registered companies. To start with, not only unregistered companies participate in the informal sector but so too do those registered. Recent studies have revealed that a large number of companies operate without being totally formal or totally informal. For example, a survey of 300 small size companies in Pakistan shows that two third of companies are neither totally informal nor totally formal and instead, they display different levels of informality ranging from low level to high level of informality (Williams and Shahid, 2016; Williams et al, 2015). Registered companies in the tourism sector can participate in informal sector either by not declaring their full activity (i.e. the accurate number of nights rented or food supplied to their guests, lower prices for the accommodation) or by reducing their labour costs using so-called ‘envelope wages’. Using envelope wages, employers reduce their tax and social security payments and, therefore, labour costs by paying employees two wages: an official declared salary, which is detailed in a formal written contract, and an additional undeclared ‘envelope wage’ via a verbal unwritten

agreement. Such a verbal unwritten agreement to pay an additional undeclared (envelope) wage may simply deviate from the formal contract by stipulating that the employee will be paid more for their regular employment than is in the formal written contract. Yet, more usually, this verbal agreement attaches conditions to the employee receiving this additional salary, such as that they will not take their full entitlement to annual leave, that they will work more hours per week than is stipulated in the written formal contract (which might take the employee over the hours stipulated in any working hours directive or result in them being paid below the minimum hourly wage) or it may specify a different job content to that stated in the formal contract (Horodnic, 2016; Williams and Horodnic, 2016, Williams and Horodnic, 2015). Considering the tourism sector characterized by its seasonal nature, this kind of arrangement can easily be applied in full season when there is a high demand of tourism products and services. Thus, employees can work additional hours and thus, receive additional payments not declared to the authorities. Also, in this period it might be the case that employers supplement their workforce with wholly informal employees.

Besides these informal practises which might be carried by registered companies, the informal tourism sector also includes the unregistered entities carrying out economic activities. In the tourism sector, these are usually small-scale enterprises (i.e. small guesthouses, restaurants and shops). In many cases, these enterprises require small investments and are family or kinship based and operated (Gladstone, 2005; Wahnschafft, 1982). With technology development, in addition to these 'traditional' informal competitors, the registered companies have to compete against those entities operating in the so-called 'sharing economy'. The 'sharing economy' term was introduced in Oxford Dictionaries in 2015 and is defined as "an economic system in which assets or services are shared between private individuals, either for free or for a fee, typically by means of the Internet". The sharing economy concept developed new markets which traditionally were not seen as monetizable, offering to individuals new opportunities of generating income from their belongings (Heo, 2016). The sharing economy is also called collaborative consumption or the peer economy and refers to individual participation in sharing of private assets such as: renting, transport solution, bartering of goods and services etc. (Heo, 2016; Choi et al., 2015; Jull, 2015; Zekanović-Korona, 2014). In the tourism industry, this new concept has a significant impact since it has changed the way people travel (Heo, 2016; Guttentag, 2015). Although the sharing economy is not limited to the tourism sector, being present in multiple areas of social and economic activity, the tourism sector has been one of the sectors most affected (Jull, 2015). For example, Airbnb, one established peer-to-peer platform that offers accommodation, is seen as a possible source of disruption for the traditional accommodation sector (Pairolero, 2016; Guttentag, 2015). This platform had an extraordinarily high growth rate and, at the moment, books millions of room per night all over the globe (Salter, 2012). This business model is still in its development phase and therefore there are few estimates of its

impact on tourism sector (Heo, 2016). Yet, a recent study on the Texas market concludes that sharing economy is a successful competitor, gaining market share from traditional economy (Zervas et al., 2016). Furthermore, another recent study estimates that the revenues of five ‘sharing economy’ sectors, namely peer-to-peer finance, online staffing, peer-to-peer accommodation, car sharing and music and video streaming and five traditional ‘rental’ sectors, namely equipment rental, B&B and hostels, car rental, book rental and DVD rental, will be equal by the year of 2025 (PriceWaterhouseCoopers, 2014). With such a massive and rapidly growth it is no wonder that registered businesses (i.e. hotels and taxi companies holders) tend to see Uber and Airbnb as a threat, considering them as unfair competition since they suspect them as evading legal regulations (Heo, 2016; Jull, 2015). This is also the reason why, in some European cities, restrictive regulation has been adopted for short-term home rentals as well as inspections to properties were conducted to check if the law is respected (Jull, 2015). Sharing economy platforms have a high economic potential and currently represent a challenge. Therefore, European policies seek to ensure a balance between exploiting their potential and assuring regulatory protection (Goudin, 2016).

In sum, the registered companies in the tourism sector face a high competition from the informal sector. Along with the ‘traditional’ informal entities, technology leads to the emergence of a new category of competitors, those belonging to sharing economy. The following section will explore the perceived threaten of informal economy on registered businesses in tourism, most specifically the “hotels and restaurants” sector.

Data and methods

For analysing practices of competitors in the informal sector as an obstacle faced by hotels and restaurants in Eastern Europe, data is reported from the fifth round of the Business Environment and Enterprise Performance Survey (BEEPS V, 2013), conducted by the World Bank and the European Bank for Reconstruction and Development. Overall, the study involved 15,883 interviews conducted with firms in the manufacturing and services sectors in 30 developing countries, of which 3,716 were conducted in Eastern Europe. In each country, along with a common questionnaire, a stratified random sampling methodology was employed to ensure that the sample is representative at the national level of the nonagricultural private sector. For each country, the sample was stratified by sector of activity, establishment size, and location within the country. According to the Enterprise Surveys methodology, we here used weights to ensure that the sample was proportionate to the universe of the population in each country.

In the undertaken analysis, the dependent variable used is a dummy variable with recorded value 1 for firms in “hotels and restaurants” sector in Eastern Europe

which consider practices of competitors in the informal sector as biggest obstacle faced in their activity and with recorded value 0 otherwise.

To evaluate the firms operating in “hotels and restaurants” sector which consider practices of competitors in the informal sector the biggest obstacle in their activity two categories of variables were selected. On the one hand, independent variables relating the general profile of the firm and, on the other hand, independent variables related with firm innovation capability were selected. These are the following:

- *Business size*: a categorical variable grouping hotels and restaurants by their business size with value 1 for micro and small (up to 19 permanent full-time employees), value 2 for medium (20 to 99 permanent full-time employees), and value 3 for large (more than 99 permanent full-time employees).
- *Main clients*: a categorical variable for the main clients to which the establishment sold its main product or service with value 1 for local (clients from the same municipality where establishment is located), value 2 for national (clients from the country where establishment is located), and value 3 for international (clients outside country where establishment is located).
- *Subsidies*: a dummy variable with recorded value 0 for firms receiving over the last three years subsidies from the national, regional or local governments or European Union sources and with recorded value 1 otherwise.
- *Checking or savings account*: a dummy variable with recorded value 0 for managers/ owners/ directors who answered ‘yes’ to the question: ‘At this time, does this establishment have a checking or savings account?’ and with recorded value 1 otherwise.
- *Line of credit or loan*: a dummy variable with recorded value 0 for managers/ owners/ directors who answered ‘yes’ to the question: ‘At this time, does this establishment have a line of credit or a loan from a financial institution?’ and with recorded value 1 otherwise.
- *Females amongst the owners*: a dummy variable with recorded value 0 for firms having females amongst the owners and with recorded value 1 for firms not having females amongst the owners.
- *New or significantly improved products or services*: a dummy variable with recorded value 0 for firms introducing during the last three years new or significantly improved products or services and with recorded value 1 otherwise.
- *New or significantly improved organizational or management practices or structures*: a dummy variable with recorded value 0 for firms introducing during the last three years new or significantly improved organizational or management practices or structures and with recorded value 1 otherwise.

To report the findings, firstly a descriptive analysis is provided. Secondly, as the dependent variable is a dummy, we employed a logistic regression analysis to explore the firms whose managers/ owners/ directors consider practices of competitors in the informal sector the biggest obstacle in their activity.

Results

Out of a total of 3,716 interviews conducted with firms in the manufacturing and services sectors in 11 East European countries, 138 are included in “hotels and restaurants” sector. Of these, 18.42 per cent compete against unregistered or informal firms in Eastern Europe. Nevertheless, as Table 1 displays, the phenomenon is not evenly distributed across countries.

Table 1

Hotels and restaurants in Eastern Europe competing against unregistered or informal firms
(%, by country)

n = 138

Country	Hotels and restaurants (%)
Bulgaria	41
Croatia	40
Czech Republic	13
Estonia	11
Hungary	8
Latvia	16
Lithuania	17
Poland	38
Slovakia	25
Slovenia	15
Romania	11

Source: own calculations based on Enterprise Surveys (Business Environment and Enterprise Performance Surveys, BEEPS, 2013) conducted by the World Bank and the European Bank for Reconstruction and Development.

The percentage of firms in “hotels and restaurants” sector is higher in Bulgaria (41 per cent of firms), Croatia (40 per cent), Poland (38 per cent), and lower in Hungary (8 per cent) and Romania (10 per cent). As such, the competition between formal and unregistered or informal firms operating in “hotels and restaurants” sector it is not mandatory to be more common in less affluent countries in Eastern Europe. For instance, according to Table 1, in two countries with similar levels of GDP per capita⁴, namely Hungary with Croatia, very different percentages were reported of firms competing against unregistered or informal firms: 8 per cent compared with 40 per cent.

To find to what degree are practices of competitors in the informal sector an obstacle for hotels and restaurants, Table 2 reports the cross-national variations. This reveals again the uneven distribution of the perceived level of threaten across countries in Eastern Europe.

⁴ GDP per capita based on purchasing power parity (\$): Hungary – 24,037.2 / Kazakhstan – 23,213.9 / 21,441.8 (World Bank, 2013).

As expected, in countries with the lowest level of competition between formal and unregistered or informal firms operating, informal practices are not seen as an important obstacle. For instance, no hotel or restaurant in Hungary reported informal competitors as a major or severe obstacle. However, 16 per cent of firms in Lithuania found informality as a major or severe obstacle.

Table 2

Practices of informal competitors: obstacle to current operations in “hotels and restaurants” sector in Eastern Europe (% , by country)

n = 138

Country	DK, Refusal, DA (%)*	No obstacle (%)	Obstacle (%):			
			Minor	Moderate	Major	Severe
<i>Eastern Europe</i>	6	53	7	13	18	3
Bulgaria	23	16	8	23	30	0
Croatia	0	55	22	8	15	0
Czech Republic	14	16	0	31	39	0
Estonia	0	75	14	11	0	0
Hungary	9	83	8	0	0	0
Latvia	0	41	34	4	21	0
Lithuania	0	83	0	1	0	16
Poland	3	84	0	13	0	0
Slovakia	0	54	25	21	0	0
Slovenia	0	70	23	7	0	0
Romania	6	32	0	14	39	9

*Notes: Don't know, Refusal, Does not apply.

Source: own calculations based on Enterprise Surveys (Business Environment and Enterprise Performance Surveys, BEEPS, 2013) conducted by the World Bank and the European Bank for Reconstruction and Development.

When examining the results in Table 2, however, more firms in other countries find informality as a major or severe obstacle: Romania (48 per cent), Czech Republic (39 per cent), Bulgaria (30 per cent), and Latvia (21 per cent). Therefore, in 4 out of 11 countries in Eastern Europe, the percentage of firms in “hotels and restaurants” sector reporting practices of informal competitors as a major or severe obstacle for their activity is above the mean (18 per cent).

Analysing these descriptive statistics therefore, the tentative finding is that a large share of firms in “hotels and restaurants” sector in Eastern Europe are competing against unregistered or informal firms (18.42 per cent) and are seeing the informal competitors as a major or severe obstacle for their activity (18 per cent).

Continuing to examine the descriptive findings, Table 3 displays a rank between obstacles faced by firms in “hotels and restaurants” sector. Not only are the tax rates frequently rated as the biggest obstacle faced by firms, but so too are practices of competitors in the informal sector. Regardless of whether we analyse all sectors or only “hotels and restaurants” sector, the practices of informal

competitors seems to be the biggest obstacle faced by more than 10 per cent of firms. Nevertheless, a closer investigation reveals that registered firms in the “hotels and restaurants” sector perceived the informal sector as a bigger obstacle in their activity compared with all firms (11.79 per cent compared with 10.83 per cent). Therefore, even informality ranks the second biggest obstacle faced by all companies, the informal practices of competitors are considered more of a threat by the firms in the “hotels and restaurants” sector.

Table 3

Biggest obstacle faced by firms in Eastern Europe and Central Asia:
all sectors vs. the “hotels and restaurants” sector (% and rank)

Biggest obstacle faced	<i>n</i> = 3,716		<i>n</i> = 138	
	All sectors		“Hotels and restaurants” sector	
	%	Rank	%	Rank
<i>Practices of competitors in the informal sector</i>	10.83	2	11.79	2
Access to finance	10.82	3	8.61	3
Access to land	1.98	10	2.76	8
Business licensing and permits	1.64	13	0	15
Corruption	3.70	8	5.81	5
Courts	1.49	14	0.06	14
Crime, theft and disorder	1.71	11	0.83	12
Customs and trade regulations	1.26	15	1.41	10
Electricity	1.69	12	1.12	11
Inadequately educated workforce	4.65	6	2.91	7
Labor regulations	4.33	7	2.25	9
Political instability	8.79	4	7.08	4
Tax administration	5.03	5	4.64	6
Tax rates	25.51	1	25.29	1
Transport	2.15	9	0.28	13
Don’t know; Refusal, Does not apply	14.42	–	25.16	–

Source: own calculations based on Enterprise Surveys (Business Environment and Enterprise Performance Surveys, BEEPS, 2013) conducted by the World Bank and the European Bank for Reconstruction and Development.

To analyse the characteristics of the firms operating in “hotels and restaurants” sector which consider practices of competitors in the informal sector the biggest obstacle in their activity, an additive model is used. The first stage specification examines the general profile of the firms while the second stage specification adds variables related with firms’ innovation capability. Table 4 reports the results.

Model 1 in Table 4 shows that, compared with micro and small businesses (with less than 19 employees), the medium-sized ones are less likely to consider

the practices of competitors in the informal sector as the biggest obstacle faced in their activity.

Table 4

Logistic regressions of the propensity to consider *practices of competitors in the informal sector* as biggest obstacle by hotels and restaurants in Eastern Europe

Variables	Model 1	Model 2
Business size (micro and small <=19)		
Medium: >= 20 and <= 99	-4.484*** (1.270)	-4.431*** (1.247)
Large: >= 100	1.091 (1.237)	0.693 (1.279)
Main clients (Local)		
National	-0.426 (0.923)	-0.717 (0.690)
International	-1.659 (1.690)	-1.565 (1.696)
Subsidies (Yes)		
No	-1.674* (0.855)	-1.456* (0.747)
Checking or savings account (Yes)		
No	-1.732 (1.207)	-1.900 (1.236)
Line of credit or loan (Yes)		
No	0.533 (0.736)	0.757 (0.700)
Females amongst the owners (Yes)		
No	-0.529 (0.864)	-0.506 (0.883)
New or significantly improved products or services (Yes)		
No		-1.057 (0.779)
New or significantly improved organizational or management practices or structures (Yes)		
No		-0.154 (0.816)
Constant	-0.509 (0.945)	0.129 (1.039)
Observations	3,710	3,709
Subpopulation	132	131
Prob > F	0.0049	0.0041
<i>Notes:</i>		
Significant at *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$ (standard errors in parentheses).		
All coefficients are compared to the benchmark category, shown in brackets.		
Sample size is lower due to missing data.		

Source: own calculations based on Enterprise Surveys (Business Environment and Enterprise Performance Surveys, BEEPS, 2013) conducted by the World Bank and the European Bank for Reconstruction and Development.

The lack of subsidies reduces the likelihood to consider practices in the informal sector as the biggest obstacle for hotels and restaurants. This can be explained through the lack of pressure associated with meeting certain criteria to benefit from subsidies. No significant association is identified, however, with the nature of the clients, checking or saving accounts, gender of owner or the existence of a line of credit or a loan. When model two adds variables related with firm innovation capability, there are no major changes on the firm characteristics associated with the likelihood to perceive the threaten of the informal competitors as the most important impediment in their activity. Again, no significant association is identified with the ability of improving the organizational or management practices or structures.

Conclusions

It is well known that the informal sector represents an obstacle for legitimate businesses due to unfair competition. This paper has revealed that companies in the “hotels and restaurants” sector perceive informality as a severe threat. Although only few papers have investigated the tourism sector and informality together and even more surprisingly informality has been neglected in tourism planning or policy (Thomas et al., 2011; Sørensen and Babu, 2008; Timothy and Wall, 1997), currently, with technology developments and the rise of the sharing economy, tourism informality represents a major challenge for policy makers. At the European level, the regulation policies for the sharing economy have several gaps and policy makers have tried to find a balance between exploiting their potential and assuring regulatory protection (Goudin, 2016). Considering that the sharing economy business model is still in its development phase, its impact and success cannot be yet estimated on a large scale. Indeed, this depends on the policies adopted with respect to this sector and needs further investigation.

Acknowledgement: This work was supported by the Alexandru Ioan Cuza University of Iasi through Grants for young researchers, project code no. GI-2015-18.

References

- European Commission. (2014). *Employment and Social Developments in Europe 2013*. Brussels: European Commission.
- Juul, M. (2015). The sharing economy and tourism. Tourist accommodation. European Parliament Research Service Briefing.
[http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS_BRI\(2015\)568345_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS_BRI(2015)568345_EN.pdf)
(last accessed 30 April 2016).
- Choi, K.-H., Jung, J., Ryu, S., Kim, S.-D. and Yoon, S.-M. (2015). The Relationship between Airbnb and the Hotel Revenue: In the Case of Korea, *Indian Journal of Science and Technology*, 8: 26, 1–8.
- Gilbert, A. (1998). *The Latin American City*. Latin American Bureau. London.

- Gladstone, D.L. (2005). *From Pilgrimage to Package Tour: Travel and Tourism in the Third World*. New York, NY: Routledge.
- Goudin, P. (2016). The Cost of Non Europe in the Sharing Economy, Economic, Social and Legal Challenges and Opportunities. European Parliamentary Research Service Study. [http://www.europarl.europa.eu/RegData/etudes/STUD/2016/558777/EPRS_STU\(2016\)558777_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2016/558777/EPRS_STU(2016)558777_EN.pdf) (last accessed 30 April 2016).
- Guttentag, D. (2015). Airbnb: disruptive innovation and the rise of an informal tourism accommodation sector. *Current Issues in Tourism*, 18:12, 1192–1217.
- Heo, C. Y. (2016). Sharing economy and prospects in tourism research. *Annals of Tourism Research*, doi: <http://dx.doi.org/10.1016/j.annals.2016.02.002>.
- Horodnic, I.A. (2016). Cash wage payments in transition economies: consequences of envelope wages. *IZA World of Labor Evidence-based policy making*. <http://dx.doi.org/10.15185/izawol.280>
- ILO (2013). *Women and men in the informal economy: statistical picture*. Available at http://laborsta.ilo.org/informal_economy_E.html (last accessed 10 January 2014)
- Lewis, A. (1959). *The Theory of Economic Growth*. Allen and Unwin. London.
- Neuwirth, R. (2011). *Stealth of nations: The global rise of the informal economy*. New York, NY: Pantheon Books.
- OECD (2012). *Reducing opportunities for tax non-compliance in the underground economy*. Paris: OECD.
- Pairolero, N. (2016). Assessing the Effect of Airbnb on the Washington DC Housing Market. Available at SSRN: <http://ssrn.com/abstract=2734109> (last accessed 30 April 2016).
- Price Waterhouse Coopers (2014). *How did we develop our sharing economy revenue projections? A detailed methodology*, <http://www.pwc.co.uk/issues/megatrends/assets/how-did-we-develop-our-sharing-economy-revenue-projections-a-detailed-methodology.pdf> (last accessed 30 April 2016).
- Price Waterhouse Coopers (2014). The sharing economy – sizing the revenue opportunity. \$335 billion: the potential value of the five main sharing economy sectors by 2025, <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html> (last accessed 30 April 2016).
- Rădan-Gorska, M.M. (2013). Destinations without regulations: Informal practices in Romanian rural tourism. *Journal of Comparative Research in Anthropology and Sociology*, 4:2, 195–225.
- Schneider, F. and Williams, C. C. (2013). *The Shadow Economy*. London: Institute of Economic Affairs.
- Schneider, F., Buchn, A. and Montenegro, C. E. (2011). *Shadow economies all over the world: New estimates for 162 countries from 1999 to 2007*. In F. Schneider (Ed.), *Handbook on the shadow economy* (pp. 9–77). Northampton, MA: Edwin Elgar.
- Sørensen, A. and Babu, S.S. (2008). *Tourism and the Informal Sector. Notes on the case of backpacker tourism*. In Babu. S. S., Mishra, S. and Parida, B.B. (Eds.), *Tourism Development Revisited. Concepts, Issues and Paradigms* (pp. 88–105). New Delhi: Business books from SAGE.
- Timothy, D.J. and G. Wall. (1997). Selling to Tourists: Indonesian Street Vendors. *Annals of Tourism Research*, 24:2, 322–340.
- Thomas, R., Shaw, G. and Stephen, P., J. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32, 963–976.
- Wahnschafft, R. (1982). Formal and informal tourism sectors. A case study in Pattaya, Thailand. *Annals of Tourism Research*, 9, 429–451.
- Williams, C. C. (2004). *Cash-in-Hand Work: the underground sector and the hidden economy of favours*. Basingstoke: Palgrave Macmillan.
- Williams, C.C. and Horodnic, I.A. (2015). Evaluating the prevalence of the undeclared economy in Central and Eastern Europe: An institutional asymmetry perspective. *European Journal of Industrial Relations*, 21:4, 389–406.
- Williams, C.C. and Horodnic, I.A. (2016). Evaluating the Illegal Employer Practice of Under-Reporting Employees' Salaries. *British Journal of Industrial Relations*, DOI: 10.1111/bjir.12179.

- Williams, C.C. and Lansky, M. (2013). Informal employment in developed and developing economies: perspectives and policy responses. *International Labour Review*, 152: 3–4, 355–380.
- Williams, C.C. and Shahid M.S. (2016). Informal entrepreneurship and institutional theory: explaining the varying degrees of (in)formalization of entrepreneurs in Pakistan. *Entrepreneurship & Regional Development: An International Journal*, 28: 1–2, 1–25.
- Williams, C. C. and Windebank, J. (1998). *Informal Employment in the Advanced Economies: implications for work and welfare*. London: Routledge.
- Williams, C.C.; Shahid, M. S. and Martinez A. (2015). Determinants of the Level of Informality of Informal Micro-Enterprises: Some Evidence from the City of Lahore, Pakistan. *World Development*, DOI: <http://dx.doi.org/10.1016/j.worlddev.2015.09.003>.
- World Bank. (2013). GDP per capita, PPP (current international \$). Databank. Available at: <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>, (last accessed 30 April 2016).
- Zekanović-Korona, L., Grzunov, J. and Tuđmana, F. (2014). Evaluation of shared digital economy adoption: case of Airbnb. *Information and Communication Technology, Electronics and Microelectronics*, 1574–1579.
- Zervas, G, Proserpio, P. and Byers J.W. (2016). The Rise of the Sharing Economy: Estimating the Impact of Airbnb on the Hotel Industry. *Boston U. School of Management Research Paper No. 2013–16*, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2366898 (last accessed 30 April 2016).