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“We do mind the gap”:

What Bulgarian People Think About National Income Inequality

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Abstract

Income inequality continues to rise across the world. Prominent scholars and practitioners have acknowledged the many adverse effects that this creates for everyone. Meanwhile, concern over the issue does not seem to be growing. This paradox has been recently observed and named ‘the paradox of inequality’. In Bulgaria, however, where the levels of income inequality are extremely high compared to the rest of the European Union and even the world, people seem to be quite aware of this issue and unusually concerned with it. In this paper, I attribute some meaning to these statistics by applying the qualitative research method of deliberative focus groups in two groups from a relatively low socioeconomic status for Bulgaria and two from a relatively high one. I expected that due to their Soviet past, Bulgarians have developed a culture of ‘shurobadzhanashtina’ (a special form of nepotism) according to which income should be earned rather than in meritocratic ways such as knowledge, skills and experience. I also expected that the different socioeconomic classes live closer together in Bulgaria than in many other countries and because of that they see the levels of income inequality as high as they are unlike in other unequal societies. Finally, I expected that since corruption is extremely high in Bulgaria, people channel a broader discontent with the system inefficiency when they complain about income inequality, which makes it look like Bulgarians are more aware of and concerned with income inequality than other countries. The group deliberations showed little support for the first two expectations but a very strong one for the latter one. While the opinions of the people differed on the first two topics both within the same socioeconomic status and between the different ones, they were more or less in consensus that the income inequality in Bulgaria is too high and that this is a problem owed to a great extent to the inefficient political system – due to both lack of competence and lack of willingness of the government to do better.

Keywords: *corruption, deliberation, meritocracy, ‘paradox of inequality’, proximity*

Introduction

In the current context of rapid economic growth and ever-growing globalization, the “winners” and the “losers”, the “haves” and the “have nots” grow further apart by the day (Piketty & Goldhammer, 2017). Economic inequality is considered a natural product of market societies (Siddiqui, 2018). However, economic inequality is produced by more than globalization and technological changes – political forces also play a role for the advantage of the top and at the expense of the rest (Stiglitz, 2012). In excessive amounts, this inequality can have numerous adverse effects such as reduced economic growth caused by the inability of the poor to invest in education and health, reduced demand for goods and services by the “squeezed” middle classes and rich-centered politics caused by the disproportionate power of the rich in the policy-making process (OECD, 2015). Meanwhile, research does not show growing concern with this issue among the world population (e.g. Kuziemko et al, 2015; Larsen, 2016). A recent study by Mijs (2019) even found that the larger the income inequality in a state, the more accepting people are of it. He coined this “the paradox of inequality”. In his paper, he offers and tests several possible explanations whose main takeaway is that in less equal societies, people believe more in meritocratic reasons behind the existing inequality like talent, ambition and hard work rather than structural forces such as a person’s family wealth and connections. This, in turn, he explains with the fact that the larger the income inequality in a state is, the further away from each other the groups on the two extremes live, and the less they know about each other’s positions.

Bulgaria is the state in the European Union with the greatest income inequality (European Commission, 2020). According to the most recent available data, the 20% of the highest earning population in Bulgaria receives 7.66 times more money than the 20% of the lowest earners, compared to the average 5.48 in the EU (Eurostat, 2018 as cited in European Commission, 2020).

Internationally, the income inequality in Bulgaria is even larger than in the USA – the epitome of capitalism (a GINI-coefficient 0.390 as compared to the Bulgarian 0.409 – GINI Index 2021). And while the meritocratic reasons behind this inequality make sense in the most capitalist country in the world, they seem less convincing in a state like Bulgaria, where the majority of public doctors and teachers earn close to the minimum wage (earning the least in Europe), whereas every month six Bulgarian nationals (many of them without higher education) become millionaires (Deutsche Welle, 2015; Bulgarian National Bank as cited in Novinite.com, 2018). This is the argument that one would hear from every other Bulgarian fed up with the government and the unfairness of the income distribution in the country.

This is also what statistics show. Bulgarians, unlike the majority of the world population, do not underestimate the levels of income inequality (c.a. 0.8 according to the European Social Survey, 2010 and c.a. 0.7 according to Growing Inequalities' Impacts 2013 Report). Another research conducted by the Growing Inequalities' Impacts Project found that “Bulgarians are extremely sensitive to the unfair income distribution and expressively manifest their opinion about the government involvement in income regulation” (Tsanov et al, 2012). This is in sharp contrast to the ‘paradox of inequality’ (Mijs, 2019), as given the striking levels of inequality in Bulgaria, Bulgarians are quite vocal about the issue. The aforementioned findings by Mijs might be the key themselves – it could be that Bulgarians, unlike the global trend of unequal societies, do not believe that their inequality stems from meritocratic reasons or that, unlike other unequal countries, the rich and the poor Bulgarians live closer to each other and see the inequality first-hand, which generates discontent with it.

Recent research by Mijs and Hoy (2021) proposed a third explanation, which hits Bulgaria close to home. Accordingly, countries like Mexico, where corruption levels are high, are less accepting

of income inequality. The study showed that regardless of what information people living in such countries received about income inequality, their beliefs about income inequality, which were based on non-meritocratic reasons such as corruption or family ties, did not change for the better. Corruption in Bulgaria is extremely high and is likely connected with the Soviet past of the country (Karklins, 2002). It is more than a lack of integrity among public officials, but by the society at large (idem). Consequently, it is reasonable to assume that, like in Mexico, Bulgarians might believe that income inequality is caused by corruption, and since corruption is so visible in Bulgaria, they might be more aware of income inequality itself and thus more concerned with it.

The relationship between 'real' and 'perceived' inequality is not as straightforward as one would intuitively think. According to Bottero (2019), troubling social situations can be regarded as inequalities. For example, national protests against inequality can be linked to grievances about corruption and procedural injustice (Whyte, 2010 as cited in Bottero 2019). Following that line of thought, it might not even be income inequality that Bulgarians mean to voice in their discontent, but rather a broader concern with the flaws in the system such as worrying levels of corruption.

The wide range of possible explanations behind Bulgarian people's beliefs about income inequality makes it interesting to explore why Mijs' (2019) paradox does not hold in the case of Bulgaria. Why are Bulgarians so concerned with the national levels of income inequality in a global context of complacency? Is it because Bulgarians do not believe in meritocratic reasons behind income inequality in general, is it due to the closer proximity of the different socio-economic groups within the country, is it due to structural deficiencies in the state organization, such as the high corruption levels, or is it something completely different?

This thesis attempts to answer the following research question: **Why is there no significant discrepancy between perceived and actual income inequality in Bulgaria as depicted by the ‘paradox of inequality’?** To answer this research question, several aspects will be taken into account in parallel – how aware Bulgarians are of the actual income inequality and how concerned with it they are.

This research is highly relevant both in the global context of growing income inequality and in Bulgaria's repeatedly failing attempts to improve its economy and inequality levels. Finding out what makes Bulgarian income inequality so visible and worrisome in a global context of ignorance is imperative for improving the theoretical mechanisms on the topic. For instance, ‘the paradox of inequality’ might be shown to encompass more than meritocratic- and proximity beliefs, and include state-specific factors, such as corruption in the Bulgarian case. Another way in which this study’s findings can be useful to the academia is by providing information on what exactly people’s beliefs about the causes of income inequality are in order to create more customized interventions that could change them as qualitative research into the topic is currently scarce. The social significance is also important, as insights into people’s perceptions of income inequality, would enable scholars and policy-makers to create more tailored strategies for tackling it. Depending on what reasons behind Bulgarians’ beliefs crystalize, political strategies can be directed at tackling corruption, improving people’s education levels or protecting the economically stratified to reach equality of opportunity both in Bulgaria and in countries that share similar circumstances.

To look into the expected explanations and provide the opportunity for novel additional ones to form, this thesis relies on the deliberative focus groups method, which is excellent for qualitative research where collective perceptions are explored. Since opinions are contingent on a person’s background and the socioeconomic status (SES) of a person is inevitably related to his or her

opinion of income inequality, I chose to draw my data from four deliberative focus groups – two of which comprise people from a relatively higher SES for Bulgaria and two from a relatively lower one to ensure homogeneity between groups from the same SES and heterogeneity across different SES. In this way, I aim to capture the public opinion in a more inclusive way, and to explore whether there is a difference between the opinions of “the richer” and “the poorer”.

Theoretical Background

Bulgaria is considered an upper-middle income nation by the World Bank, characterized by high levels of income inequality (0.409 – GINI Index 2021) – the highest in the EU and the 80th highest in the world, extremely low belief in meritocracy (less than 0.1 – Duru-Bellat & Tenret, 2012), and high levels of corruption (0.440 – Corruption Perception Index 2020). As mentioned above, Bulgarians are much more aware of the levels of income inequality than the rest of the EU (c.a. 0.8 according to the European Social Survey, 2010). In the following subsections, several reasons behind the unusual visibility of the Bulgarian income inequality will be explored.

Meritocratic beliefs

According to Mijs (2019), in the last two to three decades, a ‘paradox of inequality’ is noticed internationally, where the more unequal a society is, the more likely its citizens are to believe that this inequality is deserved and based on merit, rather than non-meritocratic reasons such as family background and relationships. Consequently, people are less concerned with inequality and less opposed to it.

Bulgarians are known to be very vocal about the unfairness of income inequality, and one reason for that, in line with this finding of Mijs, could be that their mentality does not associate economic

success with one's own merits. Being a post-Soviet country, Bulgaria shares a culture of 'shurobadzhanashtina' (in Russian 'blat') – a special form of nepotism, that originates in Soviet times and entails “the use of personal networks and informal contracts to obtain goods and services in short supply and to skirt formal procedures” (Ledeneva, 1998 as cited in Ledeneva 2008). First of all, only 30 years have passed since the dissolution of the Soviet regime, and second of all, when the process of privatization began, many Bulgarians became rich taking advantage of this change by applying at most their entrepreneurial spirit if this can be considered a merit. Consequently, it would not be surprising if the majority of Bulgarians believe that you do not become rich by studying more and working harder, but by working smarter and knowing people. Once it is accepted that riches are acquired in an arbitrary way, it is normal to consider the existing inequality unfair. In other words, my first expectation is that *Bulgarians are more aware and more concerned with income inequality because they do not believe that one becomes rich based on one's merits.*

Proximity between the different economic classes

A second explanation inspired by Mijs' (2019) paper is that in more unequal societies, the different socioeconomic classes are simply unaware of the inequality due to being distant to each other both geographically and in their lifestyles and thus less concerned with it.

Bulgaria is a highly urbanized country, with more than half of the population residing in the four largest cities, according to the 2020 data from the National Statistics Institute (NSI, 2020). This could play various roles in the perceptions of Bulgarians about the national income inequality. Other studies have found that poverty is more visible in highly urbanized countries (e.g. Liddle, 2017). Witnessing poverty may increase the perceptions of income inequality. Furthermore, while there is some difference in the standard of living between the different neighborhoods in the cities,

it is not uncommon that people from different socio-economic classes are neighbors, that they attend similar places, and that their children study together, i.e. there is socioeconomic neighborhood integration. Furthermore, it is not uncommon that a person with a post-doctorate degree earns less than a person with only secondary education, so the term socio-economic class is not as clear-cut in Bulgaria as it is in books. Consequently, the closer proximity between the rich and the poor in Bulgaria can possibly also explain the lack of “paradox of inequality”. Namely, I expect *Bulgarians to be more aware and more concerned with income inequality because they live closer to people from different socio-economic classes than theirs.*

Corruption

The study of Mijs and Hoy from this year (2021) showed that in countries where corruption is high, people are rather aware of and fed up with their levels of income inequality because they attribute greater structural discontent to the problem of income inequality. People in Mexico happened to mostly attribute the income inequality to the high levels of corruption and connections (74%). Significantly, along with their low beliefs in meritocracy and concern with corruption, Mexicans showed high concerns with the functioning of their democracy, the outlook of their economy and intergenerational mobility. This shows that their discontent with the income inequality of the state is part of a larger package of discontent with the overall performance of their government. This fits within Bottero’s (2019) proposition that often discontent with (income) inequality is part of a larger grievance with other injustice(s).

Corruption levels in Bulgaria are almost as high as those of Mexico (CPI 0.44 as opposed to 0.31), the trust in government is extremely low, and Bulgaria is the poorest country in the EU (European Commission, 2020). Consequently, in line with Bottero’s (2019) theory, it could be that Bulgarians, like Mexicans, associate inequality with injustice due to the far-reaching corruption, and while they

might not necessarily oppose inequality in general, they are opposed to inequality as a result of unfair processes such as corruption. This might suggest that *Bulgarians are more aware and more concerned with income inequality because they channel a broader dissatisfaction with corruption and social injustice through their disagreement with income inequality.*

Caveat

As has been found by Mijs and Hoy (2021), the lower socio-economic classes are more likely to be opposed to income inequality, whereas their more affluent counterparts are less likely to be opposed to income inequality even when they are aware of it. I intuitively expect the same trend in my study, and I intend to explore that by contrasting the results from the different discussions with the higher- and lower socioeconomic groups of participants.

Methodology

In order to explore the inequality beliefs of Bulgarians and their relation to the “paradox of inequality”, I take a qualitative approach. I apply the method of deliberative focus groups, where a natural discussion on a given topic is triggered in order for lay people to crystallize a group belief about a certain policy topic that is closely-related with value judgments (Burchardt, 2014). This research method has several peculiarities, which makes it suitable for the purposes of this study. According to Burchardt (2014), it constitutes a distinct method from public consultation, by virtue of which the public’s informed, considered and collective view on a normative question is extrapolated. Central elements to this method are the following (Burchardt, 2014):

- 1) *Similarity of participants* – whether the group comprises of similar individuals or different ones changes the final crystalized conclusions from the deliberation;

- 2) *'Outsider expertise'* – for example, the groups for this study comprised of people from various academic and professional fields, none of them are experts in income inequality;
- 3) *A strong distinction between facts and value-judgments* – this method is mostly concerned with finding the value-judgments involved in a facts-based issue.

This method is considered particularly useful when discussing issues such as poverty, wellbeing and inequality, because while the actual income inequality can be observed and quantified, the perception of it can only be discussed or inferred (Burchardt, 2014). Since the purpose of this study is to explore the beliefs about national income inequality of Bulgarians – a contribution important for aiding the policy-making process around income inequality, inviting groups from the society with different life-paths and values to deliberate over the issue is, in the author's opinion, the most effective way to extrapolate their beliefs about it and provide insight for such a topic that is contingent on value judgments. Bulgarians love to have group deliberations on a regular basis in their lives, a practice sometimes neutral, sometimes called "oplakvane" (in English - complaining) (Sotirova, 2015). Thus, this exercise aims to merely bring light to already existing discussions among the population. What is more, inviting groups from different socioeconomic backgrounds in order to explore how the respective socioeconomic classes form opinions on the topic is particularly suitable for checking how useful the theoretical claims that I made in previous sections about the role of socioeconomic status to the beliefs about and concerns with income inequality are.

I draw on the discussions of four groups from my personal and professional circle – two from a high SES, and two – from a low one. This distinction is based on my acquaintance with the group members and a short anonymous survey that the participants fill in immediately before the discussions themselves. The groups representing the opinion of the high SES are drawn from

acquaintances of mine that are members of a notoriously affluent humanitarian-service organization that comprises business and professional leaders in various fields. While their membership to such an organization might potentially shape their beliefs about income inequality in a certain way, I have decided that there is a sufficient difference in the lifestyles and personal values of the group members in order to render useful results to the study. The low-SES representatives are drawn from another pool of personal networks of mine, namely family friends that share educational and professional traits of people from the lower end of the socioeconomic order in Bulgaria. They also are part of an informal group like the high-SES ones, but one of childhood friends. For a more detailed information on the groups- and participants characteristics, please consult Appendix A.

The aforementioned anonymous survey consists of closed-ended questions about a person's gender, age, educational background and his or her monthly income (see Appendix B). The answers to the last question are based on the Bulgarian statutory minimum salary (650 BGN [394 USD]) and the average salary (1462 BGN [886 USD]). The demographic questions stand to secure the possibility for drawing some additional conclusions on the group dynamics, should a respective pattern emerge during the discussions. All four of the groups are chosen to be of a similar age – between 40 and 60 years old (with a few outliers) in order to ensure within-group homogeneity and to emphasize on the between-group heterogeneity in beliefs based mostly on their socio-economic status. Furthermore, this age bracket is representative of a person that is already at a more stable level on the social-mobility ladder and is able to judge things such as the possibility for social mobility in their country and the world from their life-long experience. Finally, this age group captures people that have lived before and after the fall of the Soviet regime, which is at the heart of one of my expected explanations behind Bulgarians' perceptions of national income inequality.

Each discussion lasts between 30 and 50 minutes in an informal physical setting, where I exercise a passive moderating role and my main goal is to ensure balanced contribution by the different members and adherence to the topic of discussion more than guiding the discussion itself. The questions I ask are mostly requests for elaboration or closely related to the three expectations from the theoretical section phrased in a non-leading way (see Appendix C).

Apart from the anonymous short survey and the discussion itself, the study entails two more procedural materials – an Information Sheet and a Consent Form that are provided to the participants before taking part in the actual study (see Appendix D and E). These two documents are part of a broader Ethical Considerations package that I follow throughout this research (see Appendix F). Other ethical considerations involve the audio recordings of the conversations, which upon transcription and anonymization are disposed of. All of the transcribed data is secured safely on two separate devices that only I have access to. The names that are seen in this paper are fictitious and chosen to be typically Bulgarian (to provide relatability for the reader) and in an alphabetical order upon first contributions to the discussions (e.g. Group 1, Participant 1 – “Angel”, Group 1, Participant 2 – Boris etc). A simple color-coding scheme is used to analyze and derive results from the different deliberations (see Appendix G). The language of the discussions and the provided documents is Bulgarian, the forms are translated as appendices to aid the reader.

Results

How Bulgarians understand Income Inequality

Before discussing how aware of the national income inequality and how concerned Bulgarians are with it, it is important to discuss how they understand income inequality. To begin with, all groups distinguished between “fair/normal/natural-” (outcome of the market economy) and

“unfair/illegal” income inequality (unfair distribution of the national resources between the rich and the poor). For example, Boris from Group 1 (low SES) said “I am in favor of the income inequality, but fairly and legally. Both the lowest and the highest incomes should be such due to fair processes. Those that have become rich in fair ways, they deserve billions. Inequality has to exist, because we lived in a regime without inequality and things did not work out there”. Similar opinion was expressed by everyone else – both low- and high SES. There was one outlier in Group 4 (high SES), who started the discussion with the sentence “I do not believe that there is such a thing like income inequality neither in Bulgaria nor in the rest of the world. Everything is related to the market economy and how well a person can market a certain product. For this reason, I don’t agree with the notion of “minimum wage” (Lazar, high SES). This implied that he understands the term income inequality as a negatively-charged term depicting the lack of fairness of the income distribution in favor of the rich and only reiterates the point about the strong distinction in Bulgaria between “fair” and “unfair” income inequality. A point to which Lazar and the rest of Group 4 agreed with was made by Ogniana. She pointed out that the problem is not in the inequality of incomes but in the inequality of the application of the laws. “Because when people notice inequality in these things [the application of the law] then the willingness for compliance and discipline decreases. Even when you have the good will to be honest, at some point you give in to the pressure” (Ogniana, high SES). And while this might sound confusing prior to discussing what Bulgarians believe to be the sources of (unfair) income inequality in the country, this same discourse came up in all other groups as well. Filip and Georgi from Group 2 (low SES), for instance, went on about the fact that the rich make the laws for themselves and when you are poor, you are prone to engaging in unfair processes to make ends meet.

Another large topic around the framing of income inequality that appeared in all four groups can be exemplified with how Boris (Group 1, low SES) phrased it: “The problem is not the income inequality but that the overall income levels in Bulgaria are extremely low.” Apart from the low SES people, this notorious problem was acknowledged by both high SES groups. For instance, Iva (Group 3, high SES) said that “In Bulgaria no matter how successful the big companies are, apart from the few people on the very highest positions, everyone earns extremely little.” This opinion, shared by both the rich and the poor, was always followed or preceded by a comparison of the incomes in Bulgaria and those abroad, which shows yet another understanding of income inequality as between-countries phenomenon. This happened to be one of the main discontents of all participants. “In Western Europe, the least qualified person still earns enough to satisfy his/her subsistence needs, whereas we do the same job as them but the money is not enough to live with”, said Ema, (Group 2, low SES), which is similar to the way the other three groups discussed it. There was significant difference in the reasons that the low- and high SES groups attributed to this phenomenon, which will be discussed in a subsequent subsection.

Other types of income inequality that came about in both the poor and the rich groups were these of inter-regional inequality (Group 2, low SES and Group 3, high SES), inequality between the public and private sector (Group 1, low SES and Group 3, high SES) and inequality between being employed and self-employed (Group 1, low SES and Group 3, high SES). What was discussed in only one of the groups (Group 2, low SES) was the inequality between the remuneration in different firms from the same sector and the inequality between the young and the old to the detriment of the older, namely “It is not fair that a retired person keeps on working while also receiving a pension, whereas young unemployed people lose the selection-process battle to them” (Georgi, low SES). Interestingly, the low SES groups voiced concerns with much more types of inequality than

the high SES ones, and these topics were the same in both groups – income inequality as represented in people’s pensions, as represented in the mandatory- and voluntary social security contributions, as well as the income inequality between “the capable” and “uncapable” to the detriment of the former. For example, Cveta (Group 1, low SES) said: “Before quitting, I was tossed around at my workplace to whichever department was busier and more difficult because the majority of people could not work that job. However, this was not represented in my salary at all, sometimes these people were even earning more than me, and this was offending me greatly”.

Who is rich and who is poor in Bulgaria?

Another important discussion in order to address the research question is how aware of the national income inequality Bulgarians are. This subsection addresses questions such as: Is the income inequality in Bulgaria high?; Who is rich and who is poor in Bulgaria? and Where do you think you stand on the inequality spectrum? Most of these questions arose naturally in the discussions, only in some of them did I have to explicitly ask some of them in order to provide reciprocity to the results. To begin with, like the quantitative results show, this qualitative study confirmed that Bulgarians are aware of the high level of income inequality in the country. This has been especially the case within the low SES groups, given that both low SES discussions started with the exact same sentence “Income inequality in Bulgaria is very high” (Angel, Group 1, low SES; Ema, Group 2, low SES). This shows that there is no ‘paradox of inequality’ in Bulgaria in the sense that income inequality is high and people are not oblivious to it. The two high SES groups were more implicit about whether the inequality is high, but their subsequent extreme distinction when describing the rich and the poor people in Bulgaria can be interpreted as awareness of the high level of inequality. Iva (high SES), for example, depicted these two categories of people very concretely. “In my opinion, a poor person in Bulgaria is one that has an income below 600 BGN (374 USD) in Sofia,

for example. Because when you pay your home and medical bills, your food and transport, you need to count your cents and carefully plan what you will spend on each day.” She then continued on describing the rich person: “For me, you can call someone rich if they have their own apartment, their own car, they have built a house, they can afford to have vacations 4, 5 times a year, and especially if you know that every month, after everything you have spent on, at least some 4 000 BGN (2 476 USD) are left from your salary, in your bank account you have some 500 000 BGN (309 528 USD), which are staying there.” Jana from the same group rephrased Iva’s words by summarizing it as follows: “If we look at it in a different way, a poor person is one who for every expense needs to consider which is the cheapest option so that they can get by. The rich person doesn’t need to consider such things. Whatever he wants to get himself, he can.” The discourse in the other high SES group (Group 4) was slightly more mixed because Lazar (high SES) did not believe that “in Bulgaria there is such thing like in the USA to see homeless people living on the streets”. However, Nikola (high SES) and Ogniyana (high SES) assured him that there are many such people in Bulgaria. “There are around 30% of the population that live on the verge of poverty. For them, their daily lives are filled with challenges such as how to secure food, clothes and warmth. Things that we consider normal. A person can only develop himself after he knows that at home there aren’t problems awaiting such as being unable to pay your electricity bill – when you are in a situation that you have to decide whether to buy bread or pay your electricity, it is hard to think about spiritual growth” (Nikola, Group 4, high SES). The low SES groups both reached an easy consensus that the extremely poor are way too many and the extremely rich are way too rich. This should reasonably imply that they believe there is a very small middle class in Bulgaria. However, a heated debate arose in both Group 1 and Group 2 on this matter. Interestingly, while all participants from the low SES groups earned below the average salary in Bulgaria, half of the people in each group defined themselves as “the middle class”. Filip (Group 2, low SES)

commented “We are poor because in order to be normal, not rich but normal, you need to be able to buy whatever you need. We drive second-hand cars, we save up for repairs, we rent places. Unless you are brave enough to emigrate, you have no chance to be normal”. It became apparent that Filip meant this same middle-class by “normal”. The high SES groups did not explicitly position themselves anywhere on the spectrum (although they made many unconscious comments which spoke of their perception of holding affluent positions in the society) but also mostly thought that the middle class in Bulgaria is small and shrinking.

Social Mobility

In close relation to this last point, another topic dominated the conversations in all groups – that of social mobility. Like the previous two topics, the opinions did not show any clear SES-related pattern. Although in both high SES groups the opinion was slightly more positive towards the possibilities for upwards social mobility, while the low SES groups were generally more sceptic, there were representatives of the opposite opinion in each group. For example, Martin (Group 4, high SES) said the following: “I believe that Bulgaria does offer such opportunities. Of course, my expectations when I was much younger were much bigger – that you can move very easily to the next level, but I still believe that Bulgaria is an excellent place for development”. Nikola (Group 4, high SES) responded by commenting on the social mobility in Bulgaria from an economic perspective: “There were times in Bulgaria when things were much more channeled. Socialism was one quite twisted system in which everyone knew exactly what they are supposed to work. In reality, everyone was equally poor. But not so much financially, because then there was no problem to get by. Aspects of development such as intellect and mental capacity were heavily regulated. Only a handful of people were given access to information, given that you need information to develop yourself. Martin is right in thinking that there is currently an opportunity to succeed very

quickly, but only for a few people. This is because Bulgaria is still in the stage of wild capitalism. Few people in Bulgaria can achieve serious financial results without possessing some sort of inheritance. I know very few people that have created a large business starting from nothing – without privatization deals, or anything. It is a fact that several people can find a good niche and develop themselves well. For the majority of people, however, this is an absolute illusion.” This last line of thought was followed by the majority of participants in both of the low SES groups as well. However, some low SES representatives disagreed with this grim perception and suggested that with enough ambition and bravery one can get out of the gutter no matter the conditions. No consensus crystallized in any of the four groups regarding the downward social mobility either. The predominant opinion in both groups was that everyone can lose their fortune, albeit because of irresponsible choices or lack of expertise or due to external factors such as pandemics as the recent past showed. However, in the low SES groups, half of the people in each group suggested that even though the majority of the rich people in Bulgaria have received their fortunes in an unfair or even illegal manner, they are the ones that make the rules and they can never be taken down. This was an opinion that did not manifest in any of the high SES groups.

Inequality Encounters

In order to explore the suggestion that Bulgarians are more aware of income inequality because the different SES groups live closer together, I had to sometimes nudge the participants to share the frequency and nature of encounters with significantly richer and significantly poorer people than them. The results can be generalized as such: the low SES groups were more familiar and encountered more often both much poorer and much richer people than them in their everyday lives, whereas the high SES groups were less aware of the presence and lifestyles of the poorer people in Bulgaria and did not share any remarks about knowing people significantly more well-

off than them. As I mentioned in a previous paragraph, there were some high SES participants that were completely oblivious to the conditions that the poorest people in Bulgaria live in. Katya (Group 3, high SES), for example, shared that her whole life she has studied with, worked with and hung out with affluent people, not because she minds otherwise but because that is what her environment has been. Likewise, although the majority of low SES people shared some personal stories about “rich friends” that they have, several comments made it apparent that the top tier of the population is somewhere in the distance for people like them - “The richest people in Bulgaria have not earned their money in a decent way, at least those that I see on TV” (Hristina, Group 2, low SES) and “I see their [the politicians’] palaces and villas by the beach, while officially they declare some 500 000 BGN [302 943 USD] on their bank accounts” (Angel, Group 1, low SES).

Sources of Income Inequality

This subsection concerns the “fair” aspect of income inequality as described in the Definitions subsection. In other words, the participants in the different groups discussed the factors that they believe should or is normal to influence the income of a person and to create income inequality thereof. I broadly divided these sources into “meritocratic” or “internal” sources and “external” sources. Academic knowledge is a factor that came up in all discussions. However, it was a particularly strong factor pointed out by the two low SES groups. The discussions even started with that: “In my opinion, the inequality comes from the lack of education and specialization. Especially now, when democracy came about, things changed a lot. If you do not have education, you are an outsider, what income, what money?!” (Donika, Group 1, low SES) and “It [the inequality] originates, first of all, from the education. When a person is young and educated, it is normal that they earn a high salary that corresponds to their education. People like us, uneducated, is normal to earn little” (Ema, Group 2, low SES). Practical skills were put on somehow lower position as

relevant factors by these groups. This could potentially be explained by the fact that the low SES groups do not have high education and are not affluent so they may believe that the two are related. Another interesting observation in the low SES groups is their special use of the terms “knowledge” and “education”. Often, they referred to the former as entrepreneurial skills, wittiness and experience, whereas by education they entailed “a piece of paper”, a diploma, a formality. The two were often put in contrast to make a distinction when inequality is “fair” and when – not implying that often the high SES people are not knowledgeable, not qualified, but hold their positions due to formalities on their own or in combination with unfair processes such as connections. Interestingly, the two high SES groups only briefly, if at all, talked about education in the equation. This connects logically with the previous topic about social mobility, where the high SES groups were more optimistic about the possibilities for upwards social mobility. Another surprising finding was that only the high SES groups spoke explicitly about inter-personal connections as a source of earning higher income and thus of inequality. Even more strikingly, they spoke about interpersonal connections as a sort of meritocratic factor. “On the one hand, you are building these connections yourself and you have put effort to do so. I believe it is normal to turn to someone when you need help. Of course, if you are not taking the position of someone better-suited than you. But I do not believe that using your connections for your own benefit as long as you don’t bother someone else makes the inequality unfair” (Katya, Group 3, high SES). Group 4 (high SES) also pointed out to the importance of “the societies you have been growing up with” (Ognyana, high SES). On the contrary, the low SES groups only mentioned “connections” and “favors” as dirty practices that are either practiced by the undeserving rich or by the poor under duress. In this sense, the high SES groups classified “connections” as an internal/meritocratic source of inequality, while the low SES groups – an external one.

Other external factors brought up in the discussions as sources of income inequality were a person's family background, the low-technology economy in Bulgaria and the state as acting in good faith but through a poorly-designed system. To elaborate on each of these points, two aspects of a person's family background were at stake – family inheritance as a source of inequality and the environment and values that your family provide for you as a source of inequality. While acknowledged as sources of unfair inequality of opportunity, these two factors were considered fair sources of actual income inequality by the high SES groups as they believed that even if it is harder for some people to climb the ladder, once they do – they earn accordingly. On the other hand, these two factors were not mentioned by the low SES groups, especially not in a positive light. Boris from Group 2 (low SES) briefly commented that “after the privatization, the enterprises became private but still in the hands of the ex-communists, which became oligarchs” hinting at the fact that he considers family background to be a source of “unfair” income inequality on these occasions. Regarding the economy in Bulgaria, both the low- and the high SES groups acknowledged that the high level of income inequality in the country is to a large extent owed to the weak economic structure of the country. The overall opinion of the participants on this matter was that the enterprises in Bulgaria are unproductive and low-technology-based, which causes that only the owners can earn a lot of money, while all the employees get paid poorly, which creates an income gap. Finally, regarding the governance structure, while the state was for the most part cited as a malicious source of unfair income inequality, several reasons were acknowledged by participants across the different groups to be a fair source of inequality such as the extremely low taxes, low social security contributions and therefore weak welfare state and the weak pension system.

What makes income inequality unfair?

When asked whether the level of income inequality in Bulgaria is fair, the majority of participants answered in the negative. However, there was a minority in both the low- and high SES representatives that believed the level of inequality in Bulgaria is fair. For example, Hristina (Group 2, low SES) said “In my opinion, there is a difference between being satisfied with and thinking whether something is fair. Although I am not satisfied with the income I receive, I do not believe it is unfair, because I do not exercise a qualified job – for this job, it is normal to earn as much as I do”. On the other hand, two were the factors that were the cause of concern with inequality for the majority of people – one, the fact that the reasons according to which income inequality would be justified (such as differences in education, experience, productivity etc.) are not the actual determinants of the inequality in Bulgaria, and two, the fact that the overall incomes in Bulgaria are unreasonably low. In that sense, both rich and poor expressed that if the salaries of both the poorest and the richest were higher (and especially proportionate to these of other European countries), they would not mind the level of inequality.

A distinguishing discourse emerged in the two high SES groups, namely believing that the most vocal complaints with the level of income inequality come from the poor, which are lazy and prefer to blame external factors for their lack of success rather than meritocratic reasons. When I asked the participants whether they think that Bulgarians are a hard-working nation, everyone apart from two participants from Group 2 (low SES) answered in the negative. At the same time, the majority of participants with a few exceptions said that they personally are hard-working people and try their best no matter the stimuli. There was a specific discourse directed at the rich by the low SES groups as well. While they spoke about hypothetical “deserving rich” (an ideal archetype of who the rich people in the country *should* be), the low SES representatives were generally talking about

the rich people in the country as corrupt and undeserving. They were often equating “the state” with “the rich”. Georgi (Group 2, low SES), for example, said “The politicians, the oligarchs, they are making the laws for themselves, and there is no chance for us. The laws are made for the rich”. To this Filip (Group 2, low SES) added that “Furthermore, both the politicians and the company owners have interest in keeping the people poor and uneducated because this way they are obedient and do not inquire things”. These grave observations, while not so harshly expressed, were hinted at by some of the high SES counterparts as well. To the question “What causes the inefficiency in the system”, Nikola (Group 4, high SES) said “A mix of lack of competence and lack of willingness”.

Conclusions

If interpreted in concert, these results can provide an elaborate answer to the research question of what is the explanation behind the unusually close perceptions of and actual income inequality in Bulgaria contrary to the ‘paradox of inequality’ by Mijs (2019). As committed in the beginning, I tried to be mindful of whether Bulgarians are aware of the level of national income inequality and whether they are concerned with it while providing reasons behind the (lack of) discrepancy between the two. From these discussions I learned that both the low- and the high SES representatives are quite aware of the high levels of inequality in the country and that while both groups agree that there is some unfair element in this inequality, it is mostly the low SES people that are concerned with it.

The discussions did not offer affirmative results to my first expectation that Bulgarians simply do not depend on meritocratic factors to become rich. Rather, I found that while Bulgarians believe that income inequality should stem from meritocratic reasons and this would make it a fair and even desirable outcome, this is not the case in Bulgaria and this is what causes them concern. While

the term “shurobadzhanashtina” was not explicitly mentioned by anyone, the topic of the practice with exchanging favors and having connections did emerge in both the low- and the high SES groups. However, it appeared to be the case that it is mostly the high SES people that consider this a justified factor behind income inequality and even they clarified that this is contingent on the fact that these connections are coupled with merits rather than self-fulfilling.

The second explanation that I expected was also not backed with evidence from the discussions. In fact, the different socioeconomic classes do not seem to live close to each other at all and do not know each other’s struggles very well. While there is superficial visibility mostly from the low SES groups of the high SES ones, albeit on television or via their properties, the low SES representatives themselves acknowledged that they do not often encounter people much richer than them. This means that it is not due to the fact that there is high socioeconomic neighborhood integration that Bulgarians are particularly aware of and concerned with the level of income inequality. In fact, these results hint at an unexpected opposite effect. It might very likely be that due to this distance between the different groups that the low SES representatives overestimate the income inequality (they could potentially see the richer part of the population as this omnipotent malicious formation that has stolen all the money from the country for themselves). This would also explain the difference in perception of the level of income inequality in the country and the concern with it between the low SES group and the high SES group.

The results showed the most support for my third explanation – namely the increased awareness of and concern with income inequality as a channeling of a broader discontent with a set of structural grievances. First of all, evidence for this can already be found in the first subsection that presented the myriad of different types and aspects of income inequality that the different groups touched upon. Participants from both the low- and the high SES background were often mixing definitions

up or deliberately taking the topic of income inequality in niche directions. Furthermore, two very strong opinions in both types of groups were that first, the problem is more with the overall low incomes rather than the level of inequality itself, and second, that the problem is more with the inequality of application of the law rather than the inequality of outcomes itself. While the high SES groups were more modest and even implicit about the malicious role of the state in these processes, the low SES groups were rather vocal about it. For the low SES groups, the rich were split between the hypothetical deserving ones (those that should be rich because of their merits, which would deem the phenomenon of income inequality fair no matter its level), and the actual undeserving ones – ‘the oligarchs’, ‘the politicians’, which were also often equated as ‘the state’.

Finally, a novel explanation to this high awareness and concern in the country was offered by the two high SES groups, namely that this high awareness and concern with the income inequality is mostly voiced by the low SES representatives, because they are not hard-working and they blame external factors instead so that they can feel good about themselves. This is an interesting and possibly valid explanations, because upon being asked whether Bulgarians are a hard-working nation, all participants but two answered in the negative.

Implications

These conclusions can add invaluable insights to both policy-makers, practitioners and scholars. Even the fact that two of the expectations were not lived up to is in itself valuable to understand Bulgarians’ (and other similar countries with e.g. high levels of corruption) perception of income inequality better. To begin with, this study can serve as an advanced opinion poll for Bulgarian policy-makers and practitioners to find out what Bulgarians are dissatisfied with regarding the national income inequality so that they can respond to it. It appears that Bulgarians do believe that income inequality should exist because everyone works a different job and has put different amount

of effort to develop their qualities. Therefore, no regime change is needed to satisfy the vox populi but other structural changes.

Furthermore, contrary to my expectations, the different socioeconomic groups seem to be quite distant from each other. This could signal to the policy-makers and practitioners that steps for better integration of the people at the two ends of society are needed. Steps to provide equality of opportunity for the poorest, least integrated citizens need to be taken and the 'rich' could use being put in a better light as they are now seen as mostly undeserving. The regional income inequality is also a large problem in the country, both empirically and according to the people's opinion. Thus, stimulating the businesses outside of the most urbanized cities might tremendously improve the problems with income inequality that Bulgarians voice.

When discussing who is rich and who is poor, while the low- and high-SES representatives did not show to know and understand each other very well, they both acknowledged the fact that the middle class in Bulgaria is inappropriately small and shrinking. This is an enormous structural problem that deserves attention and actions. Finally, and most importantly, both low- and high-SES people seem to believe that the state is corrupt, and serving the interests of the few while neglecting the poor. If this is true, it is understandable that the state would not like to change the system and eliminate the corruption given that it is the one creating it. However, it is an important signal for the society at large that this problem needs to be eradicated by for example changing the government representatives and putting better anti-corruption mechanisms in place.

The results from this study can have practical implication for other countries and international organizations as well. This thesis provided qualitative insight into the struggles and concerns of the people from an unequal society with high levels of corruption. There are plenty of countries across

the world that share similar characteristics for which this study can serve as inspiration for improvements.

The academic relevance of this paper is also of importance. I believe that I managed to add to the theoretical insight into the ‘paradox of inequality’ by examining this peculiar case of Bulgaria that I considered an outlier. I tested some of Mijs’ (2019) theories on Bulgaria and explored some new ones, and together, these can serve as a more complete framework for future researcher to continue to explore. Furthermore, qualitative evidence behind the phenomenon has been scarce up to this moment. I added some first-hand meaning to the statistical phenomenon. This, in turn, can perpetuate the circle of now testing my conclusions quantitatively again to ensure or disprove their validity. Finally, research in general is scarce in Bulgaria, especially based on the theories of foreign scholars. Therefore, this paper is a hopefully useful and even needed contribution to the Bulgarian academia and to the academic understanding of the Bulgarian income inequality.

The research method that I used is also potentially adding to the academic world. It is only in the last decade that this method started to be applied so my contribution can add insight into its application, its merits and its limitations through the specific case study. In my experience, deliberation in groups is indeed extremely valuable in deriving a group opinion on a value-based topic like income inequality, much more insightful than individual interviews or more structured focus-groups formats due to its interactive and spontaneous nature.

Limitations

Alongside the merits and implications of this study, it also suffers from several limitations. To begin with, due to the limits of my personal networks and the COVID-19 circumstances, I was restricted in my possibilities for groups composition. A potential selection bias might have occurred

by my intentional selection of the participants, which might deem the sample less representative of the public opinion than if I had recruited them more randomly. Furthermore, the fact that the participants and I knew each other from before and that they knew each other and to a large extent each other's personal lives might have also influenced their responses. Other potential influences of the responses are the common cognitive biases such as anchoring – the practice of the rest of the groups to adjust their opinions according to what the first person said; bandwagon effect – the possibility that a person voices a certain opinion only because more than one person in the group has already expressed this opinion, and the fundamental attribution error – forming an opinion based on your personal experience rather than objective facts that you are aware of (Modranský, 2015). Another limitation to my method is my inability to comprise groups of mixed socioeconomic background and to organize more than four discussions. The former would have allowed me to make even more solid comparisons between the two types of groups, especially regarding the 'proximity of the groups' expectation from my theoretical framework. It would be extremely interesting to see how people from low- and high SES interact with each other on a heated topic like this of the income inequality in Bulgaria. More groups would have better confirmed the patterns I recognized and potentially offer additional ones. Finally, the time limit of the discussions could be another limitation to this study as I often had to interrupt very lively and useful discussions in order to ensure manageability of my project and proportionality between the length of discussion in each group.

It is also important to point out the challenges related to the quality of qualitative research. Contrary to quantitative research, the field of qualitative research does not dispose of clear standards by which it should be judged (Noble & Smith, 2015). A common concern is the subjectivity of interpretation. My conclusions, while engrained in theory, are arbitrary and rearranging the

discussion statements in another fashion might tell a completely different story. Furthermore, opinions in a discussion can be imprecise. Sometimes a person might say an exact opposite thing to what they truly believe because they want to make a certain impression on another participant or because of a simple human error. Nevertheless, there is merit in any story so long as it is well-argued and as a Bulgarian national myself, I believe that my findings and conclusion are reasonable and functional in offering solutions to approaching the problem of rising income inequality and the 'paradox of inequality' in both Bulgaria and other similar countries.

Future researchers might replicate my study with other Bulgarian participants or borrow it for exploring the perceptions of another nation. Alternatively, my results can be used to be tested empirically by constructing a survey or applying another quantitative method. Finally, the possibilities for various interventions are numerous based on my findings. Scholars can try to change the beliefs about income inequality of Bulgarians or similar nations, they can try to change the ways the citizens and the state perceive each other in relation to the topic, or to influence the way the different socioeconomic groups understand each other and interact with each other.

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APPENDIX A: Groups' and Participants' Characteristics

| Group # | SES | Participants | Gender | Average Age | Average Education | Average Income |
|---------|------|---------------------------------------|----------------------|-------------|-------------------|----------------|
| Group 1 | Low | Angel, Boris, Cveta, Donika | X2 Male X2 Female | 50 | Secondary | 1000-1500lv |
| Group 2 | Low | Ema, Filip, Georgi, Hristina | X2 Male X2 Female | 42 | Secondary | <1000lv |
| Group 3 | High | Iva, Jana, Katya | X3 Female | 38 | Undergraduate | >2000lv |
| Group 4 | High | Lazar, Martin, Nikola, Ogniyana | X3 Male X1 Female | 57 | Graduate | >2000lv |

APPENDIX B: Survey

Survey

What Bulgarian People think about the National Income Inequality

1. What is your gender?
 - a. Female
 - b. Male
 - c. Other/prefer not to say

2. What is your age?

3. Which is the highest level of education that you have attained?
 - a. Primary- or no education;
 - b. Secondary education;
 - c. Bachelor's degree;
 - d. Master's degree;
 - e. Post-graduate degree.

4. Which range does your usual gross monthly income falls into?
 - a. Less than 1000lv;
 - b. Between 1000lv and 2000lv;
 - c. More than 2000lv.

APPENDIX C: Questions

| |
|--|
| What is income inequality? |
| How high do you think is the income inequality in Bulgaria? (What about compared to other EU member states?) |
| Why do you think there is (such a high) income inequality in Bulgaria? |
| What makes income inequality in Bulgaria special? |
| When do you think income inequality is justified/fair and when is it not? |
| How do you inform yourself about the income inequality of Bulgaria (official sources, word-to-mouth, observing people around you)? |
| Do you think the income inequality in Bulgaria is fair? |
| Do you think it is fair how much you earn as compared to your fellow citizens? |
| Do you think people in Bulgaria have a chance to earn more than they do sustainably? |
| Do you think that social mobility is typical (possible) in Bulgaria (both upwards and downwards)? |
| Do you think education influences how much income one receives in Bulgaria? |
| Do you consider the wealthiest people in Bulgaria to also be the most educated? |
| What do you believe takes in order to be rich in Bulgaria? |
| Do you have friends that are significantly richer and/or significantly poorer than you are? |
| Would you say that the rich and the poor live far from each other in Bulgaria (both geographically and lifestyle-wise)? |
| Do you think corruption plays a role in the Bulgarian income inequality? |
| Do you think that income inequality causes corruption in Bulgaria? |
| Do you think your family background plays a role in your economic position? |

Do you think 'shurobadzhanashtina' plays a role in your economic position?

Do you think that people's economic and social position go hand in hand in Bulgaria?

What do you think should be done in order to decrease income inequality in Bulgaria?

Do you think income inequality in Bulgaria should be decreased?

Do you think that the state makes enough effort to decrease income inequality in Bulgaria?

APPENDIX D: Information Sheet

Information Sheet

What Bulgarian People think about the National Income Inequality

You are about to participate in a study, which is part of the Master Thesis of Nikoleta Zhivkova Dimitrova, a student in the program of Erasmus University Rotterdam "Sociology: Politics and Society".

The study aims to explore the opinions and attitudes of Bulgarian people about the national income inequality.

It will comprise of two parts:

- First, you would be asked to fill in an anonymous **survey** with some demographic questions. These questions would only be used to provide a collective overview of the characteristics of the sample. They would in no way be used or associated with you during the second stage of the study.
- The second part would represent a small-group **discussion**, where the topic of income inequality will be discussed. Your active participation in the discussion is of essential importance to this project. However, your answers would in no way be associated with you personally, and your identity will be anonymized.

The survey part will take no longer than a minute to fill in, while the discussion will last between half an hour and an hour.

Should you at any moment of the study feel uncomfortable, feel free to inform the researcher and ask for a break or to revoke your participation and your data, without any consequences for your rights and interests.

For the purposes of transcribing and analysing the data, the discussion needs to be recorded. Once the information is transcribed, the original recordings will be destroyed.

After the end of this study, and the conclusion of the thesis itself, you may request access to the final product by the researcher herself. You can reach the researcher at 582182nd@eur.nl. This would be possible after 31.07.2021.

APPENDIX E: Informed Consent Form

Informed Consent Form

What Bulgarian People think about the National Income Inequality

Carefully read the statements below and place an “X” in the corresponding boxes if you agree with them. You may only participate in the study, once you consent to all of the statements.

1. I have read and understood the information sheet and any questions that I may have had have been answered.
2. I understand that my participation in this project is voluntary and that I can withdraw my data at any time, without giving any reason without my rights being affected.
3. I confirm that I have filled in the supporting survey voluntarily and that I have been informed that my responses in it are anonymous and confidential and will not be used in any way during the interview itself.
4. I confirm that I have given my permission for this interview to be recorded, and that all recordings will be transcribed and then destroyed.
5. I understand that I do not have to answer any questions that I am not comfortable with.

Participant* Date Signature

Researcher Date Signature

* All information provided by you is strictly confidential

APPENDIX F: Checklist Ethical and Privacy Aspects of Research

PART I: GENERAL INFORMATION

Project title: **'We do mind the gap': What Bulgarian People think about the National Income Inequality**

Name, email of student: **Nikoleta Zhivkova Dimitrova** 582182nd@eur.nl

Name, email of supervisor: **Jonathan J. B. Mijs** mijs@essb.eur.nl

Start date and duration: **31.04.2021 - 20.06.2021**

Is the research study conducted within DPAS

YES

PART II: HUMAN SUBJECTS

1. Does your research involve human participants. **YES**

If 'YES': does the study involve medical or physical research? **NO**

2. Does your research involve field observations without manipulations that will not involve identification of participants. **NO**

3. Research involving completely anonymous data files (secondary data that has been anonymized by someone else). **NO**

PART III: PARTICIPANTS

1. Will information about the nature of the study and about what participants can expect during the study be withheld from them? **NO**

2. Will any of the participants not be asked for verbal or written 'informed consent,' whereby they agree to participate in the study? **NO**

3. Will information about the possibility to discontinue the participation at any time be withheld from participants? **NO**

4. Will the study involve actively deceiving the participants? **NO**
Note: almost all research studies involve some kind of deception of participants. Try to think about what types of deception are ethical or non-ethical (e.g. purpose of the study is not told, coercion is exerted on participants, giving participants the feeling that they harm other people by making certain decisions, etc.).

5. Does the study involve the risk of causing psychological stress or negative emotions beyond those normally encountered by participants? **YES**

6. Will information be collected about special categories of data, as defined by the GDPR (e.g. racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic data, biometric data for the purpose of uniquely identifying a person, data concerning mental or physical health, data concerning a person's sex life or sexual orientation)? **YES**

7. Will the study involve the participation of minors (<18 years old) or other groups that cannot give consent? **NO**

8. Is the health and/or safety of participants at risk during the study? **NO**

9. Can participants be identified by the study results or can the confidentiality of the participants' identity not be ensured? **NO**

10. Are there any other possible ethical issues with regard to this study? **NO**

If you have answered 'YES' to any of the previous questions, please indicate below why this issue is unavoidable in this study.

First of all, the topic of income (inequality) is a sensitive one and might potentially cause excessive distress during deliberation, should the participants currently experience a difficult financial situation, and they feel they have no control over it. Furthermore, some participants might be more sensitive than others on the misery of general members of society.

Secondly, I would need to run a small survey with some personal information about the participants that ensures they fall within a homogeneous socio-economic status. This is essential for my study in order to infer potential differences/similarities in the opinions of income inequality in Bulgaria among different socio-economic groups.

What safeguards are taken to relieve possible adverse consequences of these issues (e.g., informing participants about the study afterwards, extra safety regulations, etc.).

First of all, extra measures will be taken to inform the participants about these possible risks and that they can at any point revoke their participation in the focus group discussion should they start feeling uncomfortable. This will be done in the informed consent form.

Secondly, I will make sure not to ask specific questions about people's income, but rather whether they fall within a specific bracket of income, and whether they have a higher education.

Are there any unintended circumstances in the study that can cause harm or have negative (emotional) consequences to the participants? Indicate what possible circumstances this could be.

No. Data and information will be anonymised and handled with care.

PART IV: SAMPLE

Where will you collect or obtain your data?

I will draw my focus-group participants from two separate groups of acquaintances differing in the socio-economic background of the people comprising them. First, I will invite members of an NGO famous for representing the higher socio-economic classes to participate in my study. Next, I will invite several family acquaintances, which I am aware come from a lower socio-economic background and I will perform a second discussion with them. The survey that I would disseminate among both groups would insure that these groups do indeed represent a higher and a lower socioeconomic class, as claimed by me. Both discussions will be discussed face-to-face, while adhering to the COVI-19 social distancing rules of Bulgaria. Should the rules change, the discussions will be moved to Zoom.

What is the (anticipated) size of your sample?

I will aim at four focus groups, each between 4 and 8 participants.

What is the size of the population from which you will sample?

The total population of Bulgaria is 7mln. Given that the two sampled groups serve to represent the 50% of the population that receives below the average salary, and the 50% of it that receives above it, the size of the population is the size of the country itself.

PART V: DATA STORAGE AND BACKUP

Where and when will you store your data in the short term, after acquisition?

The paper data including survey answers and the informed consent forms will be stored in separate locked file cabinets. The discussion recordings until transcribed and later on their electronic transcripts will be stored on my own device, which is for personal use only and protected with a password. Furthermore, I will create a backup of the electronic data and scans of the paper data on a flash drive, also securely stored and protected by a password.

Who is responsible for the immediate day-to-day management, storage and backup of the data arising from your research?

It would be solely me that would handle the data. I would be the only one that has access to the documents, my device and the flash drive.

How (frequently) will you back-up your research data for short-term data security?

I would make backups of the data on both the flash drive and my device each time after using/altering the data.

In case of collecting personal data how will you anonymize the data?

There are two instances on which I will collect personal data – the first one being the surveys asking about the participants' socio-economic status. There, I will make sure not to ask people their names or any other identifying signs such as institutions they have attended or cities they have been born in/ reside in. Next, I will record their responses in the focus groups, and it is possible they mention each other's names during the discussion. I will make sure to create code names for them, and use them throughout the transcription and the coding of the data.

PART VI: SIGNATURE

Please note that it is your responsibility to follow the ethical guidelines in the conduct of your study. This includes providing information to participants about the study and ensuring confidentiality in storage and use of personal data. Treat participants respectfully, be on time at appointments, call participants when they have signed up for your study and fulfil promises made to participants.

Furthermore, it is your responsibility that data are authentic, of high quality and properly stored. The principle is always that the supervisor (or strictly speaking the Erasmus University Rotterdam) remains owner of the data, and that the student should therefore hand over all data to the supervisor.

Hereby I declare that the study will be conducted in accordance with the ethical guidelines of the Department of Public Administration and Sociology at Erasmus University Rotterdam. I have answered the questions truthfully.

Name student: Nikoleta Zhivkova Dimitrova

Name (EUR) supervisor:

Jonathan Mijs

Date: 21.03.2021

Date: 22/4/2021



APPENDIX G: Color-Coding Scheme

- Definitions/types of Income Inequality:
 - A fair normal process out of capitalism
 - An unfair distribution of income between the rich and the poor
 - Income inequality between how the low is applied
 - The problem of overall low income
 - Income inequality between Bulgaria and abroad
 - Inter-regional inequality
 - Inequality between the public and private sector
 - Inequality between being a boss and working for someone
 - Income Inequality between different firms for the same position
 - Income Inequality as shown in people's pensions
 - Income Inequality as shown in people's social security contributions
 - Inequality between the capable and incapable for the detriment of the capable
 - Inequality of opportunity between the young and the old people
- Who is Rich and who is Poor in Bulgaria?
- Social Mobility
- Proximity of the social classes/urbanization – Inequality Encounters
- Sources of Income Inequality
 - Meritocratic sources
 1. Academic knowledge
 2. Practical skills
 3. The Bulgarian blurry interpretation of “knowledge” and “education”
 4. Inter-personal connections
 5. Motivation/strive/laziness
 - External sources
 1. The state as a legitimate but not well-made system (e.g. overall low wages, bad social security, social contributions for pensions etc; lack of care for the poor)
 2. The state as a corrupt deliberately bad system (e.g. the oligarchs making the policies for their own good, the state and the businessmen want the population poor and naïve – easily controllable)
 3. Inter-personal connections not due to your own genuine good skills but from “dirty deals” (“shurobadzhanashtina”)
 4. The communism-privatisation context
 5. Family background
 6. The low-technology economy in Bulgaria
- Is the Bulgarian person hard-working?
- What makes income inequality unfair
 - Meritocratic sources of unfairness
 1. You don't get remunerated according to what you have prepared for
 2. Not the most qualified people get hired
 - External sources of unfairness
 1. Corruption
 2. The overall low standard in Bulgaria
 3. The weak state-organization
 4. The fact that Bulgarians earn less than other Europeans for the same work