

**THE ROLE OF THE INFORMAL ECONOMY IN LIBYA'S  
DEVELOPMENT: A CASE STUDY OF THE INFORMAL  
FOOD SECTOR IN MISRATA**

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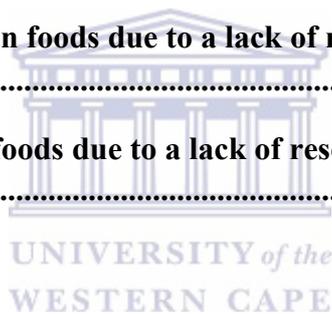
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## DECLARATION

I hereby declare that this Ph.D. thesis entitled “The role of the informal economy in Libya’s development: A case study of the informal food sector in Misrata” is produced by me for the degree of doctor of philosophy in development studies. This work has not been submitted before for any degree. All references have been duly acknowledged.

**Ali Abdulllah Tika**



Signed: .....

## **DEDICATION**

To all members of my family for their love and support.



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First, I thank Allah Almighty for the health, wisdom, and strength He has bestowed on me and for having brought me to this level.

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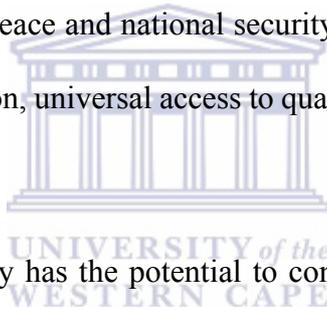


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## Abstract

In society, development had hitherto been mainly defined in relation to the pursuit and sustenance of balanced economic growth. Since the new millennium however, the essence of development has increasingly shifted beyond minimalist economic definitions, to include a balanced incorporation of social welfare focusing on core areas like health and education, and other issues like environmental sustainability. Also, linkages have been established between both aspects, such that for all countries, developed or developing, the success of economic policies is often influenced by and/or linked to the extent of social development. Still, priorities differ between developed and developing countries. While developed countries are more concerned with issues of global peace and national security, most developing countries focus on poverty eradication, job creation, universal access to quality education and improved health services.



Libya's vibrant informal economy has the potential to contribute to the country's economic and national development efforts. The informal food sector, which is a part of the informal economy, can play an important role in this. Not only does the sector provide food to the poor at affordable prices, it also creates employment and business opportunities for a large number of people who otherwise would find it difficult to find employment, earn a living and secure theirs and their family's livelihoods through income generated within the sector. Despite this, very few studies have been conducted to explore the nature and potential of the sector.

The sector absorbs a considerable portion of the workforce, both skilled and unskilled. While there is general agreement and multiple studies about the importance of oil production on the country's economic wellbeing and development, little is known about how the informal sector can contribute to the country's economy, and by implication, its development.

By highlighting various other sub-sectors and factors – i.e. land use, weather and climate – that are crucial or feed into the activities of the informal food sector, the study highlights possibilities to diversify the Libyan economy and improve social relations and development. The latter is particularly true considering the patriarchal nature of the society which limits economic participation by gender, education, class and to some extent, age. Whereas the country's primary economic sector – oil production – dictates levels of economic participation based on power relations and patriarchal classification, this study shows that the informal food sector encourages inclusion. Findings show that women, the elderly and unemployed youth or students are also able to make a living within the sector.

Along with a limited policy focus on the impact of Libya's informal sector on the economy, currently, there is also no objective data measuring the size of Libya's informal economy. Consequently, the country's dependence on oil revenues and the reliance on the public sector for employment and economic activities perpetuates existing structural and social imbalances. These characteristics of the Libyan economy are key to understanding the emergence, existence and growth of the informal sector.

Therefore, this study seeks to fill existing knowledge gaps through exploring, explaining and ultimately, attempting to understand the ways in which Libya's informal food sector can contribute to the country's efforts to improve people's livelihoods, food security, and overall wellbeing. This will be done through illuminating the characteristics of the informal economy in Misrata, Libya, looking specifically at how people improve their income through the practice of holding multiple-jobs, i.e. through working in both the informal (food) sector and the formal economy.

To do so, the study employs a sequential mixed methods approach combining both qualitative and quantitative techniques. Primary data was collected in two ways. First, quantitative data was collected using a survey of informal food sector workers through a questionnaire designed for this purpose. After initial analysis of quantitative data, qualitative interviews were conducted using structured interviews with workers in the informal food sector. Quantitative data was coded and inputted into STATA version 12, which was also used to conduct regression and descriptive analysis. After transcription qualitative interviews were analysed using Atlas.ti software.

Together, these methods of analysis illuminated some of the key factors contributing to reasons behind people choosing to hold multiple jobs in Libya. Among these are those related to improving livelihoods and subsistence, while secondary reasons were mostly supplementary, such as utilising their free time productively by working in the informal economy or exercising their hobby in a sector that requires little or no experience. The regression analysis helped explain further the characteristics of Libya's multiple-jobs holders. Among these were the gendered differences that are characteristic of the Libyan labour sector. Here, the analysis indicates that compared to females, a significant portion of Libyan males tends to hold multiple jobs. Furthermore, age emerged as a significant variable among the determinants of multiple-jobs holding. Findings show that older people tend to hold multiple-jobs compared to younger people. The regression also revealed that the level of education in Libya significantly affected whether or not individuals worked in both sectors. Findings here revealed that less educated people tend to hold informal jobs only, compared to more educated workers, whose qualifications enable them to also find work in the formal economy and thus allowing them to participate in both sectors.

Food insecurity also emerged an important variable associated with the number of jobs people hold. Findings show that those who are food insecure are more likely to hold two jobs. To this end, results from the logistic regression of the informal food security model indicated that business ownership in the informal food sector; length of stay in the city of Misrata, marital status, whether a business is registered (or not) as well as the number of days worked in the informal food activity were statistically significant determinants of informal food sector workers' level of food insecurity. In this way, the study also confirms that access, availability and utilisation are key to ensuring food security. Responses from workers show that they believe that their work in the informal food sector helps improve food security because the sector not only offers them opportunities to start businesses through which to fulfil their own food requirements, but it ensures that their customers have access to different types of food and, importantly, at affordable prices. The sector, specifically trading in food, is also a self-insurance mechanism for the workers as they are able to generate an income from their sales whilst also being assured access to food at all times for their own consumption as needed.

The study concludes that while the informal food sector is a lifeline for many of Libyans, with better resources and regulation, this sector can be developed to be more impactful and useful to national development plans. However, more studies are needed to understand further understand the challenges facing the sector as well as the potential of the informal economy to help government tap into this sector to realise their development goals.

**Keywords: Informality, Informal food sector, Libya, Multiple-job holding, Food Security**

# **Chapter One**

## **Introduction**

### **1.1 Introduction**

Since the early 1960s when John F Kennedy announced the first development decade (Skerry, Moran and Calavan, 1991), development has become one of the most salient issues discussed in societies. According to Ndokweni (2012), after this, economists and sociologists began focusing on development challenges, especially in developing countries. Their efforts, in turn contributed to the expansion of economic and social development theories. Initially, development was concerned with the macro-economic objective of sustaining economic growth, but over the past two decades, the term has evolved to include micro-economic and social issues such as health, education, environmental concerns and business interactions between individuals at the grassroots and national levels. Specifically, Ndokweni (2012) further noted that scholars began exploring the phenomenon of the informal economy in relation to development.

The nuances of development however reflect in the attention that various countries accord to its components, based on their level of development. For developed countries, economic and social policies are typically aimed at sustaining economic growth in order to provide social security, ensure safety of their borders and develop defensive capacities. Comparatively, for many developing countries, their focus is on more basic priorities like poverty alleviation/eradication, provision of free education and health services and job creation (Todaro and Smith, 2012:110).

The priority differences between developed and developing nations may be due to the relatively high involvement of a majority of developing country citizens in informal economic activities, which yield lower financial benefits compared to formal economic activities that are more prevalent in developed countries (Todaro and Smith, 2012; Roy, 1992; Portes, Castells and Benton, 1989).

The informal economy is an essential feature of the economic landscape of developing countries, with the sector accounting for a substantial portion of economic activities. Vanek et al. (2014) argued that over 50 per cent of non-agricultural employment in most regions of the developing world is in the informal economy, indicating that the informal sector capably absorbs a considerable portion of the working population, both skilled and unskilled (Cheng and Gereffi, 1994; Adhikari, 2012).

Within developing countries especially those in Africa, the informal economy provides jobs for a significant proportion of the labour force (Salazar-Xirinachs and Diop, 2009). It is estimated that in Africa, nine out of ten rural and urban workers operate in informal activities, and that most of the workers in this sector are women and young people who often lack alternative means of survival and livelihood, and are largely dependent on opportunities in the informal economy (Salazar-Xirinachs and Diop, 2009:6).

By contrast, the informal economy has continued to expand and has become a feature of “economic transition in those countries that have moved from various forms of state control to market economies” (Chen, Jhabvala, and Lund, 2001:4). In such countries, “the informal economy is not only a feature of economic transition but includes all of the informality, as it is manifested in industrialised, developing economies and the real world dynamics in labour markets today. This is particularly so with regards to the employment arrangements of the

working poor” (Ndokweni, 2012:2). The spread of informalisation in the transitional economies is related to “the political, economic and social institutional causes of their transformation from centrally planned into free market economies” (Gërkhani, 2002:283).

A case in point is Libya, which after decades of state control on economic activities, can be considered as being in the transitional period, as it abandons the planned and socialist philosophy system to progress towards an open market system (Masoud, 2014). Libya is endowed with vast quantities of crude oil resources which account for a large share of national revenue; it is a relatively “thriving economy amongst countries of the Middle East and North African (MENA) region, and one of the largest economies in Africa” (General Information Authority, 2008:3). Also, Libya is categorised as a “high human development country”, with a GDP per capita of US\$ 13,321 in 2015, and Human Development Index (HDI) of 0.716 in 2015 (UNDP Human Development Report, 2016:136 &163). According to Ali (2011), compared with other developing countries, particularly those in Africa, Libya has the capacity to finance a development program for its citizens, thanks to the existence of oil rents.

However, developing countries such as Libya require an eclectic approach to development, which encompasses economic growth, but also requires social improvement in terms of employment, access to education and access to credit. Al-shami and Malleable (2012:54) argued that in many developing countries experiencing rapid economic growth, there is a serious problem of income distribution among the population. The authors cited Libya as an example, where the economy is highly dominated by petroleum related activities, which accounted for over 60 per cent of the GDP in 2005. Based on this, they argued that oil revenue, alongside its ancillary benefits are only enjoyed by a privileged few compared to the majority who do not derive any significant gains therefrom.

With the largest crude oil reserve estimates in Africa (50 billion barrels), exports account for 85 per cent of Libya's total oil output, and generated \$ 29billion in 2009 (Al-shami and Malleable, 2012:65). Despite being an oil-rich country, large petrol firms – which contribute significantly to the country's GDP – are not labour intensive. For example, in 2013, these firms employed less than 2 per cent of the total Libyan labour force. Ali and Harvie (2013) argued that Libya's lack of transparency in general business and public administration, inactive government organizations, prevalent corruption and misuse of its oil revenues have resulted in sub-optimal economic performance, and subsequently created unequal access to the dividends of economic growth and development.

The inequitable distribution of oil revenues is not the only hindrance to Libya's economic competitiveness. The country's small population of 6.2 million people (relative to its land mass) implies that there is no overpopulation problem and population density is low (UNFPA, 2013:106). This sub-optimal use of land and climate related restrictions on agricultural development also weaken the country's ability to fully utilize its natural resources. Although Libya has a land area of almost 1,665,000 km<sup>2</sup> (General Information Authority, 2008:3), agricultural production depends on the climate, land availability, and soil quality. Due to a dry tropical climate, sandy soils, sand dunes and low rainfall patterns, most of Libya's land is inappropriate for farming (Abdulla, 2010:38).

Consequently, a significant portion of Libya's population remains unemployed, thus increasing Government's social expenditure burden. Similar to other developing countries, Libya faces unemployment problems. According to Kayba, Almqsbay and Jeroshiy (2013), Libya's unemployment rates were 10.86 per cent, 20.74 per cent and 19.4 per cent in 1995, 2006, and 2012 respectively. Furthermore, although the formal economy absorbs the bulk of the labour

force, salaries in this sector are low, and many workers are underemployed. Coupled with high rural-urban migration, many workers seek additional sources of income by engaging in activities in the informal economy, resulting in its growth. In addition to a large proportion of Libyans being actively involved in the informal economy as secondary employment, a substantial number of foreign workers are engaged in different informal economic activities. However, their entry into and participation in the informal economy is not subject to any tax obligations and figures are therefore potentially undocumented (Aljelany, 2011).

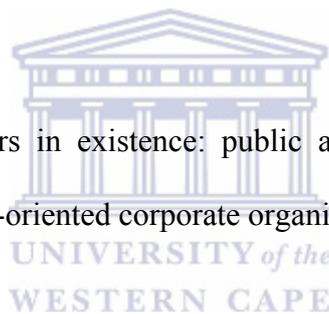
According to Aljelany (2011), there is no objective data on the size of the informal economy in Libya. As well, comprehensive studies of the Libyan informal economy and its operations are lacking. In "*The hidden economy in Libya, its causes, its size, its economic impact*", Aljelany (2011) noted that in the 1990s, the informal economy contributed 8.3 per cent to Libya's GDP, with the contribution decreasing to 3.1 per cent in 2006. He attributed this to the Monetary Policy of the Central Bank of Libya, which played a significant role in reducing the size of Libya's informal economy. With strikingly higher estimates of the impact of the global shadow/informal economy (from 1950-2009), Elgin and Oztunali (2013) noted that the contribution of the informal economy in Libya to its GDP was about 29 per cent in 1995, increasing to 30 per cent in 2008. Likewise, Schneider and Kearney (2011) contended that the average size of Libya's informal economy between 1999 and 2007 was 33.7 per cent.

Regardless of the variance of these estimates, a clear fact is that the structure of the Libyan economy has changed over the past five decades. These changes were primarily driven by changes in oil prices and the political system led by Col. Gaddafi (Al-shami and Malleable, 2012:56). As Ali (2011:28) noted, "oil rents are the main source of the foreign currency and the financial support of the budget expenditure, the improvement in the economic and

development indices started with the discovery and export of oil in 1955". So, the Libyan economy suffers from structural imbalances due to its high dependence on oil resources and public sector dominance of economic activities (Al-shami and Malleable, 2012). This suggests the importance of Libya's informal economy for economic diversification, especially because over the past 40 years, the Libyan workforce has been highly concentrated in the services sector. However, the informal economy and its workings remain points of global debate, with concerns ranging from tax evasion by businesses to the need to ease the informal sector's interaction with the formal economy, in order to improve work conditions and stability (Gërkhani, 2002; Chen, 2012).

## 1.2 The problem

In Libya, there two main sectors in existence: public and private, covering government institutions/parastatals, and profit-oriented corporate organisations respectively (Al-shami and Malleable, 2012).



In 2009, the oil sector accounted for 45.11 per cent of the country's GDP (Al-shami and Malleable, 2012:6). According to Khalifa (2010), the public sector is the larger economic sector and depends mainly on revenues from the nationalised oil sector, which between 1981 and 2006, accounted for 98 per cent of total government revenue. The public sector, which employs a majority of the Libyan workforce, is labour intensive, providing free education and health services to citizens.

Recent data suggests that public-sector wages and salaries account for the largest share of public expenditure in Libya, equating to 36 per cent of overall government expenditure, followed by subsidies and transfers (29 per cent) and goods and services (25 per cent) (Kayba,

2013). With an estimated 1.3 million public-sector workers constituting around 80 per cent of the labour force, the IMF deems the current spending on wages and subsidies a potential fiscal threat (Kayba, 2013). Libya's over dependence on oil revenues and a concentration of employment capacity in the public sector calls for a shift in policy focus. This requires government's consideration of alternatives for devolving the economy and diversifying revenue streams.

Over the years the Libyan government has taken several measures to strengthen the role of the private sector. These include lowering interest rates to encourage demand for loans by the private sector and enacting laws to protect and support private sector businesses (Aldoady, 2011). Examples are Law No. 8 of 1988, which saw an expansion of the role of the private sector, and Law No. 9 of 1992, which "reduced public sector participation in trade" (Sehib, 2013:20). Government's privatisation of some small public firms in 1987 also enabled private sector participation in various business activities (Alafi and de Bruijn, 2010; Aldoady, 2011). Additionally, foreign private investment in Libya became possible after amendments to Investment Act Number 5/1997 (Sehib, 2013). All of these laws have encouraged both domestic and foreign private investment. However, "economic activities are still narrow, and there are many restrictions on the movement of capital and goods" (Aldoady, 2011:2). Moreover, the living conditions of most Libyans have not improved.

Noteworthy is that, "the private sector in Libya is dominated by informal economic activities, as wages in this sector are often higher than those in the public sector" (Al Jeroshy, 2011:78). However, despite higher private sector wages, individuals prefer public sector employment for a number of reasons including: "the precarious nature of jobs in the sector; a lack of social

protection mechanisms such as insurance and pensions, the lack of employment contracts and general economic instability in the private sector” (Al Jeroshi, 2011:87).

By comparison, the public sector offers more stability through social benefits, and job security through permanent/contract employment. Almahjob (2013) noted that Libyans prefer to work in the public sector because it is consistent and stable. The existence of regulations within the public sector protect and ensure the rights of workers to benefits such as social security, health services, and compensation from injuries sustained at or caused by work related activities. There are also plenty of opportunities for career growth in the sector through succession planning and promotion.

Nonetheless, the low level of salaries in the public formal economy remains a big challenge in Libya. The low wages are often attributed to Law no 15 of 1981, which restricted wages for over three decades. According to Aljelany (2011:3), “due to a law restricting incomes in the formal economy, workers sought additional income sources mostly from the informal economy”. This law was only amended when policy makers passed Law No. 12 of 2010, which included reforms on salaries and labour relations.

For many households, alongside healthcare and education, a significant portion of incomes goes towards purchasing food and other daily needs. Given the low salaries offered by formal employment, Al-shami and Malleable (2012) contended that many Libyans, including the unemployed, the employed and self-employed, resort to the informal economy – specifically the informal food sector – to generate primary and/or supplementary income.

The World Food Programme (2011) study using secondary data analysis estimated that between 2002 to 2003, about 13 per cent of Libyans were food insecure. As well, a study conducted by the Bureau of Statistics and Census in Libya and the World Food Programme

(2014) estimated that food insecurity rose to about 15 per cent from 2006 to 2008. Nevertheless, the study argued that not all poor Libyan's could be described as food insecure due to the country's food subsidy scheme. However, the food subsidy scheme only makes provision for cereals, implying that households, particularly poor ones, may lack dietary diversity due to low consumption of protein, fruits, vegetables, and other nutritious food.

Therefore, the informal food sector potentially has an important role to play in reducing poverty and creating employment for the unemployed, informal jobholders and multiple jobholders. In addition to creating employment, the sector would also ensure access to cheap food, which is important for ensuring dietary diversity for the poor, and improving their food security and nutritional wellbeing.

### **1.3 Research Aim**

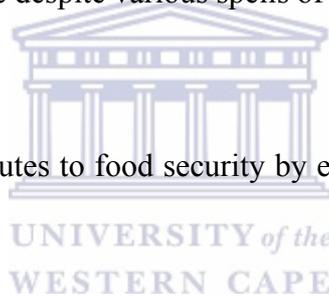
With structural challenges created by past policies, an oil-reliant economy as well as an unstable political environment, Libya's informal economy has the potential to contribute significantly to Libya's economic development by creating job opportunities, increasing incomes, promoting food security and alleviating poverty.

Sachs and Warner (1997) argued that while physical resources are a crucial contributor to economic growth and development, dependence on them is an insufficient driver of development. In Libya's case, this is because despite being a major oil producing country in Africa, a considerable proportion of its population still actively works in the informal economy to supplement their incomes from the formal economy.

Based on the issues highlighted above, this study seeks to explore Libya's informal economy, in particular, the informal food sector. The primary objective of this study is to provide a better

understanding of the Libyan economy and explore the potential of the informal economy to diversify and improve economic activities, advance national development and enhance citizens' living standards. The intention is to contribute to much needed scholarly research about this sector to show how:

1. The informal economy plays an important role in reducing poverty and meeting the food needs of citizens.
2. Duality in the labour market evolved and persists as a coping mechanism due to the inadequacy of public sector wages to meet people's needs – specifically access to food.
3. Libya has remained food secure despite various spells of food insecurity while embroiled in conflict.
4. The informal economy contributes to food security by enhancing dietary diversity and the quality of food intake.
5. Large informal economies in wealthy economies like Libya evolve, by considering motivating factors for people to participate in the informal sector. The study also explores the phenomenon of multiple job holding in Libya, particularly working in the informal food sector as a second occupation.



#### **1.4 Research Questions**

To provide a better understanding of Libya's informal food sector, the study focuses on Misrata city as a case study to examine the role of the informal economy in development through job creation and improved incomes.

The specific research questions are:

1. What are the characteristics of Libya's informal food sector?
2. What are the characteristics of multiple-jobs holders in Libya?
3. How do workers improve their incomes by working in both the informal food sector and the formal economy?
4. In what ways does the informal food sector enhance livelihoods through:
  - i. Opportunities for increasing incomes?
  - ii. Opportunities for job creation?
  - iii. Opportunities to advance the role of women in the economy?
5. How do informal food sector activities support workers' own food security?

### 1.5 Significance of the study

This study differs from previous studies that have been done on the informal economy in a number of ways. While most studies about the informal food sector focus on street food vending<sup>(1)</sup>, this study includes retail, production and wholesale workers operating on the street, at home, and in informal food enterprises through self-employment or waged labour. This approach allows for a more comprehensive exploration of the informal food sector, by unpacking its various components to better understand how the sector works and why people are specifically involved in the food sector rather than other areas of the informal economy. This expansive approach will provide deeper insights into the various components and multifaceted characteristics of the informal food sector.

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<sup>1</sup> RA2 - Productive Uses of Energy: The Informal Food Sector in South Africa, Rwanda and Senegal Scoping study report – 2015. Available on <http://www.energia.org/cms/wp-content/uploads/2016/09/RA2-ScopingPhase-18July2016.pdf> Visitor on 02/02/ 2017.

Given the limited number of studies focusing on the informal food sector, especially in transitional economies like Libya, findings from this study could contribute towards creating knowledge about the evolution of the informal economy, and highlight the potential contributions of the informal food sector to economic development. As well, this study provides an improved understanding of the informal economy within the context of a developing country. The study also highlights developmental challenges posed by high unemployment rates in Libya, and how the country can overcome these challenges by improving the productivity of the informal economy. Finally, the study contributes towards creating knowledge about post-Gadaffi development in Libya.

## 1.6 Thesis Outline

The preceding sections introduced the concept of the informal economy, presented the problem statement, aims and significance of the study and offered a brief description of the research methodology. The remainder of this section outlines how subsequent chapters explore the issues further, to achieve the outlined study objectives.

**Chapter two** presents the theoretical framework for analysing the Libyan informal economy. The focus is to describe, compare and synthesise the different schools of thought and theories on the informal economy, outlining the strengths and weaknesses of each, with the aim of developing a conceptual framework to explain informality in Libya. The chapter also reviews Libya's economic philosophy to improve understandings of this specific case study.

**Chapter three** undertakes a literature review of the informal food sector, multiple-job holding, and food security. This entails discussing the nature of informality by describing the characteristics, advantages, and disadvantages of working in the informal food sector alongside the reasons for working in the informal food sector. Furthermore, looking specifically at the

characteristics of multiple-job holding, the chapter examines the issues related to labour market dualism and explains why it (labour dualism) exists. The chapter also elaborates on the link between the informal food sector and food security.

**Chapter four** presents the research methodology, opening with a brief background of Misrata city. It outlines the sampling design, explains data collection instruments and discusses capturing techniques and the processes of data analysis.

**Chapter five**, the first findings chapter looks specifically at the informal food sector in Misrata city by presenting the general characteristics of workers in the informal food sector. The chapter analyses the causes and effects of informal work, as well as the benefits derived from engaging in the informal economy. The issues surrounding business registration in the informal economy, including the reasons provided for not registering, and the pros and cons associated with registering a business in Libya are also discussed here.

**Chapter six** explores the characteristics of duality in the Libyan labour market. It also considers the job types held by multiple job holding respondents, and using the regression analysis model, then unpacks their reasons for working multiple jobs. The chapter further outlines some of the benefits and challenges of holding multiple jobs in Libya, while explaining the statistical significance of the findings using the regression model.

**Chapter seven** discusses informality and food security in Misrata by examining the role of the informal food sector in achieving food security, from the perspective that the vibrant informal food sector contributes to improving Libya's food security status.

**Chapter eight** draws conclusions and presents major recommendations formulated on the basis of findings presented in the analysis chapters. The chapter also proposes areas for further research.



## Chapter Two

### Theoretical framework

#### 2.1 Introduction

This chapter describes, compares and synthesises the different schools of thought and theories about the informal economy. In doing so, the chapter attempts to outline the strengths and weaknesses of each theory with the aim of developing a conceptual framework with which to explain and understand informality in the Libyan city of Misrata. This theoretical analysis is equally aimed at assessing the extent to which theories about the informal economy can adequately describe the dynamics of Libya's informal economy, specifically, the informal food sector.

The chapter also reviews Libya's economic philosophy to aid the understanding of this specific case study. This would help gain insight into the characteristics of the Libyan informal economy, and their relevance to counter the effects of policy and political rule that effectively slowed down the rate of economic growth and development post-independence.

Furthermore, the chapter outlines informal economy theories alongside the characteristics of the informal economy, multiple-jobs holding, as well as the link between the informal economy, multiple-job holding and food security. As well, the chapter traces the origins of the informal economy, locating it within developing countries' need to provide employment for a majority of their population. Thereafter, the chapter presents theory to aid an understanding of the emergence and sustenance of the informal economy, focusing on the reasons and motivation – as offered by theory; explaining why people opt to participate in the informal economy. This is followed by an assessment of the characteristics of the informal economy,

locating them within various schools of thought, and unpacking the phenomenon of multiple-jobs holding.

## **2.2 Libya's economic philosophy**

Before the discovery of oil in 1955, Libya was considered one of the poorest countries in the world (World Bank 2006). Agriculture, though regarded as a 'backward' sector highly affected by climatic conditions, was the main source of income contributing nearly 30 per cent of GDP in the period 1952-1954 (World Bank 2006). The sector created employment for over 70 per cent of the labour force, provided raw materials to the country's industrial sectors and generated revenue through export and trade. Other more 'progressive' sectors like mining and the service industry made much lower contributions to the Libyan economy before the discovery of oil (Elshibani, 2013).

In the period between independence in 1951 and 1975, Libya adopted a capitalist philosophy to help manage and develop the economy; the discovery of oil also occurred in the mid-1950s (Ruhaet, 2013:22). This period (1951-1975) was characterised by an accumulation of revenue due to the increase in oil prices, particularly after price hikes in 1973 and 1974 (Vandewalle, 1986; Zarmouh, 1998). Consequently, under the leadership of Muammar Gaddafi, the country's ideology shifted from a pure focus on economic growth to a trilogy of 'Freedom, Socialism, and Unity' (Bayoud, 2013:2).

Under this trilogy, in 1977, Gaddafi – through the 'Green Book' – outlined new political, economic, and social programs to develop and uplift the economy widely referred to as the "Third Universal Theory" (Bayoud, 2013:2); also named "Jamahiriya" by Gaddafi which means "power to the masses" (Shareia and Irvine, 2014:63).

According to Abdulla (2010), Libya's new political and economic system guided by the 'Jamahiriya' philosophy would provide tools to craft and implement the country's legislations, deference policies as well as the overall political environment. In line with the essence of 'Jamahiriya' - to give power to the masses indeed, it was declared that "the people's authority constitutes the basis of the political system in the Libyan Jamahiriya, the authority should be for people only, and no else should be authorised" (Declaration of People's Power, 1977).

Following the establishment of the people's authority, "the Revolution Command Council (RCC) was dissolved, the Chair of the RCC was appointed by the General People's Congress (GPC) as its secretary, and the RCC members as members of the GPC's general secretariat. The council of ministers was given the name People's General Committee and the title 'Minister' was replaced with the title 'Secretary'," (Abdulla, 2010:51).

By so doing, these declarations and changes were aimed at a shift from a capital-intensive style of governance to giving control of Libya's politics and economy to the people. According to Gaddafi's philosophy, the move from a capitalist to a socialist system was to reform the economy (Bayoud 2013; Ruhaet, 2013). Gaddafi believed that socialism offered the best solution to economic problems faced by humankind (St John, 2008:77).

However, while the concept and intent of socialist policies have merit, they have been fraught with implementation problems globally. In a deeply capitalist world, socialist policies are not well received in the geopolitical realm. As well, not many have been implemented successfully in countries due to various reasons including leadership issues, the push back from external forces, state failures and other influences which impact a country's ability to achieve economic growth.

Following the Libyan declarations, the period from 1977 “witnessed the disappearance of the private sector as a result of opposition to capitalist values from the revolutionaries” (Bayoud, 2013:4). This period also saw the emergence of an extensive range of public sector organisations, while oil revenues increased the levels of national output (Bayoud, 2013).

Explaining the Libyan economic system of that time, Alafi and Bruijn (2010) noted, “in the new economic system, private ownership was severely restricted as outlined in the Green Book.” They argued that the Green book declared that unrestricted ownership would foster exploitation through wages, rent, and profit, which would give rise to income inequality among the people.

Within the new system, Alafi and Bruijn (2010) noted that people were not allowed to own more than the house in which they lived, and rental payments for the property were also outlawed. Abdussalam (1985) also noted that in this new system, it was possible to undertake small business ventures as long as they involved “self-employment or family undertaking”. This permission to undertake small business ventures is often cited as the catalyst for undertaking multiple-job holding and possibly, the emergence of the Libyan informal economy.

Until the beginning of the revolution in February 2011, Libyan policies were defined by the dictatorship that characterised the Gaddafi system since 1977 (Bayoud, 2013). With limited private ownership, this period was also characterised by the expansion of the public sector. However, following the expansion of the public sector and the problems associated with it, authorities realised the importance of the private sector for economic growth and national development. Therefore, Libyan authorities issued laws, statements, clarifications, and

instructions in an attempt to support and encourage the private sector to participate in economic activities, to improve investment and the general economy (Mirza, 2012:220).

St John (2008) argued that towards “the second half of the 1980s, Gaddafi adopted a more moderate tone and signalled an interest in returning to a more open, free enterprise system in a package of reforms sometimes referred to as ‘green perestroika’ – referring to similar reforms enacted by Mikhail Gorbachev in the Soviet Union. Several economic and political considerations combined to prompt this sudden moderation in the socialist policies of the regime”.

However, these processes were not as successful as envisaged by policy makers, due to a climate of uncertainty and ideological contradictions between the prevailing philosophy and the trend towards privatisation. While amendments were made, “Jamahiriya practices continued; especially the declarations outlined in the Green Book and the restriction it placed on private property” (Mirza, 2012:220).

Nevertheless, in the 1990s, ruling authorities gradually began to shift toward economic liberalisation through privatising the public sector, liberalising the economy and even applying for membership to the World Trade Organization (WTO). These processes were in line with the newfound political openness towards the Western world. “Notwithstanding these reforms, progress in developing a market economy seemed weak, slow and discontinuous” (St John, 2008:78-79; Alafi and Bruijn, 2010:1).

Consequently, the regime started to call for more economic corrections by adopting the open market system and abandoning the socialist philosophy, which had lasted for more than three decades (Masoud, 2014:104). In fact, Masoud (2014) noted, “in 2003, the Libyan president, Col. al-Qaddafi described the socialist experiment as a failure, calling for the privatisation of

the public sector, including oil industries and banking sectors. He also called for applying the alternative – social capitalism – which involved establishing companies owned by Libyan citizens”.

However, as argued by Alzeny (2008) and Alsady and Al basser (2013), Gaddafi’s long-standing socialist approaches, along with the instabilities brought on by adopted ideologies (i.e. starting out with socialism as a political and economic philosophy, then adopting capitalist policies while maintaining some of the socialist practices), created an unstable political environment in Libya. Some of the ensuing issues were: “structural imbalances within the economy caused by the over dependence on the oil sector and the dominance of the public sector in economic activities. Restrictions placed on the private sector participating in the economy, coupled with bureaucratic and complicated procedures for registering businesses also added to the challenges of development and possibly, the emergence of the informal economy. The latter provided an environment through which businesses could operate without being registered” (Alzeny, 2008; Alsady and Albasser, 2013).

Importantly, the dominance of a large public sector in the economy failed to create sufficient job opportunities to absorb Libya’s growing labour force. Similarly, outcomes produced by the education system were incompatible with the requirements of the labour force. Education, and the size/capacity of the public sector feature prominently in subsequent chapters of this thesis, because they are key to obtaining an understanding of the emergence of the informal economy.

Ultimately, for any country, an unstable political environment has negative impacts on the State and its citizens. Therefore, it can be argued that the impact of unstable political and economic policies negatively affected Libya’s development and that of its citizens. It affected individual

prosperity and livelihoods and is a key factor that contributed to the emergence and rapid growth of informality as a survival strategy.

### 2.3. Conceptualising the Informal economy

The earlier sections have articulated the research problem and the political and historical context within which a particular type of informality was formed in Libya. It is now relevant to consider what the informal economy is, how it was formed, how it exists and how it has contributed to and/or can be harnessed to overcome the challenges of unemployment and poverty in Libya and globally? The rest of the chapter thus reviews the informal economy; a historical timeline of the informal economy debate helps explain its characteristics, how it emerged and how it currently operates in Libya.

The implementation of World Employment Programme (WEP) in 1969 initiated debates about the informal economy. The WEP had two main objectives, to “insert, in national and international policies, objectives regarding productive employment of a large proportion of the population and help the member states to implement such policies” (Bangasser, 2000:2).

Following the WEP, the ‘informal sector’ emerged as a concept in 1972 during the ILO’s mission in Kenya, which was the first employment mission in Africa. The period from 1970 to 1980 was referred to as the ‘*incubation years*,’ characterised by the gradual development of the sector. The ‘*dispersion years*’ cover the period from 1980 to 1990, which resulted in a wider spread of informal activities. Finally, the 90s were regarded as the ‘*officialisation years*’, where the informal economy received “international recognition and was incorporated into the official international schema” (Bangasser, 2000:2).

Following this international recognition, in 1991, the ILOs (1991:4) definition of the informal sector as follows is worth stating:

*“Very small-scale units producing and distributing goods and services, consisting largely of independent self-employed producers in urban and rural areas of developing countries, some of whom also employ family labour and/or a few hired workers or apprentices, which operate with very little capital or none at all; which utilize a low level of productivity; and which generally provide very low and irregular incomes and highly unstable employment to those who work in it. They are informal in the sense that they are for the most part unregistered and unrecorded in official statistics; they tend to have little or no access to organised markets, to credit institutions, or to many public services and amenities; they are not recognised, supported or regulated by the government; they are often compelled by circumstances to operate outside of the framework of the law and, even where they are registered and respect certain aspects of the law, they are almost invariably beyond the scale of social protection, labour legislation and protective measures at the workplace”.*

The above definition adequately captures the nature and composition of Libya’s informal economy, which is characterised by both self-employed and wage-employed labour (as presented in subsequent chapters). These businesses are often family-owned, offering employment opportunities to immediate and extended family members, and often times even to members of the community. However, while the broad definition includes activities taking place in urban and rural settings, this thesis focuses on informal food sector activities occurring in the urban space.

Nevertheless, regarding the definition of the size and scale of operations, businesses in Misrata city are small in size – a feature of family run enterprises operated by individual entrepreneurs, as well as self-employed and paid employees (Abuhadra and Ajaali, 2014). Although the Libyan Labour Law No. (12) of 2010 concerning labour relations prohibits doing business

without official registration, many enterprises in Libya remain unregistered to avoid the need to comply with regulations and to reduce production costs (Abuhadra and Ajaali, 2014).

Production is also a key feature of the informal economy particularly in Libya, where food production is among the primary activities undertaken within the economy. Abuhadra and Ajaali (2014) noted that the sector is comprised of productive activities in the household, and in unregistered and micro enterprises.

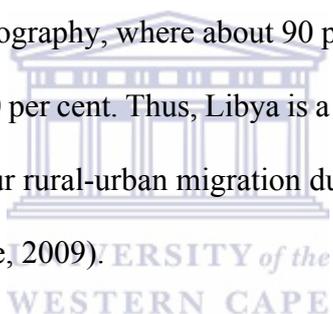
Due to the nature of the sector, including irregularity and unregistered businesses, Libya's informal economy has strong historical roots in migration, as it provided employment and livelihood opportunities for migrants. Referring to the 'Harris-Todaro migration model,' the informal economy was considered to be a transitional route from rural unemployment and under-employment to urban modern employment; as such, it was expected that over time, it would disappear (Todaro and Smith, 2012). Similarly, Banerjee (1983) argued that the informal economy served as a "staging post for new migrants on their way to formal sector employment."

However, in other countries, other factors explain the existence and persistence of the informal economy, particularly those found in predominantly urban areas. These include the challenge of a limited number of job opportunities available to cater for all those seeking work in the formal economy. Also, formal employment sometimes offers low wages, which are insufficient to support a family. "This means workers are forced to supplement their incomes by finding work in the informal economy" (ILO, 2002:28).

In Ghana, where the concept of the informal economy was introduced in the 1970s by Keith Hart (International Labour Organization 2013), instead of disappearing as suggested by Todaro and Smith (2012), as the modern economy (formal sector) expanded, the informal economy

actually grew in both rural and urban areas (Osei-Boateng and Ampratwum, 2011). This expansion was not only due to migration from rural to urban areas, but also related to the inability of the formal sector to provide employment for the emerging labour force with low educational attainment (Osei-Boateng and Ampratwum, 2011).

In Libya, the size and nature of the informal economy is not directly linked to rural-urban migration, because compared to other countries in the region (excluding Lebanon), Libya historically had high levels of urbanisation. Urbanization was 59.8 per cent in 1957, increased to 84.2 per cent in 2004 (Human Development Report 2006:298), and then reached 88.2 per cent in 2009 (European Commission DG Trade 2009:19). These high rates of urbanisation are largely due to Libya's peculiar geography, where about 90 per cent of the land is a desert area, leaving a habitable area of only 10 per cent. Thus, Libya is a largely urban country with a small rural population who do not favour rural-urban migration due to their nomadic pastoral nature (European Commission DG Trade, 2009).



Despite the extensive definition of the informal economy as presented above, different authors use various labels to describe/define the informal economy. These alternative terms include, '*irregular economy*', '*shadow economy*', '*subterranean economy*', '*underground economy*', and '*black economy*' (Losby et al., 2002:2) or even '*unofficial economy*' (Porta and Shleifer 2008). In some countries, the term '*informal economy*' refers to the private sector, while others refer to it as the '*grey economy*' (Heinonen, 2008:124).

#### **2.4. Informal economy versus informal sector**

According to Krasniqi and Topxhiu (2012:5), since 2002, the ILO began using the term '*informal economy*' instead of the term '*informal sector*'. This is because "workers and

enterprises in question do not belong to a single sector of economic activity, but to many sectors. This term tends to minimize connections, grey zones and interdependence between formal and informal activities and refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements” (Krasniqi and Topxhiu, 2012:5).

In 2013, the ILO argued that there is a difference between the terms ‘informal sector’ and ‘informal economy’, and offered two definitions to account for nuances associated with each term. Consequently, the informal economy refers to

“all economic activities by workers or economic units that are – in law or practice – not covered or sufficiently covered by formal arrangements” (ILO, 2013:15).

On the other hand, the informal sector refers to

“a group of production units (unincorporated enterprises owned by households) including ‘informal own-account enterprises’ and ‘enterprises of informal employers,’” (ILO, 2013:15).

Put simply, the ‘informal economy’ refers to non-formal economic activities, and the ‘informal sector’, speaks to the units of production and businesses operating in the informal economy.

Applying this clarification to this study, the informal food sector refers to all work and activities by workers and economic units that are not sufficiently covered by formal arrangements (e.g. legal contracts, registration etc.) involving food, such as street vending, home-based processing, distribution and retailing (Battersby, Mngqibisa and Marshak, 2017; Skinner and Haysom, 2016; Fraser, Moonga and Wilkes 2014; Crush and Frayne, 2011; Lourenco-Lindell, 1995).

The authors' understanding of the informal food sector is related to the economic activities that take place in it, rather than defining it within the more specific definition related to the sector. Specifically, for the subsequent analysis chapters, the term strictly refers to the informal food sector in Misrata, while the term 'formal economy' refers to public/government, and private registered businesses/enterprises in Libya.

Comparatively, Ihrig and Moe (2004) defined the informal economy as a part of the economy that produces goods but does so outside of government regulation. The reasons for working outside of government regulation differ from one individual/unit to another. Chen (2007) argued that many formal firms prefer informal employment relationships in the interest of flexible specialised production, global competition, or (simply) reduced labour costs. This implies that formal organizations choose these types of informal employment relationships as a means to avoid their formal obligations as employers. In such cases, it is the formal firm, not the informal worker that decides to operate informally, and therefore enjoys the 'benefits' of informality. "This reality points to the need to re-examine the notion that informal employment is 'voluntary' from the perspective of informal wage workers, not just of the self-employed" (Chen, 2007:9).

As has been described, the definitions of the informal economy, informal activities and informal employment vary across countries, and this variation depends on whether attention is on the enterprise, the economic activity or employment. Therefore, "the task of selecting how to characterise informality is not trivial. The choice of a particular entry point shapes the analysis of the prevalence of informality, its consequences, and the appropriate policy responses" (Heintz, 2012:2).

## **2.5. A theoretical explanation of the informal economy**

The 'Dual Theory' or the Lewis two-sector model provides a point of departure to understand economic development in surplus-labour developing countries during the 1960s and early 1970s, which in turn explains the continued existence of the informal economy (Goulet 2003:116).

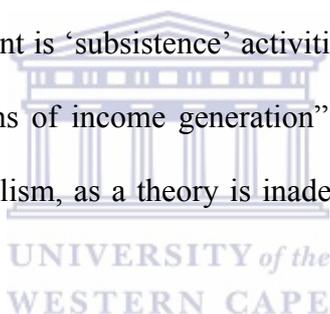
The dual model theory identifies two unique economic systems operating in a nation: (i) a formal economy and (ii) an informal economy. According to the model, the formal economy comprises economic activities in urban regions that have features such as: wage labour, capital-intensive firms, and high marginal productivity that create incentives for capitalists to invest in labour and machinery (Godfrey, 2011:243). On the other hand, the informal economy operates essentially in rural areas as well as in urban areas, and is characterised by low wages and labour-intensive firms/actors (Godfrey, 2011).

Structuralism offers a second theory through which to understand the development/emergence of an informal economy. According to Yusuff (2011) and Chen (2012), the school of structuralism looks at the informal economy as subordinated economic units (micro-enterprises) and workers that serve to minimise labour input, as well as decrease labour costs. So, Yusuff (2011) argued that Structuralists believe that the informal economy retains a higher number of workers in the economy than the formal economy. Capitalists therefore prefer to employ those informal workers with low wages aiming to decrease production costs in order to improve the competitiveness of their firms.

The structuralist school of thought focuses largely on informal wage labour and considers that "unregulated wage earners are growing due to the new arrangements for downsizing, subcontracting and outsourcing arising under underdeveloped global capitalism" (Williams, 2014:737). Moreover, Williams (2014) argued that the structural school of thought depicts

informal wage employment earners at the bottom of the employment hierarchy characterised by low-wages and bad working conditions.

However, Yusuff (2011) argued that the theory of structuralism has a critical shortcoming due to the view that industrial subcontracting is a central feature of informal activity in Latin American cities. This view is however not applicable to informal economy activities in Africa. Instead, it can be argued that a bloated public economy resulting from socialist oriented policies created an environment that saw an expansion of the informal economy due to restrictions placed on private ownership. For example, through its informal food sector, Libya has one of the largest informal economies in Africa. “The most common characteristic of the informal economy activities on the continent is ‘subsistence’ activities through which economic actors are occupied with informal means of income generation” (Yusuff, 2011:629). This in turn supports arguments that structuralism, as a theory is inadequate to explain Libya’s informal economy.



The legalist or neoliberal school – with its focus on the formal regulatory environment – offers a third theory to understand the informal economy. This school of thought sees the informal economy as composed of “plucky small-entrepreneurs whose main motives are avoiding costs, time and effort expended in getting formally registered” (Chen, 2007:7). Chen (2012) contended that for legalists, “a hostile legal system leads the self-employed to operate informally with their own informal extra-legal norms”.

It is evident from the above that various schools of thought understand and interpret the emergence of the informal economy differently, and each holds an exclusive view of the characteristics of the economy. In the case of Libya, the dualistic theory of informality seems most appropriate for explaining the country’s informal economy in general and in particular,

informal food sector. This is consistent with the argument put forward by La Porta and Shleifer (2014) that the dual model of informality is most consistent to study informality and development in developing countries. The authors contended that “informal firms stay permanently informal, they hire informal workers for cash, buy their inputs for cash, and sell their products for cash, they are extremely unproductive, and they are unlikely to benefit much from becoming formal” (La Porta and Shleifer 2014:124). This is applicable to the informal economy in Libya characterised by low start-up costs, cash transactions and largely unregistered businesses (Abuhadra and Ajaali, 2014). Nevertheless, explanations of the informal economy offered by other theories have elements that are useful and even applicable to the Libyan case.

The preceding paragraphs offered a description of some components of dual theory that may explain the informal economy in Libya. More analysis and detail of this theory will be offered in the remainder of this section, particularly in relation to the phenomenon of multiple-job holding, which also elaborates why people work in the informal economy and in turn, why the informal economy exists.

Writing about the distinct characteristics of the informal economy, La Porta and Shleifer (2014) identified five critical factors that characterise the informal economy namely that:

- The informal economy is larger in less developed countries.
- Productivity levels are low in the informal economy in general compared to productivity in the formal economy. They attribute this to the fact that informal enterprises are mostly small, inefficient, inactive and run by entrepreneurs who generally have less education. This view is supported by data collected in Misrata where a significant number of informal food sellers see the flexible nature of the work,

including working in informal activities on a part-time basis or merely helping in the family run business when the need arise, as an advantage of working in the economy.

- The productivity of informal enterprises is low despite their tax evasion and avoidance of regulations to decrease costs. This low productivity implies that such enterprises would be unable to thrive in the formal sector.
- Related to point three above is that informal economy enterprises prefer to stay ‘informal’ rather than change or register their businesses. Similarly, when asked about registering their businesses, many respondents preferred to remain unregistered, not only to avoid paying taxes but also to retain autonomy in the way they choose to run their businesses as well as to avoid bureaucratic processes and requirements that go hand-in-hand with operating a formally registered business.
- As a consequence of development and sustainable growth, the informal economy is expected to shrink, and the formal economy will dominate the economy. This speaks to the need for informal businesses to diversify and keep up with economic trends and changing legislation as countries develop.

The characteristics of the informal economy described above are equally important determinants of the types of jobs found in the sector. Summers and Bulow (1985:380) argued that the jobs in the formal or ‘primary’ sector are “good jobs, generally characterised by high wages, job security, substantial responsibility, and ladders where internal promotion is possible”.

By comparison, the authors argued that jobs in the informal or ‘secondary’ sector are characterised by “low wages, and casual attachments between workers and firms and are

menial” (Summers and Bulow 1985). Interestingly, workers in the informal economy also believe that workers in the formal sector have advantages that they do not have, such as better jobs and higher wages. This perception/belief has resulted in multiple-jobs holding, with many informal workers also looking for jobs in the formal sector (Almahjob, 2013; Al jelany, 2011).

Nevertheless, as indicated in chapter one and specifically with regards to the Libyan case, not all workers in the formal sector earn high wages. This wage disparity is one reason why many formal workers seek jobs in the informal economy to supplement their incomes. The heterogeneous nature of the informal economy comprising various types of work and activities for a diverse group of people with varying skill levels fosters this.

Therefore, the term informal employment also comprises individuals holding informal jobs within the formal sector (Merkuryeva, 2006; Heintz and Slonimczyk, 2007; Chen 2012). Various authors, including Merkuryeva (2006) offered several explanations for why some jobs in the formal sector are classified as informal. These include that the size of the enterprise or existing labour legislations do not cover some employment relationships e.g. seasonal employment, casual employment or home-based workers etc. Another reason is that employment relationships can unintentionally conflict with regulation. This is particularly true for dual jobholders who hold jobs in both the formal and informal economy.

The dual labour market theory also divides the economy into two distinct categories: ‘capitalist’ or ‘modern’ sector (formal) and, into ‘subsistence, agricultural, rural and traditional’ sector (informal). Likewise, this approach divides employment into formal and informal categories, although some formal types of employment exist within the so called ‘rural’/informal economy.

## **2.6 The informal economy in Libya: An explanation**

Although limited information exists about the size of most informal economies, this dynamic economy offers employment, economic and livelihood opportunities to millions of people across the globe, especially those living in low-income households. The informal economy is often defined by the ease of starting a business, made possible by the low capital requirement. Similarly, the informal economy requires low levels of formal education for participation, while the lack of (or minimal regulation) implies that the sector enjoys freedom from complex procedural control and state involvement. Of relevance to the focus of this research, Abuhadra and Ajaali (2014:11) agreed that Libya's informal economy is characterised by the "ease of entry, small scale activities, micro enterprises with a high proportion of family workers, limited capital and equipment, labour-intensive work, low level of organisation and cheap provision of goods and services".

Although it is the relatively small size and scale, a 2011 report by the African Development Bank (AFDB) estimated that the sector contributes between 30 – 40 per cent of Libya's official GDP. Abuhadra and Ajaali (2014) added that the informal economy in Libya provides about 40 – 60 per cent of total job opportunities. Even without detailed or reliable statistics, the authors estimated that out of the number of people who work in the informal economy, 1.2 – 1.6 million participate in informal activities such as agriculture, construction, and retail trade.

Generally, informal economic activities are regarded as a set of economic survival activities carried out by some destitute people on the margins of society (Portes et al., 1989:12). But as this view is not necessarily accurate in the Libyan case, the informal economy is key for Libya's development not only because it provides such job opportunities, but also for the opportunities it provides for those engaged in formal employment to supplement their low incomes (Abuhadra and Ajaali, 2014). According to Owusu (2007:8) "the informal economy is an

avenue for part-time employment for formal economy employees and a source of additional income for many with full-time employment in the formal economy”. This act of undertaking part-time work is described in various ways e.g. ‘moonlighting’, ‘multiple-job holding’ and ‘holding dual jobs’, with this applying to those working in both the informal and formal economy.

## **2.6 A theoretical explanation of multiple-jobs holding**

In middle-income countries, informal work is often undertaken in combination with employment in the formal sector, as is the case in Libya (Almahjob, 2013). This section, therefore, considers various theories to provide a comprehensive explanation of multiple-job holding in Libya, taking into account the specific country dynamics of Libya’s development, and its job and economic environment.

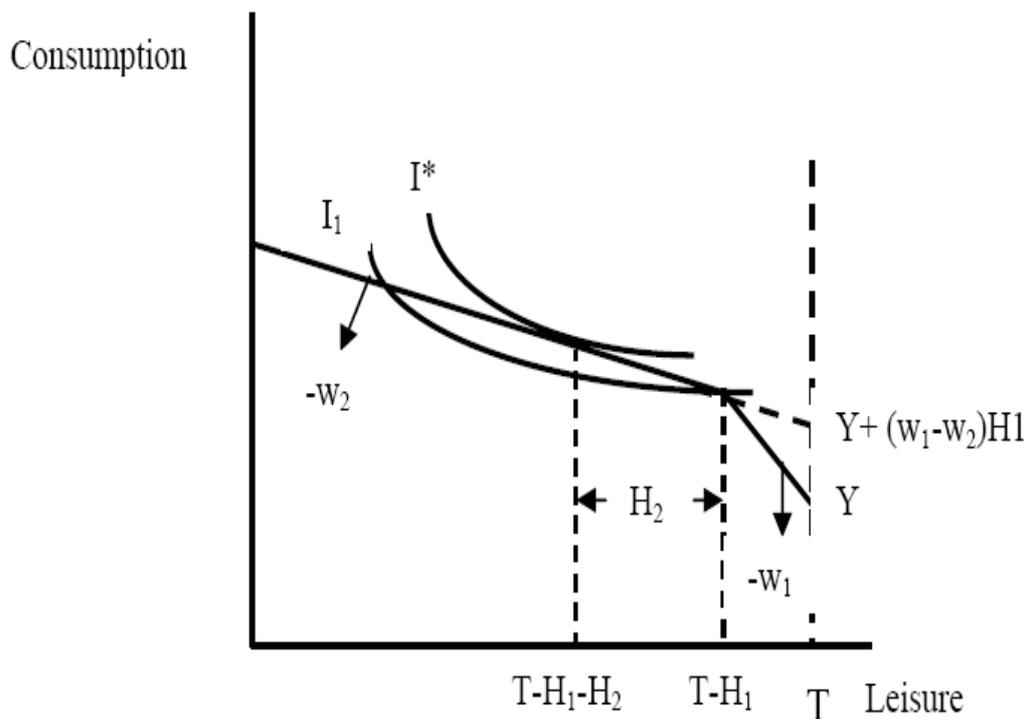
According to Shishko and Rostker (1976:298), multiple-job holding refers to those who report “holding two or more jobs to generate an additional income.” Such additional income generating activities are also known as moonlighting (Highfill, Felder and Sattler 1995:40). Individuals, who hold multiple-jobs, could do so either in the formal or informal economy (Merkuryevaare, 2006:7).

For the purposes of this thesis, multiple-jobs holding here refer specifically to those who hold a second job in the informal food sector. According to Livanos and Zangelidis (2012:120), “economic theory offers prevalent motivations for holding more than one job. Dickey, Watson, and Zangelidis (2011) mentioned that the two theories are based on utility-maximising behaviour. These motivations are “hour constraints on the primary job” and “heterogeneous jobs.” The ‘hours/time constraints’ motivation stems from an individual feeling that their work hours are constrained by the limited hours/time that he or she can work in the primary job,

which in turn, limits the potential to increase his/her earnings. Therefore, employees are willing to work more hours, but the formal enterprise is unable to offer the optimal number of hours/time that can increase income from the primary job and guarantee their desired income.

In such cases, the primary job, characterised by hours/time-constraints leads to the employees looking for additional work opportunities so as to obtain the required income to afford their needs and desires” (Conway and Kimmel, 1998; Dickey and Theodossiou, 2006; Baah-Boateng et al., 2013).

Figure 2.1 below represents an individual who is an hours/time constrained multiple-jobs holder, and how the decision to undertake a second job is/can be influenced by the hour/time constraints. H1 refers to the maximum number of working hours permitted on the primary job.



Source: Dickey and Theodossiou (2006)

**Figure 2.1 Utility maximizing by an hours-constrained multiple-job holder**

According to Conway and Kimmel (1998), because an individual cannot work more than H1 hours on the primary job, the decision to take a second job will depend on whether the wage paid for the second job makes up for potential disadvantages associated with taking on an extra job, i.e., a longer working day given that H1 hours have already been committed to the primary job.

If the second job's wage is greater than the reservation wage (the lowest rate at which an individual would be willing to take on an extra job), then the hours constrained worker will take the second job, as it will make him better off by increasing his utility.

The hour/time constraints of the primary job are considered to be the primary motivation for taking a second job. However, in Libya, as in many developing countries characterised by a dominant public sector, overtime work<sup>(2)</sup> is not available in most forms of employment (Almahjob, 2013). Therefore, the concept of heterogeneous jobs offers another explanation to understand why formal workers might choose to hold a second job in Libya's informal food sector.

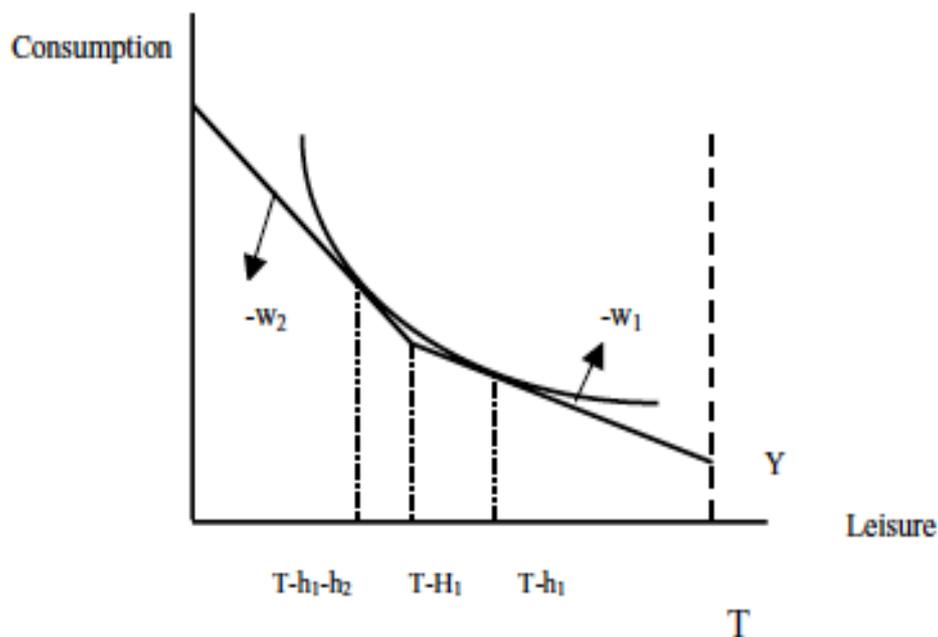
Dickey and Theodossiou (2006), as well as Livanos and Zangelidis (2012), argued that multiple-jobs holding does not necessarily only occur with workers who face "hours constraint". They posited that it is possible to also find workers who are not constrained by hours engaged in multiple-jobs holding. To this end, the authors argued that multiple-jobs holding might also arise as a result of the labour hours available in the formal job not yielding incomes that allow for workers to hold only one job. In this case "they do not consider the work

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2. The ratio of workers who should do extra time should not be exceeding 20 per cent of the number of employees. And the overtime hours working should not exceeding than 3 hours per day. (Cabinet Decision No. 21 of 2013 organizing extra work on the appendix)

hours supplied as a perfect substitute for not taking on extra work” (Livanos and Zangelidis, 2012:120).

Figure 2.2 depicts a multiple-jobs holder whose motivation for undertaking a second job, is not due to hour/time constraints associated with the primary job. Here, the individual earns a higher wage on the second job compared to the primary job. Consequently, the non-hour constrained individual wanting to work more hours will always opt to work additional hours on the second job rather than working more than  $H_1$  hours on the primary job at a lower wage rate (assuming no hour constraints on the second job).



Source: Dickey and Theodossiou (2006)

**Figure. 2.2 Utility maximizing by a no hours-constrained multiple-job holder**

It can be argued, therefore, that in some cases, multiple-job holding may arise for different reasons unconnected to primary job hours. The reasons include workers wanting to learn about new occupations or gain training, workers engaging in activities of interest, gaining job

satisfaction not received from the primary job, gaining credentials and experience to acquire a higher-paying second job, or even maintaining flexible work schedules” (Livanos and Zangelidis, 2012:120).

In the Libyan case, the public sector employs about 70 per cent of all salaried workers in the 1.9 million-strong Libyan labour force (Abuhadra and Ajaali, 2014). Most of this employment is found in the services sector (70 per cent), with only 9 per cent of employment opportunities attributed to industry and agriculture sectors (The World Bank, 2015). Although the hours of work in the Libyan public sector, as established by the labour code, indicate that the working day in the public sector starts from 08:00 and ends at 15:30 (Libyan authorities 2012)<sup>3</sup>, many workers do not adhere to the labour code. This is also something that is difficult to monitor due to the flexibility of the informal economy, where some workers are able to do private work during the official working day (The World Bank, 2015).

Abuhadra and Ajaali (2014) argued that the dominance of public sector employment combined with the rigid and fixed wage system, enable very flexible working time arrangements in Libya’s public sector. “Multiple-jobs holding in the form of participation in the informal labour market, may therefore, play a very important role in developing countries, not only as a way of compensating for declining formal sector wages but also as a way of circumventing labour market imperfections” (Theisen, 2005:2470).

In addition to the low time commitment of the sector, these features encourage workers to hold multiple-jobs in order to increase their income, by working in the public sector in the morning and spending the afternoons and evenings working in the informal economy activities (in

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3. Cabinet Decision No. 356 of 2012 of the report of some of the provisions regarding the official working hours (Appendix)

general). Notably, a number of them work specifically in the informal food market. This explains how formal Libyan workers are able to cope with holding more than one job.

Therefore, multiple-jobs holding is a strong feature of the Libyan economy due to the need to counter low public sector income and to improve livelihoods. This is particularly true in a country with low wages, and where multiple-job holding may be a response to food insecurity. In cases where households are food insecure and are unable to balance their household budgets, heads of households may decide to engage in holding multiple-jobs out of economic necessity” (Coleman-Jensen 2011:26).

## **2.7 Conclusion**

This chapter highlighted some theoretical concepts to provide an understanding and conceptualization of informality. The chapter also reviewed the concept of duality and how it relates to the informal economy in Libya. The dual labour market theory was most suitable to describe the Libyan economy. Its division of the economy into two distinct categories: “capitalist or modern” sector (formal) and “rural and traditional” sector (informal) helps capture the heterogeneous nature of the informal Libyan economy with its varied and diverse employment activities.

The chapter also assessed the characteristics of the informal economy, placing them within the various schools of thought, and unpacking the phenomenon of multiple-jobs holding. A review of Libya’s economic philosophy under the leadership of Col. Gaddafi showed how the state, which tried to empower its citizens under the ‘Jamahiriya’ law by limiting private ownership, was eventually forced to abandon this socialist philosophy in order to generate economic growth. This led to attempts by Libyan authorities to restructure the economy by issuing laws,

statements, clarifications, and instructions in an attempt to support and encourage the private sector to participate in economic activities. However, these processes did not achieve the successes envisaged by policy makers, and instead led to instability.

Over employment in state-dominated sectors and companies contributed to under-employment and may also have contributed to the increase in multiple-jobs holding. Also, ideological contradictions between the prevailing socialist thinking and capitalism probably fostered informality and multiple-job holding as citizens attempted to counter low wages in the formal economy. In addition to supplementing low incomes received from formal employment, multiple-job holding also arose due to flexible hours of work in the public sector, which permitted workers to undertake extra work in the informal economy. The hour/time constraint of the primary job is generally considered a primary motivation for taking up second jobs. However, in Libya, as in many developing countries characterised by a dominant public sector, overtime work is not available in most forms of employment. Therefore, the concept of heterogeneous jobs offers another explanation to understand why formal workers might choose to hold a second job in Libya's informal food sector.

## Chapter Three

### Informal food sector: A literature review

*“The inability to create enough employment within the formal labour market has given rise to a significant expansion of informal economy jobs in Libya” (Abuhadra and Ajaali, 2014:11).*

#### 3.1 Introduction

This chapter reviews existing literature on the informal food sector, multiple-jobs holding and food security in the informal food sector. The chapter also examines the role of the informal food sector in developing the Libyan economy, and is divided into three sections, to provide a comprehensive overview of the Libyan informal economy.

The first section presents the nature of informality by describing the characteristics, advantages, and disadvantages of the informal food sector. The section also presents some of the reasons given in other empirical studies for working in the informal food sector.

The second section presents the characteristics of multiple-jobs holding, which here, refer to holding two or more jobs in both the formal and informal economies. This section examines the issues related to labour market dualism, in order to understand why it (labour market dualism) exists. Referencing available literature on the subject, the section provides the basis for investigating dualism in Libya’s labour market. Additionally, it also investigates and illustrates duality by highlighting the characteristics of multiple-jobs holders, describing the advantages and disadvantages of holding multiple-jobs and exploring why people work in both sectors.

The third section focuses on the informal food sector and food security. It highlights food security in Libya, contrasting this with the global/regional challenge of achieving food security. It also highlights how Libya's informal food sector may contribute to achieving food security for the people of Misrata.

### 3.2 Understanding the informal food sector

The informal food sector is diverse in nature, characterised by different activities and operators. The Food and Agriculture Organisation (FAO) defines the informal food sector as “including small producers, manufacturing enterprises, traders and service providers, involved in legal as well as unrecognised activities related to food” (FAO, 2007:3). Furthermore, according to the FAO, the informal food sector exists in all countries of the world and has continued to flourish, even when illegal or state-oppressed.

Robinson and Yoshida (2016:8) agreed, and noted that the informal food sector is comprised of “economic actors in agri-food value chains who operate to varying degrees outside centralised regulations, institutions, and record-keeping.” Expanding on the benefits of the informal food sector such as street food trading, Fellows and Hilmiare (2011:8) argued that the sector provides goods that”

*“are easily accessible, cheap and particularly apt for the rural, peri-urban and urban poor. Consumers most often see street and snack food as ‘home cooked food,’ which is usually the case. The food is commonly available in close vicinity to work places and/ or is delivered directly to the place of work. Consumers often choose street and snack foods based on cost and convenience, the type of food available, and its appeal in view of the consumer’s own taste”.*

A study by Aryeetey, Oltmans and Owusu (2016) aimed at investigating the food retail system and consumer food purchasing behaviour in suburban Accra (Ghana), found that traditional food markets in Ghana are the most important source of household food purchases. However,

the authors' focus is on only one part of the informal food sector, i.e. retailers operating in the traditional food market. This study focuses on all players in the informal food sector including retailers in the traditional food market, household food enterprises, and street food vendors. The study highlights the different types of players plying their trade through informal food enterprises within the sector, to further illuminate the range of activities.

The informal food sector is considered to be a part of the informal economy because it includes a range of activities such as *“food production, processing and marketing, catering and transportation, retail trading, micro-small-scale food processors, food vending on the street, home food trading, as well as the sale of fresh food products”* (FAO 2003; Robinson and Yoshida 2016).

According to the FAO (2003), the informal food sector has six distinct characteristics. First, the sector is characterised by a lack of specialization, so trading within the informal food sector makes it possible to diversify business operator's product offering, as and when needed. This point will be elaborated on in later chapters, as it also explains the role of the informal food sector in ensuring food security.

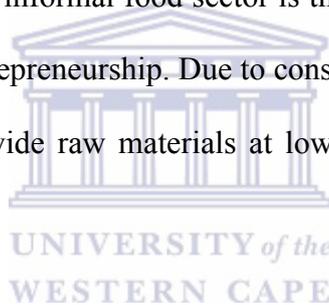
Second, and related to the first feature, is that the sector is characterised by linkages between production and consumption, as informal food traders can be both producers and consumers of their food products and services. Consequently, operators in the informal food sector have a somewhat guaranteed degree of food security.

Third is the limited amount of capital investment available within the sector. The sector is characterised by a shortage of capital investment due to inability to access financial support or loans from banks because of the informal nature of business activities.

Fourth, due to the informal nature of businesses, the sector is also characterised by a lack of business/trading accounts and tax evasion. Some workers in the informal economy do not have bank accounts, as financial exchanges are mostly cash-based.

The fifth feature relates to the possibility of merging with the formal food economy to meet differing demands and reach a wider customer base. The informal economy mainly serves households and micro-enterprises with varying and limited purchasing power. Yet, the sector's products and services appeal to a wider customer base. Therefore potential exists to merge with and increase the value offering of formal businesses.

The sixth and final feature of the informal food sector is the existence and potential of social innovations and encouraging entrepreneurship. Due to constant relations with the rural sector, the informal food trade can provide raw materials at lower cost and help explore ways to connect the rural to the urban.



The above named characteristics collectively create various types of employment found within the informal economy. Chen (2007) described two categories of informal workers:

- (i) Those who are self-employed in informal enterprises (i.e. workers in unregistered or unincorporated enterprises, including employers, heads of family enterprises and single person operators), as well as unpaid family workers.
- (ii) Those with wage employment in informal jobs. These include workers without benefits or social protection who work for formal or informal firms.

The different employment categories are specifically important in explaining the Libyan case, due to the societal, religious and cultural practices that come into play in almost every facet of life in the country. Given this, the self-employed and unpaid family worker's category makes

it possible for both men and (especially) women to make a living, working in informal businesses, though within a social setting guided by strict religious and/or cultural rules.

Similarly, in a country that has vast gender disparities in the levels of access to education and formal employment opportunities, the second category – wage employed informal work – makes it possible for those without formal education (primarily women) to find work opportunities within the informal economy. The same is true for those without the resources to start and run their own businesses.

### **3.3 The informal economy and development**

It is well documented that the informal economy plays an important role in developing economies and livelihoods across developing countries globally. The informal economy has thus expanded across many low to middle-income countries across the world, including Libya. A 2004 FAO study '*Globalization of food systems in developing countries: Impact on food security and nutrition*' provides several reasons for the growth of the informal economies worldwide. These include the ready availability of required skills, the small capital required to start a business, as well as increasing demand for meals away from home as commuting distances between residences and places of work increase, and working hours extend.

Supporting the argument for the economic relevance and rapid growth of the informal food sector, Yasmeen (2001) argued that in many cities in developing countries, a significant proportion of the population work in informal activities. However, these activities are excluded from most countries' national accounts and are not catered for in economic development policies. This was reflected during the Asian economic crisis when urban dwellers turned to

the informal economy both for employment opportunities and the purchase of goods and services (Yasmeen, 2001).

Although the majority of informal food enterprises and informal activities take place either at home or within the immediate vicinity (e.g. mobile operations in the form of street vendors, small commercial informal shops, public markets), Floro and Swain (2012:90) and Mthombeni (2013) argued that despite this informal organisation, the sector remains important to the economic wellbeing of many in developing countries. Other authors, including Little (1999); Muzaffar, Huq and Mallik (2009); Tissington (2009); Otoo et al. (2011); Osei-Boateng and Amaparatum (2011); Baah-Ennumh and Adom-Asamoah (2012) also acknowledged the importance of the informal food economy in development.

Skinner (2016), writing on the role of the informal economy in the food system, and focusing on informal retailers in Africa also supported the fact that the informal food economy, particularly informal retailers are an important source of employment, especially for women. The author further argued that the sector is a key source of food for poor households in Africa, and plays an important role in providing food to food-insecure households.

It is therefore important to touch on the various ways in which the informal food sector contributes to development, e.g. job creation, supplementing household incomes to alleviate poverty, and being a vehicle through which to address gender discrepancies in accessing opportunities to improve livelihoods and ensure food security.

### **3.3.1 Impact of informal food sector in providing job opportunities**

Highlighting the contribution of the informal food sector to national development, FAO (2012) cited in Ogutto (2015) reported that, on average, the informal food sector in Africa employs

over 37 per cent of the labour force. Similarly, Muzaffar et al. (2009) argued that the informal food sector provides numerous jobs and absorbs an increasing proportion of the unemployed population in Dhaka City, Bangladesh. The author further argued that in this economy, experience is of more value than formal education; this explains why the informal food sector absorbs large numbers of unskilled/semi-skilled unemployed workers.

Ogutta (2015); Otoo et al. (2011) and Tissington (2009), also agreed that the informal food sector provides job opportunities for the unemployed, particularly those experiencing difficulties finding employment in the formal economy, due to a lack of qualifications or a lack of required skills. The informal food sector also caters for those who want to increase their income to meet their family needs.

Similarly, a study conducted by Da Silva et al. (2014:80) in the coast of Salvador Bahia (Brazil) shows that the informal food sector (informal street food vending) “represents a source of work for a global economically active population that does not take part in the formal job market, and street food vending appears to be particularly common in developing countries.”

Mafunzwaini (2013) conducted a study about the contribution of informal markets to poverty reduction and household food security among street traders in South Africa. Findings disproved the popular assumption that the informal food sector consists of illiterate people. A majority of people employed in the informal food markets had some form of education, with most informal street traders holding secondary qualifications.

Therefore, the informal food sector’s contribution to the development of economies is not limited to the jobs created, but the contribution is equally related to the opportunities of employment made available for people with different levels of education, including the

uneducated. The possibilities and opportunities available for those with little or no qualification is a key feature of the many ways in which the informal food sector contributes to national development. The informal food sector makes it possible to include marginalised groups – including women – into the national economy, to earn incomes and improve their livelihoods. Restrictive social, cultural and religious practices in Libyan society further reinforce the importance of the sector in creating opportunities to participate in the economy for women and the uneducated.

Findings, which will be expanded on in subsequent chapters, also show that Libya's formal economy does not offer many job opportunities to less educated and unskilled workers. This, plus the low wages that characterise the formal economy, has led to a significant proportion of the country's labour force engaging in the informal food sector in a bid to improve their livelihoods. These factors are some of the key elements that will be explained in more detail hereafter, to explain people's motivations for undertaking work in the informal economy.

### **3.3.2 Impact of the informal food sector on household incomes and poverty**

As explained in the preceding paragraphs, the informal economy provides income-earning opportunities for people living in both developed and developing countries. A primary benefit of working in the informal economy is that workers can augment their households' total income with profits made in the informal economy (Adarkwa and Post, 2001; Owusu, 2007; Otoo et al., 2011; Baah-Ennumh and Adom-Asamoah, 2012). However, in many cases, the extra income is inadequate to guarantee improved living standards.

In an attempt to determine the impact of vegetable sales on hawkers' household income in Limpopo Province, South Africa, Mthombeni et al. (2014) investigated the contributing factors

to vegetable sales. Using a stratified sampling technique, 360 hawkers were selected from the five district municipalities of the province, and three major towns from each district were randomly selected to complete a questionnaire. The authors used multiple regression analysis (linear, semi-log and double-log) in order to determine the impact of vegetable sales on hawkers' household income. They concluded that vegetable hawking contributes to improved household food security and poverty alleviation in South Africa. Their findings also revealed that the hawkers generated adequate incomes to live above the poverty line.

Writing on the reasons for choosing to do business in the informal food sector, Little (1999) argued that informal trading can offer an appropriate avenue out of unemployment or economic difficulties. Also, informal food trading can be a quick avenue to earn money compared to other informal economic activities, because such trade does not require much capital investment compared to farming or other business ventures (formal or informal).

Similarly, Habib (2011) noted that people participate in informal food sector activities due to the significant profit earning potential provided by the food economy compared to other informal economies. Equally, "the availability of customers, daily amounts of sales, business capital and the price of food varieties available in a particular area are all factors that increase the probability of earning a profit in the informal food sector" (Magehema, 2014:40).

A study by Otoo et al. (2011) also revealed that women operating in the street food economy of Niamey and Kumasi could earn incomes of about four and sixteen times more than the minimum legal wage respectively. Although these studies have shown how the informal economy provides a steady source of income and contributes to improved livelihoods within the context of developing nations, the motivation differs, from the perspective of a developed

nation. Alber and Kohler (2008) argued that poor people seeking to mitigate the effects of low incomes undertake informal food work in the European Union, as a coping strategy.

However, in developing countries like Libya, working in the informal food sector is not merely a ‘coping’ strategy used by the poor. It is a strategy adopted by different income groups (poor, middle class and the more wealthy) to improve their living standards, given the increased – ‘tax free’ – earning potential offered by the informal food sector.

### **3.3.3. The role of women in the informal food sector**

Studies conducted by Njaya (2014), Otoo et al. (2011), Makaye and Munhande (2008), have shown that a distinct characteristic of the informal economy is the high level of participation by women in the informal food sector. According to a 2011 report by the FAO, in over half of the 44 countries for which sex-disaggregated data was available, women outnumbered men as a percentage of informal workers (excluding agriculture).

In a study aimed at obtaining the profile of street food vendors in Harare, Zimbabwe, Njaya (2014) found that a majority of the food vendors are women. Similar to the Libyan case, the reasons for female dominance in the Zimbabwean informal food sector includes the lack of formal job opportunities for people with little or no education, and those who are semi-skilled and unskilled. The authors also noted that the informal food sector allows women to undertake household work/chores in addition to working as food vendors. Therefore, the study concluded that the informal food sector plays a significant role in development by providing jobs, increasing incomes and reducing unemployment.

While gender inequalities continue to influence how women participate in a country’s economy, it is evident that the informal economy is more ‘open’ to entry of women. In a study

to identify the determinants of access to the informal economy in Algeria between 2007 and 2012, Adair and Bellache (2014) found that gender (being a woman), age (being young), marital status (being single) and the level of education (being low) are key determinants of access to employment in the informal economy. By comparison, for these groups, these characteristics reduce the possibility of access to employment in the formal economy.

Similarly, writing on the link between informality, poverty and informal employment in Algeria, Abd Elkader and Soumia (2014) found that the informal economy helps address the social inequalities and lack of economic opportunities in the formal economy by absorbing the most vulnerable category of the society, i.e. women and youth – especially unemployed graduates.

A study by Makaye and Munhande (2008) about informal food trading in Zimbabwe between 2000-2007, found that nearly 68 per cent of the informal food traders are women. It is important to note that despite having more access to the informal food sector, clear demarcations exist in the nature of activities undertaken by men and women in the informal food sector.

Although it is important to identify similarities between different countries with regards to the characteristics of their respective informal economies, it is equally important to note their distinctiveness. The Algerian study by Abd Elkader and Soumia (2014) is related to the Libyan case given similar social, cultural and economic characteristics. However, attitudes towards women in Libya may differ from the Zimbabwean case, due to the different social, cultural and economic outlooks. Making these distinctions is critical to understanding the nature of informality across regions/countries and implementing the right policy solutions and strategies to improve and enhance the sector's capacity to contribute to development in different settings.

For example, women are overwhelmingly responsible for small catering operations and street food. They are traditionally skilled in these activities and already have the necessary cooking utensils at home, while the food they prepare also enables them to feed their families at a lower cost” (FAO 2003:2). Men on the other hand, particularly in family-run businesses, tend to be more involved with financial activities such as running the business, buying and selling of goods, etc.

Nevertheless, Makaye and Munhande (2008) argued that women’s participation in the informal food sector gives them more control over their income and its utilisation. The income generated from the informal food sector also caters for their basic household needs such as food, clothing, and electricity. Importantly, the money allows some of the women to invest in their children’s education to secure their future. Cohen (1986) cited a good example of a female university professor in the Philippines, who got financial support from her mother’s earnings as an informal street food trader until she obtained her qualifications.

Although education plays an important role in one’s chances of entering the formal economy, Otoo et al. (2011) argued that contrary to much of the business literature, higher educational levels are not associated with more successful enterprises in the informal food sector. They argued that experience is a critical determinant of success for informal food enterprises run by women.

Although the informal food sector is providing opportunities for women, for some, their participation in the informal food sector is necessitated by family needs. A FAO study of street food trading in urban Ghana revealed that families needing an extra source of income to pay for foods, health care, clothing, etc. may compel women to find work in the informal food sector. This is because the informal food sector allows women to use their knowledge and

traditional skills in food preparation and in the sale of street foods or other food activities (FAO 2004).

In a similar study, Osei-Boateng and Amaparatwum (2011) examined the street food sub-sector of the informal food sector in urban Ghana. The authors described Ghana's informal food sector as characterized by micro and small-scale enterprises and by gender differentiation. Furthermore, street traders and food vendors in urban Ghana are characterised by overwhelmingly low educational levels, especially women, who acquired their knowledge and skills of food preparation (as bakers, caterers, cooked-food sellers etc.) largely from family.

Interestingly, looking the marital status of workers, the FAO noted that the majority of workers in the informal food sector in Ghana are married. This too – family dynamics/roles – could influence the differentiation of duties among men and women working in the informal food sector. Floro and Swain (2012) also contended that the informal food sector allows women to combine their household production and homework with their livelihood pursuits, particularly if the women have children to take care of.

### **3.4 Challenges and benefits associated with the informal food sector**

According to FAO (2007), operators in the informal food sector face several constraints. One of the most common is the lack of storage facilities or refrigeration, either on-site or at home (Battersby et al., 2017; Ahmed et al., 2015; Mthombeni, 2013; Tissington, 2009; FAO, 2007). This implies that the volume of their daily purchase restricts the items they can sell.

Other problems reported by FAO (2007) include vulnerability of supply sources to market variations. The conditions or environment in which many of these street food sales take place are characterised by limited access to basic services. In addition, most informal food businesses

may offer low quality fresh and cooked foods because they are mostly concerned about keeping their prices low (FAO 2007). Additionally, because of the lack of access to credit capital to start and run a business (Ahmed et al., 2015; Tissington, 2009; Bhowmik, 2005), informal workers also lack marketing infrastructure. This in turn limits prospects of expanding their businesses to reach new customers (FAO 2007).

According to Battersby et al. (2017), Pereira (2014) and Fellows and Hilmiare (2011), one of the biggest challenges faced by informal food operators is competition from the formal food economy. This is partly due to the rapid expansion of supermarkets into low-income areas in recent years, which can destabilise informal food vendors and even drive them out of business (Battersby et al., 2017 and Pereira, 2014).

Similarly, with low entry requirements, i.e. minimal skill and education needed to start a business or find employment, competition is rife in the informal food sector. *“The ease of entry into the informal food activities typically results in high levels of competition and sales fluctuation, which put downward pressure on earnings”* (Floro and Swain, 2012:91). Even with high levels of competition, the informal economy provides an affordable alternative for the urban poor to access food.

The lack of regulation through government oversight also leaves enterprises in this economy exposed to social ills such as theft and vandalism (Battersby et al., 2017). The authors reported that about 57 per cent of the vendors included in their study reported that they had experienced theft and vandalism in this sector. Likewise, Natawidjaja, Rahayu, and Sutrisno (2015) mentioned that without proper protection, informal food workers such as food vendors were forced to bribe uniformed officials to get protection or pay criminals to avoid harassment.

Despite these challenges, the informal food sector also provides numerous livelihood opportunities for people. The benefits include providing affordable pricing and alternatives to low-income consumers to satisfy their daily needs. Floro and Swain (2012) argued that participating in the informal food sector contributes to reducing household food purchases, because the informal food sector serves both as a source of income and a direct source of food. For most consumers, the affordable pricing of goods makes it more preferable than purchasing from the formal economy.

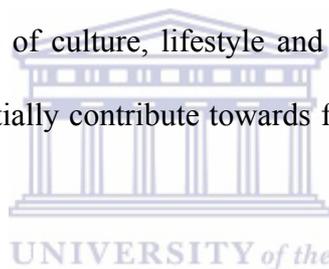
Maruyama (2010) argued that consumers, particularly those from the lower-income groups, prefer to buy from the informal food market due to the competitively priced items. This is especially true of consumers concerned about the cost of goods. Similarly, the informal economy provides convenience compared to the formal economy. Maruyama also argued that consumers tend to prefer the formal economy as it offers fresher and safer foods compared to the informal economy. Formal markets also offer more diversity.

Libya's informal food sector provides food in small quantities and not only serves the poor by supplying food at affordable food prices. It also provides high quality and a diverse range of foods to the different income groups, including traditional Libyan food (Abuhadra and Ajaali, 2014; Sehib, 2013).

Highlighting the convenience offered by the informal food sector, an exploratory study by Valdeza, Dean, and Sharkey (2012) investigated two types of small-scale food vending. The study sought to identify the characteristics associated with mobile and home-based food vendors and their businesses' contributions to the rural food environment. Findings revealed that mobile and home-based vending provide a variety of food and beverage options to people

in the area. Also, the study revealed that home-based food sellers provide a greater assortment and options for healthier, and potentially safer food items than mobile food vendors.

More importantly, as already noted, the informal food sector tends to cater to the various traditional and cultural requirements in each specific setting, thereby ensuring a secure customer base for the traders. According to Robinson and Yoshida (2016), the informal food sector is strongly represented in African food systems because it provides foods that correspond with the local customers' cultural requirements and preferences. Furthermore, Steyn et al. (2013:1372) contended that informal food activities such as “cooked foods (cuisine in particular) have become tourist attractions in certain countries and are often hailed as being authentic and unique dimensions of culture, lifestyle and even heritage”. Through this, the informal food sector could potentially contribute towards food sovereignty and food security (Fraser et al., 2014; Gana, 2012).



Therefore, it can be argued that in view of the above assertions, the informal economy, specifically the informal food sector is crucial to Libya's development because besides providing job opportunities, it also provides opportunities for formal workers to earn supplementary incomes. This is particularly important due to the typically low value of earnings in the formal economy.

### **3.5 Multiple-job holding and informality**

Previous sections highlighted how the informal food sector helps provide jobs, incomes and improve food security. However, it is important to note that some of the informal food sector workers in Libya also hold formal jobs. It appears that there are literature gaps around multiple-

job holding and how this practice impacts people's food security. This is a gap, which this study intends to fill.

The ILO (2004:1) defined multiple-job holding as “arising when people have two or more of jobs at the same time, whether part- or full-time, in addition to the first job”. Multiple-job holding, also referred to as dual job holding (Hirsch et al., 2015; Husain 2014), moonlighting or participation in a secondary labour market (Shishko and Rostker, 1976), is not only a feature of developing countries; it is a global issue that also occurs in developed countries.

About 5.2 per cent of U.S. workers held multiple jobs in 2009 (Hipple, 2010; Hirsch et al., 2015). Although information about the numbers of people holding multiple jobs in developing countries is limited, Hyder and Ahmed (2009) argued that dual job holding has been a common phenomenon in developing countries. In Brazil, for instance, in 1999 the rate of multiple-job holding accounted for 5 per cent of the total workforce (ILO, 2004). According to Baah-Boatenge et al. (2013), in 2006 about 18 per cent of workers in Ghana held multiple jobs.

Similarly, although Libya is classified as an upper-middle income country, with the highest per capita income in Africa, as a result of the oil resources (Abuhadra and Ajaali. 2014:6), individuals in Libya, like in other developing countries such as South Africa, often rely on various sources of income (Theisen, 2006; Al Jelany, 2011). Low wages in Libya's public economy cannot fully cater for average living expenses, and this has led formal economy workers to seek supplementary sources of income within the informal economy (Abuhadra and Ajaali, 2014:6).

Relatedly, Abuhadra and Ajaali (2014) argued that multiple-job holding in Libya could be related to the low hours of work in the public economy, which encourages and allows workers

to undertake extra work in the informal economy, to supplement the wages from their formal job wages. In addition, over employment in the state-dominated sectors and companies has contributed to unemployment and may also have contributed to the increase in multiple-job holding.

### **3.5.1. Characteristics of multiple-job holders**

The preceding sections highlighted the characteristics of informal economy workers. Workers in the informal labour market may also hold jobs in the formal economy, thereby becoming multiple-job holders. Such workers' characteristics may differ from those of persons who either hold only one informal job or hold multiple informal jobs.

To understand the factors influencing multiple-job holders' participation in particular forms of work, it is important to examine their characteristic variables including age, gender, marital status, and education level. These variables were also used to describe the characteristics of informal economy workers – so linkages can be easily drawn.

Describing the personal and household characteristics that determine the probability of a Ghanaian worker engaging in multiple-job holding, Baah-Boatenge et al. (2013) found that engaging in multiple job-holding increases with age; however, the probability also declines beyond a certain age. Similarly, Shisko and Rostker (1977) and Conway and Hipple (2010) found a strong negative effect of age on the probability of US workers holding a second job. However, Theisen (2005) found an opposing relationship in the Tanzanian case because an increase in age had a positive effect on the Tanzanian formal-sector workers' participation in informal production. Theisen attempted to explain the differences in the impact of age on participation in informal production between developed and developing countries such as the

United States and Tanzania respectively; he (2005:248) contended that participation in informal economy production may function as a “substitute for a pension system in developing countries, while in developed countries, “workers when they approach retirement first withdraw from their second job, then from their main job”. This is because developed countries tend to have comprehensive pension systems compared to developing nations. Meanwhile, Wu et al., 2009 and Dickey et al., 2011 found that young individuals are more likely to have second jobs because younger workers are more likely to take second jobs out of financial necessity.

From a gender perspective, Baah-Boateng et al. (2013) contended that males are more likely to hold a second job. Gaag et al. (1989) explored public-private sector pay differentials in two developing countries - Côte d’Ivoire and Peru-, using comprehensive micro data sets (Living Standards Survey) in both countries. They found that women are less likely to hold second jobs in Cote d'Ivoire. This is also supported by Foley’s (1997) findings in his study about multiple-job holding in Russia during the economic transition. Also for developed countries like Germany, Heineck and Schwarze (2004), and more recently Nikolova and Bargar (2010), found supporting evidence that different dynamics influence men and women’s work, and that holding a second job is less attractive to more educated women. On the other hand, “men might see things the opposite way, with more education better preparing them to start their own business” (Nikolova and Bargar, 2010:13). However, Gaag et al. (1989) attributed the possibility of males being more likely to hold two jobs than females, to the notion of males having a greater financial responsibility than females.

Examining the impact of marital status on the decision to hold multiple-jobs, Baah-Boateng et al. (2013) found that between 2005-2006, married workers in Ghana had a higher probability of engaging in more than one job, than unmarried workers. They attributed this to the belief

that marriage places extra financial and social burden on individuals, thereby creating an incentive to generate additional income through moonlighting. On the other hand, Tansel (1996) argued that having another source of income in the household – such as a working wife – decreases the probability of multiple-job holding within households.

With respect to the influence of education on multiple-job holding, studies by Hirsch et al. (2016); Bush et al. (2013); Hipple (2010); and Foley (1997) confirmed that workers who hold multiple jobs are likely to be more educated and have higher degrees compared to single jobholders. Examining the labour supply in the secondary market and considering the socioeconomic characteristics of workers and the job, such as heterogeneity and stability, Casari (2010) also found that a higher level of education, especially in urban areas is a feature of multiple-job holders in Brazil.

In a study aimed at understanding the characteristics of urban male wage earners and their probability of holding multiple jobs in Turkey, Tansel (1996) found that the practice of holding formal and informal jobs increases with labour market experience. Also, wage earners are more likely to hold multiple jobs than the self-employed. Furthermore, using a panel sample of male employees in the UK, observed over 15 years (1991-2005), Panos et al. (2014), found that people who attain seniority in their current formal jobs are more likely to hold second jobs. The authors attributed this to the fact that in the initial period of employment, (i.e. beginning a new job or having just entered the formal employment sector) people appear unwilling to search for second jobs. Furthermore, they also found that people who hold two jobs earn significantly lower wages compared to their formal job.

Based on the discussion above, and considering the low wage paying nature of Libya's formal economy, it can be argued that a significant portion of workers holding multiple-jobs do so to supplement their formal income.

### **3.5.2 Motivation for multiple-jobs holding**

The motivations for holding multiple-jobs fall under two broad categories namely: "hour constraints" or to obtain a "preferred job portfolio" (Shishko and Rostkers, 1976; Hipple, 2010; Lalé, 2015; Hirsch et al., 2016).

According to Shishko and Rostkers (1976), "hour constraints" refer to the formal hours worked in the main job, which limits workers available hours. Hirsch et al. (2016) however argued that salaried jobs do not have explicit hour constraints; instead, they have an "earnings constraint." Consequently, the "earning constraints" from salaried jobs could motivate some workers to take on a second job in order to increase their earnings.

Specific to the case of Libya, Abuhadra and Ajaali (2014) argued that the government employs up to 70 per cent of all salaried labour force and most public jobs have a salaried pay. This, together with the low public economy wages in Libya might lead workers to seek a second job (Abuhadra and Ajaali, 2014). However, a study by the World Bank on the labour market dynamics in Libya indicates that "wages are buttressed by substantive state subsidies on fuel and food, and social benefits for maternity, dependents, and the ageing" (World Bank, 2015: xii).

For the "preferred job portfolio" category, Hirsch et al. (2016) contended that this may be due to various factors, including a search for diversity, a need for insurance; obtaining training to improve the chances of those who want to switch occupations, and to enable workers to help

during temporary financial or family crisis. Likewise, Taylor and McClintock (2004) found that the reasons for holding multiple jobs amongst New Zealand men and women are complex, with reasons related to a range of social and economic benefits.

Lalé (2015) reported that in May 2004, 38 per cent of workers who were holding multiple jobs reported that they were doing so in order to earn extra money, while 26 per cent did so to meet expenses or to pay off debt. Furthermore, Lalé (2015) noted that, in the United Nations, 18 per cent per cent of multiple jobholders simply enjoyed working at a second job.

Comparatively, Tansel (1996) found that in Turkey, the practice of holding multiple jobs decreases with an increase in earnings from the workers' primary job. According to the ILO (2004), workers holding the second job did so to maintain their standard of living and to reduce the impact of economic downturns on their living standards. However, in a study investigating the dynamics of dual job holding and the association between the primary and secondary jobs in the Pakistani labour market, Hyder and Ahmed (2009) found that the wage rate is not the motivation for dual-job holding.

There is also a gendered element to multiple-jobs holding. A study by Floro and Swain (2012), found that women living in households with monetary shortages are exposed to a higher risk of food insecurity. Therefore, they tend to engage in informal food activities as an insurance strategy against food insecurity. Comparatively, men dealing with money shortages tend to hold two or more jobs as a coping mechanism and a strategy to address household food insecurity.

Comparatively, a 2012 report on Egyptian food observatory, food Monitoring and Evaluation System aimed at *“monitoring trends in the production, consumption and prices of key food commodities, and thus their impact on the average food basket and on food security for the*

*most vulnerable households in both urban and rural areas across Egypt*” showed that 7 per cent of survey participants held multiple jobs as a strategy to cope with insufficient income and to meet their monthly food needs (WFP 2009).

### **3.6 Informal food sector and food security**

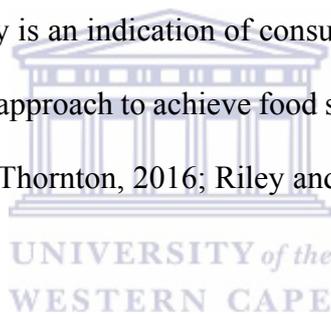
As noted earlier, the informal food sector can contribute towards improved food security. Food security exists “when all people at all times have both physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life” (USAID, 1992:2). While this definition provides a broad understanding of what food security means, to understand the impact food security at the individual level, it is important to first understand what food security entails at a household level. Matchaya, Greenwell and Chilonda (2012:167) argued that at the household level, there are three main hierarchal pillars of food security namely: availability, access, and utilization, with each one of these pillars being necessary but not sufficient on its own to ensure food security.

According to the FAO’s 2015 report on “*The State of Food Insecurity in the World*”, despite the fact that food insecurity is widespread in many poor countries, the percentage of undernourished people in low-income economies has decreased from 31.8 per cent between 2005/07 to 28.7 per cent between 2010/12 (FAO 2015:44).

Makaye and Munhande (2008) argued that in Africa, food security is one of the most fundamental challenges of human security. In many African countries, a significant number of people are unable to meet their food needs at all times, for a healthy life, due to low levels of food availability as well as extreme poverty (Makaye and Munhande, 2008). However, food insecurity is also an issue in advanced countries such as Europe and the United States of America (Babu et al., 2014:43). Research suggests that even in developed countries such as the

United States, there are cases of people who experience food insecurity and poverty (Babu et al., 2014).

In addition to obtaining enough quantities of food, the quality of food that households or individuals consume is also very important for the attainment of food security. This is because “households or individuals may consume enough food to meet the calorimetric food requirements, while the type of food they consume may not have the requisite nutrients for physical and mental health and development” (City Network report, 2015:7). So, dietary diversity is key to achieving food security. Also, Even-Zahav and Kelly (2016) in their review of literature on the ‘informal economy’ and ‘food security’ in South Africa between 2009-2014, argued that dietary diversity is an indication of consumers’ access to a variety of foods. Moreover, dietary diversity as an approach to achieve food security can be assessed in both the formal and informal food sector (Thornton, 2016; Riley and Legwegoh, 2014; Kirkland et al., 2013).



Fellows and Hilmi (2011) further argued that the diversity of food produced in the informal street food market presents options for consumers to diversify their food baskets. They indicated that the informal food sector provides an assortment of food processes, as well as, different services such as food delivery to customers’ homes or work places, in addition, to serving food at celebrations such as weddings and parties.

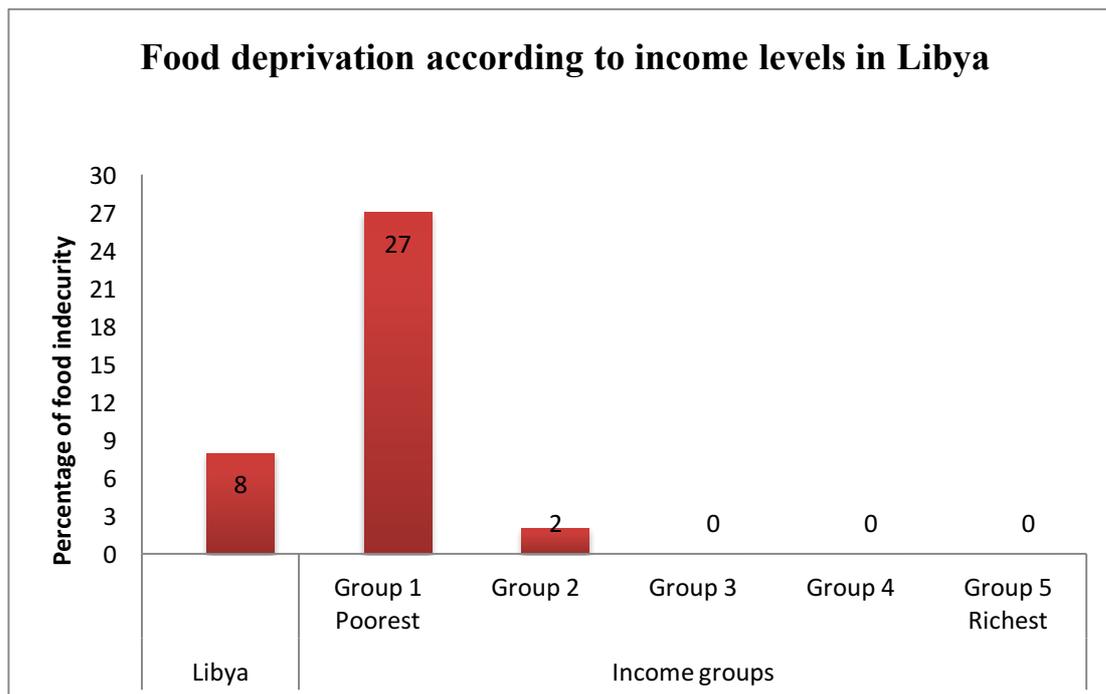
### **3.6.1 Food security in Libya**

On a continent with over 60 per cent of its population affected by food insecurity, Libya is one of the few countries in Africa regarded as food secure (FAO, 2014). According to the African Development Bank (2012:2), *The Political Economy of Food Security in North Africa*, Libya

“has a high cereal import dependency but is fiscally sound”. This implies that Libya can meet its cereal importing obligations, but is quite vulnerable to fluctuations of global market prices of cereal.

Although the political situation in Libya has deteriorated further since 2014, the food security situation in Libya according to FAO (2015) has not been significantly affected. Still, despite the good performance at the macro level, Libya faces food security challenges at the household-level, with 21 per cent of its children being malnourished (Maystadt et al., 2014).

The food economy in Libya comprised of the formal private food economy (including supermarkets, restaurants, food factories and formally registered small food shops) provide opportunities – through informal activities – to address the challenges of household food insecurity related to diminished purchasing power and poverty. Similarly, Sehib (2013) argued that the traditional food markets or the informal food sector, allow customers access a variety of food stuff e.g. fresh fruits and vegetables, sweets, pastry, meat, fish and seafood products, spices, traditional food and other food items; it also employs many workers.

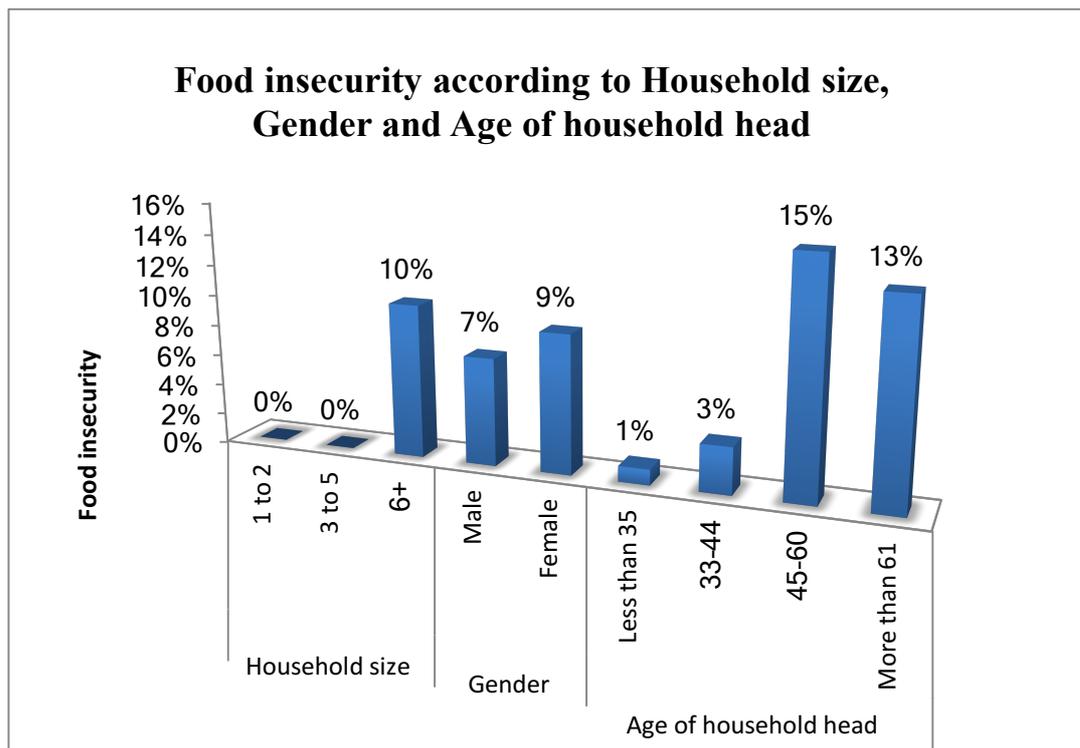


Source: *Libyan Food Security and Policy of Subsidies on Food Commodities*, Bureau of Statistics and Census and World Food Program, 2014.

**Figure 3.1 Food deprivation according to income levels in Libya**

Figure 3.1 shows Libya’s levels of food deprivation measured through income levels. “The FAO measure of food deprivation, referred to as the prevalence of undernourishment, is based on a comparison of usual food consumption expressed in terms of dietary energy (kcal) with minimum energy requirement norms. The proportion of the population with food consumption below the minimum energy requirement is considered underfed” (Mernies 2003:1).

The overall percentage of food deprivation at the national level in Libya is 8 per cent, which is considered low according to international classifications. The majority of the food insecure (27 per cent) are located within the category of the poorest income earners in Libyan society. This percentage accounted for more than thrice the rate of food deprivation in Libya at the national level. It is also noteworthy that the proportion of food deprivation is relatively less and virtually non-existent in the high-level income categories.



*Source: Libyan Food Security and Policy of Subsidies on Food Commodities, Bureau of Statistics and Census and World Food Program, 2014.*

**Figure 3.2 Food deprivation according to Household size, Gender, and Age of household head**

Figure 3.2 measures food deprivation in Libya according to household size, gender, and age of the head of household. Results indicate that the percentage of food deprivation increases based on the number of people within the household. For example, the level of food deprivation is 10 per cent in households made up of six or more members of the family. Moreover, female-headed households experience higher levels of food deprivation (9 per cent) compared to headed male households whose levels of food deprivation is only 7 per cent.

The levels of food deprivation according to the age of the head of the household reveal that food deprivation is high in the families with older household heads. Families headed by people aged between 45 to 60 years old experience the highest recorded rate of food deprivation (15

per cent). Interestingly, those households with heads aged above 61 years experienced 13 per cent food insecurity. Nevertheless, these rates are still high compared to the national levels of food insecurity.

### **3.6.2 The informal economy's role in achieving food security**

Baah-Ennumh and Adom-Asamoah (2012) examined the role of informal traders in the informal urban economy and argued that traders contribute to achieving food security in three ways. First, informal traders play the important role of transporting foodstuff from remote areas to urban areas, helping to reduce post-harvest losses and motivating farmers to continue production due to the ready market made available by the traders. Second, traders provide assistance to farmers by giving them small credit to invest in their farming activities. This enables subsistence farmers to commercialise their activities. Third, in times of glut, informal traders are able to preserve the foodstuff for future use during the lean season, thereby preventing wastage.

Likewise, Floro and Swain (2012) argued that if inventory items such as prepared food, meals or sweets, fruits and vegetables, meat and fish remain unsold, instead of losing out both on the goods and the potential earnings, informal food workers consume these foodstuffs in their own households and/or share with neighbours and friends, thereby improving their food security status.

Several studies (Skinner and Haysom (2016); Steyn et al. (2013); Baah-Ennumh and Adom-Asamoah (2012); Lourenco-Lindell (1995) argued that in addition to avoiding wastage and ensuring household food security, the informal food sector plays an important role in providing food for the poor by making it available to them at affordable prices. Furthermore, the informal

street foods “offer a viable means of obtaining food in small quantities, on a regular basis, conveniently located and at reasonable prices” (Fellows and Hilmiare 2011:8). In addition, Cooke (2012:129) argued that the informal food sector by providing “affordable food does not only contribute to achieving food security but also ensures they maintain a loyal and consistent customer base.”

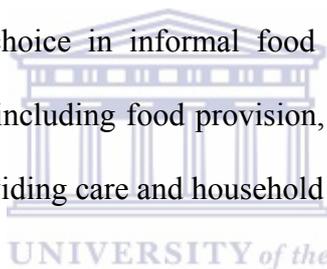
However, food variety and quality within the informal food sector remains contentious and differs from country to country. For example, Lighthelm (2005) found that informal enterprises in South Africa (*Spaza* shops) generally have a very limited variety of stock, poor quality fresh produce and offer high prices for branded goods. Likewise, McLachlan and Thorne (2009:13) found the quality of foods sold in these *Spaza* shops is of lower quality than that sold in the formal food economy. According to Battersby (2011), a 2008 African Food Security Urban Network’s (AFSUN) baseline survey which sampled 1060 households in three areas of Cape Town, found that although the food prices in the formal food economy (supermarkets) are often cheaper per unit than in shops in the informal food sector, most households in her study sample were more likely to buy their needs of food from the informal food sector sources.

Similarly, Mthombeni (2013), investigating the impact of vegetable sales on household income of hawkers in the Limpopo province noted that the informal food sector (vegetable hawking) is most likely to improve household food security and can address poverty alleviation in developing areas of South Africa. Mthombeni (2013) found that street traders’ households in the Limpopo province were vulnerable to food insecurity in terms of the quality and diversity of food consumed.

Nevertheless, Makaye and Munhande (2008:313) argued that “the informal food sector particularly food trading, plays a vital role in ensuring food security in urban areas.” According

to Floro and Swain (2012), the informal food sector plays a positive role in improving the urban food security in two ways. First, it is seen as a food supply channel for a large proportion of the city population, particularly low income households. Second, it is a source of livelihood for many workers, especially those living in low-income slum communities. Mulenga (2013) argued that urban food insecurity is very high in Lusaka (Zambia), where 75 per cent of the population are food insecure. Therefore, due to the low wages in the formal economy in Lusaka, households engage in multiple livelihoods such as doing “additional part-time work, small-scale trading, and selling, piece work, renting out property or rooms and brewing beer for sale” (Mulenga 2013:34).

Additionally, the occupational choice in informal food sector activities is linked to the household role of these workers including food provision, thereby improving their access to food and other needs such as providing care and household maintenance.

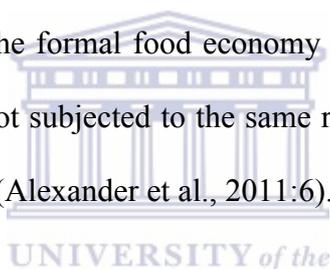


Using a mixed research method approach, which comprised a survey, face-to-face interviews and observations, Bikombo (2014) conducted a study aimed at understanding the extent of food insecurity among street traders in Durban, South Africa in terms of their access to food, the quality of food consumed and their coping strategies for food shortages. Bikombo revealed that the majority of street traders’ households lived below the poverty line, and are thus food insecure; he further recommended that to improve the food security of the street traders, the municipality should not ban street food trading or impose fines.

In a study examining the nutritional value of informal food retailers (street foods) and their contribution to the diet of consumers in developing countries, Steyn et al. (2013) found that the daily energy intake from street foods in adults ranged from 13 per cent to 50 per cent of energy

and in children from 13 per cent to 40 per cent of energy intake from informal food retailers (street foods).

Although there is recognition of the important role of the informal food sector in enhancing food security, there is a concern about health issues associated with the activities of the informal food sector such as selling food in the street and public marketplaces (Makaye and Munhande 2008; Ahmed et al., 2015; Alexander, Yach and Mensah 2011). Makaye and Munhande (2008:329) indicated that some informal food activities “have serious implications for health and environmental issues”. Likewise, Alexander et al. (2011) argued that the informal food sector does not meet health and safety standards. The authors also argued that the informal food sector might not be at par with the formal food economy in terms of healthy and safe food production, “as these foods are not subjected to the same rigorous standards required for the formal packaged food economy” (Alexander et al., 2011:6).

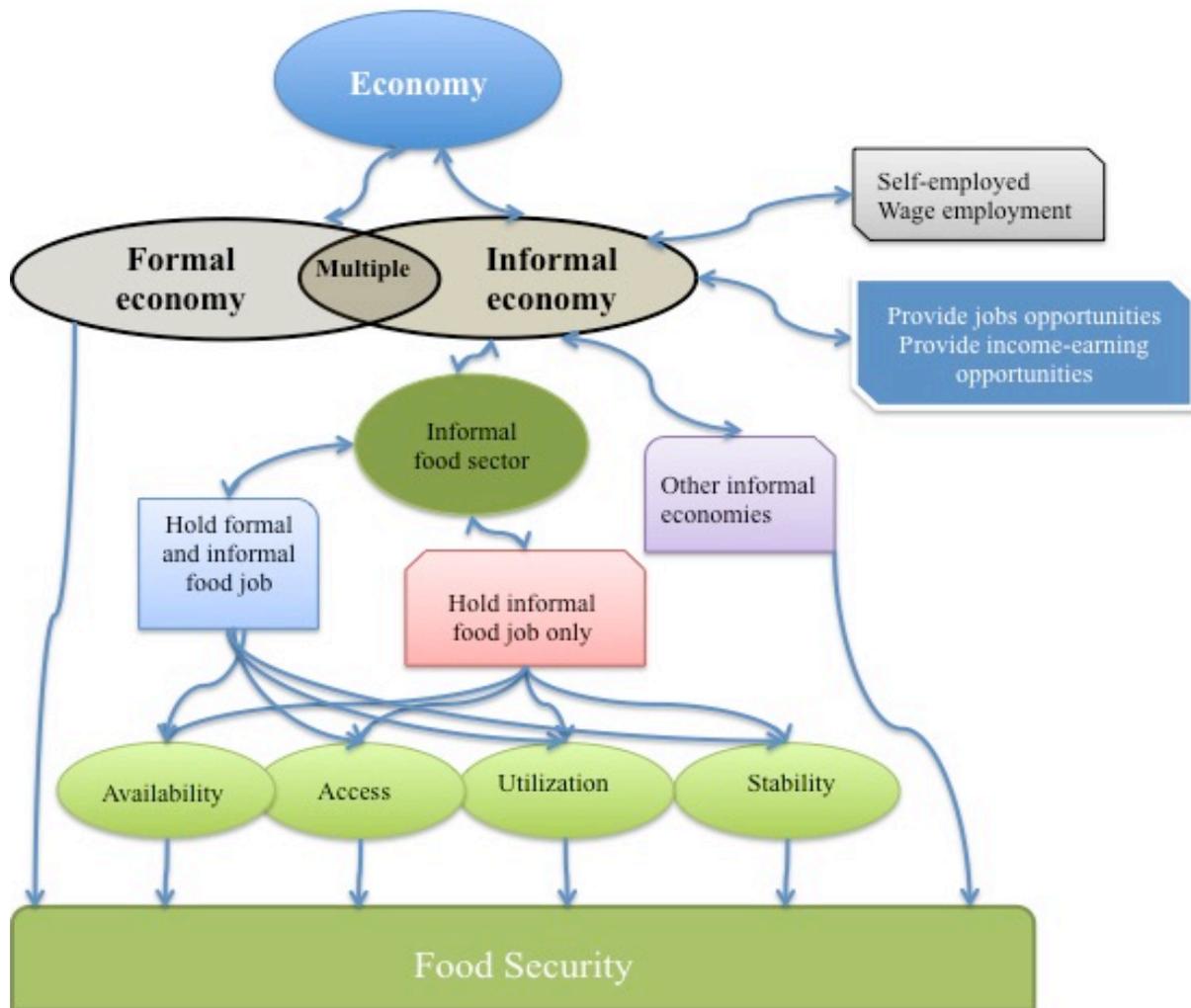


Despite this, Ahmed et al. (2015) argued that informal food traders could improve health among consumers. For example, in a review of six papers concerned with health and food safety in the informal food sector, Even-Zahav and Kelly (2016) concluded that there are positive results for food safety standards in the informal food sector. Similarly, Tinker (1987) in a study of seven African and Asian cities, cited by the FAO (2007:17) found that food cooked and sold in the informal food sector, such as on the street or in markets “is generally safe if consumed shortly after cooking”.

### **3.7 Conceptualising the link between informal economy, multiple-jobs holding and food security**

The informal food sector, a subset of the larger informal economy plays an important role in development by helping to address food insecurity through making food available to people at affordable prices, in units that best fit their resources, or at times or places when they require the food (Skinner, 2016; Otoo et al., 2011). The economy is also considered a sustainable source of livelihoods as it provides job opportunities for the unemployed, uneducated and even those underemployed in the formal economy (Skinner, 2016; Abuhadra and Ajaali, 2014; Otoo et al., 2011; Tissington, 2009; Jütting, Parlevliet and Xenogiani 2008).





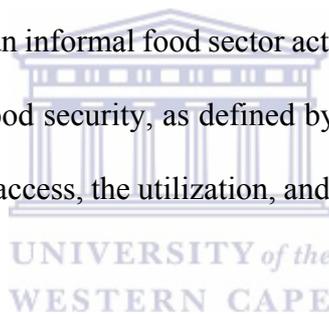
Source: *Author's construction.*

**Figure 3.3 Conceptualisation of the linkage between informal economy, multiple jobs holding and food security**

Globally, food security is recognised as an important element of development. This research posits that the informal economy can play a key role in Libya's development. To this end, Figure 3.3 presents a conceptual framework to explain the link between the informal food sector, multiple-job holding, and food security. This framework covers the main activities undertaken by informal food sector workers based on the roles/duties they perform while operating in the economy.

Because the economy provides incomes with which people can improve their livelihoods, these incomes also help ensure the food security of those employed by the economy. Generally, Libyan workers prefer to work in the formal economy (Mirza 2012). However, in cases where they cannot find jobs in the formal economy, they are then most likely to engage in informal economy activities, specifically in informal food sector activities. Consequently, due to the nature of work involved in informal food sector activities, most workers, whether undertaking work in this economy to improve their earnings or livelihoods are almost guaranteed a steady supply of or access to food – thereby making them food secure.

Therefore, it is evident that engaging in informal food activities, whether through holding multiple-jobs or just engaging in an informal food sector activity, could improve workers' food security status. This is because food security, as defined by the FAO (2012), is dependent on four pillars, namely; availability, access, the utilization, and stability. The informal food sector caters to all four.



### **3.8 Conclusion**

The informal food sector provides a substantial number of jobs for unskilled informal job seekers and also offers job opportunities to skilled workers who may also be formally employed. This economy provides opportunities for those with limited to no skills, to make a living and support their families, whilst also helping those with formal jobs to improve their lifestyles by earning additional income. For the unemployed and unskilled, the economy provides a lifeline particularly for those who would otherwise find it difficult to find employment in the formal economy.

Available literature offers differing views about the role and impact of the economy in different contexts. While considered a coping strategy of the poor in developed nations, within developing nations, the economy offers opportunities across class divides. Furthermore, although there are similarities in terms of the role and participation of women in the economy, the reasons and modes of participation differ across the region. While socio-economic factors shape women's participation in one region, religious and cultural factors influence women's participation differently in another.

This chapter also unpacked the concept of 'multiple-job holding' specifically in relation to the informal economy. It was found that "hour constraints" and "earning constraints" from salaried jobs, together with the low wages in the public economy and the challenge of underemployment are some of the factors that encourage people to hold multiple-jobs in Libya. In addition, it was argued that by providing a source of livelihood for unskilled and unemployed workers, the informal economy also helps address the challenge of food insecurity faced by many. Moreover, the chapter offered a conceptualisation of how Libya's informal food sector is linked to multiple-job holding and food security.

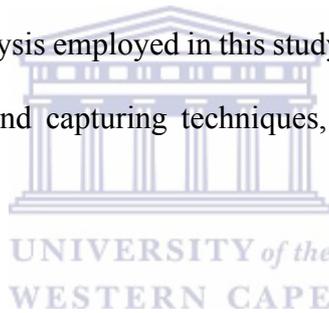
In order to understand the role of the informal food sector in development, the chapter reflected on how the economy facilitates opportunities for women to participate in the economy and for the general public to make a living and improve their livelihoods through holding multiple jobs. Equally important, is how the economy can contribute to national development efforts, specifically through absorbing the unemployed into the informal labour market, which contributes – albeit unofficially – to national economic growth.

## **Chapter Four**

### **Methodology**

#### **4.1 Introduction**

There are many studies on the informal economy around the world, with a significant number focused on the food sector of the informal economy. In Libya, little empirical evidence exists on informality in general. This is despite the fact that the informal economy in Libya is a source of livelihood for a significant number of workers involved in it. This chapter presents a general overview of (Misrata city) the area in which the research was conducted. The chapter presents and discusses the methods of analysis employed in this study by outlining the sampling design, the study area, data collection and capturing techniques, as well as the processes of data analysis.



#### **4.2 Study Area**

Misrata city is one of Libya's major trade cities and is located in the Northwestern part of the country. Misrata covers an area of approximately 3,049 square kilometres (Jhan, 2014:228) and is a major metropolis with historical significance in Libya's revolution. The city closely resembles Tripoli, the Libyan capital, in terms of commercial activity and population dynamics.

According to the National Survey of the Libyan population conducted in 2012, the size of Misrata city's population is 487,493. The survey also indicated that the number of economically active members of the population (above 15 years) in Misrata is 365,300.

The main economic activity in Misrata is a steel mill that employs over 5,000 workers and produces inputs for many of the local manufacturing industries (OCHA Humanitarian

Overview – Misrata, 2011). The second mainstay of the economy is the Qasr Ahmad harbour, which according to Jhan (2014) is considered the most active among the Libyan harbours accounting for about 30 per cent of the country's total shipping. In addition, close to the harbour is a developing free trade zone, which will help modernise the city and attract new tenants (Global Free Zones of the Year, 2015).

According to Hajjaji (2012), the Libyan government has invested substantially in infrastructure in Misrata. To this end, the city also hosts and houses many of the foreign oil and gas companies and has socially adequate and acceptable infrastructure. Furthermore, government institutions in Misrata include six hospitals, a university, and the airport. In addition, there are a number of schools and centres of training/education (Jhan, 2014). Other important industries in Misrata include factories that produce carpets, textiles, baskets, pottery, and hardware. In addition to these, is the Al-Naseem Dairy company, which is considered one of the largest private companies in the food sector in Libya (Jhan, 2014).

Individuals in Misrata are often engaged in multiple activities, which range from self-employment to paid/wage employment. In general, people work in several types of activities in order to get additional income from the informal economy. These activities include animal husbandry, vegetable and fruits trading, domestic sweets production and sales, as well as foodstuff sales. Therefore, Misrata is a city popular for its mix of informal food activities. The existence of informal markets trading in both raw and finished food items is also common in Misrata, with production mostly carried out by women in their homes and through hawking, and petty/retail trading of imported and locally manufactured products, all of which are done as a means of sustaining livelihoods.

This study was specifically conducted across Misrata's ten districts namely: Shohda Almyla, Dat Alremal, Althoba, 9th of July, Gasr Ahmed, Al Mahjoub, Al Ghiran, Alzarog, Tamina, Aldafnia.

### **4.3. Research Design**

This study employed a mixed methods design, combining qualitative and quantitative research methods. The overall objective of the selected research methods is two-fold. First, the quantitative analysis will provide a broad understanding of the research issues explored in the thesis. However, the quantitative analysis alone does not offer a specific explanation for issues raised by this thesis. Qualitative data analysis will help deepen our understanding of the inner-workings of the informal economy in Misrata by exploring participants' views in more depth (Ivankova, Creswell and Stick 2006:5).

By combining qualitative and quantitative methods, it is hoped that findings will reveal new and complementary insights into the informal economy in general and the informal food sector in Libya in particular. Starr (2012) argued that employing mixed methods helps to exploit the strengths of each method – namely, depth and complexity on the qualitative aspect, and representativeness and statistical power on the quantitative side. Furthermore, a mixed method research design will provide a robust understanding of the role of the informal economy in Libya's development, using Misrata as a case study. A number of related studies on the informal economy, and some focused on the informal food sector have adopted similar mixed methods (Lievrouw et al., 1987; Suharto, 2002; Mulwafu, 2007; Maruyama, 2010; Nicodemus, 2011; Nugundu, 2012; Onoshchenko, 2012; Mafunzwaini, 2013; Welderufael, 2014).

Various authors offer and have developed different types of mixed method research designs. According to Creswell (2006), there are four major types of mixed methods designs namely: The Triangulation Design, the Embedded Design, the Explanatory Design, and the Exploratory Design. Since this study seeks to reach a comprehensive understanding of the role of the informal food sector in Libya's development, a sequential explanatory design is used. According to Creswell et al. (2003) the priority in this design typology is usually given to the quantitative data, as qualitative data is collected primarily to augment the understandings of and interpret the quantitative data.

Similarly, Hanson et al. (2005:228) argued that in the sequential explanatory design, "data analysis is usually connected, and integration usually occurs at the data interpretation stage and during the exploration of the relationships and in the discussion of the outcomes." To this end, after collecting and analysing quantitative data, participants "would be asked again to give more time and information for participating in some structure interviews aimed at obtaining a deeper understanding of their previous responses to the survey" (Ivankova et al., 2006:5).

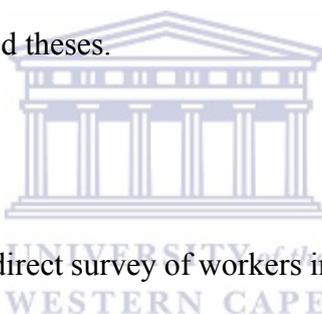
For this study, during the first phase of fieldwork, quantitative data was collected and analysed. Gaps and missing information were found in the analysed data, so more fieldwork was needed to complete the missing information. Therefore, the second session of fieldwork data collection took place a few months later and this time, focused on collecting qualitative data to obtain a deeper understanding of the informal food sector, which was not obtained from the quantitative data analysis. Specifically, the qualitative data was collected to explore reasons behind workers' dual participation in informal and formal jobs, as well as to assess their understandings of the role of the informal food sector in improving food security in Libya.

#### **4.4. Research Methods**

Bearing in mind that informal workers and informal enterprises sometimes operate covertly and hide their work from regulatory authorities for different reasons, this study relies on evidence that they do not hide from researchers but instead openly engage in discussions with them (MacDonald, 1994; Windebank and Williams, 2010).

The secondary data refers to the literature reviewed relating to the research subject to obtain a good understanding of the informal economy, by seeking to understand what has been written about the sector so far and to provide direction for the theoretical analysis. Secondary sources, including publications and reports by The General Information Authority, Central Bank of Libya, The World Bank, IMF, FAO, ILO were consulted. Similarly, insights were derived from journals, books, articles and related theses.

#### **4.4.1 The quantitative method:**



The quantitative phase entailed a direct survey of workers in the food sector. Informal workers were interviewed for personal information and on occasion, for information related to the household characteristics, using a specially formulated questionnaire aimed at obtaining data from workers in the informal food sector in the Misrata city. The instrument is attached as appendix 5.

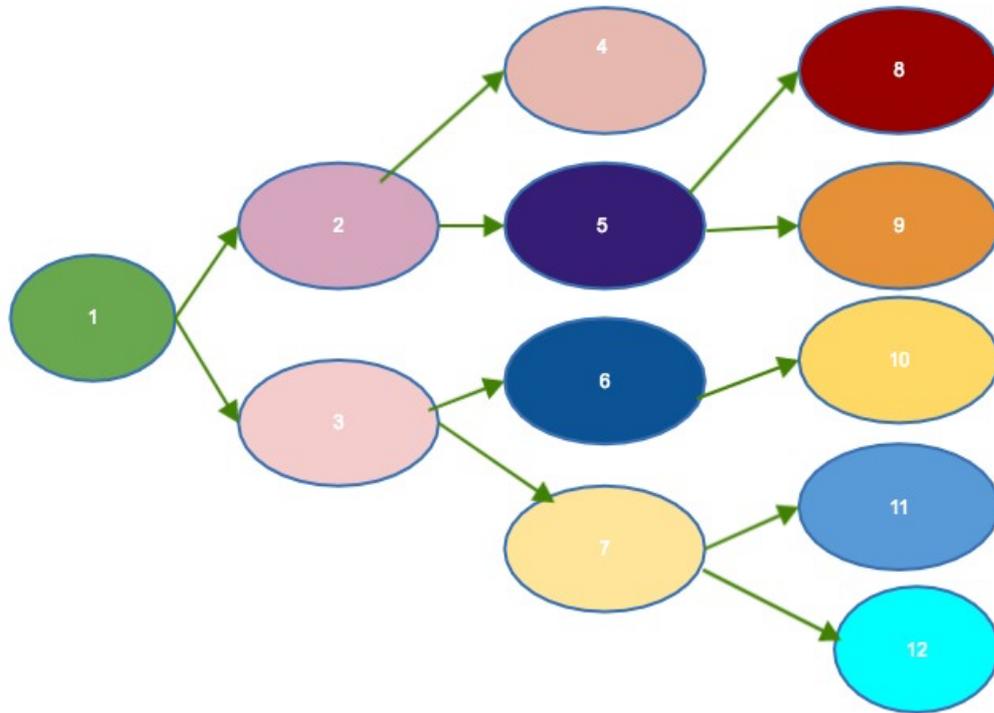
##### **4.4.1.1 Sampling Techniques**

The survey applied a snowball sampling technique, which is appropriate for this type of research when the sample is hidden, unknown and/or hard to know (Voicu and Babonea, 2011:1342). According to Babbie and Mouton (2009:166), snowball sampling is “a non-probability sampling technique that is appropriate in studies wherein the members of a population are difficult for researchers to access.” Similarly, Voicu and Babonea (2011:1342)

added that the snowball method implies “the identification of an initial set of respondents who will be interviewed and who will be requested at the end of their interview to recommend potential subjects who share similar characteristics and who are relevant for the purpose of the subject survey”.

Due to the nature of the informal economy in Misrata and in general, “the numbers of informal food sector workers are unknown and difficult to measure because of the nature of their business operations which usually involves avoiding interacting with regulatory authorities” (Williams, 2014:8). The size of the potential universe is also complicated since participants in the informal economy who are multiple job-holders may self-define themselves as non-participants according to when/where they are approached to be interviewed.

Therefore, the snowball method was appropriate for this study as the initial sample of respondents who participated in the survey were comprised of the respondents known to and accessible to the researcher through his personal networks. These few were then requested to recommend others who work in the informal food sector, and whom they think will be suitable participants for the survey. Figure 4.1 below summarizes this snowballing process.



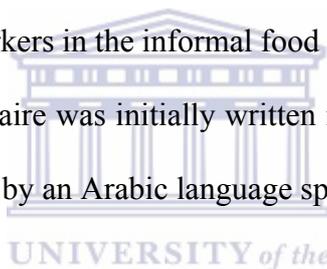
**Figure 4.1 The snowball sampling framework**

The target population was individuals who work in different types of informal food work and involved in the various stages of food processing such as homemade food sellers, street food vendors, food vendors in local markets, sellers in foodstuff shops, restaurant workers, as well as cooks in informal shops. They were selected without prior knowledge about whether or not they are multiple jobholders, also working in the formal sector. Therefore, the unit of analysis was the informal food worker, regardless of his/her level or type of involvement.

The initial sample target size was 384 informal food activity workers with a 5 per cent margin of error and a 95 per cent confidence level. This was based on the size of Misrata city's population of 487,493. Given that there is little existing research exploring the informal economy in Libya, and because a randomised sample was not possible without a quantifiable universe, the researcher increased the sample size by a further 116 participants, to ensure an adequate sample size and improve the chances of reaching saturation. A larger sample size also

ensures variation within the sample. Therefore, a total of 500 questionnaires were administered to ensure that the sample size would guarantee variation. The process of questionnaire distribution and administration continued until the sample population reached the target number of the respondents in the quantitative survey. Through this, the questionnaires sought to obtain an accurate picture of individual participants in the study (Gravetter and Forzano, 2012:373).

The questionnaire contained both open and close-ended questions, and was designed to be “objective; brief, simple, and specific” (Iarossi, 2006:30-42). It was also aimed at gathering useful data on the informal economy including characteristics of the informal food sector in Misrata, characteristics of the workers in the informal food sector, etc. Given that Libya’s first language is Arabic, the questionnaire was initially written in English, translated to Arabic by the researcher and then proofread by an Arabic language specialist.



The questionnaire was structured in three main sections. The first section focused on collecting data on basic household demographic characteristics (age, nationality, gender, education level of respondent and partner, marital status, household size, number of children aged under 15 years, number of people aged above 60 years), the main economic activity of the respondent (and his/her partner, if applicable) and the respondent’s length of stay in Misrata. This is because “in most of the studies on the informal economy, it has been documented that obtaining information such as demographic characteristics of the respondents who are operating in the informal economy enables the research to classify the study's respondents as well as draw comparisons between the different categories, if needed” (Mafunzwaini, 2013:40).

The second section focused on collecting data regarding whether the worker holds a formal job in addition to participating in the informal economy. This section also explored reasons for this

dualism (in cases where it existed), people’s reasons for choosing a particular informal activity; the informal work hours, business registration matters and information on main customers and suppliers.

The third and final section focused on the respondents’ level of food security. This part of the questionnaire is based on Household Food Insecurity Access Scale (HFIAS) Measurement Tool (2007).

Fieldwork was carried out between October 2014 and January 2015, with 500 questionnaires distributed. Table (4.1) summarizes the response rates for administered questionnaires:

**Table 4.1: Response rate of questionnaire distributed to informal food workers in Misrata**

Number of questionnaires distributed	Responses	Non-Responses	Response rate
500	465	35	93%

As indicated in the table above, some questionnaires had missing responses. This does not necessarily imply a refusal to respond, but also includes questionnaires with sections left unanswered by respondents for whom the specific questions were not applicable or where the respondent was unable/unwilling to provide an answer. Each occurrence of this missing data is shown in the table for each questionnaire outcomes where applicable.

#### 4.4.1.2 The Quantitative Method Analysis Techniques

The data obtained from the questionnaires were coded, edited, cleaned and exported into (STATA12) software for further analysis including Frequency Computations, Chi-square, T-test, and Logistic regression analysis. For quality control, data were checked to ensure that the

information collected was correctly recorded and to rectify any inconsistencies observed due to mistakes by the respondent or in the process of the data input by the researcher.

#### **4.4.2 The qualitative method:**

##### **4.4.2.1 Sampling Techniques and data source**

In an attempt to estimate and justify the sample size of qualitative interviews, Marshall et al. (2013:20) concluded that there is no ideal number of interviews. They suggested some guidelines for qualitative studies. For example, for grounded theory qualitative studies, the authors proposed that it should involve between 20 and 30 interviews, while case studies could involve 15 to 30 interviews. For this study, the interview process continued until the researcher deemed the sample as satisfied and the findings as exhausted (Patton, 1990:176).

Comparatively, Marshall and Rossman (2006:97) contended that qualitative research relies on four processes for gathering information namely: “participating in the setting, direct observation, in-depth interviews and analysing documents and material culture.” So, during the survey, respondents were asked to indicate their willingness to participate in interviews at a later data collection stage. Semi-structured interviews were then conducted with willing survey participants after the initial analysis of survey data.

This study adopted the use of semi-structured interviews, as well as observation techniques including photography and description of events and actions by workers in the informal food sector in Misrata who chose to collaborate by giving information that is not easily available about the informal economy. To gather information whilst making optimal use of the interview time, the researcher prepared an interview guide to use during semi-structured interviews with

the informal food sector workers. The semi-structured interview schedule is presented as appendix 7.

Due to language barriers, the interview schedule was originally designed in English, and then translated to Arabic, the official language in Libya. A total of 29 interviews were conducted until saturation was reached.

#### **4.4.2.2 Qualitative Method Analysis Techniques**

The information obtained from the semi-structured interviews was organised and translated from Arabic to English. The translated transcripts were then read repeatedly to ensure that the researcher did not lose any information that interviewees had reported. The researcher took note of each word written down or spoken, to ensure that responses were fully understood and were conversant with the content of the interviews.

Following this, the transcripts were edited, cleaned and then exported into Atlas ti. software for further analysis in order to obtain information through coding, which would later inform the content analysis (Zhang and Wildemuth, 2009). The information was repeatedly scrutinized during coding to ensure the proper categorization of the data. After completing the coding, main group and sub-group categories were created based on the scope and sections in the interviews, in order to determine linkages between the responses, as well as facilitate the data analysis.

Table 4.2 illustrates the links between the qualitative and quantitative methods and the links between research questions and objectives. It also presents which data is targeted at achieving specific research objectives, the technique of analysis that has been used, and the chapter in which it is presented.

**Table 4.2: The links between research question, aims to address, analysis techniques and chapter analysis**

<b>Research question</b>	<b>Aims to address</b>	<b>Analysis Techniques</b>	<b>Chapter analysis</b>
What are the characteristics of informal food sector in Libya	Structure characteristics of workers in informal food sector	Quantitative data/ Analysis of qualitative data	Chapter 5
	Characteristics of workers in both sector	Binary logistical regression/ Quantity data	Chapter 6
How do workers improve their income by work informally in addition to work in the formally	Holding multiple jobs	Quantity data	Chapter 6
		Descriptive analysis	Chapter 6
What are the strategies that workers adopt to work both sectors- informal and formal economy?	Holding multiple jobs	Quantitative data/ Analysis of qualitative data	Chapter 6
What opportunities exist for increasing income within the informal economy?	Informality, Holding multiple jobs	Descriptive analysis Analysis of qualitative data	Chapter 5
			Chapter 6
What is the prognosis for the informal economy in the food sector Opportunities for jobs creation Opportunities to advance the role of women	Informality	Descriptive analysis	Chapter 5, 6
	Holding multiple jobs	Descriptive analysis	Chapter 5, 6
How do the informal activities work to support food security? A. Direct effect on increased availability of food for consumption B. Contributing to increase and enhance variety of food available to all	Informality and Food security	Binary logistical regression/ Quantity data	Chapter 7
	Informality and Food security	Quantitative data/ Analysis of qualitative data	Chapter 7
	Informality and Food security	Quantitative data/ Analysis of qualitative data	Chapter 7

## 4.6 Model

The study deals with three related main topics namely: informality, multiple-jobs holding and food security in Misrata. However, the binary logistic model is used in order to investigate two issues namely: multiple-jobs holding and food security.

The logistic regression has been chosen and used because in such cases, the binary logistic regression is best for when the dependent variable is dichotomous, as is the case in this study (work in both sectors or engage in informal work only; achieve food security or not); and the independent variables are categorical variables that include demographic characteristics of the informal food workers and employment characteristics of the informal food workers that possibly effect the dependent variable (Anderson, 2014).

A logistic regression model assisted with the analysis of data used in this thesis. The logistic regression model is used in this study, with the following simple model presented:

$$Y_i = 1 \text{ if } Y_i^* > 0$$

$$Y_i = 0 \text{ if } Y_i^* \leq 0$$

Where

$$Y_i^* = \beta_0 + \beta_1 X_i + \mu_i \quad (1)$$

For the first regression

Eq.(1) shows the probability of multiple jobs holding  $Y_i^*$  depends on the vectors of the observed variables ( $X_i$ ) and a random error ( $\mu_i$ ).

The probability of being multiple-jobs holders can be written as:

$$\Pr (y_i=1|X) = \Pr (y_i > 0|X) = \Pr [\mu_i > -(\beta_0 + \beta_1 X_i) | Y] = F(\beta_0 + \beta_1 X_i)$$

Hence, the regression equation takes the form:

$$MJH_i = \alpha + \beta_1 X_i + \mu_i$$

Where

MJH<sub>i</sub> is probability of the *i*th multiple-jobs holding.

The model is used to determine the reason for dual job holding in Misrata. In the regression model, the dependent variable is a binary variable and reflects whether the respondent works only in the informal economy or in the formal sector too. This is coded as 0 if the respondent only works in the informal economy and 1 for a respondent working in both sectors.

The second regression explains the influence of the informal food sector work on respondents' food security in Misrata. This is used to test the workers' likelihood of being at risk of experiencing food shortages, and the influence of choice in engaging in the informal food sector to improve their food security. It is coded as 0 if No (Food insecure) and 1 for Yes (Food secure).

In addition, using principal component analysis (PCA), an index of food security was created, as there is no food security index that can be used to measure the specific cases within the context of Misrata. Specifically, the PCA was created and applied in developing a relative food security index for the informal food sector workers and used as an outcome variable in the regression to predict factors affecting food security for the informal economy workers in Misrata.

According to Nyaga and Doppler (2009:8):

*“the index can be created by isolating the food security component embedded in the various food related indicators. It allows for the aggregation of a large number of interrelated variables with as little loss of information as possible”.*

However, the correlation between observed variables in the PCA was used to select the variables in constructing the food security index. The index represents, in particular, the informal food sector worker’s food security status in relation to all other informal food sector workers in the sample, with the following simple model presented:

$$Y_i = q_1x_1 + q_2x_2 + \dots + q_nx_n + \epsilon_i$$

Where  $Y_i$  is an index of food security (FS<sub>i</sub>)

In the model  $q_1, q_2 \dots q_n$  are vectors of weights of respective food security variables in the PCA.

And  $X_1, X_2 \dots X_n$  is vectors of food security related variables collected in the fieldwork survey.

The food security index was created from the six indicators of food security status for informal food workers, in order to use it to investigate the determinants of the food security of the informal food sector workers. These six indicators are:

1. The inability to eat from foodstuff produced due to a lack of resources. (IEFPDLR)
2. Eating a limited variety of foods due to a lack of resources. (ELVFDLR)
3. Eating undesirable foods due to a lack of resources. (EUFDLR)
4. Eating limited portions of food due to a lack of resources. (ELPFDLR)
5. Eating limited meals due to a lack of resources. (ELMFDLR)
6. Eating from traded foods due to a lack of resources. (EFTFDLR)

In this study, the unobserved variables, which are also known as the ‘*latent variables*’ are a range of food security variables that influence the informal food sector workers in Misrata, and were selected based on the literature review.

The first component of a PCA outcome is commonly the component that best explains the significant majority of the variation. The outcome of PCA displays that the first component explained 62 per cent of the variation with an Eigenvalue of 3.7. The Kaiser-Meyer-Olkin (KMO) test was also applied to examine the robustness, and sampling adequacy of the PCA performed on the data. In this regard, Kaiser (1974) considers values greater than 0.5 as ‘barely acceptable’; values between 0.5 and 0.7 as ‘midcore’; values between 0.7 and 0.8 as ‘good’; and values between 0.8 and 0.9 as ‘great’; and above 0.9 as ‘superb.’ The outcome of the test produced an overall correlation 0.8357. In this regard, the PCA may be performed on this data.

Based on the logistic regression model:

Eq.(1) shows the probability of food security  $Y_i^*$  depends on the vectors of the observed variables ( $X_i$ ) and a random error ( $\mu_i$ ).

The probability of being food secure can be written as:

$$\Pr (y_i=1|X) = \Pr (y_i > 0|X) = \Pr [\mu_i > -(\beta_0 + \beta_1 X_i) | Y] = F(\beta_0 + \beta_1 X_i)$$

Hence, the regression equation takes the form:

$$FS_i = \alpha + \beta_1 X_i + \mu_i$$

Where

$FS_i$  is the probability of the  $i$ th food secure.

#### 4.7 Ethical considerations

Ethics define what ‘moral’ research procedures involve. According to Neuman (2006:129), ethical considerations are concerns, dilemmas, and conflicts that arise over the proper way to conduct research. Accordingly, researchers must follow the ethical rules and professional obligations in all aspects of the study

This particular study involves collecting data from informal food workers in Misrata. For this reason, the researcher sought the permission of all informal food workers in the City. This is a key aspect of observing high ethical standards if credible and trustworthy research findings are to be produced. Ethical approval was obtained from the Senate Research Committee of the University of the Western Cape, Cape Town, South Africa (Registration no 14/10/76).

Two letters of introduction (Appendix) in both English and Arabic language were written to explain the nature of the research study and status at the time of conducting the fieldwork, as well as to gain permission to conduct interviews. The letters (respectively) comprised a questionnaire for participants and interviewees. The two documents served to indicate/confirm that the research was for the purposes of completing a PhD thesis about the Libyan informal economy, and to explain the focus of the thesis, which was to explore how development challenges in Libya can be addressed by improving the performance of the informal economy. Furthermore, the participants were requested to sign the letter (this was made optional) to show that they agreed and were satisfied with participating in the study.

The researcher further sought the consent of all the participants in the fieldwork, giving the participants the liberty to withdraw from the study anytime they felt uncomfortable during interviews. Participants were informed that they could also decline to answer any questions

they were uncomfortable with. Moreover, participants were encouraged to ask any questions or give comments about the research and seek further clarifications where needed.

The study verified and confirmed the data in order to ensure the accuracy and avoid distortion, fabrication, suppression or misinterpretation of the data. In writing up the study findings, the researcher ensured the use of unbiased language in all parts of the study. All the data emanating from the fieldwork as well as the data analysis, including questionnaire sheets, and the transcripts of interviews, were archived and stored for future reference.

#### **4.8 Conclusion**

This chapter unpacked the mixed methods approach to examining and understanding Libya's informal economy and its role in development using the informal food sector in Misrata as a case study. It noted that the nature of the research problem and level of analytical rigour makes mixed methods the suitable approach to addressing this problem.

In particular, it is envisaged that the combination of qualitative and quantitative methods in this study could aid obtaining new and complementary insights into the informal economy in general, and the informal food sector in particular. This is particularly important when researching an area or issue for which there is a limited amount of information available.

The quantitative data entailed a direct survey of just under 465 workers in the food sector, using a specially formulated questionnaire aimed at obtaining data from workers in the informal food sector of Misrata city. On the other hand, qualitative interviews adopted the use of semi-structured interviews with 29 workers in the informal food sector in Misrata who chose to collaborate by giving information that helped deepen our understanding of the problem.

Two binary regressions were conducted to investigate two issues: the reasons for dual job holding in Misrata and food security in the informal food sector in Misrata.



## **Chapter Five**

### **The informal food sector in Misrata**

#### **5.1 Introduction**

In order to assess the extent to which the Libyan informal food sector could contribute to the country's developmental needs, it is important to understand the features and characteristics of the informal economy and the people who ply their trade here. This chapter examines the general characteristics of workers in the informal food sector in the city of Misrata, Libya. The aim is to highlight some of the motivating factors for people to undertake additional employment in the informal economy.

The chapter is organised into four sections. The first section presents the characteristics of workers in the informal food sector. This is followed by the second section examining the nature of the informal work that people undertake, while the third section, describes the causes and effects of informal work as well as the benefits derived from engaging in the informal economy. The last section of the chapter explores the reasons provided for not registering and the pros and cons associated with registering a business in Libya.

#### **5.1 Identifying characteristics of people engaged in the informal food sector**

Descriptive results and tabulations for the following demographic variables: age, gender, marital status, and education of workers engaged in the informal food sector of Misrata are presented below:

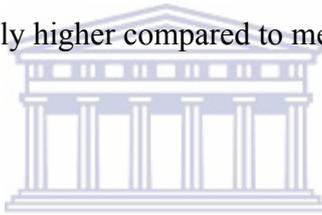
### 5.1.1 Age of respondents

**Table 5.1: Age of respondents in the informal food sector in Misrata**

Age of respondents	Obs	Mean			Std. Dev.	Min	Max
		Total	Male	Female			
	439	35.5	33.2	38.0	11.6	15	79

Source: Author's fieldwork, 2014.

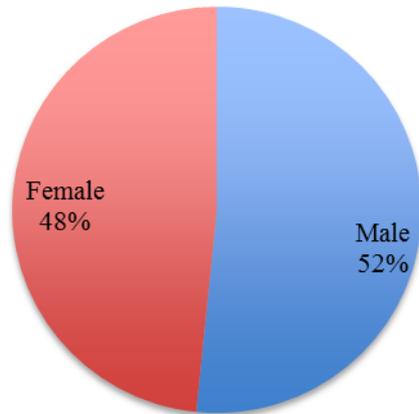
Table 5.1 shows that the age of respondents engaged in the informal food sector ranges from 15 to 79 years old, with the mean age of all respondents being 35.5 years. In terms of gender, men who work within the informal economy are younger (mean age of 33 years) than women (mean age of 38 years) involved in the informal economy. The mean age for women in the informal economy was significantly higher compared to men [ $\Pr(|T| > |t|) = 0.0000$ ].



### 5.1.2 Gender of respondents

According to The World Bank (2015), Libya's labour force participation rate indicates that the country has wide gender disparities in employment, with males accounting for approximately 61 per cent of the labour force compared to 39 per cent of females (The World Bank, 2015). The findings of this study show that out of a total of 465 respondents within the informal food sector, 52 per cent are male while 48 per cent are female. This indicates that unlike the statistics reflected from the World Bank (2015) on gender representation within the Libyan labour force, in the study sample, there are very little discrepancies in terms of gender distribution.

## Gender of respondents in the informal food sector in Misrata



Source: *Author's fieldwork, 2014*

**Figure 5.1 Gender of respondents in the informal food sector in Misrata**

Globally, the informal economy also provides work opportunities for illegal migrants who may lack the documentation to work in a specific country. Despite the fact that Aljelany (2011) reported that a substantial number of foreign workers are engaged in the informal economy in Libya, it appears that the majority of respondents (93 per cent) in the informal food sector were Libyan. The relatively low frequency of non-Libyans in the sample population may be due to the political instability and crisis in the country, which has resulted in many non-Libyans fleeing the country, and a reduction in the flow of migrants into the country.

### 5.1.3. Marital Status

In highly traditional and religious societies, an individual's gender and marital status play a role with regards to one's livelihood and other opportunities. Baah-Boateng et al. (2013) contended that marital status is an important variable that impacts a person's ability to work in the informal economy. Similarly, data from this current study indicates that the majority of

respondents (56 per cent) are married, 40 per cent are single, and of these, 60 per cent are male (see Table 5.2).

**Table 5.2: Marital Status of respondents in Misrata’s informal food sector**

	Freq.	Gender		Per cent	Cum.
		Male	Female		
Single	185	60	40	40	40
Married	260	49	51	56	96
Divorced	2	0	100	0.4	96.4
Widowed	18	0	100	3.6	100.0
Total	465	51.6	48.4	100.0	

*Source: Author’s fieldwork, 2014*

Comparatively, using a survey to understand the factors influencing participation in the hidden economy in Benghazi (Libya), Mussa (2009) reported that 51 per cent of the respondents in were single, while about 46 per cent were married. In this study, the majority of those who are single are male (60 per cent). This distribution aligns with Perry et al. (2007), who argued that single women’s participation in the informal economy is lower than for single men. In Libya, this could be due to the fact that single women are more likely to be found in the formal economy than the informal economy. In addition, social/cultural/religious factors in Libya have influenced perceptions about male responsibilities and female participation in the economy and labour sector.

A possible explanation for the majority of workers in the informal food sector in Misrata being married may be due to the fact that marriage places extra financial and social burden on partners (Festo, 2014 and Baah-Boateng et al., 2013). The responsibility to provide for the family results in married people seeking extra sources of income in the informal food sector. An in-depth explanation on this will be presented below.

#### **5.1.4. Education level**

Educational level is among the key factors influencing workers to participate in the informal economy (Sebhat, 2014). This is because participation in the informal economy generally declines when the education level increases (Sebhat, 2014; Rukundo, 2015). The educated workers are more likely to find better job opportunities in the formal economy, leaving the less educated to look for work in the informal economy. However, the Libyan case presents different results. Only a fraction of respondents reported having no education at all, while a significant portion of workers reported having received some form of educational training as shown in the table below.

**Table 5.3: Education level of respondents in Misrata’s informal food sector**

	Freq	Gender		Per cent	Cum.
		Male	Female		
None	42	17	83	9	9
Basic	189	46	54	41	50
High school	113	64	36	24	74
Tertiary	117	62	38	26	100
Total	461	52	48	100	

Source: Author’s fieldwork, 2014.

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Findings show that approximately 9 per cent of the participants in the informal food sector have no education while 41 per cent have basic education and 24 per cent have high school education. Interestingly, 26 per cent of the informal food sector workers hold a University degree, and the majority of those who do (61.8 per cent) are men.

These findings indicate that the level of education within the informal food sector is similar to the level of education found within the Libyan labour force in which nearly half of the workers (about 47 per cent) have secondary education or post-secondary training, 13 per cent have attained primary education, and 26 per cent of the labour force holds a university degree (The World Bank, 2015).

Similarly, Mussa (2009), who examined the factors influencing the hidden economy in Benghazi, found that the majority of workers in the informal economy in that city are educated. The difference in education between males and females in the informal food sector is statistically significant [ $\Pr(|T| > |t|) = 0.0000$ ].

Furthermore, similar to results of a 2015 study by The World Bank on gender disparities in Libya's labour force, findings here also show that compared to females, males in the informal food sector in Libya are more educated and have a higher percentage representation from secondary school upwards (The World Bank, 2015).

## 5.2. Characteristics of the informal food sector in Misrata

This section compares the types of informal food work that respondents are engaged in. The section also uncovers issues of regulation and governance; the amount of time spent working in the informal economy, the capital investments put into establishing informal businesses, as well as the preferred mode of cash transactions, the size and scale of activities, and the flexibility and autonomy offered by the informal economy.

The section also provides an overview of activities being undertaken within the informal food sector, as well as the location where these activities occur.

**Table 5.4: Business Registration**

	Freq.	Gender		Per cent
		Male per cent	Female per cent	
Yes	113	92	8	25
No	292	38	62	65
I do not know	44	39	61	10
Total	449	52	48	100

*Source: Author's fieldwork, 2014.*

Table 5.4 shows that 65 per cent of respondents work in unregistered informal businesses, and the majority of those who work in such businesses (62 per cent) are female. Males who are not employed in the formal economy operate 92 per cent of the 25 per cent formally registered businesses. The data related to the number of formally registered businesses highlights the dual nature of Libya's informal food sector which hosts both registered and unregistered businesses.

### 5.2.1 Types/nature of Informal employment

This section explores the types of employment people hold in the informal economy based on two categories: self and wage employment, in line with Chen (2007), where wage employment refers to working for someone, and self-employment implies owning or working in your own business.

30 per cent of respondents reported that they are engaged in wage employment, and the majority of these (75 per cent), are male. These findings are similar to those by Heintz and Valodia (2008) who found that compared to women, men have a larger per cent of informal wage work in all sub-Saharan African countries except South Africa.

**Table 5.5: Informal business employer**

	Freq.	Gender		Per cent	Cum.
		Female Per cent	Male Per cent		
Self-employment	311	57	43	70	70
Wage employment	134	25	75	30	100
Total	445	47	53	100	

Source: Author's fieldwork, 2014.

Pearson  $\chi^2(1) = 38.4158$  Pr = 0.000

The Chi Square computed on the self-employed and wage employed data of the respondents shows that there is a significant difference in the responses of male and female respondents.

Table 5.5 shows that 70 per cent of the respondents are self-employed, indicating that a large number of informal food sector workers in Libya are likely to work in their own businesses. These results suggest that the Libyan case may differ from that of neighbouring countries. For example, 55 per cent of Tunisia's informal economy employees are also employers (Trabelssi 2011). The same disparity is true as reported by ILO (2009) indicating that self-employment constitutes 62 per cent of informal employment in North Africa.

However, in terms of gender, females (57 per cent) are most likely to work in their own business compared to males. This is because most small businesses operate from homes, and are therefore most likely led by women. Additionally, the majority of female respondents indicated that they prefer self-employment because this gives them more freedom and flexibility. Importantly, working for themselves means they do not need to frequently interact with men – an important factor for them due to social and cultural norms of Libya, which dictate the levels of interaction between men and women (Otoo et al., 2011).

This finding is similar to that by Charmes (2012) who argued that women are more likely to be self-employed in the informal economy in the Middle East and North Africa region. The difference in business ownership by gender in Misrata's informal food sector was statistically significant ( $p = 0.0001$ ).

It is important to note that those who fall under the category of self-employment in Misrata's informal food sector are workers employed in family owned businesses. These workers do not necessarily get remunerated in formal salaries/wages. Within this study, 20 per cent of workers reported that they work in family-owned businesses and that this type of work is not done for money but is seen as part of their daily duties.

*“I produce Ghee and in autumn, I produce dates. In general, I do not get money for this work, but my husband gets it. However, he always asks me if I want money or if I need to buy anything.” (Interview 23, 14/01/2016)*

The statement above reflects a sentiment shared by those who work in the informal food sector to help in the family business as well as those who do so to occupy their free time. On the other hand, some female respondents explained that their main reason for working in the informal economy is to make money to meet their own needs. One of the participants explains:

*“I work in this job because I want to enjoy my life, I want to have nice clothes, I have many things that I want to buy.” (Interview 15, 09/01/2015)*

Findings from fieldwork also revealed that with family-run businesses, females are mostly responsible for making or cooking food. They do not necessarily get involved in the interactive business processes i.e. buying and selling of food items; men handle this aspect of the business. However, in most countries in Africa, Asia and Latin America where it is socially and culturally accepted for women to work in any economy, many of those working as street food vendors also handle the other aspects of the business, including the buying and selling of products (Fellows and Hilmi, 2011:14). The situation is different in Libya where it is deemed unacceptable for women to be found working as street vendors or in the local public market. This is what has led to more women being involved in the cooking of food items – which is often done in their homes or in private workshops – while men are responsible for the business end of the informal food trade, specifically buying and selling, which involves negotiating and contracting.

In addition to those who are self-employed, there are those who undertake the work in the informal food sector mostly as temporary and/or substitute type of employment. Among these

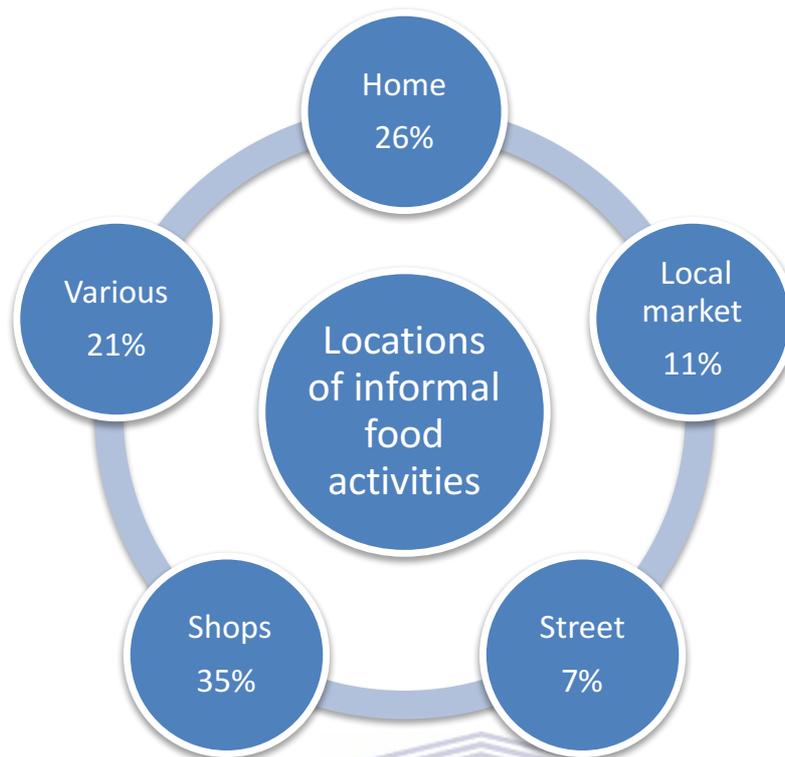
are students who run small food shops in their area to earn money to help their families or to use their free time productively during school holidays. A parent of one such student explains:

*“We started by opening a small shop for selling foodstuff. The idea came from my boys. They wanted to work and contribute to the family income. Through the family business, they can study and earn money as well. (Interview 19, 13/01/2016)”*

For students who work in a family-run informal business, this affords them the opportunity to earn money while studying due to the flexible nature of the informal economy.

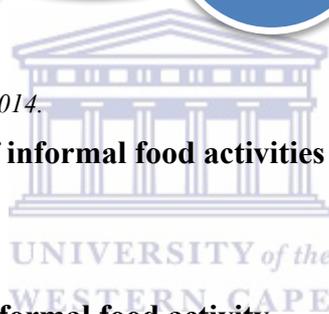
In some instances, informal economy business owners are able to employ other people, with some owners employing up to seven workers. Huitfeldt and Jütting (2009) contended that many informal workers are small-scale entrepreneurs who are not poor and have a large capacity for innovation and a large potential to grow. The types of informal businesses that offer employment to others in this economy include informal restaurants, informal shops, and sellers on the local market. The potential to create jobs highlights the importance of this economy to the development and improvement of the Libyan economy.

In terms of the items being traded within the informal economy, results reveal that informal food activities range from selling foodstuffs such as fruits and vegetables, cooking food, as well as making and selling confectioneries. The majority of these items are sold from shops, (see Figure 5.5 below), as most workers operate from shops (35 per cent), followed by those working from home (26 per cent) and 21 per cent of informal food workers working from different locations, such as local markets and on the street. 11 per cent of respondents indicated that they operate from the local market and only a few informal food workers (7 per cent) conduct their business on the street.



*Source: Author's fieldwork, 2014.*

**Figure 5.2 Locations of informal food activities**



### **5.2.2 Duration of work in the informal food activity**

Working hours also play an important role in determining the type of informal activities people undertake as well as the number of hours spent in each sector, particularly for multiple-job holders. Therefore, work duration is an important attribute of informality. Respondents were asked to assess the amount of time spent working in the informal economy by calculating the days of the week spent on informal food activities and specifically, how many hours within those days they allocate to informal food work.

A comparison was also made between the time allocated to the informal economy job and the formal job, for those who work in both economies.

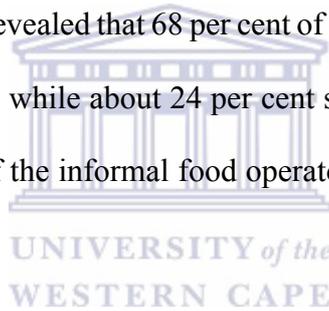
**Table 5.6: Number of working days spent in informal food sector activity by gender**

Days working per week	Freq.	Gender		Per cent
		Male Per cent	Female Per cent	
1-2 days	34	59	41	8
3,4,5 days	106	40	60	24
6-7 days	293	55	45	68
Total	433	54	46	100

Source: Author's fieldwork, 2014.

Pearson  $\chi^2(6) = 14.9673$  Pr = 0.021

The number of days allocated to working in the informal food sector differed by workers. The mean number of working days spent in an informal food sector activity is four days a week for males and females. The findings revealed that 68 per cent of workers in the informal food sector worked six to seven days a week, while about 24 per cent spent three to five days working in the economy. About 8 per cent of the informal food operators only work in the informal food sector for a day to two.



Notably, there were differences in the number of days spent working in the informal food sector based on the type of employment, i.e. self-employed vs. wage employed.

**Table 5.7: Number of working days spent in informal food sector activity by the kind of employment.**

Days working per week	Kind of employment		Per cent
	Self-employed per cent	Wage employed per cent	
1-2 days	9	6	8
3-5 days	26	20	24
6-7 days	65	74	68
Total	100	100	100

Source: Author's fieldwork, 2014.

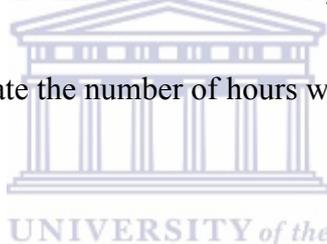
Pearson  $\chi^2(6) = 7.8177$  Pr = 0.252

The mean number of working days spent in informal food sector activities is six days a week for both self-employed and wage employed. In total, 68 per cent of self-employed workers in the informal food sector reported that they worked six to seven days a week. Comparatively, 74 per cent of the wage employed worked six to seven days a week.

About 26 per cent and 20 per cent of the self-employed and wage employed reported working three to five days respectively, while 9 per cent and 6 per cent of the self-employed and wage employed worked one to two days respectively. However, the Chi Squared computed on days worked per week shows that there is no significant difference between the responses of self-employed and wage employed with (Pr = 0.252).

### 5.2.3 Working hours per day in the informal food activity

Respondents were asked to estimate the number of hours worked per day in the informal food sector.



**Table 5.8: Working hours per day in the informal food activity**

Hours' work per day	Gender		Per cent	Column
	Male per cent	Female per cent		
1	6	2	4	4
2	24	6	15	19
3	29	24	26	45
4	25	28	27	72
5	16	38	28	100
Total	100	100	100	

*Source: Author's fieldwork, 2014.*

The majority of respondents (72 per cent) reported that they work between three and five hours per day in the informal food sector. Some workers reported that they work only during weekends. The mean number of working hours per day in the informal food sector activity is three hours a day for females and four hours a day for males.

The difference in the working hours per day between females and males in the informal food sector in Misrata was statistically significant [ $\Pr(|T| > |t|) = 0.0000$ ]. These findings imply that men work longer hours compared to females. This shows that although there is no difference in the number of days worked between men and women, there are differences in the number of hours worked. This can be due to the fact that alongside working in the informal economy, women also do significant amounts of other unpaid work including housework and childcare activities during the day.

The narrative below provides a view of this perspective on the multiple burdens of responsibilities placed on women:

*“I spend my day between the work in milk production and taking care of my home.” (Interview 23, 14/01/2016)*

Comparatively, men, who tend not to participate in house work in Libya, have more time to allocate to their work in the informal economy. Furthermore, the differences in the working hours spent in the informal food sector can also be attributed to the different roles played by men and women in the food economy. As reflected in previous sections, women were found to be more likely to engage in home-based activities related to the informal food trade, i.e. cooking from home. Men on the other hand largely performed the roles of street vendors throughout the day, and therefore spent more time outside the home, selling items produced by women.

The flexibility of working in the informal economy also implies that it was not easy for all workers in this economy to accurately quantify the amount of time spent working in the informal economy. This is especially true for those who work according to customer orders. One interviewee explains:

*“Look, some stuff needs one day, and other stuff has to be done in two days. Likewise, sometimes I do not have an order. In many cases, I just work during the weekend.” (Interview 2, 17/12/2015)*

According to this respondent, the hours spent often depend on the volume of work. Furthermore, the nature of the informal economy means that people working in the economy have to be flexible, as the respondent indicates that often, they have to work on weekends depending on when orders are received.

Based on the above findings, it can be argued that the amount of time spent working in the informal food sector depends on three factors. First, the type of work being done within the economy, i.e. working as a street food vendor differs from home-based food preparation. Second, and related to the above, is the time spent preparing food, which depends on the type and quantity of food prepared.

Third is gender dynamic; the amount of time available per day differs by gender, women have to do house work alongside informal work, while men do not contribute to house chores (World Development Report, 2012; Otoo et al., 2011). This means men will generally have more time to allocate to working in the informal economy or anywhere outside the home.

#### **5.2.4 Level of skills and experience**

The informal food sector comprises different types of activities, and each activity requires varying levels of experience and skill. However, there is also the wide potential for people, even those without experience, to find work or start a business within the sector.

Most of the respondents explained that their activities do not require a high level of experience and skills. Only specific types of food items, e.g. making sweets might need specific skills.

Even those who have said that they started working in the sector due to past experience usually relates to either having worked in the same activity, or knowing how to cook, fish or sell. No observations during fieldwork suggest a need for high skills or extensive experience to engage in informal food work. An informal milk distributor confirmed this saying:

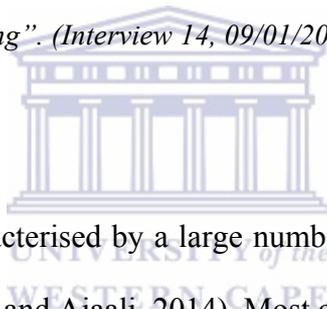
*“I distribute milk, I take the milk boxes from the factory and go to the shops and markets to sell. I earn more when I sell more. My work does not need much knowledge.” (Interview 21, 14/01/2016)*

Another worker added:

*“I have experience in this job. I grew up selling vegetables at the market with my father and grandfather when I was young”. (Interview 14, 09/01/2016)*

#### **5.2.5. The scale of activity**

The informal food sector is characterised by a large number of businesses that are relatively small in size and scale (Abuhadra and Ajaali, 2014). Most of the businesses are run by a small number of workers, as seen in the image below showing an informal food trader selling fruit and vegetables at the local market by himself.





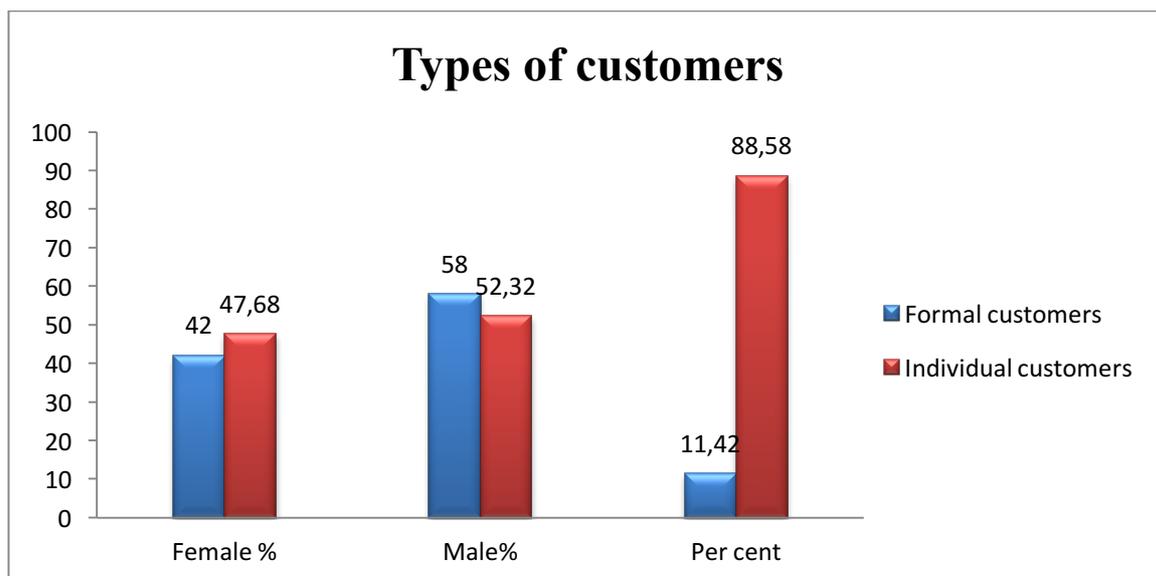
**Figure 5.3 An informal economy worker trading in vegetables. (Picture was taken during author's fieldwork, street food vendor, Tdat Alremal District, 08/01/2015)**

The image reflects the size of most businesses in this sector and explains why most require only a small amount of capital to start. One of the participants explains:

*“This business is small, and I trade in small proportions of fruit and vegetables. I buy from a wholesale market using very little capital.” (Interview 10, 01/01/2016)*

### **5.3. The link between Misrata's informal and formal economies**

The informal food sector does not operate in a vacuum and is connected to the formal economy in a number of ways. This section examines the connection between the formal and informal economy. The formal economy is intricately linked to the informal economy as a supplier and thus contributes to the existence of the informal economy.



Source: Author's fieldwork, 2014.

**Figure 5.4 Types of customers**

Findings revealed that 88.6 per cent of businesses reported dealing with individual customers, implying that the majority of their services are provided to customers based on the informal economy. The high percentage of informal food workers who reported that they deal with individual customers can also be attributed to reports by informal workers indicating that, they do not like dealing with the formal/private economy customers such as shops, restaurant or coffee houses. Some attribute this to having had poor business experiences with clients in the formal economy.

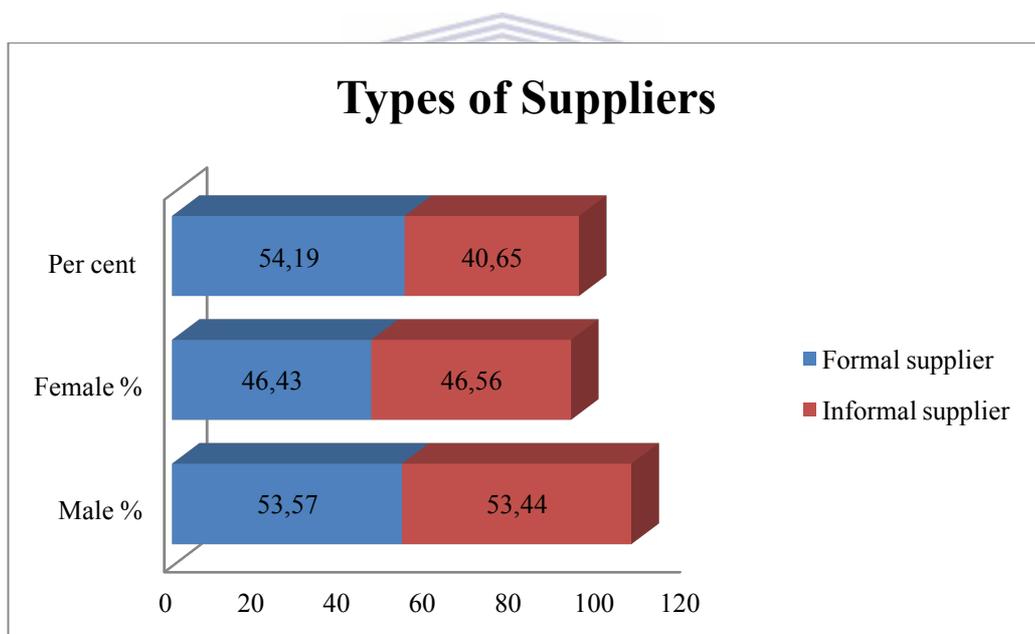
An interviewee explained that she was more comfortable dealing with individual customers. Having started working in the formal economy as an employee, when she has free time, the respondent also works in the informal food sector making traditional food. She explains:

*"I sell to individual customers because the private economy requires an agreement/contract to work there. So you will not be able to work with much freedom and flexibility when working with the private economy. I have had experience working within a formal market. I was baking*

*traditional bread and was forced to wake up early and prepare the bread and wait for them to pick it up. However, now I work only during my free time.” (Interview 2, 17/12/2015)*

Only 11.4 per cent of the participants indicated that they deal with formal customers. This includes informal wage employees, who work in food enterprises such vegetable shops and restaurants that are already formally registered as private businesses. One such interviewee reported that she makes bread and displays it on the shelves in the formal market. She said:

*“I deal with three or four shops. I send my bread to sell it there. I mostly sell to the shops, but sometimes I sell to individuals. One of these shops gave me its oven to make the bread.” (Interview 8, 29/12/2015)*



Source: Author's fieldwork, 2014.

**Figure 5.5 Types of Suppliers**

On the supply side, about 54 per cent of participants obtain their raw material/products from the formal economy as shown in Figure 5.5. Informal food workers are linked to the formal economy by buying large quantities of items from wholesale markets (see Figure 5.6 below),

then selling it to customers who mostly buy in small quantities. One of the interviewees explained:

*I buy from the wholesale market at affordable prices, so we sell for cheap. Sometimes we make a profit, and sometimes do not.” (Interview 14, 09/01/2016)*

Although informal food workers obtain raw materials/products from the retail market, some participants indicated that they buy their products from other informal sellers and sell it again within the informal economy.



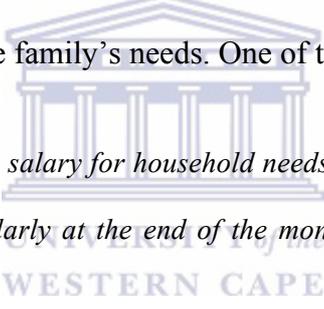
**Figure 5.6 An informal economy worker trading in vegetables. (Picture was taken during author’s fieldwork, street food vendor, Tdat Alremal District 02/01/2016)**

#### **5.4. Reasons for working informally**

The aim of this section is to explain factors that motivate/influence people to work in the informal economy, specifically the informal food sector.

A qualitative analysis of responses revealed that the need to earn an extra income and choosing to use free time productively were among the primary reasons provided for working in the informal economy.

With regards to earning an extra income, interviewees indicated a need for money to support their family, in order to counter the effect of unemployment or to use the money to pay for education. This reason resonated most with female interviewees who, contending with the limitations imposed by the country's strict religious and cultural traditions, are the least educated in Libya. They therefore find the informal food sector more accessible to them, as it allows them contribute to supporting their families. This additional income has been found to be important particularly in instances where the husband's salary (the primary household provider) is inadequate to meet the family's needs. One of the interviewees explained thus:



*"We only have my husband's salary for household needs; it is not enough to live on. I use my income to help him, particularly at the end of the month when his money is running low."*  
(Interview 5, 25/12/2015)

Women are also encouraged to bring in extra income when the family is looking to improve their living arrangements such as building a new house. In such cases, the husband spends the majority of his income towards building the new house, while the wife uses her informal income to meet general family needs such as buying food, clothes or electricity.

For reasons provided above and the fact that women accounted for 34 per cent of Libya's labour force in 2012 (The World Bank, 2015), the religious and cultural barriers imposed on women in Libya – such as restrictions on interacting with men – makes the informal economy more “suitable” for their needs. Women also reported that they found it better to work in the informal

economy where they can adhere to religious and traditional rules whilst also contributing to family incomes. A male interviewee explains:

*“This job is helping my sisters as well. It is easier for them to deal with me than to deal with other customers. You know, in our culture there are rules for women in how to deal with men”*  
(Interview 16, 10/01/2016)

This finding supports results reflected in a 2008 ILO study, which contended that the informal economy provides employment opportunities to particular groups of women that may otherwise not have been available. This has enabled women to exercise a degree of autonomy and flexibility.

Furthermore, a number of interviewees explained that engaging in informal work was a temporary solution to the challenges posed by unemployment, either resulting from not having formal employment or being a student but needing to generate income while studying. One interviewee explained:

*“When I graduated from secondary school, I wanted to study in the Libyan Iron and Steel Company's Institute, but they said that I have to wait two years to study there because it was full. So, I decided to start selling fruits and vegetables while waiting to go to school.”* (Interview 14, 09/01/2016)

In this way, the informal food sector also offers alternatives for those awaiting better opportunities like a new job or education. This was also a finding in other studies of the informal economy like Borghi and Kieselbach (2000) and Fields (1990). The flexible nature and working conditions of the informal food sector also make it possible for students to find work in the sector, either while studying or waiting to continue their education. A student who also sells fruit and vegetable explained:

*“a few years ago, I started my studies in the Faculty of economics, and because I needed money, I continued working in the shop during my free time. So, I have to manage my studies and working. I work in the morning and have lectures late in the day. Both are important for me, my studies give me hope for a good future, and the informal food work helps to support my needs.” (Interview 11, 01/01/2016)*

Other reasons given for undertaking work in the informal economy include the need for extra income to supplement low wages in the formal economy. Two interviewees said:

*“A few years ago I started this because I could not find suitable work in the formal economy with a good salary. When I graduated, the average salaries were low.” (Interview 7, 28/12/2015)*

*“I used to work in the public sector as security. I left it because the salary is low.” (Interview 21, 14/01/2016)*



These narratives highlight that although people can find or already have formal jobs, the low wages in the formal employment economy have compelled them to find work in the informal economy. However, not all workers are in it due to the need for extra income. Some people enter the informal food sector for aspirational reasons, such as the prospect of high profits and, as already indicated, utilising their free time productively.

Hence, Destombes (2010); Huitfeldt and Jütting (2009) and Jütting et al. (2008) argued that not all workers in the informal economy are poverty stricken and without social security. Some informal workers are engaged in informal economy activities not because they are poor, but because it is an opportunity to obtain higher income and profits that cannot be obtained from solely working in the formal economy.

In a study about the informal economy in Tunisia, Trabelssi (2011) also highlighted the higher earning potential of the informal economy. Interviewees also agreed, with one saying:

*“You can earn millions if you work hard and have time to put into the business. I work from 6am until 3/4pm. I would be lying if I said it is not a good job, even with the price increases it is not bad because the pay also increases.” (Interview 9, 29/12/2015)*

Aikaeli and Mkenda (2014) also reported similar findings in a study of the informal economy in Tanzania, where high earnings within the informal economy are reported to be the major incentive for people to engage to the informal economy instead of the formal economy. For those with free time, the informal economy allows them to earn money through trading in what is already their hobby. One of the workers explains:

*“We bought a cow just as a hobby. Then realised it is a profitable hobby because they give you both milk, so we started selling the milk to make money.” (Interview 23 14/01/2016)*

### **5.5. Benefits of working in the informal food sector**

The qualitative analysis presented in the previous section shows that economic and social benefits are the primary reasons given for working in the informal food sector.

As explained in the previous section, the potential to increase income, start a business with already available resources and raise capital to grow the business as well as earn a living (or supplement current income) and support their families, emerged as the main economic benefits of working in the informal economy. So, it can be argued that the informal economy has helped sustain people’s livelihoods. An interviewee noted:

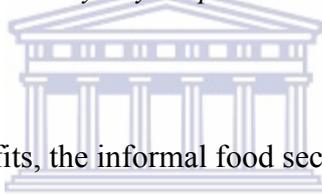
*“Without my work, I would not know how we could survive. Before I started making sweets, we were poor. I do not know why women are still poor here. They can do a lot. They can make so*

*much money. We bought my brother in law a house using profit from my work in the informal food sector.” (Interview 9, 29/12/2015)*

The availability of money at all times, due to the cash based financial transactions within the economy, also makes working in the informal food sector very attractive. This benefit is particularly important for the poorest of informal food sector workers who lack other sources of income and/or access to capital. For these workers, the cash based transactions are an important lifeline particularly for those lacking the security offered by formal jobs with salaried pay. One interviewee explained:

*“The good thing about this sector is you do not have to wait until the end of the month to get your salary. You always have money in your pocket. This job helps my family and me a lot.”*

*(Interview 3, 17/12/2015)*



Together with the economic benefits, the informal food sector also offers social benefits. The economic benefits have an added advantage of contributing to people’s livelihoods, meeting their needs and enhancing their social well-being. Also, the informal food sector, characterized by small family owned businesses makes it possible for workers to create job opportunities for extended and immediate family members.

*“My eldest daughter works with me. She is married, so she spends her income on household needs while her husband uses his salary to build them a house.” (Interview 3, 17/12/2015)*

Consequently, it can be argued that economic benefits translate into social benefits, strengthening bonds and cooperation among those family members working together to improve their lives and the family business. Similarly, the informal food sector’s high level of interaction with customers and other informal food workers contributes to building social

networks (Fellows and Hilmi, 2012). This is evident in the explanation offered by an interviewee who said:

*“Some of the people I work with are my friends. We help each other and give each other advice on things that they may know (which I do not) and those that I know (and they do not know). We use the same tools so sometimes we cooperate and work together when we have big orders to fill.” (Interview 9, 29/12/2015)*

## **5.6. Reasons for non-registration of informal food business**

Issues related to operating within a regulated framework also offer an understanding of why most informal food sector workers prefer keeping their businesses unregistered.

Some interviewees preferred to remain informal because they do not find formal business registration desirable. Others were simply not aware of the need to register their business.

Another reason given for non-registration of activities is the lack of motivation to become a formal business. This is especially true for workers who hold the view that home-run businesses do not require registration. This point is explained by one of the informal home food workers who said:

*“I do not think it is necessary to register because it is a small business and is homemade work; there is no need to get it formally registered. It won't be a profitable job then.” (Interview 2, 17/12/2015)*

This perspective correlates with findings by García-Bolívar (2006) who argued that some informal workers might decide to retain their informal status because they realise there are no benefits from formally registering their businesses. Similarly, the obligatory prospect of paying

taxes for formally registered businesses is a major deterrent for workers. An interviewee explained:

*“This is a small home based business I can't risk registering it as a formal business because I might have to pay taxes”. (Interview 16, 10/01/2016)*

Additionally, the ban on holding multiple formal jobs also discourages workers from registering their businesses. Such workers prefer to keep their business informal in order to hide it from the authorities. One of the interviewees explains:

*“I asked my eldest son to get a permit in his name because he does not have a formal job like me. The problem was that a person is not allowed to hold two formal jobs.” (Interview 19, 13/01/2016).*

Nevertheless, some workers are aware of the benefits of becoming formal businesses, such as the lack of security offered by informal work, which can be seasonal, and this does not guarantee a consistent supply of income. One such interviewee explains:

*“It is better to work in a formal business. I prefer my work becomes formal work because my business is small and the work is occasional and sometimes seasonal.” (Interview 5, 25/12/2015)*

An interesting response by those who hold jobs in both the formal and informal economy is their emphasis on benefits such as social security provided by the formal economy. For these workers, there is no advantage in formalizing their businesses through registering them because they already derive similar benefits from their work in the formal economy.

*“There is no advantage for me to be a formal worker. I already have formal work with protection and social security. Look, to become a formal worker is a good idea for those who*

*do not have another job, to protect themselves and get some other advantages. For me, it is just an extra job that I can give up whenever I want to do so.” (Interview 18, 12/01/2016)*

In the narrative above, an informal food sector worker explains benefits that workers can obtain from formal employment. However, the advantage of being able to leave a job or the sector when one no longer needs the job without risking contractual clauses/responsibilities found within the formal economy is noteworthy.

## **5.7. Advantages of working in the informal food sector**

One of the common features of the informal economy is the ease of entry into the sector and the flexibility of the enterprises. This is made possible by the low capital requirement to start a business, and no need for formal documents/registration.

### **5.7.1 Low capital requirements**

Considering that most of the informal activities are small/family/individually owned businesses, many do not require a lot of capital to start or run the business. According to some interviewees, the low capital required to operate informal activities encouraged them to venture into the informal food sector. Most interviewees explained that despite not having a lot of money/capital to invest, they were able to start their businesses with the little they had. This is consistent with findings by Aikaeli and Mkenda (2014) who wrote that the lack of capital is one of the factors that increases people’s chances of engaging in informal economy work. This view has also been supported by Little (1999), who argued that informal food activities such as trading in vegetable demand less capital investment than farming or other business ventures.

### **5.7.2 No formal documents and registration**

Interviewees reported that there are no requirements or documents needed to work in the informal food sector; this makes it easy to do business and adapt to customers' needs as they arise. As reported by an interviewee below:

*“I suggested to my husband that we make bread and sell it. He agreed. I started with a small quantity of bread made from wheat flour.” (Interview 8, 29/12/2015)*

This indicates that there is potential within the sector, to start small and grow or expand the business. The home-based food worker above also explained that in time, her business grew, which meant more customers and adding more variety to her offerings including making bread from barley. In addition, she was also able to make agreements with some food markets to allow her to sell her bread in their shops. Some even allowed her to use their ovens to produce her baked goods in larger quantities.

Another home-based informal business owner explained the ease of conducting business in the sector provided by not having to worry about registration processes required for working in the informal food sector. She said:

*“For now, there is no registration programme for home-based work. If the government requests it, I will be happy to do it. Otherwise, my business is small so no need to register.” (Interview 3, 17/12/2015)*

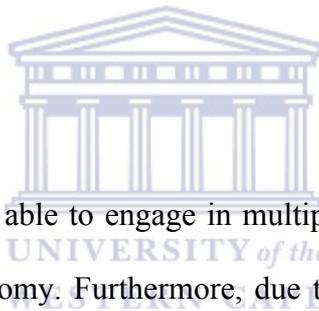
The ease of entry into this sector makes it possible to transition from one activity to another. Lack of regulation within the sector also makes it possible to conduct business without documentation. This also means it is easy to switch between the different income generating activities available in the sector. One interviewee explained:

*“I was a dressmaker, but this job became unprofitable as a result of cheaper Chinese products coming into the Libyan market. So I decided to leave dress making and change to food preparation.” (Interview 9, 29/12/2015)*

The above points to the flexible and adaptable nature of the informal sector.

### **5.7.3 Flexibility and freedom**

According to the FAO (2007) and Gërkhani (2002), participants in the informal economy choose to engage in the informal economy because they find more flexibility and freedom compared to the formal economy. Findings revealed that participants in the informal food sector in Misrata also considered the level of flexibility and freedom as major incentives for working in the sector.



#### **5.7.3.1 Flexibility**

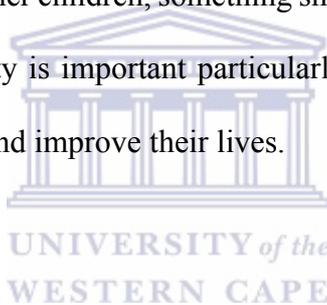
Flexibility means that people are able to engage in multiple activities and different types of work found in the informal economy. Furthermore, due to the flexible working conditions, workers employed in the formal economy, as well as students looking to make an income while studying are able to participate in the informal economy. Some interviewees explained that working in the informal economy makes it easy to work in multiple informal activities compared to having a formal job with its formalized schedule of working hours affecting how much time one has to spend on other activities.

Women also benefit from the autonomy and flexibility found in the informal economy, especially within the context of operating in a country where formal employment for women is limited by strict social, cultural and religious traditions, the informal economy’s flexibility provides opportunities for women to earn a living and still adhere to traditions.

According to the Abuhadra and Ajaali (2014), women account for only 30 per cent of the labour force compared to 70 per cent of males. Therefore, by working from home, women can combine their domestic chores and household responsibilities with activities to earn a living. A female interviewee explained how the informal economy enabled her to work from home and still be able to raise her children:

*“I was able to look after my children while also working from home. If I couldn’t work from home, I would not be able to work as there was no one to look after my young children. Working from home preparing food to sell allowed me to improve my life.” (Interview 9, 29/12/2015)*

Given the flexibility afforded by the informal work, the respondent was simultaneously able to work from home and take care of her children, something she would be unable to do in a formal work environment. This flexibility is important particularly for women as it allows them to contribute to household welfare and improve their lives.



### **5.7.3.2 Freedom**

According to Gërkhani (2002:274), the sector also affords people the freedom to “operate their own business.” However, freedom as explained by an informal food worker is also about being free of formal obligations such as formal work contracts. An interviewee explained:

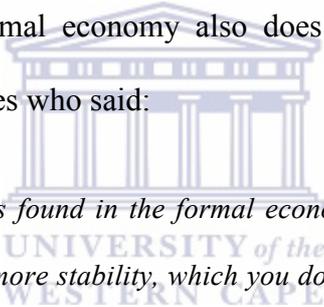
*“If I do formal work, that means I have to sign a contract. I do not like that because I would have an obligation and I cannot give up the work when I want to leave it.” (Interview 18, 12/01/2016)*

The respondent reported that working in the informal food sector gives them – particularly the self-employed – the freedom to operate their businesses without any limitations. This includes being able to withdraw from the activity at will.

## 5.8. Challenges of working in the informal economy

Although respondents reported a lot of benefits of working informally, operating in the informal economy is not without challenges (Losby et al., 2002). To uncover the specific challenges faced by workers in Misrata's informal market, the participants were asked to consider what they do not like about working informally. The primary challenges identified by interviewees include a lack of (legal) protection, lack of services as well as issues of instability as far as earnings are concerned.

Workers who also hold jobs in the formal economy, especially those with monthly salaries, lamented the instability of the informal economy and the sole dependence on business earnings for income. Moreover, the informal economy also does not provide pension benefits as reflected by one of the interviewees who said:



*“There are more advantages found in the formal economy such the pension provision. The formal economy also offers more stability, which you do not find in the informal economy. At any moment an employer can fire you, and you cannot do anything about it.” (Interview 1, 17/12/2015)*

Additionally, although most businesses enjoy the cash transaction nature of the informal economy, some businesses offer credit sales to build relationships with customers. However, a few of the respondents reported facing challenges when it comes to customers settling their debts. One interviewee explained:

*“We have problems with customers who do not pay off the debts. The first shop I worked at had to close because of the debts. The owner has lost his business because he let people take stuff on credit and they were not paying.” (Interview 18, 12/01/2016)*

The lack of legal protection is also a challenge, with the sector offering no legal support for workers. Also, informal workers operating without business licences constantly have to evade law enforcement authorities. One of the interviewees explained:

*“Because my business was not registered we have had problems with the commercial authorities who for example, would say we cannot have an umbrella in front of the shop because it was illegal. They have closed the shop many times, and I had to pay a fine to open it again.”*  
(Interview 18, 12/01/2016)

Related to the issue of law enforcement, another challenge faced by informal businesses is the inability to provide formal invoices and proof of tax returns, which are required when looking to conduct business with the public sector. Most informal businesses do not have these documents. Reflecting on this challenge, an interviewee trading in foodstuff said:

*“The problem is, the public sector requires formal invoices and documentation for services rendered, such as permits and tax books for the business. I had to use one of my friend’s shop licenses and issued invoices that are less than 100 dinars to avoid the paying tax, but this caused too much trouble. I have also lost out on business because I do not have a formal permit. Once, an employee who works at the university asked me if I have a selling permit and can give them a good price, they will buy from me a large number of foodstuffs. But I do not have a permit, so I missed out,”* (Interview 20, 14/01/2016)

The issue of capacity and limited financial resources also emerged as a challenge for most informal food businesses, which are mostly small in size. The lack of capacity to deal with big orders when there is an increase in demand for services or products, means some traders are not always able to meet their customer’s needs. This limited capacity to deal with orders from the public sector also negatively affects the potential for businesses to grow.

As already reflected in previous sections, because most businesses in the informal economy are not formerly registered, service provision of basic amenities such as cleaning services and electricity supply is not always available and/or reliable. The latter is a critical resource in the informal food sector. However, the business must be registered to obtain electricity supply. Consequently, some business owners are forced to rely on electricity in their homes to cook products they sell. An informal baker facing this problem explained:

*“I do not have a big oven at home; it needs 380 megawatts of power that and that’s not available right now. I work using basic baking tools.” (Interview 8, 29/12/2015)*

A related challenge associated with lack of access to electricity, specific to the informal food sector, is perishability of foodstuff. Perishable food not stored in correctly can result in wastage, and this has a negative impact on profits. Regarding this, one interviewee explains:

*“It is not easy to deal with vegetables. If I do not sell everything within a day or two, the product will damage, and then I lose money.” (Interview 14, 09/01/2016)*

The other interviewee indicated:

*“Fruits and vegetables are sensitive and you can lose money if it deteriorates.” (Interview 6, 27/12/2015)*

## **5.9 Conclusion**

Findings presented in this chapter showed that there are gender and education disparities in terms of participation and access to the informal job. Compared to females, males in the informal food sector in Libya are more educated and have a higher percentage representation from secondary school upwards. Nevertheless, the sector also provides opportunities for women to improve their livelihoods and contribute to family incomes, despite the restrictions

imposed on them by cultural and religious practices. Relatedly, participants also illustrated that the informal food sector provided them with a high level of autonomy and flexibility, allowing them to undertake multiple jobs and increase their earning potential.

Moreover, the chapter highlighted the motivations and reservations that workers have about registering their informal businesses alongside the challenges associated with the sector. Some perceive the lack of regulation – with its ease of entry and exit into the sector – as an advantage, particularly those without experience or education, and who cannot find work in the formal economy. However, this could also be disadvantageous in term of not having access to social benefits such as pension, stable monthly salaries and the lack of access to basic services and resources such as electricity and sanitation.

Similarly, the cash based nature of the sector is not without its challenges, as some business owners are unable to collect money from customers to settle their debts.

Data showed that high registration costs and tax implications were the primary reasons given for working informally or not registering businesses. However, the data also shows that a lack of awareness about the benefits of formalising or registering businesses also accounts for why many choose to keep their businesses informal/unregistered.

Finally, most businesses within the informal food sector are small-scale and do not require much capital to start and/or manage; this is regarded a major benefit. The sector has also created opportunities for workers to improve their family lives and livelihoods due to income generated working in this sector, even with little start-up capital. Importantly, the sector also strengthens family bonds and cooperation, which is seen as a valuable social benefit.

## Chapter Six

### Duality in the Libyan labour market

#### 6.1 Introduction

As presented in previous chapters, the Libyan workforce is comprised of a number of workers who hold more than one job at the same time. Often, the first job is in the formal economy, mostly within the public sector, while the second is in the informal economy, which in this study means informal food sector. This chapter expands on the previous chapters to illuminate reasons behind the practice of dual job holding within Libya's labour market.

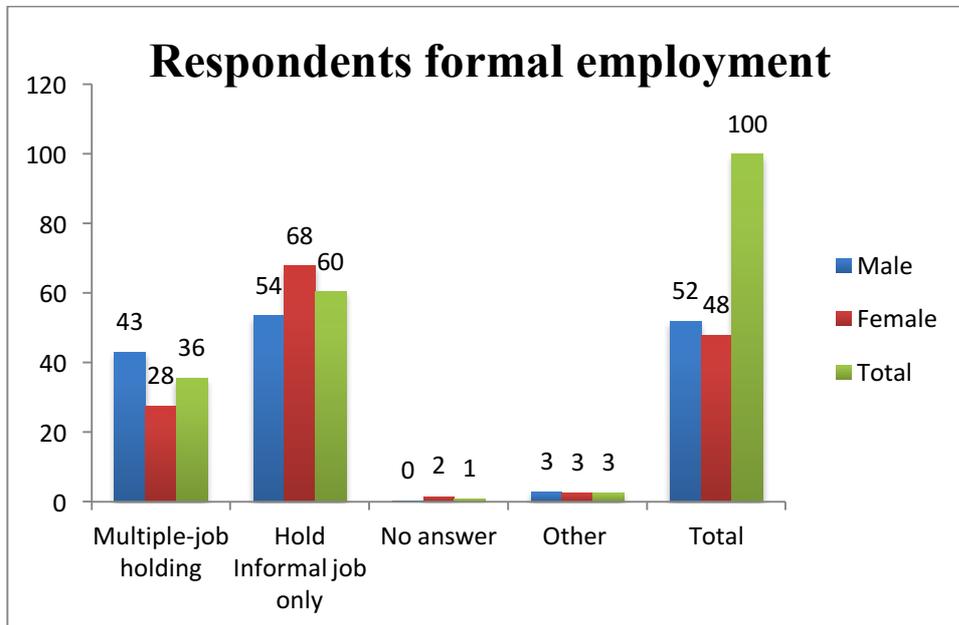
Using a mixed methods approach, the chapter employs qualitative analysis to provide further explanations of observed patterns and to triangulate results where appropriate. To achieve this, the chapter outlines the age of interviewees who hold multiple jobs in order to identify whether age is an important consideration in understanding dual job holding.

The chapter also considers whether education, gender, and marital status are associated with holding two jobs. In addition, this chapter also considers the types of jobs held by respondents who hold multiple jobs and, using regression analysis, unpacks the reasons for working multiple jobs in Misrata. Lastly, the chapter outlines some of the challenges and benefits of holding multiple jobs in Libya.

#### 6.2 Characteristics of multiple-jobs holders in the informal food sector in Misrata.

Although the sample in this study was taken from the informal food sector, workers were also asked to indicate whether they held other forms of employment. If a worker had more than one job, they were required to indicate in which sector the other job/s were such as: the public or formal private sector. The workers also provided further details on the nature and type of

informal employment they held. Specifically, workers in the informal food sector were also asked whether they have formal contracts or have registered their business and are operating under a business licence.



Source: Author's fieldwork, 2014.

\*Other includes informal workers who have a social salary or retirement salary.

**Figure 6.1 Respondents holding multiple jobs**

Figure 6.1 presents the data on the number of jobs respondent held within Libya's two employment sectors. Specifically, the figure shows the number of those engaged in both the formal economy and the informal food sector. Results show that 36 per cent of those who work in the informal food sector are also employed within the formal economy. Reasons given by these people for engaging in informal food activities include the need to earn an extra income and various other reasons that will be presented later in this chapter.

However, results also indicate that the majority (60 per cent) of respondents hold informal jobs only, and the majority of these (54 per cent) are female. This could be due to reasons already outlined in previous sections about the role/position of women within the Libyan society, as well as the gendered differences in access to education in Libya which sees educated females

working in the formal sector only, while other women seek work opportunities in the informal economy.

### 6.2.1 Age of respondents who hold two jobs

Out of 165 workers who reported that they hold multiple jobs, 151 workers reported their age, and 14 respondents did not report their age.

**Table 6.1: Age distribution of respondents who hold two jobs**

Years	Freq.	Gender		Per cent	Cum.
		Female per cent	Male per cent		
20-24	19	11	14	13	13
25-29	25	16	17	17	29
30-34	18	16	10	12	41
35-40	41	30	26	27	68
40-44	18	16	10	12	80
45-49	12	5	10	8	88
50-54	9	2	9	6	94
55-59	6	5	3	4	98
60-64	2	0	2	1	99
Above 65	1	0	1	1	100
Total	151	100	100		

*Source: Author's fieldwork, 2014*

The youngest age recorded was 20, while the oldest was 71 years old. Findings show that the average age of workers who hold multiple-jobs is 37 years, compared to 35.6 of all respondents who work in the informal food sector. Interestingly, findings also show that the average age of females holding multiple-jobs is 38, which is higher than for males at 33 years old.

In terms of age groups, the respondents aged 20 to 24 comprised 13 per cent of the total, those in the age group 25 to 29 years comprised 17 per cent, and the 30 to 34 age group make up 12 per cent of the informal economy population. At 27 per cent, respondents aged between 35 to 40 years comprised the largest age group for people holding multiple-jobs. Similarly, this age

group also accounts for the highest percentage by gender, of males (26 per cent) and females (30 per cent) holding multiple-jobs.

The chi-square results indicate that there is no significant difference between the 5-year gap categories of those who hold only informal jobs and multiple-job holders [Pearson  $\chi^2(10) = 26.8898$  Pr = 0.003]. Also, the chi-square results indicate that there is no significant difference in the 5 years' age categories between males and females who work in both the formal and informal food sector in Misrata [Pearson  $\chi^2(9) = 8.6305$  Pr = 0.472].

### **6.2.2 Gender of respondents who hold two jobs**

According to Tijdens, Besamusca and Van Klaveren (2015), as one of the most studied socio-demographic characteristics, gender is an important variable that impacts on the characteristics and dynamics of the informal economy.

As shown in Figure 6.1, 36 per cent of respondents who held two jobs were significantly differentiated by gender [ $\Pr(|T| > |t|) = 0.0006$ ] as more men (62 per cent), held two jobs compared to their female counterparts who accounted for only about 38 per cent. Within the Libyan society, females tend to hold mostly informal jobs. This finding is similar to that reported by Luebker (2008) who found that men accounted for about three-quarters of workers in Zimbabwe's formal economy, while women held the majority of informal jobs. This supports arguments suggesting that patriarchy is widespread on the African continent, and particularly within the employment sectors.

A number of explanations were provided during qualitative interviews for the low numbers of women holding two jobs in Misrata. Offering insight into the dominant views held within the Libyan society about women, an interviewee said:

*“It is not easy for women to work because our society objects to the idea of women working. However, this view is changing, and a lot of women have started working.” (Interview 24, 15/01/2016)*

In a patriarchal society that leans towards ascribing rights and opportunities according to gender, finding work has not always been easy for women in Libya. Productivity in the work place is often a quality ascribed to men, therefore as members of the labour force, women’s capabilities are taken for granted or undermined. However, these perceptions are gradually changing as more women enter the labour force.

The differences in the levels of education between men and women also offer an explanation for the low numbers of women in formal employment. The quantitative data on the education levels of respondents indicates that among those who hold two jobs, females have lower levels of formal education compared to males. Based on this, it can be argued that more educated male workers are more likely to hold multiple-jobs compared with less educated female workers. A female interviewee explained:

*“I do not have another job. I only have grade 12, so I do not have qualifications to apply for formal work. However, my work now is more than enough, I am so happy with it, even if it is a little bit hard.” (Interview 9, 29/12/2015)*

The narrative above also supports previous assertions about gender differences between people holding formal and informal jobs; that women who work in the formal economy do not have time to work in informal activities alongside their formal jobs. This is because women are also almost solely responsible for housework and looking after their family. Findings by Taniguchi (2006), who argued that compared to men, women spend more time caring for family members, extended kin, and close friends supports this view.

### 6.2.3 Education level of respondents hold two jobs

The table below provides information on the level education of respondents who are working in both the formal and informal food sectors. The table indicates that the majority of multiple-job holders tend to be more educated compared to those who only hold one job in the informal economy.

**Table 6.2: Education level of respondents hold informal job only and hold two jobs.**

	Informal only per cent	Multiple jobs per cent	Total
None	13	2	9
Basic	50	24	41
High school	19	35	25
Tertiary	18	38	25
Total	100	100	100

*Source: Author's fieldwork, 2014.*

The table shows that 38 per cent of people who work in both economies have a tertiary education compared to 18 per cent of people who work in the informal economy only. Furthermore, about 35 per cent of multiple-job holders have high school diplomas compared to 19 per cent of people who only work in the informal economy. Additionally, 24 per cent of respondents holding multiple jobs attended primary school (Grade one to grade nine) compared to 50 per cent of people who work only in the informal economy, while only about 2 per cent of multiple-job holders had no education compared to 13 per cent of people who work in the informal economy only. Overall, it can be concluded that the majority of multiple-jobs holders are educated.

Furthermore, t-test results indicate that there is a statistically significant difference in education level between people who work in the informal food sector only [ $\Pr(|T| > |t|) = 0.0000$ ]. However, the t-test result for the difference in education level between people who work in the informal food sector is not statistically significant. The results imply that males and females

with high levels of education have more opportunities to hold formal and informal jobs compared to their less educated counterparts.

**Table 6.3: Education level of respondents by gender who hold informal job only and hold multiple jobs.**

Level of education	Male per cent		Female per cent	
	Informal job only	Multiple jobs	Informal job only	Multiple jobs
None	5	0	20	7
Basic	46	23	54	26
High school	24	40	15	26
Tertiary	24	37	12	41

*Source: Author's fieldwork, 2014.*

Table 6.3 shows that 23 per cent of males who held multiple-jobs had basic education compared to 26 per cent of females. Furthermore, 41 per cent of those with tertiary education are females compared to 37 per cent that are male. The most important difference between males and females is reflected in the number of those with high school education; males accounted for 40 per cent compared to 26 per cent of females who hold multiple-jobs in Misrata.

The under representation of educated females who hold multiple-jobs could be due to preference, as most educated females in the interviews indicated that they prefer to work in the more secure and protected formal economy, instead of holding multiple-jobs like their educated male counterparts. It may also be that due to the burden of household responsibilities, formally employed women lack spare time to take on other work.

#### **6.2.4. Marital status of respondents holding two jobs**

Being married has the potential to increase expenditures of individuals and their households. Therefore, marital status was found to be a key determinant on whether or not a participant holds two jobs. Baah-boateng et al. (2013) argues that married men were more likely to hold

two jobs compared to women and single men. As reflected in Table 5.2 in the previous chapter, of 260 (56 per cent) respondents who work in the informal food sector and are married, 100 respondents (40 per cent) hold multiple-jobs. By comparison, of the unmarried/single workers who accounted for 40 per cent of informal food sector workers, about 66 per cent work only in the informal food sector, while only 34 per cent were found to hold multiple-jobs.

**Table 6.4: Marital Status level of respondents who hold two jobs in the informal food sector in Misrata**

	Percentage	Female per cent	Male per cent
Single	36.97	41	59
Married	60.61	33	67
Divorced	0.61	100	0
Widowed	1.82	100	0

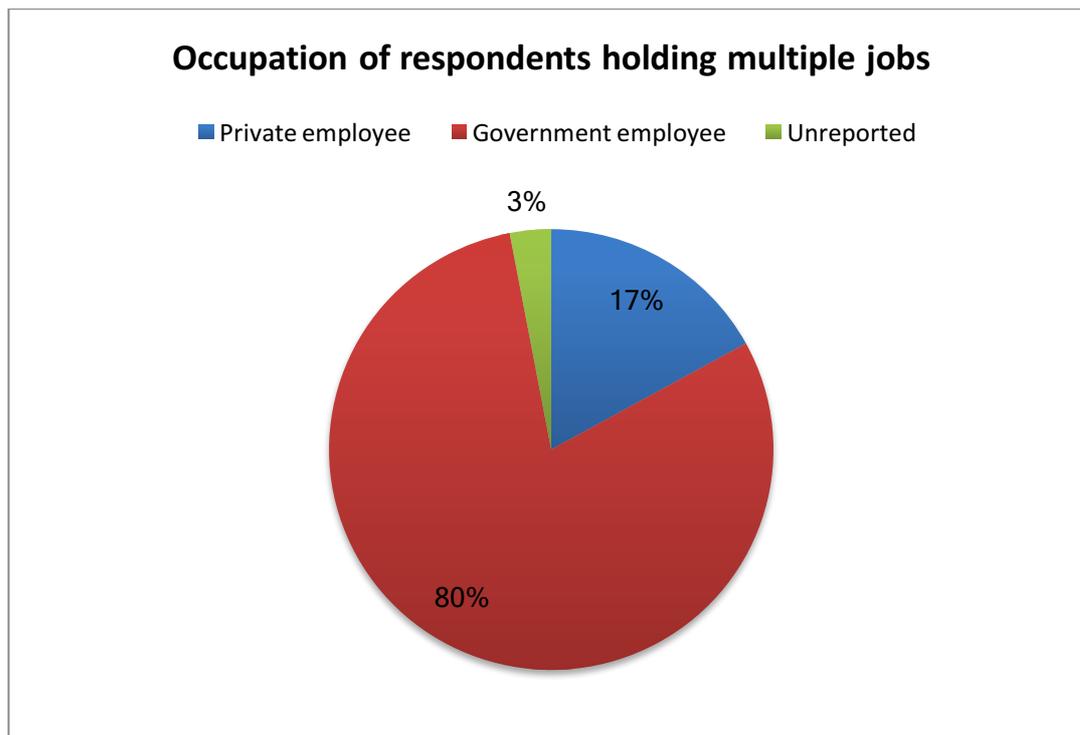
*Source: Author's fieldwork, 2014.*

Table 6.4 illustrates the marital status of the respondents who hold multiple-jobs. As reflected in the table, 60.6 per cent of the respondents who hold two jobs are married, and the majority of those (67 per cent) are male. The high percentage of married men undertaking a second job in the Libyan case is partly due to husbands opting to hold a second job to avoid having their wives enter the labour market. Krishnan (1990) argued that this implies that husbands prefer to undertake a second job in order to meet the family needs and keep the wife engaged with household work.

The chi-square results indicate that there is no significant difference between the marital status of respondents who hold only informal jobs compared to holders of two jobs in the informal food sector in Misrata [Pearson  $\chi^2(3) = 4.0628$  (Pr = 0.255)]. Moreover, the chi-square results also indicate that there is no significant difference between marital status and gender of respondents who hold two jobs in the informal food sector in Misrata [Pearson  $\chi^2(3) = 7.8398$  Pr = 0.049].

### 6.3 Occupation of respondents holding two jobs

Although all the workers surveyed are engaged in informal food sector activities, it is important to determine the exact nature of work they are engaged in. To this end, workers holding multiple-jobs were asked to report on the types of work they do within the formal economy.



Source: Author's fieldwork, 2014.

**Figure 6.2 Occupation of respondents holding multiple jobs.**

In the previous chapter, findings revealed that 35.6 per cent of the population sample is holding multiple-jobs work in both the formal and informal economies. The figure above presents information on the types of formal jobs that respondents who responded "yes" to the previous question are involved in.

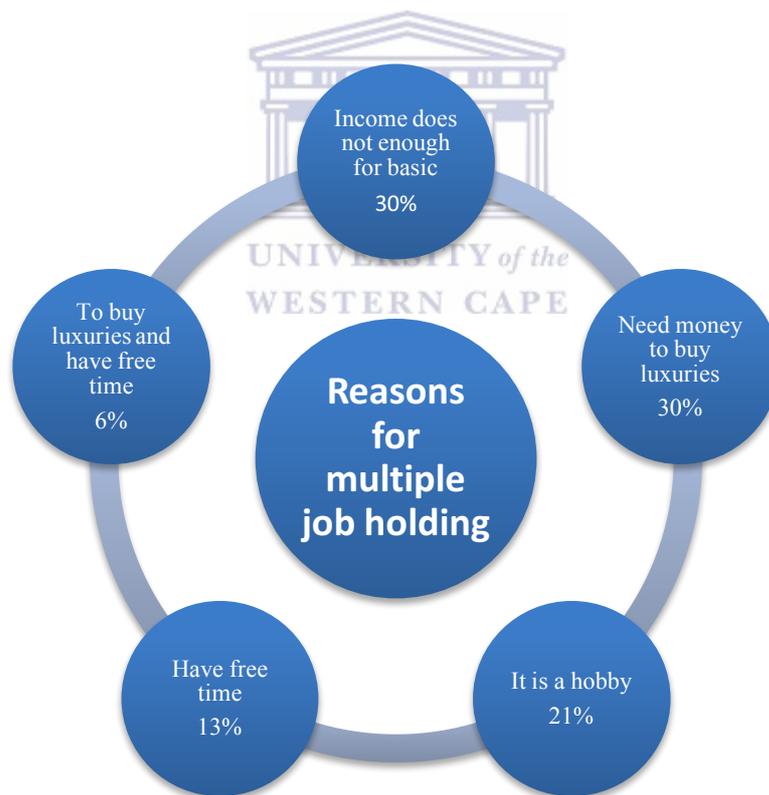
This thesis has continually highlighted the dominant role of Libya's public sector in employment. In line with national data presented in chapter one, government employs the majority of respondents (80 per cent), while 17 per cent of respondents work in the private

economy, comprising formally registered businesses. Only 3 per cent of respondents did not report their occupation.

These findings are similar to those by the World Bank (2015), which indicate that Libya's labour force participation rate reveals wide gender disparities when males approximately 61 per cent compared to 39 per cent female. However, 97 per cent of all working females is employed in the public economy compared to 79 percent of working males.

#### 6.4 Reasons for holding multiple-jobs in Misrata

Although the motivations for working in both formal and informal food sectors differ across respondents, economic gains appeared to be the most common reason cited by respondents.



**Figure 6.3 Motivations for hold multiple jobs in Misrata. Source: Author's fieldwork, 2014.**

Figure 6.3 above highlights the respondent's motivations for working in the informal food sector. The responses reveal that 30 per cent of the respondents chose to work in the informal food sector to augment their formal income, which is inadequate to meet their basic needs. This is similar to findings by Pere (2007) and Taylor and McClintock (2004) who found that the most frequently cited reasons for holding multiple-jobs was the need to earn extra income for necessities.

Another reason provided for having an extra job is the need for money to buy luxuries such as gold, makeup, and fashion. About 21 per cent of respondents, however, chose to work in the informal food sector because it is their hobby. Workers have other reasons for working in the informal food sector as shown above.

Further explanations were obtained during the interviews. The responses given were grouped into the following categories: insufficient formal income, funding leisure, availability of free time and a ban on holding multiple formal employments.

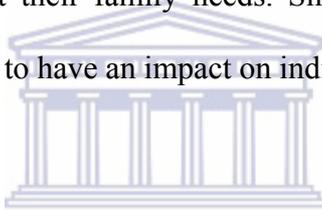
Related to the first reason, i.e. insufficient formal income, interviewees indicated that they undertook second jobs because their formal income is inadequate to feed their family and meet their needs. One of the interviewees explained:

*"I work in this activity because I need extra income for survival. I was getting less than \$200 per month from my formal job as a teacher. My family responsibilities included taking care of my mother and sisters. We couldn't survive on the formal job salary alone, so I was forced to take a second job in order to feed my family. I spend the income I earn to buy food and afford other life requirements such as education and health care for my family." (Interview 6 27/12/2015)*

Another interviewee explained that the formal salary is inadequate to meet family needs, necessitating formal workers to hold informal jobs to earn supplementary incomes. The interviewee explained:

*“About 7 years ago, I started selling vegetables at the local market, because my formal salary was not enough to face my family needs, especially as my family grew and their needs became more than when the kids were younger.” (Interview 10, 03/01/2016)*

The examples above highlight one of the key challenges associated with Libya’s formal economy, which is the low wages paid to employees. The low incomes is one of the primary reasons for a number of government employees looking for additional income opportunities in the informal food sector to meet their family needs. Similarly, both response above also highlight how marital status tends to have an impact on individual’s decision to hold multiple-jobs.



This is because the need to provide for the family as well as the increasing cost of providing for a growing household often compels individuals to seek additional income to augment their formal salary. Another equally important motivational factor for taking up dual jobs in the informal economy is the responsibility most individuals have for caring for their extended family members. Such responsibilities add a burden to the already low formal income.

Along with the low salaries of formal employment, some individuals reported delays in receiving their incomes as a reason for finding a second job. As one interviewee explained:

*“I work in the public economy as a teacher. The salary is not good, and it is always delayed.” (Interview 22, 14/01/2015)*

The delay in payment of salaries adds a financial burden particularly for those workers already earning formal minimum wages.

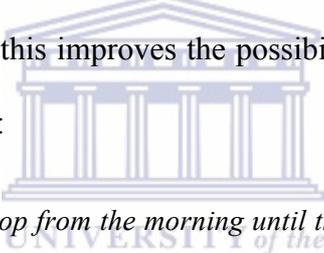
The second category of reasons for undertaking multiple-jobs is not out of necessity as per reasons related to the first category above, but rather to afford luxuries. Others undertake a second job to utilize their free time productively.

Abuhadra and Ajaali (2014:9) argued:

“the low working hours and the low time commitment of public economy employment have given rise to rampant multiple-job holding in the Libyan labour market. In the morning, public servants work in at their formal jobs with the government and leave in the afternoon or early hours of the evenings to work in the informal economy”.

In this regard, the availability of free time motivates formal workers to hold informal jobs. This is consistent with the theory of multiple-jobs holding (Dickey and Theodossiou, 2006).

Additionally, flexibility in the informal food sector allows workers to work when their formal economy work schedule permits; this improves the possibility of holding multiple-jobs. One of the informal workers explained:



*“Previously I worked at a shop from the morning until the evening. But after starting work in the formal economy, I was able to return to my food selling job because I had more free time in the afternoons and evening, as well as during the weekend.” (Interview 2, 17/12/2015)*

Another participant said:

*“This informal food job works well with my shift work. During the week, I attend to my informal sector work in the morning before my formal job. I also do so in the evenings and alternate weekends after my shift ends. I will not find a suitable job like this where I can arrange for my boys to changes shifts if necessary.” (Interview 19, 13/01/2016)*

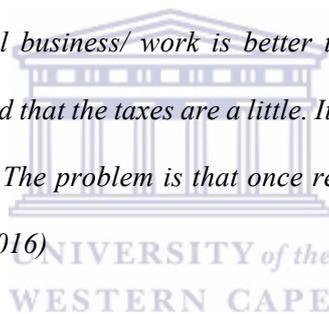
Accordingly, flexibility in the informal economy along with short working hours within the public sector make it possible for people to undertake multiple-jobs during their free time in the afternoon, evening or during the weekend. For example, teachers finish their work in the

early afternoon, and some reported they usually finish their work as early as 2 pm daily. This allows them to undertake a second job in the informal food sector.

Similarly, the informal economy is ideal for taking up a second job particularly for those who do shift or part-time work, allowing them to work in the informal food sector on their days off.

Another important reason offered for working in the informal food sector in addition to working in the formal economy is due to the ban on holding multiple formal jobs by Law No. (12) and Law No. (8) of 2014. As a result, individuals hide their second jobs by working in the informal economy where they are not required to have a license or work contract. One of the interviewees explained this saying:

*“Of course having a formal business/ work is better than an informal business. When we applied for the permit, I found that the taxes are a little. It does not cost too much – it cost about 150 dollars for three years. The problem is that once registered; you may not have a formal job.” (Interview 19, 13/01/2016)*



The ban on holding multiple formal jobs applies to anyone with a formal salary such as a social security salary or even retirement salary. One of the interviewees, an informal economy worker at a shop, receives a social protection salary. But he explained that he has a job in the informal economy because, by law, he is not allowed to receive a social protection salary while also formerly employed. He, therefore, chose to have an informal job and keep the social salary, he states:

*“I cannot work in a formal job because I get social protection salary. The government said I have to choose one income, the social security salary or the formal work salary. I decided to take the social security salary and do informal work.” (Interview 4, 18/12/2015)*

For those employed in the formal economy and who want to increase their income, the informal economy offers an alternative way to make this additional income.

### 6.5 Formal income (current and desirable) for multiple-job holders:

As indicated earlier in chapter one, Libya has had low salary levels for about 30 years, as a consequence of Law No 15 (Aljelany, 2011). However, in 2010, Law No. 12 established a new minimum wage of LYD 450 for the public economy. In mid-2012 the average public economy salary was a minimum of LYD 500 per month (USD 400) (Abuhadra and AjaaliIn, 2014:19).

To determine the average income received by multiple jobholders, respondents were asked to report on the income received from their formal employment.

**Table 6.5: Income generated formally by multiple jobs holders (Libyan Dinar)<sup>(4)</sup>**

	Per cent	Gender per cent row percentage	
		Male	Female
1 – 500	29.09	35.42	64.58
501 - 750	33.94	57.14	42.86
751 - 1000	21.82	83.33	16.67
1001- 1250	7.88	92.31	7.69
1251- 1500	4.24	100.0	0.0
1500 plus	3.03	100.0	0.0

Source: Author's fieldwork, 2014.

Compared with the international poverty line of 1.9 USD, the minimum public economy wage per day in Libya of about 13 USD is relatively high (The World Bank 2014).

<sup>4</sup> 1 Libyan Dinar = 0,7492 American Dollar on 31/12/2014 issued by Central Bank of Libya <https://cbl.gov.ly/>

As discussed in previous chapters, 41 per cent of the population sample comprises those who work and generate income from the formal economy. Table 6.5 reflects information on earnings gained from formal jobs for people who work in the formal economy.

The t-test results show that the difference in formal earnings between males and females in the informal food sector was statistically significant [ $\Pr(|T| > |t|) = 0.0000$ ], with women earning lower incomes compared to men. The majority (64.6 per cent) of those earning between 1–500 Libyan Dinars are female. The same is true in the next income bracket where 34 per cent of the sample earn between 501-750 Libyan Dinars, and the majority (57 per cent) are male.

Similarly, the next income level represented by 29 per cent of the population sample is also male dominated, with 83 per cent of men earning between 751-1000 Libyan Dinars compared to only 16.67 per cent of females making the same amount.

These income disparities between males and females could be attributed to the fact that most females are less educated than men. As discussed in the preceding sections in Libya, males tend to have better access to education – from secondary school level – compared to women. Another factor contributing to the income inequality is that educated females are more likely only to hold a formal job.

**Table 6.6: Additional income per month required by multiple-job holders to leave their second job (Libyan Dinar)<sup>(5)</sup>**

	Per cent	Gender	
		Male	Female
1 – 500	10.53	44.4	55.6
501 - 1000	27.49	59.6	40.4
1001 - 1500	30.99	69.8	30.2
1501 - 2000	24.56	64.3	35.7
Above 2000	6.43	54.6	45.5

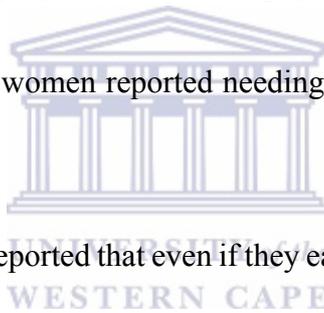
*Source:*  
*Author's*  
*fieldwork,*  
*2014.*

<sup>5</sup> 1 Libyan Dinar = 0,7492 American Dollar on 31/12/2014 issued by Central Bank of Libya <https://cbl.gov.ly/>

In previous sections, 23 per cent of the respondents reported that their reason for working in the informal food sector was to augment their income. Therefore, to determine their desired income, multiple-job holders were asked how much extra income they would need in order to leave their second job and hold only one job.

The findings presented in Table 6.6 above show that 31 per cent of multiple-jobs holders need between 1001- 1500 Libyan Dinars per month to leave the second job. While about 27 per cent need between 501 - 1000 Libyan Dinars to leave their second job, and 24.5 per cent need between 1501 - 2000 Libyan Dinars per month to leave the second job. Findings by Makaye and Munhande (2008) who found that the majority of formal economy workers engaged in the informal food sector are those employed in the lowest paying jobs support this.

The table above also reveals that women reported needing lower income than males to leave their second job.



Interestingly, some interviewees reported that even if they earned sufficient or desired incomes, they will not leave their second jobs in the informal food sector because they like the work they do. One of the interviewees, a teacher, and mother of seven said:

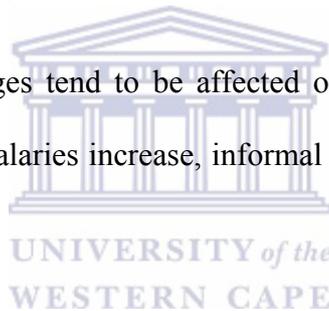
*“The informal food work is amazing for two reasons. First, I work at home, which means I do not have to leave my kids alone at home. Second, I get money from my informal work, which helps me with the formal salary. I’m telling you, even if the government increases the salaries, I will not leave this extra work.” (Interview 4, 18/12/2015)*

It is clear that although money is a motivating factor for those who hold multiple-jobs, for some, even if they were to earn higher incomes, they would not abandon their informal food

work. In the example above, the respondent further reported that she works at home after hours, cooking in the afternoon and evening. Therefore she would not leave her work in the informal food sector even if the formal salary increased because she is quite satisfied with her informal work. This certainly fits in with the theory of holding multiple-jobs that city people's "preferred job portfolios" are among the reasons many choose to hold multiple-jobs.

Similarly, this is consistent with arguments by various authors including Livanos and Zangelidis (2012); Huitfeldt and Jütting (2009) and Dickey and Theodossiou (2006), who argued that holding multiple-jobs is not necessarily due to the need to earn extra incomes by engaging in the informal food sector. Other factors, such as people's preferences or using their skills and hobbies also explain why some workers choose to hold multiple-jobs.

Noteworthy is that informal wages tend to be affected or related to formal wages. It was reported that when government salaries increase, informal salaries also tend to increase. One of the interviewees explained:



*"As a result of the general price increase, the income also increased. In 2010, the government increased the salaries. My informal income also increased with the change of the formal salaries." (Interview 18, 12/01/2016)*

It can be argued that the linked wage increases strengthen interaction between the formal and informal economy. As indicated by the interviewee above, when the government increases formal wages, informal employers also tend to increase informal wages, in order to keep their employees working in the informal economy. This is beneficial to multiple-job holders.

## **6.6 Benefits of multiple-jobs holding**

Some of the motivations of working in both formal and informal food sectors have been highlighted in previous sections. This section looks specifically at the economic and social benefits of multiple-jobs holding as reported by the interviewees.

### **6.6.1. Monetary consideration for working in the informal food sector**

As already discussed, there are various monetary benefits of multiple job holding in both the formal and informal economy. For some, working in the informal economy has enabled them earn a second income with which they are able to afford basic needs, and then use their formal income for saving and other purposes. An interviewee explained:

*“I do not like to use my formal salary at all. I like to keep it in the bank and use the income earned from the informal food sector on my spending. However, I do use the formal income when the need arises.” (Interview 2 17/12/2015)*

Other monetary benefits gained from informal food work as reported by interviewees include that the extra income helps them afford price increases in goods and services, as well as meet their children’s education needs. One of the interviewees explained:

*“I have worked as a school teacher since 2010; the salary was not enough, especially when there are price increases on goods and services. I have seven kids, I have to pay for school fees, buy food and clothes, and I have to pay for other household needs. It is hard to afford all this with one income, so the income from the informal job helps. The informal work also helps me use my free time productively and in doing useful things such as teaching my daughter so that she can also earn a living in the future.” (Interview 5, 25/12/2015)*

Market price increases and inflation are push factors for formal workers to find jobs in the informal food sector, due to the declining purchasing power of the formal wages. It is evident

that formal wages are usually insufficient to provide for the needs of particularly large families, especially those with school-aged children.

Another interviewee reported that he is using the secondary income from the informal work to build his house, as he was unable to do so on his formal income alone.

*“Income from trading in livestock helped me to build my house. When I sell some livestock, I do not use all the money to buy other livestock. I use some for building material and the rest to buy more livestock. When I finished building, I started planning to get married, and again I used the income the same way. This helped a lot.” (Interview 22, 14/01/2015)*

The above is an example of how most multiple-jobs holders use their informal income to augment their formal incomes.

The cash based nature of transactions in the informal economy is another example of the monetary benefits of the economy. Because the majority of transactions in the economy are cash based, informal workers always have money at their disposal. Therefore, they are not solely dependent on formal wages, which as previously reported, may be paid late. One of the interviewees explained:

*“I use the informal income to buy things such as foods, nappies, and fuel. So the income I get in cash is used for daily purchases. The formal income is used for larger more expensive purchases.” (Interview18, 12/01/2015)*

### **6.6.2 Social benefits of working in the informal food sector**

As already indicated, most of those who hold multiple-jobs reported that they do so to support their family. Participants reported that working in both the formal and informal economies enables them to provide a support system for unemployed family members. Workers with informal businesses are able to provide job opportunities for unemployed family members to

earn a living, and in this way, also help strengthen family bonds and expand social networks. Some examples of the social benefits of informal food sector work are highlighted below.

*“My wife works with me. She makes cakes from home, and I sell it in the store.” (Interview 4, 18/12/2015)*

Another interviewee said:

*“My kids wanted to work and help in the home. They asked me to find a job for them. I spoke with someone, and he agreed to employ my sons in his shop during the summer holiday. They started working with him, after a while they found the work hard. They were young boys. Then, they asked me to open foodstuff shop at home.” (Interview 19, 13/01/2016)*

Multiple-job holders can provide job opportunities for their family members and help them generate income.

The informal economy also helps strengthen family networks through creating job opportunities within the same spaces, which keeps family members close. Another important social benefit reported by interviewees is the high level of interaction and social network building:

*“It is hard work, but it is interesting and fulfilling at the same time. The informal food work brings you closer to people; they will talk with you about everything.” (Interview 20, 14/01/2016)*

For others, the relationships they build with customers are an equally important social benefit.

As explained by one of the interviewees:

*“Listen, when I’m not at my shop the customers come looking for me because they get cheap and quality goods from me. The customers say tell me not to close the business because they like to buy from me.” (Interview 10, 03/01/2016)*

The interaction between informal food workers and customers is valuable for both buyers and sellers; it is something that does not exist in the formal economy. Dealing directly with people helps build social networks, and this is something found mainly in the informal economy.

Along with the monetary and social benefits, the autonomy and flexibility found in the informal economy are also considered benefits. An interviewee explained the benefits of working in both economies saying:

*“Informal trading is working very well for me. I mostly do this work on weekends (Friday and Saturday). I go to the market and buy goods; sometimes I sell them the same day. I work whenever I want or whenever I need the money.” (Interview 22, 14/01/2016)*

Informal economy workers who also hold jobs in the formal economy, find the autonomy and flexibility within the informal economy to be of great benefit to them. This is because, within the informal food sector, there is no requirement to sign documents that might obligate the service provider to provide services. They set their conditions of work according to their availability. As one informal bread seller explained:

*“I do not sell to the formal economy shops because I do not like to be committed to formal agreements to provide the bread every day, for instance. I like to be free and sell the bread whenever I like.” (Interview 16, 10/01/2016)*

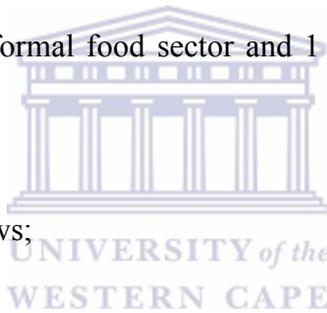
Therefore, for multiple-jobs holders, there is greater autonomy and flexibility in the informal food sector. This autonomy and flexibility enables them to work in both economies and allows them to allocate time between the two jobs, in line with the theory of the informal economy.

This also helps alleviate the pressures of compulsorily trading and/or depending on customers for their income.

### **6.7 Regression Analysis: Unpacking associations or correlates of the informal food sector**

This section uses the logistic regression to identify factors associated with working in the informal food sector in Misrata. The logistic regression explores determinants of holding multiple jobs in Misrata. The result of the regression is presented in Table 6.7.

The dependent variable is a binary variable and reflects whether respondents are working in only the informal food sector or in both formal and informal economies. It is coded as 0 if the respondent works only in the informal food sector and 1 for a respondent working in both economies.



The model was specified as follows;

$$Y = \beta_0 + \beta_1 \text{AGE} + \beta_2 \text{GEN} + \beta_3 \text{LEd} + \beta_4 \text{OIB} + \beta_5 \text{NHSA60} + \beta_6 \text{LOSM} + \beta_7 \text{ELPFDLR} + e \dots (1)$$

Where Y = dependent variable that indicates holding two jobs.

AGE = A continuous variable for age of informal food workers

GND = Gender = 1 if Male, 0 Female

FS = Family size = number of family members

LED = level of education 1 = None, 2 = Basic, 3 = High, 4 = Tertiary

OIB = Owner of the informal business = 1 if respondents own their business, 0 for otherwise

NHSA60 = number of household above 60 years

LOSM = Length of stay in the city of Misrata 1= 0-5years. 2 = 6-10 years, 3 = 11-15, 4 = 16-20, 5 = 21 plus.

BFR = Business formal registered=1 if the business not formally registered, 0 if formally registered

DWPDIFS = Days worked per week in the informal food sector= number of days per week.

ELPFDLR = Eating limited portion foods due to a lack of resources

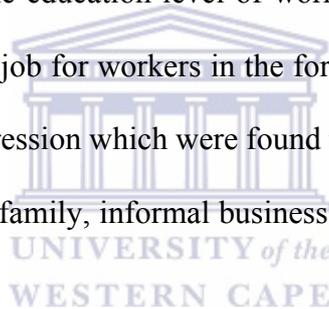
**Table 6.7: Logistical regression for working two jobs**

				Number of obs = 329 LR chi2(11) = 101.06 Prob > chi2 = 0.0000 Log likelihood = -164.19056		
Pseudo R2 = 0.2353						
Multiple job holding	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]	
Gender	2.09	0.72	2.15	0.03	1.07	4.09
Age	1.06	0.02	3.95	0.00	1.03	1.09
LED						
Basic	21.75	24.10	2.78	0.01	2.48	190.87
High school	130.25	149.67	4.24	0.00	13.70	1238.43
Tertiary	122.71	141.44	4.17	0.00	12.82	1174.88
NHSA60	1.69	0.40	2.22	0.03	1.06	2.68
LOSM	1.24	0.17	1.53	0.13	0.94	1.63
ELPFDLR	1.09	0.36	0.26	0.80	0.57	2.09
	3.28	1.92	2.03	0.04	1.04	10.30
OIB	1.40	0.54	0.87	0.39	0.66	2.96
Self-ownership						
Other-ownership	0.74	0.30	-0.75	0.45	0.33	1.63
FS	1.10	0.08	1.32	0.19	0.96	1.26

DWPDIFS	0.77	0.10	-1.95	0.05	0.60	1.00
BFR	0.76	0.22	-0.95	0.34	0.44	1.33
_cons	0.00	0.00	-4.56	0.00	0.00	0.01

A total of 329 responses were analysed, and both the log-likelihood ratio test (p-value for the  $\chi^2 = 0.0000$ ) and pseudo-R2 indicate that the data was a good fit for the model. The maximum likelihood estimate of the model, the Pseudo-R2 was 0.2353, indicating that about 23.53 per cent of the likelihood of multiple-jobs holding is strongly explained by the independent variables.

A number of variables were significantly associated with holding multiple-jobs in Libya. These variables include; gender, age, the education level of workers, lack of food, as well as days worked per week in the informal job for workers in the formal and informal food sector. The four variables included in the regression which were found to be insignificant were; the length of stay in the city, the size of the family, informal business ownership and formal registration of business.



The odds ratio of gender is 2.09, which indicates that males in Libya are more likely to work in the both sectors compared to their female counterparts. According to Baah-Boateng (2013), in the case of Ghana a traditional society similar to Libya, the gender difference reflects the greater responsibility placed on males to provide (financially) for their families. The findings differ from those in other countries. Adebo (2013) found no significant relationship between gender and multiple-jobs holding in South Western Nigeria. Taylor et al. (2003), who in a study that examined the multiple-jobs holding of farmers in New Zealand, found that in the farming economy, holding multiple-jobs is consistently higher for women than for men. The Libyan case differs from Nigeria and New Zealand, because most of the multiple-jobs holders in this case study, specifically work in the urban food economy in Misrata (Libya).

Age is a significant variable that influences the decision to hold multiple-jobs in the informal food sector in Libya. In this case, the findings show that as workers in the informal food sector get older, they are more likely to hold multiple-jobs. This finding is similar to results by Theisen (2006) who found that older individuals in Tanzania are more likely to participate in informal production in addition to their work in the formal economy. However, it contradicts findings by Dickey et al. (2009), who in a study focusing on the UK oil and gas industry – found that young workers are more likely to hold multiple-jobs for money compared to older workers.

The regression further revealed that the level of education in Libya significantly affected whether or not an individual worked in both economies. The regression shows that the level of education has a significant P-value. This means that in Libya, workers seem to hold multiple-jobs when they have more education. On the other hand, the high percentage difference from level one (Basic education) to level two (High school) with an odds ratio of 130 indicates that workers without qualifications tend to have one job.

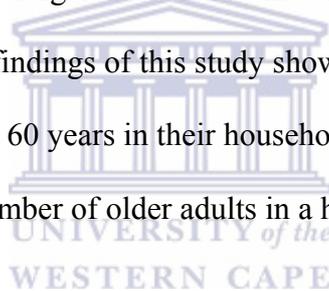
The implication is that higher educational qualifications help people get additional jobs. This is similar to findings by Dickey and Theodossiou (2006) who found that workers who have higher-grade school qualifications are more likely to hold multiple-jobs compared to those without qualifications. Similarly, Adebo (2013), Wu, Baimbridge and Zu (2008) and Amirault (1997), reported that in the United States, the percentage of workers holding multiple-jobs increased with education.

Also important to note is that families in Libya generally tend to be large and comprised of multiple generations (National Survey of the Population (2012)). According to National Survey of the Population (2012), the distribution of Libyan households by a number of household members shows that about 14.56 per cent of Libyan households comprise four to five members. While about 10.6 per cent of households are comprised of seven members, this reflects, to some

extent, the higher dependency rate and larger financial burden faced by the household heads - an experience that is similar to Ghana's case (Baah-Boateng et al., 2013).

The variable for the number of households with members over 60 years old was significant, with an odds ratio of 1.69. This suggests that workers in the informal food sector in Libya who have at least one family member aged above 60 years are more likely to have two jobs in both the formal and informal economy, compared to those whose families do not have people aged above 60 years.

Thus, the principal breadwinner in such cases will look for supplementary income source to meet household needs. This finding differs from empirical work by Baah-Boateng et al. (2013) who found that individuals from larger households in Ghana have a higher probability to engage in holding two jobs. The findings of this study show that there are 31 households who have more than two people above 60 years in their household. In the Libyan case, family size itself is not significant, but the number of older adults in a household is significant.



With regard to the time that multiple-job holders spend working in the informal job (days worked per week in the informal food sector) in addition to their work in the formal economy (whether full or part-time jobs), the odds ratio of 0.77 indicates that in Libya, workers who have formal and informal jobs spend more days working in the informal food sector than in the formal economy. This could be due to the amount of time allocated – especially during weekends and afterhours – to focus on the informal work, which links with theory.

Lastly, to measure the extent to which food insecurity may influence workers seeking additional income to improve their families' access to food, the study assessed whether the limited variety of foods due to a lack of resources motivates people to hold multiple-jobs. The food insecurity variable measures informal food workers' access to food by assessing how

limited access to resources affects the variety of foods eaten by informal food workers or other members of their household. It also reflects whether the food they eat is taken from their stock. This food insecurity variable was also found to be significantly associated with holding multiple jobs.

## **6.8 Conclusion**

The survey results indicate that a large number of respondents worked in both the formal and the informal economy. It is thus essential to understand this phenomenon in order to explain the motivating factors for workers holding multiple-jobs.

Some of the key factors that emerged as important for explaining multiple-job holding in Libya include findings from the regression analysis, which demonstrated that Libyan males tend to hold multiple-jobs compared females. The analysis also found that older people tend to hold multiple-jobs compared to younger people. Therefore, age and gender in the informal food sector in Libya appear to be significant variables that influence multiple-job holding.

The regression also revealed that the level of education in Libya significantly influences whether or not individuals work in both economies. It shows that less educated people tend to hold only informal jobs, compared with more educated workers, who hold educational qualifications that enable them to find work in the formal economy.

Food insecurity also emerged as an important variable that affects the number of jobs people hold. Workers who are food insecure are more likely to hold two jobs.

When participants were asked about the benefits they derive from having both an informal and a formal job, respondents reported different benefits. These benefits have been organised into two main groups. First are the monetary benefits, which include having a second income

source, the benefits of cash-based transactions as well as the low capital required to start a business. The second group of benefits relate to the social benefits of working in the informal food sector such as having family support, creating opportunities for family members to earn incomes, the high level of social interaction and strengthening social networks. Other social benefits include improving psychological health by using free time productively and autonomy/flexibility of decision-making, particularly for those who are otherwise dependent on others for income.

The study concludes that the primary reasons for holding multiple-jobs as reported by respondents are related to improving livelihoods and subsistence, while the secondary reasons were mostly supplementary, such as utilising their free time productively by working in the informal economy or exercising their hobby which requires little or no experience.



## Chapter Seven

### Informality and food security in Misrata

*“Providing good quality livestock at low prices helps to improve food security for the community. I also benefit from trading in livestock through having access to meat and using my income to buy other foods.” (Interview 22, 14/01/2016)*

#### 7.1 Introduction

This chapter presents an argument in favour of Libya’s food secure status being attributed to its vibrant informal food sector. This is because the informal food sector, as described in the previous chapters, provides incomes, employment, and livelihoods, while also creating direct access to a wide variety of healthy and affordable food. However, given the lack of comprehensive measurement tools to assess the levels of hunger in Libya mainly due to the country being considered to be food secure, a different approach is required to understand the levels of food insecurity – if any – at the household level.

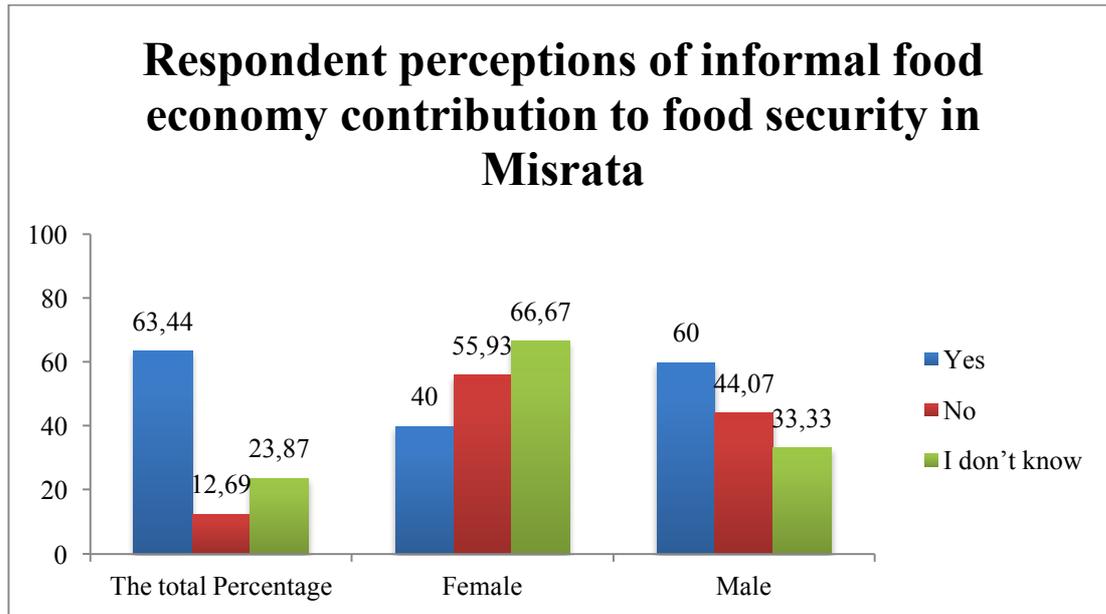
Consequently, this chapter uses three self-assessment measures to determine the levels of household food security, and specifically to determine the linkages between the informal food sector and food security in Misrata. These self-assessment measures are: the variety of foods available to a household, the ability of the households to eat adequate levels of food and their access to food of their choice/liking.

Furthermore, a logistic regression model will be used to investigate the determinants of food security of informal food sector workers in Misrata.

#### 7.2 The informal food sector’s contribution to food security

“When you work in the food industry you always have food in the fridge and money in your pocket, that ensures food all the time.” (Interview 24, 15/01/2016)

The statement above highlights sentiments shared by informal food sector workers about food security. Most opinions relate to the constant availability of food and the availability of money to access to food always.



Source: Author's fieldwork, 2014.

**Figure 7.1 Respondent perceptions of informal food sector contribution to food security in Misrata.**

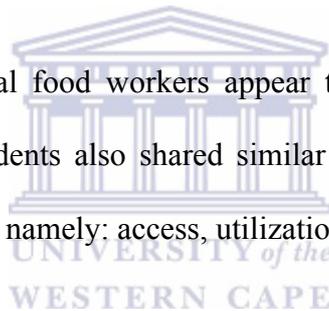
Figure 7.1 above, reflects survey respondents' views about whether they think their work in the informal food sector could improve the general levels of food security. In total, 63 per cent of respondents indicated that their work in the informal food sector could improve food security in the area, while 13 per cent did not think their work could contribute to improving food security. A further 23 per cent of respondents were uncertain about the effect of their work on food security.

From these responses, differences in perceptions between males and females about their individual levels of food security were statistically significant [ $\Pr(|T| > |t|) = 0.0239$ ]. Males

believed their work in the informal food sector contributes to improving food security for themselves and their society. This difference could be attributed to the kind of food activities that males partake in, which affords them better opportunities compared to women. These activities include animal husbandry, vegetables, and fruit trading, selling foodstuff, as well as working in restaurants. These activities generate considerably larger incomes compared to activities that women engage in, such as making sweets and traditional bread.

The respondents' differences in levels of education were not statistically significant [ $\Pr(|T| > |t|) = 0.3691$ ] and therefore did not result in differences in their views about whether their economy improves food security. This reveals that educated and uneducated workers in the informal food sector do not hold different views about their roles.

While a majority of the informal food workers appear to believe that they contribute to improving food security, respondents also shared similar views about the three conditions required to improve food security namely: access, utilization, and availability.



### **7.2.1 Access**

According to the World Food Program (WFP), having access to food refers to “a household’s ability to acquire adequate amounts of food regularly through a combination of purchases, bartering, borrowing, food assistance or gifts” (WFP, 2009:170). A qualitative assessment of respondents’ views on access to food as an element of food security showed that this is understood in two ways. First, it refers to the self-insurance mechanism that includes their own sense of food security which is guaranteed by the produce they sell, as well as the informal income generated from their trade. Second, it refers to their ability through their trade, to provide food for customers.

### 7.2.1.1 Informal food sector as a food security self-insurance mechanism

Through the self-insurance mechanism, workers believe that they are food secure because of their involvement in the informal food sector. They also believe they are effective in improving food security by generating incomes. An interviewee said:

*“We make money from the things we sell. My husband uses that money to buy food most of the time. The profits are in small amounts, so it is spent on our daily needs such as tuna, cheese, and yoghurt for example.” (Interview 23 14/01/2016).*

The statement above indicates that some interviewees use income generated from the informal food sector to meet their other food needs besides their own traded products. In addition, working in the informal food sector is undertaken as a coping strategy to supplement individuals’/families’ food needs, especially when their formal income is inadequate to cover other household requirements such as paying rent, electricity, water and school fees and buying clothes (Njaya, 2014).

The respondents also measured their levels of food security through a quantitative and qualitative lens. In terms of quantity, respondents associated food security with buying larger amounts of foods, as stated from one of the interviewees below:

*“When you get more income you will increase your spending. The quality may stay the same, but the quantity increases. For example, in the past, I was not able to buy fruits, especially the expensive fruits. However, recently I buy more fruits at least once or twice a month. I buy more basic food such as milk, oil, flour, onion, etc. If we got more money, I buy more stuff.” (Interview 4, 18/12/2015)*

The interviewees mentioned their ability to improve the quality and quantity of foods simultaneously as one of the ways in which they perceive that their food security has improved by working in the informal food sector. An interviewee explained:

*“Previously, there was some stuff I was not able to buy. But now I am able to buy things such as expensive cheese and fruits. I now buy good quality and more quantity as well. Before having two jobs, I remember I was not even able to buy an apple for weeks, for instance.” (Interview 18, 12/01/2016)*

*“The extra income has changed our food consumption because it has improved the quality and quantity of foods we eat. Now, we buy whatever foods we want to eat.” (Interview 5, 25/12/2015)*

From the above narrative, it is evident that workers in the informal food sector believe they are food secure due to generating income, and being able to afford larger quantities and better quality of various foods. It is also important to note that most interviewees indicated that undertaking a second job in the informal food sector has enabled them to access better quality food.

#### **7.2.1.2 Consumption of self-made/own products:**

Informal food sector workers also highlighted the consumption of self-made/own products as another way to achieve/improve food security. In addition to the informal income generated, they also eat the food products they trade in. The added advantage lies in lower cost prices for them, because they would have bought the foodstuff from the wholesale markets at lower prices. Furthermore, informal food workers eat the unsold food items from their business, which also contributes to their perceived levels of food security. Interviewees said:

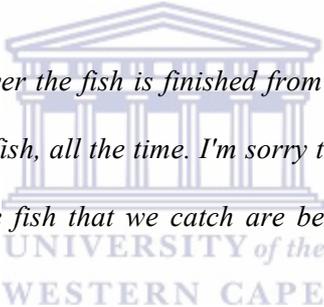
*“We eat from what we cook. When I have an order for lunch, I do not cook for my family; we eat the cooking.” (Interview 3, 17/12/2015)*

*“We eat the fruit and vegetable that I sell. I also feed my father and mother from it. They do not even buy it they just take it from my stuff.” (Interview 11, 01/01/2016)*

The above statements indicate that working in the informal food sector doubles as a coping strategy whereby, households do not have to face the possibility of running out of money for food because they meet their needs of food and money by working in the informal food sector. This is similar to findings by Cooke (2012:129) who reported that this coping strategy is vital for many informal food workers especially those without savings or mitigants against income shocks.

Similarly, an informal fisherman stated that he considers himself food secure because he eats from the fresh fish that he catches for sale in the informal food sector. Interestingly, the fisherman also reported that the quality of fish obtainable from his informal food work is higher than that found in the formal market. He said:

*“I always have fish. Whenever the fish is finished from my fridge, I go to the sea and catch some. I like to have and eat fish, all the time. I’m sorry to say to you that: you do not eat fish. You eat something else. The fish that we catch are better than in the market. It is fresh.”*  
(Interview17, 10/01/2016)

The logo of the University of the Western Cape is centered in the background of the quote. It features a classical building facade with a pediment and columns, with the text 'UNIVERSITY of the WESTERN CAPE' below it.

Relatedly, Cooke (2012:121) argued that informal food retailers provide fresh and good quality food items that are especially important for low-income consumers, so it is certain that their profits/financial resources will yield the food that they require.

### **7.2.1.3 Providing for customer’s food needs**

Along with increasing their access to food from their involvement in the economy, all of the interviewees are of the view that they equally contribute to their customers’ food security by providing them with access to a variety of foodstuffs. One participant described providing for customer’s food needs as follows:

*“I provide a diversity of foods for my customers. This ensures that customers eat their preferred types of the food. I also eat the same food that I cook for customers, so it helps me a lot with my food needs, and I am also able to buy other types of foods from the profit I make. But I mostly cook what the customers prefer to buy, not what I choose to cook. (Interview 5, 25/12/2015)*

The quote above indicates that informal food sector workers offer a preferred range of options for customers including those without the financial resources required to access a diverse good quality diet. Moreover, workers tend to combine food budgets to shop in large quantities for their customers, family members as well as poor neighbours. This is again rooted in the idea of community and social benefits associated with the informal food sector.

### **7.2.2. Utilization**

Along with providing access to a diverse range of foods for customers, informal food workers also take special care to provide access to high quality food items. Interviewees argued that their customers deem the food they provide through the informal food sector as being of high quality because it is fresh and healthy. They suggested that this support helps to develop their businesses and secure a loyal customer base. The quotes below attest to this claim:

*“We provide good quality as well as clean and healthy stuff. The customers like what we cook, so they buy it.” (Interview 9, 29/12/2015)*

*“I sell good milk and sell it cheap as well. It is fresh milk, and we sell it at low prices compared to formal shops.” (Interview 23, 14/01/2016)*

Beyond the quality of the food provided, the narratives above highlight how the informal food sector enhances food security in terms of food utilization, by providing consumers with access

to high quality fresh food at low prices. The affordable food not only contributes to achieving food security but also ensures that their customers remain loyal to them.

The informal food workers claimed that they are generally able to provide cheap food through two supply side dynamics of food. The first approach entails increasing food supply to generate more profits; increasing supply of a particular food item beyond the quantity normally demanded results in reduced prices, which in turn encourages customers to buy more food. This also increases competition among the informal food sector workers as in a bid to make sales, they reduce their prices further and/or supply more food items. The quote below attests to this:

*“When you provide more livestock the meat price will fall, which encourages more people to get more meat. On the other hand, if there is a small supply of the livestock, the meat price will grow up.” (Interview22, 14/01/2016)*

This is similar to findings by Robinson and Yoshida (2016) in a study on informal Ghanaian businesses offering complementary foods produced at half the price of products sold by formal Ghanaian businesses. It is also comparable to the view of Chukuezi (2010) who argued that the informal food sector, especially street food vending, provides food at affordable prices mainly to low income earners.

Interestingly, while competition is high in the economy, informal food workers are not necessarily motivated by the prospects of generating high profits from sales. An interviewee explained:

*“I do not put too much emphasis on profit. I’m always pricing it at lower prices because it does not cost me a lot. A small profit is enough for me.” (Interview11, 01/01/2016)*

Findings by Mulenga (2013:35) who noted that although intense competition in informal trading in Lusaka (Zambia) has reduced profit margins, and resulted in low returns, it has also led to the provision of cheaper goods.

Informal food sector workers further indicated that they provide cheap food products compared to those found in the formal economy, due to the low costs associated with operating in the informal economy:

*“We are providing cheap goods. Well, it is cheaper than those found in shops. For instance, potato costs 2.50 Dinar in the formal market; we sell it at 1.50 Dinar. So as you see it is different and cheaper. We put just small profit on the vegetables, and we sell a lot which means we can earn a lot.” (Interview14, 09/01/2016)*

While there are various debates about food prices in the informal food sector being lower than those in the formal food economy, it is imperative to state that these findings are based on responses and opinions offered by the informal food workers who participated in this study. The researcher has not compared price differences between goods sold in the formal and informal food sectors, generally in Libya or elsewhere. The data reflected here expresses the views of informal food worker participants as reflected in survey and interview responses.



**Figure 7.2 Informal economy workers trading in vegetables”** (*Picture was taken during author’s fieldwork, Tamina Local Market, Tamina District 06/01/2015*)

### 7.2.3. Availability

The World Food Programme (2009:170) defined food availability as “the amount of food that is present in a country or area through all forms of domestic production, imports, food stocks and food aid,”; it is an important criterion for achieving food security. Informal food workers consider themselves contributors to food security by making food available to people constantly and at good prices. This ensures a steady supply of food to customers, enabling them to meet their food needs.

Informal food workers, contribute to food security by making sure that food is not only available, but also accessible through relatively lower prices, and the variety of foods they make available to their customers. Explaining this aspect of their work, an interviewee said:

*“We provide different foodstuff for different types of customers. There are expensive and cheap goods. Everybody can find whatever he or she is looking for. I think that helps people to get as much food as they want and at affordable prices.”* (Interview 18, 12/01/2016)

It is evident that the informal food sector adds value to many households as it ensures food is available at all times and at affordable prices. From the above narrative, stability also emerges as an important concept of food security. Stability here refers to the availability of food at all times. The narrative also indicates that although informal foodstuff sellers aim to make profit, they also have a sense of responsibility towards the poor and food insecure households in their local community. Their consciously managed and affordable pricing structure reflects this. This in turn, contributes to improving food security in general. These findings are similar to those reported by Cooke (2012) in the suburb of Manenberg (Cape Town, South Africa); that the Spaza shop owners have a sense of responsibility to the food insecure people and households in their local community.

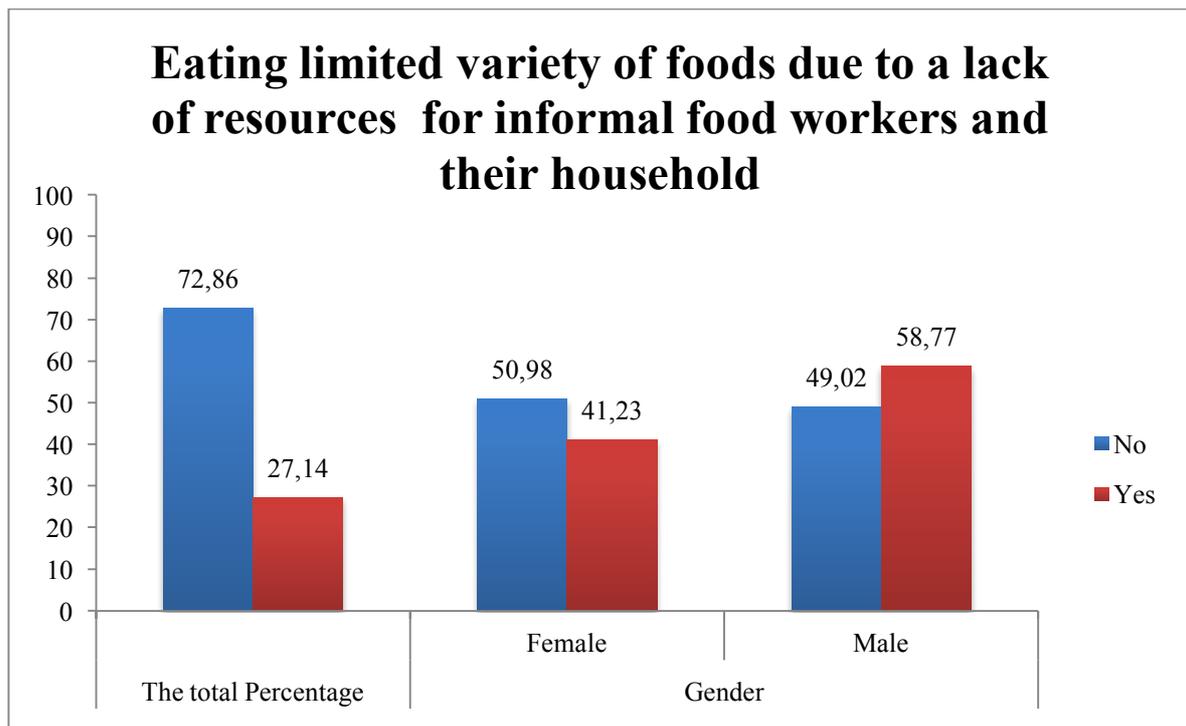
### **7.3. Indicators of food security**

In the previous section, it was reported that a majority of informal food workers believe they contribute to improving food security. The themes emerging from the qualitative analysis of interviewee's opinions about the value of their services in ensuring availability, utilization, access and food stability (measures of food security), reflect this.

The next section uses quantitative data to measure the food security status of informal food workers, and describe their attitudes in relation to food security; here, participants shared their experiences about their own sense of food security.

As indicated in chapter four, the “Household Food Insecurity Access Scale (HFIAS) for Measurement of Food Access: Indicator Guide was the source of the questions posed to the respondents

.”

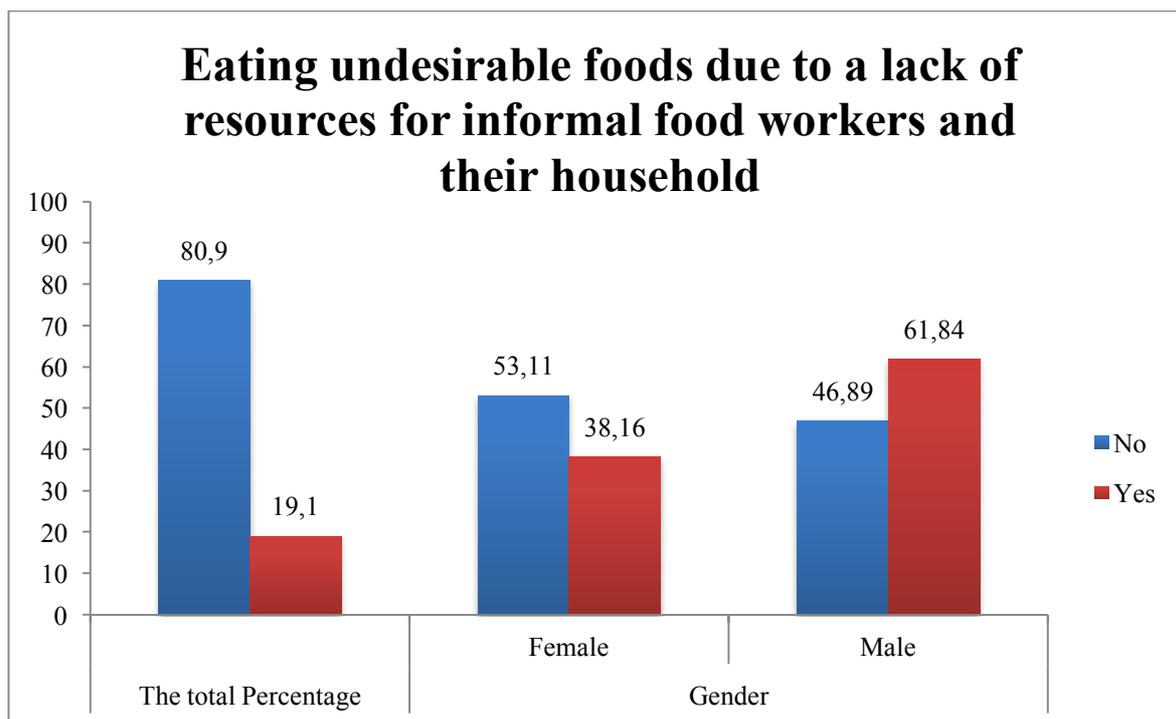


Source: Author's fieldwork, 2014.

**Figure 7.3 Eating a limited variety of foods due to a lack of resources for informal food workers and their household.**

Figure 7.3 measures informal food workers' access to food by assessing how limited access to resources affects the variety of foods eaten by informal food workers or other members of their households. The graph also reflects whether their own food supply is obtained from the Findings indicate that 73 per cent of respondents replied "No," - indicating that they had access to a wide variety of food. On the other hand, 27 per cent replied "Yes," - implying that they eat a limited variety of foods due to a lack of resources.

The gender differences in the informal food sector in terms of eating a limited variety of foods was statistically significant [  $\Pr(|T| > |t|) = 0.0756$  ], with more females reportedly eating a limited variety of foods compared to males.

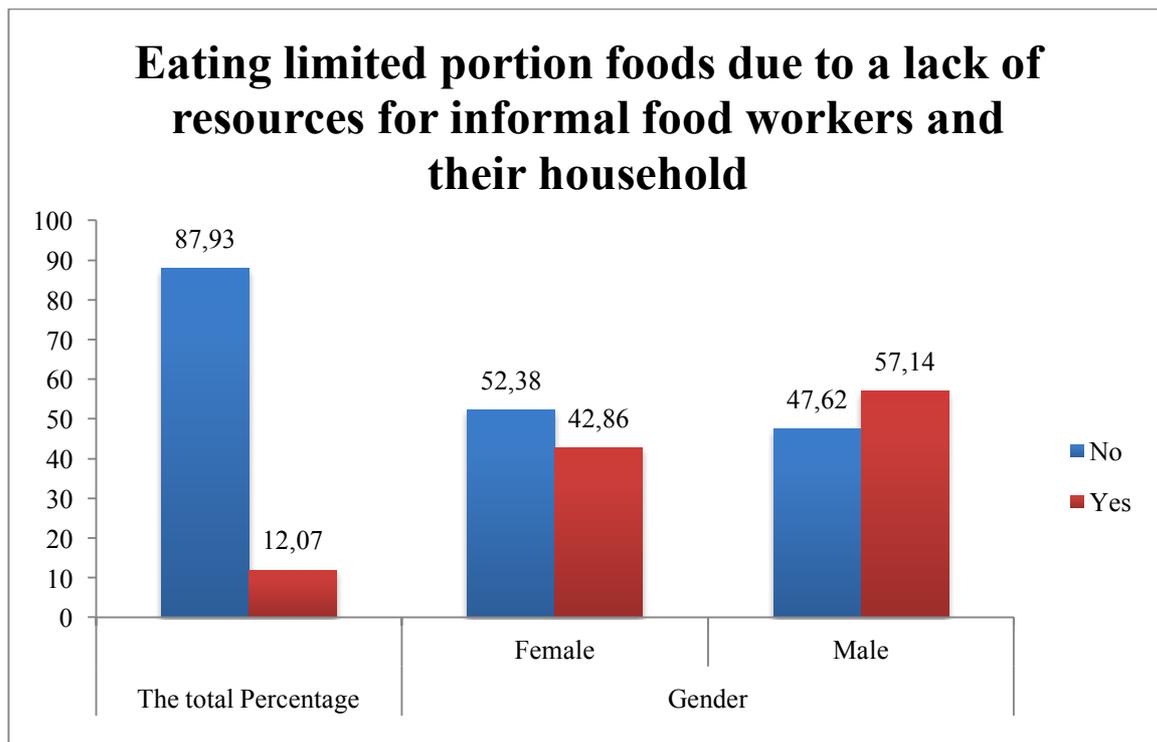


Source: Author's fieldwork, 2014.

**Figure 7.4 Eating undesirable foods due to a lack of resources for informal food workers and their household.**

Figure 7.4 measures the “utilization of food” by assessing the types of food available for informal food workers (HFIAS:2007). This assesses the prevalence of informal food workers and their household members having to eat undesirable foods due to a lack of resources to obtain their preferred types of food.

Findings indicate that the majority of the informal food workers/respondents (about 81 per cent) eat their preferred types of food. On the other hand, only 19 per cent of respondents reported having to eat foods they do not want to eat due to a lack of resources to source other food types. In addition, the difference between males and females having to eat undesirable foods was statistically significant [ $\Pr(|T| > |t|) = 0.0190$ ], with males workers in the informal food sector being more likely to eat undesirable foods compared to females.



Source: Author's fieldwork, 2014.

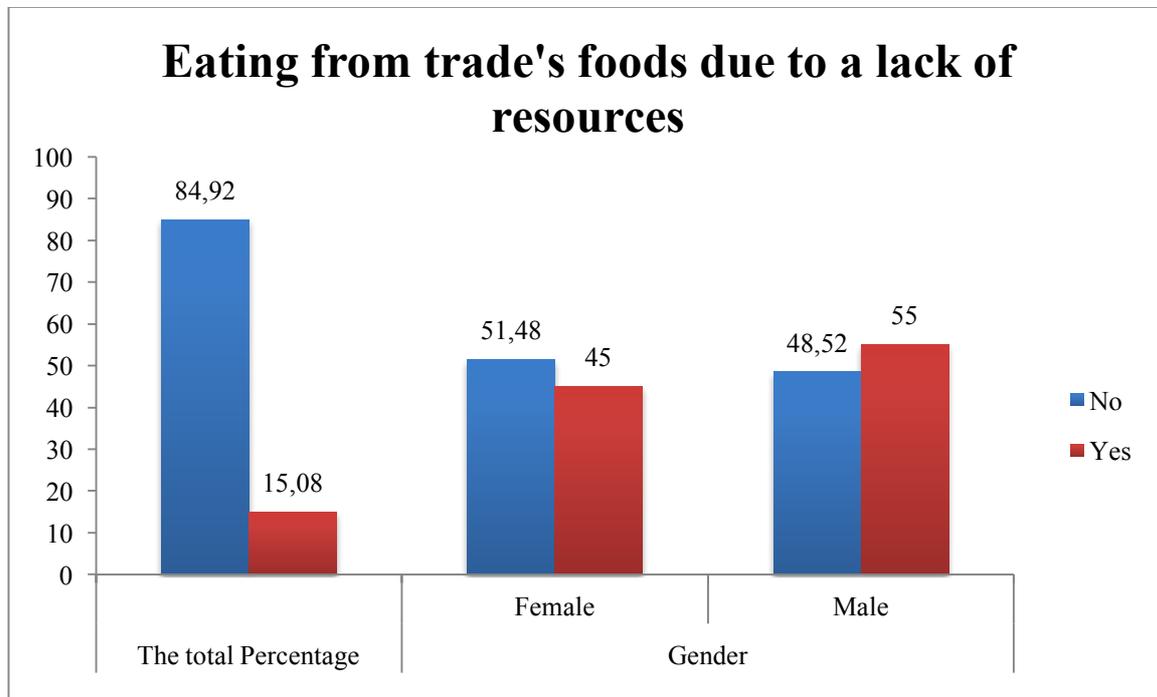
**Figure 7.5 Eating limited portion foods due to a lack of resources for informal food workers and their household.**

The above graph measures the availability of food for informal food workers (HFIA:2007) by assessing how the effect of a lack of resources on the portion(s) of food available to eat. Respondents were asked whether they have had to eat smaller portions of food because there was not enough food.

Results indicate that the majority of workers in the informal food sector 357 respondents (88 per cent), are food secure and eat adequate quantities of food. Only 12 per cent (49 respondents) reported that they have had to eat smaller meal portions because there was not enough food. The gender differences are not statistically significant [ $\Pr(|T| > |t|) = 0.2120$ ], as both male and females have similar experiences in having to eat limited portions of food due to a lack of resources. These findings reveal that a high percentage of sampled informal food sector workers have enough resources and are able to meet their needs of food; it appears that their

direct involvement in the informal food sector, improves their access to adequate food portions.

The qualitative responses in the previous section also reflected this.



Source: Author's fieldwork, 2014.

**Figure 7.6 Eating from trade's foods due to a lack of resources for informal food workers and their household.**

Figure 7.6 displays the prevalence of instances when workers in the informal food sector had to eat the foods they sell. The results indicate that a majority of respondents (85 per cent) do not eat the food they sell. This implies that informal food workers are more likely to use the income from their trading to buy the foods they prefer to eat, rather than eat the foods they sell even if/when they do not want to. This is perhaps because not all informal economy workers trade in healthy or nutritious food items - some sell sweets. Only 15 per cent (60 respondents) eat the food they trade in.

The gender differences were also not statistically significant [ $\Pr(|T| > |t|) = 0.3562$ ], meaning that there was no difference between male and female workers in the informal food sector in the city, in terms of eating from traded foods due to a lack of resources.

#### **7.4 The logistic regression model**

A binary logistic regression model was used, wherein the dependent variable (informal food workers' food security) expresses the status as either food secure (1) or food insecure (0). A food security index featuring six indicators of food security status for informal food workers was created from the questionnaire to investigate the determinants of food security of informal food sector workers.

Results of the logistic regression model as presented in Table 7.1 indicate that 261 observations were analysed and both the log-likelihood ratio test (p-value for the  $\chi^2 = 0.0008$ ) and pseudo-R<sup>2</sup> indicate that the data fit the model well. Additionally, from the maximum likelihood estimates of the model, the Pseudo-R<sup>2</sup> was 0.1026, which implies that the independent variables strongly explained a 10.26 per cent likelihood of a household being food secure.

The statistical significance or insignificance of the factors was defined by the p-value. If the p-value for a variable is less than 0.05, the p-value is statistically significant. Likewise, where the p-value for a variable is not less than 0.05, the p-value is not statistically significant.

Analysis of the p-values reveals that five variables are significant to explain the influence of the informal food sector in contributing to food security. These variables include: marital status informal business ownership, length of stay in the city of Misrata, business registration, and the days spent working in the informal food activity.

In addition, five variables included in the regression were found to be insignificant namely: age of workers in the informal food sector, the gender of workers, the education level of workers, hours worked per day in the informal food activity and holding a formal job in addition to the informal food activity.

The model specification is as follows:

$$Y = \beta_0 + \beta_1 \text{AGE} + \beta_2 \text{GEN} + \beta_3 \text{LEd} + \beta_4 \text{OIB} + \beta_5 \text{NHSA60} + \beta_6 \text{LOSM} + \beta_7 \text{ELPFDLR} + e \dots (1)$$

Where Y = dependent variable indicating food security.

AGE = A continuous variable for age of informal food workers

GND = Gender = 1 if Male, 0 Female

LED = level of education 1 = None, 2 = Basic, 3 = High, 4 = Tertiary

OIB = Owner of the informal business = 1 if respondent owns their business, 0 for otherwise

LOSM = Length of stay in the city of Misrata 1= 0-5years. 2 = 6-10 years, 3 = 11-15, 4 = 16-20, 5 = 21 plus.

MS = Marital status = 1 if married, 0 if otherwise

HWPDIFS = Hours worked per day in in the informal food sector = number of working hours per day.

DWPDIFS = Days worked per week in the informal food sector= number of days per week.

BFR = Business formal registered=1 if the business not formally registered, 0 if formally registered

**Table 7.1: Determinants of food security in the informal food sector**

Number of obs = 261  
 LR chi2(9) = 33.65  
 Prob > chi2 = 0.0008  
 Pseudo R2 = 0.1026

Log likelihood = -147.14732

Food Security	Odds Ratio	Std. Err.	z	P> z	[95% Conf. Interval]
Gender	1.12	0.40	0.32	0.75	0.55 2.28
Age	1.02	0.02	0.91	0.37	0.98 1.05
Education					
Basic	0.68	0.40	-0.65	0.51	0.21 2.18
High school	1.64	1.11	0.73	0.47	0.43 6.21
Tertiary	0.50	0.33	-1.06	0.29	0.14 1.82
MS	0.46	0.18	-1.99	0.05	0.22 0.99
LOSM	1.26	0.13	2.29	0.02	1.03 1.53
OIB	0.42	0.14	-2.65	0.01	0.22 0.80
Job 2	0.97	0.33	-0.09	0.93	0.49 1.90
HWPDIFS	0.92	0.14	-0.57	0.57	0.69 1.23
DWPDIFS	1.17	0.11	1.74	0.08	0.98 1.40
BFR	0.54	0.16	-2.02	0.04	0.30 0.98
_cons	0.00	0.00	-4.56	0.00	0.00 0.01

A linktest was used to test whether the regression model is properly specified. The linktest used the linear predicted value ( $\hat{y}$ ) and linear predicted value squared ( $\hat{y}^2$ ) as the predictors to rebuild the model. If the model is properly specified, the variable  $\hat{y}^2$  would not have high predictive power, except by chance. Therefore, if  $\hat{y}^2$  is not significant, then the linktest is not significant. In our model, the variable  $\hat{y}^2$  is not significant (with p-value= 0.698). This confirms that meaningful predictors were chosen for the regression.

Business ownership in the informal food sector emerged as a significant variable which influences workers' food security. The P-value reflects the impact on food security at 0.01,

and the odds ratio of 0.42. This implies that the self-employed in the informal food sector are more food secure than the wage- employed. In addition, being self-employed, which in most cases refers to business owners, is considered better than being wage-employed (attested to by findings from interviews) and this reflects in the individuals' food security status.

The marital status of the informal food sector workers also emerged as a significant variable that influences food security for workers in the informal economy. The P- value reflects the impact on food security at 0.05, and the odds ratio of 0.46. The result indicates that married workers are more food secure than single workers. This could be because about 56 per cent of the sample population were married, with their spouses also working. This had a positive impact on their food security status.

The length of stay in the city of Mistrata also emerged as a significant variable that influences food security. The odds ratio of 1.26 indicates that workers who stay longer than 20 years in the city are more likely to be food secure. This could be because success in informal food work is facilitated through personal networks created over time. In addition, the time value of experience - stemming from the types of food they work with, how they manage customers and suppliers - all matter for food security.

Similarly, the days worked per week in informal food activities are an equally significant variable that influences the state of food security. The P- value reflects the impact on food security at 0.08 with the odds ratio of 1.17, which is greater than 1. This suggests that the food security of workers in the informal food sector improves when they spend more days working in informal food activities. In other words, with each additional day of work, the odds of being food secure increases by 17 per cent. Because the number of working days in the informal food sector is not limited to the 'official' five working days – i.e. workers can also work on weekends

and public holidays – these results confirm that informal food workers can contribute to improving food security status for themselves and their communities.

Formal business registration is also a significant variable influencing food security. The P-value reflects the impact on food security is reflected at 0.041, with the odds ratio of 0.54. This result implies that the informal food workers who operate in the informal food enterprises are more secure than those who work in the formal food enterprises. A possible reason for this could be the flexibility and freedom that informal enterprises offer, making it possible for people to generate multiple incomes to meet their needs (more details discussed earlier in chapter 5).

On the other hand, gender and age do not appear to be significant variables in the model. The odds ratio of gender is 1.12, which indicates that males in Libya are more likely to be food secure compared to their female counterparts. Also, the odds ratio of age is 1.02, indicating that as workers in the informal food sector in Libya get older, they are more likely to be food secure.

## **7.5 Conclusion**

This chapter examined select indicators of food security as understood and explained by the informal food sector workers in Misrata who participated in this study. Findings revealed that overall, a majority of workers in the informal food sector are food secure.

The chapter also explored the differences in experiences of food security between male and female workers in the informal food sector. In this regard, findings indicate no significant differences exist in terms of either gender's ability to eat from the informal foodstuff they sell. Likewise, in terms of eating a limited portion of food, there were no significant differences between male and female workers in the informal food sector.

However, the findings revealed that females eat a limited variety of foods compared to male workers. Still, men who work in the informal food sector tended to consume more “undesirable foods,” especially when resources are limited, compared to women.

In order to investigate the determinants of the food security of the informal food sector workers, a food security index was created from the six indicators of food security status for informal food workers. The result of the logistic regression model indicated that business ownership in the informal food sector, length of stay in the city of Misrata, marital status, business registration status as well as the number of days worked in the informal food activity were statistically significant determinants of informal food sector workers’ levels of food security in Misrata.

The majority of respondents also agreed that access, availability, and utilisation are key to ensuring food security. The workers believe that their work in the informal food sector helps improve the food security, because the informal food sector not only offers them access to a space to conduct business. It also provides a platform to meet their own food requirements, and ensure that their customers have access to different types of food, at affordable prices.

The type of work, specifically trading in food, is also a self-insurance mechanism for the workers because beyond being able generate income from their sales, they are also assured of access to food at all times for their own consumption as desired.

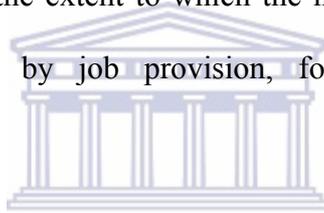
Informal food workers therefore provide access to a diverse range of foods at affordable prices. This ensures that food is available for all, and can be utilised in different ways.

## Chapter Eight

### Conclusion and Policy Recommendations

#### 8.1 Introduction

The informal food sector is an essential feature of the economic landscape of Libya, and accounts for a substantial portion of economic activities. The sector also provides employment opportunities for a considerable portion of the country's workforce, both skilled and unskilled. To this end, the thesis explored the role of the informal food sector in Libya's economic and national development, and assessed the determinants of holding multiple jobs and food security. The study investigated the extent to which the informal food sector contributes to Libya's economic development by job provision, food security and meeting other social/livelihood needs.



The main question this study sought to answer relates to reasons why workers are involved in the informal food sector in a wealthy (oil-rich) economy like Libya. The study particularly sought to explore reasons why both informal workers and formal economy workers seek employment in the informal economy. As discussed in earlier chapters, Libya has always been considered a food secure country (FAO, 2014). This status has largely remained unchanged despite economic challenges and conflict.

The second question concerns the impact of the informal food sector on and its contributions to food security.

To explore these questions, an overview of Libya's informal food sector and its contributions to Libya's economic development was provided. Contributions identified include providing opportunities to increase incomes, creating job opportunities and ensuring food security,

especially for the poor and marginalised. In this way, the study highlighted how the Libyan economy works and identified ways in which the economy could be diversified to enhance the citizens' living standards.

## **8.2 Summary of chapters**

This thesis is presented in eight chapters consisting of background literature reviews, and presentation and discussion of research findings. In Chapter one, the research problem is identified, alongside the rationale of the study. Chapter two consists of a detailed contextual literature review of the informal economy and multiple job holding which is related to Chapter three that presents a literature review of the informal food sector. Chapter four discusses the research methods, a mixed methods approach entailing quantitative and qualitative data analysis. The quantitative data, obtained through snowball sampling, surveyed 465 workers (involved in different types and stages of food work) in the food sector, using a specially formulated questionnaire. Semi-structured interviews provided qualitative data, which provided detailed accounts of the lived and practical experiences of informal food sector workers in Misrata; their contributions complemented the quantitative findings and provided a deeper understanding of the challenges in the sector. Chapter Five unpacked issues around the informal food sector in Libya, specifically the nature of informal work, characteristics of participants (with a particular focus on gender issues and differences between self-employed and wage employed). More specifically, the qualitative analysis helped explore and understand the characteristics of the informal food sector in Libya, and workers' reasons for participating in the informal food sector. Additionally, the quantitative analysis highlighted the benefits of working in the informal food sector, including the possibility of increasing earning potential, supplementing incomes from the formal economy and ensuring food security and means of support.

Chapter six focused on the duality of the Libyan labour market and multiple job holding with a view to exploring the nuances around issues of education and gender in relation to multiple jobholding. Chapter seven explored and linked issues of informality and multiple job holding to food security, while this concluding chapter will synthesise the themes and salient findings from all previous chapters.

### **8.3 Summary of findings and the research questions**

Please see the summary of key findings per research question below:

#### **Characteristics of Libya's informal food sector**

Findings about the characteristics of the informal food sector revealed no significant gender differences, despite Libya's strict cultural and religious stance regarding women's participation in the economy. In fact, the informal economy provided access to economic opportunities for women who would have been economically excluded. The informal economy enabled women to improve their livelihoods and make financial contributions to family welfare. However, the findings indicate that existing gender disparities in accessing education in Libya have a significant impact on the levels of male and female participation in both the formal and informal economy. Compared to females, males in the informal food sector in Libya are more educated and have a higher percentage representation from secondary school upwards. This gives men more advantage for acquiring jobs in the formal economy.

The study also found that the majority of informal food sector workers in Libya are likely to work in their own businesses, where 70 per cent of the respondents are self-employed and, interestingly, most of the informal food sector workers are female (57 per cent). This is because most informal food work can be undertaken from people's homes and females prefer to work from home. This is especially because in Libya, it is unacceptable for women to be found

working as street vendors or in the local public market. This has seen women's involvement being focused on home activities which are often done in their homes or in private workshops e.g. cooking of food items.

In exploring the challenges facing informal food sector workers, the issues ranged from non-registration of their businesses to lack of benefits (social protection), and limited services and security. Nevertheless, advantages of working in the informal food sector included the low start-up capital for businesses and the optionality of experience or specific skill sets. The sector therefore accommodates all skill levels, thereby catering for citizens who are uneducated unskilled and/or unemployed.

The flexible nature of the informal food sector also proved to be among the attractive characteristics that drew people to work in the sector. Characterised by protracted weekly working days, 68 per cent of informal food sector workers work six to seven days a week, but for short hours per day. In this regard, 75 per cent of respondents reported that they work between three and five hours per day in the sector, and men work longer hours compared to females.

Similarly, the roles played by men and women in the food economy also differ. Women were found to be more likely to do home-based activities related to the informal food trade, i.e. cook from home. Men on the other hand largely performed the roles of street vendors throughout the day, and therefore spend more time outside of the home, selling items produced by women.

Findings also revealed that the informal food sector is characterised by businesses that are relatively small in size and scale, run by a small number of workers and require a small amount of capital to start. The informal food sector is also characterised by activities that do not require a high level of experience or skills.

In terms of the link between the formal and informal food sector, the informal food sector in Libya has unique characteristics in that the informal food sector obtains its material and goods from the formal economy. Furthermore, services among the informal food sector are provided to customers based within the informal economy.

This explains why it is possible for many informal food economy workers to hold jobs in both the informal and formal economy, as well as why women also do a significant amount of housework and child care activities throughout their day, alongside their work in the informal economy.

### **Characteristics of Multiple Job Holders**

With regard to characteristics of multiple-job holders, results show that 36 per cent of those who work in the informal food sector are also employed in the formal economy. One of the unique characteristics of multiple-jobs holding in Libya is that not all workers are poor. The sector is comprised of 29 per cent of low-income workers, 56 per cent of middle income workers as well as 15 per cent of high formal income workers.

The majority of multiple-jobs holders comprise married male workers (67 per cent), where about 61 per cent of the respondents who hold two jobs are married. This indicates that more Libyan males tend to hold multiple jobs compared to females. Age in the informal food sector in Libya also appeared to be a significant variable that influenced holding multiple jobs. Findings revealed that older people tend to hold multiple jobs compared to younger people.

The regression analysis revealed that the level of education in Libya significantly affected whether or not individuals worked in both economies. Results showed that less educated people tend to hold informal jobs only, compared to more educated workers, who hold education qualifications which enable them also to find work in the formal economy. Although there are

gender disparities in the formal employment economy, within the informal economy, results show that males and females with a high level of education have more opportunities to hold formal and informal jobs compared to their less educated counterparts. The quantitative data on education levels of respondents showed that among those who hold two jobs, females have lower levels of formal education compared to males. Based on this, it can be argued that more educated male workers are more likely to hold multiple jobs than less educated female workers. Food insecurity also emerged as an important variable that affects the number of jobs people hold. Workers who are food insecure were found to be more likely to hold more than one job. Similarly, results showed that workers improve their income by working in the informal food sector in addition to working in the formal economy and that working in the informal food sector helped to enhance livelihoods through creating job opportunities and in particular, advancing the role of women in the economy.

### **Improving incomes by working in both the informal food sector and the formal economy**

Respondents reported various benefits derived from having an informal job in addition to the formal job. These benefits have been organised into two main groups. First, are the monetary benefits, which include having a second source of income, the benefits of cash-based transactions as well as the low capital required to start a business. The second group of benefits relates to the social benefits of working in the informal food sector such as having family support, creating employment opportunities for family members to earn an income, the high level of social interaction and strengthening social networks, improving psychological health through using free time productively, as well as having the autonomy and flexibility of decision-making, particularly for those who otherwise are dependent on others for income.

To this end, it can be argued that among the primary reasons given for holding multiple jobs, as reported by respondents, are the issues of improving livelihoods and subsistence, while secondary reasons were mostly supplementary, including having free time and pursuing informal jobs and exercising their hobby.

In addition to the above, the challenges associated with Libya's formal economy, such as the low wages paid to employees also encouraged people to undertake additional work in the informal economy. In fact, government employees reported that low wages in their formal work were among their primary reason for looking for additional income opportunities in the informal food sector to meet their family needs. The delay in payment of salaries was also given as a reason for undertaking informal economy work, as such delays are burdensome particularly for those workers already earning formal minimum wages.

Although in the preceding paragraphs it was reported that marital status positively affected people's food security, findings also showed that marital status impacted on individual's decision to hold multiple jobs. This is because the need to provide for the family, as well as the increasing cost of providing for a growing household often compels individuals to seek additional incomes to augment their formal salaries.

Another equally important motivational factor for taking up a job in the informal economy is the responsibility most individuals have towards caring for their extended family members. This additional income has been found to be important particularly in instances where the husband's salary (the primary household provider) is inadequate to meet the family's needs. Women are also encouraged to bring in an extra income when the family is looking to improve their living arrangements such as building a new house. For reasons provided above, and the fact that women accounted for 34 per cent of Libya's labour force in 2012 (The World Bank,

2015), the religious and cultural barriers imposed on women in Libya – such as restrictions with interacting with men – makes the informal economy more “suitable” for their needs. Females found it better to work in the informal economy where they can adhere to religion and tradition whilst also contributing to family incomes.

The second category under which most respondents reported reasons for undertaking multiple jobs is not out of necessity as per reasons related to the first category above, but rather, they undertake second jobs to afford luxuries. Respondents who gave this reason were usually those who had extra time during the day, which they used to earn incomes to afford to buy things they not so much need, but rather, things they want.

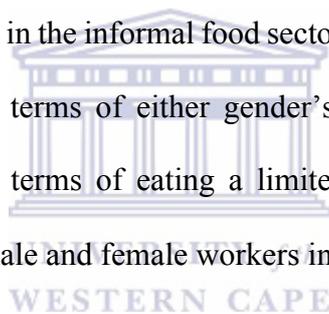
The flexibility in the informal economy, along with short working hours within the public economy, make it possible for people to undertake multiple jobs during their free time either in the afternoon or in the evenings and during the weekend. In addition, for those employed in the formal economy but want to increase their income, the informal economy offered an alternative way to make additional income without breaking the rules. This is because the law forbids holding multiple jobs in the formal economy. There are no such restrictions in the informal economy.

For others, engaging in informal work was seen as a temporary solution to the challenges posed by unemployment, either resulting from not having formal employment or for those who are still studying, but need to generate an income while working towards a formal qualification. This reason resonated most with female respondents who, contending with the limitations imposed by the country’s strict religious and cultural traditions, are the least educated in Libya and therefore find the informal food sector more accessible to them, allowing them to contribute to supporting their family.

Participants also noted that the informal food sector provided them with a high level of autonomy and flexibility, allowing them to undertake multiple-jobs and increase their earning potential. This is despite the restrictions imposed on them by cultural and religious practices.

### **Enhancing livelihoods through increasing incomes, job creation and advancing the role of women in the economy**

Specific to the link between the informal food sector and food security, this study examined select indicators of food security as understood and explained by the informal food sector workers in Misrata. Findings reveal that overall, the majority of workers in the informal food sector are food secure. The study also explored the differences in experiences of food security between male and female workers in the informal food sector. Here, findings indicate that there are no significant differences in terms of either gender's ability to eat from the informal foodstuff they sell. Likewise, in terms of eating a limited portion of food, there were no significant differences between male and female workers in the informal food sector.



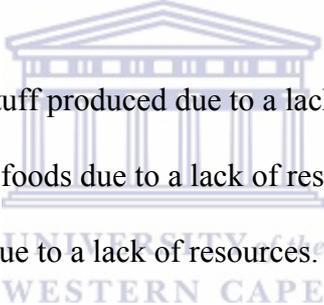
However, the findings reveal that in terms of dietary diversity, females eat a limited variety of foods compared to male workers. But, men who work in the informal food sector tended to consume more undesirable foods, especially when resources are limited.

### **Informal food sector activities supporting workers' own food security**

The majority of respondents also agree that access, availability, and utilisation are key to ensuring food security. The workers believe that their work in the informal food sector helps improve their food security. This is because the informal food sector not only offers them access to a space in which to conduct business to fulfil their own food requirements, but it ensures that their customers have access to different types of food and, at affordable prices.

The sector, specifically trading in food, is also a self-insurance mechanism for the workers. Not only are they able to generate an income from their sales, but they also are assured access to food at all times for their own consumption if they so wish. Informal food workers are therefore well positioned to provide and gain access to a diverse range of foods at affordable prices. This ensures food is available for all and can be utilised in different ways to meet their daily needs.

To probe deeper, into the determinants of food security among informal food sector workers, binary logistic model was used. Through this model, a food security index was created from the six food indicators of food security status for informal food workers. These six indicators are:

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- Inability to eat from foodstuff produced due to a lack of resources.
  - Eating a limited variety of foods due to a lack of resources
  - Eating undesirable foods due to a lack of resources.
  - Eating limited portions of food due to a lack of resources.
  - Eating limited number of meals due to a lack of resources
  - Eating from trade's foods/stock due to a lack of resources.

Among the key findings of the logistic regression was that the ownership of a business in the informal food sector is a significant variable that influences food security for workers. Findings suggest that the self-employed in the informal food sector are more food secure compared to the wage-employed. Similarly, the marital status of the workers was also found to be a significant variable influencing food security in the informal economy.

The model also showed that because the number of working days in the informal food sector is not crudely defined, those who work most days i.e. more than five working days, also tended

to be more food secure compared to those whose working days were limited by official labour laws that determine working days and hours in the formal economy.

#### **8.4 Contribution to knowledge and debates**

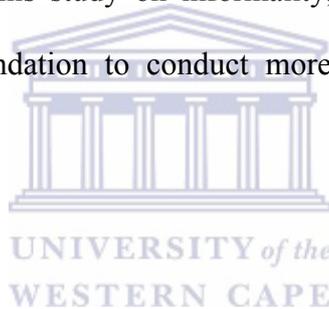
The specific contributions of this study are outlined below:

1. Given the limited number of studies that specifically examine the informal food sector in Libya, this study fills an existing knowledge gap. The findings of this study provide an inside view into how Libyans in Misrata decide to undertake activities in the informal food sector. Given the large sample size of 465 respondents that the questionnaires were administered on, inferences about the general Libyan informal food sector workers can be drawn from these findings. This study can also provide guidelines for similar studies in other parts of Libya, or the developing world.
2. Furthermore, this study can potentially contribute to better policy formulation and implementation for the informal economy in Libya because it provides insights into the business experiences of informal food sector workers. Moreover, the study makes an empirical contribution by improving the depth of knowledge about the country's informal economy. A notable theme emerging from the findings is that compared to informal economies in other countries, duality or multiple-job holding is a unique and characteristic feature of Libya's informal economy. As noted in the introductory and the literature review chapters, the informal food sector represents a significant component of Libya's informal economy. This study has demonstrated the potential of the sector to contribute significantly to Libya's socio-economic development through job and wealth creation, and enhanced food security, both for buyers and sellers of food items.

3. Participation by non-poor and better-educated workers within the informal economy is a unique feature of the Libyan' informal economy. Unlike the dual theory that identifies two unique economic systems within a country state – the formal and informal economies – this study has shown that Libya's informal economy cannot simply be considered along rigid or traditional dual theory lines. Instead, Libya's informal economy blends both the formal and informal by providing options for formal workers to supplement their incomes. In this way, the study contributes to and calls for new ways of exploring the informal economy - not just as an avenue to absorb excess labour, but also as a system through which those who are already formally employed can increase their incomes through additional employment.
4. The study also affirms the contemporary existence of traditional/cultural and religious practices that highlight the deeply patriarchal system in Libya. With findings indicating that males constitute the majority of those who are better educated and hold multiple-jobs, the study highlights gender disparities in access to resources that could potentially limit balanced development. This emphasises the need for development policies to be grounded in social change, in order to harness the full potential of all citizens, and improve possibilities of attaining high development outcomes across all sections of the population.
5. The study also confirmed that no single theoretical argument provides a comprehensive backing for the phenomenon of multiple-job holding, as respondents indicated various motivations for holding multiple jobs including “hours’ constraints” on the primary job and “heterogeneous jobs” – both reasons based on utility-maximising behaviour (Dickey et al., 2011).
6. Lastly, the study has shown that the informal economy acts as a buffer and/or a coping mechanism to manage low wages received by public economy workers. Also, the study

highlights how the informal economy has contributed to food security by providing informal economy workers with access to a diverse diet and high quality food options. These benefits are enjoyed by those who work in the sector, as well as by multiple-jobs holders. In light of this, rendering an up-to-date account of the informal economy, which is grounded in the experiences of informal food sector workers, is of practical value to those responsible for policymaking and implementation.

Overall, Libya is a relatively unresearched country, and Misrata City specifically has not been the focus of academic inquiry across most disciplines. So, this study offers pioneering insights into the informal economy, particularly in Misrata, and broadly in Libya. The relevance of findings from this study on informality, multiple-jobs holding, and food security, can provide a foundation to conduct more studies and bridge the existing knowledge gap about Libya.



### **8.5 Policy Implications**

Although the possibility of generating additional income and the flexibility and freedom of undertaking work in the informal economy are among the advantages of working in the informal sector compared to working in the formal economy, the sector also has its challenges. The findings of this study provide guidance for policy planning and can contribute to achieving impactful development and sustainable economic growth in Libya. Some policy implications linked to the study findings are discussed below:

- Findings revealed that most informal economy businesses are not registered, so they did not benefit from social protection enjoyed by formally registered businesses. Although some perceived the informal food sector as favourable, given its ease of entry and exit, it has its downsides including unstable income, not having access to social

benefits e.g. pension, and a lack of access to basic services and resources such as electricity and sanitation. Therefore, policymakers should work to reduce the bureaucratic processes that hamper or deter people from registering their businesses. The sector remains an untapped source of tax revenue, which if tapped into, could serve as a revenue source to fund the infrastructural improvements required to advance the sector.

Due to the evident educational inequalities in the Libyan society, business registration procedures also need to be simplified. Thereafter, policy makers should create awareness campaigns to share information and create awareness about the importance and benefits of registering informal food activities. This awareness is achievable through mass media and social networks. This, in turn, would help to decrease the number of unregistered informal businesses in the country.

- Lack of access to physical and financial capital emerged as a constraint on the growth and existence of informal businesses. Policies to address these constraints should be introduced, including providing microloan institutions to new and existing entrepreneurs and increasing informal food workers access to physical and financial capital. Physical capital measures include educational initiatives such as setting up workshops, developing the existing local markets, providing adequate and updated infrastructure and ensuring a dependable supply of general amenities such as electricity. Moreover, the sector requires improved means of production and equipment, access to raw materials and business support such as veterinary services and medicine for cattle as well as general infrastructural development to help reduce the costs of informal food production costs.

## 8.6 Recommendations for Future Research

This study has some limitations which further research could address. These include:

1. The study was conducted in Misrata city, which is a metropolis. Given the differences in the socio-economic dynamics of urban and rural areas, further research could focus on the informal economy/ informal food sector in rural areas. This would foster inclusive policy formulation at local and national levels, fashioned to address the challenges faced in rural informal economy settings and in urban settings. Further research may also discover new ways to better connect actors in urban and rural environments, with the aim of improving livelihoods and development through interactive action.
2. Future research should explore and expand the meaning of multiple-job holding beyond the informal food sector to other types of informal economies. This would help establish linkages across various sectors in the informal economy and assess its contribution to the national economy. Furthermore, studying multiple-jobs holding within the informal economy can help create better understandings of how formal and informal economies interact within the food system.
3. Given that gender emerged as a significant variable across several dimensions, future research could focus on the systematic exploration of multiple-job holding through a gender lens. This has the potential to highlight entrenched imbalances; it could also highlight the gendered discrepancies between related situations.
4. Future research could also consider a larger scale survey to achieve two things: (i) estimating the size of Libya's informal economy and (ii) expanding the definition to cover all activities within the informal economy besides food.

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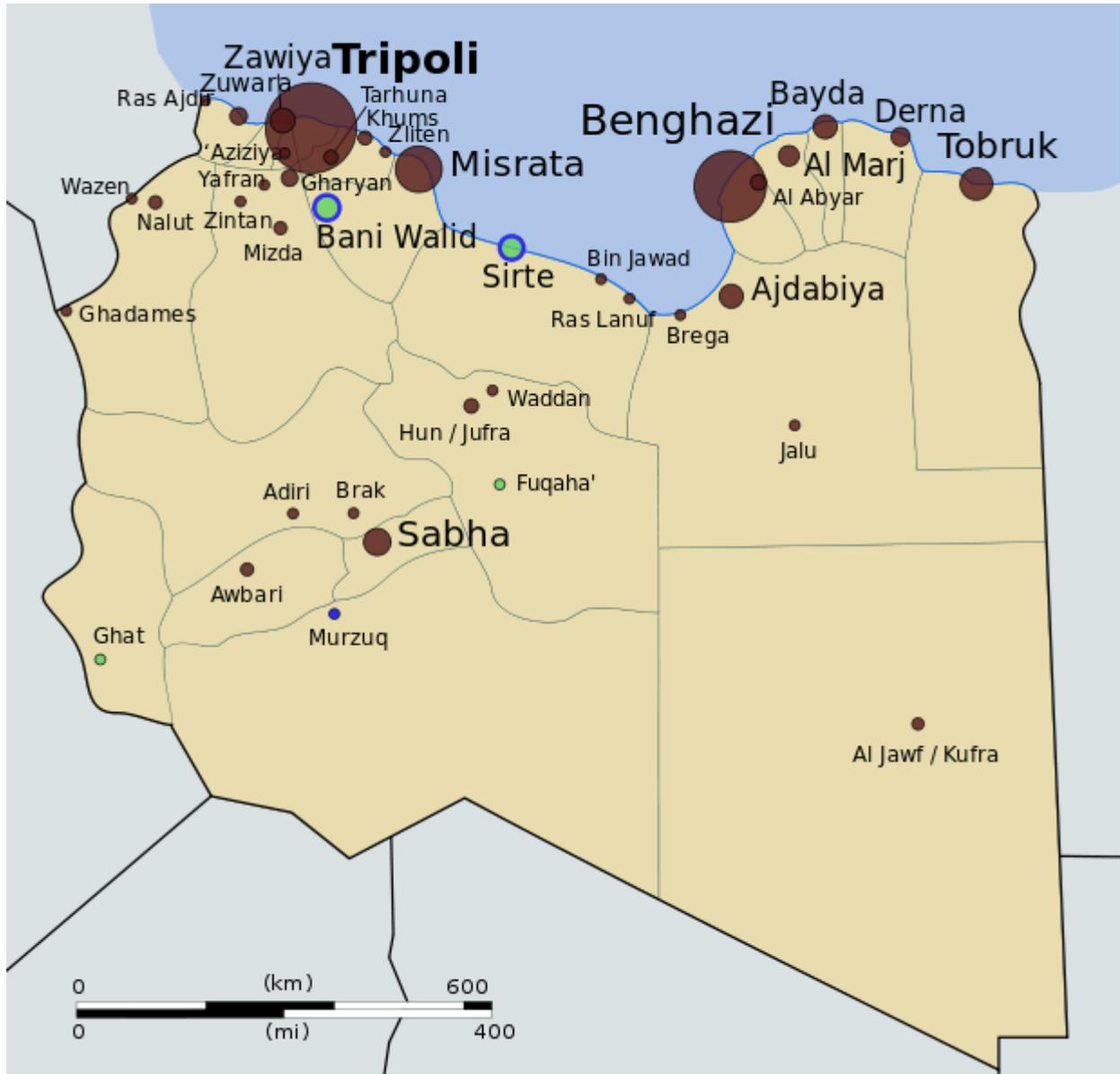
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## Appendix

Appendix 1: Map of Libya showing Misrata



## Survey of the Informal food sector in Misrata

I am conducting a survey on the role of the informal economy in development: a case study of the informal food sector in Misrata.

I would be very grateful if you would spare some time to answer some questions.

The information will remain anonymous and confidential. We are interested in your opinions.



## Appendix 2: Ethical approvals



### OFFICE OF THE DEAN DEPARTMENT OF RESEARCH DEVELOPMENT

17 December 2014

#### To Whom It May Concern

I hereby certify that the Senate Research Committee of the University of the Western Cape approved the methodology and ethics of the following research project by:  
Mr AA Tika (Institute for Social Development)

Research Project: The role of the informal economy in Libya's development: A case study of the informal food sector in Misurata.

Registration no: 14/10/76

Any amendments, extension or other modifications to the protocol must be submitted to the Ethics Committee for approval.

The Committee must be informed of any serious adverse event and/or termination of the study.

A handwritten signature in black ink, appearing to read 'Josias'.

*Ms Patricia Josias  
Research Ethics Committee Officer  
University of the Western Cape*

Private Bag X17, Bellville 7535, South Africa  
T: +27 21 850 2200/2201 . F: +27 21 850 3176  
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[www.uwc.ac.za](http://www.uwc.ac.za)

A place of quality,  
a place to grow, from hope  
to action through knowledge

### Appendix 3: letter of introduction



University of the Western Cape  
**Private Bag X17, Bellville 7535, Cape Town, South Africa**  
**Telephone : (021) 959 3858/6 Fax: (021) 959 3865**  
**E-mail: [pkippie@uwc.ac.za](mailto:pkippie@uwc.ac.za) or [akarriem@uwc.ac.za](mailto:akarriem@uwc.ac.za)**

#### **RESEARCH INFORMATION SHEET**

Dear .....

You are invited to participate in study titled ‘The role of the informal economy in Libya’s development: a case study of the informal food sector in Misurata’ by Ali Abdullallah Tika, a student at University of Western Cape, Cape Town, South Africa. The study is about the informal food sector in Misurata, and seeks to create better understanding about this important part of the Libyan economy especially regarding economic restructuring and diversification efforts of the government.

Kindly note that your participation in the research is by choice and you may decline to answer any questions. You may also choose to withdraw from participating in the research, at any time without penalty. Indeed, it is sure that your participation will support the research.

The interview will be at your house, your work place, or any other place you will feel free to offer information to this research. You will be free to let me know your availability as the interview would need to use 45 to 120 minutes.

The benefits of this study are: Assist Academics and professionals to estimate the size the informal economy properly. Highlight the development challenges in Libya and how can face these challenges by improving the performance the informal economy.

Please be encouraged to ask any questions or give comments about the research and seek further clarifications where needed.

I agree to participate in this study titled: ‘The role of the informal economy in Libya’s development: a case study of the informal food sector in Misurata’

Date:.....

Participant’s Signature:.....

Interviewer’s Signature:.....

If you have any questions concerning this research, please contact me (Ali Tika, 0765005569/00218925709879) or please contact The University of Western Cape Ethics Committee on: +27 21 959 3846).

## Appendix 4: letter of introduction (Arabic)



University of the Western Cape

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E-mail: [pkippie@uwc.ac.za](mailto:pkippie@uwc.ac.za) or [akarriem@uwc.ac.za](mailto:akarriem@uwc.ac.za)

### كراسة معلومات بحث

المحترم ..... التاريخ .....

يطيب لي دعوتكم للمشاركة في دراسة بعنوان "دور الاقتصاد غير الرسمي في التنمية في ليبيا: دراسة حالة قطاع الأغذية غير الرسمي في مصراتة. هذا البحث من إعداد: علي عبدالله تيكّة. طالب في جامعة ويسترن كيب، كيب تاون، جنوب أفريقيا.

الدراسة حول قطاع الأغذية غير رسمي في مدينة مصراتة، تسعى إلى خلق فهم أفضل حول هذا الجزء الهام من الاقتصاد الليبي. خاصة فيما يتعلق بإعادة هيكلة وتنويع الجهود الاقتصادية للحكومة.

الجدير بالذكر ان مشاركتكم في هذا البحث اختياريه، ولك كامل الحق في رفض الإجابة على أية أسئلة لا تود الإجابة عنها. أيضا يمكنك الانسحاب من المشاركة في هذا البحث في أي وقت دون أن يترتب عن ذلك أية مسؤولية. مشاركتكم سوف تدعم البحث بشكل حقيقي.

سيكون الاستبيان في منزلك، مكان عملك، أو أي مكان آخر تشعر بالراحة في تقديم المعلومات لهذا البحث. الرجاء إعلامي بالوقت والمكان الذي ستجمع فيه المعلومات الخاصة بالبحث مع العلم بأن مدة المقابلة ستشغل حيز من 30 إلى 60 دقيقة.

المنفعة المتوقعة من هذه الدراسة تتمثل في: مساعدة الأكاديميين والمهنيين في تقدير حجم الاقتصاد غير الرسمي بشكل صحيح. تسليط الضوء على تحديات التنمية في ليبيا، وكيف يمكن مواجهة هذه التحديات من خلال تحسين أداء الاقتصاد غير الرسمي.

تأكد من أننا نشجعك على طرح أي أسئلة أو إعطاء تعليقات أو ملاحظات حول البحث والتماس مزيد من التوضيحات عند الحاجة.

بسم الباحث..... توقيع الباحث .....

إذا كان لديك أي أسئلة حول هذا البحث، يرجى الاتصال بي (علي تيكّة، 00218917158285 / 0027765005569) أو الإيميل [TEKA2006@YAHOO.COM](mailto:TEKA2006@YAHOO.COM) أو يرجى الاتصال بـ لجنة الأخلاقيات/جامعة الكيب الغربية على: (+279596483)

## Appendix 5: Interview Guide

Date of interview

	/		/	
--	---	--	---	--

Q1. Age.

--

Q2. Gender

Male		Female	
------	--	--------	--

- 3- What is your highest level of education do you have?
- 4- What is your marital status?
- 5- How big your family is? How many children under 12? How many above 60 years?
- 6- In which area of Misrata do you work?
- 7- What is the main reason to work in this informal job? What is the second reason? Any other reasons?
- 8- Why did you choose this activity from others?
- 9- You are already working in the informal sector, thus, could you tell me whether you are working in formal sector or not? If yes, could you explain why you are working in both?
- 10- If the answer is no, why are you do not work in the formal sector?
- 11- What food item/ serves is produced?
- 12- Who are your customers?
- 13- - For what do you use the income you earn from the informal activity?
- 14- How do you improve your work?
- 15- Could you tell me the main problems that you face in operate in the informal activity?
- 16- What are the benefits for you to work in informal sector?

17- From your experience, are there benefits to register your business? Explain it?

18- In your opinion, how can the municipal government offer assistance??

19- Do you think your work in the informal food sector helps people gain access to their preferred food? If yes, can you explain how?



## Appendix 6: Questionnaire sheet

Name: ..... Date of interview

/	/
---	---

Q1. Date of Birth.

--

Q2. Gender

Male		Female	
------	--	--------	--

*(please tick box)*



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Q3. Education  
*(please tick box)*

	None.	Basic Education.	Secondary Education.	High school.	Diploma.	University degree.	Over University	Other .....
Yourself								

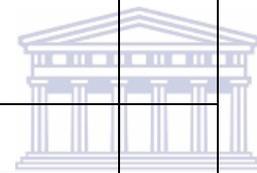
Your spouse								
-------------	--	--	--	--	--	--	--	--

**Q4.**

**4. Marital status**

*(Please tick box)*

Single	Married	Divorced	Living together	Widowed	other



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**Q5. Main economic activity for yourself**-----

-----

**Q6. Main economic activity for yourself**-----

-----

**Q7. What is the Size of your household?**

*(Please tick box)*

2 People	2-3	3-4.	4-5	5-6	6-7	7+

**Q8. How many children under 15 years?**

2 People	2-3	3-4.	4-5	5-6	6-7	7+

**Q9. How many people above 60 years?**

**Q9. How many people above 60 years?**

2 People	2-3	3-4.	4-5	5-6	6-7	7+



**Q10 .How long have you lived in this city?**

*(Please tick box)*

1	2	3	4	5
0-5 years	5-10 years	10- 15 years	15- 20 years	20+

--	--	--	--	--

Q11. Are you employed in the formal sector?

YES	NO	Refused	Other

12. If other please explain?



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--

Q13. If the answer is yes, what is this income generating activity? and informal?

1	Self-owned formal activity/enterprise	
2	Civil Servant	
3	Employee in informal activity/enterprise	
4	Private sector employee	
5	Multiple responses	
6	Other	

Q14. What is the main reason for work in both formal and informal?

1	I need extra income to buy luxury.	
2	My income is not enough to buy basic.	
3	It is a hobby or pastime.	
4	Multiple responses	
5	Other. Explain:	

Q15. How much extra income per month, you will need to earn to leave this second job?

1	0- 500	
2	500-1000	
3	31000- 1500	
4	4- 1500- 2000	
5	Other. Explain:	

Q16. How days per week do you do work in informal sector?

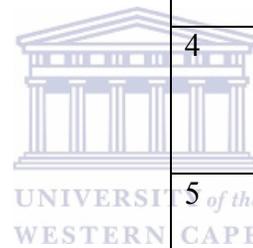
1	1 Day	
2	2 Days	
3	3 Days	
4	4 Days	



Q17. For how long have you done this?

5	5 Days	
6	6 Days	
7	All the week	

1	0- 6 months	
2	6 months- 1 year	
3	1 – 2 year	
4	2-3 years	
5	3 years +	



Q18. How much do you earn from your formal job? activity?

1	0 - 500	
---	---------	--

Q19. How long have you been working in this

2	500-750	
3	750-1000	
4	1000-1250	
5	1250-1500	
6	+1500	

1	0 - 1 year	
2	1- 2 years	
3	2- 3 years	
4	3- 4 years	
5	4- 5 years	
6	5 +	

Q20. How many hours do you work in each day?

Job Type	Number of hours	
Job 1		
Job 2		
Job3		
other		

Q21. What is the reason you chose this informal activity?

1	Family tradition	
2	I have experience	
3	It does not need too much capital	
4	It does not need high skills	
5	There is a market	
6	Other, Explain	

Q22. How many hours per day do you work in this activity?

Q23. Who is the owner of this business?

1	0- 2 hour	
2	2- 4 hours	
3	4- 6 hours	
4	6- 8 hours	
5	8 +	

1	Family	
2	Spouse	
3	Self	
4	Partnership friend/s	
5	Other	

Q24. How many of your family WORK in this activity?

1	None	
2	1- 2	
3	3- 4	
4	5 6	
5	7 +	
6		

Q25. Are there any children employed in this activity?



Yes	No	Refuse

Q26. How many children are employed in this activity?

None	1- 2	3- 4	7 +

Q27. Is your business formally registered?

Yes	No	Refuse

Q28. If the answer is No, what is the main reason for not registering your business?

1	Complicated	
2	Tax	
3	Time	
4	Refuse	
5	other explain	

Q29. If you got a chance to register your business, will you do?

Yes	No	Refuse	other
If other explain			



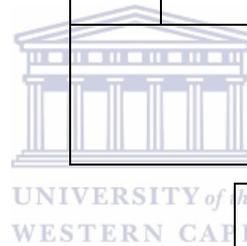
Q30. Where do you keep your revenues from business?

Q31. Who are your main customers? (To whom do you mainly sell?)

Business Account	Personal account	I keep money at home	Other. Explain
Explain:			

1	Private formal sector	
2	Private informal sector	
3	Public sector	
4	Individual	
5	Other. Explain	

Q32. Who is your principal supplier? (From whom do you  
 Q33. Do you sell your goods on credit?



mainly buy?)

1	Private formal sector	
2	Private informal economy	
3	Public sector	
4	Individual	
5	Other. Explain	

1	Yes	
2	No	
3	Sometimes	
4	Refuse	
5	Other.	
Explain		

Q34. Who do you sell to on credit?

1	Family	
2	Friends	
3	Known customers	
4	Individual with references	
5	Other. Explain	

2. If the answer is yes. How often did this happen?

Rarely	Sometimes	Often

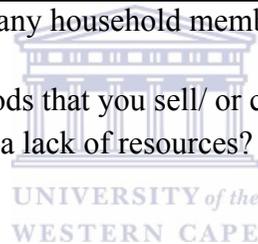
Q35. Are there any problems of payments?

Yes	No	Refuse	other
If other explain			

Food Security

1. Were you or any household member not able to eat

the kinds of foods that you sell/ or cooked for sell because of a lack of resources?



Yes	No	I do not know	other
If other explain			

3- Did you or any household member have to eat a limited variety of foods due to a lack of resources although you sell it?			
Yes	No	I do not know	other
If other explain			

4- If the answer is yes. How often did this happen?		
Rarely	sometimes	Often

5- Did you or any household member have to eat some foods that you really did not want to eat because of a lack of resources to obtain other types of food?				
Yes	No	I do not know	Revenue	other

6. If the answer is yes. How often did this happen?		
Rarely	Sometimes	Often

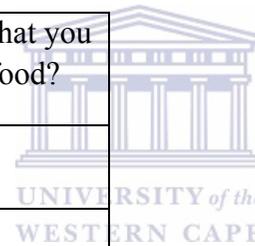
7- Did you or any household member have to eat a smaller meal than you felt you needed because there was not enough food?				
Yes	No	I do not know	Revenue	other

8. If the answer is yes. How often did this happen?		
Rarely	Sometimes	Often

9- Did you or any household member have to eat fewer meals in a day although you sell it?				
Yes	No	I do not know	Revenue	other

10. If the answer is yes. How often did this happen?		
Rarely	Sometimes	Often

11- Did you or any household member have to eat the food that you trading, because do not have enough money to buy another food?				
Yes	No	I do not know	Revenue	other



12. If the answer is yes. How often did this happen?		
Rarely	Sometimes	Often

13- Do you think your work in the informal food economy would improve the food security situation?				
Yes	No	I do not know	Revenue	other

14. If the answer is yes, explain		

## Appendix 7: Arabic Version of Questionnaire

الاستبيان

التاريخ

/	/
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ليبي	غير ليبي
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س2 الجنسية

س1 العمر

أنثى	- ذكر
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س3 الجنس

س4 التعليم

غيرها	دراسات عليا	تعليم جامعي	تعليم ثانوي	تعليم إعدادي	تعليم ابتدائي	بدون شهادة	
							لك
							زوجك
		غيرها	أرملة - أرملة	مطلق	متزوج	أعزب	

5- الحالة الاجتماعية

6- ما هو عدد أفراد عائلتك؟

7+	6-7	5-6	4-5	3-4	2-3	2

سنة؟

7- كم عدد الأطفال أقل من 15

+7	6	5	4	3	2	1	لا يوجد

افراد عائلتك الذين هم أكبر من 60 سنة؟

8- كم عدد

+7	6	5	4	3	2	1	لا يوجد

النشاط الرئيس لك؟

9- ما هو

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10- ما هو النشاط الرئيس لزوجك؟

11- منذ متى وأنت تعيش في هذه المدينة

5	4	3	2	1
20+	20-15	15-10	10-5	5-0

12- هل لديك عمل في القطاع الرسمي

نعم	لا	لا إجابة	غيرها

13- إذا كانت الإجابة بنعم, فما هو نوع هذا العمل؟

1	ملكية خاصة رسمية
2	موظف حكومي
3	يعمل في نشاط آخر غير رسمي
4	يعمل في القطاع الخاص
5	غيره
1	أحناج دخل إضافي لشراء الكماليات
2	دخلي لا يكفي لشراء الأساسيات
3	لدي وقت فراغ
4	لدي هواية في العمل في هذا المجال
5	غيرها. اشرح.....

14- ما هو السبب الرئيس للعمل في كل من القطاع الرسمي والقطاع غير الرسمي؟

15- كم من المال الإضافي تحتاج لتترك الوظيفة الثانية؟ (دينار لبيبي)

1	0- 500
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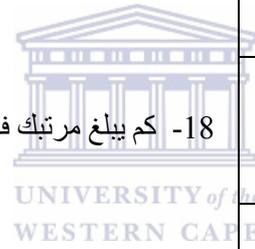
	500-1000	2
	1000- 1500	3
	1500- 2000	4
		5

16- كم عدد الأيام في الأسبوع التي تقوم فيها بالعمل في القطاع الغير رسمي؟

	يوم	1
	يومان	2
	3 أيام	3
	4 أيام	4
	5 أيام	5
	6 أيام	6
	كل أيام الأسبوع	7

17- منذ متى وأنت تعمل في هذا العمل؟

18- كم يبلغ مرتبك في العمل الرسمي؟ (دينار ليبي)



		0 - 6 أشهر	1
		6 أشهر إلى سنة	2
		سنة - سنتان	3
		سنتين - 3 سنوات	4
		0 - 500	1
		500-750	2
		أكثر من 750 سنوات	3
		1000-1250	4
		1250-1500	5
		+1500	6

19- كم عدد ساعات العمل في؟

عدد الساعات فاليوم	نوع العمل	
	العمل الأول	1

	العمل الثاني	2
	العمل الثالث	3
	غيره	4

20- ما هو السبب لأختيارك العمل في هذا النوع من الأنشطة؟

1	لتقاليد العائلية
2	أمتلك خبرة في هذا المجال
3	لاحتياج لكثير من الخبرة
4	وجود سوق لهذا النشاط
5	غيرها... اذكرها .....

21--كم عدد ساعات العمل في هذا النشاط؟

1	0-2 ساعات
2	2-4 ساعات
3	4-6 ساعات
4	6-8 ساعات
5	8+ ساعات

22- من يملك هذا النشاط؟

1	العائلة
2	الزوج/الزوجة
3	أنا نفسي
4	شراكة أصدقاء/صديق

5	غيره
---	------

23- كم من أفراد أسرتك يعمل في هذا النشاط؟

1	لا أحد	1
2	1- 2	2
3	3- 4	3
4	5 6	4
5	7+	5



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24- هل هناك أطفال يعملون في هذا النشاط؟

نعم	لا	لا إجابة

25- إذا كانت الإجابة بنعم. كم عددهم؟

2-1	3-2	4-3	+5

26- هل هذا النشاط مسجل رسمياً؟

نعم	لا	لا إجابة
-----	----	----------

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27- إذا كانت الإجابة ب لا. ما هو سبب عدم التسجيل؟

1	التعقيد
2	الضرائب
3	الوقت
4	لا إجابة
5	غيره.... أذكره

28- إذا تحصلت على فرصة لتسجيل نشاطك. هل ستقوم بتسجيله؟

نعم	لا	لا إجابة	غيرها
		UNIVERSITY of the WESTERN CAPE	
			غيرها: اشرحها

29- اين تحتفظ بالعائدات من نشاطك؟

غيرها	احتفظ بالمال فاليبيت	حسابي الشخصي	حساب العمل
اذكرها .....			

30- من هو زبونك الرئيسي؟ إلى من تباع عادة؟

31- من أين تشتري البضاعة ؟

1	القطاع الخاص الرسمي
2	القطاع الخاص الغير رسمي
3	القطاع العام
4	الأفراد
5	غيرها
اذكرها .....	

1	القطاع الخاص الرسمي
2	القطاع الخاص الغير رسمي
3	القطاع العام
4	الأفراد
5	
1	القطاع الخاص الرسمي
2	القطاع الخاص الغير رسمي
3	القطاع العام
4	الأفراد

	غيرها	5
	نعم	1
	لا	2
	بعض الأحيان	3
	لا إجابة	4
	غيرها	5

بالببيع بالدين؟

32- هل تقوم

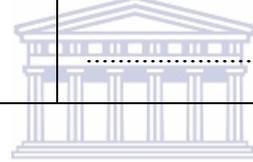


	القطاع الخاص الرسمي	1
	القطاع الخاص الغير رسمي	2
	القطاع العام	3
	الأفراد	4
		5

33- لمن تقوم بالببيع بالدين؟

	العائلة	1
--	---------	---

		الأصدقاء	2
		الزبائن المعروفين	3
		الأفراد المضمونين	4
	نعم	غيرها	5
	لا		2
	لا إجابة		3
	غيرها.....		4



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34- هل هناك أي مشاكل فالدفع

35- هل كنت أنت أو أحد من الأسرة غير قادر على أكل أنواع من الأغذية التي تبيعها أو تصنعها للبيع بسبب قلة المال؟

نعم	لا	لا أعرف	غيرها
إذا غيرها			

	اشرح
--	------

36- إذا كانت الإجابة بنعم, كم مرة حدث ذلك؟

غالباً	بعض الأحيان	نادراً



37- هل اضطررت أنت أو أحد من الأسرة على أكل أنواع محددة من الأغذية بسبب قلة المال بالرغم من أنك تبيع /او تصنع الأغذية؟

نعم	لا	لا أعرف	غيرها
			إذا غيرها اشرحها

38- إذا كانت الإجابة بنعم, كم مرة حدث ذلك؟

غالباً	بعض الأحيان	نادراً

39- هل اضطررت أنت أو أحد من الأسرة على أكل أنواع من الأغذية التي تبيع /أو تصنع الأغذية عالرغم من أنك لا تفضلها, بسبب قلة المال للحصول على أنواع أخرى من الغذاء؟

40- إذا كانت الإجابة بنعم, كم مر

ة حدث ذلك؟



نعم	لا	لا أعرف	غيرها
			إذا غيرها اشرحها

غالباً	بعض الأحيان	نادراً

41- هل اضطررت أنت أو أحد من الأسرة على أكل كمية أقل مما تحتاجه من الطعام, بسبب قلة الغذاء؟

نعم	لا	لا أعرف	غيرها
			إذا غيرها اشرحها



42- إذا كانت الإجابة بنعم, كم مرة حدث ذلك؟

غالباً	بعض الأحيان	نادراً

43- هل اضطررت أنت أو أحد من الأسرة على أكل وجبات أقل في اليوم, بالرغم من أنك تبنيع /او تصنع الأغذية؟

نعم	لا	لا أعرف	غيرها

	إذا غيرها اشرحها
--	------------------

44- إذا كانت الإجابة بنعم, كم مرة حدث ذلك؟



غالباً	بعض الأحيان	نادراً

45- هل اضطررت أنت أو أحد من الأسرة على أكل أنواع من الأغذية التي تتبع /أو تصنع, بسبب قلة المال للحصول على أنواع أخرى من الغذاء؟

نعم	لا	لا أعرف	غيرها
			إذا غيرها اشرحها

46- إذا كانت الإجابة بنعم, كم مرة حدث ذلك؟

غالبا	بعض الأحيان	نادرا

47- هل تعتقد أن عملك في قطاع الأغذية غير الرسمي يحسن من حالة الأمن الغذائي؟

نعم	لا	لا أعرف	غيرها
UNIVERSITY of the WESTERN CAPE			إذا غيرها اشرحها



قرار مجلس الوزراء  
رقم (21) لسنة 2013 ميلادي  
بتنظيم العمل الإضافي

**مجلس الوزراء :-**

- بعد الاطلاع على الإعلان الدستوري ، وتعديلاته .
- وعلى قانون النظام المالي للدولة ولانحة الميزانية والحسابات والمخازن وتعديلاتهما .
- وعلى القانون رقم (12) لسنة 2010 ميلادي، بشأن إصدار قانون علاقات العمل ولانحته التنفيذية .
- وعلى قرار المؤتمر الوطني العام رقم (9) لسنة 2012 ميلادي في شأن تعيين رئيس الوزراء وتكليفه بتشكيل الحكومة المؤقتة .
- وعلى قرار المؤتمر الوطني العام رقم (10) لسنة 2012 ميلادي في شأن منح الثقة للحكومة المؤقتة .
- وعلى قرار اللجنة الشعبية العامة رقم (311) لسنة 2009 ميلادي، بشأن تنظيم العمل الإضافي .
- وعلى قرار رئيس مجلس الوزراء رقم (5) لسنة 2012 ميلادي ، بتكليف نائب مهام الرئيس .
- وعلى ماعرضه وزير الثقافة والمجتمع المدني بكتابه رقم ( 3134 ) المؤرخ 2012/12/23 ميلادي .
- وعلى كتاب أمين عام مجلس الوزراء رقم (277) بتاريخ 2013/1/7 ميلادي .
- وعلى ماقرره مجلس الوزراء في اجتماعه العادي الأول لسنة 2013 ميلادي .

" قسـرر "

**مادة (1)**

يجوز عند الإقتضاء وبموافقة الوزير المختص ، إقرار العمل الإضافي للعاملين بالوحدات الإدارية العامة بعد ساعات الدوام الرسمي للتعويض عن النقص النوعي في استكمال شغل وظائف الملاك الوظيفي بالوحدة الإدارية لمواجهة ضغط العمل أو لأداء اختصاصات مضافة أو لإنجاز أعمال تنسم بطابع الإستعجال والأهمية بتعذر إنجازها أثناء ساعات الدوام الرسمي .  
وينطبق العمل الإضافي على جميع العاملين بالوحدة الإدارية دون النظر إلى درجاتهم الوظيفية .

**مادة (2)**

بشروط لاستحقاق مقابل العمل الإضافي ما يلي :-

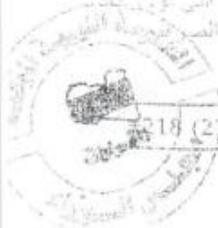
- أ. ألا تتجاوز نسبة الموظفين المكلفين بالعمل في الشهر الواحد (20%) من عدد العاملين بالوحدة الإدارية .
- ب. ألا تزيد ساعات العمل الإضافي للموظف على (3) ثلاث ساعات يومياً .
- ج. ألا تكون ساعات العمل الإضافي متصلة بساعات العمل الرسمي بل تقصّل بينهما فترة راحة لا تقل عن ساعة واحدة .

**مادة (3)**

لايجوز تكليف الموظفين بالوحدات الإدارية العامة بأداء ساعات عمل إضافية تزيد على ساعات الدوام الرسمي عند تكليفه بالعمل أثناء راحته الأسبوعية أو العطلات الرسمية .

**مادة (4)**

تحتفظ الوحدات الإدارية العامة بسجل خاص لاتذات وقت حضور وانصراف الموظفين المسجلين بأداء أعمال بعد ساعات الدوام الرسمي ويكون مدير الإدارة أو المكتب المختص مسؤولاً عن حصر ساعات العمل التي تؤديها في السدوام الرسمي لكل موظف مكلف بذلك، وتقديمه صحفية المستندات الأخرى لتجربة المسؤولية عن التصرفات.



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**مادة (5)**

يستحق الموظف عن أدائه لساعة العمل الإضافي الواحدة ضعف قيمة ما يتقاضاه عن ساعة العمل أثناء الدوام الرسمي .

**مادة (6)**

يتم لأغراض احتساب قيمة ساعة العمل الإضافي ما يلي :-

- يعتبر الشهر ثلاثين يوماً .
- يقسم المرتب الأساسي للموظف على (30) ثلاثين وحدة لتحديد راتب اليوم الواحد .
- يقسم راتب اليوم الواحد على (7) سبعة وهي عدد ساعات العمل الرسمية في اليوم لتحديد راتب الساعة الواحدة .
- تضاعف قيمة راتب الساعة العادية لتحديد راتب ساعة العمل الإضافي الواحدة .
- بصرف مجموع قيمة ساعات العمل الإضافي للموظف شهرياً .

**مادة (7)**

يقوم مدير المكتب أو الإدارة المختص بالوحدة الإدارية العامة باستيفاء نموذج طلب إقرار ساعات عمل إضافي المرفق بهذا القرار ، وفي الأحوال التي يوافق فيها الرئيس المباشر أو من يقوم مقامه يعتمد مسئول الوحدة الإدارية العامة النموذج ، الذي يعتبر أساساً لصرف مقابل العمل على ألا يتم صرف مقابل العمل الإضافي إلا بعد موافقة الوزير المختص أو من له صلاحياته على صرف العمل الإضافي بالوحدة الإدارية العامة المعنية .

**مادة (8)**

يقدم مدير المكتب أو الإدارة المختص إلى رئيسه المباشر - عند الطلب - تقرير متابعة عن العمل الذي تمت تأديته بعد ساعات الدوام الرسمي ، بما في ذلك تكلفته المالية ونحو نسخة من هذا التقرير إلى وزارة العمل والتأهيل لاستخلاص النتائج منه ، وأخذ في الاعتبار عند دراسة تعديل الملاك الوظيفي للوحدة الإدارية ، سواء بالإضافة أو التعديل حسب الحاجة ، وكذلك فيما يتعلق بوضع البرامج التدريبية لرفع كفاءة موظفي الوحدة الإدارية .

**مادة (9)**

تحدد وزارة المالية المخصصات المالية التقديرية اللازمة للعمل الإضافي وتدرج بميزانيات الوحدات الإدارية العامة بمراعاة ما يلي :-

- احتساب (20%) كحد أقصى من عدد الموظفين المسكنين بالملاك الوظيفي المعتمد للوحدة الإدارية كمرشحين لأداء العمل الإضافي .
- عدد الوظائف الشاغرة في الملاك الوظيفي المعتمد .
- الاختصاصات والأعمال المضافة للوحدات الإدارية العامة ، والتي لاتقع ضمن الاختصاصات والأعمال العادية المكلفة بها .

**مادة (10)**

يلغى قرار اللجنة الشعبية العامة رقم (311) لسنة 2009 ميلادي بشأن تنظيم العمل الإضافي .

**مادة (11)**

يعمل بهذا القرار من تاريخ صدوره ، وعلى الجهات المختصة تنفيذه ، وينشر في الجريدة الرسمية .

مجلس الوزراء



مجلس الوزراء  
البريد الإلكتروني: [www.pml.gov.ly](mailto:www.pml.gov.ly)  
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## قرار مجلس الوزراء

رقم ( 356 ) لسنة 2012 ميلادي

بتعديل قراره رقم (10) لسنة 2012 ميلادي

بتقرير بعض الأحكام في شأن الدوام الرسمي

## مجلس الوزراء :-

- بعد الاطلاع على الإعلان الدستوري ، وتعديلاته .
- وعلى قانون النظام المالي للدولة ، ولائحة الميزانية والحسابات والمخازن ، وتعديلاتهما .
- وعلى القانون رقم (12) لسنة 2010 ميلادي ، بشأن إصدار قانون علاقات العمل ولائحته التنفيذية .
- وعلى القانون رقم (5) لسنة 2012 ميلادي ، بشأن العطلات الرسمية .
- وعلى قرار المجلس الوطني الانتقالي رقم (174) لسنة 2011 ميلادي ، بشأن تحديد هيكل الحكومة الانتقالية .
- وعلى قرار المجلس الوطني الانتقالي رقم (184) لسنة 2011 ميلادي ، بشأن اعتماد الحكومة الانتقالية .
- وعلى قرار مجلس الوزراء رقم (10) لسنة 2012 ميلادي ، بتقرير بعض الأحكام في شأن الدوام الرسمي .
- وعلى قرار مجلس الوزراء رقم (319) لسنة 2012 ميلادي ، بتقرير بعض الأحكام في شأن الدوام الرسمي خلال شهر رمضان الكريم للعام 2012 ميلادي .
- وعلى كتاب وزير العمل والتأهيل رقم ( 75 ) المؤرخ في 18 / 07 / 2012 ميلادي .
- وعلى ما قرره مجلس الوزراء في اجتماعه العادي التاسع والعشرون لسنة 2012 ميلادي .

## " قرار "

## مادة(1)

تعديل المادة (2) من القرار رقم (10) لسنة 2012 ميلادي المشار إليه ، بحيث يجري نصها على النحو التالي :-

## مادة (2) :-

" تكون أيام الدوام الرسمي للجهات الخاضعة لأحكام هذا القرار من يوم الأحد إلى يوم الخميس من كل أسبوع ولفترة عمل واحدة من الساعة (08:00) الثامنة صباحاً وحتى الساعة (15:30) الثالثة والنصف بعد الظهر ، ويكون يومي الجمعة والسبت راحة اسبوعية ، وذلك مع عدم الإخلال بنظام العمل التناوبي بالجهات التي تسري عليها أحكام هذا القرار " .

## مادة (2)

يعمل بهذا القرار من تاريخ صدوره ، ويلغى كل حكم يخالفه ، وعلى الجهات المعنية تنفيذه ، وينشر في الجريدة الرسمية.

مجلس الوزراء



صدر في : 05 / شوال /

الموافق : 23 / 08 / 2012 ميلادي

ع . أبو عائشة

م . س

طرابلس . طريق السكة - هاتف : 3344210 - 3620117 (21) 218 + فاكس : 3620132 (21) 218 +

## Appendix 8: Principal Component Analysis (PCA) Output

**Table AP. 1: Principal Component Analysis (PCA) Output**

Principal components/correlation	Proportion Cumulative
	Number of obs = 343
	Number of comp. = 6
	Trace = 6
Rotation: (unrotated = principal)	Rho = 1.0000

Component	Eigenvalue	Difference	Proportion	Cumulative
Comp1	3.71181	2.89448	0.6186	0.6186
Comp2	.817331	.316303	0.1362	0.7549
Comp3	.501028	.0931654	0.0835	0.8384
Comp4	.407862	.0726834	0.0680	0.9063
Comp5	.335179	.108389	0.0559	0.9622
Comp6	.22679	.	0.0378	1.0000

**Principal components (eigenvectors)**

Variable	Comp1	Comp2	Comp3	Comp4	Comp5	Comp6	Unexplained
IEFPDLR	0.3877	-0.3698	0.7571	0.2450	-0.0636	0.2749	0
ELVFDLR	0.4440	-0.3218	-0.0253	-0.2150	0.3893	-0.7077	0
EUFDLR	0.4125	-0.3931	-0.4917	-0.3532	-0.0126	0.5555	0
ELPFDLR	0.3966	0.4778	0.1937	-0.5107	-0.5487	-0.1221	0
ELMFDLR	0.3814	0.6108	0.0155	0.1370	0.6267	0.2641	0
EFTFDLR	0.4238	0.0614	-0.3828	0.6996	-0.3878	-0.1742	0

**Table AP. 2: Kaiser-Meyer-Olkin measure of sampling adequacy**

Variable	KMO
IEFPDLR	0.8756
ELVFDLR	0.8078
EUFDLR	0.8149
ELPFDLR	0.8467
ELMFDLR	0.7932
EFTFDLR	0.8878
Overall	0.8357