



The Characteristics and Particularities of Informal Entrepreneurship in Tunisia

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Abstract

The purpose of this work is to describe the dynamics of informal entrepreneurship in Tunisia in seeking to understand the motivations of informal entrepreneurs, which push them to remain or evolve towards the formalization of their activities. For this, the survey, carried out among of 20 informal entrepreneurs operating in different sectors of activity, allowed us to describe the reasons for which the entrepreneurs working of manner informal in Tunisia, why they wish y stay or evolve towards there formalization of their activity.

Based on the life stories of informal entrepreneurs, our corpus of data allows, on the one hand, to say that motivations has invest in the sector informal are mostly the cost relatively reduced entry and the do to escape to hassles administrative and, secondarily, to tax obligations. On the other hand, several factors push entrepreneurs to remain in the informal sector such as the increasing organization of the sector with professional organizations that defend their interests. There solidarity of the networks family and knowledge and the few administrative and fiscal constraints to which they are subject to are particularly decisive. We can also add the lack of information and support on advantages that provides there formalization of activities.

Keywords

Informal, Formal, Entrepreneurship, Tunisia

1. Introduction

Tunisia was among the rare countries in the world to have had, since the beginning of the 1970s, a statistical system that made it possible to produce national estimates of employment in the informal economy, using a multitude of statistical sources. However, and despite this progress in the exploration of the informal economy, it took three decades for a household survey dedicated to informal employment to be carried out in 2019 (UNDP, 2022).

Most jobs in developing economies are generated by the sector informal, which plays a predominant role in the creation of national wealth (UNDP, 2022). Same time, the informal sector remains largely unknown to researchers and neglected by politics, even perceived negatively. Interesting at debate between the sector informal and entrepreneurship, the object of this contribution east of to understand and describe their dynamic of informal entrepreneurship, in general and, in particular, to discuss the reasons, which push an informal entrepreneur to formalize his activities or to remain informal. By informal entrepreneurship, according to the OECD (2015), informal entrepreneurship can be defined in line with the generally used definition of the informal economy. Indeed, according to this institution, informal entrepreneurship includes self-employed workers and business creators who carry out legal activities for which they receive undeclared financial compensation, in completely or in part, within the framework of tax obligations, social and those relating to labor law (OECD, 2015).

In developed countries, entrepreneurs created mainly in the formal economy. That explain that there mostly of the studies in the world it is first of all interested has formal entrepreneurship. In Africa, the absence of reliable data in many countries on the informal sector may explain why researchers have paid less attention to it. However, the sector informal east here in all the country and informal entrepreneurship being one of these components (Williams, 2017). In developing countries, the informal sector essentially ensures subsistence, survival; the individuals who evolve there are not often

considered entrepreneurs (Omri, 2020). However, studies have shown that informal entrepreneurship can also be considered as real opportunities to be seized; it constitutes a voluntary choice of individuals who create business (Alla et al., 2022; Williams, 2017).

Numerous studies seem to converge towards criteria making it possible to characterize the informal sector: undeclared work, tax evasion, businesses created without authorization, illegality (Cioboată, 2020; Rujoiu, 2019). The individuals who evolve there are either no qualified, or qualified who invest in varied activities: some present a real potential for development (agro-food, sewing, mechanics, etc.); for others, it these are small activities that generate income to meet the needs of the family (small sedentary or itinerant business) (Ado, 2022; Palmer, 2017). This sector has a characteristic main: its dynamism entrepreneurial (Williams, 2017).

Indeed, the informal sector considered by informal entrepreneurs like (Musara & Nieuwenhuizen, 2020; Mahadea & Zogli, 2018):

- A springboard, during the life cycle of their business, used to accumulate capital initial and to test the niche of walk who interests them ;
- A safe activity: in fact, they are afraid of learning new ways of doing things the business by formalizing their activities.

In Africa, where institutions are weak and resources limited or insufficient, entrepreneurs are therefore more inclined to invest in activities, a large part of which can take the form of informal arbitration (Igwe et al., 2020). The sectors formal and informal maintain of the relationships and of the movements are observed: of the people evolving in the formal, on the long term, se find in the informal and vice versa (Tansel & Acar, 2017; Williams, 2017).

For informal entrepreneurs, varied behaviors can be observed. Some aspire, over time, to formalize their activities for growth needs and a desire to access has of the supports government, while that others, for reasons of security and of comfort, prefer stay in the informal (Ado, 2022; Williams, 2017).

In Tunisia, informal entrepreneurship is a reality. Informal activities do not concern not just poor households and individuals, unemployed, but rather sectors and different socio-economic contexts (UNDP, 2022). In Tunisia, the sector informal plays a role prominent; the environment, poor in resources, and the weakness of institutions will to favor the mind business informal or there resourcefulness (UNDP, 2022).

The objective of this contribution is to know how activities, which develop in the informal sector, can be positioned with respect to institutional boundaries. What reasons can push individuals, evolving in the economy informal, has formalize their activities or on the contrary has stay in the informal?

To answer this question, we will first present our theoretical framework. Afterwards, in an approach qualitative has aimed interpretive and founded on the stories of life of entrepreneurs informal evolving in of the activities varied with of the outlook devolution, we will try of understand and explain the dynamics of informal entrepreneurship, describe the reasons for which individuals remain there, the arguments put forward, when they tend to formalize their activities.

2. Literature Paper

It is recognized today that the informal economy attracts a set of activities, which fully participate in the development of economies (Williams, 2023). According to the most recent data, more than two billion people around the world occupy informal jobs, or 61.2% of total employment worldwide and 90% in the case of developing countries (UNDP, 2022). According to the same source, on a global scale, the vast majority of economic units are informal (80.9%). Thus, the activities created are essentially in the informal economy, which allows us to say that many entrepreneurs in the world operate in the informal sector.

Despite these different representations, often negative, informal entrepreneurship has gained in importance in management research for around ten years (Williams, 2023).

2.1 Entrepreneurship Informal

The entrepreneur has often been considered a “superman”, a “hero” (Light, 2023; Walle, 2020). However, this conception has begun to be questioned (Pittz & Pittz, 2024). Many authors studied entrepreneurship in the informal economy, which brings together activities varied without accounting written or formal, evolving in margin of respect of their taxation (Omoloba et al., 2023; Omri, 2020; Bu & Cuervo-Cazurra, 2020).

As we the understand commonly, the economy informal se pass in out of the legal boundaries, but within tolerated societal limits (Pittz & Pittz, 2024; Williams, 2023; Ado, 2022; Omri, 2020; Palmer, 2017). This means, of course, that informal economic activity can be interpreted differently from one context to another, from one country to another. Thus, informal entrepreneurship refers to income from activities which take place, in part or in whole, outside the regulatory framework in the country, of their taxation, but has the interior of a frame institutional normative base on their understanding mutual implicit of their company and of the communities of this who east acceptable and tolerable (Ado, 2022; Omri, 2020). Entrepreneurship informal allow the organization of the activities generating regular income over time or one-offs such as the activities submitted has of many hazards impactful on their sustainability.

The activities created by informal entrepreneurs generally make it possible to provide for needs of different parts stakeholders (entrepreneur, family, friends, etc.). It is generally an entrepreneurship of need motivated by their survival and there resourcefulness. In addition, the term “entrepreneur” is often refused to them. Recently, the work of Muhammad et al. (2021) concluded that informal entrepreneurs are not always motivated by need.

Investing in the informal sector then allows you to generate income and make profits over a period more or less long. This income can also come from one-off activities. In the informal sector, there are different actors (men, women, young people, retirees, employees of companies formal, etc.). Some evolve in of the activities, judged “acceptable and tolerable”, with no real prospects for advancement (sale of juice, small businesses, daycare children, etc.), while others evolve in activities with strong potential devolution (agri-food, transportation and telecommunication, agriculture, breeding, etc.) (Ado, 2022; Omri, 2020; Palmer, 2017).

People who invest in the informal economy are mainly households at unemployment having follow up or no a training (Güven et al., 2021). Marginally, of the employees this local businesses wish to supplement their income. This calls into question the point of view of some authors (Geraedts et al., 2021) according to which, the workers informal are of the people having a weak level education, of training or of skills.

These people have of the equipment technological simple, of the products has weak value added and use the support of networks social belonging at even band socioeconomic. This allow of say that the sector informal works as a walk questionable with almost zero entry and exit costs (Geraedts et al., 2021). Of many emigrants, se find also in the informal sector (Dunn & Maharaj, 2023).

Four big types of entrepreneurs informal have summer distinguished (Williams, 2023):

- “Permanent and totally informal entrepreneurs” operating businesses unregistered, entirely in the informal economy with no intention of formalizing in a foreseeable future;
- “Temporary and totally informal entrepreneurs”, operating businesses no recorded of manner informal, but having the intention of se formalize;
- The “entrepreneurs permanent partially informal”, who exploit of the registered businesses and pay taxes, but do not declare part of their income and don't have no intention of increasing there go that they declare ;
- The “entrepreneurs temporary and partially informal”, who exploit of the registered companies, which do not declare part of their income but which are in transition around the formalization.

2.2 The Motivations of the Entrepreneurs Informal

In the informal economy, some people invest out of necessity; for others, it is a real choice, because they have perceived opportunities (Brahem & Boussema, 2023; Atsız & Cifci, 2022; Ghose et al., 2021; Santos et al., 2021; Murnieks et al., 2020). According to these same authors, and based on the informal entrepreneurship distinction of necessity and informal entrepreneurship of opportunities, several motivations of entrepreneurs can be identified:

- Entrepreneur motivated by necessity because he wishes to take care of the needs of the family without ambition for growth. So informal entrepreneurship is then involuntary, strength or of survival;
- Entrepreneurship east a choice voluntary and motivated by the desire of to input an opportunity business identified;
- Entrepreneurship arises from the relationship between opportunity and entrepreneurship. This thinking goes beyond the representation of informal entrepreneurs as either necessity, or opportunity;
- Entrepreneur where necessity and opportunity coexist in the act of creating.

The motivations mentioned emphasize what pushes one to engage in activities generating income and not on the reasons why they operate in the economy informal.

The informal economy plays an important and controversial role: it provides jobs, alleviates poverty and moderates unemployment and underemployment, although in many cases, jobs are low paid and job security is not guaranteed (Williams, 2023). She strengthens the activity entrepreneurial, but at detriment of their compliance to state regulations, particularly regarding taxation and labor regulations (Omri, 2020). In addition, the disadvantages of the informal economy can arise such as exploitative relationships providing, for example, a low-cost labor pool and has wages variables by self-exploitation and subsidizing the economy formal in offering inexpensive products or services to the population. By their very nature, informal activities are potentially prey to fraud. In the absence of any framework legal, the parts at contract can easily miss has of the commitments verbal (Palmer, 2017).

Indeed, there are several reasons for investing in the informal sector: to be independent, be your own boss, have an income-generating activity, capitalize your experience, earn money and support your family or get rich; dissatisfaction in his previous employment; the need for reintegration, after immigration abroad; the taste of risk ; loss of employment; the exploitation of an opportunity (Brahem & Boussema, 2023; Atsız & Cifci, 2022; Ghose et al., 2021; Santos et al., 2021; Murnieks et al., 2020).

However, the motivations personal of the entrepreneurs informal change with the time and at fur and has measure that the people and their activities se develop. This is not a pattern who triggers decisions to enter entrepreneurship. There are, however, multiple reasons obliging the entrepreneur to persist in the informal:

- A strategy of “last appeal” for the people trained and not having never could get a job formal (Kelishomi & Nisticò, 2023);
- A opportunity attractive self-employment and of creation of income (Williams & Windebank, 2021) ;
- A support mutual, mostly at level community (Igwe et al., 2020) ;
- A strategy of diversification in of the contexts commercial hostile (Helmy, 2020);
- Of the reasons social (Williams, 2023; Adair et al., 2022).

2.3 The Evolution of the Activities and the Sector Informal

A consensus in the literature allows us to consider informal entrepreneurship as a continuum of the appearance formal has informal and no of analyze it in the opponent has all this who is formal (Shahid et al., 2020). So, the entrepreneur informal east in the informal economy either to remain or to evolve its activities towards formalization, hence two opposing logics (Newman & Barney, 2024; Williams, 2023; Wei et al., 2023). A first logic linked to them who consider that it is a phenomenon permanent. They insist in their work on the role of the informal economy in its contribution to poverty reduction, has there creation jobs, etc. Short has her role for the development local and her best integration to process social in the savings in development. Ndoya et al. (2023) move forward what to invest in the economy informal allow of answer has of the needs miscellaneous of the populations and has test of the opportunities of walk. Therefore, there weakness of the institutions, there compliance has of the rules and regulations in constant evolution harm has innovation and has exploitation of news opportunities commercial (Lei & Xie, 2023). There compliance go with transaction costs that are too high for innovative or “precursor” companies. In the country developed and emerging, informality east a phenomenon transient. The entrepreneurs informal are going to do evolve their activities towards there formalization at fur and has measure that the environment legal is improving. Others works have recognized existence of an “informality dependent of path positive”, when some entrepreneurs have look for of the solutions contradictory to logical institutional (Williams, 2023, Ado, 2022). The second logic is linked to those who consider informal entrepreneurship as a springboard during the life cycle of the business created, used to accumulate intangible capital (knowledge and skills) and test the market which is of interest to entrepreneurs (Kabir, 2019; Luo & Tung, 2018; Orser & Elliott, 2015). Thus, Williams (2023) explains how informal activities allow entrepreneurs to explore their profitability of their ideas business; this who their allow to experiment cheaply in an uncertain environment. Thus, the informal economy becomes a laboratory for them. Williams & Windebank (2021) showed in a study how 85% of small entrepreneurs, formally registered, have carried out part of their activities in the informal economy; 90% of them declared having started their activities in the informal and have migrated towards there formalization, a times their business established.

Entrepreneurship informal east heterogeneous; alone some entrepreneurs have probably a potential for go towards there formalization of their business in the time ; for others, this are of the activities of last appeal for a variety of reasons at the level macro (conjuncture, unemployment of mass) and at level individual (lack of skills and of knowledge, salaries insufficient, precarious) (Salinas et al., 2023; Bu & Cuervo-Cazurra, 2020).

Recent work has emerged to justify the transition from informal to formal (Adu-Gyamfi et al., 2023; Bu & Cuervo-Cazurra, 2020; Omri, 2020; Musara & Nieuwenhuizen, 2020). These authors, using attention theory as a conceptual framework to study the process of formalization of formerly informal businesses, note that at thread of time, some entrepreneurs will formalize their activities; in revenge, others will remain informal.

To explain this behavior, three factors can be taken into account: time, nature of the institutions and the company. So, the entrepreneurs who have of the intentions individual of growth or who have needs to access has of the subsidies or supports financial government are going to wish evolve towards there formalization of their activities.

Salvi et al. (2023) empirically verify whether different degrees of informalization can be explained by institutional incongruity. They refer to the gap between normative and regulatory institutions that often occur in environments uncertain and hostile, opening of the opportunities to entrepreneurs for exploit quickly institutional voids that occur, but sometimes forcing them into the informal economy or deviant.

When the informal entrepreneur anticipates prohibitive transition costs to follow the changes in legislation, despite efforts to comply with them, it ends up violating such or such standards (Cordier & Bade, 2023; Dell'Anno, 2022). It therefore turns out that the regulatory framework is a key factor in the mind business.

Another thing, when informal entrepreneurs are not interested in growth or profitability at in the short term, they prefer to remain informal (Krasniqi & Williams, 2020).

All that justifies the call has a picture differentiated of this who constitutes entrepreneurship informal and why and where it happens, illustrating the contextual and individual factors that could explain the varying degrees of informalization. In other words, apart from the context institutional, the context social matters a lot (Newman & Barney, 2024; Williams, 2023).

3. Research Methodology

Our steps of research east qualitative. We let's use as strategy, the “narrative of life” (Duchesne & Skinn, 2013; Joyeau, 2010; Senséau, 2005). This strategy east original because what we allow of stand out from those more classic and more used in entrepreneurship, such as the case study, action research, experimentation and simulation. This strategy of access to reality will make it possible to arrive at the definition of a mode of analysis of situations on the basis of our problematic and to succeed in apprehending, understanding and describing and analyzing the real experience of entrepreneurs has leave of a position conscious of researcher (Vincent-Ponroy & Chevalier, 2018; Senséau, 2005).

This method east adapted, when we wish to understand the dynamic social by the experience lived and recounted by the people interviewed. It allows us to highlight process. We attempt, from an ethnosociological perspective, to move from the particular at general, in identifier on the ground observed of the logical of shares and of the process recurring, susceptible of se find in several contexts similar (Chanlat, 2005).

As Senséau (2005) suggests, this approach will study a fragment of socio-economic reality historical (dynamic of entrepreneurship informal) and seek to have to understand how he is transformed through social relationships, mechanisms, processes and logics action who the characterize.

The life story implies that we analyze “situations” based on what people experience informal entrepreneurs. Thus, anyone who undertakes business in the informal sector is a being socially inserted and its history is not reduced to the link with the activity created. In this context, the subjectivity of the researcher is inevitable. In addition, aware of this fact, we let us go there master.

Our objective born se limit not has reconstitute the pass of the entrepreneur informal. We wish to have a life story taking into account the context and objectives of our research. As Russell (2022) points out, through life history, it is not the reconstruction of their memory who east the objective, but a collection information on the immediate social environment of the informal entrepreneur. Therefore, using the information collected, we will offer a reading of the context and the experience of the informal entrepreneur. Life stories will allow us to understand the entrepreneurial dynamics in the sector informal.

The collection of speeches on the worlds experienced by the entrepreneurs surveyed, the arguments developed In the interview express, in the interaction interview, there trace of a production of sense socio-symbolic and or psycho-affective, in connection with their environment and their social past (school, family, professional events, etc.) (Russell, 2022). For to understand the motivations of the entrepreneurs has invest in the sector informal, discussed of the reasons who the incite has stay in informality or has there to leave, we have opted for a sampling by choice reasoned. This method east founded on our judgement. Therefore, we have interrogates of the people with invested in of the activities with a real potential devolution in the time. They are confronted has their decision: is this that I stay in informality or is this that I formalize my activities. Ten (10) youth, five (5) women, two (2) retired and three (3) unemployed (student’s graduates or adults without job) have summer interviewed. All have created a business in Sfax and Gabes and operate in different compartments: the informal sector production, informal art, and the informal of service and the informal of exchanges. The individuals interviewed went into business by choice. They wanted to seize a moment given an opportunity who see presented.

Twenty (20) “life stories” of informal entrepreneurs were produced based on the following themes:

- The characteristics of the informal entrepreneur,
- Motivations to invest in the economy informal,
- The reasons who the grow has stay in the informal, or has to go out of informality.

The interviews were organized in accordance with two imperatives: the objectives of the study were defined before the collection of data, in order to of control the influence of their subjectivity of the entrepreneurs informal interviewed on the speech and the material collected should be exploitable.

The stories of life have summer recorded and transcribed entirely. For analysis of the stories of life, we have used two methods (Senséau, 2005). Thematic analysis, in order to highlight in each life story the passage relating to the themes on which we work in order to make comparisons of content of passages from a story to another. Moreover, the comparative analysis should make it possible to develop a better understanding of the dynamics of informal entrepreneurship revealing recurrences between different situations.

4. Results and Discussion

When we analyze the population of informal entrepreneurs, we see heterogeneity situations with varied motivations. These entrepreneurs operate on the fringes of the system tax, either of way deliberate (in order to of se to subtract has tax, to heaviness administrative, etc.), either by ignorance obligations tax.

The entrepreneurs in our sample are heterogeneous. This are men, women, young people and adults who were at unemployment or without activity economic when they created their business, or even recruited in an existing formal company during the creation of their activities generators of income. For this last category, a times that the activity created taking of the scale, in terms of volume of activity, they had to resign from paid employment to take carefully of their affair. However, for some entrepreneurs interviewed, the case created is only one hobbies, of secondary interest (Kopljenovic et al., 2018).

Our body of data allows us to say that entrepreneurs who do not have the means important or from rural areas are more inclined to progress in the economy informal and benefit from low entry costs. Those who have greater means will create businesses in the informal economy, which will be in transition to the economy formal.

What characterizes the informal entrepreneur in Tunisia can be understood when we invoke in the discussion, the relationships he maintains with the community. Therefore, to all respect, he go see find hostage of logical community, nuns and family, who handicap him in the exercise of his activity. This manifests itself through various requests (like family events). *“I am the breadwinner...and I do not can escape this obligation”* (interview with an electrician). This can be explained also by the broad conception of the family, resulting from traditions and an Islamic culture, which insists on the obligation of generosity. Many entrepreneurs informal workers then find themselves trapped by a socio-cultural and religious environment, marked by their primacy of their family or there community on the individual (Paquet, 2022; Ladan, 2016).

For financing creation, the family plays a fundamental role (Leka et al., 2023; Lee and Persson, 2016). Because, initially, it is she who provides the financing, the starting labor. For the informal entrepreneur, this becomes a kind of moral debt that we must repay. He does not feel the need to write business plans, because financing must be sought from those close to them (Pinkovetskaia et al., 2021; Aliber, 2015). Their creation is then based on intuition or on opportunity “hoping *that things walk* » (interview with a seller).

The motivations identified, during of our interviews, allow of distinguish between:

- Individuals who invest in the informal economy, totally or partially, and who wish to remain in the *status quo* (remain in the informal sector entirely or activities which were informal continue to be present has side of the activities formal for the companies recorded);
- Individuals who create businesses in the informal economy, totally or partially part, but who are in transition to their formalization of their activities.

The motivations, who grow the entrepreneurs informal has se throw in there creation of income-generating activities and to remain in the informal sector or to migrate towards formalization there are many activities. Thus, for individuals with low income or working in area rural, their main motivation seems be their necessity (Mukherjee, 2023; Laing et al., 2022; Williams, 2011). By example, for a restaurateur, creating his restaurant allows him to use a talent he possesses and allows him from the restaurant, to feed his family and provide for these needs. These informal entrepreneurs often have modest-sized activities, evolving completely in the informal. For them, the low cost of entry and non-payment of taxes make it possible to have relatively high levels of profitability, but the income created are random and irregular (Omoloba et al., 2023; Garuba & Eichie, 2022; Annor, 2012).

For other informal entrepreneurs generating significant income are generally men, aged 40 to 55, working in urban areas, their main motivation seems be their seizure of an opportunity.

Thus, our body of data allows us to say that informal entrepreneurship is motivated by the need for individuals with limited means or disadvantaged sections of the population (seeking to survive); for people with greater means, their main motivation seems be opportunity (Mukherjee, 2023; Laing et al., 2022; Williams, 2011)

However, the vast majority of informal entrepreneurs interviewed simultaneously talk about necessity and opportunity. For example, for a manager of a hair salon: “*I got into business because I wanted to create an income that allowed me to support to needs of my family. This not only allowed me to create a business, but also to be independent*”. In addition, over time, many informal entrepreneurs interviewed saw their motivation evolve since the creation of their business. This will is stronger in communities disadvantaged or having limited means, we note a passage of a motivation of necessity towards an opportunity motivation (Jafari-Sadeghi, 2020; Chepurensko, 2014).

The reasons vary depending on whether the informal entrepreneur operates partly or entirely in the informal economy and if he considers himself to be in transition towards the formalization of his activity or not.

For entrepreneurs operating entirely in the informal sector, our corpus of data allowed to identify two situations:

- **The entrepreneurs who wish evolve of manner permed in the informal**

Our research allow of notice that of the entrepreneurs informal of this category evolve in the informal sector to the extent that entry costs are relatively low and accessible. Moreover, the activity carried out involves a high degree of uncertainty, as to its long-term sustainability. Thus, they benefit from the social advantages derived from this situation (be the owner of a business and be able to resolve the family's social problems). For these entrepreneurs informal, their business east a tool of ascension social enabling of adjust the problems of their family (Benites et al., 2021).

Employed people are often without an employment contract and are not declared to the institutions of foresight social. The terms of production are precarious and their irregular production. This results in the income generated being irregular. In this category, we very often find informal entrepreneurs with activities in modest, even small, size, strongly anchored in the processes and strongly motivated by need. These are mainly women, young people (graduate students and not) at unemployment and active civil servants, who need to generate other sources of income (Muhammad et al., 2021).

- **Entrepreneurs who are in the informal sector but who wish to transition towards the formalization of their activity**

These informal entrepreneurs evolve in the same configuration as those who want to stay in the informal. Only, they have need of services in report to advice in front facilitate this formalization. However, of many entrepreneurs have raised the roles inhibitors of certain variables for this transition such as the corruption of certain administration personnel, who are only concerned about this who will return in their pocket, and the injustice and perceived tax inequity. An entrepreneur exclaimed during the interviews saying: “*some small businesses pay volumes of taxes higher than those of large companies, even multinationals.*”

In this category, we generally find individuals with slightly more means important and evolving in activities with real prospects for development. Those are the unemployed, individuals already employed in formal businesses and retirees.

It should be noted that individuals already employed in companies and having created a business use their company network to grow their business. Williams (2023) speaks business parasite.

In this who concerned the entrepreneurs evolving partially in the informal, our study revealed that these are people with legally registered businesses, but who develop of the activities in margin of their legality. However, this part informal east relatively less important than the formal part. In this band, two behaviors of entrepreneurs are observed:

- ***Those who want to maintain their position in the informal sector***

For some entrepreneurs this helps keep the business afloat, due to the savings thus generated. For an artisan, many entrepreneurs informal the make for power realize of the profits more important and survive in an environment competitive of more in harsher. These behaviors are at the origin of significant tax evasion (Masca & Chis, 2023; Ostapenko & Williams, 2016). This may cause the problem of the tax morality of certain informal entrepreneurs.

- ***Those who want to completely formalize***

The informal entrepreneur represents a risk for all its partners (employees, suppliers, customers, etc.) (Bu & Cuervo-Cazurra, 2020). The activity created can stop from day to day. Leaving the informal sector can be considered a guarantee of the sustainability of the activity. This will make it possible to establish partnerships with other national structures and international organizations, to recruit qualified personnel with better job security. This is the case of an entrepreneur who moved from informal to formal and who, today, is a success story for many other entrepreneurs: *“I am a realistic entrepreneur and pragmatic, who at one point knew how to leave the informal sector in view of the possibilities offered by formalization of my activities.”*

In addition, to fall over in there formalization complete, allow:

- Having access has an accompaniment adequate designed by the public powers (public policies and programs). *“Many programs exist, but for in benefit it must be legal”* (a seamstress);
- To access easily at credit banking (*“we are systematically no eligible bank loans, because we cannot provide the guarantees requested by the banks”*) (a manager of fast food);
- Power affiliate has of the centers of formalities of the businesses. That will facilitate the procedures administrative and will do earn of time for se devote has others activities ;
- There protection of her activity has through there subscription has an insurance ;
- Of power tender to calls offers national, regional, international ;
- Of participate has of the fairs, living rooms and demonstrations commercial, economic national and international.

For many entrepreneurs who have made the big leap towards formalization, the benefits are visible. For the leader of a company import of products food, formalize my permit *“to expand their range of the products sold in the stores... All this pressed by the network of the suppliers. That my permit of me to do to know”*.

In the country in development, the sector informal busy a place preponderant. However, those who invest in this sector have different behaviors in the time. Do they wish to formalize their activity, in part or in full over time to benefit of new opportunities?

From a tax point of view, deciding to invest in the informal sector is motivated by ease access to activities (of do of the costs reduced), use of the resources local, there property family of the businesses, the scale restraint of the operations, use of simple production techniques, the reduced number of workers, a market that escapes all regulation and who east open has there competition. The entrepreneurs informal are essentially people whose objectives are the search for additional income, self-employment and the creation, in the medium or long term, of businesses. Working conditions are precarious. In many countries, this precariousness is feigned in there measure or the entrepreneur, trying to escape has there legislation, can decide of disappear in whole or in part and to revive the activity later in another form (Muhammad et al., 2021; Jafari-Sadeghi, 2020; Ostapenko & Williams, 2016; Chepurensko, 2014).

Two elements are highlighted justifying the decision to invest in the informal sector: the cost entry and the non-compliance with their regulation. Like Williams & Windebank (2021), we have highlighted four types of entrepreneurs informal: those who are completely informal and who wish to stay there; those who are completely in the informal and who wish formalize their activity; those who work partially in the informal sector and who wish to remain there; hollows that evolve partially in the informal and who wish completely se formalize.

To combat informal entrepreneurship, Williams & Windebank (2021) identified four pathways possible: let to do, eradication, there deregulation or there facilitation of their formalization. They consider that the first option is not viable, because doing nothing leaves intact the negative effects of informal activities on formal businesses (competition unfair), for example; eradication leads public authorities to repress and annihilate the entrepreneurial spirit they wish to maintain; deregulation results from a leveling downward rather than upward working conditions. Like Williams & Windebank (2021), we believe that only facilitating formalization is a viable option with variants. If the governments want legitimize entrepreneurship informal instead that eradicate it, there facilitation of their formalization east the approach dominant of the policies public today (Williams, 2023; Hirschhorn et al., 2020; Omri, 2020).

As informal activities are varied and complex, several levels of informality have been observed, therefore different regulatory needs (Patel & Wolfe, 2023). Informal entrepreneurs must formalize, on a case-by-case basis, depending on the evolution of their activity. Because formalize everyone is very illusory (Nason & Bothello, 2023; Williams, 2015). Informal entrepreneurs living of the situations different must formalize in function of the opportunities perceived in formalizing.

However, to support informal entrepreneurs towards this formalization, a good understanding of the logical dynamic of these entrepreneurs informal East necessary. Our results reveal that the motivations of informal entrepreneurs vary depending on the sector of activity and the degree of informal activity and the fact that they consider themselves in transition towards there formalization of their activity or not.

The analysis of entrepreneurs, very informal, who do not intend to formalize their activity shows that they tend to carry out odd jobs in situations often precarious with irregular income (Benites et al., 2021; Williams, 2015). They do not consider their business as a real business. These entrepreneurs fear losing the social benefits obtained by the duo of possess an affair. This are generally of the youth, of the women, of the civil servants and of the retired who have need having either an income, either an income complementary to meet the needs of their family (Williams & Windebank, 2021).

For entrepreneurs, temporarily and totally informal, their reasons for operating informally were, largely, the same as those of informal entrepreneurs evolving of way informal, without intention of formalization. They fear of lose advantages social acquired and of pay of the taxes, if they see formalized (Omoloba et al., 2023; Garuba & Eichie, 2022; Annor, 2012). However, they would like se formalize partially or totally a times that they have acquired a customer base sufficient.

For entrepreneurs having partially informal activities and who have no intention of se formalize any further, their main reasons to operate in the informal concern the benefits derived from terms of impacts.

For entrepreneurs with partially informal activities, but in transition to formalization, the motivations are linked to the perception of numerous advantages: access to one larger customer base, partnership opportunities, bidding for public offers or international, etc. (Williams, 2023; Hirschhorn et al., 2020; Omri, 2020).

5. Conclusion

The starting point of this work was to describe the dynamics of informal entrepreneurship. In in other words, we sought to understand the reasons or motivations of entrepreneurs to evolve in the informal economy, to stay there or to transition towards the formalization of activities.

For this, the survey carried out among 20 informal entrepreneurs made it possible to describe the reasons for which the entrepreneurs working of manner informal in Tunisia, why they wish stay there or evolve around the formalization of their activity.

The data collected allow of say that the main reasons for investing in the informal economy are relatively low cost of entry and avoidance of administrative hassles and, secondarily, to tax obligations. Our results showed that those who invest the most are young people, unemployed and women (generally excluded from the labor market), but also civil servants and retirees. They have for objectives either to supplement their income, to create their own job, or to create average or long term, a business. In addition, it should be noted that several factors push them to stay: the sector is becoming more and more organized with trade union organizations, which defend their interests; being family breadwinners, they want pay as little as possible to the State and keep enough to take care of them and their family expanded ; there solidarity of the networks family and of the knowledge and the little administrative and fiscal constraints to which they are subject. Added to this is the lack information on the advantages that provides there formalization of activities. Something else, leave the economy informal allow of benefit of supports institutional, banking, to access has of the markets state, regional and international, of tie of the partnerships, etc.

Our results provide indications for understanding the particularities of the reality of informal entrepreneurs. They can constitute avenues for reflection, in order to construct models explanation and intervention who reflect adequately there reality of fabric economic at the national level but effectively guide public policies and the interventions for sustain changes economic and social desired.

In Tunisia, the main guidelines encourage entrepreneurship. Certainly, the informal sector should not be excluded from this policy. It is appropriate to support these informal entrepreneurs, while preserving their entrepreneurial dynamism, a source of job creation and social stability.

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