

“The Commercial, Socio-Demographic and Legal Aspects Distribution of The Informal Business in The Urban Areas of Tanzania”

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ABSTRACT

Urban areas worldwide are primarily home to the informal sector due to enormous potential for job and income generation. Despite of its massive contribution to the country's economy, it has very little information about the socio demographic characteristics that are found and discovered in the literature.

The sociodemographic, economic, and legal characteristics of the Informal sector and people associated are examined in this paper's empirical profile of the sector in an urban setting in Mwanza.

80 respondents provided information as the data collected from the questionnaire. The study used the Cross-tabulation and descriptive statistics in data analysis. The findings display that men dominate in the industry, the education levels of people are low, that the majority of people are young (19–26 years old), married, and that family labor is used. Businesses are also willing to operate at times and places that are convenient for their clients. The report also exposes that 82.5% of running activities lacked a license, and that 55% of the activities received funding from the owners' own sources. Also the findings showed almost 70 to 80% of Tanzania depend on IS and approximately 75% Of Mwanza region has Informal sectors which contributed to more employment of people than formal sectors.

Generally, the study concludes that the IS significantly develops urban people' quality of life. Therefore, in order to improve performance and improve the standard of living for those involved, as well as to enable Local Government Authorities to receive revenue in the form of taxes, the study suggests that Local Government Authorities should address training needs and intervene in the Informal Sector's operations in the region, country at large. The results will also be used for the monitoring the implementation of local authority, regional and national, commitments such as implementing the Tanzania Development Vision for 2035.

Keywords: Informal sector, economy, Informal activities, Tanzania, Urban areas, Employment, Rural areas

Abbreviations

IS:	Informal Sector
URT:	United Republic of Tanzania
NBS:	National Bureaus of Statistics

INTRODUCTION

Back ground information

Informal sector has been one of the important sector in the world and in Africa content for the countries development. It has contributed both individual, country and continent economic growth.

Urbanization is a powerful force for human development and progress in most cities as people move to perform different activities include the informal jobs for to survive (Kaganga, 2023). Huge share of the global labor economy and force is from the Informal industry, and the Informal economy is progressing in many situations and appearing in new locations (Horn 2009; (M. Muhanga, 2017). According to the report, the Informal sector emerged at a time when the formal economy added very little to absorbing the quickly increasing labor force in many developing countries (Martinusse 2006). However, the sector is not only seen in developing nations but also in developed nations (M. I. Muhanga, 2020)(Musara & Nieuwenhuizen, 2020)). The Non formal sector is identified and defined separately depending on the application context (Muhaga & Urassa, 2014; (Chen & Carré, 2020). The Informal sector has been defined as a way of doing business outside the legal regulations and framework of the nation. The Informal sector was reflected by the image of giraffe in the aspect that is tough to define it by the normal levels but it's simple to acknowledge when you face and see it. The contrast was done by Hans Singer, who run the first ILO occupation mission along with Richard Jolly in Kenya in 1972. Lautier (1990) replied to Singer by saying that the metaphor of the giraffe was inadequate. The Informal Sector is "*a unicorn because the literature abounds with meanings, but you will never have the chance to meet one because it does not exist* (Charmes, 2020)

They involve things that are characterized by different Informal features involved, which is to differentiate them from the formal sectors. (Kaganga, 2023) said they involve unhealthy working conditions, easy entrants with no clear regulations, low levels of skills and productivity, low or irregular incomes applied, long working hours without considerations, lack of access to information, markets, and a and a high prevalence of micro and small businesses that range from small streel stalls to small-scale manufacturing and service providers. Further, they are characterized by a lack of legal documentation and regulations like contracts and business licenses, Informal trading and street vending, domestic work and Informal labor, recycling, and waste management (ILO 1977; Gutmann 1977; (Bagachwa & Naho, 1995); (M. I. Muhanga, 2020)).

In Africa today, Informal work continues to be the primary source of employment, making up 71.9% of all employment when agriculture is excluded and 85.8% of all employment overall. These encompass economic activities that are not subject to country's regulation or taxation and frequently function outside of legal frameworks that differ from country to country. The Informal sector in low-income earners and developing countries has been the major source of employment and living for people (IMF,2020), (Azunre et al., 2022). It has contributed almost 1/3 of the gross domestic product in developing and emerging economies (Elgin et al., 2021).

The Informal economy accounts for a significant share of the continent's GDP, employing a large portion of the

workforce and making various contributions to economic growth. This kind of employment was mostly obtained on the control of low earnings, huge vulnerability to poverty, irregular incomes, and poor working conditions ,from: <https://www.undp.org/africa/events/Informal-economy-Africa-which-way-forward>, UNDP Africa .There is evidence that Informal sector has improved the living standard of most people living in urban areas thus improves urban inhabitants' quality of life considerably as the impact , but little empirical research has been done on the aspect of socio demographic and legal features of Tanzania's Informal economy. However, it is clear that demographic (population-related) factors are significant development parameters for the economy of the nation.

According to Bagachwa & Naho (1995), in the Tanzania's official National Accounts contain have reported the inaccurate figures and insufficient data of the activities covered for the Informal sectors as well as less exploration on the impact to the economy which make a gap for more study to be conducted. This can be as a consequences of the activities being either misrepresented or under documented. In previous year, Informal sector was reported by O' Riordan (1996) as a fast expanding sector which by 2005 was believed to account for 40 % of total employment in Tanzania. Eighteen years the sector was reported contribute by the 48.1 percent in terms of employment in Tanzania (Osoro 2009).Due to the raise of the labor force between the age of 17 and above, it has led to the increase of unemployment rate as most youths who have failed to proceed with studies as well as the one in street, where it has forced this group to engage themselves in the Informal Sector for their lives because they are limited seat on formal employment opportunities (NBS 2022)

Therefore Understanding the socio-economic and demographic aspects of the Informal Sector in the town locations will support the bridging of the prevailing gap in terms of inadequate coverage as well as inaccurate approximations of the activities covered in the official account. The paper will further help to understand on the engagement in terms of the socio-demographic ad legal aspects of the related business and type of activity done.

Review of Informal Sector in Tanzania

The current population of Tanzania is approximately 69.4 million as per NBS figure in the census report done in 2022. The population of Tanzania in 2023 was **67,438,106**, a **2.96% increase** from 2022.The population of Tanzania in 2022 was **65,497,748**, a **3% increase** from 2021.The population of Tanzania in 2021 was **63,588,334**, a **3.05% increase** from 2020.(United Republic of Tanzania et al., 2022)

Informal sector in Tanzania has been practiced by many people especially certain groups like; unskilled ones, low-income earners and other vulnerable groups to sustain their daily lives(Kaganga, 2023). It has been former described as unproductive and not given more priority due to its operation but the sector has been contributing to Individual, country and regional economies(Elgin et al., 2021). The IS advantages and disadvantages need to be taken into considerations when designing policies targeted at the sector (Srinivas, 2024). The activities are done in an Informal way which make them have illegal operations like; escaping government tax, no business license. The size of Tanzania's informal economy is estimated to be 47% which represents approximately \$82 billion at GDP PPP levels (Quarterly Informal Economy Survey (QIES) by World Economics, 2024)

Informal sectors in Tanzania involve different business activities like; financial services, shops, food and beverages sales, Informal training centers, road side vendors (Joseph Chille & John Haule, 2020)where the huge number of Tanzanians are performing the Informal businesses to support their basic needs whereby 80% of the Tanzanians save in the informal way and only the rest percentage save in the formal way (Lotto, 2022). In addition, people save more than they borrow, and only 18% use credit of which less than 2% is formal. In the agricultural sector, for example, it is the Informal financial sector which extends the reach of financial services in

terms of availability of credit to agribusiness. Therefore approximately 70 to 80 percentage of employment in Tanzania are Informal sectors (Tanzania government labor department; ILO, 2017 report). There were several reasons to why people are involved in Informal sector in Tanzania. Example in Dar-es-salaam 55.4% Male and 55.1 Female have joined in IS due to the reason that they can't find Job while 41.8 Male and 51.8 Female engage themselves in Whole sale and retail trade repair of motor vehicles and motorcycles. (Informal Sector Survey, 2019).

We have a clear picture seeing that most male and female who engage themselves in the Informal Sector activities have the inability to find other work which encompasses with the 55.2%. Also 54.3% encompass for the need for families to receive the additional income where only 21.5% they can combine business or activities with household or family responsibilities. Furthermore, 20.2 percent of the business operator stated that a business does not require much capital as the main reason for engaging in this sector. In addition, 58.4 percent of females consider the need for families to get additional income as an important reason to be involved in the Informal sector activities than males (48.9 percent). Also more ratio of male operators about 18.8% are been accelerated by businesses that offer good income and opportunities which is different from female which encompasses 14.2%

It has been widely accredited that the Informal Sector has the capacity to create a huge number of jobs, generate revenue, and support social and economic growth in both town and rural areas. The Integrated Labour Force Survey of 2006 (URT 2007) revealed that, with 10.1% of workers who were employed, the Informal Sector was the second most significant industry followed by agriculture. The other private sectors had 8.6% of workers who were employed, giving the account of 75.1% in agriculture overall employment (TRA 2018). But for company formalization and tax administration, the social, economic, and political realities of the IS translated into a convoluted operational reality (TRA 2018). It is shown that the Informal Sector is growing as indicated by the 2006 Integrated Labor Force Survey (ILFS) that in 2006, 40% percent of the people living in Tanzania Mainland were involving in Informal Sector activities compared to the year 2001 where it was only 35% engaging in such sector. In 2006, the Informal Sector has employed approximately 66% of the people who participated in IS activities as their main activity and among these, 16 % of them was the secondary activities. Most of the population is found in rural areas where 34 percent of the people for whom IS work is a main activity and 84 percent of them is their secondary activity. This gives the suggestion that, IS has been a major of employment for the majority of poor people in Tanzania (URT 2007)

The Tanzania mainland has experienced the Labour Force increase for people with Age 15 years and above since 2000/2001 from 15,490,730 to 20,654,796 in 2010/2011. Also, according to NBS (2014) the total number of workforces in the formal sector (FS) in Tanzania Mainland was 1,858,969 in 2013; this is an increase of 308,951 employees from 1,550,018 that was recorded in 2012. This shows clear that the IS has large workforce contributes significantly to the growth of the Tanzania economic. TRA, (2011) and ESRF (2010) call attention to that the IS could be an important contribution to the Gross Domestic Product (GDP) of Tanzania when taxed substantially.

As per the NBS, 2015 report, the findings showed that the total number of employees in the formal sector in Tanzania Mainland was 2,141,351 in 2014; this is an increase of 282,382 employees from 1,858,969 recorded in 2013. The majority of employees were employed in the private sector (1,432,985 private and 708,366 public). Adult male employees accounted for 64.7 percent of total adult employees as compared to adult female employees who were about one third (35.3%) of total adult employees in 2014. The results further show that 61.1 percent of total youth aged between 15 and 24 years were employed in the private sector in 2014. Persons with

disability were 0.2 percent of total regular employees in 2014. (NBS 2015)

Generally, researchers have altered their view, and regard the Informal Sector as the more flexible, productive, profitable and as a political challenger to the government, as well as an alleviator of the state. The nations in developing countries have also changed the view of IS from the negative view of underground to a view of seen it as an important role in the country's development whereby they have changed the regulation and policies towards its implementation (TRA 2011, ESRF 2010; Chen 2012; Horn 2009; Vanek et al. 2012a). Therefore the Informal Sector in Tanzania has been termed as one of the active sector due to its positive impact in the socio-economic and political aspects. Hence understanding IS from the socio-demographic, economic and legal aspects is unavoidable at the moment, much as IS cannot be separated from the society.

The society involves people and the main source of employment of these people has been IS for their income generation for their future lives. Linked to the demography, the population involved remains the major source of labour force but also the consumer of goods and services produced and offered by the sector. For IS to operate efficiency and effectively, there should be the consideration of the legal issues that are to be taken on considerations by the government and participants as the sector grows in size.

THEORETICAL REVIEW ON INFORMAL SECTOR

Modernization theory

“The theory argues that, the economic that is underdevelopment and unmodern or traditional systems of governance cause large Informal economies” Dell’Anno (2007),, thus wherever there is Informal systems of development as well as the governance systems that are not formal, they will led to the results of the Informal economies which will be caused by the Informal employments that will exist.

This describes on the Underground productions for economic reasons and the Informal production, while it excluded the concept such as phenomena such as underground production for statistical reasons and unlawful production that are not related to the common aims pursued by the economic analysis of Informal ity on the Informal sector.

Neoliberal theory

“which asserts that too much government intervention” thus wherever there is too much government intervention in the economy and trade systems, automatically will led many people to see the alternative way of escaping the interventions, rules and regulation set like; tax payments and see the other way of performing the Informal activities. Thus performing these businesses produces linkages between Informal enterprises and formal firms but subscribe to the notion that Informal enterprises create unfair competition for formal enterprises because they avoid formal regulations, taxes, and other costs of production. They stated that Informal Business should be imposed in the tax systems as the formal regulatory environment is, in order to increase the tax base and minimize the unfair competition to the formal business

The dualist school of thoughts

According to the Dualist school of thought, the Informal economy involves peripheral activities that are unrelated to and separate from the formal sector and that give the impoverished a source of income as well as a

safety net during difficult time of challenge and other crisis (Hart 1973; ILO 1972; Sethuraman 1976; Tokman 1978). The Dualists subscribe to the notion that Informal divisions and activities have few (if any) linkages to the formal economy but, rather, operate as a distinct separate sector of the economy and that the Informal labor force—assumed to be largely self-employed—comprise the less advantaged sector of a dualistic or segmented labor market. They give the connections between Informal businesses and laws from the government comparatively little thought. However, they advise governments to increase employment, offer finance and economic development support to Informal entrepreneurs, and give social services and basic infrastructure to their families.

The structuralist school

The Structuralist school sees the Informal economy as subordinated economic units (micro-enterprises) and workforces that serve to decrease input and labour costs and, thereby, rise the competitiveness of huge capitalist companies (Moser 1978; Castells & Portes 1989). The Structuralisms see the Informal and formal economies as intrinsically connected. They see both Informal enterprises and Informal wage labors as subordinated in the interests of capitalist development, providing cheap goods and services. They argue that governments should address the unequal relationship between “big business” and subordinated producers and workers by regulating both commercial and employment relationships.

THE METHODOLOGY

The research study was done by randomly sampling the wards at Mwanza Municipality which are, Buhongwa, Kishiri, Mhandu and Igoma. Mwanza municipality is among the fast-growing town areas in Tanzania, being one of the rapidly expanding metropolitan regions where a large fraction of people participating in IS are said to reside. (Muhanga & Nombo 2010; Muhanga & Urassa 2014). The above are the ones found in the central part of the Municipality of Mwanza where most of these IS activities are performed hence proving the suitability of the choice of the study areas.

The data used were obtained from the individual household heads as the primary sources in the wards selected in the Municipality. The process of data collection involved the use of questionnaires, checklists and personal interviews thus face to face.

A face-to-face interview entails physically meeting with the respondent, asking questions, and recording the data; as a result, the respondent is fully involved in answering inquiries.

The Pre-testing of the questionnaires was done before the main investigation were it involved some few people at the Nyakato area. The main reason and objectives of the Pre-testing the research tools were to; check on the time frame for the completions of the data work collections, to check on the availability of the data needed as per objective set, to find the best and efficient way of carrying out the main research needed and finally to prove both the checklists and overall questionnaire prepared.

All of the houses in the chosen wards that participate in the IS made up the study population. Ten Cell leaders and WEOs provided information about the state of Informal activities and homes participating in IS.

The study selected the sample of the four wards with 80 households involved in the Informal business. The four wards had approximately number of 200 households each were from this population, 10% of it was taken to represent the whole population of households in each specific ward giving 20 household in each ward which results to the total of 80 households for all four wards as the total sample size needed for the study.

A multiple steps sampling techniques were used in choosing the households in each of the four wards. In the initial stage the purposive sampling was used to obtain households involved in the Informal sector.

The unit of Sampling was a household and people supposed to give data as the respondents were the household heads or their representatives. The chosen household were so considered to represent their households involved in the Informal Business involved in the specific wards.

The analysis of data was performed through the use of the Statistical Package for Social Science (SPSS) software. SPSS which calculated the descriptive statistics and cross tabs. The descriptive statistics such as frequency, percentages and ratios were applied to represent important aspects with regard to demographic and socio-economic aspects of the Informal sector in Mwanza Municipality wards.

FINDINGS AND DISCUSSION

Sex and Age respondents

The sample survey has 68.8% men and 31.2% percent of women as shown in the Table 1 below. The results are somewhat consistent with those of the URT (1995), which reported an increase of female implementers in the Informal Sector while proclaiming the continued dominance of men in the field. The results of the study reported that females between 19 -26 years are the one dominating the IS with the 11.25% giving a ratio of 36.05% of the total females engaging in IS. Female in age group of 27-34 had the percentage of 6.2% engaging in IS. Also the female with the age group 35-42 had 7.5% and the one with the age group 43-49 had 2.5% and finally the age group 50 and above had 3.75% giving a total of 31.2% females engaging in the IS in the selected wards.

The group is built up with youths thus girls who have finished their schools and failed to proceed as well as failed to find the way to the formal employments thus result them to engage in IS. There has been a report from the NBS (2015) showing the massive increase in the Labour Force in the Tanzania Mainland covering the Age group of 15 and above where mostly they have relied on the IS as due to the limited resource in the Formal employments.

Table 1: Age of the Respondents in Percentage (N=80)

Age of Respondents	Male (%)	Female (%)
19-26	12.5	11.25
27-34	13.8	6.2
35-42	20	7.5
43-49	15	2.5
50≥	7.5	3.75

The Socio-demographic aspects of the respondents

The Socio-demographic features of the respondents are the most important in social studies (Kaale & Muhanga,2017).

The table below shows the details on the major three aspects of the Socio-demographic aspects which are; Sex, Marital Status, and Education Level.

These aspects provide the background and base for other findings. The aspects are further analyzed in their frequency and percentage.

The Sex variable described has been divided into whether the respondents are male or female. The marital status focuses on whether the respondents are divorced, married, or not, thereby describing their frequency and percentage.

The last aspect, education level, describes the level of skills and knowledge they have acquired from non-education to secondary education, indicating the frequency and percentage rate.

Table 2

Age of Respondents	Male (%)	Female (%)
19-26	12.5	11.25
27-34	13.8	6.2
35-42	20	7.5
43-49	15	2.5
50 \geq	7.5	3.75
40		

The Level of Education

The Level of Education is regarded as the main element that describe the formal employment in Tanzania. The study had focused on this variable to examine whether the one found on IS are having equal education level with the one found on the formal businesses.

The results in the table 2 show us that, 45.0% of the respondent have completed the Primary Level, 31.2% have no Formal education, 13.8% with both primary and other trainings courses while 10% are having Secondary education level. The secondary education level seem to have lowest rate of education may be the reason that most students after completing the primary level which is this foundation and compulsory education in the first stages, they failed to continue to next level as due to lack of pass marks in order to be eligible to join the government schools Joining private schools for the one failed is expensive as most of the families in the households are poor .Munbodh (2003) has detailed the relationship seen between the education level and the involvement on the Informal sector. He said there is mutual relationship of ones skills level in relationship to IS practice where the most skilled one seem to practice more Formal sector, where the Formal employment to a larger extent at least requires the level of secondary education in Tanzania (Mushi & Kent 1995)

The Marital Status (Marriage Status)

The findings in Table 2 show that only 60% of the respondents were married, 23.8% were single, 10% were divorced or separated, and 6.2% were widowed. In many areas of Tanzania, 60% of women and 50% of men are married (NBS 2005), which supports the results as typical characteristics. This indicates that involvement in the IS has been in some way influenced by the responsibilities individuals are shouldering in their community. Married people are more responsible for taking care of their families, thus having more

responsibilities for their families compared to those who are single. For this reason, the IS has been regarded as the primary source of income. The studies have shown that for most poor people in urban areas, their main source to help sustain their lives and rescue them is Informal Sector due to the scarcity of formal jobs (ILO 1972).

The Location of the Informal Sector Business results

One key factor that separates the formal sector from the unofficial one is business location (McLaughlin, 1990). In this survey, participants were asked how they chose locations for their enterprises or events.

According to the poll, 68.8% of respondents were open to operating their businesses at times and locations that were convenient for their clients; just 31.2% thought it was critical to have their enterprises located in convenient areas. Businesses operating under the IS frequently find themselves in areas that are convenient for their customers. The findings corroborate Munbodh's (2003) and McLaughlin's (1990) reports.

The Skills of Business they acquired

The ability and skills of individuals engaged in a certain activity is one factor that determines the effective production in that activity. The purpose of this study was to get information about the types of business skills that individuals participating in the IS in the chosen wards of Mwanza Municipality possessed.

The study showed that 75 % of the respondents did not have any business skills while the 25% of respondents had business skills. However, the sector is accommodated and benefits from the experience, acceptance, and creativity of people who work in it.

Types of businesses found in the selected wards

The table 3 below represents the results with respect to the types of business found in the selected wards which are related to the Informal sector. The study found that food vending accounted for 26.4 %, followed by carpentry (13.8%), Tailoring (12.6%), Welding (12.6 %), Laundry work (dhobi) (9.2%), shoe shining (9.2%), shoe making (6.9%), selling of second hand clothing (mitumba) (4.6 %) and seat cover making accounting for 4.6 %

Table 3: The Kinds of Business Available in the Selected Wards (N=80)

Type of Activity	Frequency	Percentage
Carpentry	12	13.8
Laundry works	8	9.2
Food vendors	23	26.4
Second used clothes (Mitumba)	4	4.6
Seat Covers makers	4	4.6
Shoe Making	6	6.9
Shoe shining	8	9.2
Tailoring works	11	12.6
Welding	11	12.6
Total	80	100.0

The location of the research area has had a considerable impact on the kinds of businesses located in the chosen wards. The main urban area of the Mwanza Municipality consists of the chosen wards of Buhongwa, Kishiri, Mhandu, and Igoma. Research by Munbodh (2003) and McLaughlin (1990) shows that it has been a typical occurrence to discover the firms listed in Table 3 under the IS operating in places that are convenient for the clients. We can see kinds of business found reflect the needs of the specific town population. Example; it is obvious that many youth particularly single or generally people living alone have the habit not to cook and eat in street which constitutes to increase in street food vendors. In addition to that, same people and especially youths they usually don't have enough time to wash their clothes or find it convenient to have them washed at a fee hence the expansion of the Informal laundry services and others.

The Basis of capital for the Informal or Informal business

When starting up business of any type, capital is the major requirement for the business to start and operate. This research had took interest to investigate into the sources of capital for the Informal sector businesses of the selected case area. The study revealed that 57.5% of the Informal Sector activities were capitalized from own sources, where by 33.8 % had gained capital through assistance from a friend or a relative, 6.3 % through loan(s) from friend(s), and 2.5% through loan(s) from Micro-Finance Institutions. The results of this study conform to the findings made by O' Riordan (1996) which reports that most people practicing the Informal sectors get capital from their own sources to initiate and operate their businesses. Table 4 presents the details.

Table 4: Source of Capital for Business/Activity in the IS (N=80)

Source of Capital	Frequency	Percentage
Micro-finance institutions Loans	2	2.50%
Friends Loans	5	6.30%
Relatives and friends Support	27	33.80%
Own sources	46	57.50%
Total	80	100.00%

Source of workforces

Man power is one of the most important resources in any activity as the key resource in all operations regardless of the presence of machines and other supportive tools needed. They cannot become productive in the absence of Human resource (labour). The results from the study reported that 57.5 percent of workforce source was from members of the family. The 23.7 percentage accounted for own labor source and 18.8 percentage of the activities had hired labourers. Other studies (McLaughlin 1990; O'Riordan 1991) have recognized similar inclinations with respect to the source of labour in the IS, whereas it has been a common phenomenon to have family labour (labour force from family members) contributing significantly for the labour used in the IS. The details are presented in Table 5.

Table 5: The Source of Workforce Used in the IS (N=80)

Labour Source	Frequency	Percentage
Employees	15	18.8
Family Labour	46	57.5

Own	18	23.7
Total	80	100.0

The Lawful or Legal position of business

Business license is the crucial legal requirement in business operations to legalize your activities. The study was able to analyze the legal statuses of these informal business in the selected wards involved. It was reported that 82.5 percent of business that were operating in these wards were not legalized that they lack business operating license while the 17.5 percentage remained had the license. These findings qualify the activities surveyed as being in the IS basing on the definitions provided by various scholars. The results resembled with the one give under the International Labour Organization in 1998, where ILO reports that most of the Informal sector are not able to comply with all the rules and regulations of business operations such as; registration, business licensing, tax payments, occupational safety, health insurances, and other working conditions that are necessity to workers. This inability is accelerated to a number of factors, including unwieldly bureaucracies, high costs, unreasonable demands, ambiguous regulations and negative state attitudes to workers in the Informal economy.

The World Bank (2009) also points out to the fact that the Informal sector also known as Informal sector is unofficial business which is evading tax, avoiding labor regulations and other government or institutional regulations, with no registration of the business. Business ownership Business ownership was another aspect considered important by this study. The Informal Sector is considered as a subset of household enterprises or unincorporated enterprises owned by households. Table 5 presents the findings with respect to business ownership.

Table 6: Distribution of the Business Ownership (N=80)

Ownership of Business	Frequency rare	Ratio in %
Family Ownership	40	50.0
A different Entrepreneur	1	1.3
Owned in Joint	1	1.3
Owned by Individual	38	47.5
Total	89	100.0

The result described that 50% of the business served are owned by the specific families as seen in Table .6 where they are run by family members in the extended form which involved the inheritance of properties. The 47.5% being possessed by individuals (which are initiated and being managed by them individually), 1.3% is for the one owning by joining together (by different individuals who do not have family ties) and 1.3% accounted for the activities owned by a different entrepreneur. Similarly, issues of ownership of businesses in the IS are reported by McLaughlin (1990) and Mushi and Kent (1995). Generally IS enterprises itself is dominated by sole proprietorship and the business management is personified in one person.

CONCLUSION

It has been seen and proved that the Informal sector cannot be separated from the urban settings where the majority of people dwelling in urban find their livelihood much as the sector has a significant job, income generation potential and stimulation of social economic growth in both urban and rural areas, despite of having

that huge share but yet contributes marginally to tax revenue generation. The male seem to dominate the Sector having low level of skills and education. Furthermore, there has been more young individuals engaging in the sector. However more married couples seem to dominate the in the marital status. In terms of setting and characteristics, most of the business activities surveyed in this study relied on indigenous resources; owned by the family members; most businesses operated in a small scale; labor intensive; most of the operators acquired skills outside of the formal sector with unregistered business activities. These observations qualify what is mostly described in literature related to Informal Sector.

RECOMMENDATIONS

Therefore, it is recommended that; the Local Government Authority and micro finance institutions who had been dealing and supporting these beneficiaries to keep formulate better and favorable policies and strategies that will help them working together to improve the conditions out of which the Informal Sectoris operating in Mwanza. The Local Government Authority should create policy responses to the sector which is becoming dominant in the urban areas in terms of being a mechanism of employment and income generation to individuals. The dominant sector refers to the sector dominates the other. It involves activities that has more contribution to the economy growth of individual ad nation as well as plays a central role in terms of GDP, employment, exports, or imports than other sector. It is typically the sector that drives economic growth and stability. This implies that, the informal sector has become the dominant sector of the economy, overtaking formal sector in terms of its contribution to employment and household lives.

Specific policy suggestions include

The government creating favorable conditions for IS, enabling them to easily access financial support and loans from various microfinance institutions for business development. Setting favorable business working environments for the IS, such as the provision of specific and accessible areas for their daily business operations, will help clients reach them easily. Furthermore, to have supportive funds on technological innovation applications to help many IS adapt to the changes by implementing the current technology in day-to-day business operations, the government should set free and easy technology adoption for all IS as well as supportive training to assure that a large number of IS are implementing this innovation. The study recommends that street vendors' business environment be improved by local government,, central government, and private sector to align their policies and plans in supporting this fast growing informal sector. The needs of formalization of the street vending activities is of great significance too.

Innovations of the research study

The study will further assist both researchers, stakeholders, and other beneficiaries in actively improving urban planning and infrastructure development, enhancing public-private partnerships that can foster future advancement. Additionally, the study will facilitate the establishment of informal business clusters, fostering a supportive ecosystem in urban areas that facilitates resource sharing among businesses.

Furthermore, the study will provide more room for the initiation of different training and other capacity-building programs for different groups in informal businesses to better manage their businesses in the future. Additionally, the government will be able to provide additional legal and policy support to facilitate the better implementation of business operations. In collaboration with various stakeholders, this support will enable the development of strategic mobile money solutions and other digital platforms, thereby enhancing

technological innovations in this sector and contributing to the country's development.

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APPENDIX

Mwanza Subdivision (https://citypopulation.de/en/tanzania/admin/19_mwanza/)

The population development in Mwanza as well as related information and services (Wikipedia, Google, images).

The icon links to further information about a selected division including its population structure (gender, urbanization, age groups, age distribution).

Name	Status	Population Census 1988-08-27	Population Census 2002-08-01	Population Census 2012-08-26	Population Census 2022-08-23
Mwanza	Region	...	2,058,866	2,772,509	3,699,872
Mwanza					
3,699,872 Population [2022] – <i>Census</i>					
9,467 km² Area					
390.8/km² Population Density [2022]					
2.9% Annual Population Change [2012 → 2022]					
Mwanza Region: Region of Tanzania – Official Website					
Buchosa (← Sengerema)	District	...	...	327,767	413,110
Ilemela Municipal	Municipality	...	256,884	343,001	509,687
Kwimba	District	236,443	314,925	406,509	480,025
Magu	District	...	...	299,759	421,119
Misungwi	District	191,283	256,133	351,607	467,867
Mwanza Municipal (Nyamagana Municipal)	City	109,985	209,806	363,452	594,834
Sengerema	District	...	...	335,267	425,415
Ukerewe	District	172,946	260,831	345,147	387,815

Name	Status	Population Census 1988-08-27	Population Census 2002-08-01	Population Census 2012-08-26	Population Census 2022-08-23
Tanzania	United Republic	23,174,336	34,443,603	44,928,923	61,741,120

Source: National Bureau of Statistics Tanzania.

Explanation: Area figures of districts are calculated from geospatial data.

Further information about the population structure:

Males 48.7% Females 51.3%

Gender (C 2022)	Persons
Males	18,02,183
Females	18,97,689

Rural 39.6% Urban 60.4%

Gender (C 2022)	Persons
Males	18,02,183
Females	18,97,689

0-14 years 45% 15-64 years 52% 65+ years 3%

Age Groups (C 2022)	Persons
0-14 years	16,63,925
15-64 years	19,23,763
65+ years	1,12,184

Age Distribution (C 2022)	Persons
80+ years	29,720
70-79 years	48,748
60-69 years	95,710
50-59 years	1,63,181
40-49 years	2,73,930
30-39 years	4,01,853
20-29 years	6,18,346
10-19 years	9,16,924
0-9 years	11,51,460

Year	Population	Yearly % Change	Yearly Change	Migrants (net)	Median Age	Fertility Rate	Density (P/Km ²)	Urban Pop %	Urban Population	Country's Share of World Pop	World Population	Tanzania Global Rank
2024	69,419,073	2.94 %	1,980,967	-39,997	17.2	4.51	78	38.8 %	26,929,194	0.86 %	8,118,835,999	21
2023	67,438,106	2.96 %	1,940,358	-39,997	17.0	4.59	76	38.0 %	25,659,393	0.84 %	8,045,311,447	22
2022	65,497,748	3.00 %	1,909,414	-39,997	16.9	4.66	74	37.3 %	24,434,383	0.82 %	7,975,105,156	22
2020	61,704,518	3.06 %	1,831,939	-15,795	16.7	4.80	70	35.8 %	22,113,353	0.79 %	7,840,952,880	23
2015	52,542,823	3.10 %	1,486,459	201,562	16.4	5.09	59	32.4 %	17,035,213	0.71 %	7,426,597,537	25
2010	45,110,527	2.72 %	1,134,204	-121,993	16.4	5.29	51	28.7 %	12,959,969	0.65 %	6,985,603,105	29
2005	39,439,505	2.73 %	995,160	-128,147	16.4	5.61	45	24.8 %	9,791,527	0.60 %	6,558,176,119	30
2000	34,463,704	2.43 %	780,727	-12,539	16.3	5.69	39	22.1 %	7,624,725	0.56 %	6,148,898,975	32
1995	30,560,071	3.12 %	870,812	-109,903	15.9	5.87	34	20.1 %	6,154,968	0.53 %	5,743,219,454	32
1990	26,206,012	3.03 %	727,277	-88,284	15.6	6.20	30	18.3 %	4,807,840	0.49 %	5,316,175,862	33
1985	22,569,625	3.18 %	654,393	75,784	15.2	6.57	25	16.2 %	3,661,481	0.46 %	4,861,730,613	33
1980	19,297,659	3.51 %	610,767	-46,294	15.5	6.91	22	14.1 %	2,719,241	0.43 %	4,444,007,706	35
1975	16,243,826	3.59 %	525,127	53,248	15.8	7.00	18	11.0 %	1,781,210	0.40 %	4,069,437,231	37
1970	13,618,192	3.21 %	397,518	38,628	15.8	6.91	15	7.8 %	1,068,352	0.37 %	3,695,390,336	38
1965	11,630,603	2.98 %	317,629	3,644	16.0	6.78	13	6.1 %	704,473	0.35 %	3,337,111,983	46
1960	10,042,458	2.85 %	263,376	1,953	16.0	6.73	11	5.3 %	528,498	0.33 %	3,019,233,434	42
1955	8,725,576	2.71 %	218,635	1,226	16.1	6.61	10	4.4 %	385,389	0.32 %	2,746,072,141	46

Population of Tanzania (2024 and historical)

Source: **Worldometer** (www.Worldometers.info)

Elaboration of data by United Nations, Department of Economic and Social Affairs, Population Division. World Population Prospects: The 2022 Revision. (Medium-fertility variant)