

The Influence of Informal Economy on Voluntary Contributions to Informal Social Organisations

Nyagwegwe C. Wango

Aga Khan University, Institute for Educational Development, East Africa.

E-mail: nyagwegwe.wango@aku.edu

Received: March 30, 2024 Accepted: April 15, 2024 Published: May 17, 2024

doi:10.5296/ijgs.v8i1.21905 URL: <https://doi.org/10.5296/ijgs.v8i1.21905>

Abstract

This study explores the dynamics of the informal economy and the voluntary contributions made to groups, associations, and memberships within this sector. It provides an overview of the background information on these organizations, their operations, and the issues surrounding protection and risk mitigation. Additionally, the study delves into the practices of voluntary contributions within the informal economy. Qualitative research methods, including interviews and focus group discussions, were employed to gather data from informal economy actors participating in informal social organizations such as the bodaboda association, food vending networks, and beach groups. The findings suggest that informal workers often pool money together to create communal savings due to the inherent insecurities in livelihood activities and other risks. Trust and mutual support emerge as key non-financial forms of "savings" utilized within these communities.

Keywords: voluntary contributions, informal economy, informal social organizations, informal workers

1. Introduction

The success of informal social organizations hinges on various factors, including interdependence and motivational support from more established economic entities. Social support initiatives are developed to assist informal workers. Yet, informal social support systems, operating within colleague circles, neighborhood groups, and friendships, are often criticized for their inability to provide long-term and comprehensive protection against various risks (Msangi, 2009). Membership in these systems is contingent upon one's ability to contribute financially, thus excluding those with limited resources and offering only short-term benefits (Wangwe & Mmari, 2013).

Typically, informal social security systems are localized to specific geographic areas (Tungaraza, 2005), and they require organization and adherence to specific regulations set by

members and leaders (Wango, 2022). Despite their limitations, these systems may be crucial in extending social security to informal economy workers, existing alongside voluntary contributions (Dhemba, 1998). They serve as a cultural norm and response to the shortcomings of formal social security mechanisms, filling gaps left by traditional funds (Narayan, 1999).

Understanding why informal workers voluntarily contribute to their social organizations such as the bodaboda association, food vending associations, and fishing groups is essential. Therefore, this study aims to explore the motivations and attributes of informal economy actors regarding their voluntary contributions to informal social organizations.

1.2 Informal Social Organization Practices

The historical basis of informal social relations in socio-economic matters was rooted in communal ownership and distribution of labor products (Raichura, 2008). Before colonialism, properties were commonly owned by extended families, clans, and tribes, organized through chieftains (Subbarao, 1998). Production activities were often group-oriented, involving co-wives, work teams of men or women, and communal meals and celebrations (Wango, 2022).

Social redistribution was prevalent through assistance to those in need or with financial deficits (Onyango et al., 2012). Traditions and social practices were shaped by communal ownership of essential means of production and customs of redistributing surpluses (Subbarao, 1998). Social differentiation based on wealth was minimal, if not absent, until the emergence of private property and market-oriented production, including modern capitalism (Mbuni, 2023).

Informal social cohesion was established through communal responses to crises such as fires, where community members would gather to extinguish the flames, and aid affected families collectively (Rwegoshora, 2016). Funeral ceremonies were communal events, with neighbors and relatives contributing to burial costs and supporting the bereaved family (Lyons & Snoxell, 2005).

Marriage ceremonies were elaborate and costly affairs, often involving contributions from close relatives and community members to cover expenses such as bride wealth payments and celebratory feasts (Mramba, 2015).

The survival of the informal sector is influenced by various factors, including organizational characteristics, rules, and regulations, as well as individual traits like interpersonal skills and trust, which facilitate informal relationships within the group. These factors enable members to act informally within the organization and contribute voluntarily. The study illustrates how informal social organizations draw from traditional structures to mobilize community support during times of uncertainty, emphasizing the importance of leadership and organizational structure in facilitating voluntary contributions.

2. Method

The research utilized a qualitative methodology to gather data from various study areas, which was subsequently analyzed to derive meaningful insights. Specifically, the study focused on food vendor networks, bodaboda associations, and fishermen groups to comprehensively capture and understand the phenomenon under investigation. Respondents were selected based

on criteria such as their longevity and experience within the respective informal sectors and their consistent participation in contributions or instances where they required support due to social or economic challenges.

Cases were chosen considering the nature of informal activities and the presence of groups, associations, or organizations known for providing welfare support to their members. This approach ensured a thorough exploration of the subject matter within the context of informal economic networks and social organizations.

3. Findings

3.1 Informal Sector Workers

The study uncovered that many low-income individuals, such as bodaboda drivers, operate without official licenses or registrations in informal work. It was observed that informal workers often lack formally recognized procedures or standards similar to those in formal sectors, where workers are registered and adhere to established codes of conduct.

The research delved into three case studies: the Halisi Beach group, Buguruni Food vending network, and Sangaraza bodaboda association. Each case study was analyzed regarding its profile, social security support engagement, and voluntary contributions arrangements. These discussions shed light on the diverse experiences and practices within informal economic networks, highlighting the challenges and opportunities participants face in accessing social protection and contributing to collective welfare.

3.1.1 Halisi Beach Group

The Halisi Beach Group, established in 2010, comprises informal workers involved in fishing activities. The primary aim of forming this group was to address socio-economic challenges faced by its members, particularly income instability, which hindered their ability to cope with various hardships. Members organized themselves into groups like Halisi, *Wanaume*, and *Ndiyo Mzee* to provide mutual support during uncertain times. They pooled monetary contributions through weekly savings, which grew steadily in membership and savings over the years.

In 2016, the group had 33 registered members contributing TSh 165,000/= weekly. These savings served as a social security fund, providing loans and support to members in times of socio-economic distress, such as injury or death leading to loss of income. By 2021, the group had expanded to 62 members.

Despite being aware of formal schemes like the *Wavuvi* Scheme registered with the Social Scheme, members hesitated to join due to the demanding membership conditions. These conditions included making regular weekly contributions and possessing national identity cards, which were challenging to obtain due to the time-consuming process. The informal social organization provided a more accessible avenue for support than formal schemes, highlighting its significance in providing welfare support to its members. Additionally, the group had constitutional and elected leaders, with specific requirements for membership, such as being a fisherman working at the Kigamboni Ferry.

- i. Having operating facility recognized vessel, such as a boat,
- ii. Being an adult, that is, being within the age range of 18-65; and,
- iii. Being a citizen of Tanzania.

Further probing into the possibilities of joining a social security program, such as the social security scheme, elicited strong emotions, especially among elderly members. The fishermen argued in favour of beach groups to support the needy or members, including extending loans.

“We contribute TSh 20,000/= per month and we also have to be ready to support one other in various events mutually. As a group we manage affairs ourselves, we get loans, we protect each other when going to the sea for fishing; can the social security fund do that?”

They argued that because social security fund is a formal pension system institution, it cannot swiftly support informal groups like Beach Groups, in a manner that is essential to sustain or restore their well-being when they are facing hardship.

3.1.2 Buguruni Food Vending Network

The focus group discussion (FGD), with members of the food vending network, comprised 9 female informal sector workers engaged in the food trade. The respondent revealed that the association has operated for twenty years. They said the association at the district level started in 2002 with 15 members and had grown to about 97 members in 2020.

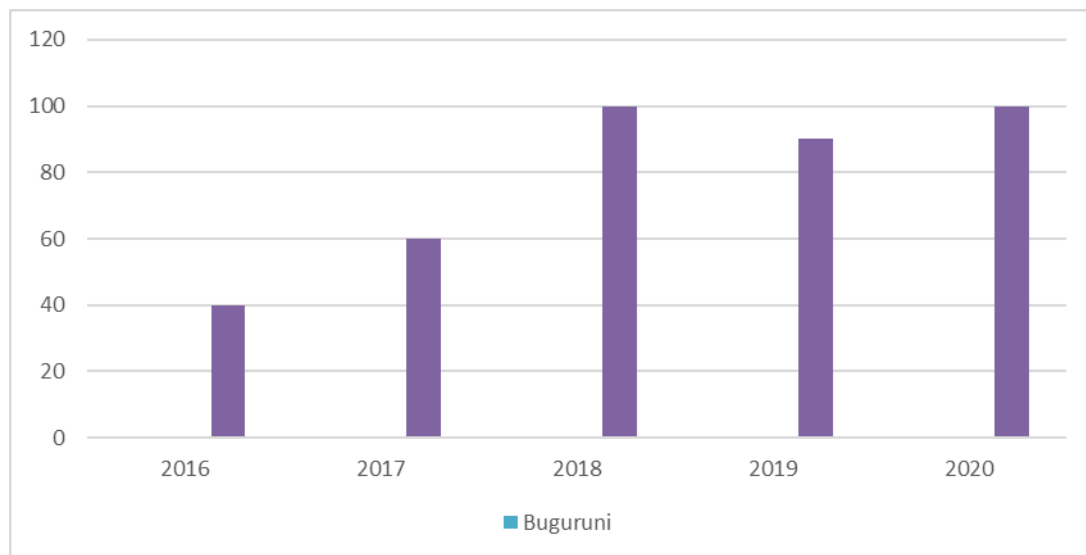


Figure 5: Buguruni Food Vending Network Membership Changes 2016-2020

Source: Field Work, 2020

The Buguruni Food Vending Network was initially formed under the directive of the Municipality to oversee food vendors, ensuring public hygiene standards and the quality of food supplied to the public, and facilitating the collective collection of revenue fees. However, over time, the association evolved into a supportive community where vendors assist each other

financially and socially.

The initiative to establish the network was led by five individuals operating food-selling kiosks in Buguruni. As the association grew, it began to serve as a platform for members to uplift themselves from poverty. This involved providing loans and mutual support during significant life events such as weddings and funerals.

In terms of administration, the network has a structured leadership consisting of an elected chairperson, secretary, treasurer, and discipline officer. These roles adhere to the administrative framework of the network, which also includes a constitution outlining guiding principles for members. The constitution, established in 2017 and approved by members, mandates regular attendance at meetings, contributions, and loan repayments. These measures ensure accountability and cohesion within the network, fostering a supportive environment for its members.

One elderly female food vendor and member of the network said:

“All members of food vending networks must abide by the constitution, including values norms and regulations set by their networks, knowing there is a penalty for non-compliance. There is also respect for internal rules such as timely repayment of loans and the payment of monthly contributions, and in case of omission, members are penalised.¹”

Additionally, there are social methods such as peer sanctions to run the group affairs where they are informally sanctioned to enforce network norms and values for any inappropriate actions. An informal sanction includes withholding one’s membership for one to three months; if one does not, for instance, settle loan repayment within three months.

On joining the formal social security schemes, the vendors expressed their reservations about the requirements of joining formal social security schemes. Their collective concerns focused on their limitation to continuously pay monthly contributions and the cumbersome processes one must undergo before one gets benefit. One of the food vendor respondent noted:

“...in Buguruni food vending network, members pay little interest on loans. After contributing for four months, one can take a loan that which is more than three times their contribution. One of our members borrowed Sh3,000,000 to expand her business. I can compare this with a social security scheme when a person gets benefits after saving for years, but the good thing with social security is that the benefits are lifelong till one dies. It takes a while, but it is reliable. But our unstable income generation sources are a constraint; we could have been far... that is why we opt for informal social networks commensurate with our small business enterprises.

Another respondent added:

“It would be great to get our network recognise all of us, be it at the ward, district or regional level. We should be more united, but right now, we are scattered and, to some

¹ Penalties set is Sh5,000 for non-compliance

extent, disorganised. We meet and unite at different platforms, such as VICOBA, though the food vending networks are helpful. Again, when it comes to joining formal social security schemes, it is difficult because we do not have a strong resource base to give us confidence; that is why we are afraid to join such social security fund.”

The respondent highlighted that the profit margin in food vending is generally low, leading many informal actors to be hesitant about joining social security schemes like those offered by social security fund. This reluctance stems from the fact that the income generated from food vending is often minimal and subject to fluctuations. Only a few vendors consistently earn enough to support themselves.

Furthermore, members of the food vending network expressed concerns about fraud and breaches of trust among fellow network members. Instances where individuals disappear with contributions from others are not uncommon, posing significant challenges for the group. Participants noted that such issues would be less likely to occur if they were members of formal institutions, which typically have stricter regulations and oversight mechanisms in place.

3.1.3 Sangaraza Bodaboda Association

The Sangaraza Bodaboda Association (SBA) was established in 2013 and has operated at the Tegeta Kwa Ndevu bus station in Kinondoni Municipality ever since. Currently, the SBA boasts 102 members, 21 of whom have been registered since its inception. The primary objective of founding the Sangaraza group was to encourage bodaboda drivers to pool their financial resources to support each other during times of need, such as accidents or significant social events like weddings or funerals.

The association functions akin to a micro-credit association, where members contribute regularly and can access loans or financial assistance when required. For example, if a member of the Sangaraza Bodaboda Association becomes incapacitated due to an accident, or if a member's family experiences a loss, the association provides both social and financial support to the individual or family. Each member of the association contributes TSh 15,000 (\$6.5) on a weekly basis. At the time of the study, the association had accumulated approximately TSh 21 million in cash capital, sourced from weekly contributions, interest earnings, and penalties. Additionally, the Sangaraza Association extends the opportunity for its members to borrow money from the association at a low-interest rate of 2% per annum, a significantly cheaper option compared to market interest rates that can range from 12% to 20%.

The association's treasurer is responsible for collecting cash contributions and depositing them into the bank. Moreover, the association has established rules and regulations to govern its activities. Similar to food vending networks, the leadership structure of the association includes an elected Chairman, Secretary, and Treasurer. Furthermore, the organization operates under a constitution containing rules and regulations ratified by its members in 2013.

According to Wango (2022), factors such as livelihood sources, shared values, close interaction, and transparency in operations and decision-making are crucial for the survival and success of associations like the Sangaraza Bodaboda Association. These factors foster trust and mutual support among members as they pursue their collective interests. In emphasizing the

importance of adhering to the association's constitution and laws aimed at promoting the common welfare, the chairman of the Sangaraza Bodaboda Association underscores the need for members to uphold these principles for the benefit of all.

"We are a recognised group, that is why we have decided to build our institution: we have a constitution and a well-known and respectable structure; there is an elected chairman, secretary, and cashier as well as members that administer the association. The association is linked to and recognised by the local administrative structures/institutions at the ward, district, municipal, and regional levels. We work as a team and help each other in all aspects of life. As a leader, I impress upon members to make savings and contributions because their tomorrow is unpredictable, especially in the kind of work they are engaging in."

When asked how the leaders are elected, the chairman noted that members hold a general meeting every two years. This meeting elects the chairperson, secretary, and treasurer as per the Constitution.² He noted linkages at Ward, District, and Regional levels. The importance of these linkages includes promoting *bodaboda* interests and protection. There is a link between Sangaraza *Bodaboda* Association and the Dar es Salaam Regional *Bodaboda* Association based on the cooperation on provisional knowledge and skill that Sangaraza demonstrates. The Regional *bodaboda* association, chairman of Dar es Salaam in an interview with the author, noted:

'Right now, the number of memberships in the association is high and promising compared to when we started about years nine ago... Almost every month, a new member joins. We meet, discuss our welfare, and participate in all activities concerning our well-being. The good news is that the Dar es Salaam bodaboda riders' Association intends to establish a financial institution. Every bodaboda rider will have an account and inject Tshs 500 per day. Such a platform will save members because it will act as a bank owned by the association. Since the association belongs to members, we are sure the bodaboda riders will support the idea. On the other hand, the leaders have unveiled the Social Security Fund) message. Some have agreed to join, and some have not. By the year 2019, 21 Sangaraza Association members had joined the association. A significant number want formal social security, but the challenge is that their income is so limited. Sometimes are not able to'

The Sangaraza Bodaboda Association, like many regional associations, operates under a constitution outlining rules and regulations that members must adhere to. Bodaboda riders are expected to conduct themselves in a respectable manner and foster strong bonds to support one another. The association's leadership enforces these rules strictly, urging members to comply with the stipulated guidelines outlined in the Sangaraza Bodaboda Association of 2013 and the Regional Bodaboda Association of Kinondoni District.

In cases of misconduct, members are subject to disciplinary action commensurate with the

² The constitution was formulated in 2013 and has 9 articles. Article 6 specifies that "the annual general meeting that shall select the leaders as the representative of the association members"

severity of the offense, which may include expulsion from the association. However, members expressed reservations about joining formal social security funds. They highlighted that the current protocols for joining such schemes are not conducive to bodaboda riders' needs.

One of the main concerns raised was that formal social security schemes do not foster the same sense of social networks and cohesion that informal associations provide. Additionally, there is apprehension that encouraging members to join social security fund and similar schemes may erode the longstanding tradition of mutual assistance and support, particularly during emergencies or social hardships. Therefore, there is a perceived reluctance among bodaboda riders to embrace formal social security measures that could potentially undermine their existing support systems within the informal sector.

Table 1. Bodaboda Association Operational Level and Saving

Level of Bodaboda association and establishment year	Saving by 2019	Membership requirements	Remarks
Station Level (lowest operational level of the association) Since the year 2014	Saving: TShs21,000,000 (\$9,130)	<ul style="list-style-type: none"> • Paying weekly fees of TSh 15,000 • Actively contribute in cash and kind for social events, such as weddings or funerals of members or close relatives • Abide by the association's rules and regulations³ • Promote safety and security among each other • Attending association meetings 	<ul style="list-style-type: none"> • Members of the association benefit from financial support in case of illness or injury • Supplied with road protection and safety gear such as helmets and jackets • Enjoy solidarity with other members • Training in driving and self-defence skills
Ward Level Since 2014	Saving: TShs63,743,000 (\$27,714)	<ul style="list-style-type: none"> • Cooperating • Attending association meetings 	<ul style="list-style-type: none"> • Members of the association receive material and

³Such rules and regulations include attending meetings time, paying associations contributions, and safety and protection matters in carrying passengers.

			education on road regulations and safety <ul style="list-style-type: none"> • Mediation of disputes among transport service providers, i.e. between Daladala bus drivers and <i>Bodaboda</i> riders
Municipal Level Since 2014	Saving: TShs81,230,875 (\$35,317)	<ul style="list-style-type: none"> • Attending association meetings • Participating in the municipal-level association's election • Cooperating 	<ul style="list-style-type: none"> • Association members attend training on road safety and regulations • Assistance association members for cases involving traffic police and other regulatory offence
Regional Level Since 2014	Saving: TShs89,873,987 (\$38,075)	<ul style="list-style-type: none"> • Maintain unity among association • Attending association meetings 	<ul style="list-style-type: none"> • Material and education support on road safety and regulation • Increase knowledge and skills in road safety and financial management
National Level Since 2014	Saving: TShs173,250,265 (\$75,326)	<ul style="list-style-type: none"> • Cooperation amongst each other • Maintain association unity • Attending association meetings 	<ul style="list-style-type: none"> • Improve economic wellbeing • Mobilize and encourage members to join social security schemes like the National Social Security Fund. Out of the 2,303,000 members, 1,920 were members of the forma social security

Source: Field studies, 2019

The bodaboda industry, despite its inherent risks, continues to be a popular and rapidly expanding mode of transport in many regions. Its affordability and convenience make it a preferred choice for commuters, particularly in areas with limited access to public or private transportation. This underscores its significance as a vital source of transport, employment, and income, particularly for young people from low-income backgrounds.

The establishment of bodaboda associations at various administrative levels signifies a positive step towards regulating the bodaboda business and safeguarding the welfare of its members. However, formal social security schemes often struggle to effectively reach out to informal workers' associations. Although initiatives such as the Wavuvi Scheme for fishermen, the

Wakulima Scheme for farmers, and the Madini Scheme for artisan miners aim to facilitate access to formal social security benefits through subsidized contribution rates, the number of registered participants remains relatively low compared to the vast informal sector workforce. This highlights the necessity for alternative approaches to ensure comprehensive coverage and support for informal sector operators.

3.2 Benefits and Support Given

One of the key issues consistently highlighted by all respondents was the prompt assistance and support they receive from their membership in informal social organizations during times of need. When asked about the benefits they derive from these networks, respondents emphasized the sense of security and protection they feel during challenging circumstances, as well as the cultivation of strong social bonds.

Members highlighted various benefits of belonging to bodaboda associations, with a focus group discussion revealing that the primary advantages include receiving both financial and non-financial assistance during difficult times. Financial assistance may include loans or monetary support in emergencies, while non-financial support often involves emotional or social aid, such as moral support or solidarity within the community. These forms of assistance contribute to enhancing social cohesion and fostering shared values aimed at improving overall familial welfare, income generation, and social well-being.

- Financial support to swiftly access medical facilities in the event of an accident or injury.
- Financial assistance to facilitate the acquisition of a new alternative motorcycle in the case where the regular motorcycles are destroyed or out of order for a long time.
- Provision of moral support to the family in case of the death of members or close family members.

During the focus group discussions with food vending participants, respondents expressed that their involvement in food vending networks served as a valuable tool in addressing poverty concerns and represented a significant step towards alleviating poverty. They emphasized that various activities within the networks facilitated income diversification, thereby ensuring the sustainability of their businesses and the networks.

Many network members shared that their membership in these networks had positively impacted their lives, despite the absence of quantifiable increments. While they couldn't pinpoint specific numerical improvements, they observed qualitative changes, such as an enhanced ability to meet their basic needs more effectively than before. Some mentioned tangible improvements, such as being able to afford their children's school fees and secure better housing arrangements. Additionally, a few members mentioned purchasing plots of land for building their own homes.

When asked about the role of the network in helping them acquire these plots, one respondent highlighted: “.. *the plot was announced for sale in Kitunda at TSh 4,500,000. I reached out to my network (Buguruni food vending network), and I got a loan that I was able to purchase a*

plot.”

Also, through networks, members who face challenges like falling sick receive financial support from the network. Such assistance is given to the vendor members themselves, a family member, especially an immediate parent, spouse, or child. One of the respondents noted:

“In our vending network, when a member faces a socio-economic problem such as marriage events, we secure the person via voluntary contributions from among members because one does not know when he or she will face such a similar problem.”

However, when hospital bills are too high, the person suffering from such problems is expected to top up the expenses of major surgery. Another food vendor who happened to be a member of the network added:

“The networks are helpful to members and the closest members of the family. I have been a network member for about seven years and can see its benefits. The networks have been helpful to me since my mother was sick up to the time she passed away. They contributed to the coffin and helped buy and prepare food during mourning. I do not think I could have managed without the group. Even when we had a fire outbreak at my workplace, they contributed some cash for refurbishment. They even footed part of my hospital bills.”

The interviewees were also asked about their perspectives on joining a social security scheme. Most respondents highlighted the financial constraints associated with meeting the conditions set by the formal social security. They argued that the income generated from their informal businesses is often unpredictable and unstable, making it difficult to consistently meet the requirements of formal social security schemes. Additionally, they expressed challenges in accessing social security support services, particularly during emergencies, as the process is often bureaucratic and time-consuming.

With their meager income, which must cover various household essentials such as groceries, water, and electricity, as well as contribute to informal social networks, many respondents view joining social security schemes as an unattainable goal. Instead, they rely on quasi-formal networks to fulfill social security roles. These networks are able to provide swift support to members in need, often within a short period, typically not exceeding two days.

3.3 Mutual safeguarding and protection during times of uncertainty

The importance of safeguarding and protection against uncertainties was consistently highlighted by the majority of respondents in both the focus group discussions (FGDs) and interviews. Informal organizations affiliated with their respective occupations, such as those for food vendors, fishermen, and bodaboda operators, were noted for providing crucial support in times of need. Each group emphasized the everyday risks they encounter, including accidents, asset losses, seasonal variations in income, conflicts with authorities, and evictions from unauthorized areas.

Food vendors emphasized the vital role of their network in addressing poverty concerns and providing support. Beyond income, the network facilitated non-financial support through

regular meetings and the strengthening of social bonds. Many members acknowledged the positive impact of network membership on their lives, noting qualitative improvements in meeting basic needs.

Furthermore, the networks serve as a safety net for food vendors facing challenges such as illness or tragedy. Financial assistance is provided to the vendor or their immediate family members, ensuring that support is available during difficult times.

One of the respondents noted:

“In our vending network, when a member faces a socio-economic issue, for instance marriage events, we secure the person via voluntary contributions from among members because one does not know when he will face a similar problem.”

During the focus group discussions (FGDs), fishermen expressed concerns about the feasibility of joining the Social Security Fund, citing financial challenges in meeting the scheme's requirements. They highlighted the unpredictable nature of their income from informal fishing activities, which fluctuates depending on daily business conditions. Additionally, the limited income generated must cover various essential expenses such as groceries, water, and electricity, as well as contributions to informal social networks. These financial constraints make it difficult for fishermen to allocate funds towards formal social security schemes. Another respondent stated:

“I have never joined any social security scheme, but what I can say from my little knowledge is that it takes a long time to contribute and enjoy benefits. For instance, if a person is seriously sick and is in danger, a follow-up with the formal social security for support can take more than a month. However, with our informal networks, fellow members act immediately; much as the support might not cover 100 per cent of the cost, one...can count on it that financial and other support will be provided swiftly. One cannot deny that social security schemes are beneficial and provide more substantial support, but they do not come immediately. Something must be done about this, so many are attracted to join.”

Respondents have consistently emphasized the challenges related to delays in accessing benefits from formal Social Security during times of need. The bureaucratic processes and formalities associated with schemes are often perceived as less favorable and user-friendly, especially for individuals with limited financial resources. Consequently, many people in the informal economy sector are inclined towards association-based social security systems, which appear to better address their daily challenges and provide more timely support during difficult situations.

3.4 Collective Leadership and Management Arrangements

The research findings highlighted the importance of effective leadership and management within groups or associations, as these factors significantly influenced mutual trust and minimized the risk of funding misuse or conflicts. Participants shared instances of poor leadership, such as unresolved financial issues within bodaboda associations, which led some

members to leave and establish new associations. An example cited was the Kibamba Bodaboda Association in 2017, where leaders were accused of misusing the association's funds. As a result, a respondent who was previously a member of the Kibamba Bodaboda Association withdrew his membership. He narrates:

"Leaders must be accountable to their members and discharge their responsibilities honestly and transparently. Once you have open and caring leadership, trust increases...we made a mistake by not evaluating the persons we wanted to lead us. As a result, we encountered financial mismanagement, and chaos emerged. Today we chose leaders cautiously. We seek support from street leaders and the police to handle issues. Though I am in a different association, I advise other association members that the quality of leadership matters."

Members emphasized the need for a robust governance system to ensure accountability and address leadership issues effectively. This system should enable members to remove unsatisfactory leaders and facilitate collective decision-making through established norms, regulations, and procedures. Leaders must enforce disciplinary measures against misconduct, while transparency and accountability in decision-making processes are crucial. In the fishing focus group discussions, it was highlighted that association leaders are elected, underscoring the importance of members being informed about candidates' qualities before elections. Respondents stressed that leaders should be accountable, honest, transparent, and serve the collective interests of the members. Effective leadership is pivotal for the stability of the association.

In terms of financial assistance, members explained that when a member requires support, the funds are either drawn from a central pool or collected through additional voluntary contributions from members, depending on the association's economic setup. In the Sangaraza associations, financial support is typically provided from the association's resources. This assistance may be sought for various purposes, such as repairing motorcycles, starting new businesses, or financing social events.

"In early 2019, one of our members was knocked down by a vehicle when he was riding back from dropping off a passenger. The accident happened at Wazo Hill, close to the Twiga Cement Company. The driver sustained injuries. He called us, and we went and took him to the hospital. He was released the same day. We used members' weekly contributions to cover his medical expenses."

Respondents commonly linked leadership challenges to financial mismanagement, emphasizing the importance of proper and careful management of association funds. However, some associations, like the fishing group, were established without obligatory dues or penalties for rule infractions. In such cases, association leaders are tasked with implementing new regulations and sanctions to address these issues.

3.5 Building social cohesion and providing support

The food vendors described their relationship as familial, viewing each other as sisters and

brothers. They utilize their networks to organize and support one another, often referring clients to one another when needed. Many vendors share close social, economic, and even biological ties, fostering a sense of interdependence. This familial dynamic was emphasized by a respondent, who remarked:

“As food vendors, we treat each other well, despite the competition amongst us, but still, we are aware that we are one family building the same house to shelter our daily needs.”

Neighbourliness is stronger among Buguruni food vending networks because they belong to the same network and are regulated by the same norms and conditions that aim to improve their collective welfare. They have created social capital that provides essential benefits alongside social security.

A respondent noted:

“...We are close to each other as a person of the same unit and we are connected by the networks/association that we have joined despite coming from different geographical areas. During network meetings we engage with fellow food vendors from different places and get a chance to share ideas and skills. We trust the network, where we invest much of our time and dedication. We treat each other as a family member; the Buguruni networks have helped us come together and connect; we help each other in many circumstances unless it is beyond the network’s capacity.”

Through their network, food vendors have forged strong informal relationships and friendships that extend beyond business matters, encompassing personal events like marriages and funerals. The association serves to unite informal economic operators, offering support for their socio-economic well-being. Members assist each other in various daily activities related to their businesses, pooling limited resources to provide mutual aid when needed, irrespective of individual contributions or social status. For example, the bodaboda riders' association has fostered a sense of unity among its members, prompting them to act collectively in response to each other's needs. Reflecting on the sincerity and camaraderie within the association, a respondent at Tegeta Kwa Ndevu shared the following sentiment:

‘... I cannot lie ... our association is the best. We work together as a team. We treat each other like family members; even when one bodaboda rider has an emergency and his/her customer has to be served, we offer a hand. Also, we are available to support each other on social and cultural matters. In short, there is good cooperation amongst members of the bodaboda association. As members of the association we feel a sense of brotherhood and belonging amongst ourselves. This is why we have been able to form a strong association and contribute money for our welfare. Our leaders are honest and straightforward, so nothing goes off track. We help fellow members when they are sick and cooperate fully in funeral matters.’

The Sangaraza Bodaboda Association has demonstrated its commitment to safeguarding its members' interests by providing loans and ensuring ongoing support during uncertain times such as sickness and accidents. Conversely, food vendors view each other as family, fostering a sense of camaraderie and mutual support within their networks. They rely on these networks

to organize and live as a cohesive unit, with those in close proximity forming particularly strong bonds. In instances where a particular food item is unavailable, vendors readily refer clients to one another, highlighting the spirit of cooperation and collaboration within the community. Some food vendors share biological ties, belonging to the same family, and are interconnected socially and economically. Reflecting on this dynamic, a respondent emphasized:

“As food vendors, we treat each other well, despite the competition amongst us, but still, we are aware that we are one family building the same house i.e meet our daily needs.”

The requirement to regularly make contributions is critical. This is reflected in the experiences narrated by leaders and members of *Halisi* beach groups. Members use mobile phones to remit their contribution so as to comply with the group regulation regarding monthly contributions. One of the fishermen leaders’ noted:

‘We are very strict regarding group contributions; even when someone is not around during the meeting, they must send their contribution money electronically. No one is given a chance to be irresponsible. That is why we are strong even when the catch (fish stocks) are low. Apart from fishing activities, some of us have other side-lines in the form of small-scale business activities for survival.’

Respondents commended their *Halisi* and other beach fishermen groups as they have helped consolidate social ties between fishermen, families, and communities. Persons who engage in illegal fishing are arrested, and their equipment confiscated. In such situations, victims’ families suffer from separation, and wives become breadwinners when their husbands are incarcerated. When asked how beach groups help in such situations, respondents noted:

“... The fishermen’s savings will support the family during the difficult times i.e when one is in prison as per member’s contributions due.”

While recognizing the vital role of informal social organizations, many respondents emphasized the importance of individuals planning for their retirement to avoid the risk of not having adequate social security coverage. Despite acknowledging the value of formal social security systems among some respondents, the stringent conditions for membership and the challenges in accessing support made them unattractive to most operators in the informal economy.

Table 2. Social Support Given to Members of the *Halisi* Beach Group

Case	Beach Group Contribution	Remarks
Case I: Accident of members Two members suffered an injury on accident when a heavy storm hit their vessel	Beach group contributed TShs 300,000 (\$127.6) for organizing 15 medication per member. The group communicated the accidents to the Ferry Police Force and family members.	Swiftly provided support members to restore their business Maintain solidarity among members

in 2018	<p>Gave a loan for purchasing nets and repair of the vessel (TSh 1,200,000)</p> <p>Find an alternative boat to rescue the injured in the accident</p>	<p>Ensure the safety of the members</p> <p>Restore livelihoods source for the household members</p>
<p>Case II: Death of members</p> <p>Between 2016 and 2019, 4 members died when the vessel sank in Ocean.</p>	<p>Participate actively in organizing funeral activities</p> <p>Beach group contributed TShs 200, 000 (\$85) to each family as condolence</p> <p>Leaders discussed with the family on an acceptable mode of refund of financial contributions deceased group members had and entitlements</p> <p>Follow up legal cases related to the death of the member</p>	<p>Swiftly provided support funeral costs to ease the burden to the family</p> <p>Maintained solidarity with family members</p> <p>Moral support to family members</p>
<p>Case III: Loss of family members</p> <p>13 members lost their family members between 2016 to 2019</p>	<p>The group consoled member with the contribution of TShs 100,000</p> <p>Group representatives participated in the funeral event and showed solidarity with the family</p> <p>Provide moral support</p>	<p>Swiftly supported member in funeral cost</p> <p>Show solidarity among members</p>

Source: Field study, 2019

What is important to underscore here is that associations/groups have played a pivotal role in bringing together members to support each other. Also, they have provided leadership required to organise issues and facilitate support as shown in Table 2.

3.6 Gender Issues and informal economy

Whilst female actors, bodaboda and fishing generally dominated food vending activities were mainly operated by males. But respondents noted that there is an increase of female *bodaboda* riders' operations in several areas. At Sangaraza Association, two females have operated as *bodaboda* riders since 2017. A female *bodaboda* respondent noted:

“I have worked as a bodaboda rider for two years under the Sangaraza association. I started this work when I was unemployed after my separation [from my husband]; I needed cash to support the children and myself”.

She added that she earns between TSh 25,000 and TSh 35,000 daily. The money she makes enables her to contribute TSh 15,000 weekly to SangarazaBodaboda Association, giving an opportunity to get a loan to support for motorcycles repair meet other household needs and other businesses she is engaging in. She adds:

“Bodaboda rider won’t be a permanent job for me, I will soon leave this work, my sister and I have started a kiosk selling fruits at Nyuki that is growing; the time business expands there, I will join my sister.”

The majority of riders interviewed observed that female bodaboda riders tend to be more cautious than their male counterparts. They are often diligent in adhering to road rules and regulations, including wearing protective gear. However, they also noted that there is generally low trust in female bodaboda riders. Many people doubt their competence in handling motorcycles, especially in challenging traffic situations in the city. As a result, passengers often prefer male bodaboda riders over females. One female rider provided an illustration of this perception.

“When my passenger is male, you will find that he instructs me to be careful on the road and check the speed. The male passenger becomes unsettled.”

Interestingly most female commuters prefer male *bodaboda* riders. When asked why passengers wouldn’t easily choose female riders, some argue that female *bodaboda* riders wouldn’t handle long trips well.

Regarding fishermen, the respondents noted that fishing is traditionally the role of men (breadwinners), but this does not mean that women are idling. Women play other functions, such as selling and frying fish at the markets and vending around the streets. Women interviewed during the FGDs noted:

“... I can’t go to the sea for fishing; it has never happened in my community; I can trade fish, i.e., selling fried fish. it suffices for my family, and I can support daily needs.”

The respondent added that apart from fish-related activities, women at the Kivukoni beach were also engaged in other livelihood activities, such as food vending. She noted:

“I have a mix of potential customers from among fishermen and traders who meet here for fish related business”.

The District Extension Officer (DEO) of Kigamboni concurred with the perspective of the women, emphasizing that the majority of fish-selling businesses in markets such as Kivukoni and Kigamboni are conducted by women residing in proximity to Kigamboni, while men primarily engage in fishing activities. Women are also involved in various other small business endeavors, such as petty trading and food vending.

The gender dynamics surrounding the perception of male and female bodaboda riders are

multifaceted and may be influenced by socio-cultural attitudes, norms, and traditions prevalent in many African communities. Traditionally, men have been favored for certain job roles, leading to societal biases and perceptions that may impact the acceptance and trust placed in female bodaboda riders.

4. Conclusion

The study delved into the characteristics of the informal economy and explored how voluntary contributions to social security schemes operate within this context. It uncovered that individuals are drawn to informal organizations due to the potential for extrinsic benefits they offer. Specifically, the research shed light on the income uncertainty prevalent in the informal economy, leading workers to seek the stability provided by informal associations. In facing daily uncertainties and risks inherent in their work, informal workers find solace in belonging to responsive and supportive groups like these.

Acknowledgments

I greatly appreciate the valuable contributions of informal actors in Dar es Salaam who shared their views. Much appreciation goes to formal social security management for their willingness to participate in the study.

Authors contributions

Not applicable

Funding

Not applicable

Competing interests

The author declares that he has no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Macrothink Institute.

The journal's policies adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data availability statement

The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

Data sharing statement

No additional data are available.

Open access

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

References

- Udoh, J. (2015). Taxing the Informal Economy in Nigeria: Issues, Challenges, and Opportunities. *International Journal of Business Social Science*, 6(10), 160-175.
- Msangi, D. (2009, [Date of conference]). The Current Social Security Practice in Tanzania: Challenges and Opportunities. Paper presented at the Annual Conference of the Public Policy Forum, Arusha.
- Wangwe, S., & Mmari, D. (2013). Promoting Micro and Small Enterprises for Inclusive Development: Managing the Transition from Informal to Formal Enterprises. *REPOA Working Paper*.
- Tungaraza, F. S. K. (2005). Employment-Based Social Security Systems in Tanzania. Report on National Experts – Labour Law Reform Phase II. Dar es Salaam.
- Dhemba, J. (1998). Options for Extending Formal Social Security into Rural Households. In *Social Security Systems in Rural Zimbabwe* (pp. [page numbers if available]). Harare: Friedrich-Ebert-Stiftung (FES).
- Kombe, W., Kyessi, A. G., Limbumba, T. M., & Osuteye, E. (2022). Understanding the Impact of COVID-19 Partial Lockdown in Tanzania: Grassroots Responses in Low-Income Communities in Dar es Salaam. *Urbanisation*, 7(1), 30-45. <https://doi.org/10.1177/24557471221115258>
- Wango, N. C., Massam, W. E., Limbumba, T. M., Msoka, T. C., & Kombe, W. (2022). Exploring Social Protection Opportunities through Everyday Navigations of Women Informal Workers: The Case of Buguruni Food Vending Network in Dar Es Salaam. *International Journal of Regional Development*, 9(2). <https://doi.org/10.5296/ijrd.v9i2>
- Narayan, D. (1999). Bonds and Bridges: Social Capital and Poverty (Policy Research Working Paper No. 2167). Washington, DC: World Bank, Poverty Division, Poverty Reduction and Economic Management Network.

Raichura, S. K. (2008). Analytical review of the pension system in Kenya. In *Pension Development in Africa—Opportunities and Challenges* (Conference proceedings). Paris: Organisation for Economic Co-operation and Development.

Subbarao, K. (1998). Namibia Social Safety Net: Issues and Options for Reforms (Policy Research Working Paper Series No. 1996). Washington, DC: World Bank.

Wango, N., Limbumba, T. M., Msoka, C. T., & Kombe, W. (2022). The Engagement of Informal Social Organizations in Social Security Mobilisation in Tanzania. *International Journal of Social Science Research and Review*, 5(7), 212-223. <https://doi.org/10.47814/ijssrr.v5i7.403>

Onyango, J., Olima, W., & Onyango, L. (2012). Dynamics of Street Vending Phenomenon in the Kisumu Municipality, Kenya. *International Journal of Arts and Commerce*, 1(4), 107-120.

Mbuni, A. V., Wango, N. C., & Nyanza, E. C. (2023). Views and opinions of mass media key informants on coverage of issues related to maternal, newborn, and child health in Lake Zone, Tanzania. *International Journal of Development and Sustainability*, 12(5), 129-143.

Rwegoshora, H. (2016). Social Work Implications on Care and Vulnerability of Older People in Tanzania. *Huria: Journal of the Open University of Tanzania*, 23(1).

Lyons, M., & Snoxell, S. (2005). Sustainable Urban Livelihoods and Marketplace Social Capital: Crisis and Strategy in Petty Trade. *Research Article*, 42(8).

Mramba, N., et al. (2015). Empowering Street Vendors through Technology: An Explorative Study in Dar es Salaam, Tanzania. In *IEEE International Conference on Engineering, Technology and Innovation/ International Technology Management Conference (ICE/ITMC)* (pp. 1-9). Belfast, UK. <https://doi.org/10.1109/ICE.2015.7438651>

Nyysölä, M., Lambin, M., & Bernigaud, A. (2022). Social protection for working-age women in Tanzania: Exploring past policy trajectories and simulating future paths. WIDER Working Paper Series wp-2022-82. World Institute for Development Economic Research (UNU-WIDER).