

ABSTRACT

The informal sector is still recognized to be the sector comprising of the largest population of individuals living in the least developed countries such as Tanzania. The informal sector is further branded by extreme poverty which is partly caused by income and earning capacity insecurity, this is despite its potentiality for the economic growth if successful Structural Adjustment Program (SAP) is kept in place in any country.

Social security has been used as a development tool for many developed countries such as America so as to avoid poverty for its citizens at old age and during disability period; this has also been done by developing countries to bring development to such countries as Rwanda. Unfortunately the same cannot be said for Tanzanian government where the majority of the population still lives under absolute poverty, the majority of who are from the informal sector that is inadequately covered by any form of social security system.

This study was carried to find out social security and social protection measures which acts as a strong bat in the struggle against poverty within the informal sector. It has further analyzed factors that hinder successful coverage of the informal sector into social security and social protection programs where awareness, ability and willingness were the tested variables that hinder informal sector coverage to the formal social security systems. Kilimanjaro region was used as a study area into its various districts. It was a qualitative study where data was collected by the use of questionnaires through simple random sampling techniques. 78 questionnaires were collected out of 100 issued which represent 78% efficiency. The prior mentioned factors were hypothetically proven to hinder successful extension of social security system into the informal sector by the use of Statistical package for Social Scientist (SPSS).

Several benefits have been found to be provided by social security systems via its Supplementary schemes that do not only help in reducing the extent of which one can deepen into poverty in the cases of successive reduction in one's income and earning capacity, but rather billions of money have been in issue by social security systems that helps in influencing capital formation and increasing production thus concluding that Successful coverage of the informal sector by social security system has a vital role in poverty eradication in Tanzania.

