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The Effect of Government Credit Facilities on Monthly Household Income among *Boda Boda* Riders in Shinyanga Municipality, Tanzania

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Abstract: This study investigated the influence of government-provided credit facilities on the monthly household income of Boda Boda riders in Shinyanga Municipal Council, Tanzania. The informal transport sector is a key source of employment for youth and low-skilled workers, providing essential mobility and household income. However, Boda Boda riders face challenges such as fluctuating high cost of credit, fuel prices, seasonal demand and unexpected expenses, leading to unstable earnings. To mitigate these challenges, the government has implemented interventions including low-interest loans, cost-reduction and subsidies to enhance financial management, operational efficiency, and business growth. Guided by the Financial Inclusion Theory, the study employed a positivist philosophy, a quantitative approach, and an explanatory research design. From a population of 1,200 registered riders, 112 respondents were selected using stratified random sampling. Data were collected through structured questionnaires, pretest for reliability and validity, and analyzed using descriptive statistics, correlation, and multiple regressions. Descriptive results revealed that riders value affordable interest rates, inclusive eligibility assessments, and flexible collateral requirements. Correlation analysis showed a significant and positive association between credit access and household income, while regression analysis confirmed a significant effect ($\beta = 0.460, p = 0.000$). The study also found that awareness and understanding of credit programs varied, limiting utilization for some riders. The study concludes that government credit facilities are vital for income stabilization and livelihood security. The study is beneficial to the government, policymakers, microfinance institutions, and rider associations to enhance income stability and economic empowerment.

Keywords: Government Credit Facilities, Monthly Household Income; Boda Boda Riders

1.1 Background of the Study

Globally, informal transportation sector plays a crucial role in urban mobility and employment. The sector is pivotal for both developing and emerging economies. Informal or “para transit” services including motorcycle taxis, minibuses, three-wheeler, and shared vans provide flexible, affordable, and demand-responsive mobility that fills gaps left by formal public transport systems (UN-Habitat, 2023). In many low and middle-income cities, informal transport accounts for a significant share of urban employment and income generation, particularly for youth, migrants, and low-skilled workers (International Labour Organization [ILO], 2019). These services enable access to jobs, education,

healthcare, and markets, and help integrate peri-urban populations into city life (Cervero & Golub, 2019). For many households, earnings from informal transport work constitute a major, often indispensable, component of livelihood, especially where formal employment opportunities and social protection are limited (Pojani & Stead, 2025).

In Africa, motorcycle taxis commonly known as Boda Boda have emerged as a popular, flexible, and affordable mode of transport, supporting livelihoods for youth and low-skilled workers in urban and peri-urban areas (Mwakatundu, 2020; ILO, 2019). In Malawi, motorcycles are used to transport patients to hospitals in areas that are not reachable by vehicle means of transport (Kumar, 2011). Those who own motorcycles in Nigeria rely on the money they earn from these trades to sustain their families (Arosanyin, 2011). Also, in Kenya motorcycles are considered as a rescue business to unemployed youth (Nyachio, 2015).

In Tanzania, Boda Boda riding is an important source of self-employment, providing income to households that might otherwise struggle with unemployment and limited financial opportunities (Bukonya, 2020). Recognizing the economic potential of this sector, the Tanzanian government introduced various credit facilities and financial support programs aimed at Boda Boda riders. These include low-interest government loans for purchasing motorcycles, subsidies to reduce and operational costs focused on financial management, business development, and road safety (Akinyemi & Odediran, 2020; Mwakatundu, 2020). Through these interventions, the government aims to improve riders' business efficiency, stabilize their incomes, and ultimately enhance their household economic welfare.

Household income, which includes earnings from wages, business profits, and other transfers, is a key measure of economic well-being in Tanzania (Vidal et al., 2020). For Boda Boda riders, income is mainly derived from daily fares, which are often unstable due to factors such as high costs on loans, fuel price fluctuations, seasonal demand, and unforeseen expenses (Hussein et al., 2022). Despite access to government loans and subsidies, many riders continue to face financial challenges that limit the effectiveness of this support in increasing household income (Mwapachu, 2021).

Evidence from local surveys in Shinyanga suggests that while government credit facilities are intended to reduce operational costs and enhance earning potential, many riders struggle with high loan repayments accompanied by inconsistent monthly earnings (Akinyemi & Odediran, 2020). Over TZS 200 billion has been allocated nationally for youth and informal sector empowerment, with a portion directed specifically toward informal transport operators (Ministry of Finance, 2023). Yet, challenges such as high entry and maintenance costs, exposure to accidents, and uneven access to credit continue to undermine the impact of these programs (Vidal et al., 2020; Mwapachu, 2021).

This study therefore investigated how government credit facilities influence the monthly household income of Boda Boda riders in Shinyanga. The findings aim to provide insights into the effectiveness of

government interventions in improving the economic welfare of informal transport workers, highlighting areas where policies may need adjustment to better support access to credit facilities among Boda Boda riders.

1.2 Statement of the Problem

Youth unemployment in Tanzania affects approximately 26% of young people aged 18–35, and the rapid urban growth has led to a higher dependence on informal employment, such as Boda Boda operations (Afrobarometer, 2025). In Shinyanga, the limited public transport infrastructure has made motorcycle taxis a crucial service and a primary source of livelihood for many youths. Therefore, it is essential to assess the impact of government interventions such as access to loans on the household incomes of riders.

Government interventions targeting informal sector operators aim to promote economic empowerment, improve household incomes, and enhance financial resilience. Policy frameworks, including the National Youth Development Policy (2007) and the Five-Year Development Plan III (2021/22–2025/26), emphasizes youth empowerment, job creation, and financial inclusion through access to credit, among others. When effectively implemented, these interventions are expected to help Boda Boda riders increase earnings, meet household needs, accumulate assets, and contribute to poverty reduction and inclusive urban development. National Bureau of Statistics (NBS, 2022) reports that while the average urban household income is about TZS 416,000 per month, riders in smaller municipalities like Shinyanga earn only TZS 25,000–45,000 weekly before expenses, resulting in minimal disposable income. This raises questions on how this vulnerable group of Boda Boda riders need to be supported so as to increase their monthly earnings.

Studies that have examined government support and income generation among informal transport operators provide mixed and often fragmented evidence, making it unclear how such interventions influence the livelihoods of Boda Boda riders. For instance, Mfaume and Leornard (2021) found that government microcredit schemes increased income among urban youth entrepreneurs, but their study did not focus on informal transport-sector operators. In the transport sector, Chuwa (2019) examined the challenges faced by motorcycle taxi riders and noted limited access to financing and high operational costs, but did not evaluate the direct effect of government credit facilities on income. Regional studies such as Karema and Wambura (2022) also highlighted the role of policy interventions in boosting youth economic participation, though their focus remained broad and not specific to Boda Boda operations. Therefore, this study examined government credit facilities in Shinyanga Municipal Council, evaluating their alignment with local realities and their effectiveness in fostering not only employment but also sustainable economic welfare within Tanzania's informal transport sector.

1.3 The Study Objective

The objective of the study was to examine the effect of government credit facilities on the monthly household income of Boda Boda riders in Shinyanga Municipal Council.

1.4 Significance of the study

This study makes important contributions both in theory and in practice. Academically, it enriches the understanding of how government credit facilities affect informal sector workers, focusing specifically

on Boda Boda riders in smaller municipalities like Shinyanga. For policymakers, the study offers evidence on how government access to loans affects the economic conditions of Boda Boda riders. The findings support the policy design on access to government credit to make it more practical, accessible, and effectual. This includes identifying any challenges that riders face when accessing or benefiting from these programs.

On a practical level, the study helps Boda Boda riders better understand how they can benefit from existing government support. It also empowers local advocacy groups and community-based organizations with data they can use to push for better services and support for informal workers. In the long term, the study contributes to reducing poverty, enhancing income security, creating employment and boosting the informal transportation sector's role in the local economy. Generally, the study improves decision-making, both for individuals in the informal sector and for those designing policies that affect them.

1.5 Scope and Delimitation of the Study

This study investigated the effect of government credit facilities on the monthly income of Boda Boda riders in Shinyanga Municipality. It focused on riders who received government support. The study was limited to riders in Shinyanga Municipality, a key area for informal transportation services in the region. It analyzed how access to government loans affected changes in riders' income levels, business operations and motorcycle upgrades. Riders without government funding or operating outside Shinyanga Municipal Council were not part of the study. The study did not delve into the design or political background of the funding programs but focused on the outcomes and experiences of participating riders.

1.6 Conceptual Framework

The conceptual framework is a concise description of phenomenon under study accompanied by a graphical or visual depiction of the major variables. The independent variable in this study is the government credit facilities while the dependent variable is the house hold income among Boda Boda riders in Shinyanga Municipal Council in Tanzania as shown in figure 1.

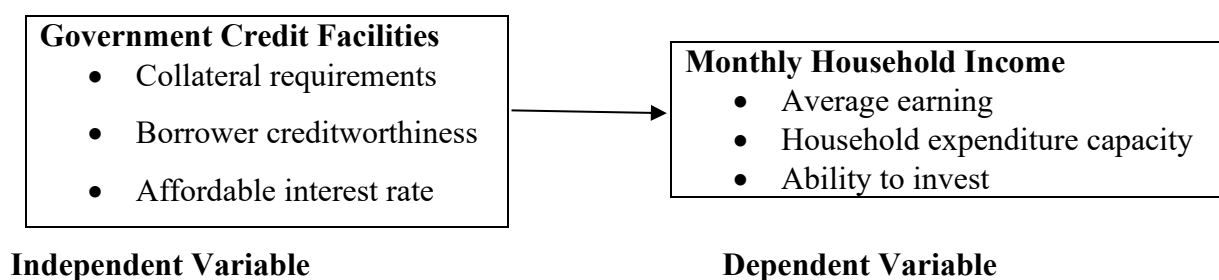


Figure 1: *The Conceptual Framework*

Source: *Own Conceptualization, 2025*

1.7 Literature Review

This section presents a comprehensive theoretical and empirical review.

1.7.1 Theoretical Review

This study was guided by Financial Inclusion Theory (FIT), which posits that access to financial services is a critical enabler of individual and household economic welfare, particularly among marginalized populations such as informal sector workers (World Bank, 2018). Unlike conventional financial theories that emphasize formal sector operations and established financial markets, FIT underscores the importance of extending essential services such as credit, savings, insurance, and payment systems to previously excluded groups. By widening access, FIT assumes that informal workers are empowered to participate more effectively in productive activities, manage financial risks, accumulate assets, and ultimately improve household income. FIT further asserts that government interventions including subsidized credit function as instruments for bridging the gap between informal workers and formal financial systems. These interventions provide affordable capital, reduce operating costs, and enhance riders' business management capacity. By addressing these critical barriers, government funding is expected to stabilize incomes, increase savings potential, and enhance the general welfare of household dependent on informal work such as motorcycle taxi operations.

In the context of Shinyanga Municipal Council, Boda Boda riders face specific constraints, limited access to formal credit facilities, low levels of financial literacy, high vulnerability to accidents and economic shocks, and fluctuating daily earnings. FIT provides a relevant and practical framework for understanding how government credit influences this group's welfare. It directs attention not only to whether government funding improves household income but also to how targeted interventions such as access to loans for motorcycle acquisition and low cost of credit translate into ability to invest, expenditure management, and income stability. Thus, FIT is best suited to explain how targeted government financial support such as credit, and the related subsidies contributes to household income, expenditure capacity, and ability to invest among Boda Boda riders in Shinyanga Municipal Council. Consequently, FIT offers a comprehensive theoretical lens to evaluate whether government funding support are effectively achieving their intended goal of improving household welfare among Boda Boda riders in Shinyanga Municipal Council.

Positively, the theory highlights the needs of populations typically excluded from formal financial systems, making it especially relevant for studies focusing on informal sector workers such as Boda Boda riders. It clearly connects access to financial resources with economic empowerment, poverty reduction, and improved household economic welfare, which aligns well with the objectives of this study. FIT also, provides a solid foundation for evaluating the effectiveness of public policies and interventions aimed at enhancing access to financial services among informal workers. Moreover, the theory is adaptable to a variety of economic contexts, whether urban, rural, developed, or developing, making it applicable to Shinyanga's informal sector dynamics. In contrast, the theory sometimes assumes that access to credit facilities automatically leads to usage and improved outcomes, whereas other factors like financial literacy and subsidized services also play critical roles. While it emphasizes access to

credit, the theory may overlook the quality, relevance, and sustainability of the financial products provided to marginalized groups.

1.7.2 Empirical Review

Government credit facilities, often offers sufficient lender information, flexible credit worthiness, and minimal collateral requirements, enabling Boda Boda riders to acquire motorcycles, cover maintenance costs, and expand their operations. Such financial assistance is expected to increase their revenue-generating capacity, reduce financial stress, and consequently improve household income. Studies have revealed that lack of collateral and poor credit records exclude informal workers from formal banking institutions (Kiwia & Kessy, 2019). When accessible, government loans enable riders to improve ability to invest, stabilize earnings, and support household expenditure. Subsidized microloans increase the capacity of informal workers to acquire productive assets, which boosts long-term income sustainability (Evans et al., 2019). Thus, the government credit facilities considered in this study include collateral requirements, borrower creditworthiness and insufficient lender information.

Okello and Kioko (2021) examined the effect of government loans on Boda Boda riders in Nairobi County, Kenya. The study employed a mixed-methods approach, combining structured questionnaires to collect quantitative data on income changes and business performance with in-depth interviews to explore riders' experiences and challenges in loan utilization. The population of the study comprised of 150 registered Boda Boda riders operating within Nairobi County, selected through stratified random sampling to ensure representation across different routes and operating areas. The findings revealed that riders who obtained government loans were able to purchase their own motorcycles rather than relying on costly rentals, allowing extended operating hours and increased service coverage. This translated into higher daily earnings and improved economic stability. The authors concluded that government loans serve as a vital empowerment tool for informal entrepreneurs, facilitating asset ownership and business growth while promoting financial independence and livelihood improvement. However, a limitation of the study is that it focused only on Nairobi County, Kenya, which may limit the general view of the findings to rural areas such as Shinyanga Municipal in Tanzania. Also, the study relied on self-reported income data which may pose response bias, and the study did not fully explore the long-term sustainability of income gains.

Akinyemi and Odediran (2020) conducted a study on the effect of government subsidies on small transport operators in Tanzania. The population of the study comprised of 120 small-scale transport operators, comprised of Boda Boda riders and mini-bus drivers, selected through purposive sampling across Dar es Salaam major transport hubs. The study evaluated how government subsidies on operational inputs, particularly fuel, affected business sustainability, profitability, and reinvestment behavior among informal transport operators. The study employed a mixed-methods approach, using structured questionnaires to collect quantitative data on costs, revenues, and profit margins,

complemented by in-depth interviews to capture operators' experiences and perceptions of subsidy programs.

The findings revealed that government subsidies significantly reduced operational costs, enabling informal operators to maintain profitability even during periods of market fluctuations. The study concluded that government subsidies are a valuable policy instrument that enhances business resilience and supports household income. However, a limitation is that the study focused only on urban operators, potentially neglecting the effects in rural or peri-urban areas. The study it did not examine the effect of access to credit and training programs on monthly income of Boda Boda operators, creating a gap for future research.

Ndegwa and Wanjala (2021) carried a study on the effects of consistent access to credit facilities on informal workers in Nairobi County, Kenya. The study assessed how regular access to government-supported credit influences income predictability. The research employed a mixed-methods approach, using structured questionnaires to collect quantitative data on household income, expenditure, and investment behavior, complemented by semi-structured interviews to understand workers' experiences with credit access. The population of the study comprised of 120 informal sector workers who are the Boda Boda riders, selected through stratified random sampling across Nairobi's central and peripheral business zones. The findings indicated that consistent access to credit was associated with greater income stability, allowing households to better plan expenses and invest in small-scale businesses, thereby enhancing general economic resilience. The study concluded that government-supported credit facilities are vital for income stabilization and for promoting sustainable household development among informal workers. However, a limitation is that the study focused on urban informal workers, limiting the rural contexts. Also, it did not analyze the potential risks of collateral requirement, borrower creditworthiness and lack lender information which could mitigate the positive effects of credit access.

Mwakysa (2022) studied on the influence of startup loans provided by municipal authorities to informal transport providers. The study examined how access to government startup loans influence household consumption patterns. It assessed their impact on the economic stability of informal transport operators and the role of financial support in improving household welfare. The research employed a mixed-methods approach, combining structured questionnaires to gather quantitative data on household income and expenditure with in-depth interviews to explore beneficiaries' experiences with loan utilization and business performance. The population of the study comprised of 100 Boda Boda riders and other informal transport operators in Mwanza city, selected through stratified random sampling to ensure representation across different operational zones. The findings indicated a notable 25% increase in household consumption among loan recipients, suggesting that access to startup loans positively impacted both business operations and household well-being. The study concluded that well-targeted government startup loans not only support business expansion but also significantly enhance socioeconomic welfare. However, a limitation of the study is that it focused only on short-term

consumption effects, without evaluating long-term income sustainability. Further, the study was carried in Mwanza City as opposed to Shinyanga Municipal Council.

1.8 Research Methodology

The study adopted a positivist research philosophy, which assumes that reality is objective and measurable, allowing for empirical investigation of the relationship between government support and household income. A quantitative research approach was used, focusing on the systematic collection and analysis of numerical data to identify cause-and-effect relationships. An explanatory research design was employed to assess how independent variables, which is government credit facilities affect the household income dependent variable. The target population comprised of 1,200 registered Boda Boda riders, operating in Shinyanga Municipality. The sample of 112 respondents was selected using stratified random sampling to ensure proportional representation across relevant subgroups. Primary data was collected using structured questionnaires. Data was analyzed using SPSS, employing descriptive statistics to summarize key variables and inferential techniques, such as correlation and multiple regressions to examine relationships between variables. Ethical considerations were strictly observed, which were informed consent, confidentiality, voluntary participation, and adherence to university research ethics standards.

1.9 Findings of the Study

1.9.1 Response Rate

The response rate refers to the proportion of respondents who successfully completed and returned the research instrument out of the total number distributed. The response rate for this study is presented in the Table1 below.

Table1: Response Rate Results

Description	No. of Questionnaires	Percentage (%)
Questionnaires Distributed	112	100%
Questionnaires Returned & Completed	105	93.8%
Questionnaires Not Returned	7	6.2%

Source: Field Data (2025)

Table 1 indicates that out of 112 questionnaires distributed to Boda Boda riders in Shinyanga Municipal Council, 105 were correctly filled and returned, yielding a response rate of 93.8%. Only 6.2% of the questionnaires were not returned. This high response rate demonstrates strong engagement and cooperation from the respondents, reflecting the effectiveness of the data collection process. According to Mugenda and Mugenda (2019), a response rate above 70% is generally considered sufficient for reliable social science research, while Kothari and Garg (2019) emphasize that higher response rates improve the representation and credibility of study findings. Therefore, the achieved response rate of 93.8% ensures that the data collected provide a robust and dependable basis for subsequent descriptive and inferential analysis.

1.9.2 Descriptive Analysis

This section presents descriptive statistics on government credit facilities on monthly household income of Boda Boda riders in Shinyanga Municipal Council. The analysis focused on respondents' perceptions regarding the affordability of interest rates, accessibility of loans, and collateral requirements associated with government-provided credit facilities. It further examined how these factors influence riders' ability to invest in motorcycles, cover operational costs, and expand their business activities. In addition, the analysis considered riders' awareness and understanding of application procedures, eligibility criteria, and repayment obligations, which are critical in determining the effective utilization of credit programs. The descriptive statistics provide insights into both the perceived benefits and challenges of accessing government credit, highlighting variations in experiences among riders with different levels of financial literacy, operational scale, and prior exposure to formal financial services. By evaluating these perceptions, the study identifies key factors that facilitate or hinder the use of credit facilities, offering a foundational understanding of how government support translates into increased household income, improved business sustainability, and greater financial resilience among Boda Boda riders. Table 4.1 represents the descriptive results for government credit facilities.

Table 2: Descriptive Statistics for Government Credit Facilities

Statement	N	Min.	Max.	Mean	Std. Dev.
Government credit facilities offer affordable interest rates that allow riders to invest in motorcycles and assets to increase income.	105	3	5	4.06	0.68
Credit eligibility assessments consider riders' business potential and ability to repay, enabling wider access.	105	2	5	3.97	0.71
Boda Boda riders can access government credit facilities without facing restrictive collateral requirements.	105	2	5	3.89	0.75

Source: Field Data (2025)

The results in Table 1 indicate that government credit facilities offer affordable interest rates that allow riders to invest in motorcycles and assets to increase income, had a mean of 4.06 and a standard deviation of 0.68. This means that most respondents agreed that the interest rates attached to government loans are manageable and supportive of investment, thereby enabling riders to expand their operations and improve their household income.

Credit eligibility assessments consider the riders' business potential and ability to repay, enabling wider access had a mean of 3.97 and a standard deviation of 0.71. This implies that a majority of riders perceive the government's credit assessment procedures as fair and inclusive, suggesting that the criteria used by financing institutions do not excessively restrict applicants but instead support broader credit accessibility among Boda Boda riders. Meanwhile, Boda Boda riders can access government credit facilities without facing restrictive collateral requirements had a mean of 3.89 and a standard deviation of 0.75. This shows that while collateral requirements still exist, many riders believe they are not excessively burdensome and do not significantly hinder their ability to obtain loans. The relatively

high mean further indicates that flexible collateral provisions play a role in improving credit uptake, thereby enhancing opportunities for income generation. The study findings agree with Muriithi (2021) who found that informal transport operators with access to credit are better positioned to expand their businesses, purchase and maintain motorcycles, and stabilize daily earnings. Similarly, Sanga (2022) who found that when credit is both accessible and structured to meet the needs of informal workers, it directly contributed to improved business performance and economic resilience.

1.9.3 Correction Analysis

Correlation analysis was conducted to examine the strength and direction of the relationships between government credit facilities and monthly household income.

Table 3: Correlation Analysis Results

Variables	Monthly Income	Government credit facilities
Monthly Household Income	1	
Government Credit Facilities	0.631**	1
Sig. (2-tailed)	0.000	

** Correlation is significant at the 0.01 level (2-tailed)

Correlation analysis further supported this relationship, showing a significant and positive association between government credit facilities and monthly household income ($r = 0.631$, $p < 0.01$). This indicates that as access to government credit facilities improves, riders' ability to generate income, cover household expenses, and accumulate assets also increases. The correlation underscores that credit is not just a financial instrument but also a mechanism for economic empowerment, enabling riders to scale their operations and mitigate daily financial shocks.

1.9.4 Regression analysis

Regression analysis usually enables confirmation of relationships between the independent variable and dependent variables. The R^2 was used to measure the direction and strength of the relationship between independent and dependent variables. The results in Table 4 shows that the coefficient of determination $R^2 = 0.659$. This implies that household income can be explained by 65.9% of the government credit facilities score.

Table 4: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error
1	0.812	0.659	0.648	0.421

a. Predictors: (Constant) government credit facilities

Analysis of Variance (ANOVA)

ANOVA was used to test the significance of the relation of the study variables. The results of the ANOVA indicated in Table 5 shows that the relationship between the government credit facilities and household income of Boda Boda riders is significant ($F = 64.96$, $P \text{ value} = .000$). This reveals that government credit facilities affect the household income. The government credit facilities were therefore statistically accepted as useful variable in predicting the household income among the Boda Boda rider in Shinyanga Municipality. This is supported by a P value of 0.000 which is less than conventional value of 0.05.

Table 5: ANOVA Output

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.56	3	8.1867	64.96	0.000
Residual	12.73	101	0.1260		
Total	37.29	104			

The results in Table 6 provide the coefficient of the variable used in the study which was the government credit facilities.

Table 6: Coefficients for the Overall Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.05	0.29	—	3.62	0.001
Government Credit Facilities	0.460	0.08	0.460	5.75	0.000

The regression equation model in this study is as shown in equation 1

$$Y = 1.05 + 0.460t \dots \dots \dots \text{Equation 1}$$

The findings indicate that the constant term is 1.05, implying that holding the variables under consideration to zero could result to 1.05 units of earnings to household. This could be due to other factors not considered in this study. The regression coefficient for the government credit facilities was 0.460 ($p < .05$). This indicates that an increase in government by 1 unit results to an increase of 0.460 units on household income of Boda Boda riders. This is in line with Kimario and Mwageni (2020) posits that beneficiaries of government loans reported higher income stability, increased business ownership, and improved household welfare compared to non-beneficiaries.

1.10 Conclusion

The study concluded that access to the financial resources enables riders to invest in motorcycles, cover repair and maintenance costs, and expand their operational capacity, which collectively contributes to higher earnings and improved household financial stability. Also, the study revealed that mere availability of credit is insufficient, the effectiveness of these programs depends on riders' understanding of eligibility criteria, application procedures, and loan terms. Variations in knowledge and awareness among riders limited the utilization of available credit, indicating a gap in government outreach and information dissemination. From a theoretical perspective, the results support the financial inclusion theory, which emphasizes that access to financial resources enhances entrepreneurial performance and income generation, particularly in informal economies. In practice, this suggests that government credit facilities serve not only as a financial tool but also as a strategic intervention to empower informal sector workers, reduce dependency on high-interest private loans, and strengthen livelihood security. Overall, the findings underscore that well-structured and accessible government credit facilities can play a critical role in improving income stability, expanding expenditure capacity, and enhancing the investment potential of Boda Boda riders, thereby supporting economic empowerment and sustainable livelihoods within the informal transport sector.

1.11 Recommendations

Based on the findings of this study, several recommendations are proposed to enhance the effectiveness of government credit facilities in improving the household income of Boda Boda riders. First, the government should strengthen awareness campaigns to ensure that all riders fully understand the availability, eligibility criteria, and application procedures of credit programs. Clear and accessible information will enable riders to take full advantage of these financial resources. Second, application procedures should be simplified and made more transparent to reduce barriers to entry and encourage wider participation. Third, credit facilities should be accompanied by financial literacy and business management training, equipping riders with the knowledge to effectively manage loans, plan expenditures, and make productive investments that maximize income potential.

Fourth, government agencies and local associations should regularly monitor and provide guidance to ensure that credit funds are used appropriately for operational improvements rather than non-productive purposes. Fifth, consideration should be given to tailoring loan amounts and repayment schedules to the varying capacities of riders, ensuring that repayment obligations do not undermine household financial stability. Finally, collaboration between government institutions, microfinance providers, and rider associations can create a more supportive ecosystem for informal sector operators. Implementing these recommendations will not only increase the utilization and effectiveness of government credit facilities but also contribute to income stability, improved expenditure capacity, and enhanced investment potential for Boda Boda riders. Generally, these measures can strengthen the economic empowerment and livelihood security of youth engaged in the informal transport sector in Shinyanga and across Tanzania.

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