

TAX CHAT

Youth Voices



Youth Advancing the Tax Justice Agenda in Uganda

Note from the Editorial Team

Welcome to the third edition of the #Youth4TaxJustice Newsletter, a newsletter which is designed to share strategies on how youth can or have engaged in fiscal justice issues in Uganda.

This year, the COVID-19 pandemic created a major hindrance towards youth engagement in fiscal governance processes at the national and sub-national level. With a several month lockdown and limitation on public gatherings, majority of the initiatives took place during the last half of the year.

In recognition of the fact that the youth are a group whose voice is critical in fiscal governance processes, we continue to relay strategies on how they can voice their opinions on key issues arising and how prudent public finance management can be used as a tool to address these issues.

In this issue of the newsletter, we explore the impact of the COVID-19 pandemic on youth businesses and how members of the Tax Justice Club at Kampala International University were able to conduct a Tax Justice awareness campaign within their university. Finally, we feature a showcase of youth engagements in Tax Justice Events during 2020.

Happy Reading!

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Q & A SESSION: The Impact of COVID-19 on Youth in Business



In this segment, we interview Ms. Sandra Letio, from the Pelere Group, a Small and Medium Enterprise (SME) that deals in the manufacturing of agro based products from Shea butter. The company works directly with farmers and has been able to certify seven of the products they manufacture this year. However the process to this achievement was challenging and the challenges were exacerbated by the COVID-19 pandemic.

Below is what she had to say about the impact of COVID-19 on businesses and recommendations on measures that government should put in place to not only mitigate impact of COVID-19 on youth businesses, but also ensure their survival in Uganda's economy. The responses shared were generated during a dialogue on Youth and Taxation in Uganda in which Ms. Sandra Letio took part as panelist.

From the private sector, government has been very "kind" during the COVID 19 pandemic. Has that helped spur development in the private sector?

I think it would be important to ascertain the sectors that have benefitted so far. Being a young person engaged in business for about 10 years, going through the system up to date, it is still not a favorable environment for young entrepreneurs. The COVID-19 season has been the most challenging for more young people to get through. Government can do better in terms of policy, because you will find that even the initiatives put in place by

government, most of them are yet to be delivered.

There was a lot of restriction on transport during the lockdown hence reducing production to less than 10 percent. Although Uganda Revenue Authority allowed for late filing of Value Added Tax (VAT), accessing workplaces was a challenge. While government allowed for loan extensions, not all banks complied with this provision hence businesses having to pay more than they were supposed to pay.

Have these tax measures enhanced your ability to do business? If not, what more needs to be done?

When government allowed for late filing, it was of benefit to us given the decline in business and limited access to workplaces. Also, the deferment of Pay as You Earn (PAYE) enabled us to retain workers. However, there is more that government can do. For instance, for a startup, government could consider providing a tax holiday or providing a lower tax rate for a period of about 3 years. In the long run, URA will be able to collect more revenue from a steady growing business.

Any parting shots on what more should be put into consideration?

Having been in business for the last 10 years, there are quite a number of things that have kept me going. I started with 15 USD at that time there were no opportunities for business incubation centers. I worked with Uganda Industrial Research

Institute (UIRI) and Enterprise Uganda to gain skills on how to keep and grow my business.

Beyond giving them money, Government should think of how to make young people more productive by providing business incubators. Majority of young people need mentorship. Many people start businesses but they are failing because they lack mentorship. Therefore government

should direct more resources towards that instead of cash outs.

The tax man however should think of how to help young businesses thrive. Beyond focusing on revenue collection, focus should be relayed towards enhancing voluntary compliance in the long run.

In terms of improving access to finance, there is need to devise

means to enable youth access micro-finance loans without necessarily providing collateral security (which majority of youth do not have). Government should seek strategies on how to provide social loans.

For the young women, it would be key for government to put into consideration a gender bias towards ensuring growth of female led businesses.

YOUTH ADVANCING THE TAX JUSTICE AGENDA

Kampala International University (KIU) Tax Justice Club Conducts a Ten-Day Tax Education Campaign

A narration by Ms. Brenda Uwasse, the President of the KIU Tax Justice Club

The intention of the ten days tax education campaign was majorly to shade light on the need for the citizens (who are also taxpayers) to understand that paying taxes need not be looked at as a burden because it's what keeps the country, and the world as a whole moving. It was thus our intention to make people understand that paying taxes is just as much their responsibility as any other citizen

obligation. Any improvement in compliance with tax obligations by taxpayers would assist Uganda to generate the much-needed tax revenues to finance the ever-increasing government expenditure.

The aim of the campaign therefore, was (summarily) to make young people (and the general population as a whole) aware of their tax rights

and obligations as citizens. The particular focus of the campaign was to increase awareness of what taxpayers should expect from the responsible tax institutions and what is their end of the bargain in ensuring tax compliance that aggregate national development. Given the target group, the campaign was intended to deliver this information through social media commonly used by young



Students from Kampala International University and International University of East Africa during a dialogue on Tax Justice

people. Examples such as blogs, Facebook and Twitter have been identified. Depending on the availability of resources, it was agreed to hold monthly webinars.

The campaign was kicked off on day 1 by the engagement with the KIU Tax Justice club members with the aim of equipping them with the necessary knowledge on tax rights and responsibilities as we recruited a few of them to take part in the campaign and spread the gospel amongst their friends.

On Day 2, we did a social media campaign on the 4Rs (Revenue, Re-pricing, Redistribution and Representation). On Day 3, we held a dialogue with some students

from KIU and the neighboring university, International University of East Africa (IUEA) with the sole purpose of spreading more knowledge on the individual and citizen tax rights. On day 4, we conducted a hostel door to door campaign teaching students the relevance of tax compliance and why the government needs those taxes so as to make students stop looking at tax as a burden but more of a citizen responsibility. On Day 5 and 6, we again held a social media campaign and engaged the online community on tax compliance and citizen responsibility towards national development. On day 7, we had planned to organise an online webinar and engage specialized

individuals from tax fields and institutions in Uganda but due to resource shortcomings we were not able to make it happen. On day 8, we held an outreach assessment with the recruited members to measure the magnitude of the campaign. During this session, we also shared more materials with members for them to circulate to wider audiences. On day 9, we did a get together as some of the members were breaking off and traveling home for the holidays and thus agreed to postpone day 10 for after the holidays with the intention of having the webinar in January with more stakeholders and key players in the taxation field.

Launch of the Tax Justice club at Gulu University

“I was inspired to start the club after participating in several tax justice debates organized by SEATINI at national level. At the start, the club had only three students. However, the membership has now grown to over 50 students...” remarked Ms. Diana Laker a student at Gulu University. This was while opening a symposium under the theme “Using Tax as a tool to address the challenges of the Youth” on 6th February 2020 “The youth are equally tax payers and therefore it is important that they play a role in influencing

policies related to taxation,” she added.

The symposium which was organized by SEATINI Uganda brought together over 80 students from Gulu University. The symposium was aimed at enhancing the knowledge of students on tax policies in Uganda and further generate their opinions to feed into tax policy discussions at the national and local government level.



Students of Gulu University led by the Guild president pose for a group photo with SEATINI team after the symposium on tax policy

A Recap of some of the year's events

SEATINI Uganda Marks Africa Youth Month under the theme; "Youth at the Forefront: Shaping fiscal governance for a better Uganda."

On 13th November 2020, SEATINI Uganda in partnership with Action Aid International Uganda held a dialogue to mark the Africa Youth Month. The dialogue which was live streamed on NTV Uganda was held under the theme; "Youth at the Forefront: Shaping Fiscal Governance for a better Uganda." This dialogue brought together University students, youth and youth led CSOs, youth entrepreneurs,



Mr. Moses Kaggwa, the Director of Economic Affairs delivering the key note address during the dialogue

media, Government Ministries, Departments and Agencies including representatives from Ministry of Finance, Planning and Economic Development and Uganda Revenue Authority.

The Keynote Speaker was Mr. Moses Kaggwa, the Director Economic Affairs, MoFPED who in his message laid emphasis on the need by the youth in Uganda to take advantage of the available opportunities especially in the priority areas of government that

include; food production for domestic consumption, export and contributing to food security. He noted that the youth can engage in food production on leased land or seek employment in the agriculture sector. He also called upon the youth to stop being dependants and start being innovators.

While giving his remarks, Mr. Henry Nickson Ogwal, the Interim Programs Director, ActionAid International Uganda noted that ActionAid International Uganda and SEATINI Uganda are championing the tax justice agenda in Uganda and the East African Region. "We believe that for Uganda to have sustainable responsive gender equality services, we must have money for government to use and must use it in a very sustainable way. We need to empower the young people to have a voice and also ensure that the tax system in Uganda works for them," he added.

During the panel discussion, Mr. Tony Otoa, the Chief Executive Officer of the Stanbic Business Incubator noted that Stanbic Bank has come up with opportunities which are targeting youth. "Young people need to be mentored on how to run their businesses and how to take advantage of opportunities."

Ms Sandra Letio, the Managing Director, Pelere Group called for a supportive tax system for youth-led businesses to thrive so that they can live to celebrate their 5th birthday. She also noted that there is need to extend more seed capital to young people which will in turn unlock their potential for entrepreneurship.

Ms Grace Namugambe, Program Officer, SEATINI Uganda encouraged the youth to interest themselves in the tax related processes and discussions for them to make their voices heard. She also called on government to allocate funds to services that directly benefit the youth. "Most youth do not take the initiative to make themselves aware of the tax environment in Uganda. If they are to participate in tax related processes and discussions, they need to interest themselves in the various forms of tax and how they affect them," she added.

While giving her closing remarks, Ms Regina Navuga, Program Coordinator, SEATINI Uganda called upon youth to demand for accountability on the taxes they pay. SEATINI Uganda remains committed to creating platforms for the youth to engage with policy makers and other relevant actors towards influencing and shaping fiscal governance for a better Uganda.



A cross section of the panellists during the dialogue (Right to Left) Mr. Tony Otoa- Chief Executive Officer of the Stanbic Business Incubator, Mr. Solomon Rukundo- Tax Officer at Uganda Revenue Authority, Ms. Sandra Letio -Managing Director at Pelere Group and Ms. Grace Namugambe, Programme Officer- Financing for Development at SEATINI Uganda.



Youth from various Universities and Organizations, Youth Entrepreneurs, panellists, SEATINI and Action Aid Uganda posing for a group picture after the dialogue.

Youth in the Media Sharing their Perspectives on Taxation in Uganda

(Right to Left) Ms. Shubra Kasozi and Ms. Sandra Letio during a discussion on how tax can be used to address the social and negative impact of the COVID19 pandemic during a talk show on Urban TV



In the middle: Mr. Aloysius Kittengo, Programme Assistant at SEATINI Uganda discussing the need for youth engagement in fiscal governance processes during a talk show on Bukedde TV

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