

Press Release  
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### **Citizens cite the economy as the biggest worry facing their households**

Half of citizens name the high cost of living (48%) and lack of income opportunities (29%)

**25 August 2022, Dar es Salaam:** The top three problems listed by citizens as the main problems facing their households are all economic concerns. Top of mind are rising prices and the cost of living (48%). Just under a third point to a lack of jobs and other income opportunities (29%), and a substantial number cite hunger and food shortages (26%). These are followed by concerns about the quality of public services: poor health facilities (23%), access to clean water (20%), poor transport services (17%) and the quality of education (15%).

Twaweza released these findings in a research brief titled *State of the Nation - Economics: Tanzanian citizens' experiences and opinions on the national economy and mobile money transaction taxes*. The brief is based on data from *Sauti za Wananchi*, Africa's first nationally representative high-frequency mobile phone survey. The data presented was collected from a specially-constituted panel drawn from respondents to previous surveys conducted by Ipsos in Tanzania. Respondents were randomly selected, and the panel is nationally representative. This data is from the seventh round of calls to the panel, for which 3,000 respondents were called between 18 June and 12 July, 2022.

When asked what the President should address as a matter of priority, citizens cite the high cost of living (46%) and poor health facilities (42%). The third most commonly stated priority area for the President is poor transport services (35%). Citizens also want their local governments to address service delivery with poor transport services (44%), poor health facilities (35%) and and poor access to clean water (26%) as their main priorities.

When it comes to rating particular services and sectors in their areas, citizens have diverse views. Overall they are more likely to rate economic issues poorly than services. Most citizens say they have noticed improvements to public services in the past six months, particularly in education (68%). Most also say freedom of expression (60%), political freedoms (56%), and security and safety (59%) and violence against women (61%) and children (60%) have improved over this time. However, a large majority of citizens (68%) say the cost of living has worsened over the same period, and citizens are more likely to say access to jobs and livelihoods has declined (48%) rather than improved (22%).

Overall, more citizens say the country is overall heading in the right direction (30%) than the wrong direction (25%), though most are uncertain (44%). When it comes to economic matters, citizens are even less optimistic. Most notably, citizens are four times as likely to say the state of the economy is bad (41%) as to say it is good (9%).

A significant majority of citizens have used mobile money in the last month (75%, down from 80% in November 2021), with half (47%) using the services in the past week. Rates of usage are consistently high across different groups with residents of Dar es Salaam (80%), young people aged 30-39 (77%), those with post-secondary education (92%), and citizens in formal employment (89%) using mobile money more.

Eight out of ten citizens (80%) are aware of the newly introduced mobile money levy while just over half of citizens (55%) are aware of the subsequent reduction of the levy enacted in November 2021. In November, 1 out of 3 citizens (34%) disagreed strongly with the introduction of the levy while in July 2022 similar numbers (28%) neither agreed or disagreed with the reductions.

Three times as many citizens (44%) report sending or receiving less using mobile money services since July 2021 than report sending or receiving more (15%).

Citizens' views on the mobile money transaction levy are varied. Most citizens agree that the levy is an important way for the government to generate revenue (67%) and that it ensures that everyone contributes to national development (63%). However, fewer agree that the levy will reduce dependence on donors (46%) or that taxes on mobile money transactions are a good thing (43%).

Citizens show signs that they would be more supportive of the levy if they had better information on how the revenue is spent. A majority (63%) say they would be more willing to pay the levy if they could track how the funds are spent. Fewer than half say they know how the money is spent (39%) or can easily find out from government how the money is spent (44%).

Citizens mention a wide range of projects on which they would like the mobile money levy revenue to be spent. At the top of the list are health (57%) and education (50%) services, followed by road construction (38%), water services (33%), electricity (20%), agriculture (18%) and loans (17%). A large number of other purposes are also suggested.

Aidan Eyakuze, Executive Director of Twaweza, said, *"Citizens' views about the mobile money levy demonstrate the complexity of governing. The government needs to widen the tax base so as to raise revenue to fund public services. A wider tax base includes more citizens in the social contract and encourages them to demand accountability."*

*"But mobile money services have become central to supporting businesses and family incomes. The levy has raised the cost of this vital service, significantly reduced citizens' use of these services and might even be hurting revenue collection,"* he continued.

*"How should the government balance these two competing imperatives to build a fairer society? As policymakers consider a range of ideas, ensuring that citizens' voices are incorporated into planning and decision-making is critical,"* he concluded.

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#### **Notes to Editors**

- The briefs and relevant data can be accessed at [www.twaweza.org](http://www.twaweza.org)
- Twaweza works through research, evidence and action to demonstrate how citizens can come together to collectively address their problems and make government work better for them; enable citizens' voices, interests and experiences to be heard and taken seriously in decision-making; and promote enabling conditions for citizen engagement and government response in Tanzania, Kenya and Uganda. Follow us at Twaweza Tanzania (Facebook), @Twaweza\_NiSisi (Twitter), and Twaweza East Africa (Instagram).