A CALL TO INTEGRATE TAX EDUCATION IN TANZANIA BASIC EDUCATION CURRICULUM
INTEGRATING TAX EDUCATION IN THE PRIMARY AND ORDINARY LEVEL SECONDARY EDUCATION CURRICULUM IN TANZANIA

Research report on how to integrate Tax education in the primary and ordinary level secondary education curriculum in Tanzania

Kalafunja M Osaki, Professor
St Augustine University of Tanzania

Elinami Swai, Associate Professor
Open University of Tanzania

Action Aid Tanzania and Tanzania Education Network/Mtandao wa Elimu Tanzania (TEN/MET)

October, 2016
ACKNOWLEDGEMENTS

This report describes a contribution of the Action- Aid Tanzania and Tanzania Education Network (TEN/MET). The study team was composed of Prof. O-saki Kalafunja from the Universities of Dodoma and Prof. Elinami Swai of the Open University of Tanzania. The team is particularly grateful to Action Aid and Tanzania Education Network (TEN/MET) for the financial support for the fieldwork which was carried out in four regions: Arusha, Dar es salaam, Dodoma and Morogoro. The team extends its sincere thanks to the four regions: Arusha (Karatu), Dar (Kinondoni); Dodoma (Dodoma Municipal) and Morogoro (Morogoro Municipal) for allowing the team to conduct this research in their areas of jurisdictions and for assisting the team during this mission to their regional districts. In Karatu, Waziri A. Mourice (District Executive Director); Papakinyi L. Kaai (District Education Officer), Sabina Joseph (District Quality Assurer), Gabriel Sarwat (Ward Education Coordinator) generously arranged and facilitated the interviews.

We thank Dr Prosper Gabrieli for assistance in administering questionnaires in Dodoma. We extend our special thanks to Action Aid Tanzania and Tanzania Education Network/Mtandao wa Elimu Tanzania (TEN/MET) for allowing us to conduct this study. The two authors take full responsibility for any misinterpretation of qualitative data in this study.
EXECUTIVE SUMMARY

Executive Summary

1. This report presents a review of primary and ordinary level secondary schools curriculum in Tanzania focusing on aspects of tax education. It presents the findings based on field research conducted in four regions namely; Dar-es-salaam, Morogoro, Dodoma and Arusha.

2. The major goal of the evaluation was to:
   - To review tax education at school level in Tanzania in comparison with the rest of the world. This information will help to establish evidence on how best tax education can be included in primary and ordinary level secondary school curriculum in Tanzania using other countries as a point of reference together with the level of implementation and incorporation of tax education into the school curriculum.
   - To develop a conceptual framework on the basic tax knowledge that should be taught at school level in order to be the informed taxpayers of the future.
   - To identify the appropriate basic tax concepts for primary and secondary levels of education.

3. The methodology used was mainly a qualitative survey which involved analysis of key curriculum documents from Tanzania and selected education systems, namely USA and South Africa. It also involved administration of a questionnaire and interviews to key stakeholders including tax assessors, curriculum planners, schoolteachers, students and selected tax payers including salaried workers, small business persons, cattle herders and farmers.

4. A sample of over 30 individuals were reached through questionnaires and interviews, Analysis was done by content analysis and theme generation.

5. These results are presented in order of the responses from education stakeholders, who included teachers, DEOs, teachers, business people, farmers, tax collectors, government officials and members of the parliament).

6. In the process of researching on how best the tax education can be integrated in the basic education curriculum it was found that the problem with tax compliance in Tanzania is contributed by, among other factors, the lack of relevant knowledge about tax and taxation among Tanzanian citizens. For example, while the majority of participants were aware of the work of tax, they felt that there was unequal treatment by the tax authorities in paying tax.
7. The majority of the respondents had a negative attitude towards taxation as they do not have sufficient knowledge about the specific concepts and they were not conversant with the administrative procedures relating to tax and taxation.

8. Regarding tax attitudes it was found that these can be improved through better organized education in order to change taxpayers’ attitude towards taxation and encourage them to pay tax through understanding rather than through fear; and avoid evading tax unnecessarily.

9. Based on the reviewed literature and the views of various people, the study concludes that there is a need for integrating tax education in basic education curricular to inculcate a meaningful spirit of tax payment starting from the early child life cycle for them to grow with the spirit and commitment for themselves and their country.

10. The study identified concrete examples for building a framework for a proper tax education curricular for primary and secondary education in Tanzania.

The study recommends that the proposed framework be used to design syllabuses, teaching and learning materials and assessment package for teaching from grade 5 to 12 and a training module for teachers which will be piloted after complete specifically syllabus review needs to be done in the following main subjects:

a. Civics from grades 3-12
b. Business studies from grades 7-12;
c. History syllabus from grades 3-12
d. General Studies syllabus from grades 11-12.
Table of Contents

Acknowledgement .................................................................................................................... ii
Executive Summary ............................................................................................................... iii
List of Tables ......................................................................................................................... v
Abbreviation ........................................................................................................................ 6
1.0 INTRODUCTION .............................................................................................................. 1
  1.1 Background to the study ............................................................................................... 1
2.0 Literature Review ............................................................................................................ 1
  2.1 Examples of Tax Education Programmes ..................................................................... 2
Tax Education in the USA .................................................................................................... 2
  Table 1: Summary of the tax education module for Secondary Education in the USA .......... 3
Tax Education in South Africa ............................................................................................ 3
  Table 2: Summary of the tax education module in South Africa ....................................... 3
Tax Education in Basic Education in Tanzania .................................................................. 4
  Table 3: Summary of the Tax Education Module for Primary and Lower Secondary Education in Tanzania ........................................................................................................... 4
3.0 METHODOLOGY ............................................................................................................ 5
  Table 4: Particulars of the education stakeholders consulted ........................................... 5
  2.1 Limitations .................................................................................................................. 6
4.0 FINDINGS ....................................................................................................................... 7
  4.1 Respondents, Perception of Tax, Taxpaying and Tax Education in Tanzania ............... 7
  4.2 Elements of tax education in primary and secondary education curricular .................... 8
  4.3 How to Integrate Tax Education in Basic Education Curricular ................................... 8
  4.4 Issues to be addressed in Tax education in Primary and Secondary Education Curricular ...... 8
  4.5 Age appropriate for teaching Tax Education ............................................................... 8
  4.6 Appropriate methods for Teaching Tax Education ........................................................ 9
  4.7 Resources needed ....................................................................................................... 9
  4.8 How the pupils/students can become engaged in tax paying practices ......................... 9
  4.9 Capacities of teachers to teach tax education in primary and secondary schools ............ 9
  4.10 Ways to ensure children in primary and secondary schools gain knowledge about tax .... 9
  4.11 Mechanisms suitable to measure the impact of tax education in basic education .......... 10
  4.12 Questionnaires submitted to tax collectors and assessors ......................................... 10
5.0 SWOT Analysis for Integration of Tax Education in Basic Education Curricula in Tanzania ........................................................................................................................................ 20
  5.2 Teaching Tax Education in Primary and Lower Secondary Education ...................... 22
7.0 CONCEPTUAL FRAMEWORK ON THE BASIC TAX KNOWLEDGE ....................... 22

List of Tables

Table 1: Summary of the tax education module for secondary education in the USA
Acknowledgement
Abbreviation
1.0 INTRODUCTION

1.1 Background to the study

Action Aid and Tanzania Education Network (TEN/MET) share a goal to ensure that children (especially girls) have improved access to free public education of high standards. These two institutions have been working in Tanzania for a long time and have extensive and well-established networks of partners reaching out to the very grassroots level organisations and individuals. Action Aid and Tanzania Education Network (TEN/MET) are well aware of the importance of progressive domestic resource mobilization and they are working out a strategy to strengthen Civil Society to pay tax in order to hold the government to account for the provision of improved quality education for all children.

In doing so, Action Aid and TEN/MET wish to make informed decisions on the kind of interventions they would support in advocating for fare education and community participation. There was need, therefore, for these two organizations to have additional data and information based on factual research to get better insight on how best the tax education can be intergraded in the basic education curricular.

The study did not start with a ‘clean slate’. The consultants have not adopted a deficit model of tax education but assumed that tax and taxation is known and has been practiced, in uneven ways, in existing school curricular.

1.2 Objectives of the study

In line with the TOR, this study was set to undertake the following 5 research activities:

1. Review the literature to determine how other countries have incorporated tax education in curricular.
2. Review primary and ordinary level secondary schools curriculum in Tanzania and establish to what extent they accommodates tax justice matters.
3. Establish evidence on how best tax education can be included in primary and ordinary level secondary school curriculum in Tanzania using other countries as a point of reference.
4. Develop a conceptual framework on the basic tax knowledge that should be taught at each school level in order to inculcate the spirit of tax payment to citizens.
5. Identify the appropriate age at which the average school-going pupil is ready to be educated on basic tax concepts

2.0 Literature Review

A wealth of literature stresses the centrality of tax education to achieve tax compliance behavior. Fatoki (2014) investigated the reasons for tax avoidance and tax evasion in Nigeria and found that tax evasion behaviours make the government lose a lot of revenue and is unable to offer basic social services to the people. In Malaysia, a study by Kasipilai et al (2003) shows that there was an improvement in personal tax compliance among students especially females after one year of pursuing preliminary tax course. In their study on the importance of tax education, Bahari and Ling (2007) found that the majority of respondents wished to learn about tax, basic tax principles, personal taxation, individual tax planning and taxation in order to be in a better position to understand taxation. They proposed the insertion of tax education in the curriculum for non-accounting program in higher education.
Palil (2010) explored how tax education can influence tax compliance behavior in Malaysia. He found that tax knowledge drives significantly to tax compliance, although there were other factors that determined tax compliance including probability of being penalized, perceptions of government spending, and personal financial constraints, among others. Likewise Rustiyaningsih (2011) concluded that tax education is one of the factors that influence tax compliance. Other factors were educational level, income level, service quality, and perception of tax penalty.

Studies by educational psychologists acknowledge that, although children are born with certain innate endowments, they are not born with ethics or morals. Instead, children are ‘taught’ ethics and moral qualities (Herrick, 2003). Tax compliance is among the ethical and moral development and their teaching cannot be confined to the family setting.

Sardjono (2013) furthermore argues that taxpaying depends knowledge and understanding of tax rules and good perception of the effectiveness of the taxation system and this is even more relevant in the context of Tanzania, where: (1) the majority of Tanzanians are not tax literate and lack knowledge on how the state manages public resources; (2) tax assessors and collectors do not follow agreed rules and regulations; and (3) the overwhelming demotivated majority of tax payers.

Many countries have taken up this idea and have incorporated tax subject into curriculum. However, as Lai, et al (2012) observed, the majority of the countries have incorporated tax subject into accounting subject curriculum only. While, indeed tax and taxation deal with numbers, it is also literacy for future and potential taxpayers. A report by CIAT, (2011) shows that countries with high level of tax compliance such as Canada, the United States, Switzerland and New Zealand had included tax elements in the early stage of education.

The above literature suggests that compliance with tax depend on the taxpayers knowledge that they cannot evade taxes and that the more individuals are satisfied with the public services provided by governments the more the likelihood of tax compliance. This means that knowledge of taxation is as important as any other knowledge such as geography, mathematics and history. Thus, it needs to be studied by each potential taxpayer. As the literature suggests, tax payers’ intentions for compliance will increase with the knowledge about tax and taxation and if they believe that the government utilizing revenue generated from tax is managed well.

2.1 Examples of Tax Education Programmes

We take two case studies to illustrate how some education systems provide tax education across the curriculum. The following are examples of tax education programmes in USA and South Africa. There are several other countries with comprehensive tax education programs including Sweden, Finland, Britain, Japan According to Joyner, (2009), USA have the highest paying tax compliance rate in the world. South Africa is the only country in Africa that provides comprehensive tax education in schools (Koster, 2012).

Tax Education in the USA

The tax education program in the USA is not taught in school as normal curriculum, but Internal Revenue Service (IRS) has developed a website for secondary school students and other learners where they can access tax modules on line. Thus, tax education program in the USA is not provided by the teachers in classrooms, but by American Internal Revenue Service (IRS). This agent has dedicated a section on “Understanding Taxes”.
Table 1: Summary of the tax education module for secondary education in the USA

<table>
<thead>
<tr>
<th>Modules</th>
<th>Understanding taxes</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Payroll Taxes and Federal Income Tax Withholding</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Wage and Tip Income</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Interest Income</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Dependants</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Filing Status</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Exemptions</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Standard Deduction</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Claiming Child Tax Credit and Additional Child Tax Credit</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Tax Credit for Child and Dependant Care Expenses</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Education credits</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Earned Income Credit</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Refund, Amount Due and Record Keeping</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Electronic Tax Return, Preparation and Transmission</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Module 14: Self-employment Income and the Self-Employment Tax</td>
<td></td>
</tr>
</tbody>
</table>

Source: IRS, 2016 and can be accessed through https://apps.irs.gov/app/understandingTaxes/student/whys.jsp

As table 1 indicates, the tax education modules cover many aspects of tax in personal, business and employment level and why taxation is important now and throughout history. This is offered in secondary education when learners are already adults and hence can understand the concepts and the procedures, including filling tax returns and getting tax credits.

Tax Education in South Africa

Unlike in the US, tax education in South Africa is provided in schools and aims to ensure that the majority of South Africans comply with the duty of paying taxes (Oberholzer and Nel, 2006). Tax education in South Africa is provided to students from class 4 (Koster, 2012) and tax education concepts are introduced to the curriculum according to the level of education as follows:

Table 2: Summary of the tax education module in South Africa

<table>
<thead>
<tr>
<th>Grade</th>
<th>Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 4:</td>
<td>Direct and Indirect Taxes</td>
</tr>
<tr>
<td>Grade 5:</td>
<td>Direct and Indirect taxes</td>
</tr>
<tr>
<td>Grade 6:</td>
<td>The influence of direct tax on consumers and businesses</td>
</tr>
<tr>
<td>Grade 7:</td>
<td>Relation between the government and a business.</td>
</tr>
</tbody>
</table>
Grade 8: National Budget process of South Africa
Grade 9: National Budget and its impact on the economy of South Africa.
Grade 10: Value-Added Tax and Reconciliations.
Grade 11: VAT and VAT calculations

According to Koster, (2012) tax education was not adequate and in-depth enough to create well-informed, educated taxpayers.

As Table 2 shows, in South Africa students start learning about taxation in grade 4 (Age, 10) and are exposed to issues of Direct and Indirect taxes, relations between government and businesses, national budgets and value added taxes. These concepts enable learners understand what government does with the tax money and the relationship with small and large businesses.

### Tax Education in Basic Education in Tanzania

In Tanzania, although moral education has been an integral part of primary and secondary education curricular through civic education and development studies (see, for example; Nyerere, 1968), these curricular have no explicit tax topics. Although primary and secondary education have an obligation to provide ethics education to students and raise the necessary awareness on the importance of ethics, including care for public property, and pay taxes to support social services provided by the government, no direct elements of tax or taxation can be found. Whereas the contribution of educational institutions to moral education development is self-evident, tax education in basic education in Tanzania appear to have been neglected. In reviewing the primary and ordinary level secondary schools curricular, the following tax elements were found:

<table>
<thead>
<tr>
<th>NO</th>
<th>Primary Education</th>
<th>Secondary Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Civics syllabus</td>
<td>In Civics subject -- in the topic of “Responsibilities of a citizen, tax is explained: Paying tax is one of the economic responsibilities of a good citizen and is among the government earns its money</td>
</tr>
<tr>
<td></td>
<td>In History – Tax is explained during colonialism and it is discussed as an unfair way that was used to collect money from the citizens.</td>
<td></td>
</tr>
</tbody>
</table>

It is clear from the above that tax education in both the primary and secondary education curricular in Tanzania is scanty, and thus, a need to integrate elements of tax and taxation in these curricular. The dose given on the brutal colonial tax such as poll tax is sometimes interpreted to mean that even today taxation is “imposed” on the people and does not take into account ability to pay. This improper representation of from early age, followed by a weak citizen tax education program makes youngsters grow up with negative perception about tax and often complain and seek ways to avoid or evade paying tax. When the fifth government advises that every time you buy something demand a receipt, few people understand what this really means. When the government introduces Electronic Fiscal Devices [EFDs] to ensure that all goods and services are centrally receipted and recorded, most people think the government is being “brutal” or difficult. The need to study more about perceptions and plan a model to tax education is, therefore, paramount and timely.
3.0 METHODOLOGY

The methodology builds on what is in the current curriculum in Tanzania and concrete examples of tax education in other countries. Thus, the data for this report were gathered from four major sources: written literature review, review of documents, including internet source; semi-structured one-to-one focus-group and interviews with coffee growers; food crop producers; businessmen and merchants -owning shops or factories; government employees; and private sector workers. (a list of interviewees is provided in appendix 1). A semi-structured questionnaire was administered to education stakeholders and tax collectors in four regional districts. The research team spent three days in each region (Arusha, Dar es salaam, Dodoma and Morogoro interviewing key informants. The findings of the study are primarily based on qualitative data. -responsible for tax assessment and collection; Semi-structured questions for the interviews were developed in conjunction with the research members, and provided to the research participants in advance (the semi-structured questions for the field work are provided in appendix 2).

Table 4: Particulars of the education stakeholders consulted

<table>
<thead>
<tr>
<th>Participants</th>
<th>Regional Districts</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Education Stakeholders Institutions</td>
<td>Arusha (Karatu)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Dar (Kinondoni)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Dodoma (Municipality)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Morogoro (Municipality)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Academicians</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Curriculum</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>MT</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>DEOs/DEQA</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Teachers</td>
<td>4</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Tax Collectors</td>
<td>TRA</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>--</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Peasants</td>
<td>Vegetable Growers</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Food Vendors</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Small Farmers</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Cattle Keepers</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Business People</td>
<td>Miners</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Hotel Managers</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Shop owners</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Tour Guards</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Students</td>
<td>Pupils</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Students</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>13</td>
<td>2</td>
</tr>
</tbody>
</table>

The above research participants were identified as being relevant to provide information on their understanding of tax, taxation and tax education in Tanzania.

Leading Questions for Each Group of Research Participants

1. Education stakeholders included: people’s perception of tax, taxpaying and tax education;
elements of tax education in primary and secondary education curricular; how we can incorporate tax education in primary and secondary education curricular; what are the strengths, weaknesses, opportunities and threats to incorporating tax education in primary and secondary education curricular; the issues to be addressed in tax education in primary and secondary education curricular; appropriate age; appropriate methods for providing tax education; resources needed; how the pupils/students can become engaged in tax paying practices; capacity of teachers to teach tax education in primary and secondary schools; ways to ensure children in primary and secondary schools gain knowledge about tax; and mechanisms suitable to measure the impact of tax education in primary and secondary education. The information from education stakeholders generated information on the gap that exists in primary and lower secondary education in Tanzania.

2. Tax collectors/TRA included: the most difficult part in tax assessment; the most difficult part in tax collection; what is being done about tax evasion; how has the TRA involved in educating the people on tax and taxation in Tanzania; whether tax education has reached children in primary and secondary schools; and what should be done to ensure children in school get tax education. The information from tax collectors generated insights about the situation regarding tax collection.

3. Peasants (cattle owner, miners, farmers, business people, public employees) included: their understanding of tax and taxpaying in Tanzania; how do they pay tax; when; where does tax money go and what does it do; what happens if they do not pay tax; different types of tax that people pay in Tanzania; who collects tax; and what should be done about tax and taxation in Tanzania. The information from the public generated insights about people’s understanding of tax and taxation in Tanzania.

4. The Primary Pupils and secondary Students included: the understanding of tax; reasons people pay tax; who should be involved in paying taxes; how do people pay tax; when; where does tax money go and what is it used for; what happens if one does not pay tax; how can students you pay tax; different types of tax; what should be done to collect taxes more efficiently; what they want to learn about tax in school; and what do they want to know about taxation. The information from the pupils and students generated insights about the knowledge gap and appropriate age to teach tax education in Tanzania.

The methodology of the study therefore generated contextualized information that helped to fill the knowledge gap and to develop a framework for incorporating tax education in primary and ordinary level secondary school curriculum in Tanzania.

3.1 LIMITATIONS

The study is limited in size and scope. Restrictions of time and resources meant that engagement with the literature and in the field was brief. Only a small number of people [about 30] could be interviewed in the four regions selected. It was not possible to triangulate the data sufficiently; more in-depth research would be needed to verify and validate the data. This study is therefore suggestive rather than exhaustive and should not be read as a comprehensive assessment of the state of tax knowledge and education worldwide and Tanzania in particular. It should rather be seen as an attempt to identify knowledge gap and establish evidence on how best tax education can be included in primary and ordinary level secondary school curriculum in Tanzania. Furthermore, the respondents were purposively sampled and the findings can only
be interpreted as a partial reflection of their knowledge, understanding and experience of tax and taxation in Tanzania.

4.0 FINDINGS

4.1 Respondents’ perception of tax, taxpaying and tax education in Tanzania

Education stakeholders, who were from TIE, MEST, DEOS, QAS, Academicians, head teachers and teachers gave lots of insight about how people perceived tax, taxation and their behaviour towards paying tax in Tanzania. They generally expressed the view that, majority of people thought that tax was a burden, unnecessary imposition of payment by the government on the poor people. They also thought that they were unfairly taxed and thought the government officials mismanage tax money. Others refused to pay tax because of poor services such as roads, medicated in hospitals and poor school infrastructure and the like. The views may be summarised by this respondent from Dodoma

_Generally, most people I know perceive tax as a burden imposed on them by the government authority. They diverge from paying because they think that the amount (collected) is used differently from what they expect. They are, on the whole, not willing to pay even if they are able. . . [One head teacher, Dodoma]_

Like the above respondent, most interviewees had negative perception that tax money is not used for the benefit of society; that both tax collectors, accounts personnel and government administrators misuse the money in various ways, through unnecessary travel, corrupt tendering, high salaries and luxurious spending in offices while tax payers including farmers, miners, and businessmen suffer. Some believe that if a different team governed the country there would be more services offered by the same tax coffers collected today. Others were of the view that taxes are a means by those in power to acquire money for their own use, with little benefit to the taxpayer. Some also felt that local and central government are not accountable for taxpayers’ money.

However, there were also some who viewed tax and taxpaying positively. These had the view that citizen had a responsibility to pay tax for the development of the country. However, they were infuriated with the tax misuse. They also thought PAYE for employees were unreasonably too high leaving the employees with very little as take home, while business people could declare less income and pay very little. One business man compares himself with a professor who earns 6, 400, 000 per month who pays a PAYE Income tax of 30% (1,812,000) every month and thought that this professor was overtaxed compared with the businessman who earned much more but ended up paying less than 1,000,000 a month (excluding VAT which both pay separately) because he declared he had less profit and most of the sales were swallowed into costs of running the business. The business man was estimated to be worth of over 1 billion tshs in assets but operated in a what appeared to be simple wholesale shop in a the centre of Dar es salaam.

From the above data, a sense of over taxation and mismanagement and misuse of the tax money was held by both those with negative and positive views about tax and taxation in Tanzania. These lead to people (especially those not in formal employment) to despise tax and evade paying tax as much as they could.

4.2 Elements of tax education in primary and secondary education curriculum

All the respondents held the view that there is very little tax content in both primary and secondary education curriculum. As one respondent confirmed:
“In the Civics syllabus for std iii- vii there are no any topics carrying elements of tax”. Another response was: “In Civics subject -- in the topic of “Responsibilities of a citizen, tax is explained: Paying tax is one of the economic responsibilities of a good citizen and is among the means but which the government earns its money.” There are also some elements of tax in the history syllabus in secondary education. However tax is explained in detail as existing during colonialism and it is discussed as one of the unfair actions of the government in collecting money from the citizens for which they offered no services. Unfortunately the module does not show what services the government offered to the people including building of railway, roads, schools, hospitals and providing security to the people.

4.3 How to Integrate Tax Education in Basic Education Curricular

This question was pointed to education stakeholders. They suggested that there is a need to introduce tax education from standard three and developed in subjects such as Civics, history, math, commerce and general studies in secondary school education. Others suggested that seminars and workshops should be prepared to train teachers on how to teach tax issues.

4.4 Issues to be addressed in tax education in primary and secondary education curricular

Many issues can be addressed in tax education curricular. The objective of incorporating tax education in basic education curriculum in Tanzania is not to create tax experts and professionals, but to provide the students, who are citizens with a basic tax knowledge that will help them become accountable in tax payment. Thus, the issues to be addressed in tax education need to help students, not only to recognize tax issues such as basic principles, to tax and taxation, but also to enable them to develop critical knowledge and skills in tax practices and related issues. The word tax is often interpreted in a very narrow way to mean just tax without differentiating these taxes. Hastuti (2014) identified different types of Tax: direct tax; income tax; provisional tax; dividends tax; donations tax; withholding tax; and turnover tax. When asked as to which issues should be addressed in tax education, they suggested the following: concept of tax, the meaning of tax and taxation, types of taxes, why people pay tax, who is responsible for taxpaying, ways for paying tax, how public money is raised and spent, how society operates, tax policies, and the importance of paying tax for socio economic development of a country.

4.5 Age appropriate for teaching Tax Education

The appropriate age at which the average school – going pupils are ready for tax concepts has been an issue of controversy. A study by Furnham (2005) reveals that adolescents of the ages 14/15 years do not fully comprehend the nature and the purpose of taxation. Contrary to this view, Lyck (in Furnham 2005) concluded that 86% of 14-year-old Danish students understood the concept of taxation. In Australia, Kirchler and Praher (2005) showed that students of 14 years and older were aware of the purpose of taxes and they thought that abolishing taxes was not a good idea. They concluded that at the age of 14, students have a reasonable understanding of the concept of taxation.

On the age appropriate for teaching tax issues, the majority of education stakeholders said, class five (age 10) and above. In the schools that we visited, some pupils of grade 5 (about 10 years) were very conversant with tax issues and they could answer eloquently why people pay tax. Thus, tax education in Tanzania can be included in the curriculum from grade 5 and above. Thus, on the age appropriate for teaching tax issues, class five (age 10) and above is appropriate age for tax education.
4.6 Appropriate methods for Teaching Tax Education

They suggest teaching methods should have aspects of participatory such as dramatization, dialogue, study tours, songs and debates to be used in lower classes. In secondary education there should be some aspects of theoretical and practical. This includes theories of tax and taxation; while practical side may include actual calculation, guest speakers such as tax assessors and collectors, business people with their documents they use for taxpaying, radio broadcasting and TV shows should be used to boost understanding. Some suggested that pupils should be shown local projects financed by tax payers money such as a local road built by Tan Roads, a local dam or well constructed by the Ministry of water, A school built by funds from the Local Authority and the budget used can be shown.

4.7 Resources needed

The resources needed to teach tax education suggested include Textbooks/manuals/syllabus, appropriate books and Teachers guides. Also they indicated that we need trained teachers with sufficient understanding of the concept of taxation and some skills on how to calculate income tax or PAYE, VAT etc. They also indicated that equipment used during tax payments such as EFD receipt machine, manila cards, real objects, computers and projectors could be used, or students could visit businesses to see how they were deducting tax from customers and paying to the government.

4.8 How the pupils/students can become engaged in tax paying practices

Respondents suggested that in schools students they can be involved in project work concerning taxpaying in different situations, including visiting tax collection office for a quick briefing, a big store to see tax collection in action. Some suggested formation of subject clubs for taxpaying education where teachers will send students to shops and supermarkets and ask them to request for receipts after purchasing goods. The groups could then compare tax receipts from various types of businesses, and then write the shopping experience from tax point of view. In villages it was suggested that students can observe tax collection on local livestock markets during buying and selling, and also in small community fleas markets. They could follow up how the collector submits the tax money to the Local Authority and how much is collected in a day, week, month etc.

4.9 Capacities of teachers to teach tax education in primary and secondary schools

When asked if primary school and secondary school teachers can teach about taxation, most teachers and education officers thought that they do not have sufficient knowledge to teach it. They suggest that a module be developed focusing on the right content at primary level as well as secondary level. There is always a Diploma in tax administration offered by a separate institution. The content can be tailored to provide basic knowledge to primary and secondary teachers so as to enable them become knowledgeable about tax and taxation issues.

4.10 Ways to ensure children in primary and secondary schools gain knowledge about tax

In terms of assessing and ensuring that children gain knowledge about tax, several strategies were suggested including: examination through objective question items, participation in
calculation of taxes for the local businesses and services, projects to collate tax revenues collected in a ward/district and how the funds were spent, follow up on tax evaders and action taken against them, or tax compliers and rewards given to them etc. They also suggested radio and TV programmes to be prepared whereby tax officials and experts elaborate various issues about Tax.

4.11 Mechanisms suitable to measure the impact of tax education in basic education

On this, it was suggested that the government and all education stake holders should show commitment and provide resources needed for the proper preparation of the curriculum and its implementation in basic education.

4.12 Questionnaires submitted to tax collectors and assessors

Tax collectors and assessors gave lots of insight about the situation regarding tax assessment and collection. Most tax assessors thought tax assessment was very tricky because most business people tried to under value their businesses flow of finances in order to attract smaller payments, forcing tax assessors to peg higher than normal. Tax collectors were also under great pressure from the government to collect more, and especially from small-scale business owners. Salaried workers had no way of escaping as their tax was directly deducted from their salaries, which were always known from payroll. There were no-go areas including property tax, which was often uncharged because it was not clear whether it was local or central government jurisdiction, and also due to the fact that some properties were not registered and no proper addresses were available even for some very expensive buildings, wells drilled and water being sold, milling machines, large farms supplying even to supermarkets etc.

They spoke on condition of anonymity but did express the view that if a transparent process was there, more could be collected from buildings, livestock ownership, land transactions etc some of which pass the tax assessors and collectors.

4.13 Business people also had several issues to raise as to why they sometimes ‘evade’ taxation.

One Dodoma businessman for example, wondered why a car bought in Kampala was cheaper than one bought in Dar es Salaam although they were all imported from abroad and all fall in the EA Customs agreement. He said that Tanzanian tax collectors had the habit of taxing at the harbor, then when sold to the whole seller, and later to the retailer. In the final analysis all the taxes become the burden of the final customer. Thus some businessmen go to Nairobi or Kampala to buy quality clothing, bags, etc and if they can evade customs at the border or through panya routes they are able to sell and make a good profit. If they had imported the same through Tanzania, he said, the goods would be too expensive for their customers. They would have to pay import duty at the port, then VAT on collection from the port and if they sell to a whole seller, the whole seller lays another tax, and later the retailer also pays. The value of goods declared at CIF value are not accepted at the Customs and they often inflate value up to 50% and charge tax on that basis. This system raises prices and encourages tax evasion, he said.

*If you follow all the tax rules, your prices will be very high and you do not sell. How do you pay your workers? How do you recover your costs? He added*

Another businessman selling stationery said that when Customs officers value of his imported stationery, and this applies to vehicles and spare parts, they often inflated the CIF value thus making them very expensive. A part bought in Japan for USD 1500 could be inflated to USD 2500. The calculation of the tax is then based on $ 2500 and this raises taxes substantially.
Seeing that customers are unable to afford, traders use various tricks and hence the whole taxation system is affected. When innocent taxpayers learn of these tricks, they co-operate with business in evading tax through under invoicing, not demanding receipts, or routing goods through other countries.

A coffee grower in Karatu, had the same sentiments and wondered as to why a kilogram of coffee was more expensive in Kenya than one selling in Arusha. He said that coffee farmers in Tanzania have to pay a lot of tax – tax for importing farm inputs, for producing coffee, for selling (cheaply) to KNCU. In the district, the are also taxes such as ‘mwenge’, and taxes to fund various public celebrations. In the final analysis all the taxes become the burden of the final customer.

5.0 SWOT Analysis for Integration of Tax Education in Basic Education Curricula in Tanzania

5.1 Introduction

In this section we use SWOT analysis to establish factors that would have positive or negative affect the process of integration of tax education in basic education curricular in Tanzania. By analyzing the strengths, weaknesses, opportunities and threats or constraints, it is possible to identify critical issues that will make tax education a significant course or topic within the framework in basic education in Tanzania. It is therefore, crucial to analyze the position of tax education in the context of Education and Training Policy (ETP, 1995; 2014). The Education and Training Policy (ETP, 1995; 2014) emphasizes inter alia, the provision of quality education through the use of appropriate assessment procedures, improve teacher management and motivation. The policy also focuses on ensuring the existence of adequate skilled technical workforce through increased availability of opportunities for vocational education and training. This endeavour is geared towards, among others, preparing a flexible and adaptable workforce that can cope with the exponential increase in knowledge and information needed in rapidly changing labour force and strengthening the institutions of civil society (TIE, 2010).

The purpose of education in Tanzania is to provide individuals with the opportunity to achieve their full potential in terms of acquiring the knowledge, skills, values and attitudes needed for various social and economic roles, as well as for their all round personal development (MoEVT 2005). Such purposes have made tax education important element in the efforts to produce responsible citizens with the ability to understand taxation laws, and willing to comply with rules and regulations of taxpaying. With its focus on helping students become responsible, tax education in basic education is likely to attract education stakeholders’ attention and support its integration in basic education if its objectives clearly show the relationship between tax education, tax compliance, better citizenry and better social services.

Civics is a subject that is taught from primary to secondary education in all the fields. Paying taxes is a form of civic engagement and thus, it will be wise to incorporate tax education into Civics subject in both the primary and secondary lower education. The rationale for Civic Education in basic education in Tanzania was based on observations of many education stakeholders in the country that there were several democratic deficits in civic issues, “inadequate understanding of rights and obligations of citizens, and gradual erosion of core values and norms already established and which have been the foundation of Tanzania’s fame” (National Strategy for Civic Education, 2011: 7).

The graduates from basic education in primary and lower secondary schools are striving to fit in the modern society, with lots of challenges, among them, lack of access to higher education and in the labor market (Jidamva, 2012). Consequently, if the graduates are not exposed to tax education, they will be faced with a serious challenge of understanding or questioning the
government about their plight. A misinformed and disgruntled citizenry will continue to avoid taxes and complain all the time. Tax education should therefore be integrated in basic education curricula, not only to develop in the learners knowledge, skills and positive attitude towards tax and taxpaying, but also to critically understand their role and rights in their own country. The integration of tax education in basic education curriculum in Tanzania will develop in the children from the early period of their lives, a critical knowledge and skills about their role and position in society.

The analysis of Education and Training Policy (ETP, 1995; 2014) and purpose of education in Tanzania revealed several strengths, weaknesses, opportunities and threats (SWOT) as follows:

5.1.2 Strengths include existence of:

i. Basic education legal framework;
ii. Primary and secondary lower education structure;
iii. Policy and Operational Procedures;
iv. Teachers have positive perception about incorporating tax issues in basic education curricular;
v. School physical infrastructure and facilities;
vi. Quality Assurance and Control;
vii. Existence of Civics subject in both primary and secondary levels
viii. Some elements of tax education in civics and history subjects.

Weaknesses include:

i. Inadequate knowledge and skills for primary and secondary school teachers
ii. Lack of motivation on the part of students in civic education
iii. Lack of appropriate textbooks on tax education in non mathematics and business education

5.1.3 Opportunities

i. High demand for producing people who can fit in civil society;
ii. Civics subject in both the primary and lower secondary education curricular
iii. Taxation issues in general studies (A level) history, commerce and book keeping subjects.
iv. Availability of teachers colleges that can provide in service teacher training
v. Community and education stakeholders support
vi. Availability and accessibility of technological and Media facilities e.g. Computers, Television, Phones (smart phones) that are capable to handle pedagogic requirements.

5.1.4 Threats

I. Possibility of negative attitude from the teachers and students on tax education;
II. Lack of financial support to develop syllabus and design interactive and relevant teaching resources
III. Lack of appropriate knowledge to use appropriate teaching method for critical thinking

5.2 Teaching Tax Education in Primary and Lower Secondary Education

Curriculum change always goes with changes in content and the choice of teaching methods (Bonner, 1999). Thus the framework for tax education in primary and lower secondary education combines different methods of teaching such as case studies, visits to businesses to gain direct experience, mock tax court, reflections, portfolio. It also considers various forms of assessment as important.

6.0 CONCEPTUAL FRAMEWORK ON THE BASIC TAX KNOWLEDGE

Table 5 provides proposed elements of the conceptual framework on tax education in the context of our findings.

<table>
<thead>
<tr>
<th>Broad Tax Education Areas</th>
<th>Leaning Area</th>
<th>Learning Outcomes</th>
<th>Assessment Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 5:</td>
<td>Concept of tax: Deductions, taxes levies, rebates</td>
<td>Discussion on how each of these concepts fit into the process of determining the taxable income of an individual.</td>
<td>Demonstrate knowledge of key concepts in tax and taxation</td>
</tr>
<tr>
<td>Types of Tax: Direct Income tax Provisional tax Dividends tax Donations tax Withholding tax Turnover tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect VAT Customs and Excise duty Ad Valorem Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grade 6:</td>
<td>Types of Tax: Direct Income tax Provisional tax Dividends tax Donations tax Withholding tax Turnover tax</td>
<td>Case study and Practical examples and scenarios in which they need to differentiate between direct and indirect taxes</td>
<td>Explain the interrelationships and differences between direct and indirect tax</td>
</tr>
</tbody>
</table>

1. The structure of the education system following the revised Education and Training Policy (2014) puts elementary education from grade 1-6, secondary education from grades 7-10 (basic) and grades 11-12 (advanced). The proposed syllabus covers basic education, namely grades 1-10.
7.0 CONCLUSIONS

This study makes the following conclusions

i) Taxation is a necessary process in any society in order to enable it generate finances to provide basic services to the whole country and especially services used in common such as roads, water, railways, energy, transport, schools, health and other services including maintenance of law and order. Without taxation, it would be impossible to provide and finance these services and hence countries will suffer with disorder and mismanagement and be plagued with disease, ignorance and poverty.

ii) When people do not understand why taxes are important, they will always avoid or evade them, or pay with great difficulty as they complain of over taxtion.

iii) The responses from the subjects in the sample of this study shows that most are not aware of the importance of tax due to a poor knowledge base on the role of taxes. Some are aware but feel that Tanzanians are overtaxed and as businessmen they will not be able to run if current tax regimes continue in the current legal framework.

iv) A SWOT analysis shows that several strengths exist including a clear legal framework on tax collection and an educational system with teachers, students and well-established schools. There is also the Tanzania Revenue Authority [TRA] with a program of public tax education already in place, but which needs consolidation. However, very little tax education is offered to children in basic education.

v) A survey of two countries, namely USA and South Africa, shows that tax education
The paper proposes a new framework for tax education which starts at grade 5 and continues until the end of basic education in the current structure, namely grade 12. This includes proposed content, depth of coverage, strategies to teach and learn the concepts, expected learning outcomes and methods of assessment. This framework needs to be expanded into a syllabus, teaching and learning materials and assessment package.

8.0 RECOMMENDATIONS

8.1 The study recommends that the proposed framework be used by the Tanzania Institute of Education to revise and re-design the syllabus, teaching and learning materials and assessment package for teaching from grade 5 (current standard 5) to 12 (current form 6). This can be done in the context of the ongoing curriculum review exercise to implement the revised Education and Training Policy (2014). Development Partners and CSOs should be pro-active in supporting the exercise.

8.2 We also recommend that a training module for teachers be developed by TIE in collaboration with key Teacher Education institutions and university colleges of Education on strategies to teach the content proposed in this report. This needs to be addressed in the teacher education curriculum review covering Pre-Service Teacher Education on how to teach these concepts at all grade levels. It also needs emphasis in In Service Teacher Education and Training on new strategies on imparting knowledge and skills on taxation and awareness creation skills by serving teachers in professional development courses.

8.3 We also recommend that the proposed modules and syllabuses emerging from the review and assessment package and teacher training should be piloted and refined before it is fully integrated in the school curriculum.

8.4 The current government is a serious player. It needs to be supported in this issue, which if well implemented, could change attitudes and help the country be proactive in tax collection and more self-financing in future.
References


APPENDICES

APPENDIX 1:

QUESTIONNAIRE FOR EDUCATION OFFICIALS (TIE, MEST, DEOS, QAS, ACADEMICIANS, H/TS, TEACHERS)

The government is trying to promote quality education through progressive domestic resource mobilization. This mobilization includes collection of tax money and using it to fund education services. The goal of this research is to collect evidence on how best tax education can be integrated/included in primary and ordinary level secondary school curricula in Tanzania.

Thank you for agreeing to participate in this research. We value your honest and detailed responses. The questionnaire should take approximately 15 minutes to complete. Your responses are completely anonymous.

SECTION A: Personal Characteristics

Tick where appropriate

Gender
(a) Female (b) Male

2. Institutional Affiliation (optional)

……………………………………………………………………………………………………………………………………………………………………………………………

SECTION B: Recommendations for successful teaching of tax education in primary and Secondary schools

1. How do people perceive tax, taxpaying and tax education?

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

Are there elements of tax education in primary and secondary education curricular?

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

3. How can we incorporate tax education in primary and secondary education curricular?

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………

3. What do you consider to be the strengths, weaknesses, opportunities and threats to incorporating tax education in primary and secondary education curricular?

   a. Strengths

………………………………………………………………………………………………………………………………………………………………………………………………………………………………………
b. Weaknesses
....................................................................................................................................................
....................................................................................................................................................


c. Opportunities
....................................................................................................................................................
....................................................................................................................................................
....................................................................................................................................................


d. Threats
....................................................................................................................................................
....................................................................................................................................................
....................................................................................................................................................


5. What issues should be addressed in tax education in primary and secondary education curricular?
....................................................................................................................................................
....................................................................................................................................................
....................................................................................................................................................


6. What age appropriate do you consider is suitable for teaching tax issues?
....................................................................................................................................................
....................................................................................................................................................
....................................................................................................................................................


7. What would be appropriate methods for providing tax education?
....................................................................................................................................................
....................................................................................................................................................
....................................................................................................................................................


8. What resources will be needed in terms of:
   a. Teachers
....................................................................................................................................................
....................................................................................................................................................
   b. Textbooks/manuals/syllabus
....................................................................................................................................................
....................................................................................................................................................
9. How can the pupils/students become engaged in tax paying practices?

10. Do you think teachers in primary and secondary schools can teach tax education?

11. How can we ensure children in primary and secondary schools gain knowledge about tax?

12. What mechanisms will be suitable to measure the impact of tax education in primary and secondary education?

13. What any other information you might have that you think will enrich the provision of tax education in primary and ordinary level secondary education curricular?
APPENDIX 2:
Questionnaire for Tax collectors/TRA issues

The government is trying to promote quality education through progressive domestic resource mobilization. This mobilization includes collection of tax money and using it to fund education services. The goal of this research is to collect evidence on how best tax education can be integrated/included in primary and ordinary level secondary school curricula in Tanzania.

1. a) What is the most difficult part in tax assessment? Please explain
................................................................................................................................................
................................................................................................................................................

b) What is the easy part in assessing tax?
................................................................................................................................................
................................................................................................................................................

2. a) What is the most difficult part in tax collection
................................................................................................................................................
................................................................................................................................................

b) What is the easy part in collecting tax?
................................................................................................................................................
................................................................................................................................................

3. What is being done about tax evasion?
................................................................................................................................................
................................................................................................................................................

What more can be done?
................................................................................................................................................
................................................................................................................................................

How has the TRA involved in educating the people on tax?
................................................................................................................................................
................................................................................................................................................

4. Do you think tax education has reached children in primary and secondary schools?
................................................................................................................................................
................................................................................................................................................

5. What do you think should be done to ensure children in school get tax education?
................................................................................................................................................
APPENDIX 3:  
PEOPLE CONSULTED/INTERVIEWED [See acknowledgements]

Arusha:
Dar es Salaam
Dodoma
Morogoro