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The Influence of Quality of Services Delivery and Good Governance on Taxpayers' Willingness to Pay: Experience from Mtwara–Mikindani Municipal, Tanzania

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Abstract

This paper examines factors that influence citizens' willingness to pay voluntarily for key services within the Mtwara-Mikindani Municipal Council (MMMC). Data was collected from business operators using structured interviews. Logistic regression employing the bootstrapping method was used to test the hypotheses that quality of services provided and good governance influence citizens' willingness to pay taxes. Results indicate that most citizens in Mtwara-Mikindani are not satisfied with the quality of services provided by MMMC though majority of them are willing to continue paying taxes, anticipating that things may improve in future. Results of logistic regression analysis show that the quality of services provided and good governance significantly influence positively citizens' willingness to pay taxes. This study recommends improvements in the delivery of quality service and good governance so as to improve voluntary compliance which in turn lowers administrative costs and improves tax yield.

Impacts of Economic Crises and their Implications for Government Revenues in Africa: Perspectives from the 2008 Economic Crisis and the 2010 Eurozone Crisis

Honest Prosper Ngowi

Abstract

This theoretical and conceptual paper on the impacts of economic crises and their implications for government revenues in Africa is based on secondary data. The point of departure is the 2008 economic crisis followed by the 2010 Eurozone sovereign debt crisis. The causes, impacts and some responses to the crises are described. The implications of several impacts of the crises on government revenues in Africa discussed. The main conclusion is that economic crises potentially reduce government revenues from several internal and external sources. Yet governments have to provide public goods and services for their citizens. Therefore, governments have to find alternative sources of revenues to make up for the financing gap created by economic crises. The author also discusses the challenges of increasing government revenue in times of economic crisis. Finally, some recommendations on policy and for further research are made.

Fiscal Sustainability in Tanzania: An Econometric Appraisal

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Abstract

This paper investigates fiscal policy sustainability in Tanzania by using time series competing methodologies. The methodologies adopted include unit root tests, cointegration tests and the fiscal reaction function. The three approaches employed validate similar results,

that fiscal policy for Tanzania has not been sustainable for the sample period 1970 to 2011. The unit root tests illustrate that the data generating process of debt follows a non-stationary process. Alternatively, in testing the null hypothesis of no-cointegration, our results show that there is weak cointegration between government expenditure and revenue, which makes fiscal policy unsustainable. In supporting the ensuing findings, the fiscal reaction function provides evidence that there is a negative linear relationship between the primary balance and debt relative to Gross Domestic Product (GDP); hence, this is additional evidence that fiscal policy has not been sustainable. The government is advised to take corrective measures to counteract the accumulation of debt.

Export Processing Zone: The Gateway to the Export-Led Industry Economy in Tanzania

Haji John Mkwawa

Abstract

The study examines and reviews export processing zone (EPZ) development patterns and its economic impacts on Tanzania's trade policy instruments. EPZs are a trade policy instrument which aims at developing and diversifying exports while providing efficient government supervision. EPZs have allowed the government to pilot new policies and approaches in the country's export-led industries in terms of the customs procedures, legal mechanisms, labour regulations and public private partnerships. The main challenge the government faces is to evaluate trade policies, the characteristics of trade instruments and trade performance in the EPZs. The study suggests that the EPZs may serve as a catalyst for the achievement and attainment of export-led industrialization in Tanzania.

Alterations from Consumption Tax Base: A Comparison of Tanzania's VAT and Japan's Consumption Tax Systems

Emmanuel Masalu

Abstract

Tanzania's Value Added Tax (VAT) and Japan's Consumption Tax (CT), which are similar in nature, are broad-based taxes. This implies that the two systems would not be expected to possess numerous alterations from the tax base. But both tax systems have several alterations from the tax-base. Tanzania has an even longer list of the alterations that has grown significantly from 1998 to date. These alterations violate the theoretical underpinning of a broad-based consumption tax. This paper seeks to explore the reasons for the existence of the alterations in both systems; the factors behind the numerous alterations in Tanzania; and the revenue and administration implications of the alterations. In the process the paper makes a comparison of the two systems and suggests some reform recommendations for Tanzania.