FUNDING Stakeholders are of the view that the empowerment programmes under the local authorities are not executed optimally due to under-funding

Tanzania must change ways of empowering the youth: call

Stakeholders argue that instead of focusing on individual beneficiaries, the government now need to focus on programmes that benefit groups of youth via value-chain activities

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Dar es Salaam. Increased investments in sectors that employ many people in the production, processing and value-addition chain should be treated as a matter of urgency, youth empowerment stakeholders have argued.

They are convinced that formalisation of youth businesses and doing all the above will help the country to address the unemployment challenge facing the rapidly increasing population.

Also, funds allocated for skills development should be channelled to professions employing the majority of the youth including music, film making, sound engineering, animal keeping, sports and games as well as fishing instead of focusing on traditional professions like electrical and mechanical engineering only.

The stakeholders gave their views when reacting to the Sh36.3 trillion 2021/22 national budget tabled in Parliament on Thursday by Finance and Planning minister Mwigulu Nchemba. The budget was tabled two weeks after a Policy Forum breakfast debate that issued several recommendations on youth empowerment under the theme: 'Curbing Youth Unemployment in Tanzania: The State of 2021/22 National Budget

But, presenting the budget, Dr Nchemba said Sh50.5 billion has been allocated to improve vocational training and impart rare skills that will increase productivity and competitiveness for fostering social-economic development.

"Honourable Speaker, in skills development, the government will finance programmes that develop knowledge and skills at all levels of education, including enabling self-employment among the youth," he said. He proposed reduction of road fines imposed under the Road Traffic Act for offences committed by motor cycles and three-wheelers motorcycles from Sh30,000 to Sh10,000 per offence committed.

Reacting to the budget presentation, Open Mind Tanzania (OMT) executive director Dominic Ndunguru told *The Citizen* that a presentation made two weeks ago aimed to advise the government on the need of increasing investment in sectors that employ many people in the production, processing and value-addition chains.

"For instance, those engaged in production of sunflower, which is a raw material for cooking oil could be given access to empowerment funds, a move that would benefit many people from seeds procurement, cultivation, harvesting and processing of edible oil," he said.

He said the by-products could later be used for production of chicken feeds and farm manure and benefit a significant number of youth instead of lending the money to individuals for purchasing motorcycles hence only a few benefitting.

Moreover, he underscored the challenge of poor disbursement of the funds leading to failure to meet intended funding objectives.

"We therefore recommend the government to disburse the funds according to allocations made in the 2021/22 budget as we will be closely monitoring the trend," he said.

A woman admires sunflower seeds in a farm. Cultivation of the crop and processing has the potential of creating more jobs, particularly for the youth provided that there is increased investment in the activity. The crop has a long chain from farming, handling the seeds to processing cooking oil and selling the final products. PHOTO | FILE

> **Provision of skills development courses to the youth could very much change the mindset**

Furthermore, he said disbursements should be made to fields attracting the majority of the youth including Masters of Ceremonies, Disco Jokerss, composers, film makers, sound engineers, animal keepers, sports, games and fishing players. He observed that herders could be given special courses to improve husbandry instead of embracing traditional systems of livestock keeping.

"The government has been making efforts to end farmers and herders disputes, but provision of skills development courses to the youth could very much change the mindsets of the parents," he told *The Citizen*. He said the youth in Zanzibar, Coast and Lake regions dealing in fishing could be trained, a move that would benefit the majority.

Regarding the next move of action after a significant reduction of charges imposed to motorcycles and three-wheelers motorcycle operators who have committed road safety offences from Sh30,000 to Sh10,000 he suggested, "Skills development should be given to operators in order to further reduce offenses."

"The decision could increase offenses committed if provision of skills development is ignored. This is because youth's compliance could be triggered by the presence of severe fines, hence reductions made could increase negligence," he said.

Speaking to *The Citizen* over the phone, Repoa's senior researcher Abel Kinyondo observed that reduction of fines for this category was done due to political motivations. "If the country aims at reducing road offenses, the more the fines the better," he suggested.

During the Policy Forum breakfast debate two weeks ago, Mr Ndunguru outlined budgetary measures taken by the government to curb unemployment including enactment of 10 percent Act for empowering the youth, women and persons with disabilities respectively from the councils' budgets.

According to him, Sh61.6 billion was allocated in 2017/2018 before enactment of the Act as compared to Sh64.5 billion that was allocated in the 2020/21 Fiscal Year.

He said Sh15.6 billion was disbursed in the 2017/18 as compared to Sh26.8 billion released in the 2020/21 Financial Year.

"The government should increase enforcement of the Act by imposing practical penalties to government officers and councils' that fail to comply after a thorough research on the situation," he said.

He said from March 2020 to February 2021, at least 716,776 small businesses had been given IDs and contributed Sh14.33 billion to the national economy.

"In total, 2,335,711 businesses have been registered during the initiation of the exercise enabling the government to collect Sh46.71 billion. At least 18,956 youths received training through the National Skills Development Program (NSDP)," said Mr Ndunguru.

He said the unemployment trend shows that 10 to 12 million youths in Africa enter the employment market annually, but only three million formal jobs are created per year.

It is estimated that 700,000 to one million youth enter the Tanzania labour market annually, but only 50,000 to 80,000 are employed.

Mr Ndunguru said the outbreak of Covid-19 pandemic worsened the unemployment trend.

Hope for startups ecosystem as licence fees set to drop

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Dar es Salaam. The government has said it was reviewing the ecosystem around the communication industry, including the licensing fees and regulations on startups to reduce the operating cost.

Tanzania Communications Regulatory Authority (TCRA) Licensing Enforcement director John Daffa said they were currently in the review and if at all to exempt tech-startups.

Mr Daffa said this during a dialogue on tech-startups development themed 'Unlocking tech-startups potential for economic competitiveness'.

"It is true that the cost of a licence is very high, we are aware of it. Although we need money, we are working on it to reduce the rates and accommodate startups," he said.

Communication and Information Technology minister Faustine Ndugulile said to overhaul ICT, the government introduced diploma courses in mobile application development and network development for designing local/internal systems.

"I want to insist on this, we need to come up with an entry point and on what to study. Unlike talking and learning about outdated technology, we want our universities to teach technologies that match the growth of technology globally," he said.

According to him, government's intention is to overhaul the curriculum of ICT in Tanzania.

"We have had discussions with the education minister to see how to go about it," he said.

Tanzania Startups Associations (TSA) chief executive officer Zahoro Muhaji said the cost of doing business for startups was very high in Tanzania unlike some countries like Kenya, Mauritius and Tunisia.

He explained that in those countries startups were charged taxes after five years of their business operations while in Tanzania most startups are charged taxes according to their business, without considering capital and prototype stages.

Information system researcher Shiriumisha Kwayu said the current increase in taxes and charges on electronic transactions will reduce the expansion of the digital economy in Tanzania.