

Women's Experience of Taxation on OTT Services in East and Southern Africa

A global
coalition
working to
make
broadband
affordable
for all



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The Persisting Gender Gap in Access



- Continent with lowest internet penetration rate *and* highest gender gap in access
- Affordability is part of this problem
 - Average price of 1GB/income → 7.1%
 - Made worse with gender wage gap
- What happens to women's access when we introduce a tax on specific internet services (e.g., social media)?

Taxing the User - 3 countries



Uganda	Daily levy of 200 shillings (0.054 USD) for over-the-top (OTT) services such as Facebook, WhatsApp and Twitter
Tanzania	License fees for online content creators, including bloggers - costs 100 Tanzanian shillings, with a 1 million Tanzanian shilling annual license free — roughly 435 US dollars
Zambia	Imposed a 30 ngwee (0.03 USD) daily tariff on internet phone calls (VOIP)

Taxing the User - 3 countries



Country	Internet Users (% of population)	Gender Gap (% difference)	Affordability (price of 1GB / average monthly income)
Tanzania	13%	113%	5.1%
Uganda	22%	18%	7.7%
Zambia	25%	32%	3.2%

Source - Economist Intelligence Unit (2019), A4AI (2019)

Approach to the Research



- Focus on women's experiences in 3 countries
- Qualitative approach. In each country:
 - 3 expert interviews (mostly women experts/leaders in ICT space)
 - 4 focus groups (at least 3 women only groups)
 - 80 persons in all
- Thematic coding of 149 pages of transcripts
 - Main themes reported here

Women's Experiences of Taxation



1. Governments failed to rationalize or effectively communicate the imposition of the taxes and fees.
 - Respondents were not convinced nor do they believe people were consulted.
 - There is little awareness on why the taxes are collected, what is it for, and why users must pay it.

Women's Experiences of Taxation



2. The ability to cope with increasing prices depends largely on socio-demographic status, including age, gender, occupation, literacy, and income.

“At first, when they introduced the tax, I was offline for over a week because I didn’t have money on mobile money to pay for the tax.”

- Woman working in the informal sector, Uganda

Women's Experiences of Taxation



3. The taxes directly target a means for low-skilled women to access the internet.

“So [the] impact of taxes to women who already have limited skills ... will eventually make it even harder for them to ... access information; there will be limited market reach, [and] limited communication because of these taxes...”

- Woman Civil Society Leader from Tanzania

Women's Experiences of Taxation



4. Increased access costs restrict civic engagement for civil society and women's rights groups.

“It was a move to rob us of our freedom to communicate and free speech.”

- Woman member, women's rights group, Uganda

Women's Experiences of Taxation



5. The taxes hurt local productivity including women owned businesses.

“I have fewer customers these days. People come and say they want to send money and when you tell them how much it will cost, they just walk away.”

- Female mobile money shop operator, Uganda

Women's Experiences of Taxation



6. The potential to increase inequality is now greater.

“The internet would become a platform for the rich.” - Female, activist, Zambia

“It has not affected me because as someone who uses the internet for business and people make millions of it, to pay something like 10 shillings is not much.” – Female, entrepreneur, Tanzania

Lessons Learned and Recommendations



1. Tax policies (and fiscal policy in general) related to internet access are not gender neutral.
 - Taxation policies (as with broadband policies) should be gender-responsive, from formulation to implementation.
2. Taxation will impacts people's use of the internet differently - those with less income/skills (e.g., women, youth, the poor) will be worse off
 - Sensitivity analysis should be done to consider potential behaviour change and harms to citizens and businesses.

Lessons Learned and Recommendations



3. Social media taxes appear to contribute to a shrinking civil society space
 - Recognize that policy development and the functioning of the country depends on a strong and active civil society including women's rights groups.
 - Fiscal policy considerations should look at potential impacts on civil society organizations including women's rights groups.

Lessons Learned and Recommendations



4. Taxation policies, when not designed properly, can have an adverse effect on the objective of revenue generation, and erodes trust in government.
 - Governments should undertake proper and representative stakeholder consultations.
 - Governments should pursue evidenced-based principles in the imposition of taxes.

Reference: Canares, M. and Thakur, D. (2019). *Who wins? Who loses? Understanding women's experiences of social media taxation in East and Southern Africa*. Washington DC. Alliance for Affordable Internet. [Available Online](#).

THANK YOU!

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