

Suggested activity

Business Environment in Tanzania

Juma's Transport Business Compliance Challenge

Indicative study duration: 60 min

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Teacher instructions

Objective

The objective of this task is to help students understand and apply the concepts of business compliance, registration, employment, taxation, and responsible entrepreneurship through a practical, real-life scenario.

More specifically, the task aims to:

- Develop students' ability to identify legal and regulatory requirements for starting a small business.
- Encourage students to analyze risks and consequences of non-compliance.
- Practice problem-solving and decision-making by proposing practical solutions.
- Show the benefits of following laws and regulations for sustainable business growth.
- Build communication and teamwork skills through group discussion and role-play.
- Strengthen critical thinking by comparing different groups' approaches and reflecting on lessons learned.

Preparation

- Prepare a handout with the case study (see below).
- Divide students into small discussion groups (4-5 students per group).
- Arrange the classroom to facilitate group discussions.
- Prepare a simple peer evaluation sheet (see handout section)
- Have flip chart or whiteboard available for sharing ideas.

Implementation

This study case can be used for group work or individual assignments. Students should read the case, identify key problems, and discuss risks and solutions. The role-play activity helps students practice communication and advisory skills. Teachers can guide discussions, provide feedback, and clarify any legal or business terms.

1. Introduction (5 minutes):

- Briefly remind the main Tanzanian regulations and laws relevant for business.
- Explain to students that they will be working in groups to discuss a case study.

2. Group discussion (20 minutes):

- Distribute the case study handouts
- Instruct groups to read the case study carefully and discuss the following topics (either all topics or distribute the topics between groups):

- Identify compliance issues
 - Explain the risks
 - Suggest solutions
 - Discuss the benefits of compliance
 - Role-play scenario
- Encourage active participation and respectful listening within each group.
- 3. **Group feedback and recommendations (10 minutes):**
 - Ask each group to briefly share its analysis of the dilemma and its proposed solutions to another group.
 - Encourage students to share and compare different points of view.
 - Explain the role of peer evaluation in this activity.
- 4. **Class discussion (20 minutes):**
 - Discuss the solutions proposed by groups with the whole class.
 - Reflect the peer evaluation's role in learning and students experience from the activity.
- 5. **Conclusion (5 minutes):**
 - Summarize the key takeaways from the discussions.
 - Reiterate that following the laws and regulations is a vital skill for business success and community building.

Suggested answers:

1. Key legal steps Juma must take:

- Register the business with the Business Registration and Licensing Agency (BRELA).
- Obtain the necessary business license from the local government.
- Apply for Taxpayer Identification Number (TIN) from the Tanzania Revenue Authority (TRA).
- Register for VAT if turnover exceeds the threshold.
- Register employees for social security (NSSF) and PAYE tax.

2. Licenses and permits required for a transport business:

- Business license from local government.
- Transport permits from LATRA (Land Transport Regulatory Authority).
- Fire safety certificate.
- Health clearance if applicable.

3. Employment obligations:

- Provide written employment contracts to drivers.
- Register employees with NSSF and deduct PAYE taxes.
- Comply with employment laws regarding working hours, leave, and safety.

4. Main taxes to register and pay:

- Corporate income tax.
- Value Added Tax (VAT) if applicable.
- Pay-As-You-Earn (PAYE) for employees.
- Skills Development Levy (SDL).

- Other applicable levies depending on business.

5. Risks of non-compliance:

- Fines and penalties from government agencies.
- Suspension or closure of business operations.
- Legal action from employees or authorities.
- Damage to business reputation.
- Loss of access to government support and financing.

6. Use of government support programs:

- Apply for loans or credit guarantees from Tanzania Agricultural Development Bank or Youth Development Fund.
- Access advisory and business development services from SIDO or Tanzania Chamber of Commerce.
- Utilize training and mentorship programs to improve business skills.
- Explore special incentives for youth and women entrepreneurs.
- Discuss the benefits of compliance:
 - Avoid fines and legal troubles
 - Improve business credibility and customer trust
 - Enable business growth through access to formal financing and support
 - Protect personal assets through limited liability (if applicable)
 - Ensure a safe and fair workplace, improving employee satisfaction and productivity

Role-play scenario:

- Explain importance of registration and licenses
- Highlight the need for contracts and social security registration
- Recommend consulting relevant agencies (BRELA, TRA, NSSF)
- Encourage regular tax filing and record keeping
- Emphasize how compliance supports sustainable business growth

Teacher tips:

- Encourage students to think practically and connect theory to real business situations.
- Use the case to prompt questions and deeper exploration of Tanzanian business regulations.
- Provide additional examples from local contexts when possible.
- Remind students that compliance is not just a legal formality but an important foundation for long-term business growth and trust.
- Motivate students to consider how responsible entrepreneurship contributes to community development.

Student instructions

Your task

You will work in groups to analyze a real-life case of a small business owner in Tanzania. Your goal is to identify the legal and regulatory issues Juma faces, discuss the risks of non-compliance, and propose practical solutions to help him grow his business in a sustainable and legal way.

Steps to follow:

- 1. Read the case**
 - Carefully read the case study about Juma and his transport business.
- 2. Identify and discuss problems**

Within your group, discuss the following questions:

- What are the main compliance issues Juma is facing?
 - What risks and consequences could arise if he ignores these issues?
 - What steps can Juma take to fix the problems and make his business compliant?
 - How would compliance benefit his business in the long run?
- 3. Prepare your solution**
 - Summarize your group's recommendations for Juma.
 - Prepare a short role-play presentation where one of you acts as Juma's business advisor.
 - 4. Share and evaluate**
 - Each group will present their solutions to the class.
 - After the presentations, you will complete a short peer evaluation form about your classmates' presentations.
 - 5. Discuss**
 - Together as a class, we will compare the different solutions.
 - Summarize your group's recommendations for Juma.
 - Prepare a short role-play presentation where one of you acts as Juma's business advisor.

Handout materials

Case study: Juma's Transport Business Challenge

Juma wants to start a small transport business in a regional town in Tanzania. He plans to buy two trucks to offer cargo transport services. Juma has never owned a business before. He is unsure about what licenses and permits he needs, how to register the company, and what taxes he must pay. He also wants to hire two drivers but does not know how to handle employment contracts or social security registration.

Tasks:

- **Task A:** Identify the key legal steps Juma must take to start his business legally.
- **Task B:** List the licenses and permits required for a transport business in Tanzania.
- **Task C:** Explain Juma's obligations regarding hiring employees, including contracts and social security.
- **Task D:** Describe the main taxes Juma needs to register for and pay.
- **Task E:** Discuss the risks of not complying with business regulations and how Juma can avoid them.
- **Task F:** Suggest how Juma can use government support programs to help grow his business.

Peer evaluation form

Please provide your feedback about another group's performance by filling in the form below:

Group number:

1. Did the group identify the key compliance issues Asha is facing?

Not at all: 1	2	3	4	Very clearly: 5
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2. Did the group discuss all possible risks?

Not at all: 1	2	3	4	All options were discussed: 5
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3. Did the group manage to find the benefits of following the regulations?

Not at all: 1	2	3	4	Values clearly defined: 5
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4. Did the group present a clear and reasonable solution for Asha?

Not at all 1	2	3	4	Solution was very clear and well thought out: 5
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5. Was the group respectful and inclusive during the presentation?

Not at all 1	2	3	4	Communication was very respectful: 5
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6. Do you have other comments?

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