Social Media Tax and Lifestyle Patterns: An Ex-Ante Analysis of Ugandan Youth

Miriam Nabawanga Katunze, Gertrude Gwenzi Dadirai, Uchechi Shirley Anaduaka, and Joan Kyokutamba
Lingnan University, Hongkong
Email-miriamkatunze@ln.hk/miriam.katunze@gmail.com

Abstract: Social media's introduction enhanced globalization by presenting opportunities for communication, collaboration, and transaction from one's phone. It is unimaginable the effects of a restriction on social media to a developing economy's burgeoning population. Drawing on Uganda's recent tax on popular social media sites, the authors assess the effects of such a tax on lifestyle patterns. The results evaluated pertain to the frequency of social media visits per day, physical interactions, sleep patterns, non-social media interactions, consumption behaviour, and mental health. A mixed-methods approach was used, with a qualitative sample of 119 social media-using youth and a quantitative sample of 1,628 households. Conceptually, the study follows the social control, social impact, and consumption-expenditure smoothing theories. The qualitative survey results indicate varied responses on sleep patterns, with some sleeping less and others more. For most youth, the number of hours per day on social media has reduced dramatically, from 24 hours to 30 minutes-5 hours per day. Many youths indicated increased non-social media interactions such as phone calls and SMSs, but very few predicted increased physical interactions. While the social media tax initially increased undesirable moods such as depression, loneliness, low self-esteem, such emotions were substantially reduced, realizing that the tax would not be removed. More so, the effects of the tax on consumption lifestyles increased expenditure out of a necessity to stay online. Many youths have adjusted to these consumption changes by regularly/occasionally foregone lunch, snacks, motorcycle rides, children's snacks, beverages. Regression analysis reveals that the tax leads to a reduction in non-durable household goods such as domestic help services, other personal care, and hospital services. The results have tremendous social and economic implications individually, nationally, and regionally. The research has implications on other Sub Saharan African countries preparing to introduce a similar tax by showing the advantages and disadvantages.

Keywords: social media tax, youth, Uganda