IJERST

International Journal of Engineering Research and Science & Technology

ISSN : 2319-5991

www.ijerst.com

Email: editor@ijerst.com or editor.ijerst@gmail.com

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

Precipitants of tax evasion in the Informal Sector in Zimbabwe: A case study of Bulawayo Metropolitan Province.

Prof. G. Srinivasa Rao, Mr. G. Ramesh, Mr. A. V. Koteswara Rao

Abstract – The purpose of this article was to investigate tax evasion in Zimbabwe's informal economy and identify the underlying causes. Questionnaires and in-person interviews were the backbone of this study's data collection strategy. For this study, we surveyed six officials from the Zimbabwe Revenue Authority (ZIMRA) and four from the Bulawayo City Council (BCC) to learn more about the challenges that the informal sector faces when it comes to paying taxes. The data was examined using SPSS version 22 from the 108 returned questionnaires out of 120 that were sent to proprietors of hair salons and flea markets. Publicized in the report were the following factors: high tax rates; economic performance; government opaqueness regarding the use of tax funds; and unscrupulous tax administrators. The government should simplify the tax system, lower tax rates, educate taxpayers more, deal with dishonest ZIMRA officials, and reward law-abiding citizens with tax breaks. The informal economy and every economic actor that deals with informal merchants in any way should follow the government's tax administration plan.

Keywords: Tax evasion, Informal sector, Presumptive tax, Economic development, Zimbabwe.

INTRODUCTION

There is a national budget imbalance in Zimbabwe because the government is unable to collect enough money to cover its expenses. Government services, such as providing schools, roads, a reliable electricity grid, healthcare, and security, are often financed by taxation (Mughal, and Akram 2012). Despite the fact that the informal sector has grown in recent years, the Zimbabwean government still relies heavily on the formal sector for its funding (Sikwila, 2013). In an effort to reduce poverty and minimize spending, the government implemented the Economic Structural Adjustment Program (ESAP) in 1992 (Zvobgo, 2003; Magure, 2014). However, the program had the opposite effect and reduced tax collection. In 2003, a presumptive tax was instituted to diversify the income stream in response to the growth of the informal sector. The micro, small, and medium enterprise (MSME) sector accounts for about half of the country's GDP, according to the 2016 National Budget Statement, making it a major driver of economic development.

Department of Management Studies
Samata Degree College

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

1 According to a 2013 survey conducted by the Ruzivi Trust, over 70% of micro and informal businesses are held by women, whereas 30% are small to medium firms (Lubinda, 2015). The informal sector employs 94.5% of the workforce, according to Zimstat (2012). While 16% of Zimbabwe's 5.7 million informal traders paid taxes, the majority remained outside the tax net (RBZ, 2012). Despite efforts to increase revenue collection from this sector, only 36% of those traders paid taxes, meaning that they earned more than the minimum taxable threshold of $300.00. There seems to be a mismatch between the rapid expansion of the informal sector and the revenues generated by it.According to the ZIMRA chairman's annual performance report, the informal sector presumptive tax is one of "other taxes" that had a decrease in revenue collection in 2015. Tax evasion in the informal sector, which may be either accidental or deliberate based on taxpayers' understanding of their tax responsibilities, the laws governing them, the processes for remitting taxes, and their attitudes toward compliance, might be the cause of the fall (Christina, the year 2003]. Statistics and reports from the past show that, despite the sector's dominance in the nation, the input of presumptive tax to overall tax collection has been low and quite stable. Income is not increasing at the same pace as this industry is expanding, even if it is becoming larger. This demonstrates that the informal sector is determined to pay its taxes, even if there are procedures in place to ensure compliance and the sector is still growing rapidly. Revenue receipts in the category of presumed tax, which is published with "other" taxes, actually declined between 2013 and 2015, according to information kept by ZIMRA.

2 The difficulty in taxing the informal sector has led to higher rates of tax noncompliance. We don't know what's really behind this tax avoidance. Consequently, this research set out to shed light on the causes of tax evasion in Zimbabwe's informal sector and provide ZIMRA with some ideas on how to make people pay their fair share. According to previous research (Zivanai, Chari, Nyakurimwa, 2015), small and medium-sized enterprises (SMEs) in Zimbabwe have difficulties while trying to pay their taxes. While Utaumire et al. (2013) examined the "effectiveness of the presumptive tax system in Zimbabwe," they neglected to investigate the factors that influence tax evasion in the informal economy. More than 70% of the whole MMSE sector consists of micro-entities, although this fact was overlooked in Dlamini's (2017) study on the causes of tax non-compliance in the SME sector. This study will also help the Zimbabwean government better understand the informal economy so they can create more effective tax laws in the future. Policymakers will be able to use the study's results to better understand compliance levels and the factors that contribute to non-compliance. As a result, lawmakers will have more information with which to establish legislation that boost compliance and tax collection.

2.0 Objectives of the study

- To identify the major causes of tax evasion by the Zimbabwean informal sector.
- To recommend possible means of edifying tax compliance in the Zimbabwean informal sector.

2.0 LITERATURE REVIEW

2.1 Definition of Informal Sector:

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

Schneider (2005) states that "as those economic activities and the income derived from them that circumvent or otherwise escape government regulation, taxation or observation" is the definition of the informal sector. The informal sector is that part of the economy that is not subject to government regulation or taxes (Masarirambi, 2013). While this sector does add to the official calculation or perceived gross national product, it is not registered or recorded, according to Fiege (1989) and Somuah (2011). In light of these definitions, the unofficial economy is that portion of the economy that does not adhere to regulations and does not support criminal enterprises, even when they generate profits for their owners (Fambon, 2006).

2.2 Taxation in the Informal Sector

Coercive or not, taxation is the process by which the state's appointed tax authority collects money. Any forceful levy on income or other gains (whether capital or estate) is considered taxation (Nyatanga, 2016). Governments utilize taxes as a tool to achieve political and economic goals, according to Bird (1992), who also characterized it as an independent right. Since these companies are not officially registered, tax cheating is rampant in the informal economy, as Kristoersen (2011) pointed out. Due to their low income and lack of output, the informal sector was formerly not included when calculating taxes (ILO, 1972). The absence of registration makes economic activity in the informal sector seem to be functioning underground, which is seen as unlawful by tax authorities (ILO, 1972; Potts, 2008). From the late 80s to the year 2000, this industry was seen as a labor market distortion and items on official marketplaces and a sector that politicians want to discourage. For various reasons, including government compassion for those who had lost their official jobs, some governments chose not to tax the informal sector (Sethuraman, 1976: Masarirambi, 2013).

The following factors were identified by Gupta (2002), Fledman and Slemrod (2005), and Hai (2011) as contributing to tax evasion: taxpayers' age, gender, awareness of their peers' actions, perception of tax system equity, and high tax rates. Dlamini (2017) lists a number of factors that might lead to tax evasion, including financial constraints, audits of tax returns, lack of tax education, and the misuse of public money by officials. Poor tax management is another reason people don't pay their fair share, according to Dube (2014). A more equitable tax system, which in turn minimizes tax evasion, may be achieved by streamlining the system and preventing the mismanagement of public money. A presumptive tax was instituted for informal merchants, which is based on assumed income, to address tax evasion in this sector (Nyatanga, 2016).

2.3 Presumptive Tax

The Zimbabwean government instituted a presumptive tax in 2005 and has been using it ever since, in accordance with the Income Tax Act. The expansion of businesses operating in the shadow economy prompted the government to try to broaden its tax base via the introduction of the presumptive tax. In an effort to increase the informal sector's contribution to the government income base, the Finance Act (Chapter 23:04) mandated the collection of specified amounts from different designated areas of the sector, including the transportation industry, saloons, and free markets. A presumptive tax was defined as "a charge on the earnings of small traders who may not be required to register for Income Tax" in one of its notifications, ZIMRA (2014). This tax is predicated Anyone who files a presumptive tax return is exempt from the need to retime their income tax returns; the system is based on assumed earnings. According to Zimra (2014), the due dates for presumptive tax are January 10, April 10, July 10, and October 10.

2.4 Efficacy of Presumptive Tax

3 As a result of increasing the tax base and decreasing tax evasion, presumptive tax is best suitable in cases when self-assessments of taxable income are incorrect (Alm et al., 2003). In cases when the tax authorities has a hard time measuring, verifying, or monitoring taxable income, Slemrod et al. (1994) noted that presumptive tax is the best option. According to Thuronyi (1996), one method of taxes is to use secondary sources

International Journal of Engineering Research and Science & Technology
ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

in order to ascertain tax liability, which differs from the conventional wisdom based on the taxpayer's records. When there is a lack of data, the tax administrator uses presumptive assessment to determine the taxpayer's income. If the person is maintaining accurate records, they should be able to challenge this determination. The biggest problem with taxing the informal sector, according to Somuah (2011), is that people in this sector are either unaware of the regulations or engage in large amounts of cash transactions without maintaining accurate records. Consequently, tax returns from the informal sector in Zimbabwe are adversely connected with the taxation regime, and the revenue base will keep shrinking.

3.0 Forms of Tax Evasion

3.0.1 Tax Evasion

A person commits tax evasion when they knowingly and willfully violate tax rules in order to avoid paying taxes (Olayinka et al., 2010). One of the biggest problems with developing nations' tax systems is that people there tend to avoid paying their fair share (Kiable and Nwankwo, 2009). Tax evasion, according to Browing (1979), is defined as the act of not paying taxes that are owed to the government. This perspective is in agreement with the previous ones. To rephrase, a taxpayer makes a conscious choice to intentionally mislead the state by withholding information or knowingly providing false information. In the informal economy, where illiteracy is rampant, there are more opportunities for people to avoid paying their fair share of taxes. Given the above, it may be concluded that tax evasion occurs when relevant parties knowingly do not pay the taxes that are owed to the government.

3.0.2 Tax Avoidance

In an effort to pay the least amount due or no taxes at all, people engage in tax evasion, according to Haupt (2013). Tax avoidance was characterized by Kay (1980) as when all the pieces of a transaction's evidence are there, but they are arranged in a way that makes their tax administration vary from what the rule specifies. That tax was also mentioned by Cowell (2000)

Whether the avoidance is legal or not is irrelevant as long as the taxpayer can get away with it relatively unscathed. Tax evasion, according to Dalu et al. (2012), as cited by Kiabel and Nwokah (2009), affects government revenue because it causes investment distortions, in which investors buy assets at a discount or without taxes at all, preventing the government from collecting all of the money that is rightfully itss. From a legal standpoint, tax avoidance happens when individuals try to lower their tax due by taking advantage of loopholes in the system, such as asking for tax credits (The BMZ 2010). Wetzel (2002) identifies this practice among international dealers who artificially inflate the worth of their goods to avoid paying the higher presumptive tax.

2. 6 Models of Tax Non-Compliance

Many people in underdeveloped nations are likely not paying their fair share of taxes, despite this fact. A handful of hypotheses have been tested in an effort to shed light on this phenomena. When it comes to tax noncompliance, Kidder and Craig (2000) state that lawmakers and tax authorities are both somewhat to blame. Compliance or noncompliance with tax laws is supposedly the outcome of choices made by both taxpayers and lawmakers. Taxpayers' compliance or disobedience behaviors mirror the choices made by political or tax authorities, as Lewis (1982) pointed out. This argues that taxpayers and tax lawmakers both have a role to play in addressing the problem of tax non-compliance, and that all parties' activities should be taken into account while researching this topic.

2.6.1 Fischer Model

3 Since the components that influence tax compliance also play a role in tax noncompliance, the Fischer model may be used to shed light on the reasons behind tax noncompliance, despite its initial

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

concentration on compliance considerations. We shall go over the compliance, videlicet, demographic, non-compliance opportunity, attitude, and tax system aspects that were categorized by the model (Chau & Leung, 2009). According to many studies (Andreoni et al., 1998; Houston & Tran, 2001; Chau & Leung, 2009), the majority of taxpayers who declare a rise in their income actually avoid paying taxes. According to the concept, people choose revenue sources that aren't subject to taxes if there are higher opportunities for tax non-compliance. Tax withholding system taxpayers are less likely to engage in tax avoidance than self-assessment taxpayers, according to research by Fjeldstad and Semboja (2001) based on a survey in Tanzania. People are inclined to avoid paying taxes if they believe that the government is misusing the money they pay in taxes and that they are paying too much for the services they get (Jackson & Milliron, 1986; Chau & Leung, 2009). Grasmick and Scott (1982) state that people are likely to engage in tax avoidance if they have friends or family who do the same.

Tax evaders often discuss tax evasion with their friends and acquaintances, according to research by Mason et al. (1975). According to studies conducted by Chan et al. (2000), taxpayers would persist in tax cheating if it is consistently practiced within the group and no consequences are enforced on its members. How well the tax system works depends on how complicated the laws and processes are, according to the Fischer Model. Taxpayers should be well-versed in and able to comprehend all tax regulations and calculations (Jackson and Milliron, 1986). There will be more underreporting of tax returns if the tax system is complicated and sophisticated (Clotfelter, 1983). There is a strong correlation between tax non-compliance and the complexity of tax laws, according to Richardson (2006). In addition, the model assumes that taxpayers would pay their taxes as required if the penalty for noncompliance are severe and the likelihood of an audit is significant. The findings of research conducted by Ofori (2009) and Saad (2012) corroborate the Fischer model. Both authors concur that taxpayers in the informal sector engage in tax evasion when audits are few and penalties are not harsh.

3.6.1 Classical Approach Model

When asked to explain tax noncompliance, Allingham and Sandmo (1972), classical method proponents mentioned by Moldovan et al. (2012), invalidated the usual deterrent argument. The approach takes taxpayers at their word and assumes they are wise people who make well-informed financial decisions. "The choice to evade tax is rooted in expected gains or losses linked to that decision to evade or not evade the tax," Fischer et al. 1992 hypothesized. The optimal explanation is that it may be explained by the maximizing of perceived effectiveness if the advantages of tax avoidance are

When the cost of not paying tax is more than the benefit, the taxpayer chooses to avoid paying tax; hence, the goal of tax evasion is to maximize utility. Although taxpayers are very likely to be audited and fined, those who want to maximize their returns will comply with the law (Bătrâncea, et al., 2012). A research conducted by Allingham and Sandmo (1972) proposed that in order to encourage more compliance, tax penalties should be increased. However, Tanzi and Shome (1993) disagreed that taxpayers' attitudes would shift due to severe fines. The primary purpose of tax fines, however, is to ensure that taxpayers comply with tax regulations. Both ideas have merit in providing explanations for disobedience, although they are diametrically opposed and have their differences. Because of their limitations, further supplementary theories should be investigated to provide support for the two main hypotheses (Moldovan, 2012).

International Journal of Engineering Research and Science & Technology
ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

2.6.3. Behavioural Model of Tax Compliance

The behavioral models were developed using theoretical frameworks from the fields of psychology and sociology. (Coleman & Freeman, 1997; Frey, 1997; Mumford, 2001; Wenzel 2005 Moldovan, 2012) The concept posits that taxpayers are seen as persons who are influenced to pay taxes by factors like as societal expectations, values, beliefs, age, and gender, rather than as selfish individuals maximizing their own utility. The model agreed with Fischer's theory that the degree of compliance is determined by taxpayers' judgments of the authorities' credibility when it comes to spending public money. The degree to which trusts and powers of authority increase compliance varies. In addition, a high degree of tax compliance is achieved in contexts where the tax authorities are both powerful and widely trusted. Despite these facts, the'slippery slope' model has greater support as it promotes the improvement of services and the adoption of a client-centered attitude by taxpayers (Moldovan, 2012). Coskun (2009) and Alm et al. (2011) state that taxpayers' perceptions of the tax system's fairness impact their behavior towards compliance or non-compliance. Perceived tax system equity correlates significantly with tax compliance, according to Alabede et al. (2011). Researchers Allingham and Sandmo (1972) and Andreoni et al. (1998) came to the same conclusion about the factors that influence tax compliance: the interplay between awareness, the use of public money, and the effectiveness of the tax system. Palil and Mustapha (2011) found that when taxpayers have more information about taxes and a good attitude toward them, they are less likely to evade taxes and more likely to comply with them. Training big groups in the informal sector has a better probability of avoiding or decreasing tax non-compliance, according to this. Knowledge of tax regulations and taxpayers' attitudes towards the tax system are crucial in combating tax evasion, according to Kasipillai and Mustafa (2000) and Dlamini (2017). Pali and Mustapha (2011) found the same thing.

2.7 Empirical Evidence

Table 1: Review of Tax Evasion Studies

Author(s)	Year	Method	Country	Findings of the study
Munieyi et al.	2017	Literature review	Zimbabwe	The study revealed that Zimbabwe has no effective mechanism of collecting tax revenue in the informal sector.
Dube	2014	Literature review	Zimbabwe	The finding of the study showed that the level of tax evasion in the sector is alarmingly high.
Nyamwanza	2016	Descriptive survey (50 Business retails)	Zimbabwe	The study revealed that small business operators evade tax by paying bribes, keeping two sets of records, relocating to new locations without informing the authorities.
Ameyaw et al	2016	Descriptive&Regression analysis (600 respondents)	Ghana	The findings of the study revealed that attitudes, perceived behaviour control and subjective norms are the main determinants of informal tax non-compliance.
Udoh	2015	Descriptive survey	Nigeria	The study revealed that poor tax education, poor funding and inadequately qualified staff are the major contributors of tax evasion among small business units.
Marti	2010	Descriptive statistics and correlation.	Kenya	The findings revealed that taxpayers' attitudes and tax compliance are strongly significant related to one another.

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

Frey & Feld	2002	Descriptive statistics and regression analysis	Switzerland	Tax morale is elevated if the tax officials serve the taxpayer professional.
Ofori	2009	Descriptive survey	Ghana	The study revealed that factors of tax evasion of the informal sector to be a dominance of cash sales which leaves no evidence that there has been a sale, poor level of book-keeping and high level of illiteracy in the informal sector
Zivanai et.al,	2015	Survey	Zimbabwe (Bindura)	The findings indicated that mistrust in the tax authority and evasions that are done by other fellow informal traders encourages other taxpayers not to comply.
Maseko	2014	Descriptive statistics and correlation	Zimbabwe (Harare, Chitungwiza and Bindura)	The results indicated that high tax rates and the priorities of government spending significantly disturb tax evasion negatively.

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

3.0 METHODOLOGY

4 With the study's aims in mind, the researchers used a survey methodology to gather quantitative data from informal traders. The questionnaires used an eight-point Likert scale and included closed-ended questions (Dlamini, 2017). Qualitative data from respondents other than informal merchants was gathered via interviews. The study's sample consisted of informal merchants based in the Central Business District of Bulawayo province who run hair salons and flea markets. The people who filled out the survey were from various sectors of the economy: twenty hair salon owners, fifty flea market proprietors, six ZIMRA officials, and two members of the Bulawayo City Council, who were in charge of providing licenses to vendors at certain market spots. Excel spreadsheets and SPSS software (version 22) were used for analysis and processing of the replies.

4.0 RESULTS AND DISCUSSION

4.1 Result Summary

Table 2: Correlations

		TAX COMPLIANCE	TAX RATE	TAX EDUCATION	corruption	ep
Pearson Correlation	TAX COMPLIANCE	1.000	-.948	.425	-.573	.695
	Tax rate	-.948	1.000	-.432	.538	-.679
	Tax education	.425	-.432	1.000	-.232	.228
	Corruption	-.573	.538	-.232	1.000	-.425

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

Economic performance	.695	-.679	.228	-.425	1.000

Table 3:Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945[a]	.901	.906	6271.423

a. Predictors: (Constant), Tax rate, Tax education, Corruption, Economic performance

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40753974520.081	4	10188493630.020	259.047	.000[b]
	Residual	4051067113.104	103	39330748.671		
	Total	44805041633.185	107			

a. Dependent Variable: Tax Compliance
b. Predictors: (Constant), Tax rate, Tax education, Corruption, Economic performance

Table 5: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	183398.203	12695.005		14.446	.000
	Tax rate	-646.531	36.193	-.833	-17.863	.000
	Tax education	.005	.007	.026	.792	.430
	Corruption	-152.724	67.218	-.080	-2.272	.025
	Economic performance	134.325	61.266	.089	2.193	.031

Preliminary analysis was done as shown in table 2 above and all independent variables had acceptable inter correlation values of less than 0.7 which is an acceptable cut off point (Pallent, 2011). The regression analysis results shown in Table 3 are used to examine the correlation between tax compliance and tax rate, tax education corruption by tax authorities and economic performance in the Zimbabwean informal sector. The model is highly predictive with an adjusted R squared of 0.901; 90.1% of variations in tax compliance is described by the tax rate, tax knowledge corruption by tax authorities and economic performance. The model appears sufficiently valid as it was run at 5% level of significance since the results are p-value=0.000 which is less than the cut-off point of 5%(Pallent, 2011). The tax rate has a significant negative relationship with tax compliance as shown by a beta of -646.531 and significance value of .000. If the tax rate is high, the rate of tax evasion is also high, the results are the same with the findings of Ojeka and Ojochugwu (2012); Freire-Serén&Panadés, (2013). Maseko,

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

(2014); Alasfour, et.al, (2016) also stated that higher tax rate stimulates tax non-compliance.

International Journal of Engineering Research and Science & Technology
ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

Tax education has a positive insignificant relationship as shown by a positive beta of .005 and significance value of 0.43, it has a low influence on tax compliance Mello, (2008). Corruption in the tax authority has a significant negative relationship with tax compliance as shown by a beta of -152.724 and significance value of 0.025. Corruption in the tax administration reduces tax compliance, if public funds are abused and there is lack of transparency tax evasion increase, these results are correlated with results by Moore (2004); Mukhlis, Utomo&Soesetyo, (2014); Dube (2014); who agreed that there is a strong negative relationship between transparency in the tax administration and tax non-compliance. Economic performance has a positive significantrelationship as shown by a positive beta of 134.325 and significance value of 0.031, economic hardship is increasing tax non-compliance as businesses will be struggling for survival. The tax rate has the highest unstandardized beta hence it has the highest contribution on tax non-compliance whilst tax education has the lowest in the informal sector, this is an indication that taxpayers are aware of their tax obligations when they default or evade tax they are fully aware of what they are doing.

4.0 CONCLUSIONS AND RECOMMENDATIONS

The study examined the factors influencing tax evasion in the informal sector in Zimbabwe. Evidence gatheredfrom the study revealed that most players in the informal sector are not registered for tax purposes and non- registration is aggravated by the fact that most flea market owners have no fixed premises from which they operate. They are too mobile and their mobility makes it difficult for ZIMRA to carry out their audits to identify the number of operators in the informal sector. The study revealed that presumptive tax does not contribute much revenue towards the fiscus. The study concluded that the major precipitates of tax evasion were identified as high tax rates, low income due to low economic activity and lack of transparency by the government in the use oftax revenue. High level of corruption, weak penalties for tax evasion, ZIMRA personnel receiving bribes from the non-complying taxpayers and lack of tax incentives.

It is recommended that the government should reduce tax rates as the majority of the respondents felt that theyare too high. ZIMRA should increase in tax education which may help taxpayers in the informal sector changetheir attitude towards paying tax. There should be an improvement in transparency in the spending of the taxpayers' money by the government and give tax incentives to those who comply with the tax laws for this mayhelp improve tax morale. There is also a need for ZIMRA to carry out regular tax audits and develop a mechanism to deal with ZIMRA personnel who receive bribes from the non-complying taxpayers. A further study can be conducted in the precipitates of tax evasion in the informal sector in relation to taxation and economic growth inZimbabwe.

REFERENCES

1. Allingham, M. &. (1972). INcome tax evasion. A theoratical analysis. *Journal of public economics, Vol.1*(323- 338).
2. Alm, J. K. (2013). "When You Know Your Neighbor Pays Taxes: Information, Peer Effects, and TaxCompliance.". *Appalachian State University Working Paper, 13*(22).
3. Andreoni, J. E. (1998). Tax compliance. *Journal of Economic Literature, 3*, 818-840.
4. Anna, E. (2014). *www.dailytrust.com.ng/Image/Newspaper_of_the_year.png*. Retrieved March 24, 2017, from www.dailytrust.com
5. Antwi, S. K. (2015). The effect of demographic characterisitics of small and medium entrepreneurs on tax compliance in the Tamale Metropolis Ghana. *International journal of economics , Commerc and Management, Vol.111*(3), 1.
6. Authority, Z. R. (2011-2015). *ZIMRA annual report Zimbabwe Revenue Authority.* Harare: ZIMRA.
7. Bătrâncea, L.M., Nichita, R., Bătrâncea, I., Moldovan, B.A., (2012). Tax Compliance Models: From Economic to Behavioural Approaches. *Transylvanian Review of Administrative Sciences*, No. 36 E/2012, pp.13-26
8. Bhebhe, N. (2016). *Zimbabwe pushes informal sector to pay taxes.* Harare.
9. Bird, R. i. (1998). *Administrative constraints on tax policy.* Exeter: Fiscal Publications.
10. Chan, C. T. (2000). An expanded model of taxpayer compliance. *Journal of international finance and taxation, 9*(2), 83-103.
11. chinyamata, C. (2002). *The Second Economy and Tax Yield in Malawi.* Nairobi: African Research Consortium.
12. Cowell, F. (2000). *Cheating the Government.* Cambridge, MA: MIT Press.

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

13. Cummings .R G, M.-V. M. (2006). *Effects of tax morale on tax compliance:Experimental and Survey Evidence.*
Berkeley: Berkeley Program in Law and Economimcs.
14. D, P. (2008). The urban informal sector in Sub-Saharan Africa: from bad to good (. *Development SouthernAfrica, 25*(2).
15. Dalu, T. (2014, December 19). Impact of tax evasion and avoidance on the economy. *A case of Harare*.
16. Dlamini, B. (2017). Determinants of tax non-compliance among Small and Medium Enterprises in Zimbabwe. Journal of Economics and Behavioral Studies, 9(4), 242-250
17. Devos, K., (2014). Factors Influencing Individual Taxpayer Compliance Behaviour. Springer Netherlands.
18. Dube, G. (2014). *Informal sector tax administration in Zimbabwe.* Kwazulu-Natal: University of Kwazulu NatalSouth Africa.
19. Everest-Phillips, M. (2008). Business tax as state-building in developing countries: applying governanceprinciples in private sector development. *International Journal of Regulation and Governance, 8*(2).
20. Fagbemi, O. T. (2010). The ethics of tax evasion: perpetual evidence from Nigeria. *European Journal ofSocial Sciences, 17*(3), 360-371.
21. Feige, E. L. (1989). Defining and Estimating Underground and Informal Economies The New nstitutional Economics Approach. *World Development, 18*(7).
22. Freire-Serén, M. J., & Panadés, J. (2013). Do Higher Tax Rates Encourage/Discourage Tax Compliance?
Modern Economy, 4, 809-817.
23. Fischer, C. M., Wartick, M., & Mark, M. (1992). Detection Probability and Taxpayer Compliance: A Review of the Literature. Journal of Accounting Literature, 11, 1-46.
24. Fishlow, A. a. (1994). Tax evasion, inflation and stabilization. *Journal of Development Economics, 43*(1), 105- 123.
25. Gupta. (2002). *The Income Tax Compliance Costs of Corporations in India.* Goa: Goa Institute of Management.
26. Jabbar, J. K. (2006). Gender and ethinicity differencies in tax compliance . *Asian Academy of ManagemantJournal, Vol.11*(2).
27. Jackson, B. R. (1986). Tax compliance research: Findings, problems and prospects. *Journal of AccountingLiterature, 5*.
28. James, S. &. (2002). Tax compliance, self assessment system and tax administration. . *Journal of finance andmanagement in Public Services , 2*(2), 27-42.
29. Journal of Hunger and Environment Nutrition. (2014). *Quarterly Digest of Statistics.* Harare: Government ofZimbabwe.
30. Kasipillai, J. A. (2003). The influence of education on tax. *eJournal of tax Research, , 1*(2), 134-146.
31. Kinsey, K. a. (1991). Did the tax the tax reform act of 1996 11improve compliance. *Law and policy, 5*(4).
32. Kothari, C. R. (2004). *Research Methodology. Methods and techniques* (2nd edition ed.). New Delihi: New Age .
33. Kristofifersen, S. (2011). *Taxation and informal sectorgrowth in developing countries.* Oslo.
34. Leung, G. C. (2009). *A critical review of Fischer tax compliance model.* Hong Kong: The Hong KongPolytechnic University.
35. Lewis, W. A. (1982). The dual economy revisited". *The Manchester School of Economic and Social Studie, 47*(3).
36. Marti, L. O. (2010). Taxpayers' attitudes and tax compliance behaviour in Kenya. African Journal ofBusiness & Management, 1, 112-122.
37. M.Kidder. R. & Craig, C. (2000). *a Tentative typology inTaxpaying Behaviour in Social Context: A Tentative Typology of Tax Compliance and Noncompliance.* Philadelphia.
38. Masarirambi, C. (2013). *An investigation into factors associated with tax evasion in the Zimbabwe informal sector. Asurvey of Mbare Magaba.* Harare: ZOU Zimbabwe.
39. Mike Nyamazana Sikwila, G. K. (2016). Tax Collection Constraints, and Tax Burden on the. *Mediterranean Journal of Social Sciences, Vol 7* (6).
40. Mughal, M. a. (2012). Reasons of Tax Avoidance and Tax Evasion: Reflections from Pakistan, . *Journal of Economics and Behavioral Studies, , 4*(2), 217-222.
41. Muhammad M Mughal, M. A. (2012). Reasons of tax avoidance and tax evasion. *Reflections from Pakistan journal of Economics and behavioral studies, Vol. 4*(4).
42. Mustapha, M. R. (2011). Factors affecting tax compliance behaviour in self assessment system. *African journalof Business Management, 5(33)*.
43. Naomi E Feldman, J. S. (2005). Estimating tax

International Journal of Engineering Research and Science & Technology

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

noncompliance with evidence from unaudited tax returns.
The Economic Journal, Vol 117(518), 327-352.

ISSN 2319-5991 www.ijerst.com
Vol. 15, Issuse.2,May 2022

44. Ndekwa, A. G. (2011). Factors for improving tax compliance among small and medium enterprises in Tanzania. *The international Journal of business & management* (ISSN 2321-8916).
45. Nor Azrina Mohd Yusof, L. M. (n.d.). Tax noncompliance among small and medium enterprise inMalaysia. Malaysia: University of Teknologi Mara.
46. Nyatanga, P. (2016). *A guide to Zimbabwe taxation study guide text* (Third ed.). Harae: Partson Nyatanga.
47. OECD. (2013). *Tax Administration 2013: Comparative Information on OECD and Other Advanced and Emerging Economics.* Paris: OECD Publishing .
48. Ofori, E. G. (2009). *Taxation of the informal sector in Ghana. A critical examination.* Ghana: Kwame Nkruma University of Science and technology .
49. Ojeka A and Ojochugwu W, A (2012). *Factors that affect tax compliance among SMEs in North Central Nigeria.International Journal of Business and Management, Volume 7, No. 12.*
50. Pallant, J. (2011). *SPSS survival manual: A step by step guide to data analysis using the SPSS program* (4th ed.).Berkshire: Allen & Unwin
51. PALIL, M. R. (2010). *TAX KNOWLEDGE AND TAX CO.* Birmingham: The University ofBirmingham.
52. R., N. (2011). *The dynamics of informal entrepreneurship: A photo narrative analysis of the "informal economy.* Institute of Development Studies.
53. Richardson, G. (2006). Determinants of tax evasion:A cross-country investigation. *Journal of International Accounting, Auditing and Taxation, 15*(2), 150-169.
54. Saad, N. (2013). Tax Knowledge, Tax Complexity and Tax Compliance: Taxpayers' View☆. *Social and Behavioral Sciences , 109*, 1069-1075.
55. Saada, N. (2012). *Aricle in Procedia-Social and Behavioral sciencies.* Malaysia.
56. Schneider, F. &. (2005). Shadow Economics: Size, Causes, and Consequences. *Journal of EconomicLiterature,, XXXVIII,.*
57. Seidu, A. N. (2015). Modelling the causes of tax default among small and medium scale enterprises in theTamale Metrpolis of Ghana. *European Scientific Journal, Vol.11 No 1*(11).
58. Sethuraman, S. (1981). *The Urban Informal Sector in Developing countries:Employment, Poverty, and Environment".* Geneva,: International Labor Organization.
59. Siehl, E. (2010). *Addressing tax evasion and tax avoidance in developing countries.* Deutsche Gesellschaff.
60. Somuah, P. (2011). *Taxation and informal sector. A case of Bolgatanga Municipality.* Ghana: University of Science and Technology.
61. Tawodzera, G. (2012). Urban Household Survival and Resilience to Food Insecurity in Crisis Conditions: The case of Epworth in Harare,. *Journal of Hunger and Environment Nutrition,, 7*.
62. Thuronyi, V. (1996). Presumptive taxation. *Tax law design and drafting International Monetary Fund, volume 1*.
63. Udoh, J. E. (2015). Taxing the informal economy in Nigeria: issues, challenges and opportunities . *International journal of social science, vol.6*(no 10).
64. W, J. C. (2013). Qualitative, quantitative and mixed methods approaches. In *Research Methodologies 4th edition* (pp. 232-246). Lincolln: Sage.
65. ZimStats. (2012). *Quarterly Digest of Statistics,.* Harare: Government of Zimbabwe.