

# A Training Framework for Enhancing Taxpayer Education and Compliance in Zimbabwe: Bridging the Gap for Sustainable Tax Revenue

Moses Zingwina<sup>1</sup>, Tafadzwa Jimu<sup>1</sup>

<sup>1</sup>Zimbabwe Open University

\*Corresponding Author's Email: [zingwinam@zou.ac.zw](mailto:zingwinam@zou.ac.zw)

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## Abstract

This paper proposed a novel training framework for enhancing taxpayer education and compliance in Zimbabwe, with a focus on bridging the gap for sustainable tax revenue. The study addressed the pressing challenge of low tax compliance within the informal economic sector, identifying the absence of an effective taxpayer education system as a critical catalyst for this research. The purpose of the study was to devise an innovative training framework tailored to improve tax compliance and revenue collection efficiency. Employing a mixed-method approach deemed effective for a complex subject, data were gathered through structured questionnaires and in-depth interviews. The findings of this study revealed that the existing presumptive tax system was ineffective, and compliance remained low due to inadequate taxpayer education. Based on the results, the study developed a comprehensive contemporary training framework specifically designed to enhance taxpayer education and compliance in Zimbabwe's informal economic sector. The study, therefore, advocated for the adoption of the proposed framework to improve tax literacy, streamline compliance processes, and bolster sustainable economic growth and inclusivity.

**Keywords:** Taxpayer Education, Tax Compliance, Informal Economy, Digitalisation, Sustainable Tax Revenue

## Introduction

The informal economy has spread globally, and Zimbabwe is no exception. The recent statistics released by Zimbabwe National Statistics Agency (2023, 2024) and World Economics (2024) indicate that over 64.1% of Zimbabwe's economic activity occurs in the informal economy, contributing an estimated USD73 billion to the nation's Gross Domestic Product. Notwithstanding this extensive economic contribution, tax compliance in this industry is extremely low and there are grave fiscal leakages (Kupangwa et al., 2024). This is again pointed out by the Zimbabwe Revenue Authority (ZIMRA) (2023), referencing that only 0.5% of overall tax collection goes to the government coffers. This revenue shortfall has gone on to spur budget deficits, undermine development hopes, and challenge fiscal planning.

Past research observed that the informal economy, though highly entrepreneurial and economically productive, was largely not taxed. Vingirayi et al. (2020) and Pitoyo et al. (2020) demarcated that informal enterprises have revenue-generating capability but are hampered by non-compliance. Manhimanzi et al. (2022) posit that the presumptive tax regime in Zimbabwe has not promoted voluntary compliance. At the same time, Moyo (2022) and Mpofu (2021) observe that poor comprehension of tax incentives and obligations primarily explains such non-compliance. The policy-practice gap suggests that such evasion by the informal sector is not

only about being rebelliously resistant but also that it has much to do with taxpayer ignorance. Despite the fact that e-payment systems have enhanced revenue collection over the past few years (ZIMRA, 2018), the potential of a digitised tax administration system still has to be attained, majorly due to the absence of a well-designed, technology-based taxpayer training system tailored to the informal sector.

The significance of tax education has been acknowledged globally, as digital proficiency and compliance training courses have ensured voluntary taxation. Zimbabwe lacks a structurally organised framework that integrates informal economic conventions with innovative digital technology. According to ZimStat (2024), though the informal economy constitutes the highest proportion of the working population, there is an extensive knowledge gap in terms of tax compliance obligations. This mismatch limits the effectiveness of tax policies already in place and calls for a finer-grained response. Moreover, tax compliance is also subject to psychological, social, and institutional determinants. The Theory of Planned Behaviour (Ajzen, 1991) assumes that attitudes, subjective norms, and perceived behavioural control are crucial in determining tax-related choices. In Zimbabwe, the lack of trust in government accountability, poor public service delivery, and peer-influenced evasion tendencies have created a culture of non-compliance. The Fiscal Exchange Theory (Fjeldstad & Semboja, 2001) is confirmatory, postulating that perceived gains from tax contributions are the promoters of voluntary compliance. Taxpayers react positively when they witness tangible benefits in terms of improved infrastructure, health, and education. Without or miscommunication of such benefits, compliance is endangered.

This study is novel in it attempted to construct a training model that engaged with these multi-dimensional drivers head-on. The research was more sophisticated than deterrence-compliance models because it marries the Economic Deterrence Theory (Allingham & Sandmo, 1972) with the Theory of Planned Behaviour and Fiscal Exchange Theory. In doing so, the research presented an integrated model that recognises the psychological, social, institutional, and technological drivers of taxpayer behaviour.

The purpose of this research was, therefore, to analyse key barriers to compliance, evaluate current taxpayer education initiatives, and propose an innovative, structured training framework that utilises digital platforms to enhance compliance within Zimbabwe's informal economy. The scope covered informal economic activity across Zimbabwe, but the insights were particularly vital given the country's heavy dependence on the informal sector for employment and income generation. By bridging the policy gap in taxpayer education and e-implementation, this study offered a fresh, applicable, and replicable approach towards developing sustainable tax revenue collection in emerging economies.

### **Research Methodology**

This study was aimed at developing a training model for enhancing taxpayer education and tax compliance in Zimbabwe's informal economy. A mixed-methods research paradigm was employed, integrating both qualitative and quantitative approaches to provide a comprehensive exploration and validation of the subject matter. This approach allowed the researcher to capture deep contextual data through qualitative data and also to generate statistically generalisable findings through quantitative analysis (Timans et al., 2019). An exploratory sequential design was employed in the study where qualitative data collection and analysis preceded the quantitative phase to ensure that the survey tool was contextually validated.

In the first phase, qualitative data were generated through in-depth interviews involving ten purposively selected key informants. They included officials from the Zimbabwe Revenue Authority (ZIMRA), scholars, and informal economy actors. These were selected based on relevance, experience, and taxation and informal sector dynamics expertise. A semi-structured interview guide was developed based on current literature and the emphasis on efficacy, constraints, and potential of taxpaying education in Zimbabwe. The interviews were tape-recorded, transcribed, and analysed thematically based on Braun and Clarke's (2022) six-phase procedure. Iteratively developed and refined codes were used to find prevailing themes and trends reflecting participants' views on awareness of taxpayers, barriers to compliance, and possible reforms.

A quantitative survey was then applied in the second phase to validate and extend the qualitative findings. A 43-question questionnaire was designed with the main variables such as tax responsibility awareness, presence of taxpayer education, compliance behaviour, and usage of electronic tools to be assessed. The questionnaire design was informed by the literature review and themes generated during the interviews. In order to ensure the instrument's validity and reliability, a pilot study was conducted involving 35 respondents who were not part of the final sample. Feedback from the pilot was used in the improvements made to the questionnaire. Additionally, a Zimbabwean university professor of taxation pretested the questionnaire to establish content validity and make sure that it conformed to the purpose of the study.

The questionnaire was administered to 40 purposively selected respondents from institutions such as ZIMRA, MoFED, civil society organisations, informal sector groups, and the Reserve Bank of Zimbabwe. Respondents were selected based on whether they participated in policy making, tax administration, or the representation of the informal economy. Data collection was done through physical delivery and online websites. Quantitative data were analysed with the use of the Statistical Package for Social Sciences (SPSS). Descriptive statistics (means, standard deviations, frequencies) were employed to present the data, while inferential statistics correlation and regression analysis were utilised to test hypotheses and determine relationships between variables. Cronbach's alpha was utilised to test internal consistency and reliability of the questionnaire, with a minimum value of 0.7 as an acceptable reliability.

All the ethical guidelines were followed strictly. Ethical clearance of this study was received from the Research Ethics Committee of Zimbabwe Open University (ZOU). Owing to the nature of the problem being sensitive, particularly to the informants of the informal sector, informed consent verbal was used instead of written consent. Involuntarily, confidentiality issues and potential victimisation arose when divulging information regarding their taxation methods. Thus, consent via mouth was noted and preserved secretly as evidence of ethical compliance. Participants were informed of their rights, the voluntariness of participation, and confidentiality of response.

## **Results and discussion**

This study set out to explore the potential for an electronic taxpayer education and compliance approach in Zimbabwe, focusing particularly on the informal economy. The findings were based on qualitative interviews, quantitative survey, document analysis, and statistical tests, and all present a congruent image of the impact of digitalisation and education on tax compliance.

## Summary of Qualitative Interview Responses

Results of the key informants' interviews identified formal taxpayer education and digitalisation as being at the core of enhancing voluntary tax compliance in Zimbabwe. Respondents highlighted the alignment of tax reforms and taxpayer education, especially within the informal sector. They advocated for the utilisation of simplified tax information, adoption of digital technologies, and targeted awareness campaigns to escalate compliance levels.

**Table 1:** Emergent Themes from Qualitative Interviews

Emergent Subthemes	Extracts from Participants' Statements
Importance of Taxpayer Education	"Taxpayer education will make it easier to collect taxes. The government needs to simplify tax materials."
Adoption of Digital Payment Platforms	"Most Zimbabweans are using mobile money... education on tax obligations is essential."
Revenue Growth from Education	"ZIMRA is collecting from mobile transactions, but many are unaware of their obligations."
Challenges in Implementation	"Barriers include mistrust, lack of access, and poor ICT infrastructure."
Formalisation and Compliance	"Taxpayer education reduces noncompliance, boosts voluntary compliance, and reduces corruption."

(Source: Author's Own Compilation, 2025)

The findings of the interviews also reflected broad agreement on the revolutionising impact of electronic payments and taxpayer consciousness in raising tax transparency, checking evasion, and formalising informal economic activity. Worries over limited digital literacy reach, poor infrastructure, and low awareness levels were also voiced.

Analysis of documents showed that while the Zimbabwean government has spent USD 139.8 million on ICT infrastructure in digital development and USD 3.5 million in promoting tax education, the initiative is still not enough to meet the magnitude of the informal sector.

## Survey Results and Statistical Analysis

Complete questionnaires were 40 and were received back; a 100% response rate. This was made possible by the instrument's ease and rigorous follow-up. Internal consistency of the measurement in the questionnaire was examined using Cronbach's Alpha, which was all more than 0.9 and therefore indicative of perfect reliability.

**Table 2:** Reliability Analysis

Construct	Cronbach's Alpha
Voluntary Tax Compliance	0.931
Sustainable Growth	0.930
Formalisation of Informal Sector	0.912
Tax Revenue	0.933
Digitalisation of Tax Regime	0.957

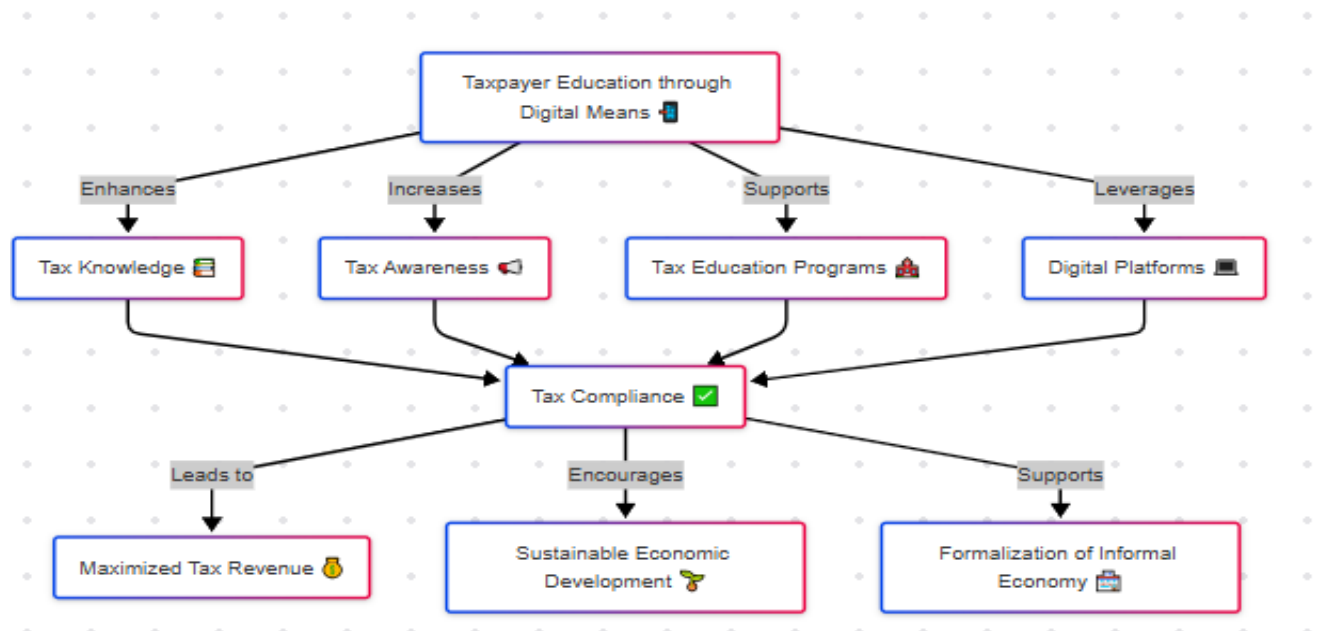
This high reliability affirms that the questionnaire items accurately measured the constructs. Moreover, regression analysis was conducted to test relationships between digitalisation and various tax-related outcomes.

**Table 3:** Regression Analysis of Digitalisation Impact

Predictor	Outcome	Estimate	Lower	Upper	P-Value	Std Beta
Digitalisation of Tax Regime	Voluntary Compliance	0.315	0.245	0.380	0.001	0.315
	Sustainable Growth	0.215	0.141	0.291	0.001	0.215
	Formalisation of Informal Sector	0.195	0.130	0.262	0.001	0.195
	Tax Revenue	0.261	0.190	0.325	0.001	0.261

These results show strong statistical support for the positive influence of digitalisation on tax compliance, revenue, formalisation, and sustainable growth. Speculatively, as Zimbabwe continues to invest in ICT and digital systems, a more inclusive, efficient, and equitable tax regime is within reach.

### Proposed Framework and Speculative Prospects



**Figure 1.** A Training Framework for Enhancing Taxpayer Education and Compliance in Zimbabwe: Bridging the Gap for Sustainable Tax Revenue.

### Conclusion and recommendations

This study examined the impact of digitalisation and taxpayer education on tax compliance, revenue growth, and the formalisation of Zimbabwe’s informal economy. The key outcome indicated that integrating digital tools with targeted taxpayer training significantly enhances voluntary tax compliance and improves revenue collection capacity. These results underscored the transformative role of digitalisation in modern tax regimes, especially in developing contexts where the informal sector dominated economic activity. One of the most important revelations is that the presence of electronic payment systems, mobile money, and digital taxpayer identification can greatly reduce tax evasion and corruption. Furthermore, digitalisation simplified compliance procedures and brought informal players into the formal economy, thereby broadening the tax base.

Evidence pointed to adopting an established and proven electronic tax platform enabled by real-time transaction monitoring, artificial intelligence-based fraud detection, and organised taxpayer sensitisation. The platform should be tested and piloted by policy specialists, tax practitioners, and digital system architects before national application. From the author's perspective, the sustainable success of Zimbabwe's tax system lay in investing further ICT infrastructure, building trust in public institutions, and promoting digital literacy across all economic segments. If adopted widely, this framework could serve as a regional benchmark for tax reform in other developing economies struggling with informal sector taxation.

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