



## Evaluating tax education programs for SMES: Efforts by Zimbabwean tax authorities

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### Abstract

Small to Medium Enterprises (SMEs) are critical to Zimbabwe's economic growth, yet they remain one of the most non-compliant sectors concerning taxation. This study evaluates the tax education programs offered by Zimbabwean tax authorities, particularly the Zimbabwe Revenue Authority (ZIMRA), to foster tax compliance among SMEs. Using a qualitative research design, the study explored tax officers' and SME operators' perceptions through in-depth interviews. Findings reveal that although Zimbabwean tax authorities have initiated several educational programs, these are fragmented, inadequately funded, and not fully tailored to the unique needs of SMEs. Challenges such as low outreach, complex tax language, and limited practical training impede the effectiveness of these programs. The study recommends more inclusive, accessible, and practical tax education initiatives to foster voluntary compliance among SMEs.

**Keywords:** Tax Education; SMEs; Zimbabwe; Tax Compliance; Tax Authorities; Human Capital Theory; Learning Theory

### 1. Introduction

Taxation remains one of the fundamental revenue sources for governments worldwide, and compliance with tax regulations is critical for sustainable development [1]. In Zimbabwe, Small to Medium Enterprises (SMEs) play a significant role in employment creation, income generation, and poverty alleviation [2]. However, despite their importance, SMEs continue to exhibit low levels of tax compliance, significantly contributing to the informal economy and revenue leakages [3].

Tax education has emerged as a crucial strategy for enhancing tax compliance, particularly among SMEs that often lack the knowledge and skills required to navigate complex tax systems [4-6]. Zimbabwean tax authorities, especially the Zimbabwe Revenue Authority (ZIMRA), have embarked on several educational initiatives aimed at bridging this knowledge gap. However, the effectiveness, accessibility, and relevance of these programs remain largely unexamined.

The primary objective of this study is to evaluate the tax education programs targeted at SMEs by Zimbabwean tax authorities. Specifically, it seeks to determine whether such programs exist, assess their adequacy, and identify challenges that hinder their effectiveness. The study is grounded in the Human Capital Theory and Learning Theory, which emphasize the role of education and continuous learning in shaping behavior and improving skills [7,8].

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## **2. Literature Review**

### **2.1. Theoretical Framework**

The Human Capital Theory posits that investment in education and training improves productivity and efficiency, which in the context of taxation, translates to improved compliance [7]. Learning Theory complements this by explaining how continuous exposure to relevant information can lead to long-term behavioral changes [8]. These theories justify the need for targeted tax education for SMEs.

### **2.2. Tax Education and Compliance**

Global studies have consistently shown that taxpayer education can significantly improve tax compliance [12]. In Kenya, Waweru et al. [15] found that tailored tax education programs increased SMEs' willingness to register and comply. Similarly, Asare et al. [21] in Ghana emphasized the need for continuous and context-specific tax training to sustain compliance.

### **2.3. Tax Education in Zimbabwe**

Zimbabwe has implemented several taxpayer education programs through ZIMRA [24]. However, studies by Mavengere et al. [5] and Sibanda [6] indicate that these programs are not sufficiently practical or inclusive. Chikodzi and Mangiza [9] argue that many SMEs remain unaware of their tax obligations due to ineffective outreach strategies.

### **2.4. Challenges in Tax Education Delivery**

Barriers to effective tax education in Zimbabwe include complex tax language, inadequate funding, and limited outreach to rural and informal sector SMEs [13,14]. Moyo et al. [13] highlight logistical challenges in reaching SMEs in remote provinces.

### **2.5. SME Perceptions of Tax Authorities**

Trust and perceived fairness significantly influence SME tax compliance [17]. Makumbe [17] found that SMEs with negative perceptions of tax authorities were less likely to participate in tax education programs.

### **2.6. Digital Tax Education Opportunities**

Digital platforms offer new avenues for tax education. Muchabaiwa [18] suggests that mobile-based education tools can improve access and reduce costs. However, Mugano [19] cautions that digital solutions must be accompanied by adequate digital literacy support.

### **2.7. Gaps in Existing Literature**

While there is considerable global research on tax education, few studies focus specifically on Zimbabwean SMEs. This study addresses this gap by providing localized, empirical evidence.

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## **3. Material and Methods**

### **3.1. Research Design**

A qualitative research design was adopted to obtain rich, descriptive data on the experiences and perceptions of both SMEs and tax officers regarding tax education programs. This approach was essential to capture the nuanced challenges and expectations of the stakeholders involved.

### **3.2. Population and Sampling**

The study focused on SMEs operating in Masvingo and Harare provinces and ZIMRA officials involved in taxpayer education. A purposive sample of 20 SME owners and 10 ZIMRA officers was selected to ensure that participants had relevant exposure to tax education initiatives.

### **3.3. Data Collection Methods**

Primary data were collected using semi-structured interviews and focus group discussions. Interviews with tax officers explored program design and delivery, while SME operators discussed their awareness, participation, and challenges in accessing tax education.

### **3.4. Data Analysis Techniques**

Thematic analysis was used to identify recurring patterns and themes from the interviews. Data were transcribed, coded, and categorized using NVivo software to ensure systematic analysis.

### **3.5. Ethical Considerations**

Approval was obtained from the Reformed Church University Ethics Committee. Participation was voluntary, and informed consent was secured. Confidentiality and anonymity were strictly maintained.

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## **4. Results and Discussion**

### **4.1. Existence of Tax Education Programs**

All tax officers confirmed the existence of tax education programs, including quarterly workshops, taxpayer days, and educational materials disseminated through the ZIMRA website [24]. However, only 40% of SMEs interviewed were aware of these initiatives, indicating a significant communication gap.

### **4.2. Effectiveness of Current Tax Education Initiatives**

Tax officers acknowledged that budgetary limitations often result in infrequent and poorly advertised tax education sessions [15]. SME operators reported that most sessions were theoretical, lacking practical, hands-on training on tax filing and record-keeping. This reduces the relevance and uptake of the programs [19].

### **4.3. Challenges Faced by SMEs and Tax Authorities**

SMEs cited the following barriers:

- Complex tax language and procedures [20].
- Limited time to attend workshops due to operational pressures [16].
- Lack of sector-specific training materials [9].

Tax officers reported challenges such as inadequate funding [13], low participation [10], and logistical constraints in reaching remote SMEs [14].

### **4.4. Perceptions of SMEs on Tax Education**

SMEs expressed that tax education, if effectively delivered, could significantly improve their compliance behavior [5,17]. Many participants suggested that mobile-based educational tools and simplified language would enhance accessibility and understanding [18].

### **4.5. Recommendations from Participants**

SMEs recommended:

- Regular, practical workshops tailored to different sectors.
- Simplified tax guides in local languages.
- Collaboration with business associations to increase outreach.

Tax officers proposed increased government funding and the integration of tax education into the national SME development framework.

## 5. Conclusion

This study concludes that while Zimbabwean tax authorities have initiated tax education programs for SMEs, these efforts are limited in scope, inadequately publicized, and often not practically oriented. Both tax officers and SME operators recognize the potential benefits of effective tax education in enhancing compliance and fostering a cooperative tax culture. Addressing the identified challenges can significantly improve the impact of these educational initiatives.

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## Compliance with ethical standards

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### *Disclosure of conflict of interest*

The authors declare no conflict of interest

### *Statement of ethical approval*

The present research work does not contain any studies performed on animals/humans' subjects by any of the authors. No experiments were conducted on animals or human subjects beyond voluntary interviews and discussions.

### *Statement of informed consent*

Informed consent was voluntarily obtained from all SME operators and tax officers after explaining the study's purpose, procedures, and confidentiality assurances. Participants were informed of their right to withdraw at any stage without consequence.

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