



Received: 28-12-2023
Accepted: 08-02-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

An Examination of Constraints of Taxing the Informal Sector and the Impact on Revenue Mobilisation in Zambia

¹Dr. Sidney Kawimbe, ²Pride Mulonga
^{1,2}ZCAS University, Lusaka, Zambia

DOI: <https://doi.org/10.62225/2583049X.2024.4.1.2368>

Corresponding Author: Dr. Sidney Kawimbe

Abstract

Taxation is a fundamental tool for revenue generation, economy building and sustainability, reducing market externalities, regulating trade, stimulating representation and achieving tax justice as well as building state accountability and responsiveness. The informal sector in developing countries generally and Zambia particularly has been considered a hindrance to effective domestic revenue mobilisation, hence the rejuvenated focus to bring the sector into the tax baskets. Through a critical literature review, this study sought to identify the varying motivations tabled by the various stakeholders (policy-makers, scholars and tax administrators) in literature on the need to administer tax on this sector and to strengthen enforcement and to evaluate the plausibility of these motives critically. A total of 34 journal

articles extracted from Goggle scholar, Research gate, Semantic Scholar and JSTOR formed the literature review. The factors were aggregated into five major groups: political interference, high cost of collection, lack of formality and limited potential for revenue. This study, therefore, conducted a profound evaluative analysis of literature on these factors, pinpointing any voids that future research could address and accordingly sought to contribute to the guidance offered to policy-makers on how to improve informal sector. The study shows that political interference with frequency of 12 at 35%, followed by limited revenue potential with frequency of 9 at 26%, high cost of collection with frequency of 8 at 24% and lack of formality at frequency of 5 at 15% in that order.

Keywords: Informal Sector, Taxation, Revenue, Policy-makers, Zambia Revenue Authority

1. Introduction

The term informal sector is much debated and contested. As Peattie (1987)^[21] noted several decades ago, the concept is a fuzzy one, popular because it encompasses the interests of a wide variety of interest groups. The term, originally proposed by Keith Hart (1973), was initially used to refer to employment outside of formal labour markets. The idea was to distinguish businesses on their “degree of rationalisation, or embodiment of impersonal principles of social organisation” (Hart 2005)^[6]. In the seventies, the International Labour Organisation took up the concept, and mainly used it for small and micro enterprises that were outside the purview of government regulation and taxation (ILO 1972)^[9]. These were mainly viewed as businesses in the subsistence economy. The term was reinterpreted in 1989, when De Soto identified the informal sector as a source of dynamism and growth, held back only by inappropriate government regulation. The conception of the informal sector thus moved to a focus on the legal status of the business: Whether or not it was registered and followed appropriate legislation. It is this legal definition that has widespread use today (Gerxhani 2004, Kenyon 2007). Firms in the informal sector are there because they contravene – or are not subject to – some of a variety of rules and regulations including labour laws, environmental laws, registration and taxation. Taxation is a term for when a taxing authority, usually a government, levies or imposes a financial obligation on its citizens or residents. Paying taxes to governments or officials has been a mainstay of civilization since ancient times. Despite being a challenging topic to analyse, research on taxes in the unofficial sector has gained a lot of attention recently.

This study's demanding objective is to charge this sector of the economy. This research field has received attention in a number of publications, including Africa Tax Spotlight (2012), Joshi *et al.* (2013)^[11], Loeprick (2009:1), Maina (2016), and Ligomeka. (2019). Tax revenue collection is essential to Zambia's fiscal framework since it serves as the major source of funding for government spending and the provision of social services. The government's capacity to function depends critically on tax money, which makes up around 90% of all government revenue. However, due to Zambia's increased reliance on tax revenue,

the country's economy has structurally broken down, which has resulted in large enterprises and international companies leaving the country and a lengthy economic crisis. Informal sector, which by 2012 accounted for over 70% of Zambia's economic activities and employed half of the nation's work force, are becoming more and more significant economic drivers.

Despite being a significant contributor to Zambia's economy, informal sector only bring in around 3% of the country's total revenue. Due to their inability to follow tax regulations, these businesses owed an estimated \$1 billion USD in taxes as of the end of 2016.

The informal economy is Zambia's largest employer, employing 72% of the working force in Lusaka alone. This sector employs people who operate in more than 60 outdoor marketplaces and sell their goods on the streets, such as second-hand clothes dealers, food sellers, hair stylists and tailors. Presumptive taxes, levies to the Lusaka City Council (LCC), market unions, and political party leaders must all be paid to the Zambian Revenue Authority (ZRA). Markets in Lusaka and other African cities are desirable targets for taxation due to the large turnover created by the informal sector. For instance, the City Market is estimated to create roughly 1.2 million Zambian Kwacha each month, based on information from the Ministry of Local Government. As a result, there is a large finance opportunity for the informal business sector. Since 2004, the Zambian Revenue Authority (ZRA) has applied, with differing levels of enforcement, a range of informal sector taxes, including a base tax on marketeers, a turnover tax on businesses with turnover that falls below a certain threshold, a tax on minibus and taxi drivers, and an advance income tax on imports by cross-border traders who are not registered with the ZRA. In addition, there are a range of taxes collected by the Lusaka City Council (LCC) and the market cooperatives that allow individuals to trade or run a business in the markets. Party cadres, who are typically youth who operate as vigilantes on behalf of a political party, also attempt to tax traders in exchange for security and protection. However, the payment of any of these taxes by informal workers is erratic, depriving official authorities, such as the LCC and the ZRA, of necessary resources for sustainable development.

2. Literature Review

Taxation is a hot topic in Africa as a result of recent attempts to charge users of social media and text messaging apps. These initiatives have sparked controversy in nations including Benin, Tanzania, and Uganda. However, generating sufficient internal revenue has always been a challenge for many African countries. Many scholars have emphasised the importance of taxes for investment, reducing dependency on aid, and strengthening the social compact between governments and citizens. The Addis Ababa Action Agenda and Sustainable Development Goal 17.1 prioritise boosting domestic resource collecting, particularly in Africa, to achieve these benefits. What does it mean to include the unorganised sector in this conversation, then? It is a common misconception that being informal involves not filing taxes, receiving social security benefits, or receiving work perks. This is not entirely accurate.

Many workers in the informal sector do not pay income taxes, but they are nonetheless liable to a number of national, local, and non-state actors' taxes, levies, and fees.

It is crucial to focus on informality in order to better understand why and when these payments are made, as well as if they have any impact on the lives of individuals who work in the informal environment, given the scale of the informal labour force in many developing countries.

Public Finance is essential for economic growth in a sustainable manner in any economy as well as to fund government expenditure in infrastructural development, security and fulfil other social obligations. Finance can take two forms: Domestic and international finance (aid, donor funding and loans) (Ndaka, 2017) ^[18]. Domestic revenue mobilisation has become topical in contemporary development agendas because of four major aspects (Daude, Gutierrez & Melguizo 2013) ^[2]. These are outlined as: (1) fiscal financing, investment and efforts by governments to fulfil their development targets and plans, need revenue (2) domestic revenue generation to finance economic and social development objectives might be a tool to enrich domestic capacity and capabilities as well as solidify domestic institutional environments (3) state legitimacy, security and national development demands ownership of domestic priorities (4) internal state accountability as well as effective and efficient state building can be improved if citizens are responsible for government financing (Daude *et al.*, 2013:13 ^[2]; Sebele-Mpofu, 2020). Taxation is one crucial way through which government can mobilise revenue and it is said to be at the core of the implicit social contract between the state and its citizens.

Taxation has thus become a focal point in platforms like the African Tax Administration Forum (ATAF), Tax Justice Network (A-TJTN) and the Addis Tax Initiative (ATI) among others (Kundt, 2017a, 2017b ^[14]; Spotlight, 2012). Transparent, equitable and efficient taxation frameworks and systems that ultimately culminate into effective domestic revenue mobilisation are argued to be critical in the achievement of Sustainable Development Goals (SDGs) in African Countries (Kundt, 2017a). In most African countries, Zambia inclusive, tax revenue mobilisation is critical for growth and sustainability of economies. It can also be used to up-scale the development of informal sector in that if more tax income is generated, informal sector would lobby the government for the reduction of tax on their operations which in turn spurs entrepreneurship value chain creation. According to Kawimbe (2023) ^[13], entrepreneurial process of value creation is driven by the entrepreneur and her entrepreneurial intention (an aspiration for entrepreneurial reward). The entrepreneurial process is not an autonomous process; the entrepreneur is integral to the entrepreneurial process. In most African countries, an increasingly intricate array of presumptive taxes have been implemented.

It is estimated that around 65% of Africa's tax authorities have adopted one system of presumptive tax or another (Resnick, 2020) ^[25]. These include fixed monthly presumptive tax rates (Zimbabwe) and tax on turnover (TOT) (South Africa, Kenya, Zambia and Tanzania among others). These presumptive tax adoptions have been motivated by different reasons and objectives. This study through a comprehensive literature review of studies on taxation in developing countries and African countries in particular (Carroll, 2011; Kundt, 2017a; Resnick, 2019 ^[24]; Rogan, 2019) University of Dares Salaam, Department of Economics (UDSM, DoE), 2018), among others takes a reflective analytic review of the question, should taxation

and enforcement be a matter of priority? How accomplishable are the motives behind taxing the informal sector, is also another major question that begs for answers. The study identified five major reasons for taxing the informal sector in African countries, which are: revenue mobilisation, boosting growth through formalisation, strengthening governance, ensuring equity in taxation and increasing tax morale. The study reviews literature on the motivations behind taxing the informal sector and evaluates the cogency of these in line with the findings in the various studies on the fulfilment or non-achievement of these objectives. His study was motivated by researchers such as Joshi *et al.* (2013, 2014)^[11, 12] and Kundt (2017) who point out to the benefits of revenue, governance and growth as likely to accrue but are quick to note that these remain insufficiently explored or justified.

Kundt (2017) specifically states in relation to the growth and governance effects of informal sector taxation that, “there is no strong empirical support in the literature (research gap)”. The researcher further submits that in relation to the ability of informal sector taxation to enrich political dialogue and collective bargaining, “empirical evidence on the effects are limited (research gap)” (Kundt, 2017). In Zambia, researchers such as Nakamba and Phiri (2012)^[17] offer mixed findings, acknowledging the potential tax gap but point to the probable pervasive outcomes of taxing the informal sector. Therefore, through a literature review of prior and recent studies on informal sector taxation and their findings, this study accentuates the research gaps pointed out by Kundt (2017) and Joshi *et al.* (2013, 2014)^[11, 12]. Heggstad *et al.* (2011)^[7] consider research to be a crucial tool in policy-making, evaluation and amelioration.

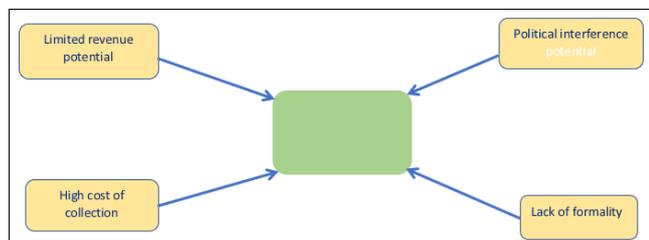
3. Methodology

This paper is a literature review article. According to Hughes, Davis, and Imenda (2019)^[8], a “theoretical paper draws evidence from a critical review of relevant literature”. Rigorous reviews and knowledge syntheses remain indispensable dimensions of research for five main reasons: (1) discerning what has been discussed and published on the topic under investigation (2) showing the extent to which the current research on the topic unveils and communicates any interpretable outcomes and trends (3) collating empirical findings to a leaner or more focused question (4) building new frameworks, models and theories (5) pinpointing areas, topics, questions, assertions, assumptions, claims and findings that need further exploration, investigation or analysis (Pare, Trudel, Jaana & Kitsiou, 2015). There are several types of reviews that can be conducted, such as narrative, systematic, scoping, semi-systematic and critical reviews. These differ in terms of the main goal or purpose, search strategy adopted as well as the way the appraisal, analysis and synthesis are carried out (Grant & Booth, 2009; Snyder, 2019^[20]). This study therefore adopted the critical review approach or “integrative literature review” as described by Snyder (2019)^[20]. A critical review seeks to conduct a critical evaluation and interpretive analysis of existing literature on a chosen topic of interest. A total of 34 journal articles from Google Scholar, Research gate, Semantic Scholar and JSTOR were reviewed. According to Grant & Booth (2019), the in-depth assessment of literature is also aimed at showing contradictions, consistencies and inconsistencies.

The literature evaluation is also intended to reveal strengths and weaknesses as well as controversies and other fundamental aspects with regards to theories, methodologies and findings in the area being explored (Paret *et al.*, 2015, Snyder, 2019^[20]). This study, therefore, carried out an appraisal of contemporary literature on informal sector taxation with specific focus on the motivations behind the renewed attention on the prospects of taxing the sector and avenues towards the implementation of informal sector tax policies in developing countries and how revenue mobilisation can be attained in Zambia particularly. The paper provides a counterbalanced and objective synopsis, review and synthesis of arguments and literature from previous but recent research in order to evaluate the current body of knowledge on informal sector and how the sector can contribute to revenue mobilisation for the country. Akintoye (2017)^[1] posits that literature review informs readers of the current trends, models, concepts and state of knowledge in a subject area under study. Therefore, the main objective of this study was to put into perspective current and novel inclinations as well as to pinpoint research lacuna in the subject area of informal sector taxation and enforcement motivations as explored from the different studies and how they can contribute to revenue mobilisation in Zambia. The resultant outcomes could possibly galvanise and provoke new conceptions that have been unexplored or weakly documented.

These ideas and identified research gaps could be addressed through further research on how a better conceptualisation of the topic or viewpoints can be achieved as well as through invigorating or redesigning of policy strategies, tax systems, structures and implementation routes. Important decisions with regards to the methodology for this review, concerned having a clearly formulated research question, decisions on the databases to be searched and the inclusion and exclusion criteria of the articles found as suggested by Mpofu (2021)^[15]. The other vital considerations involved, the determination of the right boundaries for the review, selection of what information to extract, how to analyse, synthesis, report the findings and show the researcher’s own contribution (Snyder, 2019^[20]; Pare *et al.*, 2015). After reading comprehensively on taxing the informal sector and exploring the “areas for further or future research” sections in studies, the researchers found the need to explore the potency of the motivations of taxing the sector hence formulation of the research question, how plausible and achievable are these motives? Journal articles were searched for through the Google scholar and other database search engines, (peer-reviewed articles), with the key main terms and phrases used to search being “motives for informal sector taxation, reasons for taxing the informal sector or questions such as, what drives informal sector taxation? All the papers found were reviewed, with special focus on the abstract, keywords and introduction (background of the study) and those that addressed the motives, justification and rationale for and impact of revenue generation were chosen. The selected studies were restricted to papers that focused on addressing the question of the plausibility and achievability of revenue generation for taxing the informal sector. The papers were screened based on time basis, selecting the most recent studies considering the renewed focus (a ten-year range from 2010 to 2023). Considering that informal taxation research domain is considered an

immature research areas that has just gained renewed attention in recent years in developing countries (Joshi *et al.*, 2014 [12]; Rogan, 2019), it was necessary to complement the database searches with snowballing (Jalali & Wohlin, 2012) [10], which is often described as “pearl mining, growing, citation analysis, reference searching or citation mining” (Padron, 2018) [19]. The conceptual framework was mooted so that the variables that have an impact on informal sector taxation as regards revenue mobilisation are identified and reviewed carefully as indicated in Fig 1 below:



Limited Revenue

Limited Revenue Potential

For a developing country like Zambia, the controversy arises from the fact that the informal sector is largely dominated by small fragmented businesses whose revenue are at most insignificant and largely unknown. It therefore becomes uneconomical for the Zambia Revenue Authority to spend huge sums of money trying to tax this sector whose returns are so negligible. Further, the informal sector business is mostly mobile without fixed abode and it becomes impossible to find them in one place. The opponents against taxing the informal sector have tabled equally pragmatic arguments, questioning the attainability of the revenue, governance and growth gains, suggesting the likelihood of pervasive effects on governance and growth and arguing that increase in revenue is less likely too, due to potentially high costs of collecting (Dube, 2014) [3].

Political Interference

According to Mwila *et al* (2011) [16], the tax system in Zambia is unfair as it puts high burden especially on the middle-class and some economic sectors. Tax regime has been put in place for the informal sector but its performance has not been impressive. Administrating the informal sector has several challenges such as a cash-based economy that reduces ability to audit transactions, improper record keeping and political interference. Politics has had a telling effect on the performance of the tax collection activities by Zambia Revenue Authority.

Lack of Formality

The Zambian tax system has relied mainly on revenues from the formal sector while the informal sector (businesses) remains largely untaxed. For example, there are around 500,000 workers in the formal sector while the informal sector is estimated at 4.2 million workers. 6 such a high level of informality is a recipe for failure to meet the principle objectives of a tax system. With a large revenue base untaxed, the resulting burden on the formal sector may be inequitable.

High Cost of Collection

The cost of collecting taxes from the informal sector can be a daunting task taking into account that the sector operates

in an ambiguous manner and tracing and locating them is a big challenge. Even when they are located, the manual systems that the revenue authorities utilize make it even more difficult.

Various journal articles dealing with the factors associated with taxation of the informal sector were reviewed and summarised under Table 1 below:

Table 1: Factors Associated with Taxing the Informal Sector

S. No	Factor	Frequency	Percent	Valid percent	Cumulative percent
1	Political interference	12	35.2	35.3	73.5
2	High cost of collection	8	23.5	23.5	35.3
3	Lack of formality	5	14.7	14.8	58.3
4	Limited revenue potential	9	26.4	26.4	100
	Total	34	100	100	

4. Findings

This section summarises the findings in relation to the validity and achievement of the motives towards taxing the informal sector in Zambia. The findings from the studies are collated, summarised and organised in a manner that allows synthesis of the findings and recommendations in relation to five broad motives identified in the literature review. These are tabulated in such a way that they give a snapshot or provide coherent lens to make sense of the extant knowledge, as suggested by Wee and Banister (2016). Informal sector as well to accentuate the identified gaps. The findings are mixed as researchers converge on certain arguments and differ in others. Researchers are conflicted on whether taxing the informal sector basing on fairness, equity, growth and building a relationship centred on accountability and responsiveness are valid and attainable motives, with the current informal sector tax systems (Carroll, 2010; Rogan, 2019, Resnick, 2018, 2020 [25]; Resnick & Sivasubramanian, 2020 [23]). These similarities and differences are marked by compelling opinions from researchers justifying why taxation and enforcement should be pursued or not pursued. Mitra (2017), in trying to explicate the considerable contention on the impact of taxation on the IS poses the question “To Tax or Not Tax? When does it Matter for Informality? The identified motives from literature, presented and discussed in this section include: the revenue mobilisation (4.1), formalisation and growth prospects (4.2) governance advantages (4.3), and addressing of the inequality and equity concerns (4.4) and increased tax morale and compliance in the formal sector motives (4.5).

5. Conclusions

The study comprehensively reviewed literature on the various motivations advanced by researchers in favour of IS taxation and enforcement and those against such taxation and enforcement. The paper discussed five main motivations for taxing the IS in Africa. These are: revenue mobilisation, improving growth, strengthening governance, reducing inequality and enhancing tax morale. Several gaps, areas of similarities and differences in the reviewed studies have been highlighted. What can be drawn from literature is that the revenue mobilisation motive is the most topical of all the

motives but whether meaningful amount of revenue can be collected from the sector remains doubtful. The attainment of the formalisation and growth gains is equally debatable and contested among researchers. In addition, despite the rebuilding of the social contract motive being crucial, whether it can be done through informal sector taxation, calls for deeper and more comprehensive and empirical investigation as current evidence exhibits otherwise. In relation to the equity motive, scholars have disagreed on whether presumptive taxes are a fair tax framework and also on whether they ensure both vertical and horizontal equity. Literature reviews normally serve as a foundation for the development of knowledge, help in engendering novel ideas and conceptual directions, together with advancing contemporary avenues for policy and practice. Accordingly, from the findings, the following recommendations are made on future research and how to ameliorate the current informal sector taxation framework in a more balanced analysis of the motives. Firstly, there is need to consider how much revenue governments can mobilise from the IS and also the trade-off between these motives. How revenue collection from the sector affects growth, governance relationships, and the fulfilment of the social contract and build a compliance culture is a vital evaluation to be made. Secondly, the impact of taxation on the other objectives of government such as employment creation, poverty reduction and economic growth needs to be assessed. Tabling the revenue generation motives and the growth gains stemming from formalisation without paying adequate attention to constraints to growth such as improved access to infrastructure, training, financing as well as skills development in the areas of accounting, marketing, human resource management and information technology will compromise the achievement of these motives and leave them as just elusive dreams. Thirdly, there is a need for efforts to quantify the payments that are made to local authorities by IS firms in order to validate the arguments of regressivity, equity violations and multiplicity of taxes. The local payments and fees might be considered very small but bearing in mind the variability, unstable nature, minuteness and sometimes the seasonality of IS incomes, the amounts might not be small after all and represent a significant portion of these incomes. Ignoring their impact on the IS incomes on the basis that they are small might actually be a distortion of the vulnerability and poverty levels that characterise the sector. Lastly, it is important for the motives to be prioritised in a way that contextualises the prioritisation to the nature of the IS in a country, the legal environment as well as the tax policy in place as these aspects differ considerably on a country to country basis. One of the paper's limitations was that on snowballing, in most of the judgements on both forward and backward snowballing being based on the titles and abstracts of the selected papers, there is a possibility of overlooking papers whose titles, abstract or keywords did not reflect the motives, justifications or reasons for IS taxation yet these could have been addressed inside the papers. Applicability and relevance were key issues in the articles reviewed and objectivity was maintained in order to reduce bias and mistakes in the review. All sides of the coin were explored to give a deeper and open-minded discussion.

6. Recommendations

The study comprehensively reviewed literature on the

various motivations advanced by researchers in favour of IS taxation and enforcement and those against such taxation and enforcement. The paper discussed five main motivations for taxing the IS in Africa. These are: revenue mobilisation, improving growth, strengthening governance, reducing inequality and enhancing tax morale. Several gaps, areas of similarities and differences in the reviewed studies have been highlighted. What can be drawn from literature is that the revenue mobilisation motive is the most topical of all the motives but whether meaningful amount of revenue can be collected from the sector remains doubtful. The attainment of the formalisation and growth gains is equally debatable and contested among researchers. In addition, despite the rebuilding of the social contract motive being crucial, whether it can be done through informal sector taxation, calls for deeper and more comprehensive and empirical investigation as current evidence exhibits otherwise. In relation to the political interference, scholars consistently found compelling evidence that point to political influence in taxing informal sector. Literature reviews normally serve as a foundation for the development of knowledge, help in engendering novel ideas and conceptual directions, together with advancing contemporary avenues for policy and practice. Accordingly, from the findings, the following recommendations are made on future research and how to ameliorate the current informal sector taxation framework in a more balanced analysis of the motives. Firstly, there is need to consider how much revenue governments can mobilise from the informal sector and also the trade-off between these proper and stiff enforcement and the commercial motives. How revenue collection from the sector affects growth, governance relationships, and the fulfilment of the social contract and build a compliance culture is a vital evaluation to be made. Secondly, the impact of taxation on the other objectives of government such as employment creation, poverty reduction and economic growth needs to be assessed. Tabling the revenue generation motives and the growth gains stemming from formalisation without paying adequate attention to constraints to growth such as improved access to infrastructure, training, financing as well as skills development in the areas of accounting, marketing, human resource management and information technology will compromise the achievement of these motives and leave them as just elusive dreams. Thirdly, there is a need for efforts to quantify the payments that are made to local authorities by informal sector businesses in order to validate the arguments of regressivity, equity violations and multiplicity of taxes. The local payments and fees might be considered very small but bearing in mind the variability, unstable nature, minuteness and sometimes the seasonality of informal sector incomes, the amounts might not be small after all and represent a significant portion of these incomes. Ignoring their impact on the informal sector incomes on the basis that they are small might actually be a distortion of the vulnerability and poverty levels that characterise the sector. Lastly, it is important for the challenges faced with informal sector taxation to be prioritised in a way that contextualises the prioritisation to the nature of the informal sector in a country, the legal environment as well as the tax policy in place as these aspects differ considerably on a country to country basis. One of the paper's limitations was that on snowballing, in most of the judgements on both forward and backward snowballing being based on the titles and

abstracts of the selected papers, there is a possibility of overlooking papers whose titles, abstract or keywords did not reflect the motives, justifications or reasons for IS taxation yet these could have been addressed inside the papers. Applicability and relevance were key issues in the articles reviewed and objectivity was maintained in order to reduce bias and mistakes in the review. All sides of the coin were explored to give a deeper and open-minded discussion.

7. References

1. Akintoye A. Developing theoretical and conceptual frameworks. *Jedm. oauife. edu. ng> uploads.* 2017; 3(7).
2. Daude C, Gutierrez H, Melguizo A. What drives tax morale? A focus on emerging economies. *Review of Public Economics.* 2013; 207(4):9-40.
3. Dube G. Informal sector Tax Administration in Zimbabwe. *Public Administration and Development.* 2014; 34(48):42-62. Doi: <https://doi.org/10.1002/pad.1673>
4. Empirical Software Engineering and Measurement, ESEM, Lund.
5. Gerxhani K. Did you Pay your Taxes? How (Not) to Conduct Tax Evasion Surveys in Transition Countries. *Social Indicators Research.* 2007; 80(3):555-581
6. Hart K. Formal Bureaucracy and the Emergent forms of the Informal Economy, UNU- 35 Wider Research Paper no. 2005/11, Helsinki: WIDER, 2005.
7. Heggstad KK, Ustvedt T, Myhrvold-Hanssen TL, Briseid M. Towards fiscal self-reliance: Capacity building for domestic revenue enhancement in Mozambique, Tanzania and Zambia (Workshop report), 2011.
8. Hughes S, Davis TE, Imenda SN. Demystifying Theoretical and Conceptual Frameworks: A Guide for Students and Advisors of Educational Research. *J Soc Sci.* 2019; 58(1-3):24-35.
9. ILO. Employment, Incomes and Equality: A Strategy for increasing Productive Employment in Kenya, Geneva: ILO, 1972.
10. Jalali S, Wohlin C. Systematic literature: Database searches vs. backwardsnowballing. 6th ACM-IEEE International Symposium on, 2012.
11. Joshi A, Prichard W, Heady C. Taxing the Informal Economy: Challenges, Possibilities and Remaining Questions. *IDS Working Papers.* 2013; 2013(429):1-37.
12. Joshi A, Prichard W, Heady C. Taxing the informal economy: The current state of knowledge and agendas for future research. *The Journal of Development Studies.* 2014; 50(10):1325-1347.
13. Kawimbe S. Framework of Entrepreneurship Theories in Augmenting Performance of Small and Medium Enterprises (SMEs) in Zambia. *International Journal of Latest Engineering and Management Research (IJLEMR).* 2023; (8)2:47-52. ISSN: 2455-4847
14. Kundt T. Private Sector Development and Growth in Developing Countries: The Role of Tax Policy and Administration, 2017b.
15. Mpofu FY. Review Articles: A Critical Review of the Pitfalls and Guidelines to effectively conducting and reporting reviews. *Technium Social Sciences Journal.* 2021; 18:550-574.
16. Mwila MA, Manley D, Chileshe P, Phiri E, Mpembamoto K. The Taxation System in Zambia. Lusaka, Zambia. Jesuit Centre for Theological Reflection (JCTR), 2011.
17. Nakamba-Kabaso P, Phiri SC. Taxation of the informal sector in Zambia, 2012.
18. Ndaka AK. Informal sector and taxation in Kenya: Causes and effects. *International Journal of Law, Humanities and Social Science.* 2017; 1(4):77-86.
19. Padron K. The literature Review. Florida Atlantic University Libraries, 2018.
20. Snyder H. Literature review as a research methodology: An overview and guidelines. *Journal of Business Research.* 2019; 104:333-339.
21. Peattie L. An Idea in Good Currency and How it Grew: The Informal Sector. *World Development.* 1987; 15(7):851-860.
22. Perry G, Maloney W, Arias O, Fajnzylber P, Mason A, Saavedra J. Informality: Exit and Exclusion, World Bank Latin America and Caribbean Studies. World Bank, Washington DC, 2007.
23. Resnick D, Sivasubamanian. Negotiating the Social Contract in Urban Africa: Informal food traders in Ghanaian cities (Vol. 1938). *Int Food Policy Res Inst,* 2020.
24. Resnick D. Tax compliance and representation in Zambia's informal economy (Vol. 1794): *Intl Food Policy Res Inst,* 2019.
25. Resnick D. Taxing Informality: Compliance and Policy Preferences in Rban Zambia. *The Journal of Development Studies,* 2020, 1-23.