

ARTISANS' KNOWLEDGE OF TAXATION ISSUES IN SELECTED MARKETS OF
LUSAKA

By

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A dissertation submitted to the University of Zambia in partial fulfillment of the requirements
for the award of the Degree of Master of Education in Adult Education of the University of
Zambia.

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DECLARATION

I, Sam Silumesii Nyambe solemnly declare that the dissertation is my own work and that it has never been previously submitted for a degree at this University or other higher institution of learning.

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CERTIFICATE OF APPROVAL

This dissertation by Sam Silumesii Nyambe has been approved as fulfilling the requirements for the award of the Degree of Master of Education in Adult Education by the University of Zambia

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ABSTRACT

This research study is aimed at identifying adult education processes that can be used to enhance the self-employed artisans' understanding of Zambia's taxation issues in selected markets of Lusaka. Six artisan markets out of the targeted fifteen were purposively selected after a conducted mapping exercise during the months of October to November, 2009. The selection was done on account of the market's business viability. These markets where the study took place are: Alick Nkhata in Kalingalinga, Buseko in Matero, Chifundo in Chaisa, Katima-mulilo in Garden, Kwacha in Chilulu and Tiyeseke in Marrapodi.

The general objective of the study was: to determine the artisan marketeers' knowledge that can be used to enhance their understanding of Zambia's taxation issues. Three specific objectives were focused on, namely: to determine the artisan marketeers' knowledge about taxation issues, to assess the artisan marketeers' attitude towards tax-compliance and to explore adult education processes that can be used to enhance artisan marketeers' knowledge about taxation issues.

The descriptive research design was used in this study to systematically describe the facts and characteristics held by artisan marketeers over taxation issues affecting them. The population for this study was 168 artisan marketeers. Out of this population, 138 artisan marketeers were selected using proportionate random sampling procedure. Four key informants, namely: one from the Zambia Revenue Authority (ZRA) Head Office and three from the Market Management Committee (MMCs) members were also purposively selected.

The research instruments and data collection techniques involved: structured closed-ended questionnaires which were survey (face-to-face) administered to artisan marketeers, whereas unstructured interviews were conducted with key informants from both ZRA and the MMCs. Data analysis used frequencies and percentages to present data collected using survey questionnaires whereas, data from the unstructured interviews were classified in narrative form.

The study revealed that there was a dearth of knowledge on a number of issues with regard to taxation as the majority of artisan marketeers lacked adequate information on how to register as eligible taxpayers with ZRA. For instance on knowledge of registration procedures for new taxpayers, the study revealed that out of 138 artisan marketeers, the majority 134 or 97% lacked knowledge about the registration procedure. This was because they did not know that they needed to notify the Commissioner-General (CG) at ZRA within thirty days of business commencement in order to be allocated a Tax Payer's Index Number (TPIN). On knowledge of the main type of tax applicable to them, the study showed that out of 138 artisan marketeers, the

majority 136 or 99% were unable to identify income tax as the main one applicable to them. Finally, on knowledge of the recommended minimum amount for tax exclusion, the study revealed that out of 138 respondents, the majority 136 or 99% lacked knowledge regarding the threshold for eligibility to paying income tax; which was up to K200 000 000 per annum,

In conclusion, the study revealed that artisan marketeers lacked knowledge about Zambia's taxation issues that are applicable to them. The following recommendations aimed at strengthening the artisan marketeers' knowledge were arrived at:

1. Members of the community within which the artisans operate from should be engaged as trainers of their colleagues by the Zambia Revenue Authority. This will address the challenges Zambia Revenue Authority officers encountered in creating rapport with artisan marketeers when discussing taxation issues.
2. Zambia Revenue Authority should include record keeping techniques such as booking-keeping in tax education programmes for artisan marketeers. This will enable artisan marketeers to successfully compile and submit records their business incomes in order that the tax office can assess what has to be paid each year.
3. The delivery methods used by the Zambia Revenue Authority should include face-to-face interaction with learners as it enables them to ask questions for clarity; instead of the current method of distributing pamphlets only.

DEDICATION

To certified adult educators who are constructively engaged at both grassroots and higher levels of community works; and psyched with a strong passion to promote a reading and learning culture in our nation, Zambia.

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LIST OF ACRONYMS

NGO	Non-Governmental Organisation
PACRA	Patents and Companies Registration Agency
PETS	Public Expenditure Tracking Survey (in Uganda)
TPIN	Tax Payers Index Number
UNESCO	United Nations Educational and Cultural Organisation
UNDP	United Nations Development Programmes
VAT	Value Added Tax
ZRA	Zambia Revenue Authority

CHAPTER ONE

INTRODUCTION

1.0 Background

Adult education recognises that formal learning which is dominant in the earlier stages of life is not able to sustain an individual throughout their lives. 'Adult education is any learning experience that occurs outside the formal education system and is undertaken by people considered to be adults in their society' (Indabawa and Mpofu, 2006: 3). If adult education was properly applied in society, people's attitude and behaviours would change in order to bring about development. Therefore, adult education can be considered as a tool for socio-economic and psychological transformation which can directly contribute to development. Indabawa and Mpofu suggest that the application of adult education does not mean literacy education alone, rather it also constitutes remedial educational processes. In this study, remedial education was seen as forming part of civic education on the subject of Zambia's taxation issues that which affect the artisans in selected markets of Lusaka.

Taxation is a mechanism used by governments world-wide, including Zambia to raise revenue for provision of public goods and services. Tax collection is beneficial as it reduces dependence on foreign aid. Moyo (2009) observed that most developing countries in Africa including Zambia need the support of self-motivated taxpayers with an economically responsible and accountable government.

The tax laws stipulate that both the formal and informal sectors are eligible to taxpaying. According to Langmead et. al. (2006), the formal sector business is engaged in larger activity levels; whereas the informal sector activity levels are smaller and constitutes artisans among others.

A study done by Tolosi and Nawiko (1997) observed how population and rural-urban migration, decline in formal employment and earnings, poverty and certain government policies have led to an increase of the informal sector activities over the years in Zambia. Imboela (1997), further states that the informal sector became a wide spread economic activity in African economies, including Zambia. However, the informal sector was given a broad range of definitions that made it conceptually unclear. The term 'informal' was problematic because the activities and

the individuals conducting them are part of the formally recognized institutions. The individuals or groups involved in this sector have established localities, pay levies to local authorities, have their businesses registered with the local authorities through their respective market committees and have specified opening and closing times of business.

At the time of the study, the Zambia Revenue Authority (ZRA) was mandated by the government in ensuring that both people and institutions were given new and updated information on the subject of taxation. The giving of information by ZRA forms part of training of the taxpayers on tax-compliance.

This study is premised on the argument that knowledge on taxation issues gained through adult education processes was aimed at enhancing improved attitude towards tax-compliance amongst the artisan marketeers.

1.1 Statement of the Problem

Since the Zambian government's accelerated privatisation programme which started in 1993, there has been a marked increase in the activities of the self-employed or informal sector businesses. However, it has been widely observed that the self-employed artisans' who belonged to the informal sector have a bad track record on non-compliance with the country's taxation rules (Langmead, et. al., 2006).

Zambia's 4th Republican President, Rupiah Banda bemoaned the non-compliance with the country's tax laws by some members of society and was quoted by one of the nation's *tabloids* as having said "if some eligible taxpayers on account of bribes or any other vice did not pay fair taxes, all the other taxpayers would not be willing to pay fair taxes" (The Times Reporter, 2009: 1). In respect to the same matter, Fjelstad (1996: 2) observes that "imperfect information and uncertainty lied at the core of problems which opened up the door for non-compliance with tax laws".

Certain literatures of the few that were accessed by the researcher either blamed the government tax office for possible defects in the tax education system used or the self-employed people themselves for their inept attitude towards tax compliance. This offers no possible answer to the problem. Hence, this study seeks to investigate how the tax office or other relevant bodies are able to use their adult education processes in averting the negative attitude towards compliance with Zambia's tax laws.

1.2 Purpose of the Study

The purpose of the study was to determine the knowledge and attitudes of artisans towards tax-compliance.

1.3 General Objective

To determine the knowledge and attitudes of artisans towards tax-compliance.

1.4 Specific objectives

1. To determine the artisans' knowledge about tax.
2. To assess the artisans' attitudes toward tax-compliance
3. To explore the nature of adult education processes that can be used to enhance artisans' knowledge about taxation issues.

1.5 Research questions

1. What knowledge do artisans have on the subject of tax?
2. What influences the artisans' attitudes toward tax-compliance?
3. What is the nature of adult education processes being used to enhance artisans' knowledge about taxation issues?

1.6 Significance of the Study

The study was aimed at obtaining information about the knowledge artisans have on taxation issues and their attitude towards tax-compliance. This information would eventually help policy makers and tax collection organisations to intensify tax education.

1.7 Limitations of the Study

Due to financial constraints, the study was limited to Lusaka without looking at those found in other parts of Zambia. Other challenges faced were that most of the artisans selected for the study had to be persuaded into opening up as they were either suspicious of the use of information being gathered or they thought that the study would work against them. There was insufficient literature on the subject of tax education in Zambia.

1.8 Definitions

In this study, several words or phrases that describe different levels of formality in language were explained as follows:

Attitudes	an attitude is a mental and neural state of readiness, organised through experience and exerting a directive or dynamic influence upon the individual's response to all objects and situations to which it is related' (Allport, 1935: 798-884).
Artisan marketer	refers to an individual who makes his or her products by hand and displays them for sale at officially recognised selling points. These selling points could be in buildings or in open areas (Researcher's definition)
National broadcaster language	refers to Zambia's official language of English and the major locally spoken ones which are used on the Zambian mass media.
Open Learning Centres	whose basic function is psyching a learning culture amongst the different self employed societies and encouraging the use of adult education processes in these proposed knowledge dissemination centres in Zambia (Nanavatty, 1960)
Tax Payer Index Number	This is the reference number given by the ZRA to newly qualified taxpayers who have met the required registration procedures (Zambia Revenue Authority, n.d.)

1.9 The Organisation of the Study

The study is organised into five chapters namely: introduction, literature review, methodology, findings, discussion, conclusion and recommendations. The first chapter is the introduction, sub-divided into background, statement of the problem, purpose of the study, general objective, specific objectives, research questions, significance of the study, limitations of the study and definitions. The second chapter is literature review. The themes reviewed are: the concept of tax, function of tax, the general history and evolution of tax, the major types of tax in Zambia, payment of tax in Zambia, attitude towards tax-compliance, tax education and summary of the literature reviewed. The third chapter is the methodology used in the study and it includes: research design, population, sample size, sampling frame, sampling procedures, research instruments and data collection as well as data analysis. In chapter four, the findings are presented. These include: respondents' knowledge about Zambia's taxation issues, respondents' attitude toward tax-compliance, the nature of adult education processes used for tax education and the summary. The final chapter five includes: the discussion, conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed relevant literature related to the research study which was aimed at establishing the artisans' knowledge about tax and their attitude towards tax-compliance in selected markets and other physical operational structures of Lusaka. Attitude towards tax-compliance is a complex phenomenon that can best be assessed from a number of factors such as: the concept of tax, functions of tax, the general history and evolution of tax, the main types of tax in Zambia, payment of tax in Zambia, attitude towards tax-compliance, tax education and the summary.

2.1 The Concept of Tax

Nerre (n.d.) observes that the concept of tax could best be understood from the synthesis of 'tax' with 'culture'. Furthermore, that in defining a country's tax culture, not only tax system and the actual tax practice will be under consideration, but also the relationship between the tax authorities and the taxpayers. Culture, which however is dynamic, should be taken to mean the collective programming of the mind through an ongoing modification process that will be influenced by both the external and internal environment (Nerre, n.d.) Ultimately, the combined synthesis of tax culture specifies to a particular country's tradition of taxation on one hand, and the interaction of the taxpayers and the cultural values such as honesty, justice and sense of duty. Nerre (n.d.) reveals that tax culture was synonymous to tax mentality which was represented by two components of tax moral and tax discipline. These were brought in not by default, but were aimed at harmonizing the relationship of the taxpayer to the government tax office administrators. Accordingly, the term tax moral was connected with certain willingness to tax-compliance. Whereas tax discipline reflected the tax payers' attitude towards compliance or non-compliance to paying tax as shown by their behaviours. 'A country's specific tax culture is the entirety of all relevant formal and informal organisations connected with the national tax system and its practical execution, historically embedded within a country's culture including the dependences and ties caused by their own going interactions' (Nerre, n.d: 1).

Espousing on Nerre's conceptualisation of tax, both Lipsey (1963) and Namangala (2004) share the same idea that the general concept of tax is widely acknowledged as a tool of revenue collection by the governing bodies; and based on the taxpayers' ability to pay their fair share of the required public money without undue hardship or a unacceptable degree of interference with their businesses.

Simbyakula (1990) who wrote on taxation and economic development in Zambia, conceptualised tax on the 'cost-benefit principle'. This was embedded in the rationale that since a nation incurs costs in providing governmental services which are in fact, financed out of taxes; a government is entitled to levy tax on those who may be presumed to benefit from the services. Moreover, those taxes were levied because it was necessary to compel people to relinquish their claims on resources and thus, allow the government to use it.

2.2 Functions of Tax

Generally, tax just like tribute is aimed at providing a basic operation of collecting money or material wealth from society by formalised and institutionalised processes in order to mobilise resources for providing welfare and security as a public policy. Dye (1978) quoted by Sapru (2004: 5) gives the meaning of public policy as 'whatever governments chose to do or not to do'. Public policy presupposes there is a domain of life that is not private or purely individual, but held in common such as tax.

The Lozi pre-colonial taxpayers who used to pay tribute or material contribution had their things systematically given back to them in great quantities by the king; on the whole, kingly things remained with the royal family and very important councillors (Gluckman, 1963). Mainga, (1973) agreed with Gluckman that the tribute or material contribution or tax was systematically redistributed by the traditional rulers to be used within the territory.

Generally, tax was a system of compulsory contributions levied by a government or any other qualified public body on people, corporations and property in order to fund public expenditure (Djokotoe and Chama, 2007). For this reason, the Zambian constitution provided a legal framework for taxation as a revenue collection requirement of the government.

Both Berenson (2007) and Langmead *et. al.* (2006) says that in order for the government to function properly and provide for the welfare as well as security of the state, it must undertake to raise revenue from its citizens through tax. Simbyakula (1990) agrees and adds that the function of tax was applied on the basis that since a nation incurs cost in providing services, it is entitled to levy tax on those who benefited from it.

Legum (1966) further says that the importance of the function of tax was to help those people who were out of employment and looking after a large number of dependents. Therefore, it was the view of the state that the few Zambians who had jobs be taxed to provide for those who did not have.

Chomba (2005) quoted by Langmead *et. al.* (2006: 103) reveals that ‘the view from the informal sector or the self-employed was that it already pays too many taxes, levies and charges to too many institutions without receiving any value in return’. Although the ZRA tried to capture tax revenues from the informal sector, including the artisan marketeers, there has been poor co-operation from them.

2.3 The General History and Evolution of Tax

Historically, Namangala (2004) in his study on perceptions of tax laws in Zambia reveals that taxation, in Europe, dates back to the Roman Empire under Augustus Caesar who introduced customs import duties called *portoria*. This was done in order to provide retirement funds for the military.

Perceptions on tax before colonial Africa are also better explained by Rodney (1988) who says that old and eminent cultures such as Egypt behaved in a coercive or oppressive manner when collecting tax from people. Here, the traditional rulers asked tax collectors to perform the miracle of taking from the peasants even that which they did not have and when the demands of tax collectors were not met, the peasants were brutalised.

Rodney (1988), in his book entitled *How Europe under developed Africa* says most of the colonial administrators of African countries as early as the 19th century created conditions where Europeans owned most of the fertile land. Consequently, the landless Africans were made to

work for the Europeans in order to raise money for tax on numerous items such as cattle, land, houses and the people themselves.

In Zambia, the activities of the informal sector can be traced back to pre-independence era when the local African natives were manufacturing handcrafts for sale to the white European settlers as a means of raising money to pay their hut-tax (Mulwila and Mushota, 1981).

2.4 The Major Types of Tax in Zambia

Simbyakula (1990) revealed that before the advent of colonial domination, a type of taxation in form of tribute was paid in kind by the inhabitants to the chiefs of particular chiefdoms. It meant each head of a household had to voluntarily contribute a portion of his/her harvest to the chief who in turn kept it in an open-access silo or bin. Thereafter, the surplus accrued by the chief would be distributed amongst the subjects in times of shortages, war, festivals and to cater for needs of particular people as a gesture of social welfare scheme.

By contrast, after Zambia's independence, the GRZ, Ministry of Finance and National Planning (2008) reveals that various individuals and organisations contributed to the formulation of the Zambian tax policy. Langmead *et. al.* (2006: 35-56) who wrote on tax policy issues in Zambia agrees that 'different types of taxes were adopted and applied at varied rates across the industries of agriculture, tourism, manufacturing, financial institutions, mining and various small businesses'. Langmead and his colleagues give a breakdown of tax types as follows:

a) Direct Tax

This type of tax which is regulated under the Income Tax Act 1993 applied to both small businesses and companies or bigger undertakings. This type of tax was to be paid in proportionate to the money raised from within Zambia. The items payable under direct (income) tax were such as business profits and Pay As You Earn (PAYE)

b) Indirect Tax

This type of tax was introduced as a Value Added Tax (VAT) in 1995 and replaced the defunct sales tax. VAT is also known as a consumption tax chargeable at anytime goods or services changed hands between individuals and companies. At the time when this

study was being conducted, the chargeable VAT rate against the purchase price of the product or service was 16%. However, the incentive given by the ZRA to VAT payers was a refund or reclaim on any money previously paid at importation of any raw materials used by the concerned individuals or companies engaged in manufacturing.

c) Other Relevant Tax Issues

Zambia's tax policy includes other smaller types of taxes, other than those mentioned above. For instance, property transfer tax, licensing fees, council or market levy, base tax, customs and excise duty, withholding tax on rent, royalties and dividends and so on.

The ZRA advice centre brochure (n.d.) states that the self-employed in Zambia are compelled to register as taxpayers by notifying the ZRA Commissioner General within thirty days of their existence in business. This enabled them to be given a reference number called Taxpayers' Index Number (TPIN) which they were to use whenever they were dealing with the ZRA on tax issues. Therefore, those that do not apply or do not have the TPIN are technically excluded from paying tax as they do not appear on the ZRA tax registers.

The brochure also states that any person doing business with an ability of maintaining financial records and earning an income of ZMK200 000 000 or less per year, must pay government tax applicable to smaller businesses. At the time of conducting this study, a small business was a firm that claimed an income of up to or less than ZMK200 000 000 in each year.

The GRZ, National Authorising Officer of the European Development Fund (NAOEDF) report (1996) particularly mentions that marketeers are required to pay tax just like any other self-employed individuals in Zambia. However, it is reckoned that it is difficult to track down self-employed people or marketeers as they are spread all over urban and rural areas of Zambia.

The NAOEDF report reveals that taxpayers in the markets who were unable to maintain records are charged only ZMK10 000 each year as an incentive to motivate them. Similarly, Langmead *et. al.* (2006) says the ZRA also introduced a scheme whereby, the smaller businesses or the self-employed were asked to pay only 3% of their total income earned in each year as tax. This was done by ZRA in order to mitigate the costs of compliance on a sector that always finds it

difficult to understand and comply with more complicated tax laws

2.5 Payment of Tax in Zambia

Both Gluckman (1963) and Mainga (1973) indicate that the Lozi monarchy of pre-colonial Zambia claimed a less repressive type of tax, which required certain tribes to annually send to the King a fixed tribute of canoes, wild honey, fish, skins, iron spearheads and axes. The tax was actually a tribute and locally referred to as *ng'amba* in *Silozi* of Western Zambia (translated as 'Kingly things'). It was mainly levied on the subject tribes. Though it was reported by the same writers that failure to bring tribute was punishable, the type of punishment was not explained.

Gluckman (1963) and Namangala (2004) recognise this type of taxation revealed by Mainga (1973) to be grounded on the Afro-centric approach, commonly practiced in Luapula in pre-colonial Zambia. Afro-centrism suggests that 'the Africans had a perception and conception of reality that was peculiarly theirs and; that they themselves were best equipped to articulate this reality' (Chilisa and Preece, 2005: 61).

According to Namangala (2004), taxation in Luapula and elsewhere in pre-colonial Zambia was done as a way of showing respect to the traditional rulers through especially, material contribution. Namangala's (2004) study on perceptions of Zambian tax laws says colonisation of the then Northern Rhodesia by Britain took away the effectiveness of the traditional taxation system.

This was because the traditional tax gave way to the conventional modern taxes which were, however, differently named by the Africans such as: *chibalo* in Tongaland, *musonko* for the Easterners, *mutelo* in Barotseland and *umosonko* for the Luapula people and so on. Namangala also found that after the colonisation of Northern Rhodesia (Zambia) in 1911 by Britain, a taxation policy that proved to be more forceful and regular was introduced. By contrast, Namangala shows that the African traditional taxation bore no sanctions or enforcement procedures; rather moral impulsion would force one to comply. Snelson (1974: 123) states that the rate of tax charged throughout the territory in 1914 stood at 10/- for each adult male and for an extra wife except the first one.

2.6 Attitude towards Tax-Compliance

According to Allport (1935: 798), attitude is defined as ‘a mental and neural state of readiness organised through experience exerting a directive and dynamic influence upon the individual’s response to all objects and situations with which it is related’. In short, attitude is one’s thoughts and views regarding anything. Therefore, attitude is essentially one’s outlook, thoughts and feelings. However, related to attitude is behaviour, which is what one does as a result of the held attitude. For example, if one’s attitude towards taxpaying is one of negativity, then one’s behaviour will reflect this.

Kiesler, Collins and Miller (1979) agree with Allport (1935) and say that attitude was influenced by behaviour, as it generated and determined the way an individual reacted towards varied stimuli. Thus, attitude was infected from modes of behaviour by a specific individual over a time span that will yield character, consistency and selectivity.

Historically, the tax that existed during Zambia’s colonial era, which was called either ‘hut-tax’ or ‘house-tax’ or forced labour, was reportedly disliked by the Africans (Snelson, 1974). According to Namangala (2004), the forced labour tax was nicknamed *chibalo* (meaning ‘labour’ in English) by the Tonga speaking people of current Southern province in Zambia. The naming of this tax *chibalo* which meant ‘labour’ reveals a dislike of it by the locals. Similarly, Gluckman (1963) who was considered an accomplice to the tax collection errands by the colonial administration was nicknamed *makapweka* by the Lozis, meaning in vernacular, ‘one who brings terror or misery’. This, among others showed the dislike people had over colonial taxes. In fact, Rodney (1988) says the Africans were so suspicious about taxes in the colonial era that they never wanted to be counted and hid even their chickens.

Simbyakula (1990) defends the taxpayers and says most people in developing countries were engaged in subsistence production and the issue of whether or not they should pay income tax is debatable. For example, the current controversy is that if the aim of paying income tax in a country was to produce as much revenue as possible, then it was essential to cast a wide tax net.

Goode (1951) quoted by Simbyakula (1990) recommends that the existence of a predominantly

monetised economy, a high level of literacy, prevalence of reliable accounting records to determine income and a large degree of voluntary compliance were among others, prerequisites to an effective tax system in Zambia.

Langmead et. al., (2006) states that in modern Zambia, tax has been introduced to the smaller business sector or the self-employed who are involved in a range of economic activities such as: traded goods, restaurants, bars, guest houses, guest houses and so on. Others include small scale manufacturing of wood and metal products, leather products, small scale consultants and providers of services. Despite the increased activities of the smaller businesses in Zambia, it has been widely observed that the people involved in these trades have a negative attitude about tax-compliance. This observation was also noted by Zambia's 4th Republican President, Rupiah Banda, who bemoaned such negative attitudes by some members of society and said 'if some taxpayers on account of bribes or any other vices did not pay fair taxes, then all the other taxpayers would not be willing to pay fair taxes' (*Times of Zambia*, 2009: 1). Furthermore, 'many people who mint money in most of Zambian urban markets never get to pay tax, if they ever pay at all' (*Times of Zambia Reporter*, 2009: 1).

Such concerns are also held by Berenson (2007) who reveals that non-compliance to tax may create erratic revenue collections and make the government not to function properly in providing for the welfare and security of the nation. Moyo (2009) says that compliance with tax may increase the chances of maximising on local revenue collections and thereby, reduce our dependence on donor aid which is usually given with conditions.

To the Namangala (2004) who conducted a study on perceptions of the Zambia's tax laws blames the negative attitudes on the people themselves. He says people are reluctant in getting information from the tax office even on the most basic tax laws. However, Simbyakula's (1990) views were different as he blames the tax office whom he says do not educate or explain to the people the effects or incentives whenever changes in tax were made. Simbyakula (1990) summed up his views by revealing that often people do not pay tax and even fail to take advantage of incentives because of the unexplained circumstances posed by the subject of tax.

Other writers such as Fjeldstad (1996) took a more diversified view, and identify factors that

influence decisions on whether to comply or not such as how the tax laws were administered, the perceptions about tax enforcement and the probability of being detected and/or punished for non-compliance.

The Economist (17 July 1996: 38) quoted by Fjelstad (1996: 1) indicates that ‘mitigating non-compliance with tax laws can take different ways. In Uganda, people are urged to whistle-blow on their erring colleagues for a reward of 10 per cent of the tax recovered by the tax office’.

Connected with this study, Namangala (2004: 7) gives a comparative statement on the evolution of tax in the African traditional system in pre-colonial Zambia. He says there were no sanctions and enforcement procedures for non-compliance, rather moral impulsion would force people to comply. To the contrary, modern taxation had enforcement procedures, if one does not meet one’s tax obligations; he/she is visited by the law (Namangala, 2004).

2.7 Tax Education

The term tax education is, but a pattern or form of civic education as one of the various concepts used to refer to adult education. UNESCO (1976) quoted by Nafukho, Amutabi and Otunga (2005: 6) provided a broad definition of adult education as:

The term adult education denotes the entire body of organised educational processes, whatever the content, level, method, whether formal or otherwise, whether they prolong or replace initial education in schools, college and universities as well as in apprenticeship, whereby persons regarded as adults by society to which they belong develop their abilities, enrich their knowledge improve their technical or professional qualifications or turn in a new direction and bring about changes in their attitudes or behaviour in a twofold perspective of full personal development and participation in a balanced and independent social, economic and cultural development.

The above definition is grounded on Freire’s (1989) view of conscientisation, which is one of the recommended tools for adult education processes aiming at engaging people in a prior stage of reflection and subsequent stage of action. For this reason, knowledge gains, as perceived from the Freirean approaches, was known as conscientisation and sensitisation of societies (Freire, 1989). Conscientisation was viewed as a type of problem-solving education, which stimulated self-reflection and critical awareness in people of their social reality and of their

ability to transform that reality by their conscious collective action (Burkey, 1993). Self-reflected critical awareness is achieved by 'looking into one self' and using what one hears, sees and experiences to understand what is happening in one's own life. A further argument was that 'understanding what is happening arose from an inner conviction that you yourself, together with other like minded others, can do something to change your lives; to transform reality' (Burkey, 1993: 55).

Therefore, it was important to realise that conscientisation means something which occurs within a person. The implication of conscientisation for the study of tax education is aimed at discovering if positive attitude such as tax-compliance could be learnt and adopted by society in Zambia, and starting with the artisan marketeers. The conscientisation for the study of tax education adopted from Nanavatty (1960) reveals that education for citizens was a continuous process of relating an individual or groups to their social and civic responsibilities.

In agreement with Nanavatty's view, Simbyakula (1990) advises the ZRA to build a good public relations image to an extent where they would be willing to assist taxpayers in preparing and maintaining their tax records if necessary. 'Whenever, there is a change in tax laws, ZRA should widely publicize them and their effects explained because often people do not pay tax or fail to take advantage of incentives because of lack of knowledge or information' (Simbyakula, 1990: 167). To this effect, Simbyakula suggests more co-ordination between ZRA and tax payers. This is linked to principles of accommodation or dialogue, so as to embrace different problems and different people with divergent views rather than relying on persuasion and influence of one's mighty position.

However, Hesburgh, Miller and Wharton (1973: 50) say 'education for citizenship in civic policies cannot occur without reference to almost every agency and institution, both private and public.'

Other writers such as Burkey (1993: 50) advocate more participatory approaches to education and say 'people must feel and believe it is their own efforts that are driving the development processes'. People must have confidence in their ability or knowledge to identify problems

which may lead them to finding solutions towards improved livelihood. ‘Development workers such as adult educators must encourage communities to “think the unthinkable”, to ask themselves, why are things this way? Can we change them? Sometimes it is only necessary to demonstrate what is possible and then what previously seemed unchangeable is transformed overnight’ (Burkey, 1993: 53).

Rwantabagu (1994) contributes by arguing that institutional patterns in society were vital in adult education as such approaches would consider structures to be adopted, the pattern of administration and finances, the content to be taught and how it will be delivered, facilitators or teachers to be used, the language of instruction and the times and frequency of the learning sessions. These are but, some of the institutional programme delivery framework needed.

2.8 Summary of the Literature Reviewed

This chapter reviewed published literature from books, internet and brochures that were relevant to the topic under discussion. Literature reviewed in this study about the concept of tax was aimed at showing the importance of tax with its merits for the country’s development. In this regard, it was established from the few accessed literature that taxation was a central element of every government’s efforts to mobilise the money it needs in order to implement developmental programmes.

The study sought to establish the uses of taxation in Zambia. In this area of the study, literature was accessed from a global view point as well as the pre- and post-colonial Zambia. Therefore, a consensus was reached that the tax revenue collected from citizens was ploughed back in order to fund public expenditure or provide security and welfare to the people.

The study also reviewed the general history and evolution of tax. On this issue, the study sought to establish the social-economic and cultural effects of pre- and post- independence Zambia regarding taxation. Literature reviewed showed that tax just like a culture was not only evolutionary in character, but can also be perceived from historical, economic, and sociological boundaries.

Other literature that was reviewed is the major types of tax in Zambia. Both the pre- and

post-independence era was taken into consideration and information indicated that the type of tax referred to as tribute existed and still exists in chiefdoms in most parts of Zambia. For instance, at traditional ceremonies such as *ncwala* of the Ngoni people of Eastern and *Kuomboka* of the Lozis in Western Zambia, respectively. However, in post-independence Zambia, the reformed tax system included not less than three (3) major types of taxes namely; direct tax, indirect tax and other taxes such as council levy, trading licenses, customs and excise duty, and withholding tax on rent. The other issues brought up by the literature were in conjunction with reviewing the payment methods of tax in Zambia.

Another issue of interest which was looked at was to assess the attitude of artisans towards tax-compliance. This was done in order to establish the willingness of people in paying their tax dues without being forced to do so by the ZRA or the Council. Other writers who contributed on this matter revealed that the taxes were considered suppressive and people only paid for fear of being punished by the authorities.

The final issue which the study looked at was tax education. In considering this matter, literatures showed that people lacked knowledge to enable them maintain records for registration purposes as new taxpayers. Writers who contributed on this issue concurred with this study that the problem of lack of knowledge about tax can be solved through adult education processes. The method of conscientisation and sensitisation was considered to be more effective as long as it answered to the needs of the community being handled.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the research design, population, sample, sampling procedures, research instruments and data collection as well as data analysis procedures used in the study.

3.1 Research Design

The design adopted in this research study was a descriptive one, and used the descriptive data presentation techniques such as percentages and narrations. The percentages were intended to present artisans' knowledge and attitudes towards tax compliance whereas; the narrations were aimed at understanding the perspectives, experiences and insights regarding taxation issues held by stakeholders.

3.2 Population

There were fifty-seven markets and other areas where artisans operate from within Lusaka at the time of the study. In fifteen of these markets, 168 people were involved in the manufacturing of wood and metal products such as gates, steel doors, grill doors and window frames among others for metal products; and wooden doors, lounge suites, beds and cabinets among others for wood products. It was these 168 that were included for the study's population

3.2.1 Sampling Frame

The mapping exercise was conducted in order to generate a sampling frame. In this regard, fifteen physical operational structure and markets with large numbers of people involved in artisan activities were targeted. These are: Buseko in Matero, Chifundo in Chaisa, Chipata, Chunga, Guras in Mandevu, Kamwala, Kabanana, Kwacha in Chilulu, Kaunda-square, Kuomboka in Chawama, Lilanda, Tiyeseke in Marrapodi, Alick Nkhata in Kalingalinga, Katima-mulilo roadside in Garden and Chilenje. Out of these targeted fifteen, only six with a population 168 were purposively selected based on the number of artisan marketeers, the number of customers served and the volume of business observed by the researcher. This information is shown on Table 1:

Table 1: Distribution of the Artisan Markets and Marketeers

Artisan market compound	Welders	Carpenters	Total
Alick Nkhata in Kalingalinga	15	-	15
Buseko in Matero	-	47	47
Chifundo in Chaisa	-	42	42
Kwacha in Chilulu	25	-	25
Katima-mulilo roadside in Garden	14	-	14
Tiyeseke in Marrapodi	-	25	25
Total	54	114	168

The following key informants were also included in the study's population: one official from the Zambia Revenue Authority Customer Care unit and three members from the Market Management Committees (MMC's) at Buseko in Matero, Chifundo in Chaisa, Kwacha in Chilulu and Tiyeseke in Marrapodi of Lusaka.

The mapping exercise was conducted in order to re-check against over-estimates or under-estimates on the study's population. Of consequence, the mapping exercise was a necessity in the wake of dislocations or death of the artisan marketeers.

3.3 Sample Size

During the mapping exercise fifty-seven markets either in open areas or buildings existed in various compounds of Lusaka, out of which fifteen were observed to be engaged in artisan roles. Out of the fifteen, six places were purposively selected, based on their viability or volume of activities for study purposes. The selected artisan markets were Alick Nkhata road in Kalingalinga, Buseko in Matero, Chifundo in Chaisa, Kwacha in Chilulu, Katima-mulilo road in Garden and Tiyeseke in Marrapodi.

The study selected a proportionate and random sample of 138 which was proportional to and representative of 82 percent of the 168 population of artisan marketeers that were found during the mapping exercise in the six markets from the initial fifteen targeted markets. This information is illustrated in Table 2:

Table 2: Sample Distribution of Selected Artisan Markets in Lusaka

Market	Welders	Carpenters	Total	Percentage
Alick Nkhata road, Kalingalinga compound	12	-	12	09
Buseko, Matero compound	-	40	40	29
Chifundo, Chaisa compound	-	35	35	25
Kwacha, Chilulu compound	20	-	20	14
Katima-mulilo road, Garden compound	11	-	11	08
Tiyeseke, Marrapodi	-	20	20	14
Total	43	95	138	100

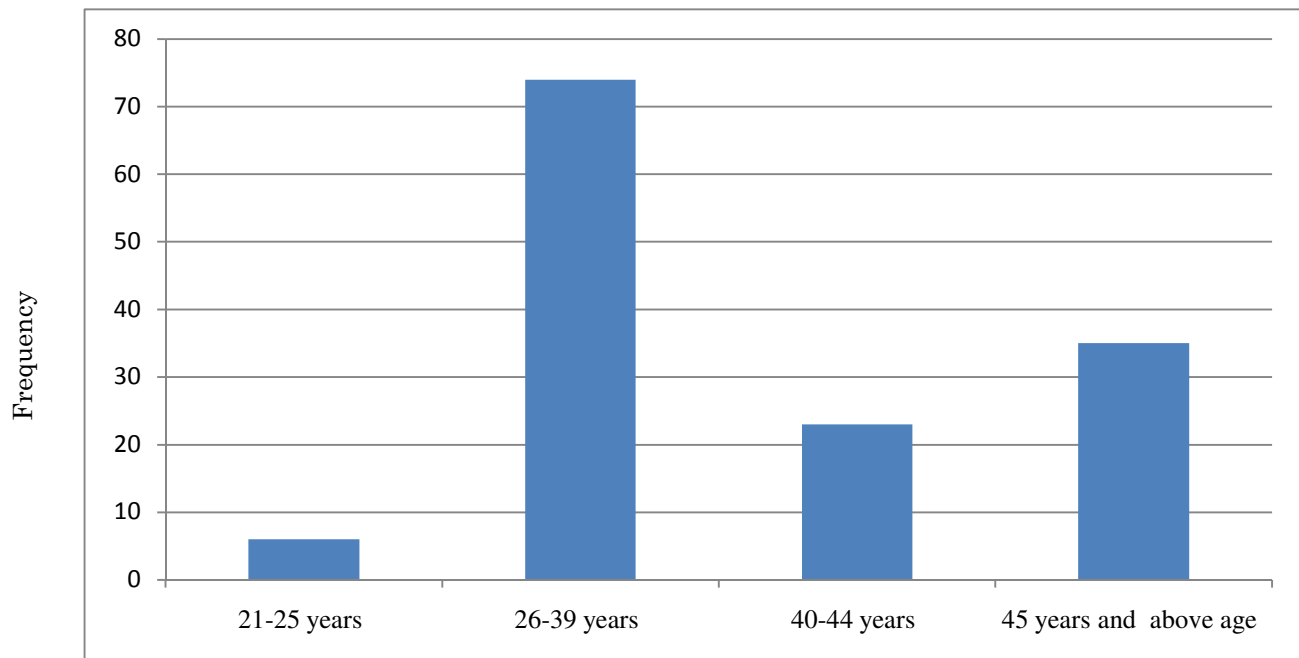
The study expected a cultural shift of participation by women in masculinity responsibilities during the conducted survey. The revelations were that the majority 137 (representing 99%) of the respondents randomly selected for the sample were male whereas, one (representing 1%) was a female artisan-welder found along Alick Nkhata road in Kalingalinga. This information is illustrated in Table 3:

Table 3: Sex of Respondents

Description	Frequency	Per cent
Female	1	1
Male	137	99
Total	138	100

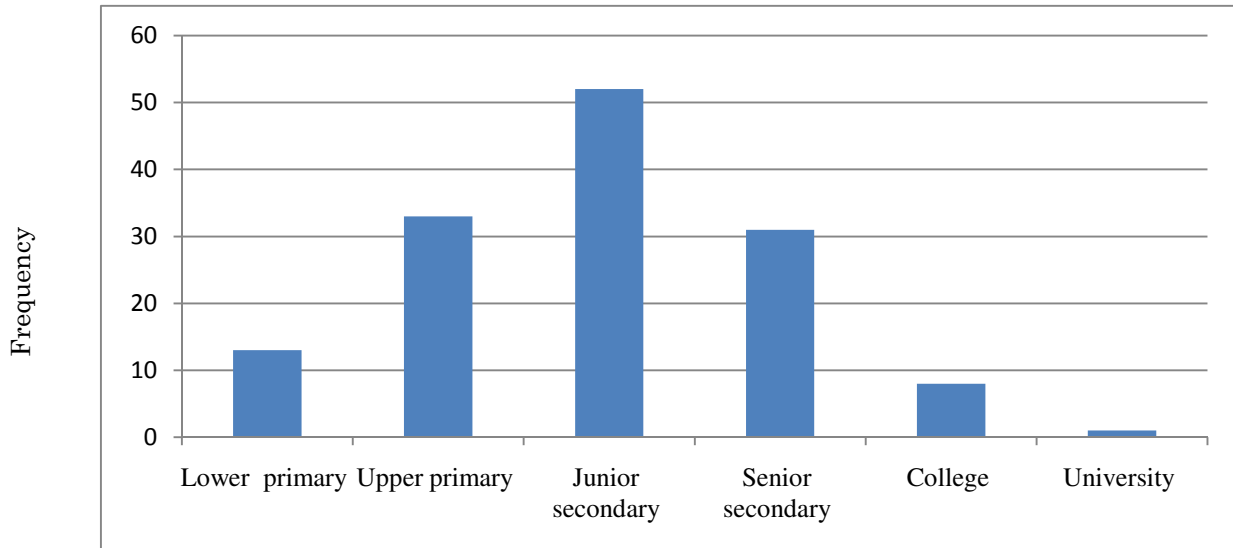
The study expected to find the majority of the respondents to be early and middle mature adults as this group was widely gifted for apprenticeship in artisan skills. The early and middle mature adults that were found are in the age range of 26 – 39 years with seventy-four respondents (representing 53%) out of 138. The much younger group with six respondents (representing 5%) out of 138 were aged between 21 – 25 years; whereas the older mature adults in the age band of 40-44 years and 45 years and above age accounted for twenty-three and thirty-five respondents respectively (representing 42%) out of 138. This information is illustrated in Figure 1:

Figure 1: Age of Respondents



The attained level of education question sought to assess and establish whether or not the respondents had sufficient formal education. The study expected the majority of the respondents to be literate with the ability to learn more. This was because the nature of their work required them to have basic numeric or calculating skills. The study revealed those fifty-two respondents (or 38%) out of the 138 had attained junior secondary education. Another thirty-three of the respondents (or 33%) out of the 138 were educated up to upper primary education level. The next group of thirty-one respondents (or 22%) out of the 138 had attained senior secondary education. Those who had attained college education were eight (or 6%) out of the 138. Lastly, only one respondent (or 1%) out of 138 had attained university education. The study also reveals that the least educated 13 (or representing 9 %) out of 138 attended lower primary. These details are shown in Figure 2:

Figure 2: Attained Level of Education



3.4 Sampling Procedures

The sampling procedure consists of three approaches; firstly, the selection of artisan markets, secondly, that of artisans themselves and thirdly, the stakeholders. In this regard, artisan markets were purposively selected on the basis of the volume of business activities conducted and particular streets or places where they were concentrated or known to operate from. The volume of marketing activities was also regarded as the viability of business after observation of the manufacturing and selling's going on daily; for 24 hours, 7 days per week including holidays. It was the researcher's view that although fifteen markets were targeted, only six were considered viably active or operationally efficient.

On the other hand, artisans were proportionately and randomly selected after considering that biasness should be removed. The removal of biasness was done through the conduct of a rotary, by placement of numbered tallies on the 138 sample size out of the 168 population. The generated sample was subjected to a mechanical rotary in order to ensure that each individual participant had an equal and independent chance of being selected. Through this process, the selection of one individual artisan marketeer in the sample of 138 out of the 168 population did

not affect another in anyway.

The rotary was a mechanical process used to enter participants by cutting and placing strips of papers that were numbered to represent each individual artisan marketeer in the population of 168. Afterwards, the numbered paper slips were placed inside a plastic container and mixed thoroughly before each number representing the 138 sample out of the 168 population was drawn. A third-party was used in the conduct of the rotary or raffle which entailed that each numbered tally or slip from 1 to 138 was picked from the container without replacement.

In addition to the 138 selected marketers, one government tax official from the ZRA Customer Care unit was purposively selected for the study. Others purposively selected, were three people from the Market Management Committee namely: chairperson, secretary and treasurer.

It was important that the tax official and the Market Management Committee members be included in the study as stakeholders because of the major administrative role they play regarding tax issues. Moreover, these were considered to be key informants on taxation issues. Further, they were purposively and non-randomly selected for the study because they were expected to have specialised knowledge on tax which could be used in changing people's attitudes toward tax-compliance.

3.5 Research Instruments and Data Collection

In this study, there were three instruments used for data collection, namely: questionnaires, unstructured interview guides and observational approaches.

The study used structured closed-ended questionnaires to collect data from artisans from the selected Lusaka compound markets. The administration of questionnaires involved face-to-face surveys. By survey was meant to ask artisans in the selected markets about their opinion regarding knowledge, attitude towards tax-compliance and nature of adult education processes being used to enhance knowledge about taxation issues.

The researcher interviewed the respondents on different working days of the week and was guided by a questionnaire on each occasion. The face-to-face surveys were necessary as most respondents were illiterate or semi-literate and most of the test questions had to be explained or

even interpreted from English into a vernacular language. In this way, the advantage of high response rate was exploited.

The questionnaire was divided into Parts 1 and 2 in order to collect personal data and the core subject issues respectively. Both parts of the questionnaire were however, structured on checklist and free response test items. Therefore, to obtain the needed data, alphabetical letters were assigned to different response test questions from where respondents made their best choices. For instance, highest level of education attained as a variable was divided into six answers to the test questions namely, lower primary, upper primary, junior secondary, senior secondary, college and university. The letter (a) was assigned to Lower primary; (b) stood for Upper primary; (c) for Junior secondary; and so on. Scoring consisted of tallying the frequencies or numbers of those who indicated the letter (a) for Lower primary as the education attained by them.

Overall, it took long to collect information because artisan marketeers' business slows down during the rain season when the survey study was under way. During this period, artisan marketeers seldom conduct business at their stands and were not easily found. This was because their business activities are mainly carried out either in open areas or buildings.

In the same study, interviews were conducted on the purposively selected government tax official and Market Management Committee members. The study sought to capture the qualitative data from the stakeholders in attitudes toward tax-compliance in order to aid triangulation with the other data collected through questionnaires from artisans.

3.6 Data Analysis

The data analysis used the descriptive data presentation techniques such as frequencies and percentages to present the data collected using survey questionnaires whereas, data from interviews were classified and presented in narrative form.

Data from the survey questionnaires was designed as free response questions from which respondents would make the best of their multiple choices or answers. The commonly reported issues were used to test the significance of tax knowledge in relation to attitude towards

tax-compliance exhibited by the respondents. Thereafter, the sum totals of responses to each test question were plotted on frequency tables with the assistance of the SPSS computer software for conversion into percentages for easier interpretations or readings. This was done in order to determine the levels of tax knowledge in relation to taxpayer compliance by the selected artisan marketeers in Lusaka.

Qualitative data drawn from interviews held with the ZRA tax official from Customer Care unit and Market Management Committee members was coded and classified for easy identification. The classification was done in order to align the test questions in the guided interview to the themes of the study for ease judgement, and enable triangulation of information generated by other data collection instruments in the study.

CHAPTER FOUR

FINDINGS

4.0 Introduction

The chapter presents the findings of the study about the knowledge and attitudes of artisan marketeers toward tax-compliance in selected compound markets of Lusaka. The objectives of the study were: to find out the artisan marketeers knowledge about tax, to find out the artisan marketeers' attitudes toward tax-compliance and to examine the nature of adult education processes used for civic education on tax.

4.1 Knowledge about Zambia's taxation issues

The first objective of the study was to investigate whether or not respondents understood important issues about tax. Marketeers in Zambia are supposed to pay taxes just like any other self employed individuals. Knowledge about Zambia's tax was sought from the respondents on such issues as: the difference between the two main types of tax that are supposed to be paid each year, the recommended minimum amount for exclusion from paying of income tax, the registration procedures for new taxpayers and the recommended periods of compiling and submitting business records to the tax office.

4.1.1 Knowledge of the difference between the two main types of tax

There are two main types of taxes, namely: income tax and levy which is paid each year to the central government and local authorities or Councils, respectively. The respondents were required to mention the type of tax paid each year to the central government through the ZRA as a contribution towards public revenue. Normally, it was hoped that the respondents should have given income tax paid to ZRA as the answer. The study revealed that the majority 124 respondents (representing 90%) out of 138 said income tax which was paid to the central government through ZRA was the answer. However, thirteen of the respondents (representing 9%) out of 138 were not certain of what to say or answer; whereas one respondent (representing 1%) out of 138 stated the answer to be levy which was paid to the councils. This information is illustrated on Table 4 (a):

Table 4 (a): Knowledge of the Difference between the Two Main Types of Tax

Description	Frequency	Percent
Levy paid to the Council	1	1
Tax paid to the ZRA	124	90
Do not know	13	9
Total	138	100

Description	Frequency	Percent
Income tax	1	1
Value added tax (VAT)	37	27
Council levy	97	70
Other, please specify	3	2
Total	138	100

The respondents were further asked to mention the type of tax paid each year to the Council or local authorities as a contribution towards user fees. Additionally, the user fees are intended for renovations, improvements of sanitation and housekeeping of the respective markets. Therefore, the correct answer expected from the respondents was levy paid to the Council or local authority. The study revealed that the majority 121 respondents (or representing 88%) out of 138 stated levy paid to the Council as the answer. However, it was noted that seventeen of the respondents (representing 12%) out of the 138 did not make their views known on the matter. This supplementary information on type of tax paid each year is shown on Table 4 (b):

**Table 4 (b) Whether or Not the Respondents Knew the Difference between Tax Paid to the Council and ZRA
Respectively**

Description	Frequency	Per cent
Levy paid to the Council	121	88
Tax paid to the ZRA	0	0
Do not know	17	12
Total	138	100

4.1.2 Knowledge of the recommended minimum amount for income tax exclusion

The Zambian tax law expects all those conducting business and raising an income from them to pay a determinable rate to the government through the ZRA. The study's expectations were that the respondents knew the minimum amount at which they would be excluded from paying income tax. Therefore, the expected answer to the question should have been at less than K200, 000,000.00 revenue or sales incomes each year. The study revealed that the majority 136 respondents (or 99%) out of 138 could not provide any answer. The remainder two of the respondents (or 1%) out of the 138 said, a business person with more than K200, 000,000.00 annual income. This information is illustrated on Table 5:

Table 5: Knowledge of the Recommended Minimum Amount for Income Tax Exclusion

Description	Frequency	Per cent
A business person with more than K200,000,000 annual income	2	1
A business person with less than K200,000,000 annual income	0	0
Do not know	136	99
Total	138	100

4.1.3 Knowledge of registration procedures for new taxpayers

Under the Zambian tax law, it was a requirement for those starting a new business to compile and submit an application to the Commissioner-general (CG) within 30 days in order to be entered on the ZRA registers and recognized as a taxpayer. Therefore, the study expected that the respondents knew that they needed to notify the Commissioner-general (CG) at the Zambia Revenue Authority offices within thirty days of business commencement. The study revealed that the majority 134 respondents (or 97%) out of 138 lacked any knowledge about registration

procedure. Whereas, three of the respondents (or 2%) out of 138 said they would maintain their business records pertaining to income raised, then wait for ZRA to approach them. However, one respondent (or 1%) correctly stated that the CG needed to be notified within thirty days of business commencement. This information is illustrated on Table 6:

Table 6: Knowledge of Registration Procedures for New Taxpayers

Description	Frequency	Per cent
Notify the Commissioner General within 30 days of business commencement	1	1
Maintain business records pertaining to income raised and wait for ZRA to come	3	2
Do not know	134	97
Total	138	100

4.1.4 Knowledge of the recommended periods of compiling and submitting business records to the tax office.

After successfully filling in and obtaining the taxpayers' reference number or Tax Payer's Index Number (TPIN), the newly registered taxpayers must compile and submit records of their business incomes to the tax office; to enable the tax officers assess of what was to be paid in each year. The question item in this study required the respondents to identify and state the periods of submitting their compiled business records to the ZRA offices for tax assessment in each year. Therefore, the expected answer was from 1st April to 31st March of each year. The majority 135 respondents (representing 98%) out of 138 lacked knowledge on the issue of compilation and submission of records to the tax office each year. The remaining three respondents (representing 2%) out of 138 gave their answers as from the periods 1st April to 31st March of each year. The revealed information is illustrated on Table 7:

Table 7: Knowledge of the Recommended Periods of Compiling and Submitting Business Records to the Tax Office

Description	Frequency	Per cent
1 st April to 31 st March of each year	3	2
1 st June to 31 st May of each year	0	0
Do not know	135	98
Total	138	100

4.2 Attitude towards tax-compliance

The study's second objective was aimed at capturing the opinions, views and the attitude of respondents towards tax-compliance. Therefore, the respondents were assessed on such issues as: the type of tax mostly adhered to, willingness to access tax education lessons, their opinion on tax laws in Zambia, issuance of tax invoices to their customers and their view on penalties for non-compliance with tax.

4.2.1 The type of tax most adhered to by the respondents

In Zambia, the self employed artisan marketeers just like others in business are supposed to pay tax to both the central government and council or Local authorities. There are different types of taxes which are essentially paid to finance government activities in the country. For instance, income tax is paid to the central government as a contribution towards public money whereas; levy is paid to the council or local authorities as user fees. A question asked to the respondents sought for answers from them on which type of tax they most adhered to. The study expected the respondents to mention income tax which was the major one and most appropriate to them. The study revealed that 134 respondents (or 97%) out of 138 said they mostly adhered to paying VAT than any other tax. Another three respondents (or 2%) provided a wide range of answers such as they viewed tax evasion to be normal as tax administrators had not spoken to them about the need to pay tax and that they were not making enough money to enable them pay tax as well as sustain their families. The remaining one respondent (or 1%) out said income tax was the answer to the study's question item. This information is illustrated on Table 8:

Table 8: The Type of Tax Most Adhered to by the Respondents

Description	Frequency	Per cent
Income tax	1	1
Value added tax (VAT)	134	97
Other, please specify	3	2
Total	138	100

4.2.2 Willingness to access tax education lessons

One of the main assumptions of adult education is that adults must show readiness to learn in order that they become focused on developing their social or civic roles. The questionnaire sought to discover whether or not the respondents were willing to be taught about tax. The study expected the respondents to agree with the proposal of providing tax education to them. It was revealed by the study that 130 (or 94%) out of 138 respondents were in agreement and stated their willingness to be taught about tax. The remainder eight (or 6%) said they were unwilling to be taught about tax. The details of this information are represented on Table 9:

Table 9: Willingness to Access Tax Education Lessons

Description	Frequency	Per cent
Yes	130	94
No	8	6
Total	138	100

4.2.3 Opinion about Zambia's tax laws

Normally, in Zambia or elsewhere in the world the belief is that tax laws were either fair or unfair; and it was for this reason that people's opinion shifted to either support or be against them. The questionnaire item in this study sought to determine whether or not respondents regarded the Zambian tax laws to be fair or not. The study expected the respondents to accept the tax laws as being fair to them, since it was their civic obligation as Zambians to do so. The study discovered those sixty-nine respondents (or 50%) out of 138 said the Zambian tax laws were fair. However, the other group of sixty-nine respondents (or 50%) disagreed with their counterparts as they regarded the Zambian tax laws to be unfair. This information is illustrated on Table 10:

Table 10: Opinion about Zambia's Tax Laws

Description	Frequency	Per cent
Tax laws are fair	69	50
Tax laws are unfair	69	50
Total	138	100

4.2.4 Issuance of tax invoices to customers

According to the Zambian tax laws all substantial sales made by traders must be supported by a tax invoice as it showed proof of their being consistent with taxpaying (see Appendix: I, J and K). This questionnaire item in the study was aimed at assessing whether or not the respondents adhered to the Zambian tax laws by providing tax invoices to their customers. The study expected respondents to accept that they did provide tax invoices to their customers on each sale made. The majority 112 respondents (or 81%) out of 138 said that they were not regularly providing any tax invoices because nobody asked for them. However, six respondents (or 4%) out of 138 said they provided tax invoices to their customers. There were twenty respondents gave varied answers such as poor record keeping made it impossible for them to provide tax invoices, that the open air trading environment was not conducive to making any paperwork of that sort and that they provided the tax invoices when customers asked them to do so especially, from the formal sector businesses. The information concerned with their responses is illustrated on Table 11:

Table 11: Issuance of Tax Invoices to Customers

Description	Frequency	Per cent
Yes, I do when asked to	6	4
No, I do not because no body asked for it	112	81
Other, please specify	20	15
Total	138	100

4.2.5 View of penalties for non-tax compliance

When people do not regularly comply with paying tax; it is said they are corruptly evading tax. Additionally, it was an act of non compliance which would normally attract punishment such as fines and forfeitures are imposed on these erring members of society. This test question in the study sought to determine the respondents' views regarding the punishment usually imposed by

the government on erring members of society. The study expected the respondents to accept counseling as a remedial action to make them change their attitude towards tax-compliance. The study revealed those eighty respondents (or 58%) out of 138 wanted those not complying with taxpaying to be punished for not doing so. However, fifty-one respondents (or 37%) out of 138 said but the erring members needed to be counseled for their wrongs. The remaining seven respondents (or 5%) gave varied answers such as; they too were culprits and would not agitate for punishment of their colleagues, that ZRA needed to negotiate with erring members on how to clear the outstanding amounts and that the ZRA must be willing to assist taxpayers in preparing or maintaining their tax records. This information is given on Table 12:

Table 12: View of Penalties for Non-tax compliance

Description	Frequency	Per cent
Punishment increases tax-compliance	80	58
Counseling increases tax-compliance	51	37
Other, please specify	7	5
Total	138	100

4.3 The nature of adult education processes used for tax education.

This study's third objective intended to explore processes that can enhance artisans' knowledge about taxation issues. In order to address this objective, I explored processes that enhanced learning experiences for that purpose such as: respondents' view of open air learning centres in the artisan markets, respondents' preferred language of use for tax education lessons, respondents' preferred facilitators of tax education lessons and respondents' preferred method of learning.

4.3.1 View of open air learning centres in the artisan markets

It was in the study's view that facilitators of adult education must learn to improvise in order to complement the obtaining circumstances or environment. This questionnaire item sought to discover whether or not the respondents would accept to have lessons in open air centres within the markets. It was the study's expectations that the majority respondents would strongly support the idea of introducing learning in open air learning centres in the markets. The majority 114 respondents (or 83%) out of the 138 wanted open air centres to be introduced in the markets.

The remaining twenty-four respondents (or 17%), however, merely agreed to the idea. This information is presented on Table 13:

Table 13: View of Open Air Learning Centres in the Artisan Markets

Description	Frequency	Per cent
Strongly agree	114	83
Agree	24	17
Total	138	100

4.3.2 Preferred language of use for tax education lessons.

It was the study's view that in providing any adult education programme such as tax education, certain problems will arise that may challenge the implementation process. Language is one of the challenging problems as it was important that instructional techniques are simple and clear for all involved to understand the proceedings. A test question was asked to the respondents in order to assess them in which of the eight national broadcaster languages and, including English they wanted to be taught about tax. The research study's preferred position was to have tax education lessons taught in any language that was clear and simple to be understood by all affected learners. In response, sixty-five respondents (or 47%) out of 138 wanted English to be used for tax education lessons. Another seventy-three (or 53%) provided a proportionately wide range of answers such as *Nyanja* (representing 22%), *Bemba* (representing 16%), *Kaonde* (representing 4%), *Tonga* (representing 4%), *Lozi* (representing 4%), *Luvale* (representing 2%) and *Lunda* (representing 1%). This information is illustrated on Table 14:

Table 14: Preferred Language for Use on Tax Education Lessons

Description	Frequency	Per cent
English	65	47
Bemba	23	16
Nyanja	31	22
Kaonde	5	4
Tonga	5	4
Lozi	5	4
Luvale	3	2
Lunda	1	1
Total	138	100

4.3.3 Preferred facilitators of tax education lessons

A facilitator in the context of this study is a person who helps others to learn but, at the same time shares knowledge and experiences with them. This part was aimed at finding out who the respondents preferred to be facilitators of tax education lessons. The study expected the respondents to mention government tax workers as the preferred facilitators as it was thought that they were better placed to mobilise all the necessary resources for this important programme. Eighty-four respondents (or 61%) out of the 138 wanted to be taught by government tax workers. Forty-four respondents (or 32%) said they wanted their own market officials to be their facilitators during the tax lessons. However, the remaining ten respondents (or 7%) gave a wide range of answers such as, education skills be taught starting at primary school and that outside specialists with book-keeping background would prove the best facilitators. This information is given on Table 15:

Table 15: Preferred Facilitators of Tax Education Lessons

Description	Frequency	Per cent
A government tax official	84	61
A market official	44	32
Other, e.g. book keeping	10	7
Total	138	100

4.3.4 Preferred method of learning

A method refers to a particular way in which the learning experiences and including instructional techniques would be organized and implemented. This research question sought to discover the preferred method of learning tax education from the respondents. The study's expectations were that respondents would want to be taught using lecture and chalk board method as it was a more embracing teaching method. The study revealed that fifty-four of the respondents (representing 39%) out of the 138 preferred using pamphlets. Whereas, twenty-seven respondents (representing 20%) preferred the use of chalkboard for their lessons. Another group of eighteen respondents (representing 13%) wanted their lessons to be conducted through drama. A further seventeen respondents (representing 12%) said they wanted to learn through radio and television. Fifteen respondents (representing 11%) wanted to learn through posters. The remainder of seven respondents (representing 5%) provided various answers such as using internet, by correspondence and regularly sponsored workshops within the markets. This information is illustrated on Table 16:

Table 16: Preferred Method of Learning

Description	Frequency	Percent
Using pamphlets	54	39
Using posters	15	11
Using chalkboard	27	20
Through drama	18	13
Through radio & television	17	12
Other, please specify	7	5
Total	138	100

4.4 Summary

The foregoing chapter discussed findings of the study regarding artisans' knowledge of taxation issues and their attitudes toward tax-compliance in selected markets of Lusaka. When respondents were asked whether or not they knew the difference between tax paid to the Council and the ZRA. The study found out that the majority of the respondents' recognised Levy as being payable to the Council, but showed lack of knowledge about the tax paid to ZRA. The other question posed to the respondents was whether or not they knew the registration

procedures for new taxpayers. The study discovered that the majority of the respondents did not know that they were required to notify the Commissioner-general at the ZRA offices within thirty days of business commencement. Respondents were also asked whether or not they knew that they would be excluded from paying income tax if their annual income was less than K200 000 000. The majority of the respondents however, lacked knowledge about this income tax regulation.

The study, also aimed at capturing the opinions, views and the attitudes of respondents toward tax-compliance. One of the questions posed to the respondents was whether or not they considered the Zambian tax laws to be fair to them. Half the number of respondents was satisfied with the tax laws whereas, the remainder of the respondents did not agree with their colleagues. Respondents were also asked whether or not they issued tax-invoices to their customers as required by law. Many of the respondents said they did not because their customers never asked to be issued with tax-invoices.

The third and last objective was aimed at getting the respondents' opinions and perceptions of adult education processes used on tax education lessons. Respondents were asked whether or not they supported the introduction of open air learning centres in the markets for teaching tax education. The majority of the respondents supported the introduction of open air learning centres in the markets. Respondents were also asked as to which of the national broadcaster language they prefer be used for tax education lessons. The majority concurred with the study's expectations that tax education lessons be conducted not necessarily in English, but in any language that was simple and clear for all involved to understand the proceedings. When the respondents were asked whom they preferred teach them tax education, the majority of the respondents agreed with the study's expectations that government tax officials be engaged in conducting tax lessons as it was thought that they were better placed to mobilise all the necessary resources for this important programme. The next and last chapter will outline the discussion, conclusion and recommendations to the study.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The discussion of the findings in this study focused on the objectives and the generated research questions. The study's expectations were firstly, that respondents were able to identify the different types of tax and had knowledge on how the same tax affected them. Secondly, the study set out to assess the attitude of artisan marketers towards tax-compliance and whether or not these attitudes were in tandem with the Zambian tax laws. Thirdly, it was intended to examine if the nature of adult education processes currently being used in tax education by the Zambia Revenue Authority were oriented to the methods and techniques for teaching adults. The study dealt with the objectives and research questions, but it also looked at questions raised in the gathered literature from other authors that wrote about tax in Zambia, Africa and other parts of the world.

5.1 Discussion

The study's views were that knowledge to be gained through adult education processes would enhance good attitudes toward tax-compliance and, thereby increase tax collections by the government from the artisan markets. Whereas, the Zambia Revenue Authority have designed and maintained programmes for taxpayers' education, these have not impacted as was being expected.

5.1.1 Limited knowledge about tax

The study observed that it was not by default that the self-employed artisans lacked the information, understanding and skills required to enable them develop good attitudes toward taxpayer-compliance. Rather little or no interactions between them and the tax officials or any other interested individuals have ever been initiated in the markets as expected by society. Most of the scenarios on lack of tax education generated through the findings of the study concurred with Nanavatty (1960), who suggests that dissemination of information to citizens be a continuous process of relating an individual to her/his social and civic responsibilities. This would encourage the taxpayers to participate more effectively in taxation issues.

The Zambian tax administrator's approach on taxpayers' education covers only the objectives based on Customer-care. The package of Customer-care as explained from the study's interview with the ZRA tax officials was based on enabling the people to develop an in-depth knowledge on tax, especially payment levels. The self-employed artisan marketeers lack knowledge on how to register as taxpayers and maintain adequate record keeping for the same purpose.

Zambia's 4th Republican President Rupiah Banda was quoted to have said 'I can confirm that my government works closely with the Zambia Revenue Authority on matters of tax reforms to be simplified, fair, equitable and transparent' (Zinyama, 2010: 2). This statement by the president was an indication of the need to redress the mismatch that this study has discovered between what the self employed artisan communities were required to know and what type of tax education they were currently exposed to.

The findings of the study showed that artisan marketeers were not familiar with several issues regarding tax such as the different applicable taxes, at what stage one qualified to become a taxpayer, how to register as a taxpayer, when these taxes were due, and so on. This was because effective interactions (if ever they existed) aimed at disseminating information about tax has not been prioritised by the relevant government agents. Namangala (2004) conducted a study which revealed that lack of knowledge even on the most basic tax laws among taxpayers was evident. Namangala's study also discovered that tax resentment did not discriminate between the lower or higher socio-economic classes. Rather, both these classes in society equally indicated their resentment to tax laws and practice. The study also confirmed that tax resentment and the impulse to beat the tax system cuts across all social groups alike. For instance, Namangala (2004: 26) mentions that 'a Russian billionaire Holokosky who is an owner of an oil company was taken to court for non-compliance to paying tax'.

Other views on this matter came from Simbyakula (1990) who blames the Zambia Revenue Authority and that they had failed to motivate people into voluntary tax-compliance; since a large number of 'well-off' self-employed easily escaped from paying tax. Whilst acknowledging weak administration as being the cause, Simbyakula has been cautious of it and warns that the relevant pamphlets on tax should be continuously updated and written in simple language; so as to get the message across. The study concurred with this because during its conducted survey,

the majority of the respondents were interested to hear more about tax. Further, the artisan marketers were more familiar with VAT which they confessed they heard more about because it was paid every time they purchased tools and accessories for use at their open air make shift premises or factories.

It was worth noting that the government tax administrators have made efforts in educating the Zambian taxpayers in general, but the impact of this dialogue between the tax officials and the artisan marketeers are not yet felt. The study conducted an interview with the Zambia Revenue Authority officials which revealed that a tax education field day was only conducted for one week at COMESA market in 2009 amongst the cross border traders of Lusaka. In the study's view, the failure of reaching out was attributed to lack of background knowledge about the size, scope and nature of the taxpayers' attitudes adopted by the self-employed artisans. Therefore, it was a prerequisite for anybody seeking a comprehensive understanding of this sector of society to propose strategies concerning it such as the conduct of research on the evolution of the informal sector or the self employed in Zambia.

The existing structures of the self-employed in Zambia blossomed in 1991 when privatisation was re-introduced with the structural adjustment programme. This, however, resulted in dramatic shrinkage of the formal industrial sector and a corresponding increase in unemployment levels and activities of the informal sector in Zambia. It was against this background that entrepreneurship increased due to the starting of small businesses.

The artisan marketeers are, but one of such businesses which mushroomed after the demise of most government owned parastatal organisations. The study observed that the then giant steel-fabricator Lusaka Engineering Company (LENCO) which was privatised in 1996 had a large labour force and some of whom are suspected to have opened their own *tuntembas* in Lusaka and across the country after being laid off from employment.

A study conducted by International Labour Organisation (1996), quoted by Chomba (2005) in Langmead *et. al.* (2006: 115) reveals that the aggregate statistics for people employed in both the formal and informal sectors of Zambia to be 6 million; whereby, 597 953 (representing 10%) were from the formal sector and the majority 5 402 047 (representing 90%) were from the

informal sector or were self-employed. The geographical distribution of the informal sector or the self-employed was said to be widespread in both the urban and rural areas of Zambia. In this study's view, some of the reported self-employed from the ILO conducted survey included artisans who were engaged in steel and wood product manufacturing activities in the markets and open air spaces or even roadsides.

Langmead *et. al.* (2006) alluded to the fact that the year 1991 marked the beginning of a transition from the public sector businesses which played a substantial role to the current predominant private enterprises which included the self employed artisans.

The study perceived that this salient feature of the new social change in the conduct of business in Zambia where those who lost their jobs set small businesses was a good initiative; but it may have been done hastily without the experts or adult educators applying skills and knowledge on taxes and tax obligations.

The study perceived the answers given by artisans during the conducted survey showed that they were motivated and ready to start learning about tax. According to Duke (1992), motivation was vital to participation in learning new knowledge, skills and attitudes; that may break the tension built into all education for modern societies.

Knowles (1984) quoted by Smith (2002: 8) supplements the notion of motivation in adult education that 'as a person matures his time perspective changes from one of postponed application of knowledge to immediacy application, and accordingly his orientation toward learning shifts from one of subject-centeredness to problem centeredness'.

The authors in this statement reminded us of how we can take opportunity to nurture a learning culture in our country. Ball (1994) quoted by Nafukho, Amutabi and Otunga (2005: 153) defined the learning society as 'one in which everyone participates in education and training throughout their life time'. The study revealed that the majority of artisan marketeers were motivated into finding out more information about tax. World renowned Adult educators such as Freire (1989) recommend the use of dialogue in learning as it leads to community transformation.

Nanavatty (1960) in his civic education book suggested that an informed or educated community is more valuable to both society and the nation at large. Therefore, the need for the government tax administrators to work out something which would make the self-employed in Zambia gain adequate knowledge about tax and how it affects them.

5.1.2 The problem of attitudes towards tax-compliance

Tax education as a phenomenon should be tackled with due consideration to a myriad of complex attitudes that relate to compliance or non-compliance with tax laws. The type of attitudes being considered by the study occurs not only in Zambia, but has been reported in other parts of the world. This concurred with the views of Fjeldstad (1996) who says non-compliance with tax laws seemed to take place in practically every country in the world, and should be considered a potential problem everywhere.

According to Thirsk (1991) non-compliance with the tax law occurred in varied ways such as failure to file a tax return, the use of fraudulent or non-tax invoices and resorting to transfer pricing practices involving exempted taxed activities. Fjelstad (1996: 2) argues that ‘imperfect information and uncertainty lied at the core of non-compliance problems’. Equally, the uncertainty or lack of tax information amongst communities or society opened up the door to strategic attitude of non-compliance with the country’s tax laws.

A tax-compliance survey which was done by Berenson (2007: 1-5) across the states of Poland, Russia and Ukraine, revealed varied answers which showed that the Polish had a more positive attitude towards tax-compliance but, the majority of the Russians reacted to tax-compliance out of fear to state punishment. In the same study, the Ukrainians preferred to avoid interacting with the government tax agents and neither fearing nor trusting it.

Other evidence on tax-compliance was witnessed by Torgler and Scheneider (2006) whose study looked at what shapes attitude towards paying taxes on three European countries of Switzerland, Belgium and Spain. The major revelation of the study was that enforcement efforts by the tax officials cannot fully explain the high degree of tax-compliance. Additionally, Torgler

and Scheneider argue that to resolve the puzzle of tax-compliance was seen as an inbuilt conduct of motivation found in the individuals themselves who pay tax. Moreover, most studies treated tax-compliance as a black box without discussing which factors shape it.

When the respondents were asked whether or not they paid tax for fear of being punished by the ZRA; the majority of them agreed. In the study's view, the respondents were aware of their wrong doing, but it was difficult to establish what shaped this negative attitude in them. On the same debate Simbyakula (1990) says that when taxes are not fully paid, civil penalties of fines or forfeitures or criminal penalties such as incarceration may be imposed on the erring individuals or institutions by government.

It was certain that the respondents knew of their wrong doings because the majority of them when asked whether or not they would whistle-blow on erring colleagues; they agreed that they would report them to the tax authorities. However, the shift in attitude by not conforming to tax law requirement of providing a tax invoice for each sale made between the artisan-marketeers and their customers was difficult to understand. In fact, the majority of the respondents (about 112 out of 138) defended their negative action to the matter and that it was the fault of their customers as they rarely asked for the ZRA recommended tax invoices when buying the products from them.

The negative attitudes toward tax-compliance highlighted by this study are no worse than those reported in other parts of Africa. For instance, Thirsk (1991) who conducted a taxpayer compliance attitudinal survey on the informal sector in neighbouring Tanzania reports that only about one out of ten amongst the self employed bothered to voluntarily pay their tax dues. Additionally, Thirsk said non-compliance attitudes also prevailed in Zimbabwe amongst the entrepreneur doctors who were not paying sales tax as required by law.

It was clear from this study that other writers on this topic of discussion view non-compliance to tax laws as one that cuts across the whole fibre of society. This meant the act of non-compliance to tax did not choose whether one was highly educated or not. In the study's view, the difficulties in explaining the attitudinal shifts to tax-compliance was not new to us, and has been identified mentioned in many other reviewed literatures from books and internet.

The study observed that difficulties in explaining the attitudinal shifts shown by the respondents seem to be bordering on the free-rider phenomenon. The free-riders are those who consume more than their fair share of a public resource, or shoulder less than a fair share of the costs of its production. A common example of a free-rider problem is on garbage collection and sanitation services whereupon, no one person resident in a compound can be excluded from being provided with these services from the council; whether they paid tax or not.

The free-rider phenomenon was also explored by Brenson (2007: 11) who conducted a taxpayer compliance attitudinal survey which reveals that ‘tax-compliance was based on a combination of trust that the state would continue to provide public goods and services; and that reference groups such as friends, relatives and neighbours pay their fair share in taxes’.

There still remains a link as to how taxpaying motivation for compliance was done in pre- and post-independent Zambia. This resentment to tax-compliance was revealed by the study when the respondents were asked whether or not the Zambian tax laws were fair and half the number said they were not fair. Further, when they were asked whether or not they complied with paying tax for fear of being punished; the majority of them agreed that it was out of fear that they complied.

Others who have written on tax-compliance have chosen to relate the complexities of non compliance with corruption taking the centre stage. According to United Nations Development Programme / UNDP – Report (2007) the term corruption was linked to human rights because it limited an individuals or groups or society access to public goods and services from public money raised from tax.

Both Djokotoe & Chama (2007) and Moyo (2009) considered the problem of non-compliance with tax in developing countries like Zambia as a consequence of not providing transparency and accountability by the respective governments. Transparency and accountability can be done through a process of telling the people about good spending. For instance, Ghana uses a tracking model called Public Expenditure Tracking Survey (PETS) which is used to show how public money is spent over a given period.

The study supported this advocacy for tax education as one which would yield positive results for changing people's attitudes towards tax-compliance. Such a tracking model as used by Ghana was good for Zambia as it showed the need for greater transparency, participation and co-operation among the tax administrators, the stakeholders and the government itself. The views about Ghana's tracking model were supported by this study. Simbyakula (1990) concurs with others and says that attitude towards tax-compliance by the self-employed business communities can only be improved by maintaining a close liaison or interaction between the tax officials and the self-employed people.

5.1.3 Adult education processes that can be used to enhance knowledge

This study was particularly interested in introducing motivational strategies of taxpaying compliance through adult education for the self-employed. When the respondents were asked whether or not adult education processes would assist in bringing about good attitudes toward tax-compliance. The majority of them strongly agreed that adult education processes would change their mind set. Therefore, the study was certain that it was conducive for the establishment and implementation of the nature of training that can expose both new and updated information about tax.

Simbyakula (1990) writes that ZRA were not interactive with the self-employed people, and this stance had weakened their tax administration since a large number of 'well-off' people easily escaped from taxpaying obligations.

The findings in this study concurred Simbyakula's (1990) observation that the Zambia Revenue Authority was not interacting with the self-employed people. This interaction could be through tax pamphlets or brochures written in simpler language and ensure that they are continuously updated.

In the study's view, tax education should be used to define factors affecting modern community learning based on interactive or participative patterns. Educational experiences that use participative approaches such as group discussion if effectively used would be the most suited in the market communities. It was more effective to use joint deliberations in propagating or

disseminating tax information in order to condition the minds of people for taxpaying compliance attitude.

In this regard, motivating artisan marketeers through civic education about the issues of tax may control such crippling tax-payers' complacency. In checking against this complacency, the associate or group-learning approaches would extend the interests of this particular community of self-employed adults. In addition, the proposed learning experiences would encourage the groups to seek more information and knowledge on tax matters with a view to widen their horizon of tax and its purposes.

Another question that might arise was about elements which would encourage participation. Some of the elements that could affect participation were highlighted in Cross's (1981) works, quoted by Kamwengo (2002: 68) as 'lack of time, poor health, lack of transport, inappropriate venue, inconvenient scheduling, inadequate information about the programme, instructors competences and conduct or behaviour, language problems and the feeling that learning was too involving'.

Some questions posed to the respondents such as whether they preferred learning in open air centres; and the majority of them wanted the tax lessons to be held in the open air. Another question posed to them on whom they preferred to teach them; and they wanted tax officials themselves to do it. Another question of interest was the method of learning which they were comfortable with; and the majority of them preferred pamphlets to be used. All these mentioned issues offer a challenge to the adult educator who in this particular case is the officer in charge of education at the Zambia Revenue Authority.

5.2 Conclusion

The study was however, concerned that although the tax department were aware of defects in the tax education system for the self-employed or informal taxpayers; not much was being done to reverse the trend. There must be a process of adjustment at play to, through adult educational interventions that would try to find the expressions of the artisans in relation to their interests and abilities in the larger satisfaction of the group on taxation issues.

The study observed that participative methods of educational interventions were considered more embracing for tax education programmes in artisan-markets of Lusaka compounds. Since the results of the study suggested a dearth of knowledge surrounding tax education. The revelation can further, suggest that a 'need' has arisen for the conduct of tax education lessons across the various artisan markets of Lusaka compounds. This would be playing a catalyst to the Zambian government's effort through its tax bureaucrat or ZRA to enhance the low levels of tax revenue collections and stifle the unreliable donor aid dependence.

Whereas, there may be no doubt as to who must institute these tax education campaigns, a strategy in training programme design for whoever is ascribed to undertake the venture would be cardinal. Whether it was the tax bureaucrat ZRA or the respective Market Management Committees (MMC), to initiate or sponsor or do both, every thing need to be done in ensuring that the tax training programmes are based on identified needs of the taxpayers.

Though a need may be perceived from different angles; it is generally taken to mean a gap between actual and required performance. The gaps may be about being the lack of knowledge, skills, attitude or behaviours. Characteristic of training needs are that they are not, but they are constantly changing. Many of these changes may have to do with modernisation and the advancement of technology. In addition, the study revelations were that research and training are 'a hand in a glove' as they would be cardinal in the tax education or training programme design to be adopted.

Finally, it was world order that every government of a country, Zambia included required more public money. However, if this were to succeed, it was a pre-requisite that the people or tax-payers should be better trained broadly in their outlook, able through wider understanding of their major civic responsibilities in maintaining law and order. However, there was need for greater transparency, participation and co-operation with the intention to include persons from both the formal and informal sectors of businesses. The public, who are the tax-payers, should be allowed to scrutinise where and how the donated money is spent and request responsibility from government.

This was because the importance of a taxation policy, knowledge about it and compliance to taxpaying cannot be over-emphasised and the government as well as the Zambia Revenue Authority must be in the forefront to nurture and implement it.

This study subscribes to the view that the training that the artisan marketeers received should be based on their needs. This was because adult learners have to be viewed as individuals with their own worldviews. These views or perceptions to a large extent were relatively similar based on the group's socio-cultural environment prevailing. Thus, as members of the same community, artisans have shared interests, ideals, hopes and practices. In addition, this creates the needed feeling of belongingness and attitude of loyalty towards their civic responsibilities in the community, society and the nation.

5.3 Recommendations

The study discussed about the existing challenges in the unexplored area of tax education which led to inept attitude towards tax-compliance amongst the artisan-marketeters of selected Lusaka compounds. In conclusion, the Zambia Revenue Authority with the aid of other stakeholders must embark on improved adult education processes that would enhance artisan marketeers' knowledge about taxation issues. By so doing tax education or dissemination of information would be more responsive to the artisan marketeers' needs as learners. The following were the study's recommendations:

- 5.3.1 Members of the community within which the artisans operate from should be engaged as trainers of their colleagues by the Zambia Revenue Authority. This will address the challenges Zambia Revenue Authority officers encountered in creating rapport with artisan marketeers when discussing taxation issues.
- 5.3.2 Zambia Revenue Authority should include record keeping techniques such as booking-keeping in tax education programmes for artisan marketeers. This will enable artisan marketeers to successfully compile and submit records their business incomes in order that the tax office can assess what has to be paid each year.
- 5.3.3 The delivery methods used by the Zambia Revenue Authority should include face-to-face interaction with learners as it enables them to ask questions for clarity; instead of the current method of distributing pamphlets only.

5.4 Summary

This chapter has delineated the self-employed marketeer taxpayers' perceptions of taxation in especially, Lusaka of Zambia. The causes and possible solutions to these perceptions were also carefully discussed as they were considered very important. They were considered as such because they effectively explain the artisan marketeers' taxpaying attitude or behaviours.

The perceptions on tax evasion and fiscal corruption held by both the taxpayers and critical stakeholders were suspected to be caused by the aggregate effects of numerous decisions of all the involved parties. These included the taxpayers, policy makers, tax agents and government itself. Though the perceptions held by these critical stakeholders' may be real or imagined but, they explain a lot of salient attitude or behaviours toward taxpayer' compliance amongst the self employed communities trading in the artisan markets of Lusaka compounds.

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APPENDICES

Appendix A

UNZA introductory letter.

Appendix B

Buseko (Matero) Market Management Committee – authorization letter

Appendix C

Kwacha Marketeers Co-operative Society (Chilulu) – authorization letter

Appendix D

Chifundo-Kondanani Co-operative Society (Chaisa) – authorization letter

Appendix: E

Work plan

DESCRIPTION	MONTH	REMARKS
Identification of topic and initiation of the research proposal	<u>2009</u> March	Review of literature on tax education; and periodical consultations with my supervisor
Compilation of summarized proposal for approval	April	Periodical consultation with supervisor
Writing, typing and binding of final / main dissertation proposal for grading	April	- As above -
Preliminaries for conduct of main study	May - September	In-depth review of relevant literature on tax education for use on the main report
Conduct of mapping exercise	October – Nov.	Targeted six non-randomly selected markets to enable draw the population.
Review of data collection methods and tools / instruments	December	Amend parts of questionnaire and interview-guide; and continued consultations with my supervisor
Conduct of pilot study	<u>2010</u> Jan. - February	Administered survey questionnaire and guided interviews on selected sample
Analysis and interpretations of collected data for compilation of the pilot study report	March	Corrections done to the methods and instruments / tools of the study for re-submission and approval by my supervisor
Conduct of surveys to the main study	April - July	Field work for face-to-face administered questionnaires and interviews with artisan marketeers, market and ZRA officials.
Compiling the collected data for analysis and interpretation	August - October	Classification and coding of collected data analysis using SPSS (Statistical Package for Social Sciences) – computer: Version 14 software
Corrections to 1 st draft report	November	Study period extended with permission from supervisor for purposes of editing the chapters.
Corrections to 2 nd draft report	December	Re-submitted 2 nd draft report for checking by supervisor.
Re-submitted edited Chapters	<u>2011</u> Jan. - February	Consultations with my supervisor and chapters 1, 3 and 4 approved.
Continuation of editing of remaining chapters	March	Consultations with my supervisor and chapters 2 and 5 approved
Corrected final dissertation report ready	15 th April	Printing and binding of 3 copies for submission to examiners’.

Feedback from Internal Examiner	4 th August	Start corrections after meeting the supervisor for re-submission within six months
To finalise corrections and edit dissertation	26 October	Submit the corrected document for checking by supervisor before printing and binding
Corrected final dissertation	2012 20 April	Prepare four completed copies of the dissertation and submit three for examiners
Worked on the “passed with minor corrections document”	26 July 18, 2013	Prepare three completed books for binding and depositing with University authorities; includes Soft Copy (as per Postgraduate Regulations)

Appendix: F

Budget – Financial year 2009 / 13

DESCRIPTION	UNIT MEASURE	QTY	RATE / ZKW	VALUE / ZKW
1. Professional fees				
- Dissertation editor	Page(s)	75	10,000	750,000
			Sub-total	750,000
2. Reimbursable				
- Researcher's transport (Local only)	Days	210	2,500	525,000
- Out of pocket.	Days	210	15,000	3,150,000
3. Secretarial services & stationary				
- Paper, A4	Ream(s)	2	25,000	50,000
- Pens (blue / red / black)	Each	10	1,000	10,000
- Flash disk (2 gig bytes)	Each	1	70,000	70,000
Typographical works				
- proposal typing (c / w binding)	Page(s)	21x2	4,600	193,200
- questionnaires' typing	Page(s)	6	3,000	18,000
- interview guides' typing	Page(s)	1	3,000	3,000
- Typing & printing draft reports	Page(s)	75x5	3,000	1,125,000
- Reprint / Final report (dissertation for examining)	Page(s)	75x4	3000	900,000
- cover design & binding	Pair(s)	4	2,500	10,000
Photocopying (typed-works)				
- questionnaires	Page(s)	870	200	174,000
- interview guide	Page(s)	8	200	1,600
			Sub-total	6,979,800
<u>Add</u> : Contingency @ 10%				697,980
			<u>Grand total</u>	<u>7,677,780</u>

Appendix G

Questionnaire for selected artisan marketeers in Lusaka.

Dear Participant,

You've been selected to participate in this University of Zambia (Post-Graduate) sponsored study by truthfully and diligently answering all questions put forward to you. Specifically, this academic study designed by Sam Silumesii Nyambe seeks to assess the current situation and challenges to adult education in tax education in relation to changing attitude towards tax-compliance among artisans in markets of Lusaka urban.

Instructions.

- The data being collected is merely for academic purposes to the on-going University of Zambia (Post-Graduate) dissertation project.
- Kindly, assist by way of completing the questionnaire and simply tick [] next to your best answer and / or write down your comments in the appropriate blank spaces provided.

PART 1 (Personal data)

1. What is your sex:

- a) Female []
b) Male []

2. Marital status:

- a) Married []
b) Single []
c) Widowed []
d) Divorced []

3. Age Group:

- a) 16 – 20 years []
- b) 21 – 25 []
- c) 26 – 29 []
- d) 30 – 34 []
- e) 35 – 39 []
- f) 40 – 44 []
- g) 45 and above []

4. Highest level of education attained:

- a) Lower Primary []
- b) Upper Primary []
- c) Junior Secondary []
- d) Senior Secondary []
- e) College []
- f) University and above []

5. Length of service at the workshop premises:

- a) Less than 2 years []
- b) More than 2 but, less than 5 years []
- c) 5 to 10 years []
- d) 10 years and above []

PART 2 (Core subject issues)

6 Respondents knowledge of the difference between the two main types of tax paid each year

- a) Levy paid to the Council []
- b) Tax paid to the ZRA []
- c) Do not know []

7 Whether or not the respondents know the named tax paid to the Council and ZRA, respectively,

- a) Levy paid to the Council []
- b) Tax paid to the ZRA []
- c) Do not know []

8. Knowledge of the recommended minimum amount for exclusion from paying income tax.

- a) A business person with more than K 200, 000, 000 annual income []
- b) A business person with less than K 200, 000, 000 annual income []
- c) Do not know []

9. Respondents knowledge of registration procedures for new taxpayers
- a) Notify the commissioner General within 30 days of business commencement []
 - b) Maintain business records pertaining to income raised and wait
for ZRA to come []
 - c) Do not know []
10. The type of tax most adhered to by the respondents
- a) Income tax []
 - b) Value Added Tax (VAT) []
 - c) Other, please specify.....
11. Respondents willingness to access tax education lessons
- a) Yes []
 - b) No []
12. Respondents opinion of tax laws in Zambia
- a) Tax laws are fair []
 - b) Tax laws are unfair []
 - c) Other, please specify.....
13. Respondents issuance of tax invoices to their customers
- a) Yes, I do []
 - b) No, I do not because nobody asks for it []
 - c) Other, please specify.....
14. Respondents view of penalties for non-compliance
- a) Punishment increases tax-compliance []
 - b) Counseling increases tax-compliance []
 - c) Other, please specify.....

15. Respondents view of importance of adult education in tax education.
- a) Strongly agree that it was []
 - b) Agree that it was []
 - c) Neutral []
 - d) Other, please specify.....
16. Respondents view of need for open air learning centres in the artisan markets
- a) Strongly agree []
 - b) Agree []
 - c) Neutral []
17. Respondents preferred language of use for tax education lessons
- a) English []
 - b) Bemba []
 - c) Nyanja []
 - d) Kaonde []
 - e) Tonga []
 - f) Lozi []
 - g) Lunda []
18. Respondents preferred facilitators to tax education lessons
- a) A government tax official []
 - b) A market official []
 - c) Other, please specify.....
19. Respondents preferred method of learning
- a) Using pamphlets []
 - b) Using posters []
 - c) Using chalkboard []
 - d) Through drama []
 - e) Through radio and television []
 - f) Other, please specify.....

20. The government's sincerity in tracking the use of tax money would be a motivational factor to tax-compliance in Zambia. What do you say?

a) Strongly agree []

b) Agree []

c) Neutral []

d) Disagree []

e) Other, please specify.....

Appendix H

Interview guide for ZRA and market management committee members

For the Zambia Revenue Authority and the Market Management Committees' on the role of adult education in changing attitude toward tax-compliance in selected artisan markets of Lusaka Urban compounds.

Dear Participant,

You've been (non-randomly) selected to participate in the on-going University of Zambia (Post-Graduate) sponsored study designed by Sam Silumesii Nyambe. The study specifically, seeks to assess the current situation and challenges to knowledge on tax education in selected Lusaka urban product-markets.

Introduction

We would now like to ask you (on behalf of your institution) a few specific questions regarding the implementation of a training needs assessment that suggests the relationship between tax education and the artisan marketeers' knowledge on taxpayer' compliance attitudes.

Your opinion:

1. Could you please describe for me the contents and method of teaching that you use in educating artisan marketeers about the Zambian tax policy?
2. Apart from education them about the Zambian tax policy, are there any other issues of interest discussed? What are they? What do they aim to achieve?
3. Who sponsors the training and on what days are the learning sessions held?
4. What time of the day does the learning take place, for how on each meeting and how well attended are the class sessions?
5. Do the participants choose what to learn or to be included in the training?
6. Are there noticeable gaps in what people know about tax after teaching them once or twice? If so, what are these gaps?
6. Are teaching methods usually reviewed; how often would this happen and why would change be considered?
7. Has there been anytime that training was considered for discontinuation? Please, explain the circumstances.
8. How often is the training evaluated; who does it and how is the information from the exercise used?
9. Any comments.

Appendix I

A non-taxed customers' invoice

Appendix J

A taxed customers' invoice