

**AN INVESTIGATION INTO THE EFFECTIVENESS OF CUSTOMS STRATEGIES  
IN MITIGATING SMUGGLING OF GOODS IN ZAMBIA.**

**BY**

**CHIPO HAMACHILA**

**A Dissertation submitted to the University of Zambia in partial fulfilment of the  
requirements for the award of the Degree of Master of Business Administration in  
General**

**THE UNIVERSITY OF ZAMBIA**

**LUSAKA**

**2024**

## **DECLARATION**

I, Chipo Hamachila, do hereby declare that this work is my original work achieved through personal reading and research. This work has never been submitted to the University of Zambia or any other Universities. All sources of data used and literature on related works previously done by others, used in the production of this Dissertation have been duly acknowledged. If any omission has been made, it is not by choice but by error.

Signature: .....

Date: .....

## **COPYRIGHT**

All rights reserved. No parts of this Dissertation may be reproduced, stored in any retrieval system or transmitted in any form or by any means: electronic, mechanical, photocopying, recording or otherwise without the consent of either the author or the University of Zambia.

(c) Chipso Hamachila, 2024

## **APPROVAL**

This Dissertation by Chipo Hamachila is approved as a partial fulfilment of the requirements for the award of the Degree of Master of Business Administration in General.

Examiner 1

Signature

Date

.....

.....

.....

Examiner 2

Signature

Date

.....

.....

.....

Examiner 3

Signature

Date

.....

.....

.....

Chairperson

Signature

Date

Board of Examiners

.....

.....

.....

Supervisor

Signature

Date

.....

.....

.....

## ABSTRACT

The study aimed to investigate the effectiveness of the existing customs strategies in mitigating smuggling of goods in Zambia with the following study objectives; to assess the effect of taxes on smuggling in Zambia; to analyze the relationship between willingness to pay taxes and smuggling in Zambia; to examine the policy, legal and institutional framework that addresses goods smuggling in Zambia and to examine the effectiveness of the law in relation to goods smuggling in Zambia. Using a Mixed Method approach, descriptive and correlation design were utilized. Primary and secondary data were used where Primary data was using an open-ended questionnaire supplemented by desk research for secondary data. The sample size was 125 individuals from ZRA for both the quantitative and qualitative analysis. However, only 101 participants responded. The findings showed a significant positive relationship between taxes and smuggling prevalence. However, the willingness to pay taxes and smuggling relationship was not significant. For qualitative, the study revealed both strengths and weaknesses within the current policy, legal, and institutional framework addressing goods smuggling. Regarding law effectiveness in combating smuggling, perspectives vary. While some viewed the law as effective, others cited corruption, inadequate penalties, and resource constraints affecting implementation. The study recommends policymakers prioritize transparent tax communication to manage perceptions and balance revenue generation with smuggling risk.

### Key words

**Smuggling:** According to (Flynn, 2007), smuggling can be defined as the secret movement of goods across national borders to avoid customs duties, import or export restriction.

**Taxes:** These are mandatory contributions levied on individuals or corporations by a government entity—whether local, regional, or national (Geringer, 2021).

**Willingness to pay:** Willingness to pay (WTP) is the maximum price that a customer is willing to pay for a product or service (Davidovic, Harring, & Jagers, 2020).

## **ACKNOWLEDGEMENTS**

I give immense glory and highest degree of gratitude to God almighty who gave me this opportunity to do this research.

I owe a debt of huge gratitude to my supervisor Dr. Chaste Nsama for his unwavering support, encouragement, guidance and for being so patient enough on me during the course of doing this work.

Many special thanks also go to Ms. Nilla Muyembe who also was like a second supervisor to me for so many technical advices.

Special thanks go to the Zambia Revenue Authority Management for allowing me to conduct a research in the institution. I also thank respondents from the institution who spared time from their busy schedules to attend to the research questionnaires.

It would seem to be ungrateful if I fail to acknowledge the host of all lecturers at Graduate School of Business (GSB) at the University of Zambia for the great knowledge that they helped me to acquire.

Lastly my special thanks also go to my family for their holistic support and for being there for me all the way.

## **DEDICATION**

Dedication goes to my dear wife for the encouragement she gave me to embark on this long and tedious journey. She always encourages me to shoot for the heavens so that I can be among the stars. I also dedicate this dissertation to my lovely children Twalumba Hamachila and Akwiza Hamachila for their support and prayers throughout this Journey. Their presence is what catalyzes me to push myself to the limit. I promise you my dear children that I will always do my best and treasure you in my life.

## TABLE OF CONTENTS

|                                          |      |
|------------------------------------------|------|
| <b>DECLARATION</b> .....                 | i    |
| <b>COPYRIGHT</b> .....                   | ii   |
| <b>APPROVAL</b> .....                    | iii  |
| <b>ABSTRACT</b> .....                    | iv   |
| <b>ACKNOWLEDGEMENTS</b> .....            | v    |
| <b>DEDICATION</b> .....                  | vi   |
| <b>LIST OF TABLES</b> .....              | xii  |
| <b>LIST OF FIGURES</b> .....             | xiii |
| <b>LIST OF ABBREVIATION</b> .....        | xiv  |
| <b>CHAPTER 1</b> .....                   | 1    |
| <b>INTRODUCTION</b> .....                | 1    |
| 1.1 Overview .....                       | 1    |
| 1.2 Background of the Study .....        | 1    |
| 1.3 Statement of the Problem .....       | 8    |
| 1.4 Aim of the Study .....               | 9    |
| 1.5 Objectives of the study .....        | 9    |
| 1.5.1 Main Objectives .....              | 9    |
| 1.5.2 Specific Objectives .....          | 9    |
| 1.6 Research questions/ Hypothesis ..... | 9    |
| 1.6.1 Research Questions .....           | 9    |
| 1.6.2 Research Hypothesis .....          | 10   |
| 1.7 Significance of the study .....      | 10   |
| 1.8 Delimitations of the Study .....     | 11   |

|                                                      |           |
|------------------------------------------------------|-----------|
| 1.9 Limitations of the Study .....                   | 12        |
| 1.10 Operational Definition of Key Terms .....       | 12        |
| 1.9 Assumptions of the study .....                   | 13        |
| 1.11 Format of the Study .....                       | 14        |
| 1.12 Conclusion.....                                 | 15        |
| <b>CHAPTER 2 .....</b>                               | <b>16</b> |
| <b>LITERATURE REVIEW .....</b>                       | <b>16</b> |
| 2.1 Overview .....                                   | 16        |
| 2.2 Non-Empirical Review .....                       | 16        |
| 2.2.1 Legal Framework .....                          | 16        |
| 2.2.2 Existing Custom strategies .....               | 19        |
| 2.3 Empirical Review .....                           | 20        |
| 2.3.1 Global context .....                           | 20        |
| 2.3.2 Regional context.....                          | 22        |
| 2.3.3 Zambian context.....                           | 25        |
| 2.3.4 Research Gap.....                              | 28        |
| <b>CHAPTER 3 .....</b>                               | <b>29</b> |
| <b>CONCEPTUAL AND THEORETICAL FRAMEWORK.....</b>     | <b>29</b> |
| 3.1 Theoretical Review .....                         | 29        |
| 3.2 Situational Crime Prevention Theory.....         | 29        |
| 3.3 Conceptual Framework .....                       | 31        |
| 3.3.1. Conceptual definition .....                   | 31        |
| 3.3.2 Study Variables for Quantitative Analysis..... | 31        |
| 3.4 Conclusion.....                                  | 32        |

|                                                                   |           |
|-------------------------------------------------------------------|-----------|
| <b>CHAPTER 4 .....</b>                                            | <b>33</b> |
| <b>RESEARCH METHODOLOGY .....</b>                                 | <b>33</b> |
| 4.1 Introduction .....                                            | 33        |
| 4.2 Philosophical Underpinning.....                               | 33        |
| 4.3 Research Design .....                                         | 34        |
| 4.4 Location of study .....                                       | 35        |
| 4.5 Target Population .....                                       | 35        |
| 4.6 Sample Size .....                                             | 35        |
| 4.8 Research Instruments .....                                    | 36        |
| 4.9 Data Collection Procedures .....                              | 37        |
| 4.9.1 Quality Control Mechanisms (Reliability and Validity) ..... | 37        |
| 4.9.2 Reliability .....                                           | 37        |
| 4.9.3 Validity .....                                              | 38        |
| 4.10 Data Analysis Methods .....                                  | 38        |
| 4.11 Elimination of Bias.....                                     | 39        |
| 4.12 Ethical Considerations.....                                  | 40        |
| 4.13 Chapter Summary.....                                         | 41        |
| <b>CHAPTER 5 .....</b>                                            | <b>42</b> |
| <b>DATA PRESENTATION AND ANALYSIS .....</b>                       | <b>42</b> |
| 5.1 Introduction .....                                            | 42        |
| 5.2 Quantitative Analysis .....                                   | 42        |
| 5.2.1 Demographics.....                                           | 42        |
| 5.2.2 Correlation Analysis.....                                   | 44        |
| 5.2.3 Regression Analysis .....                                   | 47        |

|                                                                                                  |           |
|--------------------------------------------------------------------------------------------------|-----------|
| 5.3 Qualitative Analysis .....                                                                   | 48        |
| 5.3.1 Policy, legal, and institutional framework .....                                           | 49        |
| 5.3.2 The effectiveness of the legal framework .....                                             | 50        |
| 5.4 Chapter Summary.....                                                                         | 54        |
| <b>CHAPTER 6 .....</b>                                                                           | <b>56</b> |
| <b>DISCUSSION OF FINDINGS .....</b>                                                              | <b>56</b> |
| 6.1 Introduction .....                                                                           | 56        |
| 6.2 The effect of taxes on smuggling in Zambia. ....                                             | 56        |
| 6.3 The relationship between willingness to pay tax and smuggling in Zambia. ....                | 57        |
| 6.4 Policy, legal and institutional framework that addresses goods smuggling in Zambia.<br>..... | 58        |
| 6.5 The effectiveness of the law in relation to goods smuggling in Zambia.....                   | 60        |
| <b>CHAPTER 7 .....</b>                                                                           | <b>62</b> |
| <b>CONCLUSION AND RECOMMENDATIONS .....</b>                                                      | <b>62</b> |
| 7.1 Introduction .....                                                                           | 62        |
| 7.2 Summary of the Findings .....                                                                | 62        |
| 7.3 Recommendations .....                                                                        | 63        |
| 7.4 Limitations and Future Findings .....                                                        | 65        |
| 7.4.1 Limitation .....                                                                           | 65        |
| 7.4.2 Future Research Directions: .....                                                          | 65        |
| 7.5 Conclusion.....                                                                              | 66        |
| <b>BIBLIOGRAPHY .....</b>                                                                        | <b>67</b> |
| <b>APPENDICES .....</b>                                                                          | <b>72</b> |
| Appendix I: Consent.....                                                                         | 72        |

|                                     |    |
|-------------------------------------|----|
| Appendix III: Approval Letter ..... | 78 |
|-------------------------------------|----|

## **LIST OF TABLES**

|                                                 |    |
|-------------------------------------------------|----|
| Table 1: Table 4.1.1: Demographic Profile ..... | 43 |
| Table 2: Table 4.2.1: Correlation results ..... | 46 |
| Table 3: Table 4.3.1: Regression results .....  | 47 |

## **LIST OF FIGURES**

|                                                  |    |
|--------------------------------------------------|----|
| Figure 1: Figure 2.4: Conceptual Framework ..... | 31 |
|--------------------------------------------------|----|

## **LIST OF ABBREVIATION**

|        |                                                |
|--------|------------------------------------------------|
| BSAC   | British South African Company                  |
| CIPs   | Customs Importation Permits                    |
| COMESA | Common Markets for Eastern and Southern Africa |
| DV     | Dependent Variable                             |
| FAST   | Flexible Anti-Smuggling Teams                  |
| ICE    | Inspectorate and Customs Enforcement Unit      |
| ICT    | Information and Communication Technology       |
| IPM    | Innovation and Project Management              |
| RRA    | Rwanda's Rwanda Revenue Authority              |
| SPSS   | Statistical Packages for Social Scientists     |
| UNCA   | University of North Carolina                   |
| UNCAC  | United Nations Convention Against Corruption   |
| ZRA    | Zambia Revenue Authority                       |

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Overview**

Smuggling of goods and services poses a significant challenge to Zambia's economy, affecting revenue collection, trade balance, and the overall effectiveness of customs operations (Nyambishi T. , 2020). The illicit trade not only undermines the integrity of the country's borders but also jeopardizes the security and safety of its citizens. To combat this menace, the Zambia Revenue Authority (ZRA) has implemented various customs strategies aimed at enhancing border security and reducing smuggling activities (Chisonga, 2018). However, the effectiveness of these strategies in mitigating smuggling remains a subject of debate and requires further investigation.

This study seeks to explore the effectiveness of customs strategies in mitigating smuggling of goods in Zambia. By examining the current customs practices and strategies, the study aims to identify the strengths and weaknesses of existing measures and propose recommendations for enhancing their effectiveness.

This chapter presents the background of the research problem, statement of the problem, aim of the study, objectives of the study, research questions, significance of the study, delimitations and limitations, assumptions of the study, scope as well as location of the research. The chapter concludes by summarizing chapter one and explaining what the next chapter will be about.

### **1.2 Background of the Study**

Smuggling is not new; it has existed for countless generations in different forms. According to (Flynn, 2007), smuggling can be defined as the secret movement of goods across national borders to avoid customs duties, import or export restrictions. The main motivation for smuggling is profits exploitation. It usually occurs when the custom duties are high enough to enable a smuggler make a profit on smuggled goods or when there is a high demand for prohibited goods. Smuggling flourishes wherever there are high-revenue duties (e.g., on tea, spirits, and silks in 18th-century England, coffee in many European countries, and tobacco

almost everywhere) or prohibitions on importation (narcotics) or on exportation of highly regulated goods (arms and currency) (Ospina, 2003).

Smuggling is simply an attempt to evade taxation. Taxation in Zambia can be traced back to the late nineteenth century, under the British rule (Taylor, 2006). Over time, various reforms have been made from as early as 1891, beginning with the British South African Company (BSAC), a chartered company on behalf of the government, who after gaining total control of Northern Rhodesia presently known as Zambia, introduced a “hut tax” in 1900 and 1904. This tax was payable in money, labor, and grain or stock. Initially, though there was some resistance in paying taxes, the company involved chiefs in the collection of tax, as a result; a considerable number of people paid their tax regularly (Taylor, 2006). It should however be pointed out that there still existed much coercion in collection of these taxes; the issue of unwillingness to pay tax is as such not new.

Paying taxes is a civic obligation and an obligation imposed by the government to support its primary source of funding for the provision of public goods and services to its populace. It is a required payment to the government that is not reimbursed (Askari, 2006). Taxes have little bearing on the advantages of receiving government products and services (Hyman, 1990). In many nations, like Zambia, the primary goal of taxation is to raise domestic revenue to pay for government spending on public services like infrastructure development and other social programs. This is made feasible by the tax regulations established by the government of Zambia. The Zambian revenue authorities administer the tax policies that are developed by the country's ministry of finance and national planning. The income tax act No. 15 2019 as amended provides the legal framework directing the rules. Every person (including businesses, entities, enterprises, and individuals) who receives income must comply with the Income Tax Act.

According to (Parviz., 2010) a nation's trade balance and, eventually, economic performance are greatly impacted by laws and policies that discourage smuggling. The law in Zambia displays ambiguity regarding the steps taken to specifically target and deter goods smuggling in Zambia. Smuggling and other illegal economic operations were not as developed before 2000 as they have become in the last two decades. Because of this, the ZRA's customs and excise department would handle cross-border trade offenses. However, because road craft

technology has advanced, potentially contributing to an increase in smuggling methods and making crime easier to perform and harder to detect, concerns have been expressed concerning the legal gap that exists when it comes to tackling the issues related to unlawful cross-border trade which includes smuggling. The informal economy is where good smuggling usually takes place, keeping the entire operation out of the tax net. This indicates that the perpetrator's companies are not only evading paying taxes but are also not officially registered as a business, thus causing an understatement of GDP and consequently derailing economic growth (D.B, 2006).

After the Second World War, widespread goods smuggling activities emerged in Zambia because the conflict made imported goods from abroad both scarce and expensive (Golub, 2015). These activities were especially common at the Mokambo border post on Zambia's Copperbelt province, where traders obtained goods from the Belgian Congo's black market. This created a crisis as the government lost a lot of revenue in the form of taxes and duties. In retaliation, the government made a number of reforms that ultimately led to the formation of the Zambia Revenue Authority. The ZRA was founded in 1994, with the dual purpose of enforcing tax law and preventing goods smuggling. (Taylor, 2006).

According to the Zambia Revenue Authority, smuggling is the covert movement of products across borders in order to avoid paying customs fees or complying with import or export regulations (Nyambishi T. , 2020). Outright smuggling is also regarded to occur when no merchandise is declared at the port of entry and no legal import documentation is in possession. On the other hand, smuggling may occur through legitimate channels of trade using a variety of techniques to avoid paying the customs duties and other taxes that are levied on these commodities and products. Technical smuggling is what it is called, and under section 159 of the Customs and Excise Act, such products are subject to forfeiture (ZRA, 2020).

Since the effects of goods smuggling directly affect the Zambian economy, measures are in place to discourage the activity (Golub, 2015). For instance, Zambia, as a United Nations signatory, adopted the UNATOC and its Protocol, whose mission is to foster cooperation to prevent and combat transnational organized crime more effectively. Furthermore, Zambia adheres to the United Nations Convention Against Corruption (UNCAC), which may be

used by state parties to prevent crimes that fall under its purview and are connected to the smuggling of commercial goods, including the customs and border control sectors. The UNCAC also aims to promote and strengthen measures to prevent and combat corruption more effectively (Bhagwati, 1973).

In the second half of the 20th century, Drugs such as heroin, cocaine and cannabis were products for smuggling worldwide and many countries had to take up numerous measures in an attempt to combat the scourge (Ogunniyi & Britto, 2014). The Zambian government as a way to deal with its goods smuggling challenge has adopted some of these measures. The effectiveness of these measures is however in need of scrutiny and revaluation. The most smuggled goods in Zambia include assorted alcoholic beverages, secondhand clothing, cooking oil and motor vehicles awaiting final clearance and those on expired bonding entries and expired Customs Importation Permits (CIPs). Others are goods that had overstayed in Customs Areas and goods pending payments (Tembo, 2015).

In 1985 during Zambia's first republic, the then Republican president Dr. Kenneth David Kaunda invoked the Preservation of Public Security regulations in arresting accused drug smugglers Sikota Wina, Princess Nakatindi Wina and Vernon Johnson Mwaanga (Rakner, 2003). This was the first recorded case of smuggling in Zambia in what was famously known as the pills-for-cars, pills-for-cash fraud. The Scam quickly proved to be the fastest way ever devised to make hard currency in this country where per capita income was \$580 a year and was falling (Harden, 1985).

During that same time, on the Zambia-Zaire border, Army brigades were routinely dispatched to disperse the smugglers who maneuvered through jungles pushing wheelbarrows full of contraband soap, cooking oil and mealie meal.

Two Flexible Anti-Smuggling Teams (FAST) have as in the case of other revenue authorities, been "effective in forming a highly visible threat to smugglers allowing for improved deterrence" (Delay et al. 1999). In November 2000, the Zambia Revenue Authority (ZRA) set up the Central Investigations Unit, which deals with serious cases of tax evasion and supports the investigative units of ZRA's three tax divisions. However, ZRA has generally not acted as an integrated organization in exchanging information between

different departments. Information concerning one tax type is almost never crosschecked with that of another (Soest, 2008).

According to 2018 Zambia Revenue Authority Annual Report, mobile compliance enforcement activities focused on curbing smuggling through risk based, random patrols and enforcement operations driven by intelligence. Goods smuggling in Zambia is argued to have become rampant during the reign of the Patriotic Front Party because of the emergence of cadres who seemed to be above the law, as police officers seemed to be under the control of cadres. The party affiliates allegedly imported goods without paying Tax to the Zambia Revenue Authority and went scot-free. The enforcement operations conducted resulted in 6,241 interceptions with a value of K2, 086.7 million (Zambia Revenue Authority, 2019). In 2019, the Authority further enhanced its enforcement activities with the establishment of the Inspectorate and Customs Enforcement Unit (ICE) at the beginning of 2019. The heightened enforcement operations associated with this establishment resulted in 4,008 interceptions with a value of K1.4 billion out of which 1,867 interceptions, with a value of K757.6 Million were recommended for investigation (Zambia Revenue Authority, 2019) .

In 2020, according to the ZRA Annual Report, the operations of the unit involving mobile compliance enforcement activities focused on curbing smuggling through risk based random patrols and enforcement operations resulting in another 3,398 interceptions. The interceptions that were mainly based on intelligence information were valued at K1.6 billion. From these interceptions, assessments worth K53.4 Million were raised of which K36.3 Million was collected. In addition, out of the 3,398 interceptions, 1,471 interceptions valued at K345.5 Million were recommended for further investigation. In 2021, despite the challenges posed by the COVID-19 pandemic during the year, Zambia Revenue Authority continued with its mobile compliance enforcement activities through the Enforcement Unit (Zambia Revenue Authority, 2021). The enforcement operations resulted in 2,452 interceptions with corresponding assessments valued at K140.1 million.

Goods smuggling is an offence under the Zambian Law pursuant to section 149 of the Customs and Excise Act Cap 322 of the Laws of Zambia (hereinafter referred to as the “Act”). While it is commendable that the Zambia Revenue Authority (ZRA) is doing its best to ensure that the provisions of the Act are complied with and make systems and processes

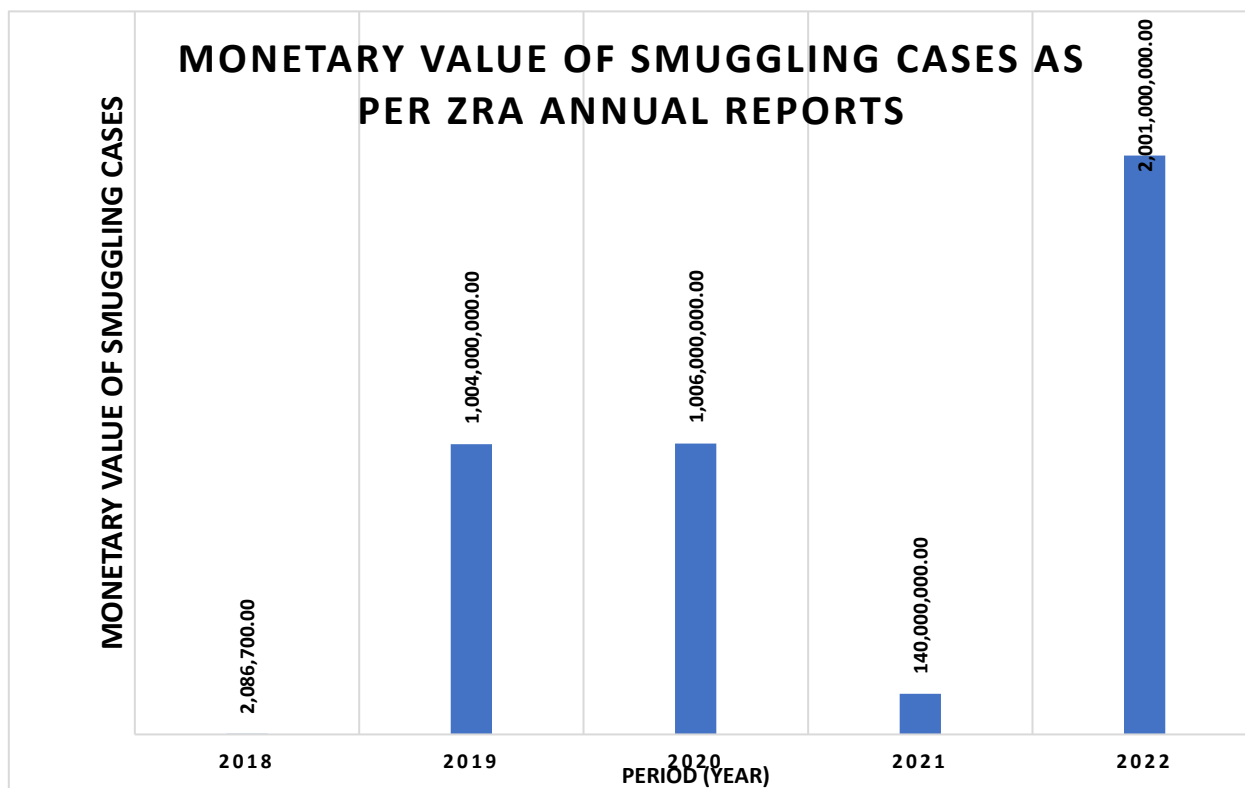
user-friendly for easy compliance, some people have continued to be deviant. Some cross-border traders, for instance are evading customs duty by smuggling goods into and out of the country thereby depriving the Government of the much-needed revenue for it to sustain the nation. This has led to the question of the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia.

Goods smuggling has been in existence for a long time, therefore, it is one of the greatest economic crimes facing many tax authorities, and governments in the world at present. Goods smuggling is capable of adversely affecting the government's ability to finance developmental programs. Although the repercussions of commodities smuggling are primarily social and economic, it is crucial to remember that because this activity is a serious crime, it is also a legal issue that requires a legal solution if it is to be resolved (Block, 1978). A nation must have a strong legal system and institutional framework in place to effectively prohibit specific crimes like goods smuggling. These factors must be in place for the country to be successful. Taxation is unquestionably the most reliable source of income in Zambia, and we cannot afford to jeopardize this system with inflexible legislation.

In relation to smuggling measures, an example can be drawn from Rwanda. Rwanda's Rwanda Revenue Authority (RRA) established a separate department made up of highly trained officers to investigate and detect goods smuggling, which has actually been incorporated into their law, as a measure to prevent goods smuggling (Chemouni, 2020). Other African nations have also been successful in reducing the smuggling of goods. In addition, this investigation division is able to increase public knowledge so that people can recognize illegal goods in retail establishments (Land, 2004). Comparing the systems in Zambia and Rwanda, we will observe that the Zambian system's structure raises concerns that suggest it is antiquated and stagnant, given that the country's laws addressing goods smuggling do not include such investigation units.

The literature on goods smuggling in Zambia has shown that it is still being widely practiced despite the regulations put across to try to stop it. The gravity of the problem of goods smuggling is its effect on national income and its ability to go un-noticed by the relevant Authorities (Simone, 2018; VAravayi & Shirkes, 2014). Goods smuggling is a strong weapon, which fight against the revenue generation in our country. The action of goods

smuggling affects the generation of revenues in Zambia. It makes the objectives of which tax is meant for not to be achieved. Below is the monetary value of smuggling cases per year as per ZRA annual reports. These monetary values indicate the amount of revenue being lost by the Government due to smuggling cases. This is the money that could have been used to fund social sectors such as Health and education and other Government projects like road construction.



These statistics are an indication that goods smuggling is still a big challenge in Zambia with the potential to adversely affect domestic revenue collection. The perceived reduction in 2021 was because of challenges posed by the COVID-19 pandemic that reduced mobile compliance enforcement activities through the Enforcement Unit (Zambia Revenue Authority , 2021).

The Zambia Revenue Authority initiated mobile compliance enforcement activities focused on curbing smuggling through risk based, random patrols and enforcement operations driven by intelligence. Despite such initiatives, the problem of Goods smuggling remains

widespread. Why the problem remains rampant in spite of measures that have been put in place to curb the scourge remains largely unexplored in Zambia. There is thus a long call to assessing the actual effectiveness of the existing customs strategies in mitigating smuggling of goods in Zambia. This research therefore, attempted to investigate the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia and consequently find possible solutions to the problem.

### **1.3 Statement of the Problem**

Smuggling of goods in Zambia persists as a significant challenge, despite ongoing efforts to curb it through various customs strategies. The ideal scenario would involve minimal or non-existent smuggling activities, ensuring optimal revenue collection, promoting economic stability, and ensuring regulatory compliance in the trade sector. However, the current situation indicates that smuggling activities remain prevalent, leading to substantial revenue losses for the government, market distortions, and challenges in enforcing trade laws effectively (Nyambishi, 2020).

Efforts to address smuggling have included among other measures, the introduction of legal and policy frameworks, random border patrols, deployment of technology such as scanners and surveillance systems, information and intelligence sharing with other enforcement agencies and enhancement of personnel training and capacity at border points. Additionally, collaboration with international organizations and neighbouring countries has been sought to improve cross-border cooperation and information sharing (USAID, 2017).

Despite these efforts, smuggling activities persist, indicating a significant gap between desired outcomes and actual results. The gravity of the problem is evident in the substantial revenue losses experienced by the government, market distortions, and challenges in ensuring compliance with trade regulations. This persistence highlights a knowledge gap in understanding the root causes and dynamics of smuggling in Zambia, hindering the development of targeted and effective strategies to address the problem.

The literature on goods smuggling in Zambia shows that it is still widely practiced despite regulations put in place to stop it. This problem affects national income and often goes unnoticed by relevant authorities. Goods smuggling remains a significant challenge in

Zambia, with the potential to adversely affect domestic revenue collection. Despite initiatives such as mobile compliance enforcement activities, the problem remains widespread, indicating a need to assess the effectiveness of existing customs strategies in mitigating smuggling of goods in Zambia and finding possible solutions (Simone, 2018; VAravayi & Shirkesh, 2014).

#### **1.4 Aim of the Study**

The literature on goods smuggling in Zambia has shown that it is still being widely practiced despite the numerous measures that have been implemented to curb the vice. The Zambia Revenue Authority for example, initiated mobile compliance enforcement activities focused on curbing smuggling through risk based, random patrols and enforcement operations driven by intelligence (Zambia Revenue Authority, 2019). However, despite such initiatives, the problem of Goods smuggling remains widespread. This research therefore, attempted to investigate the effectiveness of the existing customs strategies in mitigating smuggling of goods in Zambia and additionally find possible solutions to the problem.

#### **1.5 Objectives of the study**

##### **1.5.1 Main Objectives**

To investigate the effectiveness of the existing customs strategies in mitigating smuggling of goods in Zambia.

##### **1.5.2 Specific Objectives**

1. To assess the effect of taxes on smuggling in Zambia.
2. To analyze the relationship between willingness to pay taxes and smuggling in Zambia.
3. To examine the policy, legal and institutional framework that addresses goods smuggling in Zambia.
4. To examine the effectiveness of the law in relation to goods smuggling in Zambia.

#### **1.6 Research questions/ Hypothesis**

##### **1.6.1 Research Questions**

1. What is the effect of taxes on smuggling of goods and services in Zambia?

2. What is the relationship between willingness to pay taxes and smuggling in Zambia?
3. How does policy, legal and institutional framework addresses goods smuggling in Zambia?
4. How effective is the law in addressing goods smuggling in Zambia?

### **1.6.2 Research Hypothesis**

H<sub>0</sub>: Taxes do not have a significant effect on smuggling in Zambia.

H<sub>1</sub>: Taxes have a significant effect on smuggling in Zambia.

H<sub>0</sub>: Willingness to pay tax does not have a significant effect on smuggling in Zambia.

H<sub>2</sub>: Willingness to pay tax has a significant effect on smuggling in Zambia.

### **1.7 Significance of the study**

The study on investigating the effectiveness of customs strategies in mitigating smuggling of goods in Zambia is of paramount importance. Smuggling poses significant challenges to the economy, including revenue losses, market distortions, and regulatory non-compliance. The findings of this study will provide insights into the effectiveness of current customs strategies in addressing smuggling in Zambia. This information is crucial for policymakers and authorities to assess the efficacy of existing measures and make informed decisions to enhance customs strategies.

The study's findings are expected to have a direct impact on policy direction and implications. By identifying gaps and areas for improvement in current customs strategies, the study can guide policymakers in developing more effective policies and measures to combat smuggling and improve revenue collection. Additionally, the study will contribute valuable insights to the existing pool of knowledge on smuggling and customs strategies. It will provide empirical evidence on the effectiveness of specific strategies and their impact on smuggling activities, adding to the body of literature in this field.

Moreover, the study's limitations, such as scope and methodology, will help create a knowledge gap that future researchers can explore. By highlighting areas that require further investigation or refinement, the study sets the stage for future research to build upon its findings and expand our understanding of smuggling and customs enforcement. Overall, this

study is expected to have a significant impact on policy and practice related to customs strategies and smuggling in Zambia, providing valuable insights for policymakers, researchers, and practitioners in the field.

### **1.8 Delimitations of the Study**

- **Geographic Focus:** The study focused specifically on the smuggling situation in Zambia, limiting the generalizability of the findings to other regions or countries.
- **Scope of Analysis:** The study primarily focused on the effectiveness of customs strategies in mitigating smuggling and may not comprehensively address all factors influencing smuggling activities.
- **Methodological Approach:** The study employed a mixed-method approach, combining qualitative and quantitative methods.
- **Stakeholder Perspectives:** The study primarily focused on the perspectives of individuals from ZRA.
- **Resource Constraints:** The study was conducted within the constraints of available resources, including time and personnel.
- **Target Population:** The research concentrated on gathering views solely from individuals from the Zambia Revenue Authority (ZRA), as they are strategic informants regarding this study. The focus was on understanding their views on why smuggling persists despite measures to curb it, factors driving goods smuggling, the adverse effects on the Zambian economy, and possible measures to curb the vice. This approach aimed to determine the effectiveness of existing customs strategies in mitigating smuggling of goods in Zambia, as individuals from ZRA are primarily responsible for administering anti-smuggling measures.
- **Anonymity:** Questionnaires were administered to the participants with an emphasis on not indicating their names, to ensure honest responses to the questions.

### 1.9 Limitations of the Study

- **Generalizability:** The findings of the study may not be generalizable to other countries, as the research focused solely on strategies being employed by the Zambia Revenue Authority limiting to the Zambian situation.
- **Scope of Factors:** The study primarily focused on customs strategies and may not have comprehensively addressed all factors influencing smuggling activities, such as broader economic, social, and political factors.
- **Bias:** The study primarily relied on the perspectives of individuals from ZRA and may be subject to bias, as their views may be influenced by their roles and responsibilities within the organization.
- **Data Limitations:** The study relied on available data sources, which may be limited in scope or accuracy, potentially affecting the depth and reliability of the analysis.
- **Respondent Limitations:** The study focused on gathering views from individuals from the Zambia Revenue Authority (ZRA), which may not represent the perspectives of all relevant stakeholders involved in smuggling activities.
- **Anonymity Concerns:** While efforts were made to ensure respondent anonymity in the questionnaires, some participants may have still been reluctant to provide honest responses due to concerns about confidentiality or repercussions.

### 1.10 Operational Definition of Key Terms

- **Capacity Building:** The process of enhancing the skills, knowledge, and resources of customs officials to improve their ability to detect and prevent smuggling activities.
- **Cross-border Cooperation:** Collaboration and information sharing between countries to improve border security and combat smuggling.
- **Customs Duties:** Taxes imposed on goods imported or exported across international borders, payable to the government.

- **Intelligence-driven Operations:** Enforcement activities based on information and analysis to target smuggling activities more effectively.
- **Legal and Policy Frameworks:** The laws and regulations put in place by the government to govern trade and customs operations, including penalties for non-compliance.
- **Market Distortions:** Changes in market dynamics caused by smuggling, such as unfair competition, price fluctuations, and disruption of supply chains.
- **Regulatory Compliance:** Adherence to laws, rules, and regulations governing trade and customs, aimed at ensuring fair and legal trade practices.
- **Revenue Losses:** The amount of money that the government fails to collect due to smuggling activities, resulting in a decrease in the funds available for public services and infrastructure development.
- **Smuggling:** The covert movement of products across borders to avoid paying customs fees or complying with import/export regulations, including under-declaration and hidden consignments.
- **Surveillance Systems:** Technologies and methods used to monitor and track goods movements at border points, including cameras, scanners, and sensors.

### 1.9 Assumptions of the study

The study was based on the following major assumptions:

1. That at least seventy percent of the questionnaires will be successfully completed and returned by the respondents.
2. The study will provide some insight into the effectiveness of the existing customs strategies in mitigating smuggling of goods in Zambia.
3. The respondents will be clear and honest in their responses to give the study good validity and reliability.
4. The study will add to the body of knowledge in issues relating to smuggling in Zambia.

### **1.11 Format of the Study**

This study investigated the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia. In doing so, a number of factors and topics were taken into consideration. Therefore, the presentation of this study breaks down these factors into chapters and sections for easier comprehension and reading.

The first chapter provides general introduction and background on the study as well as the general framework of the problem of smuggling and the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia. The same chapter also looks at the aim and objectives of the study.

Chapter two (2) through the review of literature examines recent or historically significant research studies that act as a basis for study. This chapter involves reviewing various relevant empirical works pertaining to the effectiveness of anti-smuggling measures and general issues surrounding the rampant cases of smuggling worldwide and Zambia in particular notwithstanding measures that have been put in place to combat the scourge. Within the context and profile of these bibliographic tools, data on the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia will be incorporated. The chapter also lay down the conceptual foundation of the study through an in-depth review and analysis of the various reliable works on goods smuggling. The purpose of review hinges on the formation of a foundation for analysis and evaluation for the study's empirical findings. The Literature review particularly takes the following format: review of prior researches; related researches; theoretical framework; conceptual framework and then a critique of prior and related researches and justification for the study.

Chapter three (3) outlines in-depth of the research and methodology used to investigate the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia and with an explanation of how the researcher will conduct the study. This chapter also covers issues of data collection and data analysis and the limitation associated with the collection of data.

Chapter four (4) comprises the statement of the research findings on the research questions and analysis of data on the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia as per responses received from the research instruments administered. It

will also make a presentation of the data in graphic form for each of the question in the questionnaire.

Chapter five (5) is a discussion and interpretation of the findings. These findings will be compared with the findings in the literature review.

Chapter six (6) provides the conclusions, recommendations, and highlights the action plan for implementing the recommendations that will lead to minimizing the cases of goods smuggling in Zambia.

### **1.12 Conclusion**

This chapter has outlined the background as well as an insight into the problem of smuggling. It discusses the significance of the study; it brings out the research problem, the aim and the objectives of the study. The chapter also discusses the problem statement, the research questions and the assumptions of the study. The next chapter will discuss the literature review on the effectiveness of anti-smuggling measures worldwide and Zambia in particular.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Overview**

Chapter one of this dissertation introduces the research, vividly articulating the statement of the problem, emphasizing the objectives, and emphasizing the breadth and impact of the investigation. By completing a literature review, this chapter summarized the results of other research works relevant to the study structured based on the funnel approach having the global, regional and local perspectives. This chapter also details the theory that validates the study. Knowledge is cumulative, as such it was critical to begin an empirical review of the relevant literature. Every existing study will continue to serve as a model for future investigations.

#### **2.2 Non-Empirical Review**

This section, which is not based on empirical evidence, provides a comprehensive analysis of the legal frameworks and existing customs techniques that are utilised in the process of dealing with instances of smuggling of products. The section provides a detailed review of the approaches that government has taken to combat smuggling by synthesising literature and theoretical frameworks from a variety of sources together. Providing insights into prospective refinements and opportunities for additional research in the field of transnational crime prevention, this evaluation offers insights into the effectiveness of legislative measures and custom methods by analysing their effectiveness.

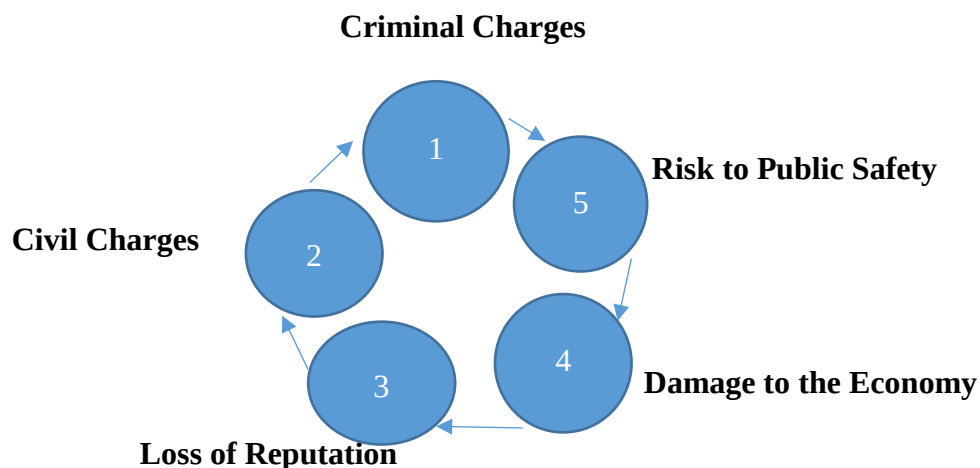
##### **2.2.1 Legal Framework**

In order to construct a comprehensive legal framework to combat the smuggling of goods, it is necessary to take a general approach that covers various facets of this illegal activity. To identify smuggling from other crimes that are related to it, such as human trafficking and migrant smuggling, the foundation consists of developing specific definitions and classifications. Therefore, this clarity ensures that legal repercussions are appropriately attributed to various forms of smuggling activities, which in turn enables law enforcement to efficiently target offenders and prosecute them.

In order to maintain global standards in the fight against transnational organised crime, it is essential to comply with international agreements and protocols in addition to maintaining compliance with domestic laws. Adherence to accords such as the United governments Convention against Transnational Organised Crime and related protocols offers a foundation for cooperation among governments and makes it easier to coordinate operations to destroy smuggling networks that are located across international borders (Campana & Varese, 2016). Compliance with international responsibilities not only helps to strengthen the legal framework, but it also helps to enhance the capacity to combat more complex types of smuggling.

The implementation of efficient prosecution and investigative procedures is an essential component of any anti-smuggling policy. For the purpose of addressing the inherent difficulties that are associated with transnational crimes, it is necessary to develop clear rules for the collection of evidence, both locally and internationally (Chimwaga, 2017). A further key component of the legal framework is the implementation of measures that guarantee victims' access to justice and provide them with support. Countries are able to build effective systems that not only discourage actions related to smuggling but also provide help to individuals who have been impacted and hold perpetrators accountable to the full extent of the law if they place a priority on prevention, protection, and collaboration.

### **The Legal Implications of Smuggling**



Source: Faster Capital, (2024).

The nature of the products involved, the value of the goods, and the techniques that are used for the unlawful transportation of the goods all have a role in determining the substantial penalties that are associated with smuggling, which is a criminal offence that has far-reaching legal ramifications. The gravity with which this illegal activity is regarded is highlighted by the fact that numerous countries have enacted stringent rules and regulations with the intention of discouraging and punishing smugglers.

Initially, smuggling is a criminal offence that can be prosecuted in a variety of jurisdictions all over the world. Those who are captured are at risk of facing severe legal consequences, which may include high fines and lengthy prison sentences. To give one example, in Zambia, smuggling is considered a crime that can result in large fines, depending on the type of contraband that is being transported.

Not only are smugglers subject to criminal accountability, but they may also be subject to civil accusations brought against them by either the government or the legitimate owners of the items that they have smuggled (Piotrowicz, 2014). Financial fines, the seizure of assets, and even future importation prohibitions are all examples of civil penalties that may be imposed. The individual's personal and professional reputation will be negatively impacted for a long time as a result of these consequences, which go beyond the mere implementation of legal sanctions. The tarnishing of one's integrity presents substantial obstacles when it comes to restoring the trust of many others, including acquaintances, family members, and business relationships.

Furthermore, the repercussions of smuggling transcend beyond the costs that are experienced by individuals and cover greater societal and economic ramifications. Illicit commerce is detrimental to the economy because it deprives governments of important money from import tariffs and taxes, which in turn hinders their ability to provide essential services to their citizens (Shelley, 2020). Additionally, smuggling leads to the disruption of legitimate firms, which in turn leads to the loss of jobs and a reduction in economic growth. The risk to public safety that is posed by smuggled items, which include illegal drugs and firearms as well as counterfeit products, is also a cause for concern. Smuggled firearms and counterfeit

drugs pose significant threats to public health and safety. For example, smuggled firearms fuel violent crime, while counterfeit medications imperil people's lives.

### **2.2.2 Existing Custom strategies**

The customs procedures that are now in place in Zambia to combat the illegal movement of goods demonstrate a cohesive effort across a number of different fronts. The comprehensive Customs and Excise Act and the Customs Code are two examples of legislative and policy initiatives that contribute to the establishment of a solid legal framework for the purpose of tackling actions related to smuggling (Mfune, 2015). In addition, the Zambia Revenue Authority (ZRA) has implemented preventative and control measures such as charging penalties on cases of smuggling and revoking licences of agents engaging in the illegal activity. The necessity of collective action in combating illegal trade and counterfeit items is highlighted by collaboration with stakeholders, such as the Zambia Association of Manufacturers (ZAM) (Lloyd & Stewart, 2018). This collaboration further strengthens efforts to enforce laws and regulations.

The Zambian government is a signatory to the Protocol against Smuggling of Migrants and is actively involved in efforts such as the Global Compact for Safe Migration. This indicates that Zambia's approach places a strong emphasis on international collaboration. Additionally, customs restrictions and checks have been strengthened in order to increase border security and allow efficient customs procedures. This includes the use of single papers for nations that comply with the regulations. Smuggling offences are subject to severe penalties and punishments under the Customs and Excise Act, which have the effect of enhancing deterrence measures and ensuring compliance with regulatory systems.

In addition to legal and enforcement measures, efforts are being made to promote public awareness and education. The Zambian Law Development Commission is now conducting evaluations of anti-smuggling legislation, while the African Union is implementing initiatives to address the underlying reasons of smuggling (Shelley, 2020). Through the implementation of this all-encompassing framework, Zambia has demonstrated its dedication to the fight against smuggling and the protection of its borders and economy from illegal activities. The goal of Zambia is to establish a robust defence against smuggling while simultaneously supporting lawful trade and economic development. This will be

accomplished through the integration of laws, enforcement, international cooperation, and public participation.

## **2.3 Empirical Review**

This section of the second chapter elaborated on existing studies undertaken to examine the effectiveness of customs strategies in mitigating smuggling of goods. It highlights the global, regional, and Zambian literature on the topic of interest.

### **2.3.1 Global context**

Max & Florian (2021) conducted a study on how states shape International Smuggling Routes in various borderlands based on extensive empirical research in North Africa and Southern Asia. To understand this puzzle, they explored the relationship between states and smugglers at international borders. The results show that different kinds of smugglers prefer different types of relationships with the state. The study outlined six ideal types of such relationships which are the dominant factor in how different smuggling networks choose routes along a border. These relationships include; genuine enforcement, Toleration, Flat Rate model, cat and mouse, state as a smuggler and finally petty corruption. These relationships according to the study indicates the interaction between smugglers and state authorities.

From the findings of this study it is suggested that the common assumption is that a key reason why states try to control their borders is that they want to stop smuggling and enforce custom regulations. The relationship between states and smugglers is viewed as one of antagonists, in which states try to enforce the laws and arrest and prosecute smugglers. Meanwhile, smugglers are assumed to be trying to evade prosecution and are therefore forced to operate in the shadows. If smuggling does nonetheless occur, according to this logic, it is the consequence of a state lacking the capacity to enforce its rules. This study thus seeks to investigate from a Zambian context, the effectiveness of the customs strategies in mitigating smuggling of goods.

Another study was done by Yurekli (2007) on smuggling activities on states per capita cigarette consumption and revenues by using a static demand model. His analysis was based on data for 50 states and the District of Columbia (DC) of the United States for a period

between 1970 and 1995. His underlying argument for the period was that the estimated price elasticity of demand for cigarettes ranged from -0.46 to -0.62, indicating that a 10% increase in price would reduce consumption per capita by 4.8% to 6.2%. Anti-smoking laws had a significant negative impact on per capita consumption. In 1995, consumption was reduced by 4.7 packs per capita among states with anti-smoking laws. This created a need for cigarette smuggling. The results of the study that was conducted by Yurekli (2007) showed that tax revenues were lost due to smuggling activities on both short and long distances with long distance smuggling having the most impact.

In a similar vein, Varavayi & Shirkes (2014) conducted research to determine potential tactics the Iranian government could employ to thwart oil smuggling near the Ghasreshirin border. Afghanistan, Gharbi, Pakistan, and Kurdistan were among the countries participating. The research population included judges, customs officers from several countries, specialists in the prevention of smuggling, and members of the border city staff. 100 randomly chosen members of the target population were given questionnaires by the researchers as part of a survey aimed at identifying possible approaches for curbing gasoline smuggling close to the border town of Ghasreshirin. In addition to using a questionnaire, data collection methods included taking notes, which aided in the capture of extra contextual and human variables that were relevant to the inquiry. The researchers discovered that the Iranian government's basic administrative frameworks built at the border had minimal effect in preventing petroleum smuggling. They found that the structures' inability to prevent the smuggling of gasoline across the border town was partly due to human factors. The researchers concluded that human factors, such as negligence and corruption, significantly contributed to the declining fuel smuggling incidences. The researchers also concluded that state agencies—state trustees in particular—would be in a better position to stop the smuggling of gasoline.

Reviewing global research is essential for gaining insights and understanding into various phenomena, including smuggling and customs enforcement. Studies such as those conducted by Max & Florian (2021), Yurekli (2007), and Varavayi & Shirkes (2014) provide valuable perspectives on the dynamics of smuggling, the relationship between states and smugglers, and the effectiveness of customs strategies in different contexts. These studies offer

theoretical frameworks, empirical evidence, and practical implications that can inform policymaking and enforcement strategies.

However, it is important to note the limitations of relying solely on global perspectives, especially when studying phenomena in specific regional contexts such as Africa. While these studies offer valuable insights into general trends and patterns, they may not fully capture the unique challenges and dynamics of smuggling in African countries, including Zambia. Factors such as economic conditions, governance structures, cultural norms, and historical contexts can significantly influence smuggling activities and the effectiveness of customs strategies in African countries.

Therefore, it is crucial to complement global research with regional perspectives to gain a comprehensive understanding of smuggling and customs enforcement. By focusing on studies conducted within the African region, researchers can better identify relevant factors, challenges, and solutions that are specific to the context of African countries. This approach ensures that research findings are more applicable and useful for policymakers, enforcement agencies, and other stakeholders in addressing smuggling and enhancing customs strategies in Africa.

### **2.3.2 Regional context**

ODAGO (2019), conducted a study to ascertain how well customs policies work to prevent products from being smuggled into Kenya. The study's particular goals were to determine how well physical border patrols, customs collaboration with other agencies, and one-stop border posts work to prevent items from being smuggled into Kenya. Routines activity theory, collaborative advantage theory, social effect theory, and situational crime prevention theory were among the theories employed in the research. A descriptive research design was employed in the study. The customs employees at Nairobi Customs Region and Namanga One Stop Border Post were the study's target group. Using the stratified random sampling technique, the study was able to identify a sample size of 214 responders, or 87.2% of the 460 staff members that were targeted in total. Simple random sampling was used to select respondents. The study employed a questionnaire to collect primary data. The questionnaire comprised of close-ended questions. The study generated qualitative data. Qualitative data was coded and entered into Statistical Packages for Social Scientists (SPSSVersion23) and

analyzed using descriptive statistics. Qualitative data was presented in form of tables. The study found that; Physical border patrol, Customs cooperation with other agencies and One stop border post as customs strategies had an effect in controlling smuggling of goods at Kenya borders. The study established that multiple agencies are required to work in harmony to complement the strategy since cooperation among agencies was found to be key for successful customs strategy. Physical border patrol, customs cooperation with other agencies and one stop border post explained 92.6% leaving 7.4% unexplained. The researcher concluded that there is need to evaluate other factors that contribute to success of customs strategy in controlling smuggling of goods at Kenya borders.

In order to determine how well governmental mechanism work to prevent the trafficking of illegal tobacco across the borders of South Africa and Zimbabwe, the Global Initiative Against Transnational Crime conducted a study in 2018 (Alexander, 2018). Using a case study methodology, the researcher concentrated on organized criminal networks that actively engage in the smuggling trade. Participants in the black market, tobacco smugglers, lawyers, law enforcement officers, tobacco business employees, and regulatory body representatives were among the intended audience. The researchers collected their data with the assistance of 16 structured interviews that were done in Beitbridge, Zimbabwe, and Johannesburg, South Africa. The study also focused on the participants in the smuggling industry, such as organized cartels with political connections and small-time smugglers. The investigation uncovered cases of cover-ups and stonewalling by the groups in charge of regulating smuggling, which had impeded the work of state institutions including the police, customs, and CIA. The investigation found that state agencies were unable to manage the vice due to a lack of infrastructure and resources, which resulted in a lack of surveillance to stop cross-border smuggling. The study also found that the agencies frequently encountered communication gaps between informants and enforcement agencies, rendering most deterrent tactics ineffective, despite border control strategies like the use of sniffer dogs and scanners, among other handheld devices. It was found that the primary barrier to the effective management of tobacco smuggling was human qualities in particular. Additionally, the study found that because of political turmoil and corruption within the government-established enforcement agencies, scanners and intelligence gathering were ineffective in discouraging smuggling.

Gallien & Occhiali, (2023), also conducted a study that contributes valuable insights to the debate in the analysis of the effects of a tobacco tax increase in Sierra Leone. This study used a combination of gap analysis, survey data, and customs data to assess the impact of the tax increase on smuggling. The findings of this study are particularly noteworthy, as they suggest that despite a significant increase in taxation, smuggling did not increase in Sierra Leone. This finding challenges the common industry claim that higher taxes inevitably lead to higher levels of smuggling, especially in settings with limited state capacity.

The study's results showed a decrease in cigarette smuggling by 16.74% following the tax increase, which was accompanied by a decrease in cigarette consumption and an increase in tax revenue. These findings suggest that higher tobacco taxes can be implemented successfully in low-income settings with lower enforcement capacity, without necessarily leading to an increase in smuggling.

Overall, this study provides important insights into the tax-smuggling link and raises new questions about how states in similar contexts can effectively limit cigarette smuggling. Further research in this area is needed to better understand the mechanisms through which tobacco taxation impacts smuggling, and to identify effective policy measures to address this issue.

Reviewing regional research is crucial for gaining a nuanced understanding of smuggling dynamics and customs enforcement strategies in specific geographical contexts. Studies such as those conducted by ODAGO (2019), Alexander (2018), and Gallien & Occhiali (2023) offer valuable insights into the challenges and strategies related to smuggling in the African region, including Kenya, South Africa, Zimbabwe, and Sierra Leone. These studies provide detailed analyses of the effectiveness of customs policies, border patrols, cooperation among agencies, and tax policies in combating smuggling.

However, it is important to note that regional studies, while informative, may not capture the full spectrum of smuggling dynamics across different African countries. Factors such as political instability, corruption, and regional trade agreements can vary significantly between countries, influencing smuggling patterns and enforcement strategies. Therefore, relying solely on regional perspectives may limit the generalizability of findings and overlook important nuances specific to individual countries.

To address this limitation, conducting a literature review that includes local perspectives from Zambia and other relevant African countries is essential. This approach would provide a comprehensive understanding of smuggling challenges and customs strategies specific to the Zambian context, allowing for more targeted and effective policy recommendations. By integrating local perspectives into the review, researchers can identify best practices and lessons learned from neighbouring countries, contributing to a more robust and contextually relevant analysis of smuggling and customs enforcement in Zambia.

### **2.3.3 Zambian context**

In a study on the Effects of beverage smuggling on Business performance in the supply chain industry: a case study of cold Chain Zambia limited, Nyambishi concluded that the causes of smuggling included smugglers' attempt to evade tax, smugglers' endeavor to make quick money by smuggling cheap commodities on the market, high duty, high tax ratios and customs, availability of market for smuggled goods, high demand on the market for that particular brand. The study recommended that smuggling can be reduced by ensuring the goods are sold at competitive prices to reduce benefit of smuggling, continue with quality control, educate the public on smuggling and how to report and identify smuggling, stiffen law on smuggling in Zambia and review the clearing procedure at all points of entry to fasten the process (Nyambishi, 2020).

In a study entitled "Custom and excise: a critical analysis of the law in relation to goods smuggling in Zambia", Musendeka Ntanda investigated the legal provisions on custom and excise particularly when it comes to discouraging goods smuggling in Zambia. The investigation regards how these provisions help in maximizing revenue collection by discouraging goods smuggling. The study identified the legal problems surrounding goods smuggling where it was observed that certain provisions in the law prove to open doors for goods smuggling. The research further observed that the framing of the Immigration and Deportation Act No 18 of 2010 raised concern especially on foreign informal traders as the Act seems to exhibit hostility towards these traders when it comes to trade permits. The Trade Licensing Act Cap 393 of the laws of Zambia too does not provide for hawkers' license for informal traders. Without such a license, a trader cannot legally import goods in Zambia and the other option would be to smuggle the goods. The study aimed at establishing

the effectiveness of the legal framework and institutional framework in addressing goods smuggling in Zambia. According to the research's findings, the problem of goods smuggling arises because the law's requirements were not framed in a way that would effectively protect revenue. Nonetheless, it was observed that the laws controlling excise and customs did not, to a certain extent, benefit international trade, and border documentation is inherently complicated (Ntanda., 2020).

Reviewing studies from the Zambian context is essential for gaining insights into the specific challenges and dynamics of smuggling within the country. Studies such as those conducted by Nyambishi (2020) and Ntanda (2020) provide valuable insights into the causes and implications of smuggling in Zambia, as well as the effectiveness of legal and institutional frameworks in addressing this issue.

Nyambishi's (2020) study highlights key factors contributing to smuggling in Zambia, including tax evasion, profit motive, high duties and taxes, market demand, and clearance procedures. The study offers practical recommendations for reducing smuggling, such as pricing goods competitively, quality control measures, public education, and legal reforms. These findings are crucial for policymakers and enforcement agencies in Zambia to develop targeted strategies to combat smuggling effectively.

On the other hand, Ntanda (2020) study focuses on the legal and institutional frameworks related to customs and excise laws in Zambia. The study identifies gaps and challenges in the current legal provisions, particularly regarding trade permits and licensing for informal traders. The research suggests that these legal shortcomings may inadvertently facilitate smuggling activities. This study underscores the importance of legal reforms and institutional improvements to strengthen customs enforcement and revenue collection in Zambia.

While these studies provide valuable insights into smuggling in Zambia, they also highlight the need for further research to fill existing knowledge and contextual gaps. There is a lack of comprehensive studies that systematically analyse smuggling patterns, enforcement strategies, and the socio-economic impact of smuggling in Zambia. Therefore, future research should aim to address these gaps by conducting empirical studies that provide a deeper understanding of smuggling dynamics within the Zambian context. Such research is

essential for developing evidence-based policies and strategies to effectively combat smuggling and promote economic growth and development in Zambia.

### SUMMARY OF LITERATURE REVIEW

| CONTEXT             | TITLE                                                                                                                                           | YEAR | AUTHOR(S)           | FINDINGS                                                                                                                                                                      | GAP                         |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| GLOBAL<br>CONTEXT   | To identify strategies the Iranian government might use to stop petroleum smuggling at the Ghasreshirin border.                                 | 2014 | Varavayi & Shirkesh | Fundamental administrative frameworks government had constructed at the border had little impact on stopping the smuggling of petroleum.                                      | This pose a Contextual Gap. |
| REGIONAL<br>CONTEXT | To evaluate the effectiveness of state structures in controlling the trafficking of illicit tobacco across Zimbabwean and South African borders | 2018 | Alexander Simone    | Due to political unrest and corruption within the government-instituted enforcement agencies, scanners and intelligence gathering were ineffective in discouraging smuggling. | This pose a Contextual Gap. |
| ZAMBIAN<br>CONTEXT  | Effects of beverage                                                                                                                             | 2020 | Nyambishi Kuzwayo   | The primary cause of goods smuggling is the                                                                                                                                   | The study concentrated      |

|  |                                                                                                           |  |  |                                                                          |                                                                                               |
|--|-----------------------------------------------------------------------------------------------------------|--|--|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|  | smuggling on Business performance in the supply chain industry: a case study of cold Chain Zambia limited |  |  | non-competitive prices of goods which increase the benefits of smuggling | on the effects of Beverage smuggling and not the effectiveness of current customs strategies. |
|--|-----------------------------------------------------------------------------------------------------------|--|--|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

#### 2.3.4 Research Gap

The majority of the studied literature show evidence that smuggling is a favorite activity among organized criminals. The literature also shows the factors that lead to an increase in smuggling and the grave consequences of the scourge. However, most existing literature pose a Contextual Gap because most them have not been done in Zambia. The one that was done in Zambia by Nyambishi Kuzwayo on “the Effects of beverage smuggling on Business performance in the supply chain industry: a case study of cold Chain Zambia limited” was product specific and concentrated on the effects of Beverage smuggling and did not address the effectiveness of the customs strategies in mitigating Smuggling in Zambia. Due to this gap, the research was conducted to investigate the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia.

## **CHAPTER 3**

### **CONCEPTUAL AND THEORETICAL FRAMEWORK**

#### **3.1 Theoretical Review**

Theoretical review explores the relevant theory underpinning the study and explains the relationship between the independent variables and Dependent Variables.

#### **3.2 Situational Crime Prevention Theory**

Among the most important contributors to this theory is Ronald Clarke. In 1983, he thoroughly defined the core of the theory and focused entirely his new approach on the event of the crime – the immediate physical and social settings, as well as wider societal arrangements –, instead of the perpetrator. Clarke summarizes it as the science and art of decreasing the amount of opportunities for crime using “measures directed at highly specific forms of crime that involve the management, design, or manipulation of the immediate environment in as systematic and permanent way” (Clarke, 1983). According to the situational crime prevention theory, fewer opportunities for crime result in lower crime rates (Crawford& Evans, 2016). In 1997, Clarke combined the rational theory and routine activity theory to create the theory. According to Welsh, Braga, and Bruinsma (2013), this theory differs from other theories of crime prevention since it emphasizes the environment in which the criminal act is committed and the criminal is arrested. It makes the claim that opportunities for crime are a significant factor in its cause. In other words, the environment and its circumstances have a significant impact on offenders. So, the primary crime prevention strategy outlined by this theory is lowering the chances of criminals committing an offence. By altering the physical environment, processes, or products, it is possible to decrease the likelihood of crime by influencing the views of offenders as higher risk, more work, and lower rewards (Tonry, 2011).

Situational crime prevention theory according to Siegel & Welsh (2014), offers a framework for crime prevention through examination of the criminal's decision-making during the course of committing crime. A reduction in situational circumstances may also result in a decrease in criminal activity, according to the hypothesis, which focuses on situational elements that encourage crime. The four main components of this theory, according to

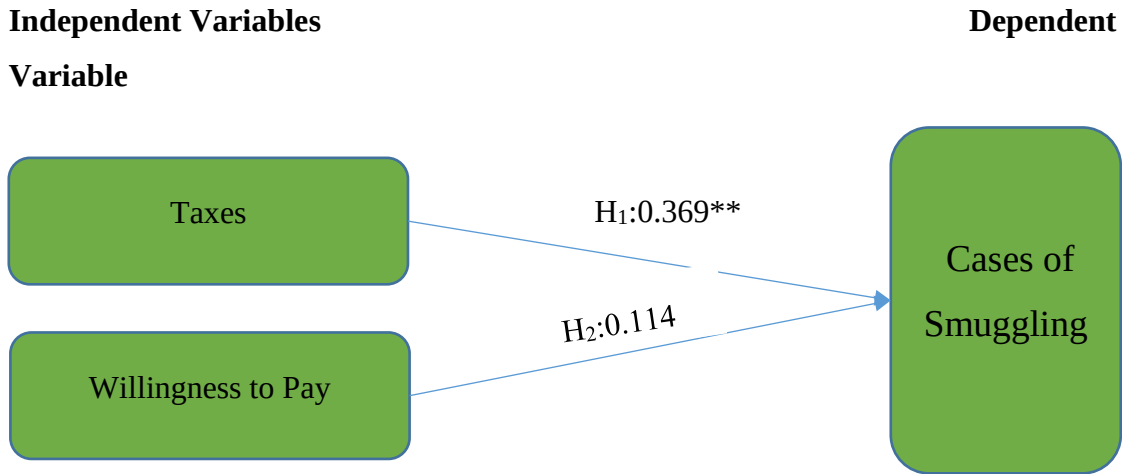
Clarke, are decreasing reward, raising perceived effort, raising danger, and eliminating justifications. In other words, the idea contends that crime can be decreased by making it harder to commit a crime, making it riskier to do so, decreasing the advantages of committing a crime, and removing whatever justifications an offender may have for doing so. As this theory developed, it became clear that situational considerations might not be sufficient to minimize crime, and more parts of the surrounding environment have been studied as a result (Welsh & Farrington, 2014). Environment concerns and behavior have received increased attention in psychological studies that have been undertaken.

Smugglers and other criminals are seen by organizations that uphold situational crime prevention theory as being driven to engage in illicit activity by opportunities they have access to or by the social and economic circumstances of their surroundings. They consider, for instance, that smugglers are logical individuals who would only commit a crime if the rewards outweighed the risks. Hence, organizations and people are advised by situational crime prevention theorists to make the costs of criminal behavior greater than the advantages (Wortley & Townsley, 2016). The idea is crucial to the study's topic since it tends to explain the theoretical significance of eliminating opportunities and making certain behaviors more expensive than they may appear to be. This indicates that the Zambia Revenue Authority may be able to regulate smuggling through cooperative enforcement under the one stop border post structure. This would let goods traffickers realize how difficult and dangerous it is to import or export products illegally. This is due to the likelihood that the products will be seized by cooperating customs authorities. So, decreasing the possibilities would cause criminals to go to other areas where the advantages of committing a crime outweigh the risks. This calls for strengthening the laws so that it becomes riskier to engage in smuggling. The existing strategies like border patrols need to be enhanced to offer less opportunities to smugglers. There is also need to come up with good tax policies which offers affordable rate so that people are encouraged to be compliant when it comes to paying taxes. Awareness around the subject of tax should also be enhanced so that people willingly pay taxes without being coerced to do so.

### 3.3 Conceptual Framework

Figure 1: Figure 2.4: Conceptual Framework

Figure 2. 1 Conceptual Framework



Source: Researcher's Construct, (2014).

#### 3.3.1. Conceptual definition

An organization accomplishes objectives by bringing a systematic, disciplined approach to evaluate and improve the measures taken to combat smuggling. The premise of investigating the increased cases of smuggling is to conduct reports, asking questions or expressing doubts about the effectiveness of measures carried to combat smuggling. An excess increase in smuggling has the potential to compromise the tax gains of a nation and consequently the economy. As such, a reduction in smuggling is more desirable especially in a third world country like Zambia. However, in order to reduce smuggling, an accompanying control of taxes and willingness to pay is essential. It is for this reason that this research sought to investigate and examine the effectiveness of anti-smuggling measures in Zambia.

#### 3.3.2 Study Variables for Quantitative Analysis

| Variable | Variable Type | Indicator | Scale of Measurement | Question Numbers |
|----------|---------------|-----------|----------------------|------------------|
|          |               |           |                      |                  |

|                    |             |    |              |   |
|--------------------|-------------|----|--------------|---|
| Smuggling Cases    | Dependent   | SC | Likert Scale | 4 |
| willingness to Pay | Independent | WP | Likert Scale | 4 |
| Taxes              | Independent | T  | Likert Scale | 3 |

### 3.4 Conclusion

This chapter outlined literature related to the study. This was from a global, regional as well as Zambian context. It further highlighted the theories that guided the underpinnings of the study. Lastly, a conceptual framework was drawn to represent the relationship between the independent and dependent variable in a graphical way.

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

This chapter outlined the research methods that were employed in satisfying the empirical aims of the study, as elucidated in the study's objectives, and further highlights the research design, research philosophy, population of study, samples and sampling techniques, data collection instrument, data processing and analysis, and ethical consideration.

#### **4.2 Philosophical Underpinning**

The philosophical underpinning of a study that combined both quantitative and qualitative research methodologies is crucial, as it guided the researcher's approach to understanding and interpreting the research phenomenon. This study intended to investigate goods smuggling in Zambia, focusing on the effect of taxes, the relationship between willingness to pay taxes and smuggling, examining the policy, legal and institutional frameworks that addresses goods smuggling in Zambia and the effectiveness of laws addressing smuggling. By incorporating both quantitative and qualitative approaches, the study aims to provide a comprehensive understanding of the complex issue of goods smuggling.

The philosophical stance of this study acknowledged the limitations of a purely positivistic approach in understanding social phenomena. While quantitative research provides valuable statistical data and measurable outcomes, it may not capture the nuances and complexities of human behaviour and social interactions related to smuggling (Schurink, 1998). Therefore, the study embraced an interpretive approach, recognizing the importance of understanding the meaning people attach to smuggling and the broader social context in which it occurs.

The study's philosophical underpinning also aligned with critical theory, which emphasizes the role of power dynamics, social structures, and ideologies in shaping behaviour and outcomes (Kakulu, 2014). By adopting a critical perspective, the study sought to assess the effectiveness of existing customs strategies, legal frameworks, and policies related to smuggling, with the aim of proposing more effective and equitable solutions.

Overall, the philosophical underpinning of this study recognized the value of integrating quantitative and qualitative methodologies to provide a holistic understanding of goods smuggling in Zambia. By combining these approaches, the study aimed to generate insights that can inform more effective policies and strategies to address smuggling and promote socio-economic development in Zambia. In a nutshell, the research used pragmatism or pragmatic approach to conduct the research in which a mixed-methods study was used.

#### **4.3 Research Design**

The research design for this study combined both descriptive and correlational research designs to provide a comprehensive analysis of goods smuggling in Zambia. The descriptive aspect of the study focuses on presenting descriptive statistics and qualitative data to describe the phenomenon of smuggling, while the correlational aspect examines relationships between variables related to smuggling (Ndururi, 2018).

The descriptive part of the study involves collecting and analysing data to describe the extent and nature of goods smuggling in Zambia. This includes gathering information on the types of goods smuggled, the routes and methods used for smuggling, and the parties involved in smuggling activities. Descriptive statistics such as frequencies, percentages, and averages are used to summarize and present this data. Additionally, qualitative data from the interview guide are used to provide context and depth to the descriptive statistics, allowing for a richer understanding of smuggling practices.

On the other hand, the correlational part of the study focuses on examining relationships between variables related to smuggling. This includes exploring the relationship between taxes and smuggling, and the relationship between willingness to pay taxes and smuggling. Statistical techniques such as correlation analysis are used to quantify the strength and direction of these relationships, providing insights into the factors that influence smuggling behaviour.

The use of both descriptive and correlational research designs in this study is justified by the need to provide a comprehensive analysis of goods smuggling in Zambia. By combining these approaches, the study is able to not only describe the phenomenon of smuggling in detail but also explore the relationships between various factors related to smuggling.

#### **4.4 Location of study**

The study location was limited to Lusaka, which houses the ZRA main offices.

#### **4.5 Target Population**

According to Creswell (2014) the study population represents the larger pool from which a sample is drawn, and it is this overarching group for whom the research outcomes are intended to be relevant or about whom they are meant to provide points. The study 's target population included individuals from ZRA, who as at December 31,2021 were 2,261 (Zambia Revenue Authority, 2021).

#### **4.6 Sample Size**

The sample size for this study was determined using Sekaran's principle (2016), which recommends that a sample size ranging from 30 to 500 is appropriate for research studies. Thus, the sample size for this study was 125 participants from ZRA. This sample size is deemed adequate to obtain meaningful insights and draw valid conclusions about the study topic, ensuring that the findings are both statistically reliable and practically relevant. By selecting a sample size within this range, the study aims to strike a balance between the need for a sufficiently large sample to represent the population and practical considerations such as time, resources, and feasibility. This sample size was used to collect data for both the quantitative and qualitative analysis using an open-ended questionnaire. The researcher used online platform Google to self-administer questionnaires during data collection. The open-ended questionnaire was made available to all individuals from ZRA.

#### **4.7 Sampling Methodology**

The sampling approach adopted in this study was purposive sampling, a non-probability sampling technique in which units are selected because they possess specific characteristics that are relevant to the study (Campbell, et al., 2020). In this case, individuals from the Zambia Revenue Authority (ZRA) were selected as strategic informants due to their expertise and direct involvement in matters related to goods smuggling.

Purposive sampling was chosen over other non-probability sampling techniques such as convenience sampling and quota sampling due to its suitability for the research context.

Convenience sampling, for instance, may not have yielded participants with the necessary expertise and insight into goods smuggling in Zambia (Valerio, et al., 2016). Additionally, quota sampling might have been challenging to implement given the specific characteristics required for the sample.

The use of purposive sampling allowed for the selection of participants based on their relevance to the research topic, ensuring that the study obtained valuable insights from individuals with direct experience and knowledge of goods smuggling. While the method relies on the researcher's judgment, efforts were made to approach the selection process in a systematic and unbiased manner.

Overall, purposive sampling was deemed the most appropriate method for this study, considering the time and resource constraints faced by the researcher. The random approach used in selecting respondents under purposive sampling helped to ensure a diverse and representative sample of individuals with relevant insights into goods smuggling in Zambia.

#### **4.8 Research Instruments**

This study on goods smuggling in Zambia utilized a combination primary data and secondary data. Primary data, as articulated by Ajayi (2017), refers to information directly acquired by the researcher through first-hand interactions, such as discussions, surveys, observations, and questionnaires. In this study a close o 5-point Likert scale questionnaire and an interview guide to gather data from participants were utilized as primary data source. The research instrument was designed to collect both quantitative and qualitative data, allowing for a comprehensive analysis of the phenomenon of goods smuggling.

**5-Point Likert Scale Questionnaire:** The questionnaire consisted of statements related to various aspects of goods smuggling, such as the effectiveness of customs strategies, the impact of taxes on smuggling, and the effectiveness of laws addressing smuggling. Participants were asked to indicate their level of agreement with each statement on a 5-point Likert scale ranging from "Strongly Disagree" to "Strongly Agree." This quantitative data provided insights into participants' perceptions and attitudes towards smuggling-related issues.

**Open ended Questionnaire:** The administered Questionnaire included open-ended questions that allowed participants to provide detailed responses regarding their experiences, perspectives, and insights into goods smuggling in Zambia. This qualitative data provided a deeper understanding of the complexities and challenges associated with smuggling.

On the other hand, Secondary data, as characterized by Boslaugh (2007), encompasses any dataset not originally developed by the author. In this study, secondary data was acquired from online databases, including resources such as Google Scholar, Science Direct, PubMed, and Pro Quest, alongside a comprehensive review of academic papers, books, journals, and other relevant digital materials. The secondary data acted as valuable complements to the primary data, enriching the analysis and discussion.

#### **4.9 Data Collection Procedures**

The data collection procedures for this study began with obtaining an institutional introductory letter, which was used to introduce the study to relevant authorities. Permission was then sought from the institution to conduct the research within their premises. The questionnaire had an introductory write up that invited people to participate in the study, and also outlined the objectives of the study. Furthermore, as has been highlighted, the questionnaire was used which had data relating to both quantitative and qualitative sections. The data collection process took approximately 4 months to complete, including the time taken for obtaining permissions, conducting interviews, and collecting responses.

##### **4.9.1 Quality Control Mechanisms (Reliability and Validity)**

Quality control mechanisms, such as reliability and validity, are essential aspects of ensuring the credibility and accuracy of research findings. According to Brink, 1993; Tappen (2011) reliability and validity are related to the rigor of qualitative research, and all three ideas are necessary to ensure that research is carried out to a sufficient degree. In this study on goods smuggling in Zambia, several measures were taken to enhance the reliability and validity of the research.

##### **4.9.2 Reliability**

Reliability refers to the consistency or repeatability of research findings. The term "reliability" refers to the degree to which the results of multiple test questions that are

associated with the same topic are consistent with one another and this is done to ensure that the thing being measured does not change while it is being monitored by a metre or scale (Creswell, 2007). To ensure reliability of the study Chronbach's alpha as a statistical measure was used to test the internal consistency of the survey questionnaire items related to attitudes towards smuggling and tax compliance. A high Chronbach's alpha value (typically above 0.7) indicates that the items in the questionnaire are measuring the same underlying construct consistently. In addition, a Test-retest reliability to assess the stability of responses over time, a subset of respondents was asked to complete the survey questionnaire twice with a time interval in between. The responses from the two administrations were then compared to determine the consistency of responses.

#### **4.9.3 Validity**

Validity refers to the extent to which a research study measures what it claims to measure. According to Merriam-Webster (2016) the definition and use of the term "validity" in qualitative research are fraught with debatable issues and intricate nuances. This is especially accurate when considering how the phrase is used. A positivist worldview contains the seeds of traditional validity evaluation criteria. Several strategies were employed to enhance the validity of the research interview guide and the questionnaire such as content validity survey questionnaire was reviewed by the supervisor, to ensure that the questions were relevant, clear, and comprehensive in measuring the constructs of interest (e.g., taxes, willingness to pay taxes).

#### **4.10 Data Analysis Methods**

Upon completion of the data collection exercise, all completed research instruments were assembled, coded, summarized, entered into the computer and analyzed using statistical package for social science (SPSS). The data collected for this study on goods smuggling in Zambia was analysed using a combination of descriptive analysis, regression and correlation analysis, and thematic analysis. These analyses were chosen to provide a comprehensive understanding of the research questions and hypotheses.

Descriptive analysis was conducted to summarize the key characteristics of the data collected through the Likert scale questionnaire. This included calculating measures such as frequencies, percentages, means, and standard deviations to describe the respondents' demographic information and their responses to the questionnaire items. The descriptive analysis provided a snapshot of the participants' perceptions and attitudes towards smuggling-related issues.

Regression analysis was used to examine the relationships between variables related to smuggling, such as the effect of taxes on smuggling and the relationship between willingness to pay taxes and smuggling. Correlation analysis was also conducted to quantify the strength and direction of these relationships. These analyses helped to test the research hypotheses and identify significant factors influencing smuggling behaviour.

Thematic analysis was used to analyse the qualitative data collected through the interviews. This involved identifying, analysing, and reporting patterns (themes) within the data. The thematic analysis helped to uncover the underlying meanings and interpretations of smuggling-related issues as perceived by the participants. Themes such as challenges in enforcing laws, strategies for combating smuggling, and the role of corruption emerged from the analysis.

Practical steps were taken to ensure the rigor and validity of the data analysis process. For descriptive analysis, data cleaning and validation checks were performed to ensure the accuracy of the data. For regression and correlation analysis, appropriate statistical tests were used to test the hypotheses, and the results were interpreted in the context of the research objectives. For thematic analysis, coding was conducted by multiple researchers to ensure reliability, and the findings were supported by quotes from the interviews.

Overall, the data analysis procedures used in this study provided a comprehensive and rigorous analysis of goods smuggling in Zambia, combining quantitative and qualitative approaches to generate valuable insights into the phenomenon.

#### **4.11 Elimination of Bias**

Bias can arise from various sources, including the researcher, the respondents, the questionnaire or sample, and the prevailing situation. Respondents may introduce bias by

providing responses they believe the researcher wants to hear. Researchers, on the other hand, can bias the data if trust and confidentiality are not established with the respondents. To mitigate bias, participants were thoroughly informed about the study's purpose and how their data would be used, and their consent was obtained before data collection.

To address potential biases, the following measures were implemented:

- **Tactful Approach to Questioning:** Researchers used a tactful approach when questioning respondents who were hostile or uncooperative. This helped to minimize defensive responses and encourage more open and honest answers.
- **Careful Guidance for Clarification:** When respondents sought clarification, researchers provided guidance without leading them to specific answers. This ensured that respondents' answers were based on their own understanding and perspectives.
- **Private Completion of Questionnaires:** Respondents were given the option to complete the questionnaire privately or through email. This allowed them to provide responses without feeling pressured or influenced by others.
- **Preparedness of the Researcher:** The Researcher was well-prepared to answer any questions or provide clarifications during data collection. This helped to ensure that respondents understood the study and felt comfortable providing information.

Overall, these measures were implemented to minimize bias and ensure that the data collected accurately reflected respondents' perspectives on goods smuggling in Zambia.

#### **4. 12 Ethical Considerations**

In this study, several ethical considerations were addressed to ensure the rights and well-being of participants. Anonymity was maintained by not collecting any identifying information from participants. Participants were informed of the benefits of the study and how their participation would contribute to the research. Confidentiality was ensured by storing all data securely and only accessible to the research team. Participants' privacy was respected by conducting interviews in private settings and using codes to identify responses instead of names. Participants were informed of their rights to participate voluntarily, withdraw at any time, and have their data protected. Risks associated with the study were minimized by ensuring that participants were not exposed to harm or discomfort. Overall,

these ethical considerations were carefully considered and implemented to protect the rights and well-being of all participants involved in the study.

#### **4.13 Chapter Summary**

This chapter outlined the research design, methods and strategy that were used to collect information on the research study. It also justifies the choice of the method that were used. The questionnaire was used because it is the most convenient method of collecting data for this research. The chapter also focused on the validity and reliability of the study while elimination of bias was discussed in which the research was able to follow ethical issues in conducting research, use of carefully worded questionnaires, seek consent from respondent and establishing trust and confidentiality.

## CHAPTER 5

### DATA PRESENTATION AND ANALYSIS

#### 5.1 Introduction

In Chapter 3 above, the research approach used in this study was described. It discussed approaches, design, methods, data reliability and validity, data analysis, and ethical issues. Based on the research methodology, the study's conclusions are presented in this chapter. The manner in which the results are presented is dictated by the study's goals and assumptions.

This chapter presented the data analysis from the data collected using an open-ended questionnaire. Open ended questionnaires were administered to the respondents. The first section of the chapter presented the quantitative data and then followed by the presentation of the qualitative data.

#### 5.2 Quantitative Analysis

In this section, the quantitative analysis was divided into three parts. These involved presenting and explaining demographic data and examining the correlation between the study's independent variables (taxes and willingness to pay) and the dependent variable (goods smuggling). The last section focused on explaining the results of the regression analysis.

##### 5.2.1 Demographics

Demographics are a set of statistical statistics used to characterise and comprehend populations. Demographic analysis focuses on population variables such as age, race, and gender. For the demographic features of the targeted population, the researcher used gender, educational level and number of years in the institution. This is depicted in the tables below.

*Table 1: Demographics Profile*

| Variable                | Description           | Freq<br>uenc<br>y | Percent | Valid<br>Percent | Cumulativ<br>e Percent |
|-------------------------|-----------------------|-------------------|---------|------------------|------------------------|
| Gender of respondent    | Male                  | 74                | 74.0    | 74.7             | 74.7                   |
|                         | Female                | 25                | 25.0    | 25.3             | 100.0                  |
|                         | Total                 | 99                | 99.0    | 100.0            |                        |
|                         | Missing               | 1                 | 1.0     |                  |                        |
|                         | Total                 | 100               | 100.0   |                  |                        |
| Age of the respondent   | Under 30 years        | 32                | 32.0    | 32.3             | 32.3                   |
|                         | 31-40 years           | 44                | 44.0    | 44.4             | 76.8                   |
|                         | 41-50 years           | 22                | 22.0    | 22.2             | 99.0                   |
|                         | Above 50 years        | 1                 | 1.0     | 1.0              | 100.0                  |
|                         | Total                 | 99                | 99.0    | 100.0            |                        |
|                         | Missing               | 1                 | 1.0     |                  |                        |
|                         | Total                 | 100               | 100.0   |                  |                        |
| Highest education Level | No tertiary education | 1                 | 1.0     | 1.0              | 1.0                    |
|                         | Certificate           | 51                | 51.0    | 52.6             | 53.6                   |
|                         | Diploma               | 32                | 32.0    | 33.0             | 86.6                   |
|                         | Degree                | 11                | 11.0    | 11.3             | 97.9                   |
|                         | Master's degree       | 2                 | 2.0     | 2.1              | 100.0                  |
|                         | Total                 | 97                | 97.0    | 100.0            |                        |
|                         | Missing               | 3                 | 3.0     |                  |                        |
|                         | Total                 | 100               | 100.0   |                  |                        |

Table 4.1.1 provides insights into the demographics of the study respondents. In terms of gender, the majority of the respondents were male, constituting 74.0% of the total sample, while female respondents comprised 25.0%. This distribution highlights a gender imbalance within the study population. Moving to the age distribution, the age groups were well-represented, with 32.0% falling under the "Under 30 years" category, 44.0% in the "31-40 years" category, and 22.0% in the "41-50 years" category. Additionally, 1.0% of respondents were above 50 years old. This distribution suggests a relatively diverse age composition of the respondents.

Concerning the highest level of education, the data indicates varying educational backgrounds. A small percentage of respondents, 1.0%, reported "No tertiary education," while a significant proportion, 51.0%, held a "certificate." Further, 32.0% of respondents had a "Diploma," 11.0% had a "Degree," and a minority, 2.0%, possessed a "Master's degree." This distribution demonstrates the educational heterogeneity of the sample, encompassing individuals with different levels of formal education.

In summary, Table 4.1.1 illustrates the distribution of respondents based on gender, age, and highest level of education. The data showcases varying proportions within each category, providing valuable insights into the demographic composition of the study participants.

### **5.2.2 Correlation Analysis**

Correlation analysis is a statistical approach used in research to determine the degree to which two variables are linearly related to each other and to calculate the degree of their relationship. In its most basic form, correlation analysis analyses how much one variable varies in reaction to a change in another. If the correlation between two variables is high, they are highly correlated; if the correlation is low, the relationship between them is weak. The correlation coefficient, indicated by the symbol "r" and taking the form of a unitless number between +1 and -1 in correlation analysis, measures the strength of the linear association between the variables.

When two variables have a positive correlation, it means they tend to go in the same direction. When one variable increases, the other increases as well, and vice versa. A

negative correlation between two variables indicates that they tend to move in opposite directions. When one variable rises, the other falls, and vice versa.

If one variable has no influence on the other, there is no correlation, which is the situation with a weak or zero correlation. Pearson, Kendall's tau-b, and Spearman correlations are three types of correlations.

Cohen's standard can be used to assess the correlation coefficient in order to measure the strength of the association or the extent of the effect. Correlation coefficients between 0.10 and 0.29 indicate a modest association, coefficients between 0.30 and 0.49 indicate a medium association, and coefficients of 0.50 or more indicate a substantial association or relationship.

Pearson  $r$  correlation is the most commonly used correlation statistic for determining the strength of a link between two linearly related variables. The Pearson  $r$  correlation assumes that both variables are regularly distributed (normally distributed variables have a bell-shaped curve). Linearity and homoscedasticity are two further assumptions. Linearity posits a straight-line relationship between the two variables, whereas homoscedasticity assumes that data is spread uniformly around the regression line.

Kendall rank correlation is a non-parametric test for determining the degree of reliance between two variables. The Spearman rank correlation is another non-parametric test that is used to determine the degree of relationship between two variables. The Spearman rank correlation test makes no assumptions about the data distribution and is the proper correlation analysis when the variables are assessed on at least ordinal scales. In the case of smuggling measures study, the independent variables Taxes and Willingness to Pay Taxes are ordinal scale variables because of the 5-point Likert scale from 1 to 5, with 5 being the highest value. The Pearson Correlation test results are shown in the table below.

Table 2: Correlation Analysis

| #                                                                                                                      | Variable                   | Mean   | Std. Dev. | 1       | 2      | 3     | 4      | 5       | 6  |
|------------------------------------------------------------------------------------------------------------------------|----------------------------|--------|-----------|---------|--------|-------|--------|---------|----|
| 1                                                                                                                      | Goods Smuggling            | 4.0556 | 0.44971   | --      |        |       |        |         |    |
| 2                                                                                                                      | Gender of respondent       | 1.25   | 0.437     | 0.084   | --     |       |        |         |    |
| 3                                                                                                                      | Age of the respondent      | 1.92   | 0.765     | 0.132   | 0.214* | --    |        |         |    |
| 4                                                                                                                      | Highest level of education | 2.61   | 0.785     | 0.091   | -0.08  | 0.107 | --     |         |    |
| 5                                                                                                                      | Taxes                      | 4.2155 | 0.44496   | 0.369** | 0.05   | 0.032 | 0.04   | --      |    |
| 6                                                                                                                      | Willingness to Pay         | 4.1894 | 0.44189   | 0.235*  | 0.107  | 0.031 | 0.215* | 0.443** | -- |
| ** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed). |                            |        |           |         |        |       |        |         |    |

The insights from Table 4.2.1 provide valuable insights into the relationships among the variables studied. The mean and standard deviation values provided for each variable enrich the understanding of the dataset.

Regarding the relationship between gender and goods smuggling, a weak positive correlation of 0.084 was observed. However, its lack of statistical significance suggests that gender may not be a significant determinant of smuggling behaviour. Moving to age, a weak positive correlation of 0.132 was found between age and goods smuggling, indicating a potential connection. Additionally, a statistically significant positive correlation of 0.214\* was observed between age and taxes, suggesting that older respondents tend to perceive taxes as higher, implying that age might influence individuals' perceptions of the tax burden.

Examining the impact of education on the variables, a weak positive correlation of 0.091 was found between education level and goods smuggling, but it was not statistically significant. Similarly, the weak negative correlation of -0.08 between education level and taxes suggests that those with higher education might perceive taxes as less burdensome. However, these correlations do not strongly support these conclusions.

Of particular note is the significant positive correlation of 0.369\*\* between taxes and goods smuggling, which was statistically significant at the 0.01 level, indicating a substantial relationship between these variables. This suggests that taxes might contribute to an increased likelihood of engaging in smuggling activities.

Moreover, the moderate positive correlation of 0.235\* between willingness to pay taxes and goods smuggling, along with the similar correlation of 0.215\* between willingness to pay taxes and high taxes, suggests that those more willing to pay taxes might also be more

inclined to smuggling. Additionally, the strong positive correlation of 0.443\*\* connecting willingness to pay taxes with high taxes indicates that individuals open to paying taxes are more likely to perceive them as burdensome.

In summary, Table 4.2.1 reveals significant correlations among variables, particularly highlighting the interconnected factors of taxes, willingness to pay taxes, and goods smuggling. The impact of age on perceptions and its link to smuggling behaviour is noteworthy, while gender and education show more subtle associations. These findings provide insights into potential behavioural and perceptual dynamics within taxation and smuggling, enhancing our understanding of their interplay.

### 5.2.3 Regression Analysis

A regression model is a statistical model that evaluates the connection between one dependent variable and one or more independent variables (Angelini, 2019). Hierarchical regression is a well-known kind of regression. It is a method of determining whether or not the factors of interest explain a statistically significant variance in the Dependent Variable (DV) after controlling for all other variables.

Table 3: Regression Analysis

| Variable                                                                  | Model (1) |       | Model (2) |       | Model (3) |       |
|---------------------------------------------------------------------------|-----------|-------|-----------|-------|-----------|-------|
| Control Variables                                                         | Beta      | SE 1  | Beta      | SE 2  | Beta      | SE 3  |
| Gender                                                                    | 0.062     | 0.109 | 0.034     | 0.102 | 0.021     | 0.103 |
| Age                                                                       | 0.081     | 0.063 | 0.075     | 0.058 | 0.079     | 0.059 |
| Highest level of education                                                | 0.047     | 0.059 | 0.038     | 0.055 | 0.024     | 0.057 |
| Independent Variables                                                     |           |       |           |       |           |       |
| Taxes                                                                     |           |       | 0.369**   | 0.097 | 0.320**   | 0.108 |
| Willingness to Pay                                                        |           |       |           |       | 0.114     | 0.114 |
| F                                                                         | 1.072     |       | 4.572***  |       | 3.859***  |       |
| F Change                                                                  | 1.072     |       | 14.603    |       | 1.005     |       |
| R                                                                         | 0.183     |       | 0.407     |       | 0.418     |       |
| R Square                                                                  | 0.033     |       | 0.166     |       | 0.175     |       |
| R Square Adjusted                                                         | 0.002     |       | 0.13      |       | 0.13      |       |
| R Square Change                                                           | 0.033     |       | 0.132     |       | 0.009     |       |
| ***sig<0.001 (0.1 percent), **sig<0.01 (1 percent), *sig<0.05 (5 percent) |           |       |           |       |           |       |

Table 4.3.1 presents the results of three regression models, each aiming to examine the impact of different variables on the dependent variable. These models incorporate both control variables and independent variables to elucidate significant relationships.

In the first model, control variables such as gender, age, and the highest level of education are considered. Gender shows a marginal positive influence (Beta = 0.062), but this finding lacks statistical significance. Age demonstrates a slightly stronger positive effect (Beta = 0.081) with limited statistical significance. Similarly, the highest level of education exerts a modest positive impact (Beta = 0.047), but this result does not reach statistical significance. Moving to the second model, the focus shifts to the independent variable "taxes," while still controlling for the aforementioned variables. "Taxes" exhibits a substantial positive effect (Beta = 0.369\*\*) with high statistical significance (sig < 0.01), indicating a significant link to the dependent variable.

In the third model, the independent variable "Willingness to pay taxes" is examined, but its influence, when considering control variables, is modest and statistically nonsignificant (Beta = 0.114).

The F-values are provided for each model, with the second model standing out with an F-value of 4.572\*\*\*, indicating its statistical significance. Similarly, the third model boasts an F-value of 3.859\*\*\*, reaffirming its significance.

Furthermore, the R-squared values reveal insights into the models' predictive capacities. Model 2 presents the highest R-squared value of 0.166, suggesting that the inclusion of the "taxes" variable enhances the model's explanatory power. Meanwhile, Model 3 boasts an R-squared value of 0.175, signifying its slightly improved fit.

In conclusion, the regression outcomes obtained in this study and presented in Table 4.3.1 highlight the substantial influence of taxes ("taxes" variable) on the dependent variable. While control variables and willingness to pay taxes do not yield significant effects in these models, the inclusion of the "taxes" variable significantly enhances the models' predictive capabilities.

### **5.3 Qualitative Analysis**

This section provided the analysis and interpretation of the qualitative data examined. The number of the qualitative responded intended was 125 participants. However, after the data collection the researcher managed to get only 101 participants. The central research questions guiding this section was: "How does policy, legal and institutional framework

addresses goods smuggling in Zambia? And how effective is the law in addressing goods smuggling in Zambia?" This question specifically addressed two main aspects: the policy, legal, and institutional framework, and the effectiveness of is the law in addressing goods smuggling. Consequently, the data in this section was organized into two main parts: "Policy, legal, and institutional framework" and "Effectiveness of the law in addressing goods smuggling." Within each part, various themes emerged, providing a deeper understanding of the issues at hand.

### **5.3.1 Policy, legal, and institutional framework**

Two main themes emerged in this section: an awareness of the policy, legal, and institutional framework as well as its effectiveness as presented below;

#### **5.3.1.1 Awareness of policy, legal, and institutional framework**

The responses provided demonstrate a combination of awareness regarding the policy legal and institutional framework that deter goods smuggling. Among the participants, a notable portion exhibits a notable level of awareness, as evidenced by the repeated "yes" responses recorded in the dataset. This finding indicates that a subset of the participants understood the current legal and institutional structures designed to prevent the illegal transportation of products.

Nevertheless, it is worth mentioning that the dataset contains a number of "No" replies, suggesting that certain individuals may not possess sufficient knowledge or understanding of these frameworks. This observation implies that despite extensive endeavors to implement policy legal and institutional frameworks aimed at addressing the issue of commodities smuggling, there exists a segment of the population that lacks awareness of these activities.

In the dataset participants have provided multiple responses, alternating between "Yes" and "No." This inconsistency could reflect uncertainty or ambiguity regarding their level of awareness or understanding of the policy, legal, and institutional frameworks in place. It may also indicate varying degrees of familiarity with specific aspects of these frameworks. Despite this all the responses highlight the need for continued efforts to enhance awareness and understanding of the legal and institutional frameworks aimed at discouraging goods smuggling.

#### **5.3.1.2 Effectiveness of policy, legal, and institutional framework**

Various responses emerged from the comment about how effective the existing policy, legal, and institution frameworks are in discouraging goods smuggling. Responses like "Very effective" and "Yes" showed that some participants are confident in the effectiveness of these frameworks, but most responses tend to be skeptical or downright dismissive of their value.

The impression that the current frameworks are insufficiently effective in discouraging the smuggling of commodities is a common issue in the comments. Responses such as "Not effective enough," "Not that effective," and "Not so effective" in the dataset recurred severally. This sentiment points to a common perception among respondents that although efforts are being made, the desired effect is not being realized.

Further, certain participants show ambiguity over the effectiveness of the frameworks by utilizing expressions such as "Not sure" or "Not sure if they are effective." This ambiguity may result from a lack of conclusive data or evidence regarding the effects of these actions, suggesting the need for increased accountability and openness in the execution and assessment of anti-smuggling programs.

A number of responses offered more nuanced viewpoints, admitting the existence of existing policy, legal, and institution frameworks but contesting their effectiveness. Expressions such as "The frameworks were there but not effective enough" and "They were there but not very effective" imply an acknowledgement of the existence of measures, even when there is skepticism over their ability to really reduce goods smuggling.

In general, responses showed a lack of confidence in the ability of the current existing policy, legal, and institution frameworks to discourage smuggling of items. This emphasizes how crucial it is to continuously assess, modify, and enhance anti-smuggling tactics in order to handle the difficulties and complexities involved in stopping illicit trading.

#### **5.3.2 The effectiveness of the legal framework**

From the exploration of the effectiveness of the legal framework, several significant themes have emerged. These include an awareness of the measures implemented to combat goods smuggling, identification of the underlying factors contributing to this issue, recognition of

the adverse effects associated with goods smuggling, and the suggested of potential measures to mitigate its occurrence.

#### **5.3.2.1 Awareness of measures put in place to curb goods smuggling**

The responses indicate a varied degree of awareness concerning the strategies employed to impede the goods smuggling in Zambia. Although a significant proportion of the participants responded positively with "Yes," signifying their awareness of these measures, there were also some who responded adversely with "No," implying that they were unaware of this matter.

The responses to the question of whether or not respondents were aware of the measures in place revealed a spectrum of comprehension. Certain individuals who provided affirmative responses may have a thorough of the diverse approaches and endeavors utilized to prevent the smuggling of goods. On the other hand, individuals who responded with "No" may suggest a lack of awareness concerning these metrics.

It is important to highlight that a considerable proportion of participants responded in the affirmative, suggesting that they were cognizant of strategies aimed at preventing the illicit transportation of products. This implies that there is a degree of acknowledgment among members of the public concerning the measures taken by governing bodies and establishments to tackle this concern. Nevertheless, the inclusion of respondents who provided negative responses highlights the criticality of raising awareness and disseminating information regarding these measures in order to guarantee a more extensive comprehension and adherence among members of the community.

In conclusion, the feedback underscores the necessity for continuous information dissemination and dialogue concerning the strategies employed to impede the illicit trade of products in Zambia. By augmenting public consciousness and comprehension, governing bodies may potentially enhance the effectiveness of these initiatives and make a positive contribution to the overall decline in unlawful undertakings.

#### **5.3.2.2 Factors behind the problem of goods smuggling**

The responses provided shed light on various factors perceived to contribute to the problem of goods smuggling in Zambia. The mention of "high taxes" as a substantial factor is a

recurring motif among the participants. A substantial number of respondents cited the imposition of onerous tariffs on merchandise as a primary incentive for contraband. This indicates that there is a prevailing belief among some individuals that the imposition of substantial tax burdens motivates them to partake in unlawful contraband operations in order to minimize expenses and circumvent the tax framework.

Moreover, a considerable number of respondents' place corruption at the forefront as an additional significant factor. One factor cited as facilitating the smuggling of products is the high incidence of corruption within the industry, specifically at border crossings. Corruption undermines the effectiveness of border security measures and regulatory enforcement, thereby creating avenues for the unimpeded entry and exit of illicit goods. The data suggested that some participants hold the opinion that corrupt methods facilitate the expansion of contraband operations through the use of illegal means to bypass established laws and regulations.

In addition, a number of respondents cited inadequate border security as a factor. Smuggling organizations exploit weaknesses in border security measures to illicitly transport products across international boundaries. This indicates that participants are aware of the critical nature of strengthening enforcement mechanisms and border security infrastructure in order to effectively combat contraband operations.

In general, the responses underscore the intricate interaction of economic, regulatory, and governance elements that collectively contribute to the Zambian commodities smuggling predicament. In order to tackle the fundamental challenges at hand—such as exorbitant taxation, shady border security, and corruption—it is probable that the industry will need to implement comprehensive policy interventions and regulatory reforms. These measures should strive to enhance the country's legal and institutional structures to promote greater accountability, transparency, and enforcement capabilities.

#### **5.3.2.3 Adverse effects of goods smuggling**

The insights provided in this section pertain to the adverse effects that goods smuggling has on the economy of Zambia. One of the primary concerns expressed by the participants is the possibility of shortages of goods within the country. Prohibited goods and commodities may become scarce as a result of smuggling operations that disrupt authorized supply chains. In

addition to impeding consumer access, this scarcity hinders economic development and growth. The participants convey concerns regarding the potential adverse consequences of these scarcities on Zambia's economic stability as a whole.

Moreover, product shortages may serve as a contributing factor to escalated prices, thereby intensifying inflationary forces and placing additional financial strain on households. Furthermore, respondents' expressed concerns about the broader economic ramifications of goods smuggling. Several participants underscore the possibility of an economy that is weakened, attributing it to various factors including a decline in gross domestic product (GDP), disturbances in economic operations, and heightened levels of poverty. The act of smuggling compromises lawful economic channels, resulting in diminished investment prospects and fiscal setbacks for the government. Consequently, this phenomenon hampers the progress of the economy and sustains recurring patterns of poverty and unfairness onto the nation. The adverse effects of goods smuggling on the economy extend beyond immediate shortages to encompass long-term socio-economic challenges that hinder can Zambia's development.

Additionally, respondents' expressed concerns about the potential social and health implications of goods smuggling. Some mentioned an increase in diseases and hunger can result from the influx of illicit goods, which may be of substandard quality or pose health risks. Smuggling activities can also facilitate the illegal entry of drugs into the country, exacerbating public health challenges and straining healthcare systems. These social and health consequences further underscore the multifaceted effect of goods smuggling on the well-being and stability of Zambian society.

#### **5.3.2.4 Suggested measures to curb goods smuggling**

The responses provided offer a range of suggestions for measures that could be implemented to curb goods smuggling in Zambia. A prominent recommendation echoed by several respondents is the reduction of taxes. Many participants believe that high taxes create economic incentives for smuggling activities by increasing the cost of legal trade. By reducing taxes, the government could potentially make legal channels more competitive, thereby reducing the attractiveness of smuggling as a means to evade taxation. This

suggestion reflects a recognition among respondents of the economic drivers underlying smuggling activities and the importance of addressing these factors to mitigate illicit trade.

Another common suggestion is the need to increase security at the borders. Respondents emphasize the importance of tightening border security measures to prevent the illegal entry and exit of goods. This includes efforts to combat corruption at border crossings, with some individuals explicitly calling for measures to ensure there is no corruption at the borders. Strengthening border security not only deters smuggling activities but also enhances regulatory enforcement and ensures compliance with legal trade protocols.

Additionally, several respondents highlight the importance of education and awareness-raising initiatives in combating goods smuggling. By educating the public about the effects of smuggling, individuals may be less inclined to engage in illicit trade, and communities can become more vigilant in reporting suspicious activities. Education campaigns can also help foster a culture of compliance with legal regulations and promote greater transparency in trade practices.

Moreover, there is a call for stiff punishment for offenders involved in smuggling activities. Respondents advocate for harsh penalties as a deterrent against illegal trade, emphasizing the need for strong enforcement measures to uphold the rule of law and protect national interests. By imposing severe consequences for smuggling offenses, authorities can send a clear message that illicit activities will not be tolerated and discourage individuals from engaging in such practices.

Overall, the responses reflect a multifaceted approach to addressing goods smuggling in Zambia, encompassing economic, regulatory, and enforcement strategies. By implementing a combination of tax reforms, border security enhancements, educational initiatives, and punitive measures, authorities can work towards curbing illicit trade and safeguarding the country's economy and national interests.

## **5.4 Chapter Summary**

The conclusions of the study were presented in this chapter. This was done in two parts: quantitative data analysis, which depended on secondary data and used econometric techniques and procedures, and qualitative data analysis, which collected and analyzed data

by creating themes using content analysis. The following chapter, Chapter 5, discusses the study findings.

## CHAPTER 6

### DISCUSSION OF FINDINGS

#### 6.1 Introduction

The main aim of this study was to investigate the effectiveness of the customs strategies in mitigating smuggling of goods in Zambia. In this regard, the following specific objectives were established:

1. To investigate the effect of taxes on smuggling in Zambia.
2. To establish the relationship between willingness to pay tax and smuggling in Zambia.
3. To examine the policy, legal and institutional framework that addresses goods smuggling in Zambia.
4. To establish the effectiveness of the law in relation to goods smuggling in Zambia.

The analysis is presented in the form of objectives in this chapter. As a result, each objective is examined in return.

#### 6.2 The effect of taxes on smuggling in Zambia.

In examining the effect of taxes on smuggling in Zambia, the study's correlation analysis revealed a significant positive correlation (0.369\*\*) between taxes and smuggling. This suggests that individuals perceiving high taxes are more likely to engage in smuggling activities. This finding aligns with economic theory, suggesting that individuals may resort to illicit activities like smuggling in response to high taxation pressures.

The regression analysis, as depicted in Table 4.3.1, further supports this association. Model 2 shows that including the "taxes" variable significantly enhances the model's explanatory power. The notable positive effect (Beta = 0.369\*\*) of the "taxes" variable emphasizes its influence on smuggling, indicating that high taxes contribute to an increased likelihood of smuggling activities. Based on these findings, we reject the Null Hypothesis which states that taxes do not have a significant effect on smuggling.

These findings underscore the significant role of taxes in shaping smuggling behaviours in Zambia. Individuals perceiving taxes as burdensome are more inclined to resort to

smuggling to manage their financial strain. This has implications for policymakers and law enforcement, suggesting that strategies to address smuggling should consider managing perceptions of tax burdens through transparent tax policies, awareness campaigns, and social support.

Comparing these findings with relevant studies, such as Gallien and Occhiali (2022) on tobacco taxation in Sierra Leone, reveals a consistent pattern. Both studies highlight a significant positive correlation between high tax perceptions and smuggling, suggesting a shared phenomenon where high taxes encourage smuggling. Similarly, Karingi and Wanjala's (2005) research in Kenya demonstrates that taxation policies influence smuggling trends, echoing the present study's implications.

While the present study does not directly address tax evasion or missing imports, it aligns with Epaphra's (2015) study in Tanzania, which highlights how taxation policies can create opportunities for tax evasion, potentially contributing to illicit activities. Dominguez's work (1975) and studies on excise taxes on cigarette smuggling also resonate with the present study's findings, indicating that taxation policies play a crucial role in influencing smuggling behaviours.

In conclusion, the study's findings contribute to a broader understanding of the relationship between taxation and smuggling, aligning with existing literature. The consistent pattern observed across different contexts highlights the need for comprehensive policies addressing economic factors and perceptions to effectively tackle smuggling.

### **6.3 The relationship between willingness to pay tax and smuggling in Zambia.**

The analysis of the relationship between willingness to pay taxes and smuggling in Zambia provides valuable insights, despite the lack of statistical significance in the regression analysis. Model 3 in Table 4.3.1 indicates a modest positive effect ( $\text{Beta} = 0.114$ ) associated with willingness to pay taxes, suggesting a potential connection. However, this effect is not statistically significant, indicating that other factors may play a more dominant role in driving smuggling behaviours in Zambia. Based on these findings, we fail to reject the Null Hypothesis which states that willingness to pay taxes does not have a significant effect on smuggling of goods in Zambia.

It is essential to interpret these findings cautiously and consider potential explanations for the lack of significance. One possible interpretation is that the relationship between willingness to pay taxes and smuggling is influenced by various complexities and confounding factors not captured by the study. Economic, social, and regulatory factors could be more influential in motivating individuals to engage in smuggling, overshadowing the impact of willingness to pay taxes.

Comparing these findings with studies by Mitchell (1984), Cooper (1974), and Sebele-Mpofu (2021) provides a broader perspective on the relationship between willingness to pay taxes and smuggling dynamics. Mitchell's study on tax compliance, though not directly related to smuggling, sheds light on the complex interplay between taxpayers' willingness to fulfil their tax obligations and the broader tax environment. Cooper's investigation into smuggling in Indonesia underscores the role of tariffs in shaping illicit trade activities, suggesting that external factors could underlie the relationship between willingness to pay taxes and smuggling.

Furthermore, Sebele-Mpofu's study on tax compliance in Zimbabwe hints at the intricate interactions between informal economies, social dynamics, and tax behaviours. This perspective aligns with the notion that willingness to pay taxes could be influenced by a range of socio-economic factors beyond the scope of the current analysis.

In conclusion, while the present study's findings on the relationship between willingness to pay taxes and smuggling may not be statistically significant, they contribute to a broader understanding of the complex dynamics at play. The alignment with existing literature highlights the need for a comprehensive approach that considers broader contextual elements when interpreting and addressing the nexus between willingness to pay taxes and smuggling in Zambia.

#### **6.4 Policy, legal and institutional framework that addresses goods smuggling in Zambia.**

The findings regarding the awareness and perceived effectiveness of policy, legal, and institutional frameworks aimed at deterring goods smuggling provide valuable insights into the ongoing challenges and complexities associated with combating illicit trading activities.

These insights are consistent with broader scholarly discussions on smuggling dynamics, the relationship between states and smugglers, and the effectiveness of customs strategies in various contexts.

The study's findings suggest that while there is a degree of awareness among participants regarding the existing frameworks, there is also a notable lack of understanding among certain individuals. This variation in awareness levels aligns with the findings of Max & Florian (2021), who explored the relationship between states and smugglers in different borderland contexts. Max & Florian's study outlined six ideal types of relationships between smugglers and states, highlighting the diverse interactions between these actors at international borders. Similarly, Yurekli (2007) examined the factors influencing smuggling activities, emphasizing the role of economic conditions and regulatory measures in shaping smuggling patterns. These studies underscore the importance of understanding the nuanced dynamics of smuggling and state-smuggler relationships in addressing illicit trading effectively.

Furthermore, the findings regarding the perceived effectiveness of existing frameworks reveal a general scepticism among participants, with many expressing doubts about their efficacy. This scepticism echoes the findings of Varavayi & Shirkesht (2014), who investigated tactics to thwart oil smuggling near the Iranian border. Varavayi & Shirkesht's study highlighted the role of human factors, such as corruption and negligence, in hindering the effectiveness of customs strategies. Similarly, Gallien & Occhiali's (2023) study on tobacco taxation and smuggling challenges the assumption that higher taxes inevitably lead to increased smuggling. These studies emphasize the need for targeted interventions that address the underlying drivers of smuggling and enhance the accountability and transparency of anti-smuggling measures.

The nuanced viewpoints expressed by some respondents, acknowledging the existence of frameworks but questioning their effectiveness, underscore the importance of continuous evaluation and improvement of anti-smuggling strategies. This finding resonates with ODAGO's (2019) study on customs policies in Kenya, which highlighted the importance of cooperation among agencies and the need to evaluate additional factors contributing to the success of customs strategies. Similarly, Alexander's (2018) study on tobacco smuggling in

South Africa and Zimbabwe identified communication gaps and institutional challenges as barriers to effective enforcement.

In conclusion, the discussion of the findings underscores the importance of understanding the complex dynamics of smuggling and state-smuggler relationships in addressing illicit trading effectively. By drawing insights from both global and regional studies, policymakers and enforcement agencies can develop more targeted and responsive strategies to combat smuggling and promote economic growth and development. However, further research is needed to fill existing knowledge gaps and provide a comprehensive understanding of smuggling dynamics within specific geographical contexts like Zambia.

### **6.5 The effectiveness of the law in relation to goods smuggling in Zambia.**

The findings regarding awareness of measures to curb goods smuggling in Zambia reveal a mixed level of understanding among participants. While a significant proportion of respondents indicated awareness of these measures, some participants were unaware of the strategies employed to impede illicit trade. This variation in awareness levels is consistent with broader discussions on the complexity of addressing smuggling activities, as highlighted in Max & Florian's (2021) study on state-smuggler relationships. Max & Florian outlined various types of relationships between states and smugglers, underscoring the diverse approaches taken to combat smuggling across international borders. The findings suggest a need for continuous information dissemination and public dialogue to enhance awareness and understanding of anti-smuggling measures.

Moreover, the factors perceived to contribute to the problem of goods smuggling in Zambia highlight several key challenges faced by authorities. High taxes, corruption, and inadequate border security were identified as significant factors facilitating illicit trade. These findings resonate with the literature, as evidenced by Yurekli's (2007) analysis of smuggling activities and Varavayi & Shirkes's (2014) investigation into oil smuggling near the Iranian border. These studies emphasize the role of economic incentives, governance issues, and security vulnerabilities in enabling smuggling operations. Addressing these underlying factors requires comprehensive policy interventions and regulatory reforms to strengthen enforcement capabilities and promote transparency and accountability.

The adverse effects of goods smuggling on the Zambian economy further underscore the urgency of addressing this issue. Respondents expressed concerns about shortages of goods, price inflation, and broader economic repercussions resulting from illicit trade. These concerns align with the findings of Nyambishi's (2020) study on the effects of beverage smuggling on business performance, which highlighted the economic impact of smuggling activities. Additionally, the potential social and health implications of goods smuggling, such as increased disease transmission and drug trafficking, emphasize the multifaceted nature of the problem and the need for holistic solutions.

In response to these challenges, participants offered various suggestions for curbing goods smuggling in Zambia. Recommendations included reducing taxes, increasing border security, implementing educational initiatives, and imposing stiff penalties for offenders. These suggestions reflect a recognition of the importance of addressing economic incentives, strengthening regulatory enforcement, and fostering public awareness and compliance. Similar recommendations have been proposed in studies such as ODAGO's (2019) assessment of customs policies in Kenya and Alexander's (2018) investigation into tobacco smuggling in South Africa and Zimbabwe.

Overall, the findings underscore the complex interplay of economic, regulatory, and governance factors that contribute to goods smuggling in Zambia. By addressing these underlying challenges and implementing a combination of targeted interventions, authorities can work towards mitigating illicit trade and safeguarding the country's economy and national interests. However, sustained efforts and collaboration across various sectors are essential to effectively combatting smuggling and promoting economic growth and development in Zambia.

## **CHAPTER 7**

### **CONCLUSSION AND RECOMMENDATIONS**

#### **7.1 Introduction**

This chapter provided a summary of the study findings in accordance with the objectives stated in the first chapter, as well as appropriate recommendations that compared and contrasted research findings on effectiveness of the customs strategies in mitigating smuggling of goods in Zambia. This chapter summarizes the study's findings by providing the summary of findings, recommendations, study limitations, and future findings.

#### **7.2 Summary of the Findings**

##### **7.2.1 Objective 1: Effect of Taxes on Smuggling**

The study found a strong and statistically significant positive relationship between taxes and the prevalence of smuggling. Correlation and regression analyses revealed a significant positive correlation, supporting the idea that elevated taxation might drive individuals towards smuggling as a response to perceived financial pressure. These findings align with economic theories and underscore the connection between taxes and illicit activities.

##### **7.2.2 Objective 2: Relationship between Willingness to Pay Taxes and Smuggling**

The investigation into the relationship between willingness to pay taxes and smuggling yielded nuanced insights. While a modest positive effect linked to willingness to pay taxes was observed, this effect did not reach statistical significance. This suggests that within the specific context of this study, willingness to pay taxes may not be a primary driver of smuggling behaviours, highlighting the complexity of factors influencing smuggling tendencies.

##### **7.2.3 Objective 3: Assessment of the Policy, Legal, and Institutional Framework**

The study revealed both strengths and weaknesses within the current policy, legal, and institutional framework addressing goods smuggling in Zambia. While comprehensive policies, laws, and institutions exist, challenges related to corruption, inadequate resources, and limited inter-agency coordination were identified. These findings emphasize the need

for continuous evaluation and improvement of anti-smuggling tactics, alongside comprehensive policy interventions and regulatory reforms.

#### **7.2.4 Objective 4: Effectiveness of the Law in Relation to Goods Smuggling**

The effectiveness of laws in curbing goods smuggling in Zambia presents a mixed perception among respondents, with some expressing confidence in existing policies while others are sceptical. Challenges such as corruption, inadequate border security, and economic incentives contribute to the perceived ineffectiveness of current measures. Addressing these gaps requires comprehensive policy interventions and regulatory reforms to strengthen enforcement capabilities, promote transparency, and enhance cooperation among relevant agencies. By addressing shortcomings in the legal framework and implementing collaborative initiatives, authorities can work towards more effective customs enforcement and revenue collection, ultimately mitigating the impact of goods smuggling on the economy and society.

### **7.3 Recommendations**

Given the research findings displayed in chapter four and addressed in chapter five, the following recommendations are suggested;

1. **Enhanced Inter-Agency Collaboration:** The study highlights the importance of strengthening collaboration among key stakeholders involved in combating smuggling, including the Zambia Revenue Authority (ZRA), law enforcement agencies, neighbouring countries, and international organizations. Establishing regular coordination meetings, sharing intelligence, and conducting joint operations can improve the effectiveness of anti-smuggling efforts. Implementation Responsibility: Zambia Revenue Authority (ZRA), Ministry of Finance, relevant law enforcement agencies.
2. **Investment in Advanced Technologies:** Given the evolving nature of smuggling tactics, there is a need to invest in advanced technologies such as electronic cargo tracking systems and surveillance equipment. These technologies can enhance border monitoring and detection capabilities, making it more difficult for smugglers to

evade detection. Implementation Responsibility: Zambia Revenue Authority (ZRA), Ministry of Finance.

3. **Capacity Building and Training:** To address resource limitations and enhance enforcement effectiveness, regular training programs should be conducted for enforcement personnel. These programs should focus on the latest smuggling trends, investigative techniques, and the use of technology. Additionally, efforts should be made to recruit and retain qualified personnel. Implementation Responsibility: Zambia Revenue Authority (ZRA), Ministry of Finance, relevant law enforcement agencies.
4. **Anti-Corruption Measures:** Corruption remains a challenge in the fight against smuggling. Implementing stringent anti-corruption measures within customs and border control agencies, including regular audits, integrity testing, and swift disciplinary action against offenders, can help reduce corrupt practices. Implementation Responsibility: Zambia Revenue Authority (ZRA), Anti-Corruption Commission.
5. **Public Awareness Campaigns:** Enhancing public awareness about the negative impacts of smuggling on the economy and society can encourage citizens to report suspicious activities. Implementing targeted public awareness campaigns through various media channels and engaging with local communities can foster a sense of ownership in combating smuggling. Implementation Responsibility: Ministry of Information and Broadcasting, Zambia Revenue Authority (ZRA).
6. **Policy Review and Reform:** Regular review and reform of existing policies and legal frameworks related to smuggling are necessary to address emerging challenges. The policy review should focus on closing loopholes, establishing proportionate penalties, and adapting to evolving smuggling techniques. Implementation Responsibility: Ministry of Finance, Zambia Revenue Authority (ZRA), Ministry of Justice.

These recommendations are designed to address the challenges identified in the study and provide actionable steps for improving the effectiveness of anti-smuggling efforts in Zambia.

Implementing these recommendations can contribute to reducing smuggling activities, protecting government revenue, and enhancing national security.

## **7.4 Limitations and Future Findings**

### **7.4.1 Limitation**

1. **Sample Scope and Representativeness:** The study's findings are based on a specific sample from Zambia, which may not fully represent the diversity of socioeconomic contexts and regions within the country. This limitation could affect the generalizability of the results to the entire population and other geographical areas.
2. **Breadth of Study:** The study focused solely on the perspectives of individuals from ZRA and did not include insights from other key stakeholders, such as smugglers themselves, affected businesses, or cross-border traders.
3. **Data Collection Methods:** The study relied on self-reported data and survey responses, which could be subject to response biases or inaccuracies. Participants may underreport or overreport their perceptions, attitudes, and behaviors related to taxes and smuggling.
4. **Unobserved Variables:** While efforts were made to control for relevant variables, there might be unobserved factors that influence the relationships studied. Economic conditions, cultural factors, and regulatory changes could contribute to smuggling behaviors but were not fully accounted for in this study.
5. **Cross-Sectional Nature:** The study's cross-sectional design captures data at a single point in time, limiting the ability to establish causal relationships between variables. Longitudinal studies could provide more insights into the temporal dynamics of tax perceptions and smuggling behaviors.
6. **Regional Variation:** The study did not explore potential regional variations in smuggling patterns and enforcement strategies within Zambia.

### **7.4.2 Future Research Directions:**

1. **Longitudinal Studies:** Conducting longitudinal studies over extended periods could enable the tracking of changes in tax perceptions, smuggling patterns, and policy

interventions. This approach would provide a more comprehensive understanding of the cause-and-effect relationships.

2. **Comparative Analysis:** Exploring the cross-country differences in tax policies, smuggling rates, and their interplay could uncover broader patterns and factors influencing smuggling behaviors, contributing to a more comprehensive understanding.
3. **Behavioral Economics Approach:** Utilizing behavioral economics frameworks could offer insights into the cognitive biases and decision-making processes that influence individuals' tax compliance and smuggling behaviors.
4. **Economic Modeling:** Developing economic models that incorporate tax policies, individual behaviors, and market dynamics could simulate different scenarios and policy interventions to predict their potential impact on smuggling activities.
5. **Policy Impact Assessment:** Conducting rigorous evaluations of policy interventions aimed at managing tax perceptions or curbing smuggling could provide empirical evidence of their effectiveness and guide future policy decisions.
6. **Multidisciplinary Collaboration:** Collaborating with experts from fields such as psychology, sociology, and law enforcement could provide a well-rounded perspective on the complex interplay between taxation, perceptions, and smuggling.
7. **Big Data Analytics:** Leveraging big data and advanced analytical techniques could offer insights into patterns of smuggling behaviors, enabling more proactive enforcement strategies.

## 7.5 Conclusion

The chapter provided a thorough description of the findings as well as relevant recommendations in accordance with the objectives and study findings. The chapter also noted significant limitations of the study as well as potential research opportunities.

## BIBLIOGRAPHY

- Dunn, L., Engoren, C. A., Dekoekkoek, T., & Rosemary, J. (2015). Secondary Data Analysis as an Efficient and Effective Approach to Nursing Research. *Western Journal of Nursing Research*, Sage Publications(1).
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research Methods for Business Students* (4th edn ed.). Harlow: FT Prentice Hall.
- Alexander, S. (2018). The effectiveness of state structures in controlling the trafficking of illicit tobacco across Zimbabwean and South African borders. *Global Initiative against Transnational Crime*.
- Andeleki, C. (2015). The legislative and institutional framework for combating money laundering in Zambia (Doctoral dissertation, The University of Zambia).
- Andeleki, C. (2015). Andeleki, C., 2015. The legislative and institutional framework for combating money laundering in Zambia (Doctoral dissertation, The University of Zambia).
- Andriichenko, N. S., Reznik , O. M., Tkachenko , V. V., Belanuk , M. V., & Skliar , Y. I. (2020). Smuggling Of Goods As A Strategic Threat To The Economic Security Of European States. *REICE Revista Electrónica de Investigación en Ciencias Económicas*, 8(15), 346-357.
- Angelini, C. (2019). Regression Analysis. in *Encyclopedia of Bioinformatics and Computational Biology*, (p. 104).
- Askari, H. (2006). *Middle East oil exporters: what happened to economic development*,.
- Berdie, D. R., Anderson, J. F., & Niebuhr, M. A. (1986). *Questionnaires: design and use* . New York: The Scarecrow Press, Inc. Pg. ix.
- Bhagwati, J. a. (1973). *A Theoretical Analysis of Smuggling*. Quartely Journal of Economics.
- Block, A. (1978). *History and the Study of Organized Crime*". Oxford: Oxford Press.
- Campana, P., & Varese, F. (2016). Exploitation in human trafficking and smuggling. *European Journal on Criminal Policy and Research*, , 89-105.

- Campbell, S., Greenwood, M., Prior, S., Shearer, T., Walkem, K., Young, S., . . . Walker, K. (2020). Purposive sampling: complex or simple? Research case examples. *Journal of research in Nursing*, 25(8), 652-661.
- Chemouni, B. (2020). Revenue extraction is not enough: The ambiguous effectiveness of the Rwandan Revenue Authority.
- Chimwaga, J. C. (2017). Critical analysis of the SADC legal and policy framework for combating corruption in trafficking in persons.
- Chisonga, J. (2018). Counterfeit goods in transit from the perspective of Zambia and European Union.
- Collins, J., & Hussey, R. (2009). *Business Research: A practical guide for undergraduate and postgraduate students* (3rd edition ed.). New York: Palgrave Macmillan.
- Creswell, J. W. (2003). *Research Design Qualitative, Quantitative and Mixed Methods Approaches*. USA: Sage Publications.
- D.B, N. (2006). *National and Regional effects of Cross Border Trade*.
- Erfan, Y. A., & Korol, Y. M. (2017). Current state of development of the border infrastructure of Ukraine with the EU countries. *Scientific Bulletin of Mukachevo State University*, 1(7), 22–28.
- Fischler.A.S. (n.d.). writing Chapter 3 a Methodology (quantitative). Nova South-eastern University, . *Fischler.A.S. writing Chapter 3 a Methodology (quantitative). Nova South-eastern University, School of Education. PDF Pg. 8-9*.
- Flynn, M. (2007). *The Complete Book of International Smuggling*. . Boulder: Paladin-Press.
- Fylinn, M. (2007). *The Complete Book of International Smuggling*. Boulder: Paladin-Press.
- Gallien & Occhiali, G. (2023). No Smoking gun: tobacco taxation and smuggling in Sierra Leone. *Tobacco Control*, 32(6), 729-733.
- Golub, S. (2015). Informal cross-border trade and smuggling in Africa. . *Handbook on trade and development*.

- Harden, B. (1985). *The Wanshington Post*. Retrieved 09 29, 1985, from <https://www.washingtonpost.com/archive/politics/1985/09/29/drugs-to-riches-flops-in-zambia/dd7d235d-f52d-4897-8e77-b61eda2afb3f/>
- Kakulu, I. (2014). Qualitative Research Strategies and Data Analysis Methods in Real Estate Research - An innovative approach using the BB Model. Nekede, Owerri.: Conference: Estate Management Department Workshop, At Federal Polytechnic.
- Karafo, A. (2018). The effect of contraband on government revenue: case of segen area people's zone. *Global Journal of Management and Business Research: Economics and Commerce*, 18(3), 36–50.
- Land, A. (2004). *Developing Capacity for Tax Administration*. Kigali: Rwanda Revenue Authority.
- Lieonov, S. V., Boiko, A. O., & Mynenko, S. V. (2019). Systematization and characterization of existing schemes of money laundering. *Scientific Bulletin of Poltava University of Economics and Trade*, 1(92), 35–45.
- Lloyd, P., & Stewart, B. M. (2018). The global diffusion of law: Transnational crime and the case of human trafficking. *International Organization*, 249-281.
- Mfuno, M. L. (2015). A case study on customs trade facilitation at Zambia's Kasumbalesa border post.
- Mwale, V. (2018). *Ministerial Statement on the Fire at COMESA and Buteko Markets*. Lusaka: National Assembly of Zambia.
- Ndururi, G. (2018). Factors affecting Customs in managing narcotics smuggling in Southern Region.
- Ntanda, M. (2020). A critical analysis of the law in relation to goods smuggling in zambia. (*Doctoral dissertation, Cavendish University*).
- Ntanda, M. (2020). *Customs and Excise: A Critical Analysis of the Law in Relation to Goods Smuggling in Zambia*. Lusaka: Cavendish University.
- Nyambishi, K. (2020). Effects of beverage smuggling on Business performance in the supply chain industry: a case study of cold Chain Zambia limited.

- Nyambishi, T. (2020). *Effedct of Beverage Smuggling on Business Performance in the Supply Chain Industry. A CAse Study of Cold Chain Zambia Ltd.* Lusaka: University of Zambia.
- Ogunniyi, O., & Britto, B. (2014). Historical perspective of international efforts at eradicating illicit drug trade and abuse. . *European Journal of Research in Social Sciences* .
- Ospina, S. D. (2003). “*From Consent to Mutual Inquiry: Balancing Democracy and Authority in Action Research*”. Unpublished manuscript.. s.l.:s.n.
- Parviz., A. (2010). *The Relationship of Social Damage and Social Security with Emphasis on the Occupation of Addiction.* Journal of Entrepreneurship Socia.
- Piotrowicz, R. (2014). Smuggling and Trafficking of human beings. *In Research Handbook on International Law and Migration* , (pp. 132-147).
- Rakner, L. (2003). Political and Economic Liberalisation in Zambia 1991–2001.
- Schurink, E. (1998). *Deciding to use a qualitative research approach, In Research at Grass Roots: A primer for the caring professions.* Pretoria.
- Shelley, L. I. (2020). Illicit trade and terrorism. . *Perspectives on Terrorism*, , 7-20.
- Soest, C. V. (2008). Donor support for tax administration reform in Africa: experiences in Ghana, Tanzania, Uganda and Zambia. (DIE Discussion Paper, 2/2008. Bonn: Deutsches Institut für Entwicklungspolitik gmbH.
- Taylor, S. (2006). *Culture & Customs of Zambia.* Westport: Greenwood.
- Tembo, A. (2015). *The Impact of Second World SWorld War on Northern Rhodesia (Zambia), 1939-1953.* Free State.
- University of North Carolina (UNCA). (2005). *University of North Carolina (UNCA).* Retrieved November 14, 2022, from <http://www.lib.unca.edu/library/lr/resstrat.html>.
- USAID. (2017). *Zambia Reports: Assessment of Selected Trade Facilitation Measures in Five countries in Southern Africa.*

- Valerio, M., Rodriguez, N., Winkler, P., Lopez, J., Dennison, M., Liang, Y., & Turner, B. (2016). Comparing two sampling methods to engage hard-to-reach communities in research priority setting. . *BMC medical research methodology*.
- Yin, R. K. (2003). *Case study research: Design and methods* (3rd edition ed.). London: SAGE Publications.
- Zambia Revenue Authority. (2019). *Assesment of perfomance and tax compliance*. . Lusaka: ZRA.
- Zambia Revenue Authority. (2021). *Final year report on strategy and enforcement*. Lusaka: ZRA.
- Zambia Revenue Authority. (2021). *Zambia Revenue Authority*. Retrieved April 26th, 2020
- ZRA. (2020). *About Us*. ZRA. Retrieved April 226, 2020, from <https://www.zra.org.zm>

## **APPENDICES**

### **Appendix I: Consent**

Dear Respondent

**RE: AN INVESTIGATION INTO THE EFFECTIVENESS OF CUSTOMS  
STRATEGIES IN MITIGATING SMUGGLING OF GOODS IN ZAMBIA.**

My name is Chipo Hamachila currently pursuing a Master of Business Administration at the University of Zambia.

I am conducting a study on the Effectiveness of customs strategies in mitigating smuggling of goods in Zambia.

Your voluntary participation is highly appreciated.

Regards,

Chipo Hamachila.

## APPENDIX II : ACADEMIC RESEARCH QUESTIONNAIRE



### THE UNIVERSITY OF ZAMBIA

#### Graduate School of Business

Dear respondent:

You have been picked randomly to participate in this research project. It is my sincere assurance that the findings generated in this study will be handled with the highest level of confidentiality and for this academic exercise only.

Please respond to the following questions as truthfully as possible. For the first three questions by putting a tick [✓] in the box of your choice. The rest of the questions by ticking YES or NO or by filling in the blank spaces provided.

---

## SECTION A: DEMOGRAPHIC INFORMATION

Please respond to the following questions by applying a tick (✓) on the appropriate allocation and explaining where required on the space provided.

### 1. Gender of respondent

|            |              |
|------------|--------------|
| A.<br>Male | B.<br>Female |
|------------|--------------|

### 2. Age of the respondent

|                    |  |
|--------------------|--|
| 2A. Under 30 years |  |
| 2B. 31-40 years    |  |
| 2C. 41-50 years    |  |
| 2D. Above 50 years |  |

### 3. Highest level of education

|                        |  |
|------------------------|--|
| 3A. School certificate |  |
| 3B. Diploma            |  |

|                               |  |
|-------------------------------|--|
| 3C. Degree                    |  |
| 3D. Master's Degree           |  |
| 3F. Any other<br>specify..... |  |
|                               |  |

## SECTION B: Dependent Variable

Do the following factors affect goods smuggling in Zambia? 1=strongly disagree, 2=disagree, 3= Not certain, 4=Agree, 5= strongly agree

### 4. Goods smuggling

|    | Statement                                 | 1 | 2 | 3 | 4 | 5 |
|----|-------------------------------------------|---|---|---|---|---|
| a. | Policy, legal and institutional framework |   |   |   |   |   |
| b. | Laws on goods smuggling                   |   |   |   |   |   |
| c. | Taxes                                     |   |   |   |   |   |
| d. | Willingness to pay tax                    |   |   |   |   |   |

## SECTION C: Independent variables

In the table given, pick the most appropriate response by ticking the box with; 1=strongly disagree, 2=disagree, 3= Not certain, 4=Agree, 5= strongly agree

### 5. Taxes

|  | Statement | 1 | 2 | 3 | 4 | 5 |
|--|-----------|---|---|---|---|---|
|--|-----------|---|---|---|---|---|

|    |                                                                                      |  |  |  |  |  |
|----|--------------------------------------------------------------------------------------|--|--|--|--|--|
| a. | Taxes on most goods are excessively high in Zambia.                                  |  |  |  |  |  |
| b. | High taxes encourage goods smuggling in Zambia                                       |  |  |  |  |  |
| c. | Understanding of the importance of taxes is important in curbing smuggling in Zambia |  |  |  |  |  |

## 6. Willingness to pay taxes

|    | Statement                                                                  | 1 | 2 | 3 | 4 | 5 |
|----|----------------------------------------------------------------------------|---|---|---|---|---|
| a. | You would be more willing to pay taxes if they were reduced                |   |   |   |   |   |
| b. | Tax awareness affects your willingness to pay tax.                         |   |   |   |   |   |
| c. | Tax compliance costs affects your willingness to pay tax                   |   |   |   |   |   |
| d. | Perceived opportunity for tax evasion affects your willingness to pay tax. |   |   |   |   |   |

## Section D

Give short responses in the spaces provided below.

### Policy, legal and institutional framework

7. Are you aware of the Legal and Institutional Frameworks Discouraging Goods

Smuggling?

.....  
 .....

8. If the answer above is YES, in your own view, are the existing Legal and Institutional Frameworks effective in discouraging Goods Smuggling?

.....  
 .....

9. Do you think Authorities have done enough in warning cross border traders and the public that goods smuggling is an offence under the Zambian law?

.....  
.....

**Effectiveness of the legal framework**

10. Are you aware of measures that have been put in place to curb goods smuggling in Zambia?

.....  
.....

11. What do you think are factors behind the problem of goods smuggling in Zambia?

.....  
.....

13. What do you think are some of the adverse effects of goods smuggling to the Zambian Economy?

.....  
.....

14. What measures do you think should be put in place to curb goods smuggling in Zambia?

.....  
.....

### Appendix III: Approval Letter



## THE UNIVERSITY OF ZAMBIA DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

---

Great East Road Campus | P.O. Box 32379 | Lusaka10101 | Tel: +260-211-290 258/291 777 Fax: (+260)-211-290 258/253 952 | E-mail: [director.drgs@unza.zm](mailto:director.drgs@unza.zm) | Website: [www.unza.zm](http://www.unza.zm)

### APPROVAL OF STUDY

***IORG No. 0005376***

***HSSREC IRB No. 00006464***

31<sup>st</sup> January, 2023

**REF NO. HSSREC: -2022-JAN -022**

Mr. Chipu Hamachila,  
Graduate School of Business,  
P.O.BOX, UNZA,  
LUSAKA.

Dear Mr. Hamachila,

**RE: “AN INVESTIGATION INTO WHY CASES OF SMUGGLING REMAINS RAMPANT IN ZAMBIA DESPITE MEASURES PUT IN PLACE TO COMBAT THE SCOURGE.”**

Reference is made to your submission of the protocol captioned above. The HSSREC resolved to approve this study and your participation as Principal Investigator for a period of one year.

| <b>REVIEW TYPE</b>                            | <b>ORDINARY REVIEW</b>                           | <b>APPROVAL NO.<br/>HSSREC: -2022-JAN-022</b>  |
|-----------------------------------------------|--------------------------------------------------|------------------------------------------------|
| Approval and Expiry Date                      | Approval Date:<br>31 <sup>st</sup> January, 2023 | Expiry Date:<br>30 <sup>th</sup> January, 2024 |
| Protocol Version and Date                     | Version - Nil.                                   | 30 <sup>th</sup> January, 2024                 |
| Information Sheet,<br>Consent Forms and Dates | <input type="checkbox"/> English.                | To be provided                                 |
| Consent form ID and Date                      | Version - Nil                                    | To be provided                                 |
| Recruitment Materials                         | Nil                                              | Nil                                            |
| Other Study Documents                         | Questionnaire.                                   |                                                |
| Number of Participants<br>Approved for Study  |                                                  |                                                |

Specific conditions will apply to this approval. As Principal Investigator it is your responsibility to ensure that the contents of this letter are adhered to. If these are not adhered to, the approval may be suspended. Should the study be suspended, study sponsors and other regulatory authorities will be informed.

#### **CONDITIONS OF APPROVAL**

- No participant may be involved in any study procedure prior to the study approval or after the expiration date.
- All unanticipated or Serious Adverse Events (SAEs) must be reported to HSSREC within 5 days.

- All protocol modifications must be approved by HSSREC prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address.
- All protocol deviations must be reported to HSSREC within 5 working days.
- All recruitment materials must be approved by HSSREC prior to being used.
- Principal investigators are responsible for initiating Continuing Review proceedings. HSSREC will only approve a study for a period of 12 months.
- It is the responsibility of the PI to renew his/her ethics approval through a renewal application to HSSREC.
- Where the PI desires to extend the study after expiry of the study period, documents for study extension must be received by HSSREC at least 30 days before the expiry date. This is for the purpose of facilitating the review process. Documents received within 30 days after expiry will be labelled “late submissions” and will incur a penalty fee of K500.00. No study shall be renewed whose documents are submitted for renewal 30 days after expiry of the certificate.
- Every 6 (six) months a progress report form supplied by The University of Zambia Humanities and Social Sciences Research Ethics Committee as an IRB must be filled in and submitted to us. There is a penalty of K500.00 for failure to submit the report.
- When closing a project, the PI is responsible for notifying, in writing or using the Research Ethics and Management Online (REMO), both HSSREC and the National Health Research Authority (NHRA) when ethics certification is no longer required for a project.
- In order to close an approved study, a Closing Report must be submitted in writing or through the REMO system. A Closing Report should be filed when data collection has ended and the study team will no longer be using human participants or animals or secondary data or have any direct or indirect contact with the research participants or animals for the study.

Filing a closing report (rather than just letting your approval lapse) is important as it assists HSSREC in efficiently tracking and reporting on projects. Note that some funding agencies and sponsors require a notice of closure from the IRB

which had approved the study and can only be generated after the Closing Report has been filed.

- A reprint of this letter shall be done at a fee.
- All protocol modifications must be approved by HSSREC by way of an application for an amendment prior to implementation unless they are intended to reduce risk (but must still be reported for approval). Modifications will include any change of investigator/s or site address or methodology and methods. Many modifications entail minimal risk adjustments to a protocol and/or consent form and can be made on an Expedited basis (via the IRB Chair). Some examples are: format changes, correcting spelling errors, adding key personnel, minor changes to questionnaires, recruiting and changes, and so forth. Other, more substantive changes, especially those that may alter the risk-benefit ratio, may require Full Board review. In all cases, except where noted above regarding subject safety, any changes to any protocol document or procedure must first be approved by HSSREC before they can be implemented.

Should you have any questions regarding anything indicated in this letter, please do not hesitate to get in touch with us at the above indicated address.

On behalf of HSSREC, we would like to wish you all the success as you carry out your study.

Yours faithfully,



*Dr. J. I. Ziwa*

**DR. J. I. Ziwa**

**ACTING CHAIRPERSON**  
**THE UNIVERSITY OF ZAMBIA HUMANITIES AND**  
**SOCIAL SCIENCES RESEARCH ETHICS COMMITTEE - IRB**

**CC:** Director, Directorate of Research and Graduate Studies  
Assistant Director (Research), Directorate of Research and Graduate Studies  
Assistant Registrar (Research), Directorate of Research and Graduate Studies