



Zimbabwe Corruption in Business Survey

March 2016

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Acknowledgements

The Zimbabwe Business Transactional Corruption Survey is a result of collaborative initiatives of the three Business Membership Organisations (BMOs), Confederation of Zimbabwean Industries (CZI), Zimbabwe National Chamber of Commerce (ZNCC), and the Small and Medium Enterprises Association of Zimbabwe (SMEAZ). This initiative envisages informing the BMOs' advocacy agenda and policy dialogue with the Government of Zimbabwe on the subject of business corruption. The Survey was undertaken by the Centre for International Private Enterprise (CIPE), in partnership with Q-Partnership, a local Research firm. The study was undertaken with technical assistance from USAID-funded Strategic Economic Research and Analysis (SERA) Program under Contract No. AID-613-C-11-00001. The Study team acknowledges the support provided by the membership of the three BMOs and other relevant stakeholders who spared their time to answer questions and provide useful information that informed the results of the Survey.

The views and findings of this Survey do not necessarily reflect the views of USAID-SERA. The contents of this paper as well as any error or omission remain the sole responsibility of the authors.

Abbreviations & Acronyms

CEO	Chief Executive Officer
CMED	Central Mechanical & Engineering Department
CZI	Confederation of Zimbabwe Industries
EMA	Environmental Management Agency
GAT	Gross Annual Turnover
ICT	Information & Communication Technology
BMO	Membership Business Organization
NSSA	National Social Security Authority
SMEAZ	Small and Medium Enterprises Association of Zimbabwe
VAT	Value Added Tax
VID	Vehicle Inspection Depot
ZESA	Zimbabwe Electricity Supply Authority
ZIMRA	Zimbabwe Revenue Authority
ZINWA	Zimbabwe National Water Authority
ZNCC	Zimbabwe National Chamber of Commerce
ZRP	Zimbabwe Republic Police

EXECUTIVE SUMMARY

Background and Objective Summary

The recent experience of developing countries, which have achieved sustained and high rates of growth, shows that good governance and high quality institutions are central to development outcomes. As part of the USAID-funded Strategic Economic Research and Analysis (SERA) program, the implementing partner – the Center for International Private Enterprise (CIPE) in collaboration with leading business associations: Zimbabwe National Chamber of Commerce (ZNCC), the Confederation of Zimbabwean Industries (CZI) and the Small and Medium Enterprises Association of Zimbabwe (SMEAZ) designed and commissioned a survey of Zimbabwean business owners in the cities of Harare and Bulawayo to assess their experience with transactional corruption and its effect on conducting business.

This survey examined in detail how business transaction costs manifest themselves within the Zimbabwean business community across sectors, their nature and impact on viability. The survey was carried out on the theme of “Cost of Compliance”, examining specific areas where opaque terms, duplicate regulations, lack of access to information or too much discretionary power given to a public sector agency or service provider is leading to opportunities and instances of transactional corruption. It also assessed the efficiency of the services rendered by public sector agencies in facilitating business endeavours.

The results of this survey will, in the ultimate, map recommendations for appropriate policy reforms to stem the escalation of business transaction costs and to enhance enterprise viability. It is therefore a building block towards equipping Zimbabwe’s private sector and public sector with an objective lever to anchor business-friendly economic policy.

Method Summary

Target Research, the research arm of Q Partnership (Zimbabwe), assisted in the surveying work to capture the experience and feedback of business owners in the formal sector in Zimbabwe. The survey was in the form of a questionnaire, which consisted of structured questions delivered via one-on-one in-person interviews. Four hundred and three companies in Harare and Bulawayo were selected at random from membership lists from the participating Zimbabwean business membership organisations (BMOs). This final report, specifically the limitations and recommendations sections of this ‘Executive Summary’, was further informed by discussion and suggestions made by participants and panellists who attended a ‘Stakeholder Validation Workshop’ held at the Meikles Hotel, Harare on the 11th February 2016. Participants included a cross-section of respondents who had taken part in the survey, from each of the three business membership associations, and a panel of experts (see Acknowledgements section).

Findings Summary

More respondents felt it to be difficult than easy to undertake various business processes, finding it to be both a very lengthy process and with information about what is required being difficult to find, or at least difficult to find from one source. Smaller companies, and thus by definition, a large proportion of SMEAZ members, find it more difficult than do larger and/more established organisations.

In particular, the process of applying for permits, licenses and inspections is mired with difficulties. Some larger organisations (size referring to gross annual turnover) reported having to have dozens or even hundreds of different permits and licences to operate each year. For each of these processes, bribes are regularly solicited from officials, and without paying these, the process typically takes much longer than if a bribe is paid.

When asked how they compared the level of corruption now and in 2013, almost two-thirds of respondents consider that the level of corruption has increased a lot over the last two years. Almost a third are being subjected to requests or demands for bribes, or what were felt to be unfair fines from public officials, in return for services on a daily basis, and almost half at least monthly.

Respondents were asked about their perception of the overall levels of fourteen government departments and agencies when it comes to corruption. Based on the proportion that named a particular agency as 'always', 'almost always' or 'mostly' corrupt, the Police, followed by the State Procurement Board are deemed to be the most corrupt, by respondents, followed by ZIMRA and the City Health Department, and then Department of Works and Building Inspectorate, the Licensing Office at the Municipality, the National Social Security Authority (NSSA) and the Registrar of Companies.

The greatest areas where corruption occurs, or at least where bribes have been demanded from respondent organisations in dealing with various business processes, is in the area of trading across the borders. Next most often, businesses face these demands when trying to apply for a license/permit, get an inspection conducted or approved or register a business.

ZIMRA was accorded with being one of the most corrupt departments, after the police, but these questions about actual experiences showed that the collection of taxes was less often a target of bribery than were other business processes. Having said this, however, ZIMRA was often named as the agency that attempted to solicit a bribe for many of the aforementioned business processes, including the application for licenses, permits or conducting and approval of inspections, and at the border posts. The City Council, City Health Department, Vehicle Inspection Depot (VID), and the Registrar of Companies or Registrar of Deeds were also quite often fingered as having been the instigators of extortion and bribery.

Fifty-six percent of respondents agreed that, were they to personally witness an incidence of corruption, bribery or extortion, they would know where to report this, usually naming the police, and then the anti-corruption commission. Disturbingly, the likelihood of reporting is much lower than is knowledge of where to report, with just 27% stating that they are 'very likely' and 14%, 'likely' to report a case, with 41% stating that they would not be likely to do so. The overriding reason why people would not make a report is a total lack of confidence that anything would be done about it (83%); people noted that corruption is endemic and goes right to the top. Twenty-seven percent would not report for fear of being victimized.

The main suggestion offered for limiting corrupt practices was to increase civil servants' salaries (44%); 37% spoke of the need to close loopholes that exist in laws and regulations, 27% referred to the need to prosecute perpetrators (which is rarely done at present), 25% believe there to be a need to limit the discretionary powers of civil servants, and 23% noted that the introduction of computerised systems would go a long way towards limiting opportunities for corruption, such as for submission of tax returns.

No respondents declared themselves 'very satisfied' with the response of the government to fighting corruption over the past five years. Just 6% are satisfied, and 16% were ambivalent, but 14% are 'somewhat dissatisfied' and 62%, 'very dissatisfied'.

Finally, respondents were not optimistic about the future; 84% of the 161 respondents that offered additional comments at the end of the survey noted that corruption is so endemic is will be difficult to reduce it.



BACKGROUND & OBJECTIVES

The recent experience of developing countries, which have achieved sustained and high rates of growth, shows that good governance and high quality institutions are central to development outcomes. Bribery, conflicts of interest, and illegal deals distort competition, decision-making, and the efficient allocation of resources, while undermining confidence in democratic institutions. The distortions exacerbate poverty, increase the gap between the rich and poor, and stifle opportunity for Zimbabwe's burgeoning youth population. Weak governance and lack of transparency allow corruption to flourish. Insight into where and how corruption occurs and which transactions are most prone to bribery can help private sector reformers in Zimbabwe know where to focus their efforts.

As part of the USAID-funded Strategic Economic Research and Analysis (SERA) program, the implementing partner – the Center for International Private Enterprise (CIPE) in collaboration with leading business associations: the Zimbabwe National Chamber of Commerce (ZNCC), the Confederation of Zimbabwean Industries (CZI) and the Small and Medium Enterprises Association of Zimbabwe (SMEAZ) designed and commissioned a survey of Zimbabwean business owners in the cities of Harare and Bulawayo to assess their experience with transactional corruption and its effect on conducting business.

The objectives of the project were to:

- Raise awareness and provide stakeholders in Zimbabwe's private sector with evidence-based research and material on which to advocate for reforms;
- Identify specific and targeted potential reform areas where further support, either in the form of an in-depth assessment or introduction of best practice approaches, can assist stakeholders to achieve reform.

The business membership organisations (BMOs) present confirmed that there is a lack of evidence-based data on corruption, and thus, this undertaking is needed. They also confirmed it to be timely, and in complementarity to other programs led by CZI (i.e. their anti-bribery campaign).

METHODOLOGY

Under the guidance of the Strategic Economic Research and Analysis Program (SERA) Program, and oversight from the Center for International Private Enterprise (CIPE), Target Research, the research arm of Q Partnership (Zimbabwe), assisted in the surveying work to capture the experience and feedback of business owners in the formal sector in Zimbabwe. The survey was in the form of a questionnaire, which consisted of structured questions to be delivered via one-on-one in-person interviews. It gathered information on business owners' experience setting up their enterprises, dealing with government agencies, paying unfair fees, understanding of laws regarding business operations, tax payments, government tenders, and so forth.

In order to select a diverse and representative sample, Target Research was provided with membership lists from the participating Zimbabwean Membership Business Organisations (BMOs). The Sample Frame was drawn from the population memberships of the Zimbabwe National Chamber of Commerce (ZNCC), the Confederation of Zimbabwe Industries (CZI) and the Small and Medium Enterprises Association of Zimbabwe (SMEAZ). The inclusion of SMEAZ was to address the emerging peculiarities of the Zimbabwean economy, which has changed structurally in recent years, with small to medium scale companies taking a significant footing in the country's production system. The geographical space of the Survey covered Harare and Bulawayo given the significance of these centres in the country's industry and commerce as well as resource limitations to cover additional areas. The target sample size was 400; 403 interviews were completed.

A team of twenty researchers were engaged to administer the interviews, face-to-face, with senior representatives of the selected organisations. To protect the confidentiality of responses and in line with research ethical guidelines, respondents' and respondent organisations' details were not recorded on the questionnaires.

In order to boost the prospects of a higher response rate as well as afford the BMOs some measure of ownership, the BMOs advertised the survey to their membership through the print media, websites and email broadcasts ahead of deployment of researchers. This investment paid off huge dividends, improving the ability of researchers to engage prospective respondents; the majority of respondents were aware of the study by the time they were contacted by enumerators, thereby reducing and limiting refusal rates. We attach the Press Adverts as **Annex 1** to this Report. The survey publicity material had the following briefing information:

- A brief explanation of the survey purpose, expected outcomes, importance of participation and the expected timeline;
- A plea to members to actively participate given the significance of the exercise in improving the 'Doing Business' environment by probing factors that contribute to higher business transactions costs, and transactional corruption;
- Surveys will be conducted face-to-face in-person and are designed to last one hour.

Using the provided briefing information, the three BMOs reached out to their members via email or phone to notify and inform them of the survey as well as to request their participation. The respondents were told in advance the subheadings of the survey so that he or she could appoint the most appropriate person or persons with their organisations to participate in the survey. In the event that the business elected more than one individual to take part in the survey, it was advised that each respond to the interview questions separately.

A multi-stakeholder Steering Committee was set up to guide, manage and oversee the design and implementation of the survey and to provide input and direction as needed. The Steering Committee was comprised of one or two representatives from ZNCC, CZI, SMEAZ, CIPE, SERA, and the research firm

conducting the survey, Q Partnership. The purpose of the steering committee was:

- To provide strategic direction and oversight of the design and implementation of the business survey;
- To identify the key themes upon which the survey will focus;
- To ensure that the survey adequately captured the experience and feedback of a diverse and representative selection of business owners in Zimbabwe;
- To provide timely and constructive feedback on the initial draft survey instrument;
- To assist the research firm in getting accurate and adequate access to a representative sample of respondents;
- To evaluate and approve final project deliverables, including the survey results report and the analytical report;
- To participate in roundtables, workshops, and meetings discussing the results of this survey.

The survey examined in detail how business transaction costs manifest themselves within the Zimbabwean business community across sectors, their nature and impact on viability. It sought to establish the experience of business owners in areas such as, but not limited to establishing and running business, with a view to generate the enterprise level interactions of companies with various stakeholders in government and quasi-government (parastatals).

The survey was carried out on the theme of “Cost of Compliance,” examining specific areas where opaque terms, duplicate regulations, lack of access to information or too much discretionary power given to a public sector agency or service provider is leading to opportunities and instances of transactional corruption.

It also assessed the efficiency of the services rendered by public sector agencies in facilitating business endeavours. The results of this survey will, in the ultimate, map recommendations for appropriate policy reforms to stem the escalation of business transaction costs and to enhance enterprise viability. It is therefore a building block towards equipping Zimbabwe’s private sector and public sector with an objective lever to anchor business-friendly economic policy.

The questionnaire was piloted and results from the pilot taken into consideration in the final version, which was reviewed and approved by all members of the Steering Committee. The questionnaire is listed in **Annex 2**.

Fieldwork took place between the 20th July and the 28th August 2015, which was longer than anticipated, due to time challenges on the part of the respondents.

A code frame was developed based on responses to open-ended questions, the questionnaires were checked and coded, and they were input using the CS-Pro package. Double entry was employed, to facilitate data cleaning. The cleaned database was exported to SPSS for analysis. Based on frequency counts of key demographic variables, disaggregation was carried out based on:

- (i) Town (Harare or Bulawayo);
- (ii) BMO membership (ZNCC, CZI and SMEAZ);
- (iii) Size of business based on Gross Annual Turnover;
- (iv) Type of industry sector.

Disaggregation was carried out such that sector information could not allow the identity of one or of a few businesses to become apparent.

The SPSS output tables from analysis of the data have been provided under a separate cover (**Annex 4**). These include the results of statistical significance tests (which are noted in the report, where significance was achieved at the 5% level). The report also makes use of selected verbatim quotes to illustrate specific findings; further verbatim quotes appear under a separate cover in **Annex 3**.

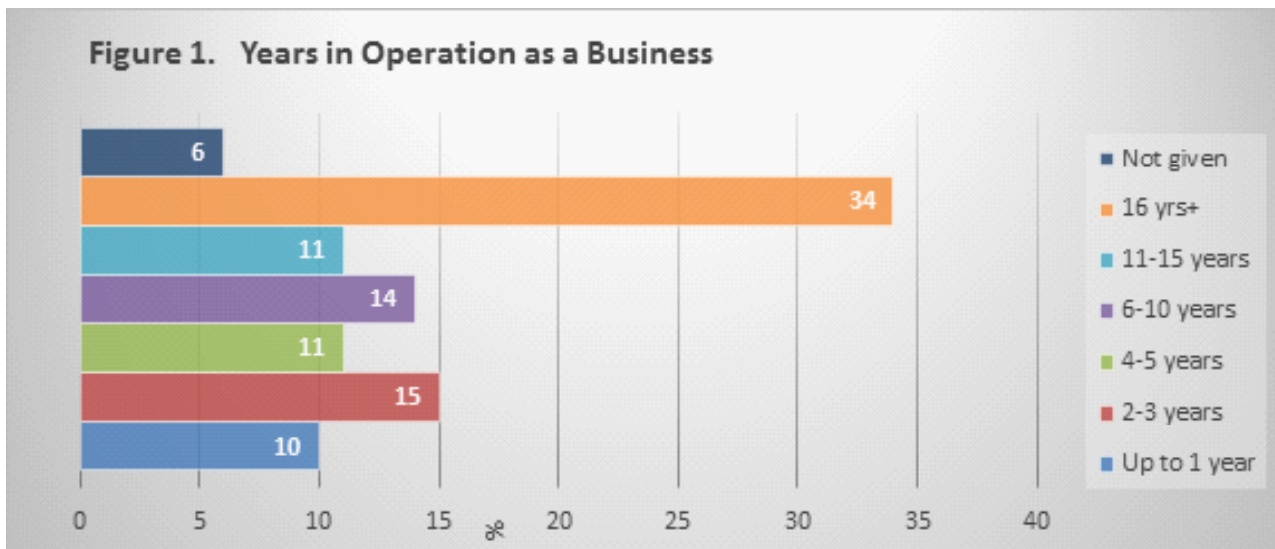
RESEARCH FINDINGS

1. Profile of Respondents & Respondent Organisations

Three-hundred and eighty-one of the 403 respondent companies (95%) were based in Harare and 22 (5%) were based in Bulawayo; note that a number of companies which appeared on the BMOs' lists as Bulawayo-based did, in fact, have their Head Office in Harare, and this is where the interview thus took place.

Number of Years in Business

Figure 1. illustrates the number of years that these organisations were in business; a substantial quarter of them have not been operational for more than 3 years, another quarter have been in operation for between 5-10 years, 11% between 11-15 years and a third, over 15 years.



Type of Businesses and Industry Sectors Represented

Seventy-six percent of respondent companies were private limited companies (69% of CZI, 75% of ZNCC and 82% of SMEAZ members). Eight percent were public limited companies, 5% partnerships, 2% parastatals, 2% non-profit making and 3% classified themselves in some other category. Twelve percent of companies with a gross annual turnover of no more than \$50,000 were sole proprietorships. No companies with a gross annual turnover of over \$50,000 were sole proprietorships.

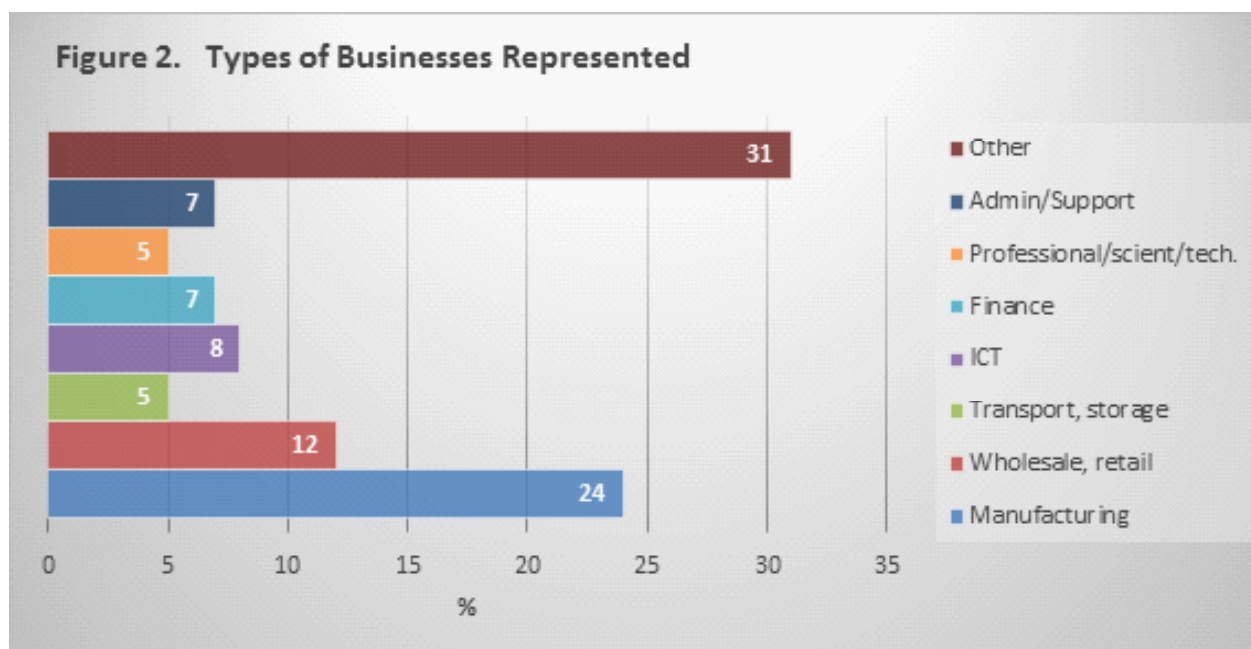
Seventy percent were registered for VAT (Value Added Tax) – 94% of each of ZNCC and CZI members, and 50% of SMEAZ members. Forty-four percent were fiscalized (with the Zimbabwe Revenue Authority, meaning that their tax returns are done electronically) – 59% of ZNCC, 82% of CZI and 15% of SMEAZ members. Legislation dictates that companies with a gross annual turnover of \$60,000 or more should be registered for VAT and those with a turnover of at least \$240,000 should be fiscalized.

- 39% of those with a turnover of up to \$50,000 per year are VAT registered, even though they need not be, but it is probable that these companies registered for VAT when their turnovers were greater than they are now, and that they have not de-registered;
- 64% of those with a turnover of \$51,000-200,000 are registered for VAT;
- Over 90% of those with turnovers of \$201,000 - \$50 million are VAT registered (Based on the legislation all of these companies should be VAT registered);
- All of those with a gross annual turnover of over \$50 million are registered for VAT, as they should be.

Corresponding figures with respect to the proportion that are fiscalized are 7%, 20%, 49%, 78%, 100% and 100% for the aforementioned six categories of businesses (based on gross annual turnover). Thus, some businesses are fiscalized when they need not be (7% of those with a turnover of up to US\$50,000, 20% of those with a turnover of \$51,000-\$200,000); these companies are likely to have fiscalized when they were generating more business than they are doing now.

Manufacturing businesses represented 24% of the 403 organisations sampled, with wholesalers and retailers the next most prominent (12%), with less than a tenth of any other one type of industry represented. The 31% that are grouped together as 'other' (see Figure 2.) include those involved in agricultural activities (4.2%), mining and quarrying (2.0%), electricity and gas (1.2%), water and sanitation (1.0%), construction (2.7%), the hospitality industry (2.2%), real estate (1.7%), education (2.2%), social work (1.7%) and arts and entertainment (2.7%) amongst others.

In Bulawayo, 55% of the 22 businesses represented were in the manufacturing sector, compared with 22% of Harare-based companies being in this sector. Forty-two percent of CZI members were in the manufacturing sector, compared with 19% of ZNCC and 12% of SMEAZ members; 12% of SMEAZ members were involved in transport and/or storage, and 11% in administrative and support services. Twelve percent of both CZI and ZNCC members were also in the transport/storage sector.



Size of Businesses

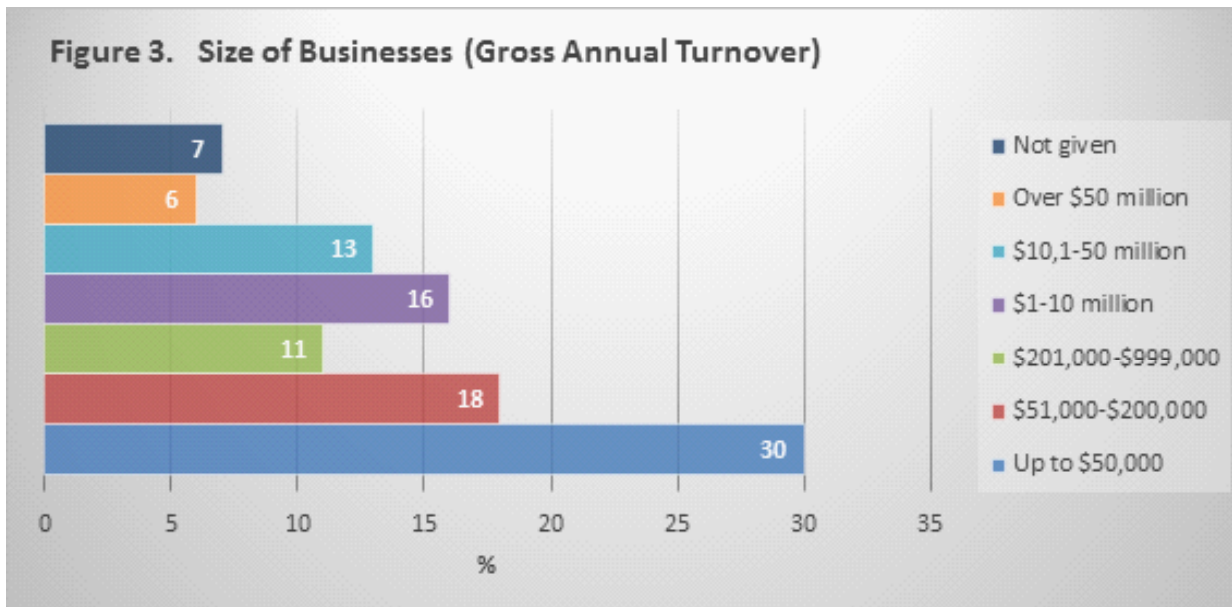
Respondents were asked how many full-time and part-time employees the organisation currently employed; for seasonal workers, interns, volunteers and consultants, this was based on the number engaged in 2014.

- In Harare, 371 organisations employ an average of 135 full-time employees (Standard Error (SE) of mean = 23), ranging from 1 to 4500, with a median value of 8, indicating that the average is largely affected by a small number of large organisations.
- In Bulawayo, 22 organisations employ an average of 454 full-time employees (Standard Error (SE) of mean = 270, indicating a large variation amongst these small number of companies), ranging from 3 to 6000, with a median value of 84. These figures, when compared to those for Harare above, are a reflection of the Bulawayo sample, where SMEAZ members were hardly represented.

- One hundred and seventy-three of 403 companies (43%) in Harare and Bulawayo also employ part-time staff, with an average of 94 currently so employed by these companies. Fifteen percent employ seasonal contract workers, having engaged an average of 118 of these in 2014, and 15% also engaged consultants in 2014, an average of six. Four percent engaged an average of 73 volunteers in 2014 and 22%, an average of 12 interns.
- By BMO membership, members of ZNCC employ an average of 197 full-time staff (SE of mean = 68), and 17 part-time staff (SE of mean =5), with respective figures of 349 (SE of mean 68) and 184 (SE of mean=56) for CZI members and six (SE of mean 1) and zero for SMEAZ members.

Another indicator of size of business is gross annual turnover. Figure 3. illustrates the proportion of respondent companies that fall within different groups based on gross annual turnover. A large majority (30%) were small businesses, if one defines small as those with a turnover of no more than \$50,000 per annum. While 31% of Harare-based companies fell into this category, only 9% of those sampled in Bulawayo did, this being a reflection of the lack of representation of organisations belonging to SMEAZ in Bulawayo. Thirty-two percent of the 22 companies represented from Bulawayo had a turnover of at least \$10 million a year. Fifty-three percent of those who belong to SMEAZ had a turnover of up to \$50,000 per annum, compared with 3% of companies belonging to ZNCC and 3% of those belonging to CZI falling into this category. Forty-five percent of CZI members had a turnover of over \$10 million a year (11% over \$50 million), and 19% of the ZNCC members fell into this category (16% over \$50 million).

By type of business, those in the ICT, administration and support, and wholesalers/retailers more often fell into the lowest range (turnover of no more than \$50,000/year) than did those in other industries, with respective proportions of 48% (ICT), 45% (administration and support) and 31% (wholesalers and retailers). Manufacturing companies most often reported gross annual turnovers in excess of \$10 million (35%).



Further, respondents were asked whether their organisation’s operations were limited to one branch, or extended further. Sixty percent of Harare-based companies and 50% of those in Bulawayo had just the one branch (60% of all), whilst a respective 9% and 32% (and 11% of all) had more than one branch but in the same city. Six percent and 0% were provincially based (5% of all), 17% and 14% (17% of all) had branches across the country (i.e. beyond one province). Five percent in Harare and 5% in Bulawayo had regional representation in neighboring countries and 2% of those based in Harare were part of international

companies (beyond the immediate region). Seventy-eight percent of SMEAZ members has just one branch or office, with 38% of CZI and 47% of ZNCC members falling into this category.

Membership of Business Organisations

Fifty-four percent of respondent organisations belonged to SMEAZ (and not to CZI or ZNCC), 36% to CZI (and not ZNCC or SMEAZ), 8% to ZNCC (and not to the other two) and 2% belonged to more than one of these business membership organisations (BMOs)—these numbering just nine of the 403 companies, with two belonging to ZNCC and SMEAZ and seven to CZI and SMEAZ. Thirty-three percent of the respondent organisations in Harare belonged to CZI, whilst 91% of those in Bulawayo did, with 57% of Harare based organisations belonging to SMEAZ but with only 9% of those in Bulawayo belonging to this association. Eight percent of those in Harare belonged to ZNCC, but none of the Bulawayo-based respondent organisations did.

Profile of Respondents Representing Organisations

Respondents most often included Managing Directors or CEOs (55%), followed by a finance director or manager (19%), and then less often, a marketing or sales director (6%), a head of department (5%) and a general manager (4%). Fifteen percent of respondents had worked for the organisation for no more than a year, 22% for 2-3 years, and 17% for 4-5 years.

2. Starting a Business

Background

According to the World Bank's Doing Business 2015 report, starting a business in Zimbabwe requires nine procedures, takes 90 days, and costs 114.6% of income per capital. Globally, Zimbabwe stands at 180 in the ranking of 189 economies on the ease of starting a business. This section was limited to businesses who have started or re-started their business within the last five years.

Findings

Forty-two percent of respondents believe it to be difficult (28%) or very difficult (14%) to establish a business, as opposed to 34% thinking it to be the opposite (24% think it to be somewhat and 10%, very easy), as illustrated in Figure 4. Members of SMEAZ, thus typically the smaller organisations in the sample, were significantly ($P < 0.05$) more likely to report the process to be 'very difficult' than were ZNCC and CZI members. Indeed, 19% of those with a turnover of up to \$50,000 found this process to be very difficult.

Those who had registered or re-registered their business in the previous five years, and who had found it difficult, spoke of there being no place that they knew where one could access the correct information (83% of responses) and 51% complained about the amount of time required for the processes involved. A follow on question asked about whether they felt the time spent for the start-up process was shorter or longer than they expected. For 53%, it was longer (27%) or much longer (16%) than they had expected, whereas for 29%, it was as they had expected, and for only 11%, was it shorter or much shorter than they had anticipated.

Herewith are some of the open-ended responses given regarding the difficulties in registering a business:

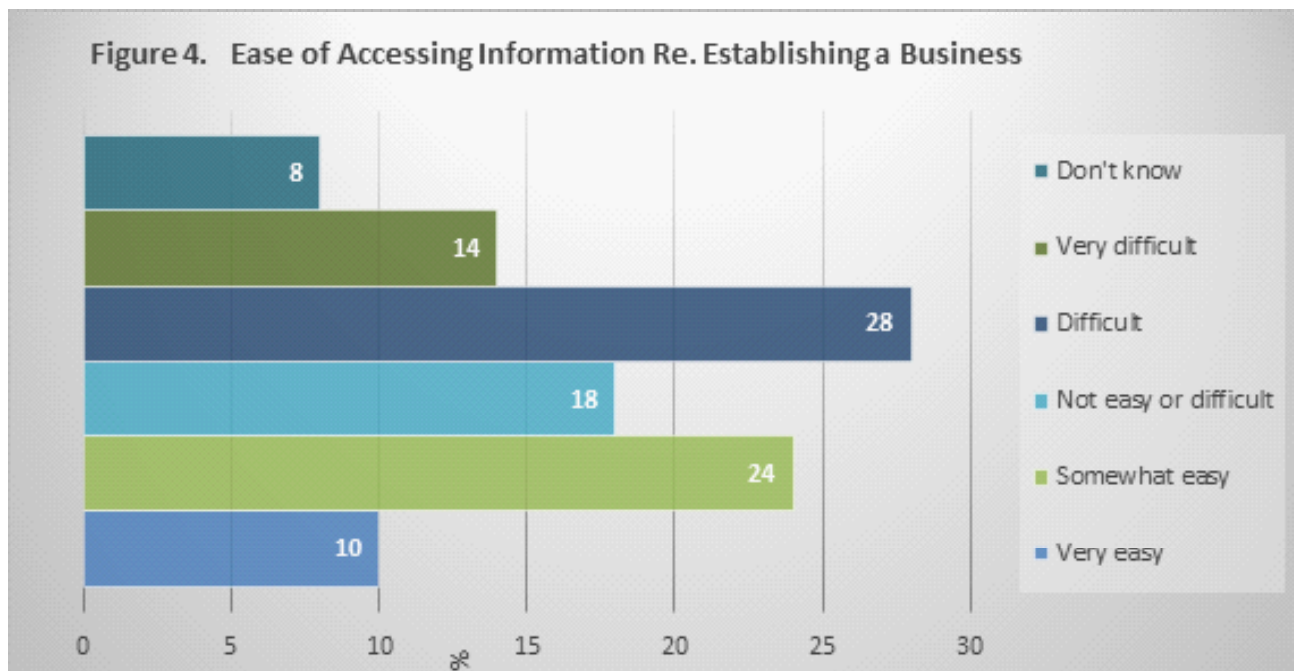
¹Refers to statistical significance at the 95% level

“Required paperwork is disclosed in dribs and drabs and one has to keep going back for other documents. Government offices treat access to public information with suspicion.”

“There are all sorts of papers required which businesses don’t know about. The Environmental Authorities just pop up with new claims for licences for generators.”

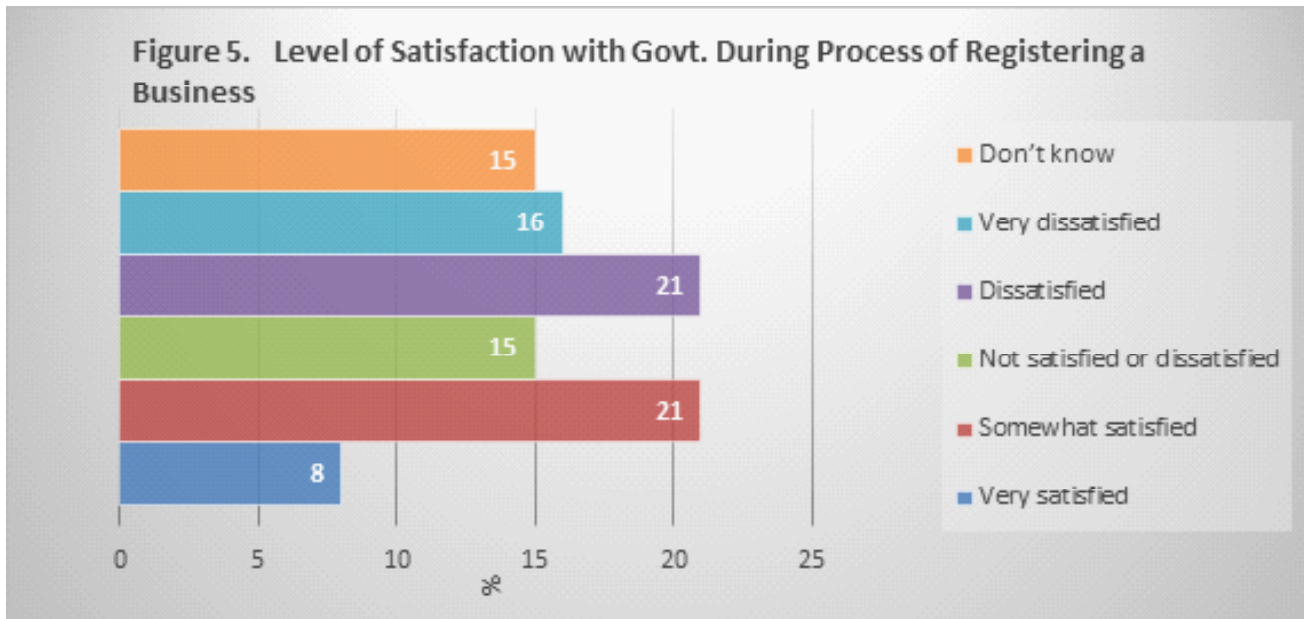
“Government-related processes have information all over the place. In one government office, three processes can have three different forms which are processed in different locations.”

“Processes are not well and clearly defined. You have to force information out of the relevant government agencies. Information is not even available on the Internet. In Zambia one can open and register a company on-line in less than 30 minutes. Here everything is done by unreasonable and incompetent people. As a result, bureaucracy and inefficiency have created business for others.”



More respondents were dissatisfied than were satisfied with their engagement with government agencies and civil services during the process of registering their businesses, as is clear in Figure 5. Smaller organisations, and those belonging to SMEAZ, were more satisfied than were CZI members; while 34% of SMEAZ members were satisfied (very or somewhat), 38% were not, but for CZI members, 12% expressed their satisfaction whilst 32% were dissatisfied. This seems contradictory, given that SMEAZ members and those representing smaller companies more often spoke of the process being difficult, but this apparent contradiction could be a function of lower expectations of civil servants by SMEAZ members than by those who are members of CZI or ZNCC.

²Size is based on gross annual turnover, throughout this report



Forty-five percent of respondents offered further information regarding their experiences in registering a business, with comments mainly being centred on not getting all the required information on time (64%), the slow process in getting registered (43%) and rude or unhelpful civil servants (35%).

Herewith are some of the open-ended responses given when asked if they had further information regarding the registering of a business:

“You use a lot of money paying bribes when you start a business. Government will ask for a bribe even for just giving you a form to complete.”

“Slow service. Employees have no sense of urgency. Poor standards. If I have all my papers in order, it takes 7 days even though everything is available. We have accepted mediocrity.”

“I am satisfied because I worked for government for two decades so I know what to do when I want to start my business. It is the private sector itself which is not organized.”

3. Licenses, Permits & Inspections

Background

Permits and licenses that are required vary depending on the sector and type of industry. Rather than list each type of permit or license in the survey, survey questioning centred on more general questions to elicit responses from the respondent pertaining to securing permits and licenses as relevant for that business’s sector. This section of the survey also covered inspections.

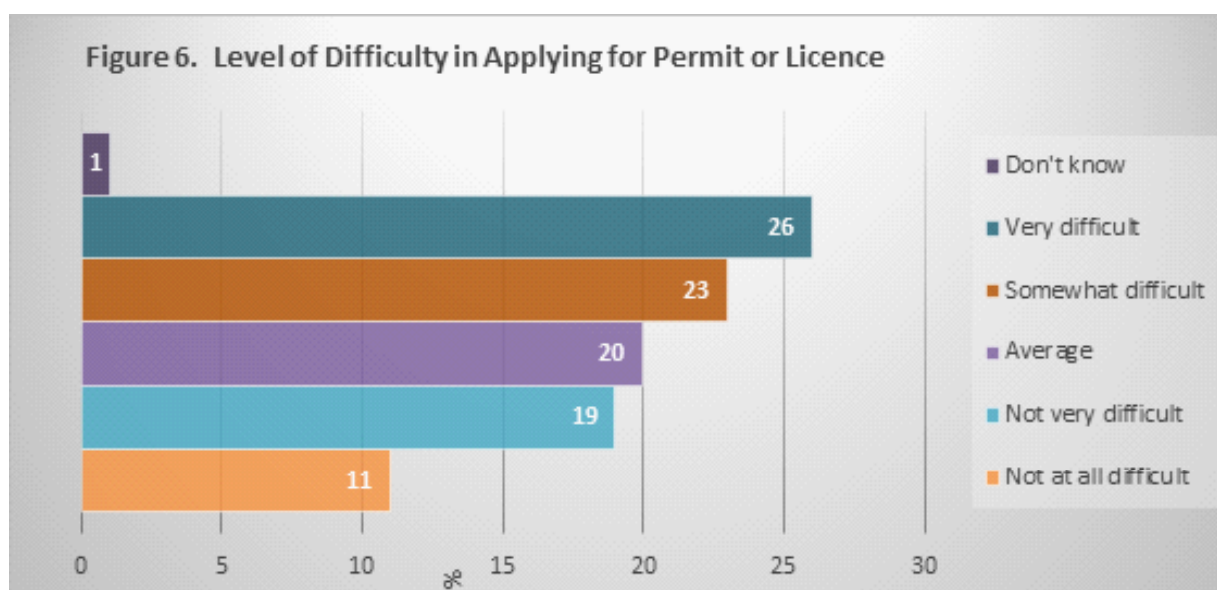
A common challenge noted in the World Bank Doing Business 2015 report around government inspections is the lack of funding for transportation and fuel for inspectors. This section of the survey examined what is actually happening around this practice. The survey explored time requirements for inspections, as delays

could conceivably result in payment of bribes in order to expedite processing and/or inspections.

Findings

Seventy-three percent of sampled organisations had applied for a permit, license or inspection in the last five years (90% of ZNCC members, 96% of CZI members and 55% of SMEAZ members), and it was representatives of these organisations, numbering 289, that were asked questions that are discussed in this section. Of these, 54% had applied for a permit, 86% for a license and 59% for an inspection.

Almost half (49%) of those who applied for a permit or license found it difficult (somewhat or very difficult), whilst 40% did not (see Figure 6), with there being no significant differences observed between members of the three BMOs, in this respect. On average, it took 94 days to apply for a permit or license, ranging from 1 day to 2 years. Twenty-three percent reported that this was ‘much longer than they had expected,’ and 36%, ‘longer than expected’, this being especially true of large businesses with a turnover of over \$50 million/year, 46% of them who responded thus (P<0.05 compared with smaller businesses). Thirty percent perceived it to be as long as, 5% shorter and 1% much shorter than they had anticipated.

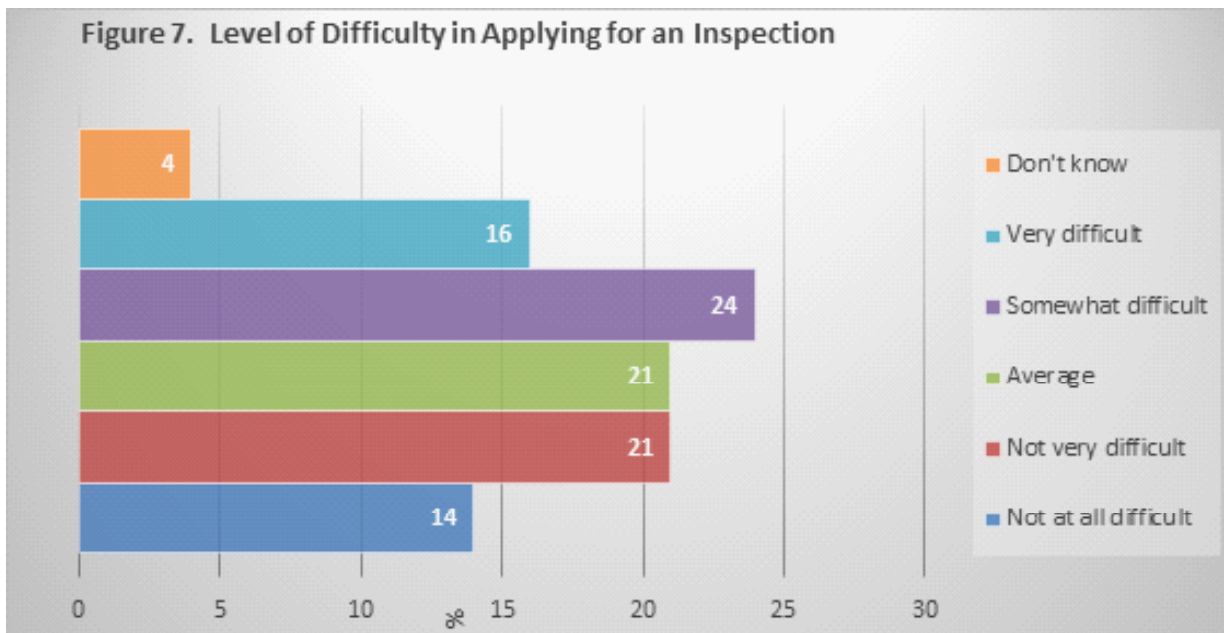


With respect to applying for an inspection, it took an average of 24 days, if one excludes one outlier (one respondent) who stated it had taken ten years. This average period was more or less as had been expected, for 40%, shorter or much shorter, for just 5% and longer for 69% (for 12%, much longer than they had thought). For this process, 35% of respondents found it to be easy, and 40%, difficult, as illustrated in Figure 7, and with the largest businesses, grossing over \$50 million a year, the most likely to say it was not at all difficult (30%, versus 5% of businesses grossing less than \$201,000/year reporting this).

Herewith a response from an interviewee who has found a way to make this process easy:

“We use an agent who is normally an ‘insider’ – so they do it quickly and for a small fee.”

Figure 7. Level of Difficulty in Applying for an Inspection



The average number of permits, licenses and inspections required per year to operate a business was 9.0, ranging from 1-200.

Respondents were quite equally divided between those who felt that there are not too many permits, licenses and inspections required (46%), most of these noting that the business sector needs to be regulated, and those who believe they are (48%). This latter group mainly commented that there are too many different regulatory or other bodies doing similar things, with duplications in requirements of businesses, and with others believing that the various licenses and permits could be merged into one license to govern businesses. Others lamented the high costs involved through paying for multiple licenses, permits and inspections, in particular when the costs are increased due to the need to pay bribes to multiple sources. Seventy percent had to be inspected in the past 5 years, more often the larger companies represented by ZNCC and CZI members (78% and 94% had been inspected, respectively) than the smaller companies, represented more often by SMEAZ, of which 41% of members had been inspected. Respondents described the process of getting an inspection: Inspectors visit based on a schedule but also pay random visits to organisations (71%), organisations have to pay government inspectors (49%) and additionally, in some cases, the organisations have to provide fuel for the inspectors (10%). Eight percent of respondents noted that they have to collect the inspectors themselves.

Ninety-four percent of manufacturing businesses had been subjected to inspections (significantly greater than for all other businesses, $P < 0.01$), compared with 52% of wholesalers/retailers, 79% of those in the transport/storage industry, 19% of ICT companies, 67% in the financial sector, 38% in the professional (technical and scientific) sector and 57% of those involved in administration and support services.

An average of 2.5 inspectors usually comes to site, ranging from one to 27, the 27 inspections being required by a bank.

Fifty-one percent of those who require licenses, permits and/or inspections had other comments to make about the process, most often noting that the process needs to be much more streamlined and efficient (83%) or lamenting the lack of comprehensive information on what is required (36% of 153 who made extra comments) or the high costs involved (16%). Eleven percent stressed the need to computerize to eliminate or reduce the practice of bribery (11%).

Herewith are some of the open-ended responses given regarding the difficulties in applying for a license, permit or inspection:

“We need to repeat the same application for a license and inspection for each of our 16 branches. To sell products, each branch has to apply to the Ministries of Agriculture, Environment and Health. The inspections themselves are a long process as you first submit application forms, and obtain pro-forma invoices. We pay all the expenses to get inspectors out after several calls ...and they need to inspect each branch. And when they do eventually come, you are obliged to give them refreshments while you are waiting.”

“We have to apply for a permit almost every quarter when our allocated quota (to import product) expires. Each allocation is always way below what is required to sustain our business. It has six processes and six offices around Harare. These papers are not captured. There is no centralization of functions.”

“We need to get between 180 and 200 licences/permits per year. This amounts to about 15 per month. We certainly think this should be reduced. The biggest challenge is applying for the same thing from many departments. You can make 3 – 4 trips to just one department to chase things up. There should be one department involved. By the way, the Ministry of Agriculture only issues permits in the afternoons.”

“Our mechanic checks our trucks for defects and fixes them. Then the driver goes to VID for the inspection. Our accounts department gives the driver \$ 120 instead of \$20 to ensure that whoever is inspecting clears the vehicle. So it is \$100 for the inspector and \$20 for the inspection papers.”

“The processes of licencing, permits and inspections are laden with corruption. If you don’t pay, you don’t get the papers. The language used by Government officers shows indifference to their work, but it changes when you pay for speeding up things. It is also better and faster if you know someone there. It is almost like a criminal issue if you don’t pay. They forget they came to work to offer a service. Cross border permits should not be necessary for SADC/AU member businesses. To make matters worse, our staff is treated badly by these foreigners, so you wonder what the permits are for if our brothers in the region do this to us.”

4. Registering/ Selling Property

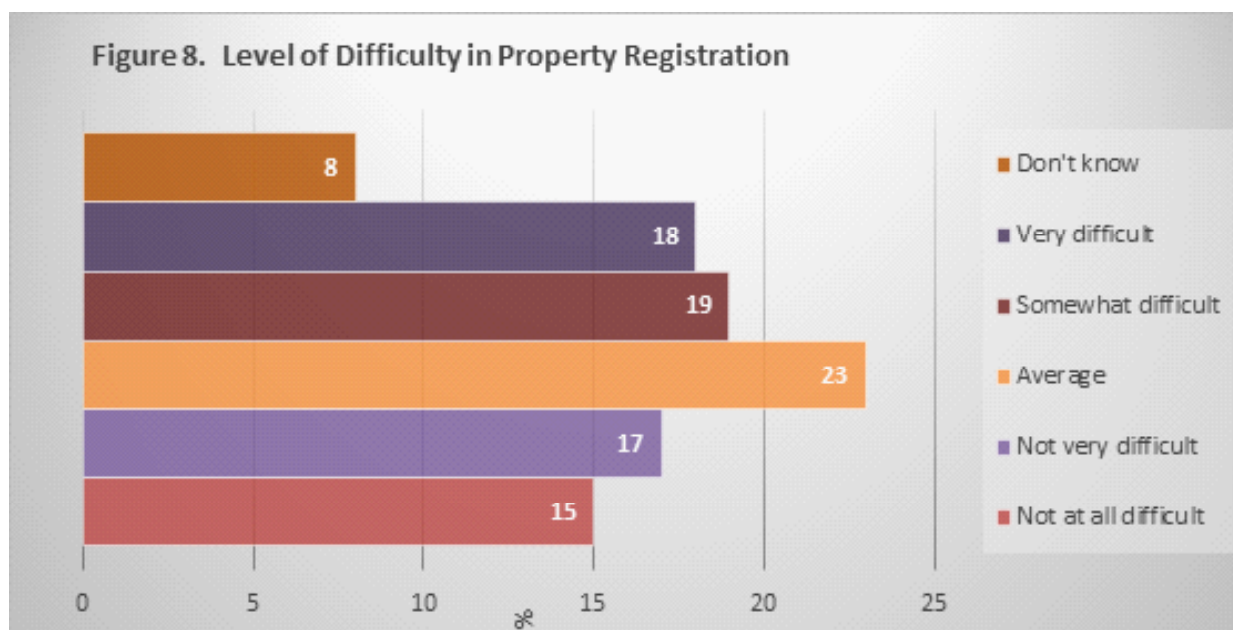
Background

According to the World Bank Doing Business 2015 report, registering property in Zimbabwe requires five procedures, 36 days and costs 7.6% of property value. Land tax is paid to the local authority or municipality. In the event of property being sold from one company to another, ZIMRA conducts physical interviews of the directors and assesses the amount. The Deeds Office used to have the capacity of sending properties for valuation, but ZIMRA has taken over this responsibility. This may be an area where the government is provided too much discretion, and thus, opportunities for corruption can occur.

¹Refers to statistical significance at the 95% level

Findings

Fifty-eight percent of respondent organisations own registered property (land, buildings, office space, machinery, vehicles), with CZI and ZNCC members significantly more likely to (87% and 77% respectively) than are SMEAZ members (35%). Forty-five percent of respondents (whether or not they own property) had attempted to register property in the past five years. Their level of difficulty in so doing is illustrated in Figure 8. Over half found it to be 'average' or not difficult, whilst 37% found it to be somewhat (19%) or very difficult (18%). The process most often took as long as respondents expected it would (41%), with 29% noting it took longer, and 16%, much longer than had been thought, with just 6% being pleasantly surprised with the short time it took, compared to their expectations. On average, the process to register property took 76 days, but with a huge variation from 1 day to 8 years (this latter figure, for one large manufacturing business).



Twenty-one percent of respondents reported that their organisation had sold property (including land, buildings, equipment and/or vehicles) to another business (40% of CZI members had, compared with 22% of ZNCC and 9% of SMEAZ members; this difference by BMO membership is statistically significant at the 1% level). Fifty-one percent of these respondents had agreed with the buyer on the value (taking into account prices observed in the market), while 46% had engaged professional valuers; 8% had sold through auctions and 1% through a tender process. In a few instances (20 of 86, thus 23%) had had an assessment or valuation undertaken by a government agency, namely ZIMRA (Zimbabwe Revenue Authority). In these cases, where ZIMRA had provided the valuation, 3% had strongly agreed, 65% agreed, 11% neither agreed nor disagreed, 16% disagreed and 5% strongly disagreed with the assessed value, but only 15% disputed this; no instances were recorded of ZIMRA conducting a reassessment.

Those who had dealt with government offices with regard to registration or assessments of property felt that there was opportunity for the process to be made more efficient (90%); 33% spoke of a high level of corruption in this area; as in other sections, respondents spoke of the need to engage 'insiders', that is, civil servants who get paid a fee or bribe to do what is actually their job to do.

As noted by one interviewee:

²Size is based on gross annual turnover, throughout this report

“Getting commercial rights for a building or piece of land includes a lot of corrupt activities otherwise you will never get the required permits/rights. Getting an insider to do the job is easier as they can follow up on the right routes, processes and requirements/documents.”

5. Taxes

Background

On average, firms make 49 tax payments a year, spend 242 hours a year filing, preparing and paying taxes and pay total taxes amounting to 32.8% of profit, according to the World Bank Ease of Doing Business Report (2015). Types of taxes include: Corporate income tax; Property Tax; Social security contributions; Manpower development levy; Capital Gains; Standards development levy; AIDS levy; Road Tax; Tax on check transactions (stamp duty); Tax on interest; Social tax on employee; fuel tax; Value-Added Tax (VAT) and Withholding Tax, amongst others.

Findings

Regarding taxation, respondents were asked three questions to elicit their views. Figures 9a. – 9c. illustrate their responses.

There is a strong sentiment amongst the business community that they are overtaxed, that the government does not spend tax dollars wisely. However, a majority (58%) still maintain that it is never right to evade taxes owed by their businesses, though a tenth feel that it is always justifiable to do so, and a further 17% that it is sometimes okay to do so.

Bulawayo-based respondents, who mainly represented larger rather than smaller enterprises, were significantly more likely to strongly agree that businesses are overtaxed (82%) than were their peers in Harare (60%), ($P < 0.05$); to disagree that the government spends tax dollars well (50% versus 29% in Harare); but were also significantly more likely to say that it is never acceptable not to pay taxes (82% versus 57% of Harare based respondents). Members of SMEAZ and CZI differed in their opinions from ZNCC members, when it came to views on how wisely government spends businesses' tax contributions. While just 12% of the latter group strongly disagreed with this statement, 43% of CZI and 38% of SMEAZ members strongly disagreed that government spends business taxes wisely. CZI members were the most likely group to state that a business is never justified in not paying tax (76%), whilst 59% of ZNCC members and 47% of SMEAZ members held this view; (the difference between CZI and SMEAZ member responses is statistically significant, $P < 0.01$).

Sixty-five percent of respondents took the opportunity of providing more feedback around interactions with government when it comes to paying taxes. These comments can be broadly grouped as follows.

- A plea for ZIMRA to be more flexible in payment plans when a company owes money or is fined (36%);
- Comments related to the lack of transparency and lack of fairness in government transactions related to tax (27%);
- A generally bad attitude displayed by civil servants, including those in the tax department (26%);
- Comments related to the high rates of taxation and/or a need to change the tax brackets (20%); this comment was made significantly more often by those in the smaller businesses, with a turnover of up to \$50,000 (335) or from \$51,000-\$200,000 (28%), than by those in larger size organisations.
- The difficulties businesses encounter in having to pay VAT to ZIMRA before their clients have paid them (9%);

- The need to pay bribes to representatives in the tax department (7%);
- On a positive note, 9% spoke of having had good experiences with ‘helpful’ civil servants regarding tax.

A synthesis of the many comments made about dealing with the tax authorities in Zimbabwe, where adjectives such as ‘ruthless’, ‘unfriendly’ and ‘harsh’ were used to describe tax officials, indicated significant levels of resentment towards authorities. Officials were said to view businesses as criminals before they even investigate. They were said to be selectively focused on getting more money from businesses that are compliant and do pay taxes, rather than chasing the tax evaders (“they frustrate people who are trying to conduct business honestly”), and to selectively and unfairly interpret legislation. Respondents further complained of penalties and interest payments that far out-weigh the fine and for which there is no grace period allowed for payment of the same, and of having to deal with multiple different officials who come and demand the same information and waste time. Many respondents spoke of ZIMRA being responsible for many companies closing down, and the loss of tax revenue that that then represents

Herewith a response from one respondent:

“They won’t listen to your point of view and don’t understand that they would take in more money if businesses were allowed to keep running.”

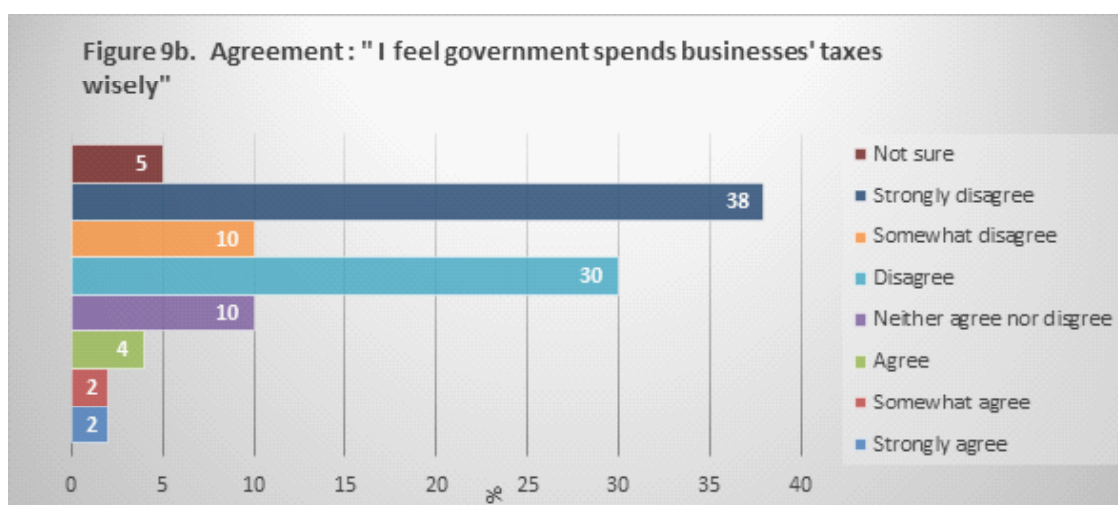
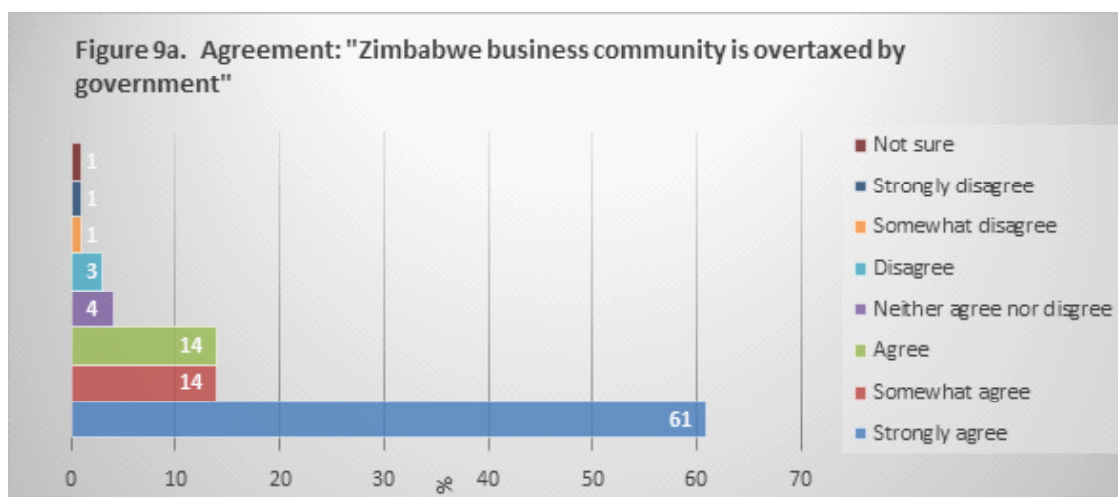
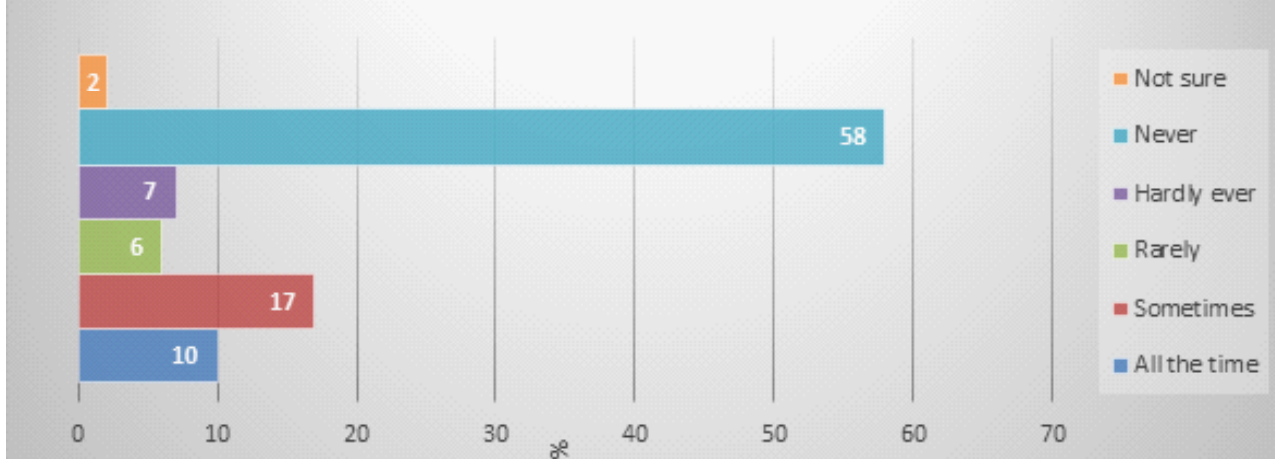


Figure 9c. Agreement: "I feel it is okay for businesses, like my own, not to pay taxes owed"



6. Trading Across Borders

Background

According to the World Bank *Doing Business* report, exporting a standard container of goods in Zimbabwe requires seven documents, takes 53 days and costs \$4,265. Importing the same container of goods requires eight documents, takes 71 days and costs \$6,160.

The documents required to Export include: Bill of Lading, Commercial Invoice Customs Export Declaration (Form 21), Exchange Control CD1 forms, Packing list, Pre-shipment inspection clean report of findings, and Transit entry documents.

Documents to Import include: Bill of Lading, Cargo Release Order, Certificate of origin, Commercial Invoice, Customs Import Declaration (Form 21), Packing list, Road Manifest, and Transit entry documents.

This section – if applicable to the firm – was a short section, with an open-ended question asking whether there was anything the respondent wished to share about interactions and experiences with government offices or civil servants when it comes to customs, cross-border trading, processing of import/export documentation and so forth.

Findings

Sixty-three percent of the 403 organisations (numbering 253) agreed that they traded across borders in the past five years, 68% of ZNCC, 87% of CZI and 46% of SMEAZ members. Fifty-eight percent of these are involved in importing (but not exporting), 35% in both import and export, and 4% in exports only. (Three percent said that they do not import or export, and yet they had agreed that they trade across borders; their type of trade is unclear but it may relate to consultancy businesses that do not bring or send goods, as such, across borders). There was a strong (and statistically significant - $P < 0.05$) correlation between size of business, based on gross annual turnover, and incidence of trading across borders. For example:

Gross Annual Turnover (US\$)	% that Trade Across Borders
Up to \$50,000	39%
\$51,000 – \$200,000	56%
\$201,000 – \$999,999	74%
\$1 – 10 million	82%
\$10 – 50 million	94%
Over \$50 million	88%

Whilst over 80% of those involved in the manufacturing, wholesale/retail and transport/storage businesses trade across borders, based on this survey, 61% of those in the ICT business do, with corresponding figures of 53%, 31% and 27% of those in the professional (scientific/technical), the agricultural and the finance sectors. Fifty-five percent of those classified as ‘other’ types of business sector trade across borders.

These respondents were asked just one, open-ended question regarding any experiences that they would like to share about their interactions with government departments or civil servants with respect to cross-border trading. Sixty-nine percent provided such information, which revolved around the following (examples of verbatim responses are shown in text boxes):

The length of time spent at the border and the inefficiencies at the border posts, which was the focus of complaints for 80% of these respondents:

“They are purposefully slow in processing in the hopes that both imports and exports incur extra costs for transporters at the border. They hope to get bribes to speed up the clearance time.

“Delays at the border are horrendous. It takes a long time for import permits to be issued. In addition, some government departments are represented at the border and they want to do inspections for which you have to pay. So you pay two different departments for two inspections, which delay the clearing of the shipment. On top of this, when the ZIMRA system is down we have to pay the transporters. Most of the consignments are referred to the container depot, where we pay for storage, while we wait for the inspections. And how long depends on the number of trucks at the border. When ZIMRA wants to see specific things from specific consignments, you must pay for casual labour to unload the truck.”

Too high tariffs (43%):

“The 40 – 60% they charge on commercial goods is just too high. We are forced to smuggle goods.”

Many described ‘rampant corruption’ at the border, with no clearance of goods being possible without paying officials, often multiple officials at every point (30%):

“Those employed at the border make it difficult so they can be corrupt and ask for money to make it easier.”

7. Government Procurement & Tenders

Background

Firms’ representatives were asked whether they monitor and/or bid for government contracts, noting their rationale for doing so or not doing so. For those whom it is applicable, they were asked about their actual experience in the process, and levels of agreement with some statements around government tenders was solicited.

Findings

Over half (56%) of respondents agreed that their business had monitored government tenders over the past five years, and 40% said that they had put in bids for such contracts. Those who did not monitor government tenders either spoke of their business not being relevant to the services or products government puts out tenders for (65%) or reported that they are not registered with the government as a vendor so were not eligible to bid (46%). The large majority of those who had not bid had not done so as they had deemed that they did not meet the requirements stipulated (95%), which included for some, that they were not registered as required. Five percent chose not to bid, perceiving that government does not pay on time or does not pay well.

Thirty-eight percent of ZNCC members had bid for government contracts, as opposed to 53% of CZI and 31% of SMEAZ members ($P < 0.05$ when compared to CZI). No significant differences were observed according to type of industry sector, with respect to this variable, but there was a significant increase in the proportion that bid as the size of the company increased:

Gross Annual Turnover (US\$)	% Organisations That Had Bid for Government Contracts
Up to \$50,000	26%
\$51,000 – \$200,000	33%
\$201,000 – \$999,999	60%
\$1 – 10 million	45%
\$10 – 50 million	65%
Over \$50 million	30% (note that this goes against the overall trend)

Perceptions about bidding for government contracts were elicited through a series of questions to which respondents were asked to agree or disagree on a pre-specified scale (see Figures 10a. – 10c.). There is little faith in government following rules when it comes to tenders. Although 18% are not sure if the rules are followed or not, more disagree with the statement (48%) than agree or are neutral (29%) ($P < 0.05$); 18% 'strongly disagreed' that government follows the rules when it comes to tenders. Though less strongly expressed, the overall perception regarding the confidentiality of bids for government tenders was also negative, with 38% disagreeing in some measure that bids are treated confidentially by government, and with 34% agreeing or not having a strong opinion, either way, and with a substantial 24% not sure whether they are treated confidentially or not.

A quarter of respondents 'strongly agreed' with a statement that there is no real competition when it comes to government tenders; that the winner is known in advance. A further 34% agreed in some less strong measure, thus 59% agreed overall, against 18% who disagreed that there is no strong competition. Of the three statements posed to respondents about government tenders, this one regarding lack of strong competition was the statement that evoked the strongest and the most unfavorable response. SMEAZ members were especially likely to strongly agree that there is no competition (33%, versus 12% of ZNCC and 17% of CZI members responding thus, $P < 0.05$).

Figure 10a. Agreement: "When it comes to govt. tenders, rules are strictly followed"

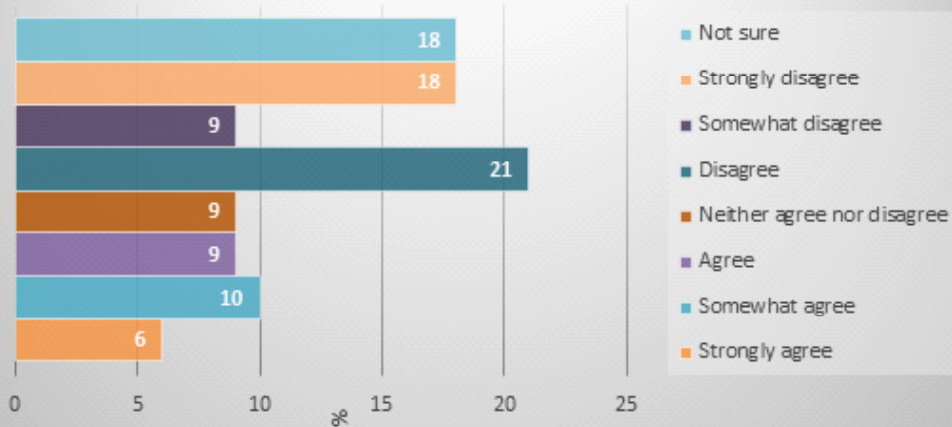


Figure 10b. Agreement: "The bids for govt. tenders are kept confidential"

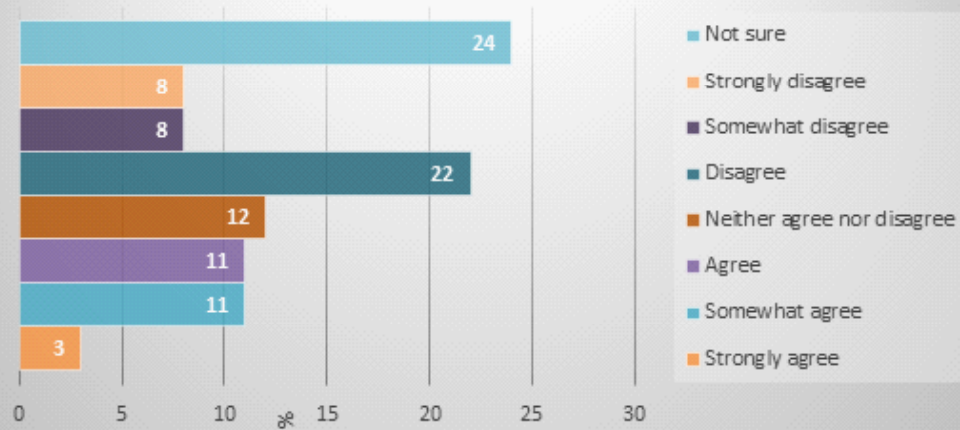
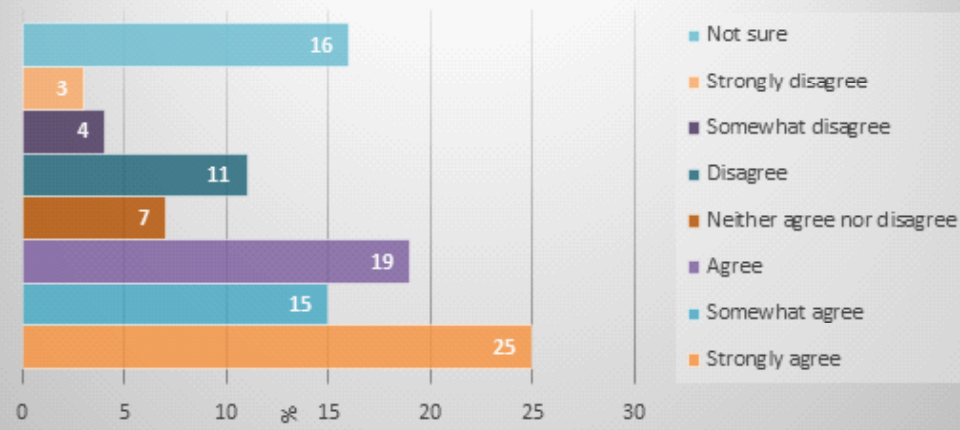


Figure 10c. Agreement: "There is no real competition over govt. tenders. Generally known who will get the contracts."



It is hardly surprising, then, to learn that 78% of respondents believe that there is a problem with the way that government procurement is handled, with the most common problems or concerns reported as follows:

- Government officials are corrupt (55%);
- A general lack of transparency and a culture of nepotism (46%);
- Businesses (or rather, their representatives) are corrupt (32%);
- Allied to the above more general comment about corrupt civil servants, more specifically, people spoke of civil servants disclosing insider information (29%);
- Laws and regulations allow for manipulation and different interpretations (27%);
- Weak enforcement of laws (17%).

Herewith are some of the open-ended responses given regarding the difficulties encountered in obtaining a government tender:

“Pricing, collusive tendering, rules are rarely followed. Tenders are given to favoured individuals and overpricing occurs. The problem is worsened by a bad government payment record”

“Lax monitoring of tenders that are awarded. Failure to assess the capacity of bidders. The bidding process is fraught with bribes and corruption.”

“ZESA tender specifications are set so that it favours a supplier making it very difficult for anyone else to bid. A tender was won by a person whose bid was impossibly low – there was no way that they could supply the tender as it was below cost.”

“There should be some sort of oversight into the tender procedure. Government should have an advisory team as many companies who do tender, do not have the ability to actually do the job. They need to know how to structure a tender and the advisory team should determine who is capable and who is not. Projects often don’t get finished or even started because the people awarded the tender don’t have the ability to do it. We have had to finish jobs awarded to others.”

“Tenders take too long to adjudicate making them uneconomically viable in a volatile economy like ours. Lazy civil servants who only take shortcuts to make their work easier. Most tenders are won by former employees working with insiders.”

Many respondents had already spoken about corruption in the awarding of government tenders, but then they were all asked a direct question, to see whether they perceive corrupt practices to occur in this process.

64% believe or know that bribes are being paid to win government tenders; 32% do not know if they are and only 3% believe that bribes are not paid;

Further, 29% of these respondents say that the payment of bribes to win government contracts is common practice—that it happens all the time, and another 39% that this occurs most of the time, with a further 17% thinking it happens sometimes. None reported that it rarely or never happens; 15% are not sure of the frequency of this practice.

Forty-seven percent proffered further commentary around the issue of government tenders. Three main

themes were evident; 86% spoke of a total lack of transparency in the awarding of contracts, and 58% of collusion, nepotism and corrupt practices as being endemic. Twenty-one percent noted that the whole process of awarding tenders is politicized.

Herewith are some of the open-ended responses given regarding the awarding of government tenders:

“This process is very prone to bribes. It is inexplicable why certain companies are awarded tenders. They don’t visit a company to see if it is capable of doing the job, if they pay taxes, or even if the company is legitimate and how well it is run. The State Procurement Board takes a long time to decide, too.”

“Government tendering has lifted many ‘big-wigs’ out of poverty to massive riches.”
“Tendering is manipulated to favour close relatives and friends of government officials. I experienced this because they sabotaged our business when a tender was awarded to my company to provide catering services at a government function. The losing candidate was connected to an influential civil servant and she made threats because she lost the tender.”

“The bigger the tender, the more likely it will be corruptly won. Insiders manipulate technical conditions which only they are aware of, thereby disadvantaging other bidders.”

8. Corruption

Perceptions on Level and Causes of Corruption in Zimbabwe

- Upon being asked to compare the level of corruption in government now, compared with 2013, 63% of respondents consider that it has increased a lot, with a further 10% believing it has increased a little. Twelve percent have not observed a change, and just 8% think it has diminished, though only by a little. No one reported that it has decreased a lot. Six percent were not sure.
- Responses to a question as to how widespread they think corruption has been over recent years elicited similar types of responses; 32% believe that all businesses and 46% that most businesses are affected by it, leaving just 16% who think some (15%) or a few (1%) businesses are thus affected, with only 2 of 403 respondents (0.5%) thinking that corruption is negligible; 4% were not sure.

Respondents were asked whether they considered the biggest cause of corruption to be:

- i. Businesses seeking unfair advantage over other businesses;
- ii. Corrupt public officials seeking payments that are not due;
- iii. A little of both (i) and (ii) or;
- iv. Some other cause.

A majority (54%) blamed both the public officials and the business sector, while 31% felt it to be driven mainly by corrupt public officials, and with 13% thinking the blame lies mainly with private businesses. Comments made by respondents revolved around the following: that the difficult business operating environment drives business operators to stoop to corrupt practices; that there is a lack of accountability of and oversight by Government; and that low civil servants’ salaries encourage demands for bribes.

Herewith one of the open-ended responses given regarding businesses' exposure and vulnerability to corruption:

"It depends on the business you are in. If you are a new business, officials can seek bribes. If you are an old business, officials cannot take advantage over you. No one really looks at the root causes of corruption. It is now a culture."

Figure 11. illustrates the frequency with which businesses represented in this survey are subjected to requests or demands for bribes, or fines from public officials, in return for services. Almost a third are being subjected to such demands on a daily basis, and almost half at least monthly, with a further 28% saying that this occurs occasionally during the year.

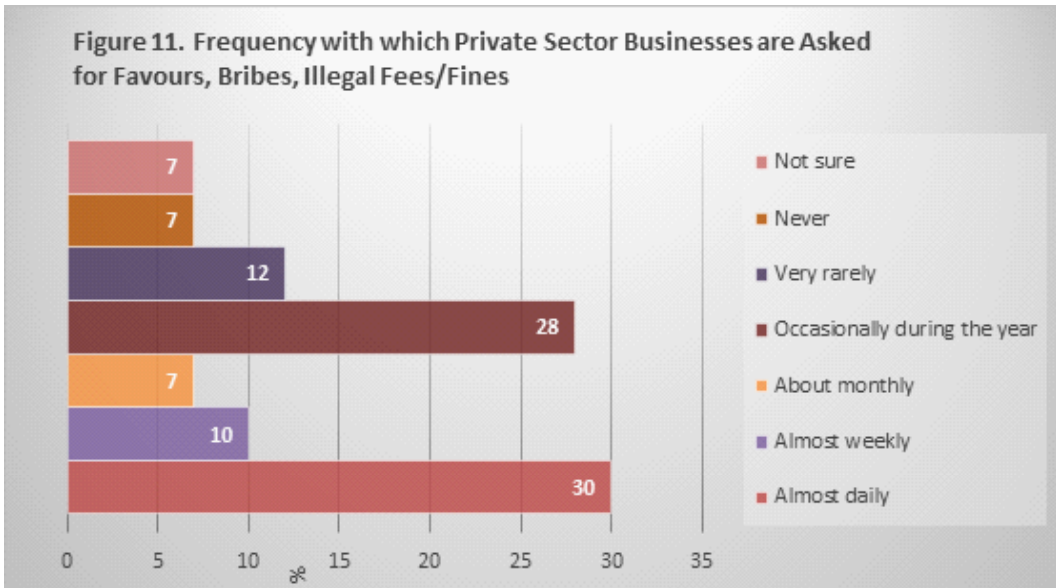
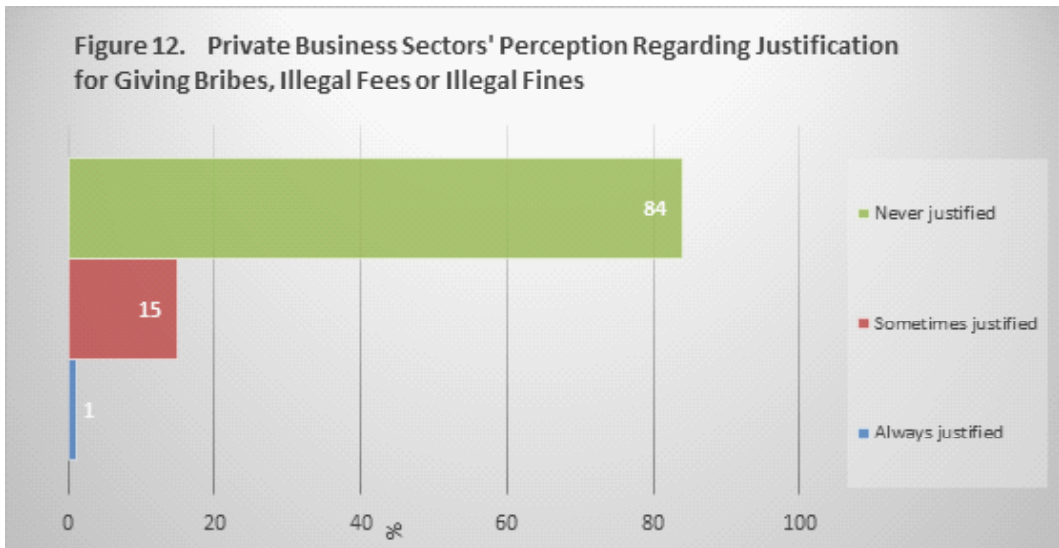


Figure 12. indicates that the majority of businessmen and women do not feel that there is any justification for bribery; the proportion that believe this varied from 81% of SMEAZ members to 85% of CZI and 91% of ZNCC members.



Low civil servants' salaries and a lack of integrity or greed were most often blamed for the corrupt environment, named by a respective 79% and 51% of respondents who were asked why civil servants accept or ask for money or gifts. Thirty-four percent mentioned the poor state of the economy, while 17% felt that civil servants do this to show their authority or power, and 12% blamed weak oversight by the government.

Herewith some of the open-ended responses to a question asking of the main reasons corrupt practices persist:

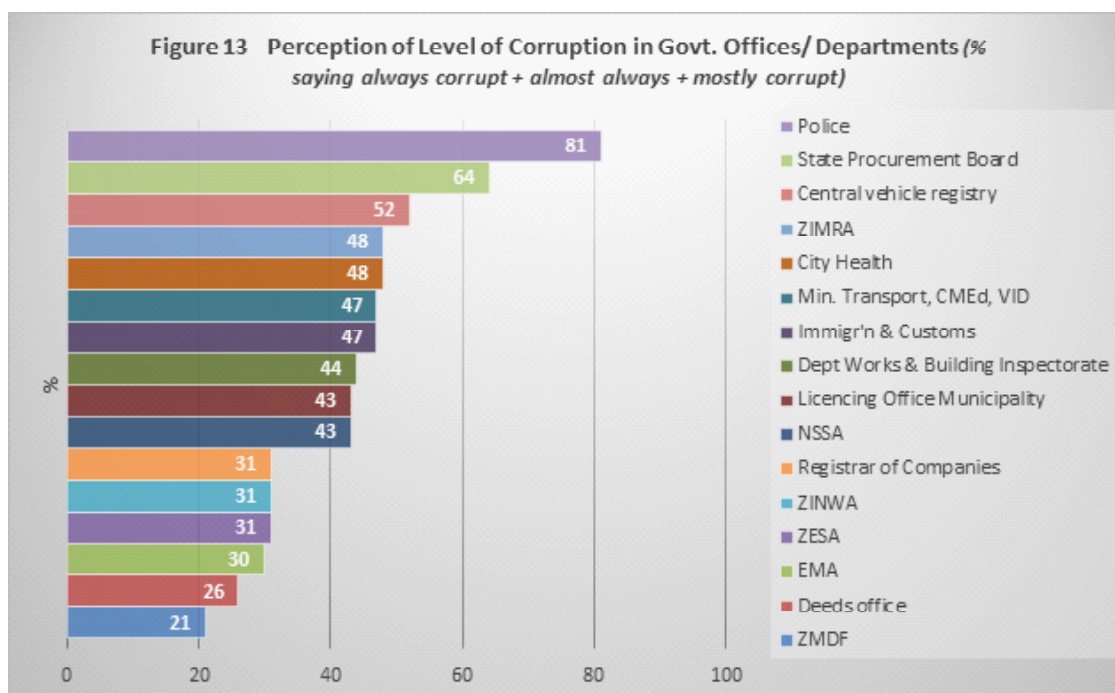
“If you look at a police officer, he is earning around \$250 a month but he tickets motorists thousands of dollars in a day. He is bound to be corrupt because he sees a lot of money daily.”

“There are lots of business people who are willing to pay bribes as they lack the correct documentation, so civil servants take advantage of that.”

“The economic situation makes people desperate. The period when our money lost value, we lost our principles. It takes two to tango and involves two parties. It becomes the norm and becomes a cancer. We also haven't seen prosecution of corruption cases. There is a need for better policing and examples need to be made of offenders.”

Perception of Government Offices & Departments on Corruption

Respondents were asked what their perception of various government departments or agencies was, regarding the level of corruption, on a 5-point scale from 'always corrupt' to 'hardly ever' or 'never corrupt'. Figure 13. illustrates the proportion believing an agency to be always, almost always or mostly corrupt, and excludes those who did not know or have no experience with the agency. Based on these summed proportions, the Police, followed by the State Procurement Board are deemed the most corrupt (81% and 64% respectively), followed by ZIMRA and the City Health Department (48% each), the Department of Works and Building Inspectorate, the Licensing Office at the Municipality, the National Social Security Authority (NSSA) and the Registrar of Companies. Of the fourteen agency departments about which respondents were asked, the least often rated as corrupt was the Zimbabwe Manpower Development Fund (ZMDF).



When these results are teased out further based on responses to the 5-point scale, the police and ZIMRA were ranked worst, with a respective 53% and 45% of respondents (who could rate them) stating that they are 'always corrupt'; this is followed by the Licensing Office at the Municipality (37%) and the City Health department (30%).

Based on an analysis of responses by town and by BMO membership, corruption levels appear to be much lower in Bulawayo than Harare (though not with respect to the police force). There are also differences in perception based on BMO membership; SMEAZ members significantly less often rated a department as 'hardly ever' or 'never' corrupt than did members of CZI and ZNCC, thus confirming later commentary about small and medium sizes businesses being more vulnerable to corruption. Some explained this by noting that smaller businesses are less well equipped to deal with demands from civil servants for bribes. Table 1. illustrates these differences by town and by BMO membership where such differences were statistically significant ($P < 0.05$).

An analysis of these responses by gross annual turnover confirms the above statement that smaller organisations are more affected or at least perceive corruption to be worse than do larger companies. For example, 27% of respondents representing organisations with an annual turnover of \$10.1-50 million and 34% of those with a GAT of over \$50 million spoke of ZIMRA being hardly ever or never involved in corrupt activities, whilst 7% of those in the smaller GAT category (up to \$50,000) and 4% of those with a gross annual turnover of \$51,000-\$200,000 responded that ZIMRA is hardly ever or never involved in corrupt practices.

Similar trends were observed with respect to responses about other government departments. Sixty percent of transporters reported ZIMRA to be 'always corrupt' compared with 20% of manufacturers doing so ($P < 0.05$).

Table 1. Proportion of respondents who report that a particular government department is 'hardly ever or never corrupt' (excludes those who do not know or do not deal with the Department)

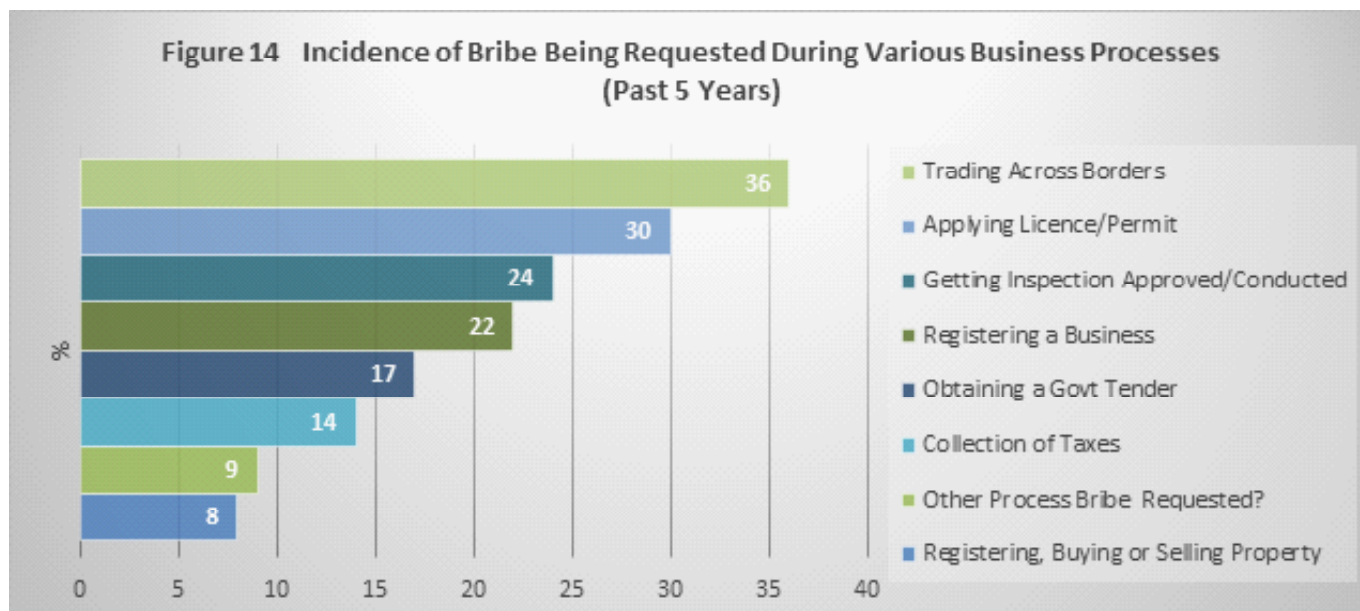
Government Department	TOWN		MBO MEMBERSHIP		
	Harare	Bulawayo	ZNCC	CZI	SMEAZ
ZIMRA	14%	30%	30%	20%	7%
NSSA	51%	84%	N/A	71%	48%
City Health Department	34%	89%			
Licensing Office in Municipality	19%	65%			
EMA	46%	54%		47%	29%
Department of Works & Building Inspectorate	16%	69%			
ZINWA	30%	75%		55%	23%
ZESA	31%	60%		48%	27%
Police	0%	0%	9%	6%	0%

Note: The differences between towns or by BMO membership shown in this table were significantly different ($P < 0.05$)

Experiences of Businesses in Being Asked for Bribes During Various Business Procedures and Processes

Figure 14. indicates that the areas where corruption is most prevalent, based on where bribes are most often demanded, is in the area of trading across the borders, where 36% of those for whom this area was applicable said that bribes had been solicited or asked for. Table 2 indicates the agencies named as having had their representatives demand favors, gifts or cash in return for services. With respect to the trading of goods across borders, ZIMRA is most often involved, followed by Customs. Next most often, businesses face these demands when trying to apply for a license/permit (30%), get an inspection conducted or approved (24%) or register a business (22%), followed by the obtaining of a government tender (17%). However, it is interesting to note that earlier on (see Section 8.2 and Figure 13), the state procurement or tender board was one of the departments most often blamed as being corrupt. This apparent contradiction - that the state procurement board did not rate as the most corrupt in terms of respondents' reported experiences, but did based on respondents' perceptions - is likely explained by the fact that many businesses do not deal with it, as they know or perceive it to be corrupt, hence they cannot share actual experiences of extortion.

Similarly, ZIMRA was later accorded with being one of the most corrupt departments, after the police, but these questions about actual experiences showed that the collection of taxes was less often a focus of bribery (14%) than were other business processes. Having said this, however, ZIMRA was often named as the agency that attempted to solicit a bribe for many of the aforementioned business processes, including the application of licenses, permits or conducting and approval of inspections, and during procedures required for those trading across borders, as is evident in Table 2. (page 48). The respondents also quite often pointed to the City Council, City Health Department, Vehicle Inspection Depot (VID), and the Registrar of Companies or Registrar of Deeds as having been the instigators of such demands. Various Ministries were mentioned, though usually by small numbers of respondents.



Respondents were offered the opportunity to elaborate on any of the aforementioned instances of having been asked for a bribe by a civil servant, in return for services needed. Generally, comments were made about the fact that the authorities have far-reaching powers and the system promotes corruption (96% of comments were allied to this), and that the process is hastened if one pays what is asked for (64%).

Some verbatim examples of what various respondents had experienced:

“One chef in the City Council said to me, “I am a civil servant and I earn \$300 and the business you want me to approve is worth \$3 million and you think you just get it freely. No, your life is in my hands. Do something so you get what you want.”

“With respect to ZIMRA – we were in arrears by about \$ 15,000, and the officer asked for a bribe so that he could reduce the amount and change the class of the offence.”

“VID officers stop troubling us about problems with our vehicles if we pay them. Police make us pay bribes at roadblocks. Although our policy is not to bribe you are sometimes forced to do so to save time.”

“At VID, I refused to pay a bribe and they refused to certify my (company) car after several attempts. There is nothing wrong with the car, and it has been sitting in my premises unused for two years.”

“We do not comply with ZIMRA regulations so every time they come to check on us, we give the officer something to leave us alone, and we go on with our work.”

“I think some serious decisions and actions need to be taken against ZIMRA; it’s like they are above the law; corruption is so disgusting. If you do not pay a bribe to ZIMRA officials, you are delayed (at the border) and your goods are confiscated. In the end you pay a lot of money.”

“We could pay ZIMRA to allow a truck to pass through (the border). \$1,000 has to be paid to EMA when we can pay a ZIMRA official a few hundred instead. We pay about \$60,000 to EMA per annum.”

There were some exceptions to the overall gloomy picture painted by respondents of the prevalence of corrupt practices. One such exception is cited verbatim below:

“We congratulate ZIMRA. They send three people, so even if you wanted to offer a bribe it becomes a challenge.”

Table 2. Departments or Agencies that Asked Company for Bribe

(a) Business Process /Procedure	c) Sample Size for Column (b)	(b) Where Bribe Asked for, Who Asked for Bribe?
Registering or Establishing a Business	39	<p><i>(28 out of 39 responded)</i></p> <ul style="list-style-type: none"> • ZIMRA – 10 out of 28 (36%) • Registrar of Companies – 9 out of 28 (32%) • City Council – 3 out of 28 (11%) • Other – 9 out of 28 (32%)
Applying for or Processing a Permit or License	85	<p><i>(66 out of 85 responded)</i></p> <ul style="list-style-type: none"> • City Council/ Municipality/ City Health Department – 28 out of 66 (42%) • ZIMRA – 10 out of 66 (15%) • VID/CMED/Ministry of Transport – 9 out of 66 (14%) • Ministry of Agriculture – 8 out of 66 (12%) • Customs – 6 out of 66 (9%) • NSSA – 5 out of 66 (8%) • Surveyor General/ Registrar of Deeds/ Registrar – 3 out of 66 (5%) • Ministry of Health – 2 out of 66 (3%) • Ministry of Industry and Commerce – 2 out of 66 (3%) • EMA – 2 out of 66 (3%)
Getting an Inspection Conducted or Approved	47	<p><i>(41 out of 47 responded)</i></p> <ul style="list-style-type: none"> • City Council – 20 out of 41 (49%) • VID – 6 out of 41 (15%) • ZIMRA – 6 out of 41 (15%) • NSSA – 6 out of 41 (15%) • Factory Inspectorate – 3 out of 41 (7%) • EMA – 2 out of 41 (5%) • Registrar/ Deeds Office – 2 out of 41 (5%) • Ministry of Education – 2 out of 41 (5%)
Registering, Selling or Buying Business Property (Land, Buildings, Equipment, Vehicles)	17	<p><i>(15 out of 17 responded)</i></p> <ul style="list-style-type: none"> • ZIMRA – 10 out of 15 (67%) • Registrar of Deeds/ Registrar of Companies – 5 out of 15 (33%)
Tax Collection (Responses included levies, such as NSSA levy)	52	<p><i>(50 out of 52 responded)</i></p> <ul style="list-style-type: none"> • ZIMRA – 49 out of 50 (98%) • Customs – 2 out of 50 (4%) • City Council – 1 out of 50 (2%) • NSSA – 1 out of 50 (2%)

Trading Across Borders	88	<i>(82 out of 88 responded)</i>
		<ul style="list-style-type: none"> ZIMRA – 65 out of 82 (79%) Customs – 19 out of 82 (23%) EMA – 3 out of 82 (4%) Ministry of Agriculture – 3 out of 82 (4%) Zimbabwe Republic Police – 2 out of 82 (2%) Ministry of Industry and Commerce – 1 out of 82 (1%)
Obtaining a Government Tender	34	<i>(19 out of 34 responded)</i>
		<ul style="list-style-type: none"> State Procurement Board/ Tender Board – 12 out of 19 (63%) Ministry of Information and Communication – 2 out of 19 (11%) City Council – 2 out of 19 (11%) ZESA – 1 out of 19 (5%) Ministry of Health – 1 out of 19 (5%) Other – 1 out 19 (5%)
Other Processes	34	<i>(34 out of 34 responded)</i>
		<ul style="list-style-type: none"> Zimbabwe Republic Police – 9 out of 34 (26%) ZIMRA – 5 out of 34 (15%) City Council/City Health Department – 5 out of 34 (15%) VID – 4 out of 34 (12%) ZESA – 4 out of 34 (12%) EMA – 4 out of 34 (12%) Immigration – 3 out of 34 (9%) Ministry of Agriculture – 2 out of 34 (6%) Ministry of Justice – 1 out of 34 (3%) ZINWA – 1 out of 34 (3%) Ministry of Education – 1 out of 34 (3%) Ministry of Industry & Commerce – 1 out of 34 (3%) Other – 4 out of 34 (12%)

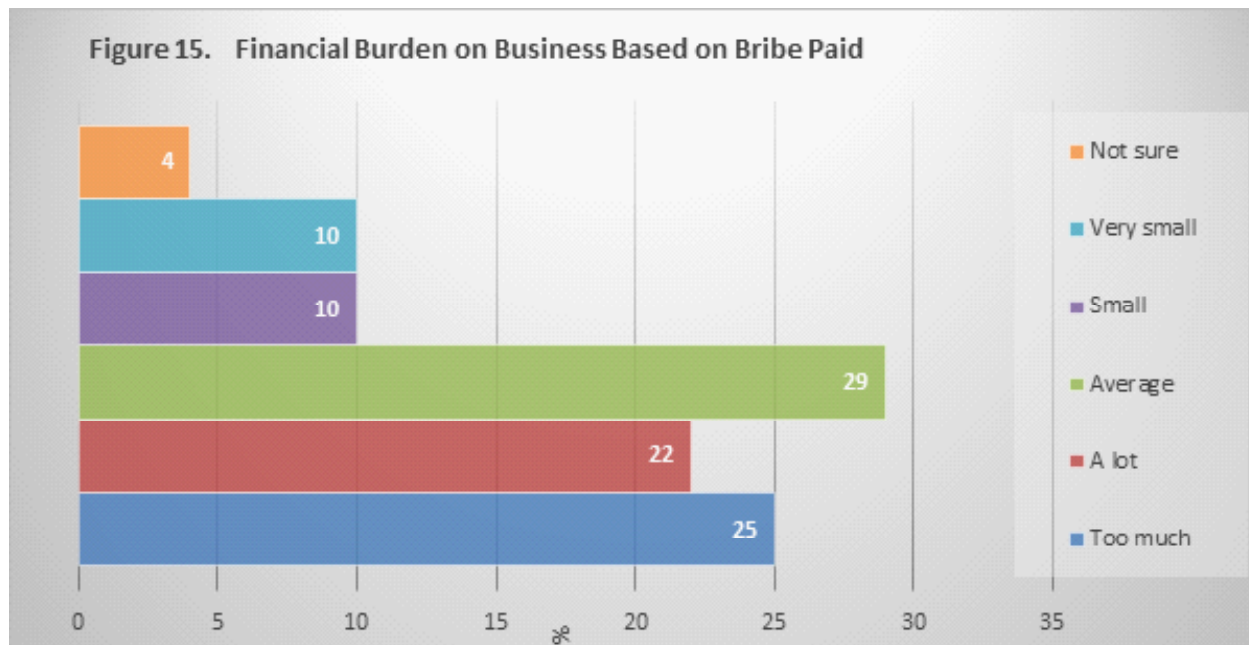
Respondents were not asked to divulge what bribes, if any, they had paid to whom, though many did offer this information without being asked. A question was asked as to what their rationale was for paying any bribes, giving gifts, or paying unfair fines or 'fees' that are not governed by legislation. Some respondents did not answer this question (perhaps to avoid incriminating themselves despite assurances regarding the anonymity of the survey), but 31% of respondents gave a reason as to why they had paid a bribe. SMEAZ members more often responded to this question than did CZI or ZNCC members, suggesting that SMEAZ members more often pay bribes than do members of CZI and ZNCC). Another question as to what they received in return for the bribe showed a response of 'not applicable, did not pay the bribe' from a third of respondents, suggesting that the proportion that does pay bribes is closer to two-thirds.

- 39% reported that they paid a bribe in order to obtain the service that they required;
- 24% to avoid the consequences of not paying (e.g. not getting the service, having to pay a fine to ZIMRA etc.);
- 21% merely stated that the civil servant indirectly inferred this was necessary;
- 11% paid a bribe to establish a good relationship with a particular civil servant that would stand them in good stead in the future, when requiring a similar service. Indeed, 20% said that they had not had to go through the often onerous application processes or fill in the multitude of forms as a result of having paid a bribe for a process;

³This response option did not appear on the questionnaire (see Q 8.18) but was recorded under 'other' and coded accordingly

- 10% paid a bribe to speed up what would have otherwise been a long and costly process.

Figure 15. illustrates perceptions regarding what the cost of bribery has been to the company (in relation to what they benefit as a result of bribing). Forty-seven percent deemed this to be a significant burden (a quarter, significantly so).



Respondents were asked what would happen if they did not pay bribes or gifts as requested. Most often, the officials delayed the provision of the service and made it more complex (74%). Forty percent of respondents said that the service might not be able to be obtained at all, and 22% spoke of this course of action being costlier in the end (usually because the bribe was less than the threat of a much larger fine, such as a tax penalty for example). Just 8% said that there would be no consequences, some noting that most civil servants will ‘try it on’, but might back down if one does not take the ‘bait.’

Another question asked what had happened as a result of not having paid the bribe; i.e. based on actual experiences rather than perceptions of what might happen. Thirty-two percent (of 189 respondents who responded to this question) agreed that there had been consequences; 48% said that the process had taken an inordinately long time, 48% had lost business as a result, and for 30%, their request for the service had been denied altogether. A typical comment follows:

“When we refused to pay we lost the tender. In another case, stiffer conditions were imposed which were detrimental to business progress.”

Penalties or Garnishments, and Recourse Options

Seventy-eight percent of respondent organisations (50% of ZNCC, 71% of CZI and 33% of SMEAZ members) have incurred a penalty or fee or garnishment (whether legal, alleged or perceived to be unfair), such as a fee for failure to meet a deadline to pay tax, have a proper inspection, or lack of compliance with some other law or statute. This most often related to a delayed or failed payment of tax due to ZIMRA (84%), 9% had failed to pay NSSA and 6% had not complied with EMA regulations.

There was a strong correlation with imposition of penalties and garnishments and size of company as illustrated below.

Gross Annual Turnover (US\$)	% Organisations That Had Incurred Penalties
Up to \$50,000	28%
\$51,000 – \$200,000	42%
\$201,000 – \$999,999	51%
\$1 – 10 million	62%
\$10 – 50 million	83%
Over \$50 million	83%

Some examples of open-ended responses to questioning around this area follow:

“The penalties for ZIMRA are too high and it forms grounds for corruption. So if an officer comes and says ‘pay me \$5,000 instead of the \$50,000 penalty’ (which is 100%), one finds it better to pay than to lose so much.”

Forty-seven percent of organisations that have incurred a penalty or fee or garnishment had had this occur once, 34% had been subjected to such penalties a few times, and 19%, very often, according to respondents.

- 89% had paid the fee or garnishment in full; 11% had paid it in part.
- 42% had sought an appeal and had some measure of success; in 38% of cases, the penalty fee was reduced, in 29% of cases it was dropped, but in the remaining cases, nothing changed

An example of a response follows:

“We paid the fee although we were not happy with ZIMRA’s findings. We did a cost benefit analysis on whether to seek an appeal or just pay and found that it was cheaper and less stressful to pay than it would have been to fight the issue in the courts.”

Knowledge of Where to Report Incidences of Bribery, Extortion & Corruption, and Likelihood of These Being Reported

56% of respondents agreed that, were they to personally witness an incidence of corruption, bribery or extortion, they would know where to report this, with 63% naming CID or the police, 28%, the anti-corruption commission, 9% accounting firms such as Price Waterhouse Coopers or Deloitte & Touche, 9%, ZIMRA and 7%, Tip-Offs Anonymous. Herewith a response to this line of questioning:

“People don’t ask for bribes but they indicate that they need a token of appreciation. If this token is received, the process is speeded up. The public is really not aware of where and what to do to report cases of corruption.”

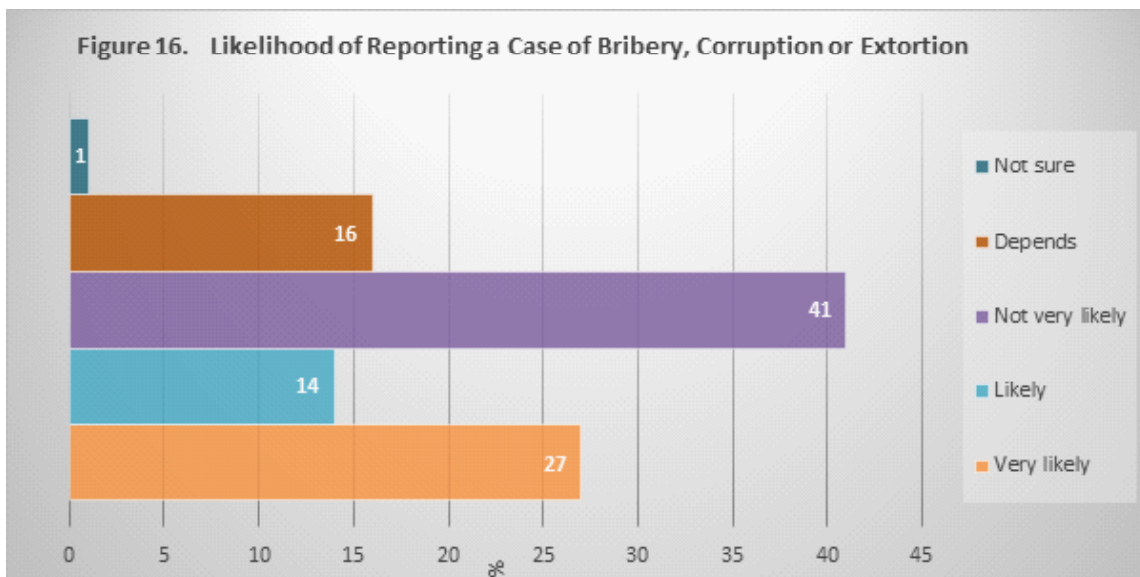
Disturbingly, the likelihood of reporting is much lower than is knowledge of where to report, with just 27% stating that they are ‘very likely’ and 14%, ‘likely’ to report a case, and 41% stating that they would not be likely to do so; 16% noted it would depend on the situation and at times, on the perceived severity of the crime. The overriding reason why people would not make a report is a total lack of confidence that anything would be done about it (83%); people noted that corruption is endemic and goes right to the top. Twenty-seven percent would not report for fear of being victimized. Herewith some typical responses:

“The business community is not playing its part by not shunning or reporting corruption. Private businesses also have a role to play by not allowing themselves to be blackmailed into paying bribes.”

“Corruption is everywhere, and no one is willing to take action to stop it. Top officials are the most corrupt so it is difficult to deal with it as you don’t know where exactly to report and you might be victimised if you do.”

“The whistle-blower policy is weak in terms of protecting those who report cases of corruption.”

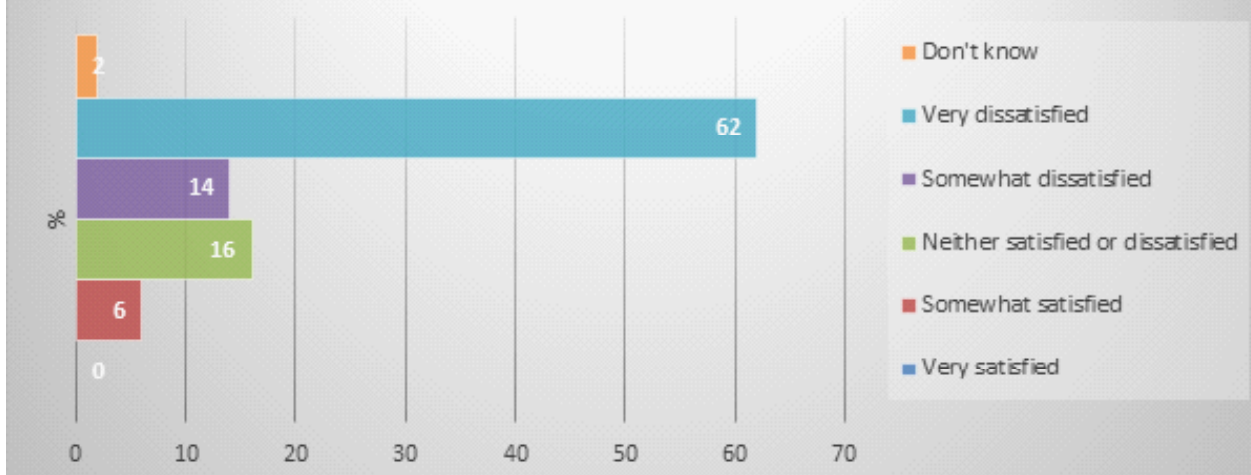
Note that respondents based in Bulawayo, where corruption emerged as being less common than in Harare, were significantly more likely to report corruption than their counterparts in Harare were. Forty-five percent stated that they would be ‘very likely’ to do so, compared with 26% in Harare ($P < 0.05$). This result is a reflection of the lower proportion of SMEAZ members represented in Bulawayo than in Harare; 21% of SMEAZ as against 36% of CZI members would be very likely to report corruption ($P < 0.05$). No significant differences were evident according to industry sector but some differences according to size were evident – those organisations with a GAT of up to \$50,000 per year and those with a GAT of \$51,000 – \$200,000 were less likely to report corruption (60% and 56% respectively, would not be likely to do so) than those in the GAT bracket, \$1 – 10 million (22%) ($P < 0.05$).



Level of Satisfaction with the Government of Zimbabwe’s response to Fighting Corruption in the Public Sector

No respondents declared themselves ‘very satisfied’ with the response of the government to fighting corruption over the past five years. Just 6% are satisfied, and 16% were ambivalent, but 14% are ‘somewhat dissatisfied’ and 62%, ‘very dissatisfied.’

Figure 17 Level of Satisfaction with Government's Response in Dealing with Corruption Over Past 5 Years



Ninety percent, in explaining their 'very dissatisfied' response, believe that there have been no efforts by government in fighting corruption. Forty-six percent believe it is now accepted as part of civil servants' job descriptions, at every level and 13% lamented the 'selective justice' and lack of impartiality in dealing with businesses who flout the law.

The main suggestion offered for limiting corrupt practices was to increase civil servants' salaries (44%); 37% spoke of the need to close loopholes that exist in laws and regulations, 27% referred to the need to prosecute perpetrators (which is rarely done at present), 25% believe there to be a need to limit the discretionary powers of civil servants and 23% noted that the introduction of computerized systems would go a long way towards limiting opportunities for corruption. Civil servants should have efficiency of services measured and built into their key performance indicators and payment of their salaries or bonuses (20%). Oversight authorities need to be reactivated (17%), and the level of personal judgment able to be exercised by civil servants reduced (16%). Fourteen percent believe that laws need to be simplified, to reduce the number of layers where bribes can be extorted.

Some illustrative comments around this area follow:

"There are too many sacred cows who are linked to corruption and related acts due to their links to power. Offenders are not prosecuted as they know they can get away with it. The types and size of corruption have also increased as it has moved from petty to grand theft."

"There are lots of high profile cases but nothing is done to address the issue of corruption. If you are caught, you might spend a few days or weeks in jail, but you still remain with the money you have stolen. So it is really better to steal or commit a crime, because your punishment is minimal and you walk away freely, and with your ill-gotten gains."

"The government isn't doing enough and doesn't seem interested in doing the right thing to train staff, computerise and pay well. But when the Registrar General was automated, corruption walked right out the front door."

“There was a recent case of officers from the Anti-Corruption Commission who were suspended for doing their job. The most corrupt ministers are still in the Cabinet and are still rotating around the various Ministries.”

Respondents were not optimistic about the future; additional comments proffered focused on the fact that corruption is so endemic it will be difficult to reduce it (84% of the 161 respondents who offered further comments). It is felt that the government’s desperation for money mitigates their willingness to implement meaningful responses to corruption; they cannot pay civil servants more so they accept that civil servants need to find extra resources through bribery, so said 22% of respondents.

9. Internal Compliance Mechanisms

Background

Looking ahead to areas of possible reform, the survey touched on internal mechanisms, such as firms’ procedures, codes of ethics and corporate governance mechanisms in place at companies. The survey asked what is currently in place and how/if it is adhered to, and whether there is a whistle-blower policy in place.

Findings

Fifty-three percent of respondents agreed that their company has an ethics policy or anti-bribery code for staff (68% of CZI, 59% of ZNCC and 41% of SMEAZ members). Those who do not gave fairly vague responses as to why they do not, noting that this is not a priority (43%), that there is no demand for it (27%), that the organisation is too small (15%) or that they had simply never considered developing such a policy (19%). Just 39% of sampled organisations conduct training of employees on ethics, anti-bribery procedures and so forth (29% of SMEAZ members, 41% of ZNCC and 51% of CZI); 34% have a whistle-blower policy in place, with a similar proportion (32%) stating that there is an appointed person or independent hotline set up to receive reports of bribery or corruption by employees (10% of SMEAZ, 34% of ZNCC and 61% of CZI members).

One way of reducing the opportunities for civil servants to extract bribes is through implementing electronic systems for business transactions, such as for submission of tax returns. Respondent organisations estimated that they handle about 64% of their business transactions electronically, with no significant differences observed according to BMO membership or according to industry sector.

10. Information Access & Awareness

Respondents were asked which one source they relied on the most for accessing information about various business related processes, such as information on laws, requirements, fees paperwork, permits, licenses, taxes etc., for starting and operating a business. Figures 18a. – 18h. illustrate the most frequently mentioned primary source of information.

Government offices feature prominently as a source of information for all business processes, other than for valuation of business property, where estate agents or personal contacts are more often relied upon than are government offices. Estate agents are often used too, regarding the obtaining of information on buying and selling property. The government papers (the Herald and the Chronicle) are important sources for finding out about government tenders.

Figure 18a Main Sources of Information for Registering a Business

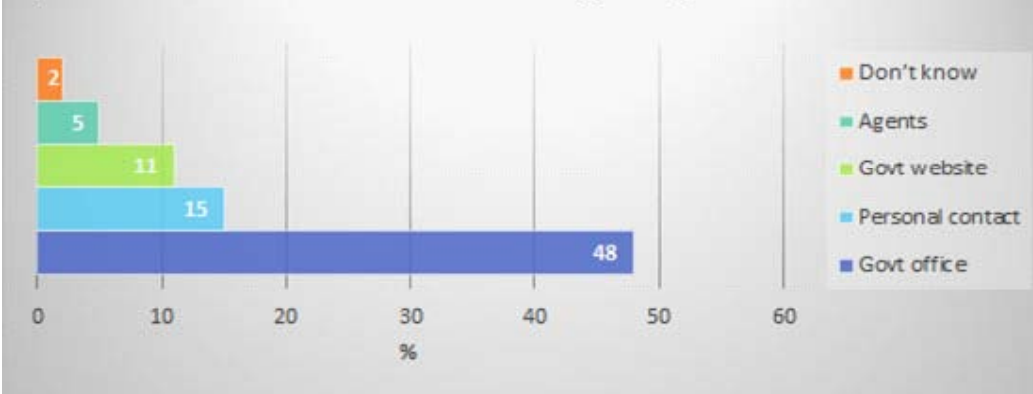


Figure 18b Main Sources of Information for Applying for Permit/Licence

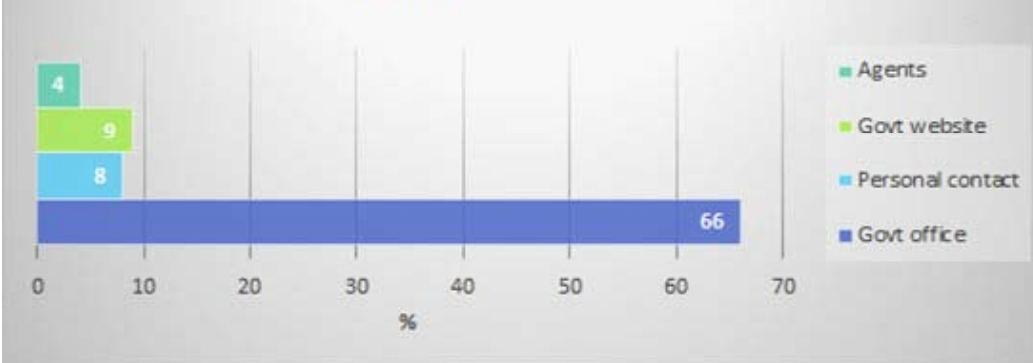


Figure 18c Main Sources of Information re. Inspections

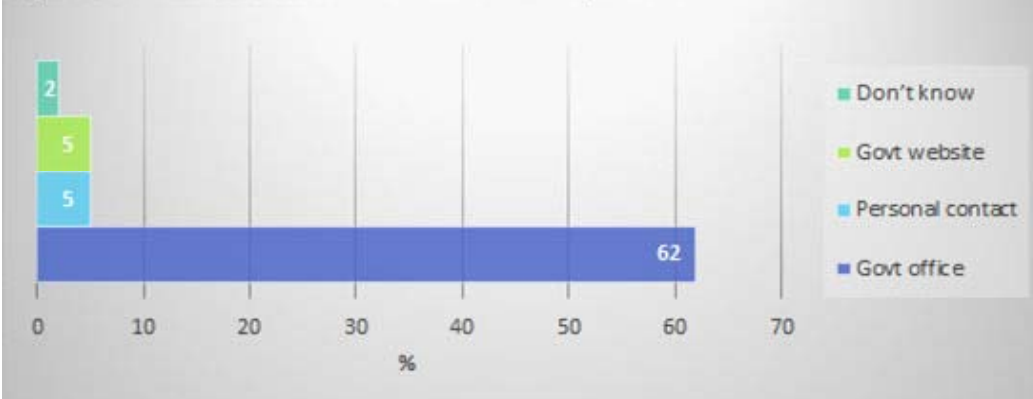


Figure 18d Main Sources of Information re. Registering, Buying or Selling Property

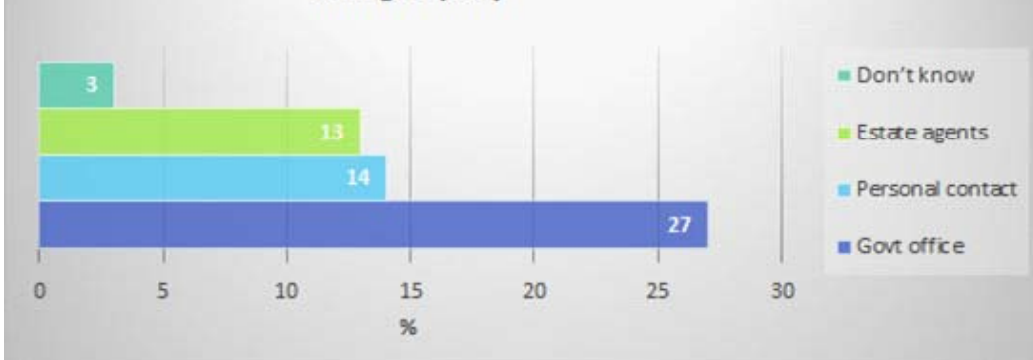


Figure 18e Main Sources of Information re. Business Property Valuation



Figure 18f Main Sources of Information re. Taxes (Assessments, Rates, Schedule)

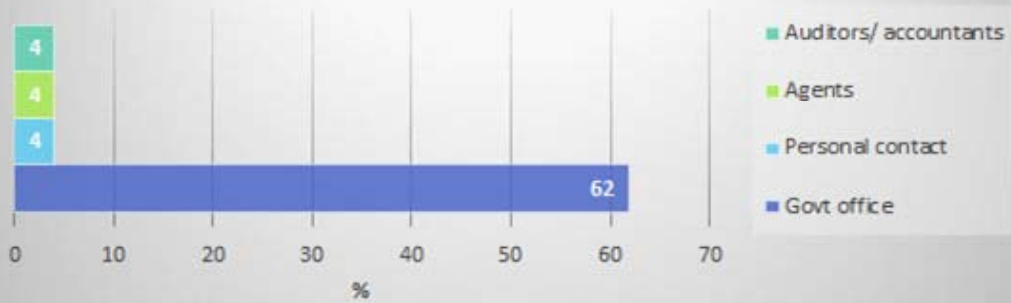
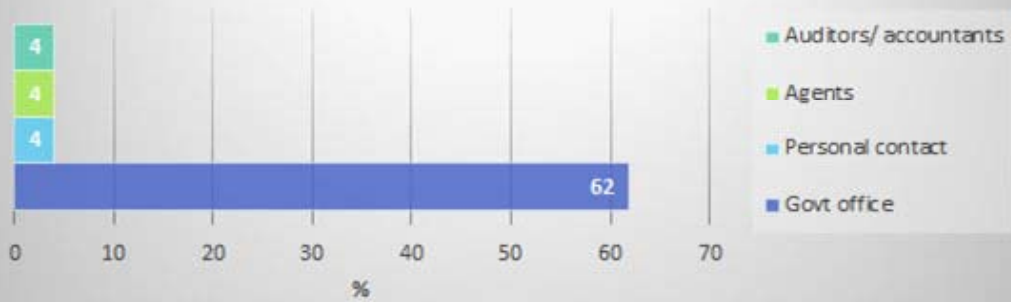


Figure 18g Main Sources of Information re. Import, Export - Procedures, Fees, Documents



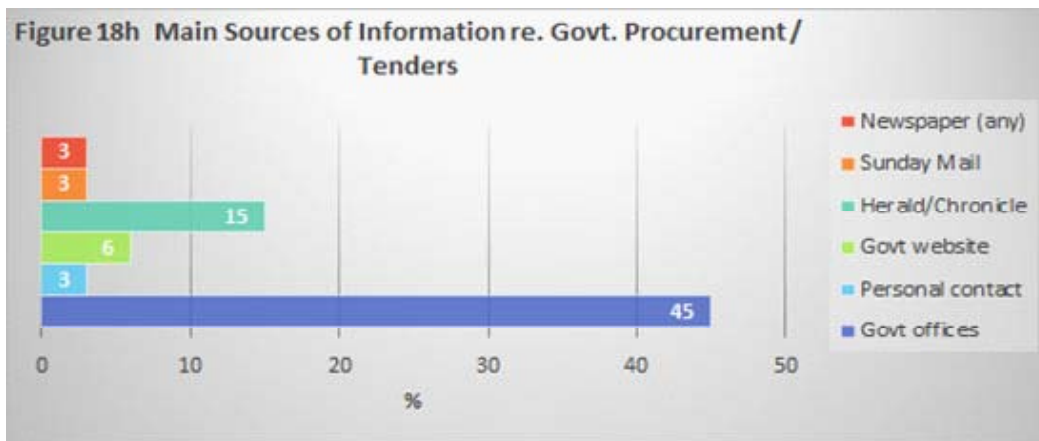
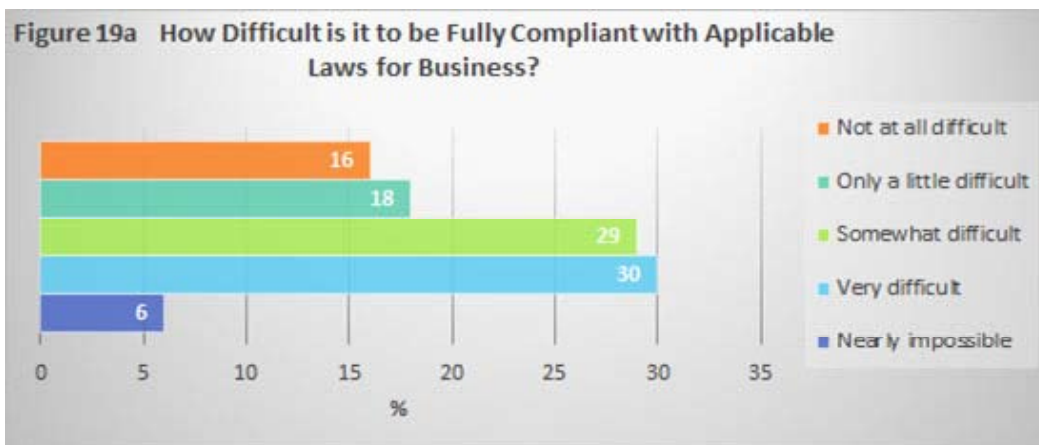
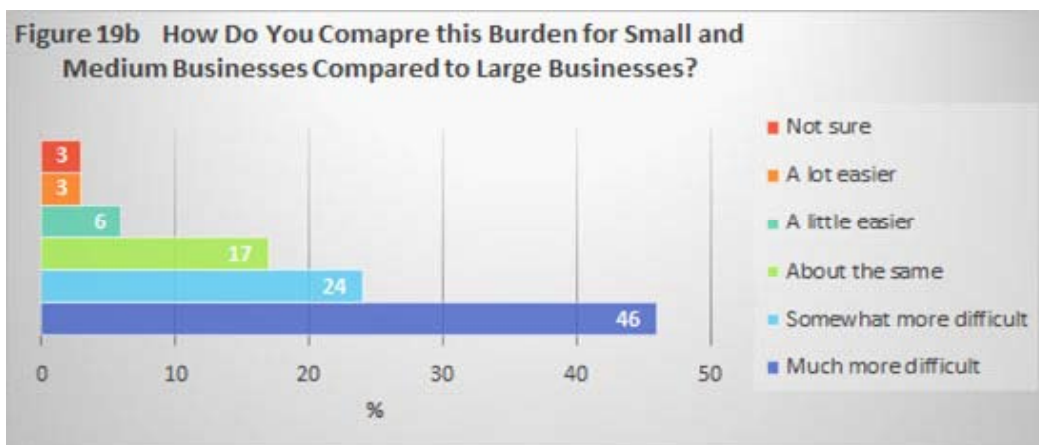


Figure 19a. illustrates how difficult respondents find it for their businesses to comply fully with applicable laws for their business. Thirty-six percent find it very difficult (30%) or nigh impossible (6%); only 16% do not find it difficult at all. No significant differences were observed based on size of business or industry sector.



When asked to compare the compliance burden for small and medium businesses compared with larger businesses, the overall sentiment is that it is more difficult, much more, say almost half the respondents (see Figure 19b). The size of business (or type of industry) did not influence these responses; i.e. it is not the small and medium sized businesses that perceive they are disadvantaged; even respondents representing larger businesses tend to perceive that it is more difficult for smaller and medium businesses to comply.



Conclusion

The results obtained from the surveys of business owners in Zimbabwe were both revealing and disappointing, displaying a rather pervasive sense of corruption in interactions between businesses and government entities. While the survey itself does not claim to be representative of every aspect of the phenomenon of transactional corruption, it gives us an important glimpse of the experiences and attitudes of businesses when dealing with government entities.

The survey was carried out on the theme of “Cost of Compliance”, examining specific areas where opaque terms, duplicate regulations, lack of access to information or too much discretionary power given to a public sector agency or service provider is leading to opportunities and instances of transactional corruption. It also assessed the efficiency of the services rendered by public sector agencies in facilitating business endeavours. The results of this survey will, in the ultimate, map recommendations for appropriate policy reforms to stem the escalation of business transaction costs and to enhance enterprise viability. It is therefore a building block towards equipping Zimbabwe’s private sector and public sector with an objective lever to anchor business-friendly economic policy.

More respondents felt it to be difficult than easy to undertake various business processes, finding it to be both a very lengthy process and with information about what is required being difficult to find, or at least difficult to find from one source. Smaller companies, and thus by definition, a large proportion of SMEAZ members, find it more difficult compared to larger and/more established organisations.

Respondents were not optimistic about the future; 84% of the 161 respondents that offered additional comments at the end of the survey re-noted that corruption is so endemic that it will be difficult to reduce. It is felt that the government’s desperation for money mitigates their willingness to implement meaningful responses to corruption; they cannot pay civil servants more so they accept that the civil servants need to find extra resources through bribery.

One way of reducing the opportunities for civil servants to extract bribes is through implementing electronic systems for business transactions, such as for submission of tax returns.

This study was specifically limited to capturing the views of representatives of private sector formal businesses in Harare and Bulawayo. The scope did not include desk research, key informant interviews or other qualitative research such as focus group discussions, and did not include a survey of civil servants nor of individual citizens. It does thus not purport to represent a complete picture of the prevalence of corruption, and causal relationships that exist, but should be rather viewed as contributing to the literature on the subject. As with any research study, the results often suggest a need for further research to understand the factors at play.

In general, the data indicated that the environment surrounding business transactions in Zimbabwe was not as open and difficulty-free as many of the businesses would have liked. The questions themselves and the above charts break down the responses, showing where the most difficulties arose.

Significant room for improvement exists in the business transactional environment. Corruption in various forms is still present throughout, and is indicative of a deeply rooted, widespread problem, but steps can be made to address and combat it, using comments, suggestions, and other feedback from the survey in this report, and incorporating measures such as a greater emphasis on electronic systems for transactions.

ANNEX 1: PRESS ADVERTISEMENT AND CZI NEWSLETTER EXCERPT



CZI
Confederation of
Zimbabwe Industries



ZNCC
"The Voice of Business"

CONFEDERATION OF ZIMBABWE INDUSTRIES (CZI) AND ZIMBABWE NATIONAL CHAMBER OF COMMERCE (ZNCC) - COMMISSIONING A SURVEY ON THE ASSESSMENT OF THE IMPACT OF BUSINESS TRANSACTION COSTS ON VIABILITY

CZI and ZNCC are collaborating to conduct a survey of the business transaction costs and their impact on business viability. The Zimbabwean economy is facing many challenges that continue to compromise competitiveness, thus eroding profit margins. Thus we, the business community, have a collective responsibility to support initiatives to improve our business climate. To this end, business consultants have been commissioned to engage companies in the main cities of Harare and Bulawayo.

agency or service provider is lending to opportunities and instances of transactional corruption.

It will also assess the efficiency of the services rendered by public sector agencies and other service providers in facilitating business endeavours. The survey will, in the ultimate, map recommendations for appropriate policy reforms to stem the escalation of business transaction costs and to enhance enterprise viability. It is therefore, a building block towards equipping Zimbabwe's private sector and public sector with an objective lever to anchor business-friendly economic policy.

What will the survey focus on?

The survey will examine in detail how business transaction costs manifest themselves within the Zimbabwean business community across sectors, their nature and impact on viability. It will seek to establish the experience of business owners in areas such as, but not limited to establishing and running business, with a view to generate the enterprise level interactions of companies with various stakeholders (public, quasi-public and other service providers) and the costs incurred thereof.

Timing

It is expected that the survey will commence from late May up to mid-June 2015, and the results will be disseminated to all stakeholders. While all efforts will be made to contact most members of the two business membership organisations, an exercise of this magnitude will not include every business in operation. Members of CZI and ZNCC are therefore, invited to participate and provide their feedback. CZI and ZNCC take this opportunity to thank all stakeholders for their support and request them to afford the Research Team time to discuss with them in confidence. Your voice matters.

The survey will be carried out on the theme of "Cost of Compliance", examining specific areas where opaque terms, duplicate regulations, lack of access to information or too much discretionary power given to a public sector

For further information on this survey please feel free to contact any of the following:

<p>Confederation of Zimbabwe Industries Head Office Contact: Mr. Kujakwashe Mido 31 Josiah Chinamano Avenue PO Box 3794 Harare Tel: +263 4 251 490-6 Mobile: +263 772 310 709 E-mail: kmido@czi.co.zw</p>	<p>Zimbabwe National Chamber of Commerce Harare Head Office Contact: Mr. C. Mugege 5th Floor Zambia House, Cnr. Julius Nyerere & Kwame Nkrumah PO Box 1934 Harare Telephone: +263 4 293 55 30/31 Mobile: +263 779 551 341 / +263 772 627 664 E-mail: chrs@zncc.co.zw</p>
<p>Confederation of Zimbabwe Industries Bulawayo Regional Office Contact: Christine Makochi 104 Pariremyutwa Avenue Bulawayo Telephone: +263 9 605 42 Mobile: +263 773 003 087 E-mail: makochi@zoi.co.zw</p>	<p>ZNCC Metabeleland Regional Office Contact: Mdukuzi Ncube Cnr. 8th Ave/ Fort Street Box 1292 Bulawayo Telephone: +263 9 889 655/502 76/703 36 Mobile: +263 772 988 437 / +263 735 817 777 Email: mdu.ncube7@gmail.com</p>

Lao 0678/06-74



SMALL AND MEDIUM ENTERPRISES ASSOCIATION OF ZIMBABWE (SMEAZ)- COMMISSIONING A SURVEY ON THE ASSESSMENT OF THE IMPACT OF BUSINESS TRANSACTION COSTS ON VIABILITY

The Small and Medium Enterprises Association of Zimbabwe (SMEAZ) are conducting a survey of the business transaction costs and their impact on business viability. The Zimbabwean economy has gone through significant structural transformation during the last decade that has accounted for the emergence of the SME as a significant contributor to national output and employment creation. However, despite this, the sector continues to face viability challenges stemming from an unseeable business-operating environment and a huge overhead cost base due to high business transaction costs. To this end, business consultants have been commissioned to engage SMEs in the main cities of Harare and Bulawayo.

What will the survey focus on?

The survey will examine in detail how business transaction costs manifest themselves within the Zimbabwean business community across sectors, their nature and impact on viability. It will seek to establish the experience of business owners in areas such as, but not limited to establishing and running business, with a view to generate the micro level (enterprise level) interactions of companies with various stakeholders (public, quasi-public and other service providers) and the costs incurred thereof.

The survey will be carried out on the theme of "Cost of Compliance", examining specific areas where opaque

terms, duplicate regulations, lack of access to information or too much discretionary power given to a public sector agency or service provider is leading to opportunities and instances of transactional corruption.

It will also assess the efficiency of the services rendered by public sector agencies and other service providers in facilitating business endeavours. The survey will, in the ultimate map recommendations for appropriate policy reforms to stem the escalation of business transaction costs and to enhance enterprise viability. It is therefore a building block towards equipping Zimbabwe's private sector and public sector with an objective lever to anchor business-friendly economic policy.

Timing

It is expected that the survey will commence from late May up to mid-June 2015, and the results will be disseminated to all stakeholders. While all efforts will be made to contact most members of SMEAZ, an exercise of this magnitude will not include every business in operation. Members of SMEAZ are therefore, invited to participate and provide their feedback. SMEAZ takes this opportunity to thank all stakeholders for their support and request them to afford the Research Team time to discuss with them in confidence. Your voice matters.

For further information on this survey please feel free to contact the following:

The Small and Medium Enterprises Association of Zimbabwe

Contact: Mr. Farai Mutumbanenge
6th Floor Ratarai Gardens
Off Jason Moyo AVE First Street
Harare

Telephone: +263 864 409 8517
Mobile: +263 778 055 0761 +263 8644 026517
E-mail: farai@smeaz.org.zw
Website: www.smeaz.org.zw

ANNEX 2: BUSINESS TRANSACTIONAL CORRUPTION PERCEPTIONS

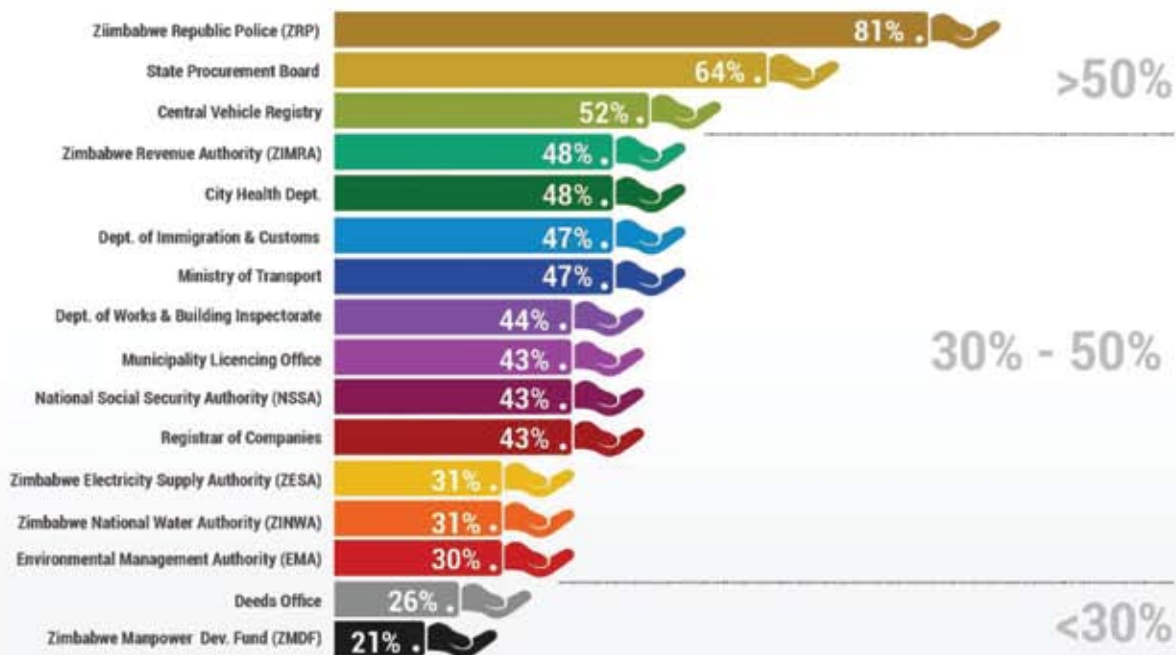
PERCEPTIONS:



BUSINESS ON PUBLIC SECTOR CORRUPTION

Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:

..... % saying "always, almost always and mostly corrupt"



Business Corruption Survey - Zimbabwe.
February 2016

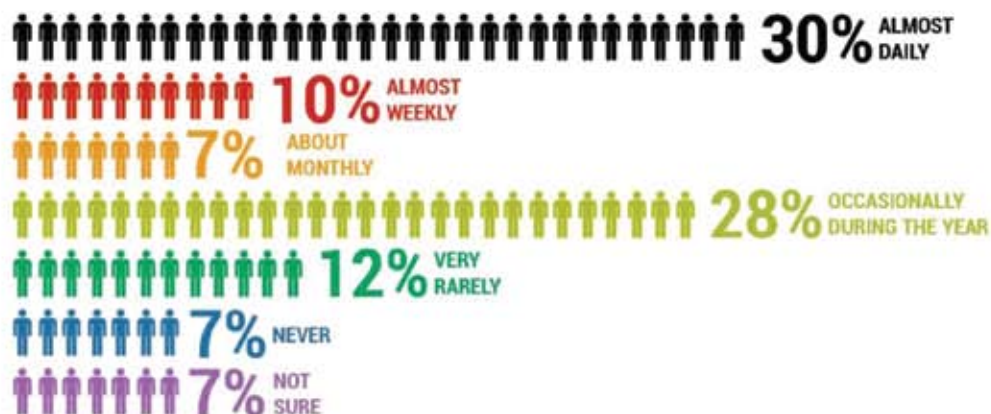
INCIDENCE:



REQUESTS FOR BRIBES, FAVOURS & FACILITATION PAYMENTS

Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:

.... Soliciting for Favours/Bribes/Unlegislated Fines from the Private Sector: Frequency



..... Paying for Favours/Bribes/Illegal Fines: Justification



- While 84% said that paying a bribe is never justified, it is important to note that "roughly" two thirds of respondents do pay bribes -



Business Corruption Survey - Zimbabwe.
February 2016

INCIDENCE:



BRIBES SOLICITED WHILE OPERATING BUSINESS

Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:



41% not likely to report cases of bribery, corruption or extortion.

- Top officials are the most corrupt so it is difficult to deal with it as you don't know where exactly to report and you might be victimized if you do. -



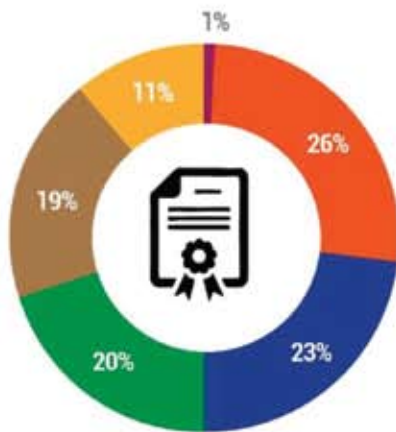
Business Corruption Survey - Zimbabwe.
February 2016

PERCEPTIONS:

LICENCES, PERMITS & INSPECTIONS

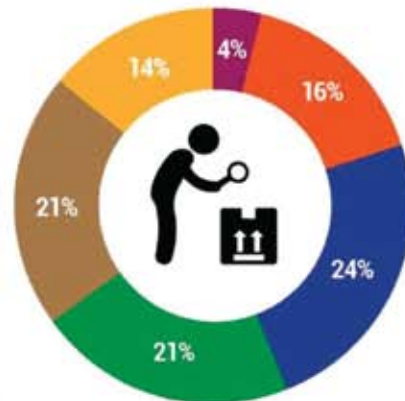
Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:

Difficulty in Applying for a Permit or Licence



Don't Know
Very Difficult
Somewhat Difficult

Difficulty in Applying for an Inspection



Average
Not Very Difficult
Not at all Difficult

.....
On average, it took 94 days to apply for a permit or licence, ranging from 1 day to 2 years.
.....



Business Corruption Survey - Zimbabwe.
February 2016

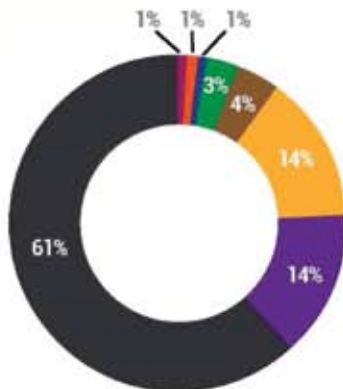
PERCEPTIONS:



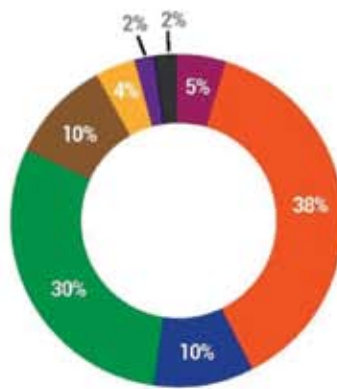
PAYING TAXES

Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:

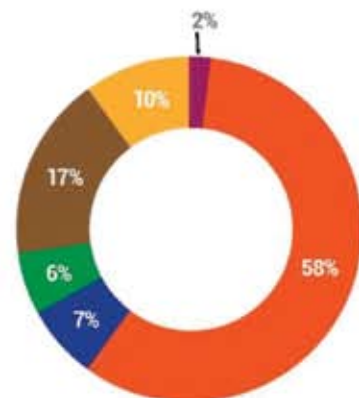
#1
The Zimbabwean Business Community is Overtaxed.



#2
I feel the Government spends businesses' taxes wisely.



#3
I feel it is okay for businesses, like my own, not to pay taxes owed.



Not Sure
Strongly Disagree
Somewhat Disagree
Disagree

Neither Agree nor Disagree
Agree
Somewhat Agree
Strongly Agree

Not Sure
Never
Hardly Ever
Rarely
Sometimes
All the time

- On average, according to the World Bank's *Ease of Doing Business Report 2015*, in Zimbabwe -



49 Payments

towards taxes are made a year by a firm.



242 Hours

or 30,25 working days are spent filing for taxes.



32.8 Percent

of profit is paid out as tax.



Business Corruption Survey - Zimbabwe.
February 2016

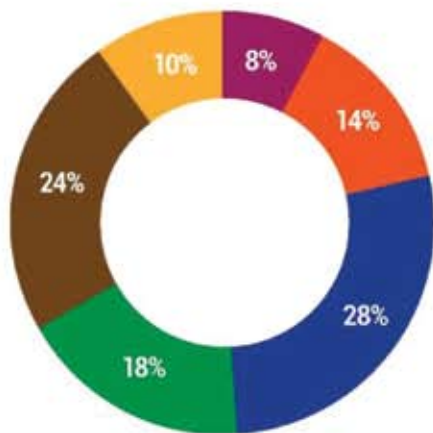
PERCEPTIONS:



STARTING A BUSINESS

Out of 403 small, medium and large businesses sampled from Harare and Bulawayo, the following was reported:

Ease of Accessing Information to Establish a Business



■ Don't Know
■ Very Difficult
■ Difficult
■ Not Easy or Difficult
■ Somewhat Easy
■ Very Easy

Satisfaction with Govt. in Registering a Business



Business Corruption Survey - Zimbabwe.
February 2016

ANNEX 3: QUESTIONNAIRE

Zimbabwe Business Cost Of Compliance Survey: 2015

INTRODUCTION:

The Zimbabwe National Chamber of Commerce (ZNCC), the Confederation of Zimbabwe Industries (CZI), and the Small Medium Enterprise Association of Zimbabwe (SMEAZ) are together leading an assessment of the Zimbabwean business community across sectors in determining the cost of compliance. We are conducting a survey on their behalf. I am working with Target Research, the research arm of Q Partnership to collect your input. This interview is completely confidential, and your responses will not be identified with your company name or you. The only contact might be from one of my managers to check I did this interview with you, but your name and company will not be linked with this questionnaire.

This interview will take approximately 45 minutes to complete.

Before we get started, I want to confirm you are in a position to answer questions on this company's registration process, paying taxes, dealing with government tenders, acquiring or selling property, and any compliance programs the company may have. If there is someone else who is better positioned to answer on these topics, or on some of these topics?

ZNCC, CZI and SMEAZ have all sent out circulars requesting the cooperation of their members in this survey. Have you received it? IF NOT, SHOW A COPY

BEFORE COMMENCING, CONFIRM RIGHT PERSON IS IN ROOM OR AVAILABLE TO RESPOND TO SPECIFIC SECTIONS OR QUESTIONS AS APPROPRIATE DURING INTERVIEW PROCESS.

Interviewer : _____ Interviewer No: 1/

ASK ORGANISATION WHICH APPLIES TO
RESPONDENT
MULTIPLE RESPONSES OK

CZI Member 2
ZNCC Member 3
SMEAZ Member 4

Date: 6/_____

Start Time (24 hr clock): 7/_____

OFFICE ONLY

Back-checked: _____ Checked: _____ Coded _____

Data Entry Single 5a/ _____ Data Entry Double 5b/ _____

			CODE	SKIP
1.1	TOWN	Harare	9/1	
		Bulawayo	9/2	
1.2	Position of (main) respondent	Managing Director/CEO	10/1	
		Marketing/Sales Director	10/2	
		Finance Dir/Manager	10/3	
		General Manager	10/4	
		Head of Department	10/5	
		Human Resources Director	10/6	
		Other (specify)	10/9	
1.3	# OF YEARS RESPONDENT HAS BEEN WORKING FOR ORGANISATION	Years worked for org	11/___	
		Not given/not sure	12	

SECTION II STARTING A BUSINESS

I would like to hear about your experiences starting and operating this business

2.1	When did you start this business?	Year	14/___	
2.2	IF EARLIER THAN 2000 ASK: Have you ever re-registered this business in the last 5 years?	Yes No Don't know/not sure	15/1 15/2 15/3	-> Q2.5
2.3	What is your point of view on the ease of accessing information on the laws and regulations on establishing a business: Is it (READ OUT OPTIONS) IF ANSWER TO 2.2 IS NO, SKIP TO SECTION 3	Very easy Somewhat easy Neither easy nor difficult Difficult Very difficult Not sure/don't really know	16/1 16/2 16/3 16/4 16/5 16/6	
2.4	IF DIFFICULT OR VERY DIFFICULT ASK: What about the process made it difficult? (PROBE) Anything else? (PROBE)			
2.5	Was the time spent for the start-up/registration process: (READ OUT)	Much shorter than expected Shorter than expected As expected Longer than expected Much longer than expected Don't know/not sure Not answered	30/1 30/2 30/3 30/4 30/5 30/6 30/7	

2.6	In general, how satisfied were you with government services, government agencies and civil servants during your engagement with them in establishing or registering your business? READ OUT RESPONSE OPTIONS	Very satisfied Somewhat satisfied Neither satisfied or dissatisfied Dissatisfied Very dissatisfied Not sure/don't know Not answered	31/1 31/2 31/3 31/4 31/5 31/6 31/7	
2.7	Is there anything else you would like to share about your experience with your interactions with government offices or civil servants during the process of starting a business? Yes (and give explanation below) No		72/1 72/2	

SECTION III: LICENCES, PERMITS & INSPECTIONS

3.0	Now we will move on to discuss business licences, permits and inspections. Think about the necessary licences, permits and inspections that are necessary to start and operate your business. We want to understand in the process of obtaining a licence or permit, <i>if there is any lack of clarity, or opportunities for business to be taken advantage of or being asked for a bribe.</i>			
3.1	Has your business applied for a permit, licence or inspection in the last five years?	Yes No	95/1 95/2	->Q 4.1
3.2	Which was it? Permit, Licence, or Inspection (MULTIPLE RESPONSES OK)	Permit Licence Inspection Not sure	96 97 98 100	->Q 3.3a ->Q 3.3a ->Q 3.4a if 96 & 97 not coded
3.3a	Overall , what was the level of difficulty you encountered in the application process for a permit/licence ? This could include reliability of paperwork, visits to multiple offices, phone calls, time spent on filing the application online or in person) READ OUT RESPONSE OPTIONS	Very difficult Somewhat difficult Average Not very difficult Not at all difficult Not sure/don't know	101/1 101/2 101/3 101/4 101/5 101/6	
3.3b	About how much time did it take to apply for a permit/licence ?	Days Months Years Don't know/not sure	103/ 104/ 105/ 106	

3.3c	And compared to how long you thought it would take, do you think that time spent on getting a permit/licence was?	Much shorter than expected Shorter than expected As expected Longer than expected Much longer than expected Not sure/don't know	107/1 107/2 107/3 107/4 107/5 107/6	
3.4a	Overall , what was the level of difficulty you encountered in the application process for an inspection ? This could include reliability of paperwork, visits to multiple offices, phone calls, time spent on filing the application (on line or in person)? READ OUT RESPONSE OPTIONS	Very difficult Somewhat difficult Average Not very difficult Not at all difficult Not sure/don't know	108/1 108/2 108/3 108/4 108/5 108/6	
3.4b	About how much time did it take to apply for an inspection ? (CODE N/A IF THEY DO NOT HAVE INSPECTIONS) (See Q 3.2 above)	Days Months Years Don't know/not sure NA no inspection required	112/ 113/ 114/ 115 116	
3.4c	And compared to how long you thought it would take, do you think the time spent on getting an inspection was?	Much shorter than expected Shorter than expected As expected Longer than expected Much longer than expected Not sure/don't know	119/1 119/2 119/3 119/4 119/5 119/6	
3.5	During 2014 how many licences, permits and inspections did your business require to operate on an annual basis? ESTIMATE IF EXACT FIGURE IS UNKNOWN	Number overall Not sure/Don't know	120/ 121	
3.6	When you think about the number of licences, permits and inspections required by government to legally operate your business; do you think it should be reduced? EXPLAIN	Yes No Not sure	125/1 125/2 125/3	
3.7	Now let's talk specifically about inspections that you have had to undertake for your business. Has your business had to undertake any inspections in the last five years?	Yes No Not sure/don't know	135/1 135/2 135/3	->3.10 ->3.10

3.8	<p>Could you explain a bit about what the process of getting an inspection is like.</p> <p>Please describe what you do to get an inspector?</p> <p>PROBE</p> <p>MULTIPLE RESPONSES OK</p>	<p>Pay for our own private inspectors 136</p> <p>Pay for govt inspectors 137</p> <p>Pay fuel for govt inspectors 138</p> <p>Try to get around the need for inspectors altogether 139</p> <p>Other and specify 140</p>		
3.9	<p>IF YOU PAY FOR OR USE GOVERNMENT INSPECTORS, How many government inspectors typically conduct the inspection or show up to the site?</p> <p>IF RESPONSE IS 'DEPENDS', EXPLAIN :</p>	<p>Number 155/_</p> <p>Depends 156</p> <p>Not sure/don't know 157</p>		
	<p>Is there anything else you would like to share about your experience with government offices or civil servants during the process of obtaining licences, permits or inspections?</p> <p>PROBE</p>	<p>Yes (explain below) 175/1</p> <p>No 175/2</p>		-> Q4.1
SECTION IV: REGISTERING / SELLING PROPERTY				
4.1	<p>Now we are going to talk about your experience with property as part of operating this business. When we talk about property, we mean land, buildings, office space, machinery or vehicles that are the property of your business (not personal property). According to this definition, does your business own any registered property?</p>	<p>Yes 180/1</p> <p>No 180/2</p> <p>Not sure 180/3</p>		
4.2	<p>Have you registered or attempted to register property in the last five years (2010 onwards)?</p>	<p>Yes 181/1</p> <p>No 181/2</p> <p>Not sure 181/3</p> <p>Not answered 181/4</p>		

4.2a	IF YES overall, what was the level of difficulty you encountered in the property registration process? (This could include reliability of paperwork, visits to multiple offices, phone calls, time spent on filing the application online or in person).	Very difficult Somewhat difficult Average Not very difficult Not at all difficult Not sure/don't know	182/1 182/2 182/3 182/4 182/5 182/6	
4.2b	About how much time did it take to register the property?	Days Months Years Don't know/not sure	183/ 184/ 185/ 186	
4.2c	And compared to how long you thought it would take, do you think that time spent on getting and registering property was?	Much shorter than expected Shorter than expected As expected Longer than expected Much longer than expected Not sure/don't know	187/1 187/2 187/3 187/4 187/5 187/6	
4.3	Have you ever sold property to another business (this could include land, vehicles, shop, building, equipment etc.)?	Yes No Not sure	188/1 188/2 188/3	->4.10 ->4.10
4.4	How did you determine the value of the property? ASK IF ANY GOVERNMENT INVOLVEMENT. IF NO SKIP TO QUESTION 5.1			
4.5	If a government assessment or valuation was provided, what agency provided the assessment? NAME the AGENCY/GOVERNMENT DEPARTMENT _____ (MULTIPLE RESPONSES OK)	Not sure	210	
4.6	Did you agree with the assessed value? READ OUT RESPONSE OPTIONS IF MORE THAN ONE VALUATION, ASK ABOUT THE LATEST ONE	Strongly agreed Agreed Neither Agreed nor Disagreed Disagreed Strongly disagreed Not sure/don't know	211/1 211/2 211/3 211/4 211/5 211/6	->4.10 ->4.10 ->4.10 ->4.10 ->4.10

4.7	<p>Did you dispute the assessed value?</p> <p>IF NO, WHY NOT? (THEN GO TO Q 4.10)</p> <p>IF MORE THAN ONE VALUATION, ASK ABOUT THE LATEST ONE</p>	<p>Yes 215/1</p> <p>No 215/2</p> <p>Not sure/don't know 215/3</p>		
4.8	<p>What did you have to do to dispute the assessed value?</p>			

4.9	<p>What was the final outcome of your dispute?</p> <p>DO NOT READ OUT OPTIONS BUT WRITE RESPONSE, AND CODE ACCORDINGLY</p> <p>PROMPT AROUND CODES 240 & 241 OPTIONS, (i.e. assessment conducted, value changed)</p>	<p>Reassessment was conducted 240/1</p> <p>Reassessment was NOT conducted 240/2</p> <p>Not sure if reassessment was conducted 240/3</p> <p>The original assessed value was increased 241/1</p> <p>The original assessed value was decreased 241/2</p> <p>Not sure if the original assessment changed 241/3</p> <p>Reassessment still in process 241/4</p> <p>Other and specify 241/5</p>		
4.10	<p>Is there anything else you would like to share about your experiences with government offices or civil servants during the process of buying, selling, registering or assessing property for your business?</p> <p>PROBE</p>	<p>Yes (and explain) 250/1</p> <p>No 250/2</p>		

SECTION V: TAXES

5.0	<p>Now I would like to ask you some questions on your experience and opinion with regards to business-related taxes. I am going to read out a few statements and ask you to tell me how strongly you agree or disagree (SHOW CARD A)</p>			

5.1	The Zimbabwean business community, in general, is overtaxed by the government. Do you – READ OUT RESPONSE OPTIONS AND SHOW CARD A	Strongly Agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	270/1 270/2 270/3 270/4 270/5 270/6 270/7 270/8	
5.2	I feel the government spends businesses' tax dollars wisely (SHOW CARD A).	Strongly Agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	272/1 272/2 272/3 272/4 272/5 272/6 272/7 272/8	
5.3	I feel it is okay for businesses, like my own, not to pay taxes owed. READ OUT RESPONSE OPTIONS	All the time Sometimes Rarely Hardly ever Never Not sure/don't know	273/1 273/2 273/3 273/4 273/5 273/6	
5.4	Is there anything else you would like to share about your interactions or experience with government offices or civil servants when it comes to paying taxes? IF YES EXPLAIN (PROBE):	Yes (and explain) No	294/1 294/2	
SECTION VI: TRADING ACROSS BORDERS				
6.0	I would like to now talk about your business operations when it comes to working across borders. This involves the movement of goods, document processing, transportation, customs clearance and inspections. First of all:			
6.1	In the past five years, did your business conduct operations that involved movement of goods across national borders?	Yes No Don't know		
6.2	Can you tell me a little more about what type of trade your business does across borders? Does your business import goods, export goods or both?	Import Exports Both import/export Neither Don't know Didn't answer	321/1 321/2 321/3 321/4 321/5 321/6	

6.3	Is there anything you would like to share about your interactions or experience with government offices or civil servants when it comes to customs, cross border trading, processing of import/export documentation etc? PROBE	Yes (and explain) No	342/1 342/2	
SECTION VII: GOVERNMENT PROCUREMENT & TENDERS				
7.0	I am going to read a few statements about the government procurement/ tendering process, and I would like you to tell me to what extent you agree or disagree with the statements. First though, let me ask:			
7.1	In the last five years, has your business monitored government tenders? IF NO WHY NOT?	Yes monitored No, not monitored Don't know	355/1 355/2 358	
7.2	In the last five years, has your business bid for government contracts? IF NO, Why not?	Yes bid Not bid Don't know	370/1 370/2 370/3	
	Whether you have bid or not, I would like to know your perceptions about bidding for government contracts.			
7.3	When it comes to government tenders, the rules are strictly followed. Would you say you: READ OUT AND SHOW CARD A	Strongly agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	400/1 400/2 400/3 400/4 400/5 400/6 400/7 400/8	
7.4	The bids for government tenders are kept confidential. Do you: READ OUT AND SHOW CARD A	Strongly agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	402/1 402/2 402/3 402/4 402/5 402/6 402/7 402/8	
7.5	There is no real competition over government tenders; it is generally known who will get the contracts. Do you: SHOWCARD A	Strongly agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	403/1 403/2 403/3 403/4 403/5 403/6 403/7 403/8	

7.6	There is no real competition over government tenders; it is generally known who will get the contracts. Do you: SHOWCARD A	Strongly agree Somewhat Agree Agree Neither agree nor disagree Disagree Somewhat Disagree Strongly disagree Not sure/don't know	403/1 403/2 403/3 403/4 403/5 403/6 403/7 403/8	
7.6	Do you think there are problems with the way government procurement is carried out?	Yes No Not sure/don't know	404/1 404/2 404/3	-> 7.8 -> 7.8
7.7	What are some of those problems? DO NOT READ OUT BUT CODE WHERE IT FITS BEST, OR AS OTHER Any others?	Civil servants disclose insider information The laws and regulations are vague and allow for too much interpretation or manipulation Weak enforcement of laws Corrupt Govt officials Corrupt businesses Impunity for lawbreakers No specific ones known Other and specify	405 406 407 408 409 410 411 412	
7.8	According to your knowledge about the government tender system, are bribes being paid to win government tenders?	Yes No Don't know/not sure	420/1 420/2 420/3	-> 7.10 -> 7.10
7.9	How common do you think it is that bribes are paid to win government tenders: Would you say it happens: READ OUT RESPONSE OPTIONS	All the time Most of the time Sometimes Rarely Hardly ever Not sure/don't know	421/1 421/2 421/3 421/4 421/5 421/6	
7.10	Is there anything else you would like to share about your business's interactions or experience with government offices or civil servants when it comes to government tendering or bids? COMMENTS: _____ _____	Yes (and comment) No	422/1 422/2	

SECTION VIII: CORRUPTION

8.0	<p>We would now like to get your thoughts on corruption in Zimbabwe, particularly from the viewpoint of a private business. One way people define corruption is by paying bribes, illegally demanding property or payment, garnishments, or exacting fees or fines illegally. Bribes can include providing illegal gifts or payments to obtain special advantages over others in ways that undermine competition. Other types of corruption can include extortion, kickbacks or misuse of public office for private gain. So considering this definition of corruption, I would like to ask you about specific cases of business that are more prone to corruption to understand better where it is happening most and under what circumstances. Please remember, everything you share is completely confidential and is not attributed to you or your business in any way. We appreciate your transparency and open honesty. We are not so much interested in IF any illegal or corrupt practices are happening, but WHY they are happening and. what are the circumstances that cause or allow them to happen.</p>			
8.1	<p>Overall, do you feel the level of corruption has changed in Zimbabwe compared to 2013? Would you say since 2013, corruption has: READ OUT RESPONSE OPTIONS?</p>	<p>Increased a lot Increased a little Stayed about the same Decreased a little Decreased a lot Don't know/not sure</p>	<p>450/1 450/2 450/3 450/4 450/5 450/6</p>	
8.2	<p>How widespread do you believe corruption has been over the past few years in Zimbabwe? Would you say that this is something all businesses like yours encounter, most businesses encounter, some businesses encounter, only a few businesses encounter or almost none or zero?</p>	<p>All businesses Most businesses Some businesses Only a few businesses Almost none or zero Don't know/not sure</p>	<p>451/1 451/2 451/3 451/4 451/5 451/6</p>	
8.3	<p>Overall, what do you think is the biggest cause of corruption for businesses in Zimbabwe – is it businesses seeking unfair advantage over other business, corrupt public officials seeking illegal payments, or a little of both or something else? ONE RESPONSE ONLY</p>	<p>Businesses seeking unfair advantage Corrupt public officials seeking illegal payments A little of both Other and specify Don' know/not sure</p>	<p>452/1 452/2 452/3 452/4 452/5</p>	
8.4	<p>Let's look at this another way – how frequently do you feel businesses like yours are being asked to seek favours or obtain services from public officials by paying gratuities, bribes, illegal fees or fines. Is it almost on a daily basis, almost weekly, about monthly, only occasionally during the year, very rarely or not at all?</p>	<p>Almost daily Almost weekly About monthly Only occasionally during the year Very rarely Not at all or never Don't know/not sure</p>	<p>460/1 460/2 460/3 460/4 460/5 460/6 460/7</p>	
8.5	<p>What do you think? Do you believe that giving bribes, paying illegal fees or fines, providing unofficial services or gratuities can be justified if it is necessary for resolving a problem that is important to you? Is it always justified, sometimes justified or never justified?</p>	<p>Always justified Sometimes justified Never justified Don't know/not sure</p>	<p>461/1 461/2 461/3 461/4</p>	

8.6	<p>Why in your opinion do civil servants accept or ask for money or presents? DO NOT READ OUT. MULTIPLE RESPONSES POSSIBLE</p> <p>Any other reasons?</p>	<p>Low civil servants' salaries Because they are greedy/ lack integrity Weak oversight To display authority and Power Other and specify Don't know/unsure Didn't answer</p>	<p>462 463 464 465 466 475 476</p>	
	<p>I am going to read some specific business procedures to you, and for each one, I would like to know if in the last five years, you or anyone in your business, or on behalf of your business, has ever been asked or felt they had to offer a bribe in the form of cash or a gift in any of the following business procedures. We use the term bribe, facilitation fee, gifts and payment interchangeably. These can all be defined as money or gifts that give benefit to someone to influence action or a decision or a payment demanded for a service to which you are entitled. This can also include being requested to pay illegal fees (e.g. facilitation fees) or illegal fines or illegal garnishment.</p>			
8.7	<p>If you set out to establish or register your business in the last five years (CHECK Q 2.1, 2.2 page 2 and code NA if this Q NOT APPLICABLE)., did you or anyone in your business ever face a situation where you were asked to pay a bribe or felt they had to offer cash or presents to facilitate or accelerate a government-related procedure? IF YES.....which Agency or government department/s?</p>	<p>Yes No NA Don't know Refused to answer</p>	<p>477/1 477/2 477/3 477/4 477/5</p>	
8.8	<p>During the application process for a licence or permit (Q 3.1 & 3.2 page 3- if NA CODE ACCORDINGLY), did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee or fine, or felt they had to offer cash, property or presents to facilitate or accelerate an application process or to obtain a licence or permit? IF YES, which Agency or government department/s?</p>	<p>Yes No NA Don't know Refused</p>	<p>490/1 490/2 490/3 490/4 490/5</p>	
8.9	<p>When getting an inspection conducted or approved for your business (CHECK Q 3.2 page 3, CODE NA IF NOT APPLICABLE), did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee or fine or felt they had to offer cash ,property or presents to facilitate, accelerate or approve the inspection? IF YES, which Agency or government department/s?</p>	<p>Yes No NA Don't know Refused</p>	<p>505/1 505/2 505/3 505/4 505/5</p>	

8.10	When registering, buying or selling business property (CHECK Q 4.1, page 5, CODE NA IF NOT APPLICABLE), did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee, garnishment or felt they had to offer cash, property or presents to facilitate or accelerate a government related procedure? IF YES, which Agency or government department/s?	Yes No NA Don't know Refused	535/1 535/2 535/3 535/4 535/5	
8.11	When a civil servant was attempting to collect tax, did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee or fine or felt they had to offer cash, property or presents to facilitate or accelerate a tax related government procedure? IF YES, which Agency or government department/s?	Yes No NA Don't know Refused	565/1 565/2 565/3 565/4 565/5	
8.12	In the transfer of goods across borders (CHECK Q 6.1 page 7 AND CODE NA IF NOT APPLICABLE), did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee or fine or felt they had to offer cash, property or presents to facilitate or accelerate trade, customs, importing, exporting or any procedure related to moving goods across borders? IF YES, which Agency or government department/s?	Yes No NA Don't know Refused	595/1 595/2 595/3 595/4 595/5	
8.13	To obtain a government tender(Q 7.2 page 8), did you or anyone in your business ever face a situation where you were asked to pay a bribe, illegal fee or fine or felt they had to offer cash, property or presents to facilitate or accelerate getting a government tender? IF YES, which Agency or government department/s?	Yes No NA Don't know Refused	625/1 625/2 625/3 625/4 625/5	
8.14	Are there any others we haven't mentioned? Is there any other business related process or procedure where you or anyone in your business were asked to pay a bribe or felt they had to offer cash or presents to facilitate or accelerate a government related procedure or service in the last five years? IF YES, which Agency or government department/s?	Yes No NA Don't know Refused	665/1 665/2 665/3 665/4 665/5	

8.15	FOR EACH QUESTION WHICH WAS ANSWERED YES IF you wish to elaborate on instances of bribery or extortion or illegal fees or fines, please feel free to do so here, referring to the question about which you are supplying the details?			
	IF NO, DON'T KNOW OR NOT APPLICABLE TO ALL OF THE ABOVE (q 8.7 – 8.14), SKIP TO Q 8.20			
8.16	If you paid any bribe or illegal fee or fine, what was your rationale for paying the bribe or bribes, or gifts/property in that situation? DO NOT READ OUT PROBE: MULTIPLE ANSWERS OK	The civil servant directly asked for it The civil servant indirectly asked for it To avoid the consequences of not paying To obtain the service needed To establish a good relationship with civil servant that might benefit my business in the future Other and specify Not Applicable, was asked but never paid	700 701 702 703 704 705 706	
8.17	What would happen if you did not offer this money or gift? DO NOT READ OUT BUT CODE IF IT FITS PROBE: MULTIPLE ANSWERS OK What else?	Obtaining service would be delayed Would not obtain service at all I will end up paying more money because they will impose more procedures on me I or my company will be exposed to pressures and annoyances in future procedures Nothing would happen as it is just a common practice Other and elaborate Don't know	715 716 717 718 719 720 724	
8.18	What did you get in return for money paid or presents/property offered. Anything else? DO NOT READ OUT BUT CODE IF IT FITS PROBE: MULTIPLE ANSWERS OK	The service legally rendered and in the normal time that it should take The absence of some of the non essential approvals, documents and preconditions are overlooked The service rendered quicker than it usually takes The service obtained with better conditions A good relationship with the civil servant that may be of benefit to me (my business) in future	725 726 727 728 729	

		To avoid many obstacles and impediments the civil servant is capable of imposing on the project Other and elaborate	730 731	
			Don't know Refused to answer	738 739
8.19	In relation to the financial burden on your business, do you consider the money paid or presents/property offered to be: READ OUT: NOW SKIP TO 8.21 (a)	Too much A lot Average Small Very small Not sure Not applicable, did not pay	740/1 740/2 740/3 740/4 740/5 740/6 740/7	
8.20	Did anything happen as a result of not paying the bribe or fee or providing a gift/property? IF YES, WHAT	Yes No Don't know	745/1 745/2 745/3	
8.21 (a)	I would like to understand a bit about recourse options whenever your business has incurred a penalty or fee or garnishment (whether legal, alleged or legitimate) . This could be a fee for failure to meet a deadline, pay tax, have a proper inspection, any type of penalty that came with a specific fee or fine from the government in regards to the business and compliance with laws or statutes.			
8.21 (b)	Have you ever incurred a penalty fee or fine (or garnishment whether legal, alleged or legitimate) from the government for the business not meeting a requirement or deadline or some compliance demand? If YES, how often does this happen?	Yes No Don't know/unsure Not answered	790/1 790/2 790/3 790/4	-> 8.25 -> 8.25 -> 8.25
8.22	IF YES, please tell me more about the most recent situation.			
8.23	The last time this occurred, did you end up paying the fee/providing the property or did you seek an appeal or some other thing?	Paid the fee/garnishment Paid some of the fee Sought an appeal Other and specify Don't know Refused	820/1 820/2 821 822 823 824	

8.24	If you sought an appeal, what was the ultimate or final result? DO NOT READ OUT	The initial penalty fee was dropped The initial penalty fee was reduced The inspection result was altered favourably The inspection result was altered unfavourably No action was taken Other and specify Don't know Refused Not applicable	830 831 832 833 834 835 836 837 838	
8.25	If you were to personally experience or witness a case of corruption, like extortion, bribery or illegal garnishment, would you know where to report to? IF YES....to whom would you report it?	Yes No Don't know/not sure	845/1 845/2 845/3	
8.26	How likely would you be to report this case? IF NOT LIKELY, Why not?	Very likely Likely Not very likely Depends (explain) Not sure/don't know	855/1 855/2 855/3 855/4 855/5	
8.27	Overall, how satisfied are you with the performance of the Government of Zimbabwe in fighting corruption in the public sector in the last five years? Would you say you are very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied, or very dissatisfied?	Very satisfied Somewhat satisfied Neither satisfied or dissatisfied Somewhat dissatisfied Very dissatisfied Don't know/not sure	865/1 865/2 865/3 865/4 865/5 865/6	->8.28 ->8.29 ->8.29 ->8.29 ->8.28 ->8.29
8.28	IF 'VERY SATISFIED' OR 'VERY DISSATISFIED' ASK : Is there anything else you would like to share about how you feel the Government of Zimbabwe is tackling the corruption issue?			
8.29	How can the practice of giving bribes or presents and property to civil servants be limited?	Increase their salaries Simplify laws and regulations Reduce level of authority for personal judgment offered to the civil servant	870 871 872	

	DO NOT READ OUT BUT CODE WHERE IT FITS OR as 'OTHER' MULTIPLE ANSWERS OK	Close loopholes in laws and regulations Limit the discretionary powers of civil servants to impose penalties or fines Activate the role of oversight authorities Introduce computers and modern information systems in govt departments Other and specify Don't know Refused	873 874 875 876 877 878 879	
8.30	Is there anything else you would like to share about your business's interactions or experience with government offices or civil servants when it comes to bribes, corruption, or illegal fees? IF YES COMMENT	Yes and comment No	889/1 889/2	
SECTION IX: INTERNAL COMPLIANCE MECHANISMS				
9.1	Does your business have in place an ethics or anti-bribery/anti corruption code for staff and employees?	Yes No Not sure/don't know	890/1 890/2 890/3	-> 9.3 -> 9.2 -> 9.3
9.2	IF NO, can you tell me why not? DO NOT READ OUT BUT CODE IF IT FITS MULTIPLE ANSWERS OK	No time Not a priority It's currently being undertaken No demand for it Unsure about its function/purpose Unsure about how to draw one up They are ineffective No particular reason, never thought of it Other and specify Don't know	891 892 893 894 895 896 897 898 899 900	
9.3	Does your business have any type of training for staff/employees on ethics or anti bribery procedures, expectations?	Yes No Not sure/don't know	920/1 920/2 920/3	

9.4	Do you have a whistleblower policy in place?	Yes No Don't know/not sure	950/1 950/2 950/3	
9.5	Do you have an appointed staff person or independent anonymous hotline where employees can report bribery, corruption or anti-ethical behaviour? Something like an ombudsman or someone who clarifies procedures or to whom an employee can report if ethical violations, fraud, illegal activity are believed to have taken place?	Yes No Not sure We used to Other and specify Don't know	951/1 951/2 951/3 951/4 951/5 951/6	
9.6	When it comes to your business transactions, including accounting, records, file retention, etc, what percentage of your total business operations and transactions would you say are done electronically versus through hard copies/paper records?	% of transactions done electronically Don't know	955/ ____% 956	

SECTION X: INFORMATION ACCESS & AWARENESS

10.1	When it comes to accessing information about business related processes, what source do you mostly rely upon? By business-related processes, I mean information on the laws, requirements, fees, paperwork, permits, licences, faxes etc., for starting and operating a business. What is your primary source to obtain the most accurate information for? ONE ANSWER ONLY RECORD BELOW	KEY (USE THESE CODES IN TABLE BELOW Government website Government office Non governmental website (name) Newspaper (name) Personal contact/friend Directory or publication (name) Other and specify No source/NA Don't know	1 2 3 4 5 6 7 8 9	
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	PROCESS / PROCEDURE	PRIMARY SOURCE CODE	Name (for codes 3, 4, 6)
i)	Registering a business	970/	
ii)	Application process for obtaining permits and licences	971/	
iii)	Number, type and fees associated with inspections	972/	
iv)	Registering, buying or selling property	973/	
v)	Business property valuation	974/	
vi)	Taxes (assessment, rates, schedule)	975/	
vii)	Importing/exporting procedures, fees, documents	976/	
viii)	Government Procurement and Tenders	977/	

			CODE	SKIPS
10.2	Overall, how difficult is it to be in full compliance with applicable laws for your business? Is it nearly impossible, very difficult, somewhat difficult, only a little difficult or not at all difficult?	Nearly impossible Very difficult Somewhat difficult Only a little difficult Not at all difficult Don't know/not sure	1000/1 1000/2 1000/3 1000/4 1000/5 1000/6	
10.3	How would you compare this difficulty or burden for small and medium businesses compared to large businesses: Would you say it is much more difficult for small and medium businesses, somewhat more difficult, about the same, a little easier, or a lot easier for small and medium businesses? SHOW CARD B	Much more difficult Somewhat more difficult About the same A little easier A lot easier Don't know/not sure	1001/1 1001/2 1001/3 1001/4 1001/5 1001/6	
10.4	I would like to ask you about your overall perception of government offices and departments when it comes to corruption. I will list some government agencies, and ask you what your perception of corruption is in each agency. For each one, you can tell me whether in your experience that agency is perceived to be always corrupt, almost always corrupt, mostly corrupt, somewhat corrupt, or hardly ever or never corrupt. Of course, you can also say have no experience with that agency. First what is your perception of (ROTATE LIST BELOW). Is it always corrupt, almost always corrupt, mostly corrupt, somewhat corrupt or hardly ever or never corrupt? SHOW CARD C			

	AGENCY	PERCEPTION		
(i)	Registrar of Companies	Always corrupt Almost always corrupt Mostly corrupt Somewhat corrupt Hardly ever/never corrupt Don't know /not sure No experience with this agency Other and specify	1002/1 1002/2 1002/3 1002/4 1002/5 1002/6 1002/7 1002/8	
(ii)	Zimbabwe Revenue Authority (ZIMRA)	Always corrupt Almost always corrupt Mostly corrupt Somewhat corrupt Hardly ever/never corrupt Don't know /not sure No experience with this agency Other and specify	1003/1 1003/2 1003/3 1003/4 1003/5 1003/6 1003/7 1003/8	
(iii)	National Social Security Authority (NSSA)	Always corrupt Almost always corrupt Mostly corrupt Somewhat corrupt Hardly ever/never corrupt Don't know /not sure No experience with this agency Other and specify	1004/1 1004/2 1004/3 1004/4 1004/5 1004/6 1004/7 1004/8	

(iv)	Zimbabwe Manpower Development Fund (ZIMDEF)	<p>Always corrupt 1005/1</p> <p>Almost always corrupt 1005/2</p> <p>Mostly corrupt 1005/3</p> <p>Somewhat corrupt 1005/4</p> <p>Hardly ever/never corrupt 1005/5</p> <p>Don't know /not sure 1005/6</p> <p>No experience with this agency 1005/7</p> <p>Other and specify 1005/8</p>	
(v)	City Health Department	<p>Always corrupt 1006/1</p> <p>Almost always corrupt 1006/2</p> <p>Mostly corrupt 1006/3</p> <p>Somewhat corrupt 1006/4</p> <p>Hardly ever/never corrupt 1006/5</p> <p>Don't know /not sure 1006/6</p> <p>No experience with this agency 1006/7</p> <p>Other and specify 1006/8</p>	
(vi)	Licensing Office in Municipality	<p>Always corrupt 1007/1</p> <p>Almost always corrupt 1007/2</p> <p>Mostly corrupt 1007/3</p> <p>Somewhat corrupt 1007/4</p> <p>Hardly ever/never corrupt 1007/5</p> <p>Don't know /not sure 1007/6</p> <p>No experience with this agency 1007/7</p> <p>Other and specify 1007/8</p>	
(vii)	Environmental Management Agency	<p>Always corrupt 1008/1</p> <p>Almost always corrupt 1008/2</p> <p>Mostly corrupt 1008/3</p> <p>Somewhat corrupt 1008/4</p> <p>Hardly ever/never corrupt 1008/5</p> <p>Don't know /not sure 1008/6</p> <p>No experience with this agency 1008/7</p> <p>Other and specify 1008/8</p>	
(viii)	Department of Works and Building Inspectorate	<p>Always corrupt 1009/1</p> <p>Almost always corrupt 1009/2</p> <p>Mostly corrupt 1009/3</p> <p>Somewhat corrupt 1009/4</p> <p>Hardly ever/never corrupt 1009/5</p> <p>Don't know /not sure 1009/6</p> <p>No experience with this agency 1009/7</p> <p>Other and specify 1009/8</p>	
(ix)	Zimbabwe National Water Authority (ZINWA)	<p>Always corrupt 1010/1</p> <p>Almost always corrupt 1010/2</p> <p>Mostly corrupt 1010/3</p> <p>Somewhat corrupt 1010/4</p> <p>Hardly ever/never corrupt 1010/5</p> <p>Don't know /not sure 1010/6</p> <p>No experience with this agency 1010/7</p> <p>Other and specify 1010/8</p>	

(x)	Zimbabwe Electricity Supply Authority (ZESA) or its subsidiaries	<p>Always corrupt 1011/1</p> <p>Almost always corrupt 1011/2</p> <p>Mostly corrupt 1011/3</p> <p>Somewhat corrupt 1011/4</p> <p>Hardly ever/never corrupt 1011/5</p> <p>Don't know /not sure 1011/6</p> <p>No experience with this agency 1011/7</p> <p>Other and specify 1011/8</p>	
(xi)	Deeds Office	<p>Always corrupt 1012/1</p> <p>Almost always corrupt 1012/2</p> <p>Mostly corrupt 1012/3</p> <p>Somewhat corrupt 1012/4</p> <p>Hardly ever/never corrupt 1012/5</p> <p>Don't know /not sure 1012/6</p> <p>No experience with this agency 1012/7</p> <p>Other and specify 1012/8</p>	
(xii)	Central Vehicle Registry	<p>Always corrupt 1013/1</p> <p>Almost always corrupt 1013/2</p> <p>Mostly corrupt 1013/3</p> <p>Somewhat corrupt 1013/4</p> <p>Hardly ever/never corrupt 1013/5</p> <p>Don't know /not sure 1013/6</p> <p>No experience with this agency 1013/7</p> <p>Other and specify 1013/8</p>	
(xiii)	Police	<p>Always corrupt 1014/1</p> <p>Almost always corrupt 1014/2</p> <p>Mostly corrupt 1014/3</p> <p>Somewhat corrupt 1014/4</p> <p>Hardly ever/never corrupt 1014/5</p> <p>Don't know /not sure 1014/6</p> <p>No experience with this agency 1014/7</p> <p>Other and specify 1014/8</p>	
(xiv)	State Procurement Board	<p>Always corrupt 1015/1</p> <p>Almost always corrupt 1015/2</p> <p>Mostly corrupt 1015/3</p> <p>Somewhat corrupt 1015/4</p> <p>Hardly ever/never corrupt 1015/5</p> <p>Don't know /not sure 1015/6</p> <p>No experience with this agency 1015/7</p> <p>Other and specify 1015/8</p>	
	Is there any other agency or department with whom you deal who you would like to rate as has been done above? IF YES, please indicate the department/agency and supply a corresponding rating		

(xv)	MINISTRY/DEPT/AGENCY: _____	Always corrupt Almost always corrupt Mostly corrupt Somewhat corrupt Hardly ever/never corrupt Other and specify	1016/1 1016/2 1016/3 1016/4 1016/5 1016/8	
(xvii)	MINISTRY/DEPT/AGENCY: _____	Always corrupt Almost always corrupt Mostly corrupt Somewhat corrupt Hardly ever/never corrupt Other and specify	1017/1 1017/2 1017/3 1017/4 1017/5 1017/8	
SECTION XI: BUSINESS/ COMPANY INFORMATION				
11.2	How many years has the business been in operation? ROUND UP TO WHOLE NUMBER , RECORD "0" IF LESS THAN 6 MONTHS	Years in business Not sure / don't know	1020/_ 1021	
11.3	What is the total number of employees? READ OUT CATEGORIES FOR SEASONAL WORKERS, CONSULTANTS, VOLUNTEERS & INTERNS BASED ON THE NUMBER IN 2014	Full time Part time Consultant Seasonal contract workers (Maximum no. in given year) Volunteers Interns Other specify Don't know/not given	1022/_ 1023/_ 1024/_ 1025/_ 1026/_ 1027/_ 1028/_ 1029	
11.4	How is this business categorised? READ OUT OPTIONS	Sole proprietorship Private Limited Company Partnership Cooperative Public Limited Company Parastatal Non Profit Making Other and specify Not sure/don't know	1034/1 1034/2 1034/3 1034/4 1034/5 1034/6 1034/7 1034/8 1034/9	
11.5	Is this business VAT registered?	Yes No Not applicable Not sure	1035/1 1035/2 1035/3 1035/4	

11.6	Is this business fiscalised?	Yes	1036/1	
		No	1036/2	
		Not applicable	1036/3	
		Don't know	1036/4	

11.7	What is the primary nature of your enterprise's activity? /1 FOR HOW YOU MAINLY CATEGORISE YOURSELF AND /2 FOR OTHERS IF APPLICABLE	Agriculture/forestry/ fishing	1037/	
		Mining/quarrying	1038/	
		Manufacturing	1039/	
		Electricity, gas/ steam & Air conditioning supply	1040/	
		Water supply, sewerage, waste management & remediation activities	1041/	
		Construction	1042/	
		Wholesale/ retail & repair of motor vehicles & motorcycles	1043/	
		Transportation & storage	1044/	
		Accommodation & food service activities	1045/	
		Information/communication	1046/	
		Financial/insurance	1047/	
		Real estate/estate agent	1048/	
		Professional, scientific & technical activities	1049/	
		Administrative/support services	1050/	
		Public administration/ defence: Compulsory social security	1051/	
		Education	1052/	
		Human health & social work	1053/	
		Arts, entertainment & recreation	1054/	
		Other service activities	1055/	
		Activities of households as employers ; undifferentiated goods & services producing activities of households for own use ⁵	1056/	
Activities of extraterritorial orgs & bodies ⁶	1057/			
Other & specify	1058/			

1. *Activities of households as employers of domestic personnel such as maids, cooks, waiters, valets, butlers, laundresses, gardeners, gatekeepers, stable-lads, chauffeurs, caretakers, governesses, babysitters, tutors, secretaries etc. It allows the domestic personnel employed to state the activity of their employer in censuses or studies, even though the employer is an individual. The product produced by this activity is consumed by the employing household.*
2. *Undifferentiated substances goods-producing activities of households, i.e. the activities of households that are engaged in a variety of activities that produce goods for their own subsistence. These activities include hunting and gathering, farming, the production of shelter and clothing and other goods produced by the household for its own subsistence.*
3. *This includes activities of international organisations such as the United Nations and the specialized agencies of the UN system, regional bodies, etc., the International Monetary fund, the World Bank, the World customs Organisation, the Organisation for Economic Cooperation and Development, the Organisation of Petroleum Exporting Countries, the European Communities, etc. This also includes activities of diplomatic and consular missions when being determined by the country of their location rather than by the country they represent.*

11.8	Are your our business operations: one branch level, city (more than one branch), provincial (within one province), national level (more than one province), regional (neighbouring countries) or international (beyond neighbouring countries)?	One branch	1059	
		City wide & more than 1 branch	1060	
		Provincial	1061	
		National (in every province within Zimbabwe)	1062	
		Regional (neighbouring countries)	1063	
		International (beyond neighbouring countries)	1064	
11.9	Can you tell me what category your business fits in based on its annual turnover? SHOW CARD D	\$ 1 – 50 000	1065/1	
		50 001 – 200 000	1065/2	
		200 001 – 500 000	1065/3	
		500 001 – 999 000	1065/4	
		1 million -10m	1065/5	
		10.1m - 50m	1065/6	
		50.1 – 100m	1065/7	
		101-200m	1065/8	
		201-500m	1065/9	
		Over 501m	1065/10	
		Refused	1065/11	
		Not given	1065/12	
		Don't know	1065/13	
11.10	<p>This concludes our interview. We are incredibly appreciative of your time and honesty. This is really helpful, and we thank you for your participation.</p> <p>Are there any questions you have at this time or further comments you would like to make?</p>			

END TIME (24 hr clock): _____

