

The effect of a registration reform on the MSME sector in Zimbabwe: A comparative study with China's MSME sector

Ian Tinashe Hungwe

School of Business and Economics, Anhui University of Technology, Anhui, China

Zhu Kepeng

School of Business and Economics, Anhui University of Technology, Anhui, China

Abstract: Economic growth is one of the most important things that all economies and countries chase. Low income economies or sometimes referred to as developing economies are economies that are still developing and are on the lower end of the spectrum of income. However, despite the level of each country economic growth is always of utmost importance. The business environment also has a major effect on the economic growth of economies. Various business indicators are used to tell the state of the business environment in a country and these include the Doing Business indicators. Developing economies do not have large corporations in their business environment as compared to developed countries. However they do have an abundance of Micro, Small and Medium Enterprises (MSMEs) within their economies and these have a large impact on the economic growth. However, many developing countries lose out on the benefits of these MSMEs due to an array of factors with a major one being the issue of registration and formalization of MSMEs. This study aims to show that a registration reform in the country of Zimbabwe will be great for the government and the people as a whole and it will install hope of the businesses getting bigger and the backbone of the country just like other developing countries and already developed countries. The potential of MSMEs in Zimbabwe is massive and it is one that needs to be tapped in to.

Keywords: Economic growth; business environment; Small and Medium enterprises (MSMEs)

Introduction

Economic growth is an increase in the quantity and quality of the economic goods and services that a society produces. It can be better defined as an increase in the amount of goods and services produced per head of the population over a period of time. With the revival of globalization after some years of the COVID 19 pandemic many low income economies are looking for ways revive and boost their economies amidst the second wave of globalization that is being driven by Artificial Intelligence (AI) and various online platforms and businesses. However traditional business practices are still the backbone and main drivers of all businesses. This study aims to show how the business environment in low income economies affects the economic growth in these countries. The business environment is an essential component to study on the effect it has on the economic growth of a country.

This study mainly looks to elaborate the various business policies, barriers to entry, firm competition but it will mainly focus on the effect of Micro, small to medium enterprises (MSMEs) in low economies. The business environment in many developing nations is made up by a large number of MSMEs which contribute greatly in the employment of the labor force as well as contributing to the informal economy of the country. There have been quite a number of studies on the business environment but none have specifically touched on the contribution of these MSMEs. Many of these MSMEs in low income economies are being run informally and thus do not contribute to the overall output of the economy.

This paper will look to present the effects of an open and registered business environment mainly focusing on the small enterprises and how they contribute to the economic growth of a country. We will also focus on how the setup of MSMEs their business practices and what advantages they have in improving or adversely affecting the economic growth of developing countries, specifically registered MSMEs that contribute to taxpaying and counting in the government's books. This study will show how MSMEs can be used to alleviate unemployment as well as significantly contribute to the economic growth of low income economies. The scope of this study will be on the country of Zimbabwe, Sub Saharan nation that has an abundance of natural resources and workforce but has a very high unemployment rate. I will draw up a comparison with China, one of the biggest economies in the world and how its SMEs account for over 97% of businesses in the country. China achieved rapid economic growth over the last 2 decades which was mainly driven by these MSMEs and favorable government policies. Micro, Small and Medium-sized Enterprises (SMEs) are a driver for economic

growth, jobs and value-addition globally and in the developing countries (Hobohm 2008, Wang 2016, Wellen and van Melle 2017, UNCTAD 2018, IFC 2020)

The transition of MSMEs to big business or corporate is pivotal in any economy in the world. It is actually the relative measure of how well an economy is performing as MSMEs are the seed-bed of business growth, innovation and pillars of employment creation. MSMEs contribute half of the world's economic output and employ two-thirds of the global workforce.

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Micro, small and medium-sized businesses (MSMEs) are extremely important to most economies, especially those in emerging nations. MSMEs make up the majority of enterprises globally and play a significant role in employment creation and the expansion of the global economy. They account for more than 50% of all jobs globally and roughly 90% of all enterprises. In rising economies, the share of formal SMEs in GDP can reach 40%. When informal Businesses are taken into account, these figures are substantially higher. 600 million jobs will be required by 2030, according to World Bank projections, to accommodate the expanding global workforce, making the development of SME's a top priority for many governments around the world. In emerging markets, MSMEs account for 7 out of every 10 formal jobs created.

Small Medium Enterprises (MSMEs) have the potential to help alleviate the unemployment crisis in developing countries such as Zimbabwe. Zimbabwe has an abundance of natural resources and workforce but has a very high unemployment rate. The reasons for this are many but many studies point to factors such as the closing down and the downsizing of many Multinational Corporations (MNCs) and other large firms that operated in the country. This toppled the employment rate in the country and a large number of the working population was left unemployed. The restoration of these firms requires a string of processes and some political issues. However, the involvement of the political environment can stall the growth and recovery of the country's economy.

From the year 2010, many citizens have taken the entrepreneurial route to ensure survival in the harsh economy and have tried to find means to survive with in this economy. This route has led many to start several small businesses trading every single good and service imaginable. This route is a torch bearer in an economy that is trying to recover and revive its business environment. So it is crucial for the Government to realize these efforts and put in place policies that allow the ease of doing business for these SMEs and give them the opportunity to grow bug as well.

SMEs have the advantage of growing big in the future as well as that they can easily adapt to the latest technology and ideas among other advantages.

In Zimbabwe, MSMEs contributed \$8.58 billion to the country's GDP in 2016 and employed more than 5.9 million people (over 75% of the total workforce of 7.8 million).

Furthermore, MSMEs now make up over 70% of Zimbabwe Revenue Authority database of registered tax payers while contributing only 20% in taxes. The emergence of SMEs in Zimbabwe was largely a knee-jerk reaction. According to Makotose, available data indicates that 90% of businesses in the country are regarded either as registered or unregistered as small and medium enterprises. These have grown over the years owing to the collapse of the formal economy, which prompted many people to start their small businesses. According to Sibanda, MSMEs have been identified as the catalyst for the economic growth of the country as MSMEs are a major source of economic development, income generation and employment creation.

Research Objectives

The objective of this study is to show how MSMEs can significantly contribute to the easing of unemployment levels in low income economies as well as contribute to the economic growth of a country. I make an example of Zimbabwe, a low income country in Sub Saharan Africa as well as China, one of the biggest economies in the world which also has a large portion of MSMEs in its economy. The study particularly emphasizes and seeks to show that formal registration and operation of MSMEs in developing economies can help grow the economy and reduce unemployment. This research will be a cross comparison of the two nations.

Research Methodology

The research methodology in this paper is going to be mainly qualitative research. Primary information will be sourced from official statistics websites of the related topics as well as secondary information from related and relevant research papers.

SMEs Definition around the world

MSMEs generally have the same framework, however, some specifics alter between countries and regions which leads to have a different specific definition of MSMEs. These definitions usually have a slight variance from each other but overall give a general definition of MSMEs.

	Individual Enterprise	Micro	Small	Medium
Number of Employees	0	1 - 5	6 - 30	31 - 75
Values of Assets (US\$)	10 000	10 000	250 000	500 000
Turnover (US\$)	30 000	Up to 30 00	30 001 - 500 000	500 001 - 1 000 000

Table 1: Classification of MSMEs in Zimbabwe

As shown in the table above, The classification of MSMEs in Zimbabwe is defined by the number of employees, the value of assets and the turnover of the enterprises in United States Dollars(US\$). An Individual enterprise can have a value of assets amounting to US\$10 000 and a turnover of US\$30 000. It will not have any employees since it is run by one person. Micro enterprises employ up to 30 people. The value of assets is at US\$25 000 with a turnover of up to half a million dollars. Medium enterprises employ up to 75 people with a value of assets that is US\$500 000 and the turnover all the way up to US\$1 million. However, mining and construction have much higher thresholds to be able to determine the enterprise size. Mining and quarrying have a turnover of US\$ 3 million and construction of US\$ 2 million.

The classification of a MSME in China is distinct from that in other nations and is highly complex. China uses the SME Promotion Law to identify which businesses are MSMEs, in contrast to the majority of nations that consider a company's workforce when determining whether it is a SME. This law states that the classification is determined by the industry, assets, workforce, and turnover. For instance, to qualify as a small business in the retail industry, a company must have fewer than 100 employees and a yearly revenue of less than RMB 10 million. A retail business is regarded as medium-sized if it employs more than 100 people and starts making more than 10 million RMB annually. For companies in the construction sector with fewer than 600 employees, less than RMB 40 million in assets, and no turnover The SME Promotion Law defines a small firm as one with annual sales of less than RMB 30 million. SMEs are frequently categorized according to the number of employees in countries that are members of the Organization for Economic Co-operation and Development (OECD), such as the United States and the EU. The typical cap for a SME is 200 employees, though this might differ from nation to nation. In the US, SMEs are businesses with fewer than 500 people, however in the EU, the maximum employee count is 250.

Small firms in the US employ fewer than 100 workers, while medium-sized firms employ more than 100 but fewer than 500 workers (Sweeney & Basefsky, 2010; United States International Trade Commission (USITC), 2010; OECD, 2013b; OECD, 2014). SMEs in the agricultural sector must have an annual income of less than US\$250,000, while SMEs in manufacturing and exporting companies should have an annual income of between US\$7 million and US\$25 million (USITC, 2010; OECD; 2013a; Katua, 2014; OECD, 2014). The US classification of SMEs is unique in that the SMEs are defined according to their sector classification: export manufacturing, non-export manufacturing, and agriculture. Although the cap on the number of employees is the same for each sector, they differ in their cap on annual income (USITC, 2010; OECD, 2014). Annual income as an indicator does not apply to manufacturing and service companies that are not involved in exports (Sweeney & Basefsky, 2010; OECD, 2013).

Micro, Small and medium-sized businesses (MSMEs) are extremely important to most economies, especially those in emerging nations. MSMEs make up the majority of enterprises globally and play a significant role in employment creation and the expansion of the global economy. They account for more than 50% of all jobs globally and roughly 90% of all enterprises. In rising economies, the share of formal SMEs in GDP can reach 40%. When informal Businesses are taken into account, these figures are substantially higher. 600 million jobs will be required by 2030, according to World Bank projections, to accommodate the expanding global workforce, making the development of SME's a top priority for many governments around the world.

In emerging markets, SMEs account for 7 out of every 10 formal jobs created.

The second most frequently stated barrier to MSMEs' expansion in emerging markets and developing nations, access to finance, is a major impediment to SME growth.

MSMEs rely on internal finances or cash from friends and family to begin and initially manage their businesses because they are less likely to be able to secure bank loans than large companies. According to the International Finance Corporation (IFC), 65 million businesses, or 40% of formal micro, small, and medium sized enterprises (MSMEs) in developing countries, have an annual unmet financing need of \$5.2 trillion, or 1.4 times the amount of global MSME lending at present. The largest portion of the global finance gap (46%) is accounted for by East Asia and the Pacific, which is followed by Latin America and the Caribbean (23%) and Europe and Central Asia (15%). The gap volume varies greatly from one place to another. With a ratio of 87% and 88%, respectively, the regions of Latin America and the Caribbean, the Middle East, and North Africa have the biggest financial deficit in comparison to prospective demand. A little over half of legally recognized

MSMEs lack access to formal loans. When micro and informal businesses are taken into account, the financial gap becomes even more.

MSMEs in Zimbabwe

Zimbabwe is a developing country in Sub Saharan Africa. Due to its demographics and state of its economy, it has a large number of MSMEs in its business environment. According to statistics, in Zimbabwe, MSMEs make up more than 70% of all businesses. They employ more than 60% of the country’s workforce, while contributing above 50% to Zimbabwe’s GDP. However, these figures and contributions could be higher if the majority of these MSMEs were registered and operated legally. However, less than half of all the MSMEs in Zimbabwe are registered and operate legally leading to an inefficient utilization of their impact on the economy and employment. There have been numerous studies and researches on SMEs in Zimbabwe but none have touched on the issue of many of these SMEs not being registered and how this affects both the small businesses outputs as well as the benefit to the economy of the country.

Only 14% of the MSME sector in Zimbabwe is formal which is 228 991 ventures that are formal. So of the MSME sector in Zimbabwe, 6% of the firms are registered and of the firms hold licenses to trade. The value addition from these firms is USD 3.1 billion as calculated from the total profit. On the other hand, the Informal MSME sector has over 1 408 000 firms which makes up 86% of the sector that is not registered or has a license to trade. The value addition that is carried out by MSMEs sums up to USD 5.4 billion from the total profit. So in essence only 1 in 7 MSMEs in Zimbabwe is formally registered of has a license to trade.

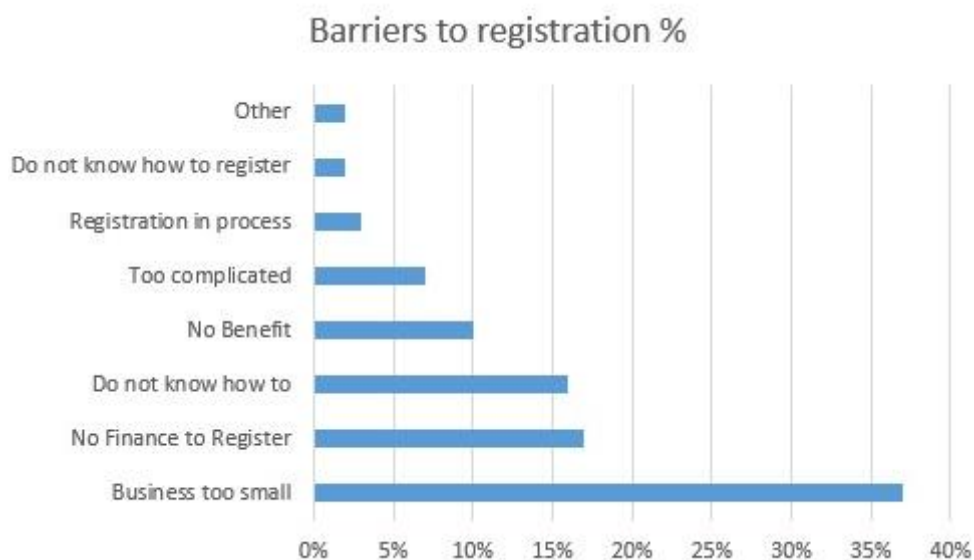


Fig. 1: Barriers to registration, Source: finscope micro, small and medium enterprises Survey Zimbabwe 2022

As shown above, there are a number of reason why so many of these MSMEs are not registered, and the more significant reasons are:

- **The business is too small:** About 37% of the business owners believe that their businesses are too small to register. So this reason coupled with other reasons makes up the biggest share of why many MSMEs are not registered in Zimbabwe.
- **Lack of Finance to register:** This is another big reason, not just in Zimbabwe but among several low income economies why MSMEs are not registered. This is due to the fact that a number of MSMEs are usually startups that have difficulties financing themselves. Also, many of these firms are unable to access financial institutions such as banks that would lend them some money. About 17% of MSMEs that are not registered cite this as a major problem.
- **Lack of Knowledge: Over** 15% of MSMEs in Zimbabwe site that they do not have adequate information or do not know how to successfully carry out the registration process of their businesses.

The above three are the main reasons that were discovered to be hindering the successful registration and formalization of MSMEs in Zimbabwe. There are also other reasons such as the registration being too complex, and some firms small business simply are not aware that they need to register and formally operate their business.

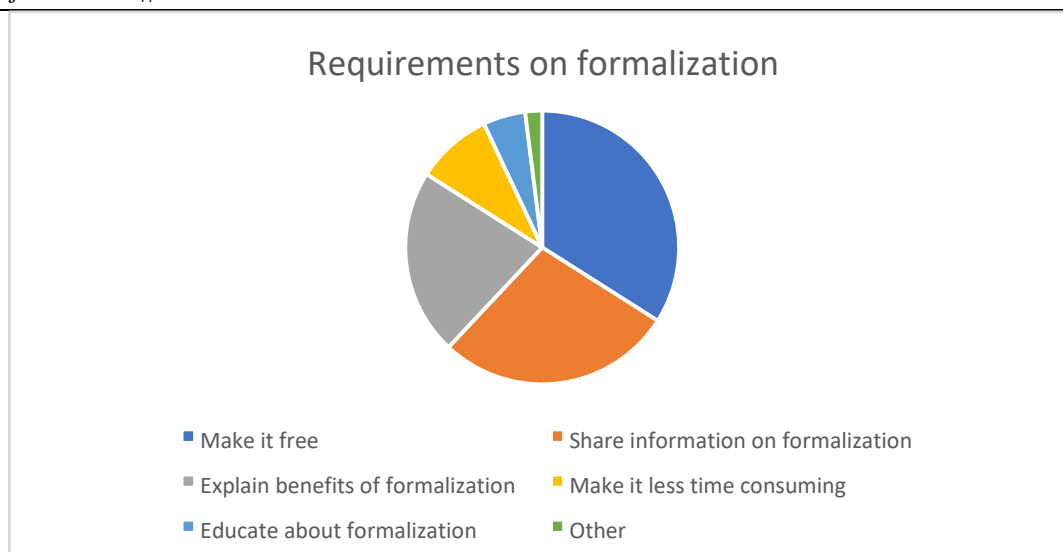


Chart 1: Requirements from the enterprises on formalization. Source: finscope micro, small and Medium enterprises survey Zimbabwe 2022

Chart one shows the response from several unregistered enterprises on their requirements to the government or relevant sector on formalization of their enterprises. The biggest number of owners which is 34%, suggested that the formalization and registration process be made free of charge or at least have the cost decreased to affordable levels with regards to the harsh economic conditions. 28% of unregistered enterprises shared their insight on their lack of knowledge on the registration and formalization issue and thus would appreciate if the relevant authorities would share information about the formalization process. Also still on the information part, 22% of unregistered enterprises also stated that they do not understand the benefits of registering and formalizing their enterprises, so with a registration reform, more educational content as to be shared to everyone in the sector. 9% of the questioned owners cited the need to make the registration and formalization process less time consuming. The process usually takes months and several visits to the offices which many business owners would want to avoid and carry on with their businesses. 5% of the questioned owners simply didn't have any knowledge about registration and formalization, emphasizing the need for every player in the MSME sector to be aware and educated about this process.

MSMEs in China

The core of the Chinese economy is MSMEs. As a result, the government continues to grant financial assistance and implement various tax breaks. To qualified enterprises, extensions for loan repayments and credit help are also provided.

Millions of workers who had previously worked for state-owned businesses were hired by MSMEs during the 1990s. More than a million privately owned MSMEs existed at the time, but over the next ten years, this number significantly rose, outpacing the growth of MSME in the US and Europe combined. By 2004, there were more than 40 million SMEs in China, which had over time established itself as the country's economic backbone.

MSMEs are nonetheless doing well, in spite of China's slowing economic development. The improvement in MSMEs is a result of regaining investor confidence, rising employment stability, declining operational costs as a result of tax levies, and restoring market expectations.

The government made it simpler for MSMEs to seek for loans during the COVID-19 epidemic in 2020, even when business owners were unable to give guarantees. In order to lessen their burden, China further boosted MSMEs by waiving employer contributions to workers' social and endowment insurance.

The RMB 100,000 monthly sales tax threshold was increased to RMB 150,000. Small taxpayers were effectively subject to less taxation as a result, which allowed them greater room for development. The following incentives are a few of the ways the government assists MSMEs:

- **Income tax policies**

The income tax rate for MSMEs was lowered from 33% to 18% for those with annual profits of less than RMB 30,000. For those greater than RMB 30,000 but less than RMB 100,000, a 27% tax rate is enforced, which is still lower than the previous standard rates.

- **In-demand enterprises**

MSMEs whose business revolves around modern technologies were exempted from enterprise income tax for two years. A one year tax exemption would be applied for those in telecommunications, transportation, and IT services.

- **Employment promotion**

Qualified job agencies that provide work to unemployed workers may be eligible for tax exemptions for up to three years.

The Chinese government has also pushed state-owned banks to establish specialized divisions that only work with MSMEs. In order to expand their services to small enterprises in rural areas, banks were also forced to increase the number of subsidiary branches in towns.

Several MSMEs have been deterred from requesting for finance in the past years by additional fees associated with loan processing. The China Banking Regulatory Commission released a directive to get rid of arbitrary costs, standardize service fees, and regulate financial advice fees in an effort to encourage MSMEs to submit loan applications once more.

In order to increase access to cash and loans for new entrants, alternative sources of MSME financing were also established. Shadow banking, leasing and factoring, and equity finance are becoming common forms of private financing. On the other hand, internet lending and crowdfunding are still subject to strict regulations, which has caused a sharp decline in customers.

A five-year strategy is being proposed by the Ministry of Industry and Information Technology (MIIT) to support the growth of MSMEs by levelling the playing pitch, strengthening innovative capability, raising professionalism, and expanding financial accessibility. One million SMEs are anticipated to be established in the nation, with one-tenth of them specialized in advancements in the production of high-end equipment, new generation information technology, biomedicine, green energy, and novel materials.

Business registration reforms that can be undertaken by Zimbabwe's MSME sector

There are a number of ideas that can be considered by the Zimbabwean government to ensure the swift registration of MSMEs. Many of these ideas can be taken from ideas that were successfully implemented in other countries or from researches carried out by the World Bank group on the registration of enterprises.

Some of these ideas include;

- **Establishing flat-fee schedules:** Governments shouldn't consider business registration to be a major source of income. Just the administrative and operating costs of the business registration system should be covered by registration fees. In keeping with this, the majority of the top ten nations on the Doing Business Starting a Business List simply impose a fixed registration fee, regardless of the size of the business.
- **Reducing or eliminating minimum capital requirements;** In general, minimum capital requirements fail to accomplish any of their underlying goals. Because entrepreneurs can take their cash from banks virtually immediately after registration, they contribute nothing to the prevention of insolvency and do nothing to address variations in commercial risk. In addition, economies with minimum criteria do not have higher bankruptcy recovery rates than those without them. Some research find that minimum capital requirements have detrimental consequences for entrepreneurship, far from being beneficial. As a result, 57 economies have decreased or removed this requirement since 2005.
- **Standardizing incorporation documents:** The registration procedure may be arbitrary, time-consuming, expensive, and fraught with error if registration paperwork are not standardized and instructions for completing them are not clear. With the introduction of standardized documents in Estonia in 2006, just like in Bangladesh 2009/10, processing time at the registry decreased from 15 days to 1. Today, incorporation documents are standardized in about 65 nations. In streamlining their document requirements, many nations saw advantages in registration in addition to the standardization of paperwork.
- **Instituting Registration Systems Led by Information and Communication Technology:** 110 economies currently use information and communication technology (ICT) for business registration services, including online business registration, annual returns filing, and electronic transmission and cross-verification of business information among pertinent government agencies. These services range from online name search to online business registration. Services for electronic registration are available

in more than 40 economies. The use of ICT not only makes the registration process quicker and more affordable, but it also improves data security, system transparency, and the ability to verify that enterprises are adhering to numerous requirements. Additionally, it enables registration authorities with limited human resources to meet customer demand and lower registration service administrative expenses.

Implementation of sustainable Registration practices

Changes to institutional frameworks, operational processes, and/or legislative frameworks frequently need to be considered by nations that desire to implement the aforementioned best practices. Depending on which best practices will be applied and under what circumstances, implementation may involve simply one, two, or all of these projects. Even though some legislative amendments can be made "with the stroke of a minister's pen," changes to laws governing corporations typically require a great deal of political wrangling on the side of legislators. Accountability and transparency, flexibility for legal entities and general-objects clauses, minimal or no minimum capital requirements, no requirement to use notaries, a declaratory system, and clarity of the law are all qualities that a legal framework must have in order to support a registration system.

Several good practices, such as installing an integrated registration system and UID, transparency and accountability measures, an ICT system, and others, need the business process reengineering (BPR). BPR can help reduce overlap and duplication of procedures and can enhance a country's company registration system's effectiveness, efficiency, and openness. The BPR uses a process mapping tool to investigate (i) the objective of a process, (ii) whether the process has a strong legal base, and (iii) whether the ultimate goals of the rules may be reached without the specific process in question or with an even more streamlined method. These assessments are used to create and implement a simple and efficient business registration process.

Institutional changes, which can be generally divided into institutional restructuring and capacity development, make up the third pillar of business registration reforms. The strategies used by institutional structures around the world to facilitate effective and open business registration systems differ. Finding the most capable and effective institutional setup for offering an improved business registration service under the circumstances would thus be the key to every nation's institutional restructuring. In many cases, this type of altered institutional setup must begin by building a strong legal foundation and responsibility to the new power structure. Thus there is need to set up a One Stop Shop (OSS), to cater for all the needs. Representatives from other ministries and agencies that are represented by the OSS must also answer to whichever line ministry the OSS is constituted under. The different OSS counters might not be staffed by the accountable agency personnel otherwise, as has happened in several countries, or these counters might not provide high-quality service. By making the registry a self-financing entity, a structure that frequently motivates registry staff to deliver quicker, more creative, and client-focused services, the institutional reform must also ensure that a sufficient budget is allotted to maintain the institutional setup. Once the institutional structure has been established, it is necessary to develop the competence of the accountable authorities through peer-to-peer learning. Absence of requisite abilities is frequently a major factor in the delivery of sluggish, subpar services.

Conclusion

A corporation decides whether to register after performing a cost and benefit analysis. One way that registration may be beneficial is by improving access to markets, such as those for commodities and credit/financial services. For instance, a registered business would be able to sign long-term agreements, connect with clients in distant markets, and obtain cash at a lower cost of capital from a professional lender. Yet, registration comes with a cost, both direct and indirect. Examples of direct expenses include registration fees (a financial commitment), the time required to register, and the cost of getting to know the registration process. Following registration, a business may be required to pay indirect fees including VAT and adherence to labor and product regulations.

It is evident that Zimbabwe has a large number of MSMEs in its economy with even a greater potential of increasing this number. However, before increasing the number of MSMEs, it would be better for the country to maximize the output of the current enterprises and ensure their growth into bigger and competitive firms even on the international market. This maximization can fully be achieved if a registration reform similar to that of Bangladesh in the year 2009/10 is implemented. During that year, Bangladesh implemented a major information and communication technology (ICT) based business registration reform initiative. This ICT based reform ensured that Bangladesh really improved its registration process. The registration time was cut from an average of 42 days that was needed to complete and an 18 step process of registration that would require up to 10 visits to the registration agency, to everything being done within a day. Another day is the required to pick up the registration certificate. The payment of the registration process can now be completed within 15 minutes online

through one of the affiliated banks. The online system is also very transparent which also helps in eradicating corruption and red tape.

So, Zimbabwe's MSMEs can benefit from a similar reform of digitalizing the registration system and making it widely available. As shown in this study, 86% of the MSMEs in Zimbabwe are not registered which is close to 1.5 million enterprises that are not registered. This means that these enterprises are not paying income tax to the government, they cannot access financial institutions for loans and other financial assistance. Also without registration it is difficult for the government to assist these firms and protect them to maturity as is the Case with China. In China for example, SMEs in the year 2020 contributed to over 60% of the country's GDP and also 50% of tax income. These are the levels that the Zimbabwean MSME sector could contribute to the economy especially in this period after the COVID pandemic and a time for a new government dispensation that is looking to facilitate economic growth. In the same year of 2020, China had about 2.52 million new companies and a maximum of 22000 registered enterprises per day. These figures are proportionally achievable for Zimbabwe's MSMEs if the government focuses on registration of MSMEs.

Through country will greatly benefit from having a registration reform. This is because through making investments and generating jobs, the private sector is a key player in the fight against poverty. Engagement in the formal economy strengthens those contributions. The most typical corporate structure in the world, the limited liability company, gains from lower liability. A successful legal entity will also typically survive its founders, continuing to support the economy without having to start from scratch every generation. Also, establishing a limited liability corporation enables shareholders to work together and increase a company's capital and capabilities.

This registration reform for MSMEs in Zimbabwe will be a positive step for the enterprises as it would promote sustained growth. Business registration reform is an essential first step in promoting private-sector growth because it opens the door for enterprises to enter the formal economy. By giving businesses rights to government services, equitable treatment under the law, reduced ambiguity, and greater access to capital and markets, this legal recognition paves the way for their success, expansion, investment, and employment. Simpler procedures for registering businesses can aid a nation in its fight against poverty by enabling its people to become workers and creative business owners.

Also, Society as a whole benefits from business registration, not just the enterprises themselves. Businesses that have been registered are required to pay taxes, follow the law, and create good jobs. Simpler startup procedures increase the number of enterprises, and more competition leads to higher company efficiency, lower costs, and better product quality. Zimbabwe currently struggles with exorbitant costs for basic products and services. Simpler startup can help companies enter markets and take on market leaders, leading to superior products, reduced pricing, or both.

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