THE ASSESSMENT OF STOKVELS AS A STRATEGY OF FIGHTING HUNGER IN UMZINGAZI AREA

by

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DECLARATION

I Makhosi Charity Dlamini (20041764) hereby declare that this dissertation is my own original and independently work and that I have correctly referenced all the sources utilised. This dissertation has not been submitted previously for any degree or examination at any University.

Signature: …… **Date: …….**

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ABSTRACT

Stokvels are informal social gatherings formed by people who have the same interest in saving to attain certain goals. These gatherings are usually formed by friends, relatives, neighbours and colleagues with the aim of saving money on a monthly basis in order to sustain a living. The intention of this study was to investigate and give insight into how stokvel groups contribute to poverty eradication in rural communities, focusing on uMzingazi Area, Kwa-Zulu Natal. Fighting hunger is a long-term process; thus, the researcher applied the sustainable livelihood approach in assessing stokvels as a strategy of fighting hunger. The sustainable livelihoods approach was applied to facilitate the identification of practical priorities for actions that were based on the views and interests of those concerned although they are not a panacea. The study was conducted in a qualitative manner. The participants were selected by means of snowball sampling. The data was gathered using semi-structured interviews and focus group discussions in order to understand the lived experiences of members of the stokvels.

The findings established that stokvel groups play a substantial role in the reduction of hunger and poverty in communities. Significantly, these stokvel groups help members to save money and gain skills in budgeting. Women were predominant in the savings, burial and high-budget stokvels while men predominated in the investment stokvels. Amongst these groups, it was found that members preferred women as members of their groups due to their dedication and hard work. Women feared to involve men in their stokvels as they feared being victims of crime as most crimes were committed by men. Furthermore, the findings also revealed that stokvel members not only benefit financially but they

become like family members with each other. The strength and moral support shared in a burial stokvel mostly kept them going for many years.

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ACRONYMS

ADB	Asian Development Bank
CSG	Child Support Grant
DG	Disability Grant
FGD	Focus Group Discussion
GOP	Grants for Older People
ROSCA	Rotating Savings and Credit Associations
SASSA	South African Social Security Agency
SLF	Sustainable Livelihood Framework
SS	Siyavuka Stokvel
TSC	Thokomala Society Club
UZREC	University of Zululand Research Ethics Committee
VBS	Vukuzisize Burial Stokvel
ZS	Zamani Stokvel

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

This study investigates stokvels as a strategy to fight hunger in uMzingazi area in the Umfolozi Municipality, KwaZulu-Natal. Alcock (2006) stated that poverty is a global problem as a result of political context. Moreover, Cater and May (1999) postulated that many South Africans still live-in extreme poverty although the country is ranked as an upper-middle-income country. Furthermore, unemployment and poverty are a rural phenomenon in South Africa (Olinto, Beegle, Sobrado & Uematsu, 2013). In South Africa, stokvels form an important part of the informal social security system and have become one of the indigenous mechanisms used to increase savings and improve social and economic wellbeing, especially for the poor and vulnerable groups. In addition, Patel (2015) further explained that a stokvel is an informal group savings scheme where the members agree to contribute a fixed amount of money to a common pool on a regular basis.

The poverty head-count in South Africa is 58.6 per cent (Statistics South Africa, 2014). Poverty and inequality continue to persist in South Africa as a result of the country's past which was characterised by racial segregation and discrimination (Cater & May, 1999). This resulted in inconsistency in the distribution of country's wealth to the white minority, leaving the majority of blacks in extreme poverty.

South African rural communities are characterised by extreme poverty with high levels of unemployment and inequality. This leaves poor people with no choice but to rely on self-

help community-based strategies as a means of survival. One such strategy is the establishment of stokvels which are common among black South Africans as they serve as a poverty-alleviation strategy. Worldwide, stokvels are generally known as “rotating savings and credit associations” (ROSCAs) (Lukhele, 1990).

The widespread ROSCAs and burial societies (stokvels), which are also a form of informal social security, assist in the reduction of possible risks amongst different communities, thereby contributing to the preventive function of social protection. The benefits derived from ROSCAs are multipurpose; for example, to enable members of a family to access health care or to pay school fees for children to remain in school (Kaseke, 2013).

1.2 BACKGROUND TO THE STUDY

The researcher observed that most of the available research and data on stokvels (Lukhele, 1990; Luthuli, 2017; Moloi, 2011), focused on the reasons for their coming into existence, their economic prospects and the attempts by the banking sector to lure them to open club accounts to encourage savings. There appears to be very little research done on exploring stokvels dynamics and group processes from within, either focusing on what sustained these groups or factors contributing to their disintegration. The stokvels are without doubt transforming and members are becoming creative in maximising their benefits.

The stokvels also fall under informal social security realm and create a crucial form of social security. Triegaardt (2005) explains that stokvels, are components of the rich fabric of social security as they encourage people to save. Members are able to participate long-term in stokvels through mutual assistance. Mutual aid arrangements are an attempt to address gaps in social protection (Triegaardt, 2005). People join mutual aid schemes because they are not covered by any social scheme or if they are covered the protection is inadequate (Kaseke & Olivier, 2008).

History reveals that, upon the discovery of gold in Johannesburg in 1886, people, predominantly men, migrated to Johannesburg. Most of these migrants came from various rural areas of South Africa, seeking work in order to take care of the families they left in their rural homelands (Lukhele, 1990). There was a huge influx of rural-urban migration amongst women around 1930s as they wanted to join their husbands in the towns and cities (Lukhele, 1990).

For Simon White, the chief executive of the Stokvel Company, who wrote an article in 2012 titled “BEE deals are not attracting black savings group”. He estimated that there were more than 500 000 stokvels in South Africa and that this was a huge market; 8 million people belong to stokvels. White (2012) was referring to big business organisations and the government of the day were aiming at bridging the economic gap for black people by implementing the Broad-Based Black Economic Empowerment (BBBEE) Act of 2003; the envisaged empowerment deals were, however, not engaging these masses (Dube, 2018).

1.3 MOTIVATION FOR THE STUDY

UMzingazi is a rural area outside Richards Bay in northern KwaZulu-Natal where is a high level of unemployment. Many people rely on social grants and small business-like salons, car wash businesses or, day care centres. These facilities do not provide enough income to sustain people's livelihoods. Thus, they tend to stokvels as their private investments to help themselves.

The stokvels are the most popular social savings mechanism in the area. That is what triggered the researcher to conduct a study, to investigate what role the stokvels play in fighting poverty within the community of uMzingazi. A central concern of any livelihoods analysis is to understand who is poor and who is better off, and why. Poverty remains mostly rural and concentrated in certain parts of the world, yet patterns of inequality in livelihood opportunity are almost universal (Piketty & Zucman, 2014).

1.4 STATEMENT OF THE PROBLEM

In South Africa, finding employment is generally regarded as the primary means of escaping poverty. However, the extent of income sharing, coupled with high incidence of low-wage work, may leave even those who find employment unable to 'work themselves out' of poverty at the household level (Lilenstein, Woolard & Leibbrandt, 2018).

Unemployment is the source of poverty; it is also identified by the researcher as the most factor that leads people to participate in stokvel groups (Patel, 2015). When people do not have a formal system of social protection, they rely solely on the informal system of

social protection (Kaseke & Olivier, 2008). Therefore, women were forced to explore alternative strategies to achieve and food security.

In addition, the researcher observed that though the stokvels are popular in black communities, there are some challenges like fraud and robbery that often occur. For example, in an incident in Empangeni in 2016, robbers managed to rob the stokvel, got away with the money and brutally killed the patrolling police officer who was trying to chase them. It will be beneficial if the study can provide guidelines on how to prevent the risk of losing the savings of members of stokvels.

1.5 AIM OF THE STUDY

The aim of the study was to assess the role of stokvel groups in poverty alleviation in rural community of **u**Mzingazi area outside Richards Bay under Umfolozi Municipality KwaZulu-Natal.

1.6 OBJECTIVES OF THE STUDY

- To investigate why members, participate in stokvel groups.
- To assess the role of stokvel in the improvement of members wellbeing.
- To provide guidelines to help members prevent the risk of losing their savings.

1.7 RESEARCH QUESTIONS

The study research questions were formulated as follows:

- Why do members participate in stokvel groups?
- How can stokvels improve the wellbeing of members?

- How can stokvels prevent members from losing their savings?

1.8 SIGNIFICANCE OF THE STUDY

This study is significant because it seeks to establish the role of social savings which are done voluntarily by the members of the community. There is a myth around the communities where people are often labelled as being lazy and always waiting for government help. The researcher found it significant to investigate what and how people bring change in their lives. South Africa ranks among the countries with the highest rate of income inequality in the world. Compared to other middle-income countries, it has extremely high levels of absolute poverty. The South African government committed to halving poverty between 2004 and 2014 (Koenane,2019), which has not yet succeeded. According to the World Bank (2020:1):

> Approximately 55.5 percent (30.3 million people) of the population is living in poverty at the national upper poverty line (-ZAR 992) while a total of 13.8 million people (25 percent) are experiencing food poverty. Similarly, poverty measured at the international poverty lines of $1.90 and $3.20 per person per day (2011 PPP) is estimated at 18.9 percent and 37.6 percent in 2014/15, up from 16.6 percent and 35.9 percent in 2010/11, respectively.

Achieving household food security was a critical component in meeting that objective. Access to food and water is perhaps unlike other areas of service delivery, since they are essential to wellbeing and human development (Koenane, 2019).

Employment has expanded substantially since the mid-1990s, but not enough to address income poverty meaningfully. Income security is an essential element in addressing food insecurity. The evidence shows that social grants have played an important role in improving household food security since 2001, but improvements in employment status are also important (Moyo, Musona, Mbhele & Coetzee, 2002).

While there is extensive literature on social security systems, both formal and informal (Amdissa, 2013; Amdissa, Adanech, Kassa & Terefe 2015; Ardener 2014; Arko-Achemfuor, 2012; Chikadzi & Lusenga, 2013; Dekker & Olivier, 2003; Devereux & Sabates-Wheeler, 2004; Kaseke, 2010; Kaseke, 2013; Kaseke & Olivier, 2008), most of the literature focuses only on broader issues of social security and informal workers and does not highlight the social protection role played by stokvels. Thus, there seems to be a paucity of research focusing on the role of stokvels as a form of informal social security.

Therefore, the study contributes to the knowledge on stokvels as a form of informal social security strategy in fighting against poverty. Moreover, apart from making a contribution to knowledge, this study endeavours to deepen understanding of current developments and tendencies of stokvels in South Africa. It is in this way that the study may thus also help stimulate further research into the phenomenon of stokvels as a form of social protection for the poor in the South African context.

1.9 DELIMITATION OF THE STUDY

This study was conducted in uMzingazi area, outside Richards Bay under Umfolozi Municipality. The researcher experienced some challenges after the President of South Africa placed the country in lockdown due to Covid-19 pandemic. Everything came to a standstill as people were mostly indoors only going to town for groceries and medication. Thus, there were some difficulties in meeting with some participants which resulted in delaying completion of this study.

1.10 DEFINITION OF TERMS

In order to facilitate understanding of this study, the following terms are defined:

1.10.1 Poverty

Poverty in this study means “a condition in which people lack the basic food to provide them with the energy and nutrients for fully productive lives” (Hunger Task Force, 2003). The study was conducted in the rural area of uMzingazi where the community still seeks the basic needs like decent shelter and food.

1.10.2 Stokvel

Stokvel in this study refers to an informal social security system that is formed by community members voluntarily without state regulation. Furthermore, Lukhele (1990) argued that there is no formal clarity on how stokvels emerged, but it is accepted that the term “stokvel” originated in the early nineteenth century from English-speaking colonist farmers in the Eastern Cape, South Africa, when they were referring to “stock fairs”.

Masoga and Shokane (2019) described stokvels as different types of social groups that are purposely formed for saving money, for buying groceries in bulk, and as self-help groups.

1.10.3 Empowerment

Empowerment is when people have decision-making power, taking control of their own lives. It may require skills, knowledge or information which are then used by people to make wise and informed decisions (Swanepoel & De Beer, 2012). For this study, empowerment refers to the rural community striving beyond all odds to uplift their lives, more especially women who were previously disadvantaged by the government system.

1.10.4 Livelihood

Livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when people can cope with and recover from stress and shocks and maintain or enhance their capabilities and assets both now and in the future, while not undermining the natural resource base (Chambers & Conway, 1991).

In addition, Rakodi and Lloyd-Jones (2014) stated that livelihoods could serve as an integrating factor that allows for the implementation of strategies to address development, sustainable resources management and poverty eradication simultaneously.

1.10.5 Sustainability

Sustainability is one of the defining words of our age. It implies a sense of longevity—something that will last well into the future—and as a consequence it implies a resilience to the turbulence of our politics, economic systems and environmental change that seems to be so embedded within our world. These are powerful ideas. Who wouldn't want to make sure that our generation doesn't despoil the planet for future generations? Who would want to cheat on their kids? Even the most diehard climate change sceptic would hardly wish to destroy the habitability of the planet. Their issue is much more with the evidence that underpins claims that climate change is 'real' than it is with the central ethic that making the world inhabitable for human beings is undesirable. Given that sustainability means continuation into the future then it is perhaps no surprise that it has been around as long as the human race has been able to think about the future (Morse & McNamara, 2013).

1.11 ORGANISATION OF CHAPTERS

Chapter 1: Introduction

This chapter introduced the background of the research topic under investigation. It summarised the study area background, the underlying aim, context and rationale, research objectives and questions, research design and key concepts.

Chapter 2: Literature Review

The chapter reviews the literature on stokvels and their role in poverty and hunger reduction strategies in communities. This chapter also expands on the history of stokvels,

the theoretical frameworks of sustainable livelihood and women empowerment and highlights the significance of stokvels in form social gatherings that will benefit rural communities.

Chapter 3: Methodology

Chapter 3 outlines the research methodology used in this study. The research method, sampling strategy, data collection and analysis techniques are discussed. Moreover, this chapter elaborated on ethical considerations and the limitations of the study.

Chapter 4: Presentation of Findings

Chapter 4 presents the findings of the study; the findings are arranged in themes and sub-themes.

Chapter 5: **Discussion, Recommendations, and Conclusion**

Chapter 5 discusses the research findings that were attained to answer research questions. Thereafter, the conclusion of the study is presented and recommendations based on the research findings are highlighted. In addition, recommendations for future research are emphasised.

1.12 CHAPTER SUMMARY

This chapter provided the background of the research topic. It explained the context and rationale for the study, revealed the aim of the research, and outlining the objectives and the research questions. Furthermore, the chapter explained the study background. The researcher also briefly presented the research methodology, design, sample and sample size that was used while conducting the study. The subsequent chapter explores the literature applicable to the study and the applicable theoretical framework.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

This chapter discusses the literature on stokvel groups as a poverty reduction strategy in the rural community of uMzingazi, Richards Bay, KwaZulu-Natal. Stokvels form an informal social security network and play a significant role in social security. Triegaardt (2005) explains that stokvels as a social security measure provide a rich resource as they promote communal savings. The chapter starts by looking at the problem of poverty that led to the development of stokvels.

The chapter also elaborates on the history of stokvel groups and different types of stokvel groups that will best suit individual needs. Furthermore, the theory of sustainable livelihood which promotes the community development is debated.

2.2 POVERTY

South Africa is an emerging country which was previously colonised. During the colonial era, colonising countries made huge profits from South African productive resources. This resulted in South Africans losing their inheritances which led to communities failing to own land and to access affordable quality health care and quality education. Schulze (1997) argued that, during apartheid, black South Africans were marginalised, excluded and deprived of participating in the mainstream economy. This, therefore, gave rise to economic hardship for black South Africans leaving them exposed to high levels of poverty which the democratic government is still trying to eradicate some 26 years after the fall of apartheid. A common definition of poverty is not available; therefore, it is

basically defined in terms of a basic needs approach. Maphunye, (2005) defined basic needs as things that an individual must have in order to survive as a human being. Many poor people cannot afford to meet their basic needs, such as shelter, education, food, and health care. Poverty is differentiated in to two types, namely, relative poverty and absolute poverty (Patel, 2015). Aliber (2003) stated that relative poverty is when one's income lies below the stipulated poverty line. In contrast, absolute poverty is the deprivation of basic human needs such as food, shelter, water and healthcare (Jansen, Moses & Mujuta, 2013).

When the two types of poverty above are compared, it is evident that the latter makes no reference to people's income or ability to meet their needs. The government of South Africa is working hard in searching for resolutions to eradicate poverty, a huge stubborn challenge, and there is a need to deal with its causes.

Unemployment is the biggest noticeable cause of poverty, as a large segment of the population of South African citizens are unemployed including graduates (Uddin, 2013). Since the South African democratic elections in 1994, unemployment has been government's big challenge. A massive number of black people in South Africa suffer lack of employment (Terre Blanche, 2006). This indicates that South Africa has inherited an inconsistent legacy. On one hand, it is the most developed economy in Africa, and has a high rate of immigration. However, the country is faced with major socio-economic difficulties (Terre Blanche, 2006) and some of these socio-economic problems are that of unemployment, lack of education, lack of skills and corruption. Over the past years, South African government has approved a number of policies and strategies aimed at challenging socio-economic problems; e.g., the Sukumasakhe (one home – one garden)

project. These policies and strategies were implemented with the aim of facilitating government interventions in order to allow for the development of the majority of South Africans who were previously marginalised by the system of apartheid. Therefore, the government created strategies to improve chances of employment; e.g., the introduction of internships, fixed contracts and outsourcing of services (tender systems). However, despite all these interventions, the rate of unemployment remains high at 32.6 percent (Statistics South Africa, 2021).

Poor education achievement levels limit the ability of people to secure formal employment as formal skills and work experience are a requirement. This is in line with Terre Blanche (2006) who argued that the ineligibility for employment in the tertiary sector for many South Africans is caused by the low levels of education which became worse after the introduction of apartheid education legislation which separated people into schools according to their race and allocated the least funding to black African learners. The democratic government is thus left with the huge task of capacitating people with skills and needs to provide education that will equip people with skills that help them to be self-employed and not rely on being hired.

Therefore, government expenditure on the creation of jobs is not an effective strategy to eradicate the inequality gap if people are not educated or skilled. Furthermore, the increase in discrimination caused by high inflation, tax rates and the provision of a minimal amount of social grants are the third reason for ever-increasing poverty rates, homelessness and involvement in criminal activities. In relation to the above, the fluctuation in food prices tends to affect poor households the most when compared to well-off households (Statistics South Africa, 2017).

One cannot shy away from the fact that social grants received from government through South African Social Security Agency (SASSA) have great potential in preventing people in the low-income bracket from falling behind, hindering their participation further in the mainstream economy (Patel, 2015). However, it is debatable that grant money obtained is enough for recipients to meet their day-to-day household needs. As a result, some of the recipients of these grants, particularly older persons and women who are often guardians to children in our society, choose to join informal self-help groups such as stokvels to supplement social grants (Kaseke, 2010). Although South Africa's welfare system provides basic means to support the young through the Child Support Grant, the elderly through Grants for Older Persons (GOP) and the disabled through a Disability Grant (DG), there is no support that is assigned for adults of employable age who cannot find employment. For such people, informal social capital networks have become an essential form of survival.

Societal structures and tribal values also play a role in encouraging poverty. Historically, society created gender roles where girls or women's rights to education were limited because they were expected to raise children and do other domestic work from a very young age. Thus, women were prevented from looking for employment in urban areas in order to sustain a living. In addition, if they acquired any form of employment, it would be informal and of a low wage. These inequalities further exposed women to higher levels of poverty than men. Statistics South Africa (2017:570) stated that "between 2006 and 2011, females have always had a higher poverty gap than their male counterparts and this highlights that poor female are generally worse off than poor males". The extremely high rate of insufficiency among women is exacerbated by a patriarchal society that keeps

opposing women's inclusion in freedom to make their own decisions and engaging in formal employment.

As a result, women form the majority of the poor in communities throughout the developing world (Olinto et al., 2013). In order to escape poverty, there is a need to challenge such taken-for-granted expectations as they oppress and exclude women from engaging in activities that will help fight poverty. Therefore, gaining insight on the cause's poverty is significant in order to implement effective solutions to fight or combat poverty.

In this study, most participants identified unemployment as the reason they joined stokvel groups as a strategy for saving to supplement their income and fight against poverty. This is essentially because unemployment is a source of poverty. People join mutual aid schemes because they are not covered by any social scheme or, if they are covered, the protection is inadequate (Kaseke & Olivier, 2008). Thus, unemployment forces women to seek and adopt other tactics in order to maintain income security.

The sustainable livelihoods approach facilitates the identification of practical priorities for actions that are based on the views and interests of those concerned but they are not a panacea. It does not replace other tools, such as participatory development, sector-wide approaches, or integrated rural development. However, it creates a connection between people and the overall enabling environment that influences the outcomes of livelihood strategies (Serrat, 2017).

The definition of the term stokvel is subject to contestation, and several scholars have put varied conceptions forward. Consequently, there is no universally accepted definition. However, a closer analysis of the current definitions put forward by scholars such as

Lukhele (1990), Mashigo (2006), Mashigo and Schoeman (2010), Patel (2015) and Verhoef (2001) indicates that, while there may be differences among these definitions, they are only subtle variations. Verhoef (2001:523), a stokvel is defined as “a type of credit union in which a group of people, by voluntary mutual agreement, regularly contribute money to a common pool and circulate the pool among its group”.

Furthermore, Chikadzi and Lusenga (2013) observe that while the definition does capture the behaviours associated with stokvels, it is too narrow given that some stokvels do not engage in circulation of pooled money among members. Rather than circulation among the members, money is invested to benefit the entire group. In addition, a somewhat similar definition is given by Mashigo (2006:59) who defined a stokvel as “a credit association made up of a group of people usually numbering less than 30 or even less than 10, depending on the stokvel type, to give each other certain amount of money on a rotational basis”.

2.3 STOKVEL DEFINITIONS

Patel (2015:59) added the following definition of stokvel: “An informal group savings scheme whereby the members agree to contribute a fixed amount of money to a common pool on a regular basis”. This money or some of it may be drawn by the members on a rotation basis or as needed. Lukhele (1990,1) proposed that a stokvel be defined as “A type of credit union, or communal buying group, in which a group of people enter into an agreement to contribute a fixed amount of money to a common pool weekly, fortnightly or monthly, to be drawn in rotation according to the rules of a particular stokvel”. Chikadzi

and Lusenga (2013) argued that the definitions given above are too narrow and so fail to capture some of the behaviours that characterise stokvels.

Members are able to participate long term in stokvels through mutual assistance. Mutual aid arrangements are an attempt to address gaps in social protection (Triegaardt, 2005). People join mutual aid schemes because they are not covered by any social scheme or, if they are covered, the protection is inadequate (Kaseke & Olivier, 2008).

People engage in various economic, social and cultural activities in order to make a living (Morse, Schenck & Mosoetsa, 2011). The assets are drawn on via activities through which people seek to improve themselves. For sustainable community development, people should be facilitated to become aware of their assets and then explore activities directly linked with their assets to improve their livelihoods (Green & Haines, 2008; McKnight & Kretzmann, 1993; Mathie & Cunningham, 2005). These authors have a link to this study as the researcher seeks to explore the sustainability of stokvel investment and the risks that may arise. The study is aimed at validating the rural development of and providing social security and protection for stokvel members.

2.4 HISTORY OF STOKVELS

As pointed out earlier on, stokvels fall under the umbrella of informal social security and constitute an important form of social security. Triegaardt (2005) explains that stokvels, burial societies and other forms of communal savings are all components of the rich fabric of social security. Stokvels are an example of mutual aid arrangements designed to provide mutual assistance to the members. The establishment of mutual aid arrangements is an attempt to respond to gaps in social protection.

Additionally, Dekker and Olivier (2003) observed that unlike formal social security systems, informal social security systems are not regulated by the state. There is no agreement as to when exactly stokvels emerged, but it is generally accepted that the term "stokvel" originated from English-speaking settler farmers' "stock fairs" of the early nineteenth century in Eastern Cape, South Africa (Lukhele, 1990).

Irving (2005) explains that it was at these "stock fairs" that the English settlers auctioned off their cattle and it was also an occasion when black farmers and labourers, socialised, exchanged ideas and gambled whatever resources that they had to purchase livestock. Upon the discovery of gold in Johannesburg in 1886, many people, particularly men, migrated to Johannesburg.

Many of these migrants were Cape blacks who brought with them the concept of stokvels, particularly the burial stokvel, as there was a great need to ensure that one had a decent burial back in their rural homes (Lukhele, 1990). Around the 1930s, there was an influx of rural-urban migration particularly amongst women as they arrived in the cities and towns to join their husbands who were working in the mines (Lukhele, 1990).

Buijs (2002) stated that the reason why many black women participated and still participate in stokvels is because most of them are poor and unemployed. Many of those who are employed in the informal economy have low incomes, hence the need to supplement their incomes through other means such as stokvels. Stokvels have become a common female-dominated self-help initiative and these stokvels have expanded from burial stokvels to other types.

2.5 TYPES OF STOKVELS

There are different types of stokvels in South Africa as the following discussion shows. Verhoef (2001) identified four types of stokvels, namely savings, burial, investment and high-budget stokvels. Stokvels have both economic and social functions. The economic function relates to the use of stokvels to promote income security while the social function speaks to social capital, which manifests itself through friendships and social networks.

2.5.1 Savings Stokvels

Savings clubs or contribution stokvels promote savings. Members contribute a fixed amount of money into a common pool and they mutually agree upon the order or cycle of receiving the pooled funds. Smallhorne (2013) observed that savings stokvels have the largest membership. Verhoef (1999) also argued that savings clubs have relatively large memberships and members meet at regular intervals and make regular fixed contributions. Member contribute a certain amount of money at a specific time and agree on how these funds will be disbursed (Chikadzi & Lusenga, 2013; Mashigo & Schoeman, 2010; Matuku & Kaseke, 2014). Members receive the pooled funds on a rotational basis. This type of stokvel has been part of South African communities for years. Esson (2003) explains that fund-rotating schemes are of great importance to people as, in many situations, members are enabled to buy goods that they would normally not be able to afford with their monthly incomes.

The *"umasiholisane*" is an example of savings club that is characterised by regular meetings, compulsory contributions and rotation of benefits to members (Irving, 2005; Verhoef, 1999). In addition, James (2015) stated that "*masiholisane*" (which is Zulu name

derived from a verb “ukuhola”, meaning to pay or to cause to pay back to each other, in its causative reciprocal form) suggests the intense levels of solidarity that existed when migrants came together to save some of their wages for use in future for specific purposes.

Savings clubs are characterised by strict, mutually accepted rules of operation, fixed contributions, compulsory attendance and agreement prior to the commencement of the cycle, on the order of rotation for pay-outs from the investments pool and sometimes stipulated in a formal constitution (Verhoef, 1999). In addition, some of these savings clubs terminate their existence upon the completion of a single cycle, though a new stokvel is sometimes established among the same group of trusted parties (Verhoef, 2001). Also worth noting is that saving clubs generally do not have an adequate grasp of the ramifications of inflation. Since the savings are not necessarily invested in inflation-hedge instruments, their value is eroded over time (Dube & Edwell, 2018).

2.5.2 Burial Stokvels

Contributions to a burial stokvel assist the families in the event of death by providing material and non-material support. This type of stokvel emerged in the gold mines and were formed by black people as, when someone died, it was difficult and expensive to transport the deceased body to a rural area for burial. African custom prohibits a member of a family from being buried in a city. Members of a burial stokvel pay fixed contributions which are used to cover funeral expenses. The stokvel is guided by the constitution on how the benefits will be used for members in the event of a death (Matuku & Kaseke, 2014).

Burial stokvels are a form of a funeral scheme in which, in the event of death, members benefit from both material and non-material support. According to Verhoef (1999), burial stokvels in South Africa started in the Orange Free State in the 1930s and were formed on the basis of tribal or ethnic loyalty; however, this is no longer exclusively the case. These are the most significant kinds of stokvels and women dominate their membership. These evolved from the African custom of bringing food and drinks to the family of a deceased person for the funeral (Matuku& Kaseke, 2014; Verhoef, 1999). Dalufeya (2013) and Lukhele (1990) stated that burial stokvels were established to ease the financial burden on bereaved families.

People who become members of this sort of saving scheme pool their fixed contributions on a monthly basis, and these contributions are then kept in one specific member's bank account or in the society's account – as most burial stokvels have bank accounts (Verhoef, 1999). In some cases, a group policy is taken with funeral undertakers in order to prepare for the unforeseen event of death (Verhoef, 1999). In addition, Irving (2005) and Esson (2003) further emphasised that members are only able to access these funds when paying for funeral-related costs.

Most burial stokvels have uniforms and badges, which are a symbol of togetherness and exclusiveness, and the names they give their savings group are a reflection of the self-help element and togetherness that exists in their structures (Lukhele, 1990). According to Verhoef (1999), there are two types of burial societies. The first functions on trust and the loyalty of members, as it has no written constitution and/or agreement, and does not provide for regular savings, nor does it deposit common funds into a bank account; all

contributions are paid to the family of the deceased (Dalufeya, 2013; Matuku & Kaseke, 2014; Verhoef, 2008).

Moreover, members can join many different societies. Most burial stokvels stipulate a three-month period before a new member can start claiming and/or benefiting from the stokvel (Dalufeya, 2013). In burial stokvels, members enjoy an unlimited insurance cover for the entire family, and claiming is relatively simple, with payment disbursed within a maximum of 48 hours (Dalufeya, 2013).

The evolvement of these stokvels was driven by the high mortality rate among urban labourers, which resulted from unsanitary living conditions, dietary changes and disease epidemics, which created an above-average demand for funeral arrangements. In the African communities, the cost of funerals increased as a result of the expectation that the deceased should be buried with honour and pride, and in his or her rural village of origin. In the urban communities, the second type of burial societies was established with the primary objective of assisting urban Africans with funeral costs (Matuku & Kaseke, 2014; Verhoef, 2001).

While Verhoef (2001) identified two types of burial societies, Dalufeya (2013) observed that there are other types of burial societies which represent a certain category of social networks of people sharing homogenous demographic characteristics. These social network-based societies include community burial stokvels, which are mostly found in Botswana, Ethiopia and Zimbabwe; work-based burial stokvels; religious, ethnic and tribal burial stokvels; gender-based burial stokvels and finally, migration burial stokvels (Dalufeya, 2013).

Dalufeya (2013) and Lukhele (1990) further asserted that burial schemes were established to ease the financial burden of families who lost their loved ones in urban settings. They identified two groups of burial societies in South Africa. The first type is a group of people who enter into a loose, unwritten agreement to contribute a specified amount of money in the event of an immediate family member's death or the death of members themselves. The second type is one where members bring their contributions to the family of the deceased, and these contributions can be used to pay for funeral-related costs. In the second type of burial scheme, members are obliged to pay a large, fixed contribution, either weekly, monthly or annually. Bank accounts are opened and written agreements or constitutions are drawn up detailing how the scheme will operate and how benefits will be paid (Lukhele, 1990).

Dalufeya (2013) argued that burial societies (stokvels) continue to enjoy a large, consistent and enthusiastic membership even with the availability of funeral insurance schemes provided by formal institutions. There are several reasons given for this observation, including the fact that funeral insurance offered by burial stokvels additionally affords the grieving family both social and emotional support, because members make themselves available to offer support and do some chores for the bereaved family (Chikadzi & Lusenga, 2013). Therefore, it is more than the establishment of financial support that is provided by these stokvels.

In addition, the fear of not having a dignified funeral when one dies draws many people to focus on funeral-related stokvels as the only credible form of funeral insurance, especially for those not covered by any formal arrangements. Another reason offered for the large membership is the notion of a strong sense of ownership, where members feel

that they are in control of the capital contributed and that it is readily available to them when adversity strikes (Dalufeya, 2013).

This also enhances self-commitment from burial stokvel members. Another reason given is that in some cases, burial stokvels might be the only source of funeral insurance for people working in the informal economy, especially those who might not have bank accounts and proof of residential addresses in the form of utility bills and municipal accounts (Mashigo & Schoeman, 2010). Thus, burial stokvels can be viewed as possible pathways to extending social protection benefits to communities working in the informal economy.

2.5.3 Investment Stokvels

The mutual goal is to invest and accumulate capital for business projects, e.g., building a block of rental flats. The purchase of bulk goods is also promoted by investment stokvels. The investment stokvels are also known as cooperative buying societies (Irving, 2005). In investment stokvels, the fixed amount of money is contributed monthly. Funds are accumulated based on an agreement for a period of time before investing in a business adventure. In this stokvel type, capital is accumulated through investing in business ventures. According to Bouman (1995) and Matuku and Kaseke (2014), this type of stokvel is also known as an investment club, which resembles a cooperative society. The emergence of investment stokvels was facilitated by growing affluence among urban black people and these types of stokvels resemble a Taiwanese “hui”, i.e., ROSCAs, where membership is mostly made up of professional and technical workers (Verhoef, 1999).

In this type of stokvel, funds are saved with a specific common goal amongst the members of the stokvel. These goals usually involve carrying out capital projects, investing in a business venture or purchasing large, usually expensive commodities (Chikadzi & Lusenga, 2013; Verhoef, 1999). Some accumulating credit stokvels pool money to lend out for a profit; these are normally called “omashonisa” (a Zulu word that means loan shark). Any member who borrows from the stokvel repays with interest after a fixed period of time determined by the members (Irving, 2005; Lukhele, 1990). However, the interest charged is very high compared to that charged by banks. Chikadzi and Lusenga (2013) indicated that the interest charges ranged between 20% and 50%. These stokvel mostly have clients who are blacklisted by credit bureaus and there is no paper work or credit check. Verhoef (1999) stated that these types of stokvels usually dissolve after loans have been repaid and capital, plus interest, has been shared amongst the members. These types of stokvels move beyond a savings scheme towards investment in capital, property and financial instruments (Verhoef, 2008).

The goals of such stokvels can range from modest, such as purchasing a refrigerator or television set, to more ambitious targets like purchasing shares in a hotel or buying land to erect an office block. These groups extend their activities beyond simple savings mobilisation to obtain interest on contributions through informal lending or the investment of collective capital in a bank account (Irving, 2005). In addition, a common goal of investment stokvels is to accumulate capital by investing in business ventures (Matuku & Kaseke, 2014). Another incentive for the existence of groups of this nature may be to minimise bank charges and maximise interest received, where large loans are subject to higher rates of interest (Irving, 2005)

2.5.4 High-Budget Stokvels

High-budget stokvels operate as financial institutions and are established to promote savings and investments. By their nature, this type of stokvel does not cater for people with minimal means of living. Members of high-budget stokvels contribute huge amount of money and have high standing in society level. These substantial contributions allow them huge pay-outs they use to buy estate houses and afford luxury lifestyle. High-budget stokvels are male dominated though few women begin to join them (Schulze, 1997). This certify that women are still left behind when it comes to wealth and wage scale. These stokvel types operate as financial institutions, and their purpose is to promote savings and investment. According to Lemire, Pearson and Campbell (2002), this form of stokvel usually has a large number of members and members are usually people of a high social standing and credibility in the community (Matuku& Kaseke, 2014). Monthly contributions are also high and pay-outs range from R7 000 to R15 000 per month and can go up to more than R30 000 (Verhoef, 1999).

However, members can wait up to five years or more before a pool is allocated to them (Lukhele, 1990). This makes it unsuitable in case of emergencies but is suitable for long-term investments. Therefore, in this type of stokvel, a member can expect large sums of money, and the money can be used to purchase property, to start up a business or to finance a big capital project (Lukhele, 1990). In addition, even though there are high profits due to high interest rates, corruption and misuse of power exist in these types of stokvels (Verhoef, 1999).

During the pay-outs, the recipient hosts a party and members pay an entrance fee to defray expenses (Lukhele, 1990). Members are also acknowledged based on trust, as with all other types of stokvel, but ordinary members are unlikely to be included if they play a minor role. Irving (2005) further stated that this grouping usually consists of 10 to 20 founding members who enjoy a raised status and have control of the stokvel's functioning.

2.6 CHALLENGES CONFRONTING STOKVELS

Stokvels pose a number of challenges as they are informal saving groups based mostly in rural areas. A study by Mwangi and Kimani (2015) in Kenya, on the challenges experienced by members of informal finance groups in Gachagi informal settlement in Thika Sub-County, highlighted six challenges that affect the smooth running of informal savings groups such as stokvels. These include poor governance and leadership, low attendance of meetings, defaulting members, poor record-keeping, conflict amongst members and the lack of clear operational structures.

In relation to poor governance and the lack of proper governing structures, Siwan, Baland and Moene (2003) observed that stokvel systems and procedures are loose and subject to negotiability. Some members may experience challenges related to the element of negotiability as it might enable powerful individuals in the group to manipulate members to their own advantage. Mwangi and Kimani (2015) further stated that a few powerful community members can take advantage of the weak systems where they can quickly set up a group, collect funds from other members, take a big loan for themselves, default on repayment and will probably leave the neighbourhood to avoid repercussions.

Stokvel members might also fail to pay their payments in time, and some might intentionally defraud the scheme and steal from it, resulting in the scheme running out of funds and being unable to meet the demand when too many beneficiaries claim at the same time (Porteous & Hazelhurst, 2004). Similarly, Anderson, Baland and Moene (2004) noted that in informal savings groups, problems relating to member contributions are particularly common and are often associated with those members who receive the pool last. However, they also relate to those who are first in the line who are often those who fail to pay their dues in the future.

It is observed that stokvels are still not officially recognised as vital savings mechanisms in official statistics, and this contributes to an underestimation of the importance of these organisations, both as savings institutions and as mechanisms of poverty alleviation and social advancement (Verhoef, 2001). In addition, the relationship with the private banks, private insurers, administrators, funeral undertakers and the regulatory measures aspired to by the government are also challenges confronting stokvels in South Africa (Makhura, 2015). In relation to this issue, stokvels point to exorbitant fees charged when they bank their capital, beyond-reach insurance premiums that exclude other society members, products that are inappropriately designed for burial societies and funeral undertakers, and administrators who are involved in illegal insurance activities and exploitation (Makhura, 2015).

People who believe in savings and fixed deposit accounts offered by formal financial institutions view stokvels as a waste of time and money, and so stokvels are evaluated against the background of the interest earned at building societies and banks (Lukhele, 1990). In addition, there are challenges when it comes to skills development, discipline

and governance in these organisations (Makhura, 2015). Moreover, Mostert, Oosthuizen and Van De Vyver, (2002) stated that because of the elements of trust and loyalty, which are instrumental in these organisations, new members are invited to join only after their credibility and reliability has been established, and this may hinder the growth of the stokvels' capital base.

The Asian Development Bank (ADB) (2017) stated that the sustainable livelihoods approach enhances the understanding of the livelihoods of the poor as it organises factors that are deemed to enhance and/or constrain livelihood opportunities. The ADB further argued that the sustainable livelihood approach also helps in the planning of development-related activities and in assessing the contribution that such activities have made to the sustenance of livelihoods (Serrat, 2017).

As much as the sustainable livelihoods approach does not replace other approaches such as integrated rural development, participatory development and sector-wide approaches, it helps in facilitating the identification of practical actions based on the views and interests of those concerned (ADB, 2017). Moreover, the ADB stated that the sustainable livelihoods approach looks at the inherent potential of individuals with regard to their skills, access to physical and financial resources, social networks and their ability to influence core institutions. In most rural areas, communities lack skills and abilities to work with the little they have in order to sustain their development. Thus, this study is mostly interested in providing insight into how people can bring about change and sustain it in order to eradicate poverty.

2.7 WOMEN EMPOWERMENT

The women have established the necessary self-confidence and empowerment to make decisions in each other's mutual interest. Their capacity to lead is evident from the multiplicity of roles they are playing in their respective social groups and in the community (Masoga & Shokane, 2019). The leadership qualities and capacities that were evident during the focus groups were collaboration, coordination, sharing power and sharing information (Masoga & Shokane,2019). In the current study, most of the participants were women and the researcher aimed at assessing their capacity to empower themselves in the fight against hunger.

2.8 THEORETICAL FRAMEWORK

The study was guided by the sustainable livelihoods approach. The sustainable livelihoods approach improves understanding of the livelihoods of the poor. It organises the factors that constrain or enhance livelihood opportunities and shows how they are interrelated. It can help plan development activities and assess the contribution that existing activities have made to sustaining livelihoods (Moloi, 2011). Most people join stokvels in order to make their lives better. Stokvel members usually participate in stokvels for a long period of time and sometimes a member joins' more than one stokvel.

2.8.1 The Sustainable Livelihoods Approach

The study was guided by the sustainable livelihoods approach. The concept of "sustainable livelihoods was first introduced by the Brundtland Commission on Environment and Development as a way of linking socioeconomic and ecological

considerations in a cohesive, policy-relevant structure" (Krantz, 2001). In 1992, the United Nations Conference on Environment and Development (UNCED) expanded the concept and advocated for the achievement of sustainable livelihoods as a broad goal for eradicating poverty (Krantz, 2001). According to Norton and Foster (2001), "the sustainable livelihoods approach can be seen as one of a number of analytical frameworks which deal with the dynamic dimensions of poverty and well-being".

The sustainable livelihoods approach is a way of thinking about the objectives, scope, and priorities for development activities. It is based on evolving thinking about the way the poor and vulnerable live their lives and the importance of policies and institutions (Scoones, 2015). The sustainable livelihoods approach facilitates the identification of practical priorities for actions that are based on the views and interests of those concerned but they are not a panacea. Fighting hunger is a long-term process; thus, the researcher considered that the sustainable livelihood approach would best suit the study as it focused on assessing stokvels as a strategy in fighting hunger.

It does not replace other tools, such as participatory development, sector-wide approaches, or integrated rural development. However, it makes the connection between people and the overall enabling environment that influences the outcomes of livelihood strategies (Serrat, 2017).

2.9 CHAPTER SUMMARY

This chapter discussed the literature on stokvel groups as a poverty reduction strategy and the use of Sustainable Livelihood as a theory to understand stokvel activity. Poverty is the biggest concern amongst rural communities and stokvels of varying forms have

been formulated in these communities as a way to mitigate against the harsh realities of rural poverty. The chapter further discussed the four broad types of stokvels found in South Africa, which include savings, burial, accumulating funds and high budget stokvels.

The following chapter discusses research methodology that underpinned the study.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

The chapter commences by explaining aspects of the research methodology underpinning the study; that is, the research paradigm, approach and design, study population and sampling procedures, research instrumentation, rationale for inclusion of items in the interview schedule, data collection, field work experience, data analysis, trustworthiness, as well as limitations. The chapter concludes by explaining the ethical considerations relevant to the study.

3.2 RESEARCH METHODOLOGY

Research methodology is the strategy used to conduct the study. Burns and Grove (2001) referred to research methodology as the plan used to gather and analyse data. A methodology does not set out to provide solutions – it is, therefore, not the same thing as a method. Instead, it offers the theoretical underpinning for understanding which method, set of methods or best practices which can be applied to a specific case, for example, to calculate a specific result.

3.1.1 Research Design

The study was explorative in nature. Exploratory research design is conducted to gain new insights and discover new ideas which will solve a specific problem (Burns & Grove, 2001). The major purpose of exploratory research is the development and clarification of ideas and the formulation of question and hypothesis for more precise investigation.

The researcher chose to use exploratory research for this study to find new ideas, knowledge and insight on whether stokvels can be a tool to alleviate poverty in rural communities of uMzingazi. The study was conducted in line with the views of Durrheim (2004) who stated that the purpose of using a qualitative approach is to obtain holistic descriptions of social reality, understand phenomena from the lived experiences of participants and reach beyond the surface features of research problems by providing a thick description of the phenomenon. Furthermore, he explained that the approach is suitable for relatively unexplored topics and that the research design is flexible and evolves with no fixed steps.

According to Merriam and Tisdell (2015:219), a qualitative approach in social research "is based upon the need to understand human and social interaction from the perspectives of insiders and participants in the interaction". Creswell (2012:198) also defined qualitative research as a "research process that uses inductive data analysis to learn about the meaning that participants hold about a problem or issue by identifying patterns or themes".

The qualitative research method allowed the researcher an opportunity to gather rich and thick description of the events being studied (Emmel, 2013). Additionally, Smith and Osborn (2003) maintained that qualitative research primarily focuses on making sense of human experience within specific contexts rather than concentrating on predicting behaviours. In qualitative research, data is presented in the form of words, pictures, descriptions or narratives rather than numbers and counts as it attempts to gain access to the personal and subjective experience of the participants (Monette, Sullivan, De Jong & Hilton, 2014).

Creswell and Creswell (2005) stated that qualitative research is primarily concerned with understanding human beings' experiences in a humanistic, interpretive approach. Qualitative research believes in multiple realities and considers the participants' viewpoints. Therefore, this particular study has been conducted using a qualitative research approach as it is based on the participant's opinions and experiences of whether their stokvels helped them in fighting against hunger or not.

3.1.2 Research Instrumentation

A focus group guide and a semi-structured interview schedule were the two research instruments used in the study. They used similar questions for the participants (Appendix E). The guide was prepared in both English and isiZulu which was the participants' mother tongue.

3.1.2.1 Focus group

For the focus group discussions, a focus group guide with prompts was used during the focus group discussions with members of the two different categories of stokvels. Greeff (2011:361) defined a focus group discussion as a "carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment". On the other hand, Morgan (1997:6) described focus groups as "research techniques that collects data through group interaction on a topic determined by the researcher".

According to Greeff (2011), the group is 'focused' because it involves a collective discussion amongst members on a specific topic of mutual interest. In addition, focus

groups are a strong means of investigating complex behaviour, exposing reality and understanding a variety of experiences. In most cases, researchers use focus groups when they have a desire to learn from the participants. Just like most qualitative methods, focus groups draw on three fundamental strengths: interpretation, context and depth, and exploration and discovery (Greeff, 2011). One of the reasons for using focus groups is that they work well in multi-method studies that use two or more ways of data gathering (Morgan, 1997). Furthermore, Stewart and Shamdasani (2015) stated that focus groups give participants the opportunity to react to and build on what others might have said.

Focus groups are also cost-effective way of gathering data from a group of people in a very short time (Stewart & Shamdasani, 2015). However, the use of focus group guides and prompts has limitations in that the researcher may knowingly or unknowingly provide cues to the kind of answers they are looking for. In addition, group members who may be reserved may find it difficult to talk and voice their opinions (Stewart & Shamdasani, 2015).

3.1.2.2 Semi-structured interview schedule

A semi-structured interview schedule was used to collect data during individual interviews (Appendix E). According to Greeff (2011), an interview schedule or guide is a questionnaire developed to guide the interview process. Monette et al. (2014) emphasised that interview schedules help researchers to think carefully and explicitly about what they want the interview to cover and achieve. Semi-structured interview schedules also allow for flexibility. Patton (2002) also stated that semi-structured

interviews help the researcher to keep track of all-important aspects that need to be covered during the interview and to guide the flow of the interview.

Semi-structured interview schedules are mainly characterised by open-ended questions, which allow the researcher to probe more deeply in order to gain clarity or elaboration on a particular issue (Greeff, 2011). Appendix E shows the questions that were included in both the focus group guide and the interview schedule and the rationale for having the questions.

3.3 TARGET POPULATION

Target population or universe refers to the group of people or set of objects that contain all the variables of interest to the researcher (Polit & Beck, 2008). The researcher's target population for this study was four groups of stokvel members from different types of stokvels in **u**Mzingazi area. The population was targeted because they have been involved in this saving practice for some time and they were accessible to the researcher.

3.4 SAMPLING AND SAMPLE SIZE

Sampling is the act, process, or technique of selecting a suitable sample or a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Polit & Beck, 2008). Researchers therefore need to define their population and sample. Sampling may in fact provide a more accurate picture of the people being researched than will researching the entire population. The small scale of a study makes it possible to supervise more effectively and keep more accurate records (de Vos, Strydom, Fouche & Delport, 2005)

A two-stage sampling technique was used in this study. The first stage involved selecting participants for the focus group discussions, although the researcher had some challenges in meeting with the group due to Covid-19 pandemic. The second stage was the selection of participants for in-depth, one-on-one individual interviews. The researcher used the snowball sampling technique in this study. Snowball sampling is a technique that involves research participants referring the researcher to other potential participants (Polit & Beck, 2008).

The researcher knew the place of study and a few members known in the community which were involved in stokvel groups that could make referrals to other participants in stokvel groups. The researcher started the process by approaching one individual from the Siyavuka Stokvel (SS). From there, the researcher was given names of other people who might have interest in participating in the study. The researcher did not know the members who participated in the stokvel but relied on referrals from other members.

The researcher conducted research with participants of four different types of stokvels, five members from each stokvel. The interviews were conducted with the Zamani Stokvel (ZS) which is a saving stokvel; Siyavuka Stokvel (SS), an investment stokvel; Thokomala Society Club (TSC), a high-budget stokvel; and Vukuzisize Burial Stokvel (VBS), a burial stokvel. The members were selected based on the following criteria: they needed to have two years or more experience; should fall into the 30-50 age group and must be from uMzingazi area (Nzalabantu village).

3.5 DATA COLLECTION

Austin and Sutton (2014) argued that whatever the philosophical standpoint of the researcher and the data collection method (e.g., focus group, one-to-one interviews) used, the process would involve the generation of large amounts of data that is relevant to the topic, **analysis** it to give meaning to the reader and solve a research problem. The data collection instruments used for this study were semi-structured and focused group interviews. The focus group was relevant for this study as the researcher had collective interviews with the group and also saved time as they were interviewed together.

Direct elicitation methods could include a stimulus to self-report; for instance, interviewing and completion of questionnaires (Miller, Dingwall & Murphy 2004). In-depth, individual, face-to-face interviews was one of the data collection methods used and all interviews were conducted in a setting that allowed for privacy. Face-to-face interviews lasted about 40 minutes. It should be noted that the data collection process only took place after the researcher received the Ethics Clearance certificate from the University of Zululand Ethics Committee (Appendix C). In total, four face-to-face interviews were conducted, including the one with a key informant.

The researcher conducted two individual interviews alone, without the assistance of a research assistant, and of the three interviews, one was with the key informant. The two sessions of interviews were dominated by IsiZulu language. Some interviews were conducted in places where there were minimal levels of disturbances and interruptions or in the comfort of the participants' homes. In cases where participants were illiterate, a researcher conversant with the local language was used to conduct interviews, and

translation and back translation was done in order to preserve the originality of the information. According to Monette, Sullivan and DeJong (2011), semi-structured interviews allow for more flexibility in the sequence of questions to be asked and the interviewer can allow the participant to speak more broadly about the topic being discussed. A semi-structured interview is in reality a questionnaire read by the interviewer as prescribed by the researcher (Sarantakos, 2012).

The interview schedule in this study was used for determining the role of stokvels as a strategy in eradication of hunger. The interviews were conducted in English and Zulu because some of the participants' language barriers. The findings were translated into English.

3.6 PILOT STUDY

Sarantakos (2012) indicated that the purpose of a pilot study is to discover possible weaknesses, inadequacies, ambiguities and problems in all aspects of the research, so that they can be corrected before actual data collection takes place. A pilot study was conducted amongst 05 stokvel participants. The participants did not form part of the main study; the pilot study was aimed at exploring the role of stokvels in fighting hunger.

3.7 DATA ANALYSIS

Applied thematic analysis was utilised to analyse data. Thematic analysis unpacks the internal logic of the texts analysed and provides a map of the important and interrelated themes contained in the text (Neuman, 2000). Thematic analysis is commonly used by researchers in the social sciences because it allows researchers to establish trends

through their engagement with the data (Greenstein, Roberts & Sitas, 2003; Neuman, 2011). Data analysis was based on the transcriptions that were done from the recorded interviews and focus group discussions, together with notes that the researcher took during the research process.

Terre Blanche (2006) stated that numerous steps are followed when using thematic analysis. The first step after transcribing the data is familiarisation and immersion, which involves reading through texts many times, making notes, brainstorming and drawing diagrams. The researcher read through the transcripts and extracted direct quotations that expressed and supported a particular theme in relation to the contribution of stokvels to the social protection needs of the members. This step is followed by inducing themes, which allows for the use of informants' language rather than abstract theoretical language to label different categories. In order to categorise the themes, the researcher created a table that included the three objectives of the study, and relevant quotations were inserted under each objective.

Coding is the third step and it entails marking different sections of the data as being instances of, or relevant to, one or more of the themes identified (Terre Blanche, 2006). In addition, data coding includes labelling and placing similar responses together and deriving themes from them (Greenstein, Roberts & Sitas, 2003). The fourth step is elaboration which involves grouping themes more closely together. During the data elaboration stage, the researcher went through the recordings and transcriptions once again and in doing this, the researcher identified and added any information that may have been missed during the previous stages. This step often leads to the revision and refinement of themes reducing from the initial themes (Terre Blanche, Durrheim & Painter,

2006). The final step is interpretation and checking, where the researcher goes through the interpretation carefully to try and strengthen any weak points in the analysis (Terre Blanche et al., 2006).

Babbie (2011) and Corbin and Strauss (2008) stated that qualitative analysis is a non-numerical process of examining and interpretation of data in order to elect meaning, gain understanding and develop empirical knowledge. Data is sifted and sorted from masses of information acquired during the data collection process and organised or re-contextualised to themes or categories in order to address the research problem.

Data collected was analysed using the thematic content analysis and various themes that emerged were identified, organised and interpreted to establish meaning in order to address the research objectives. The researcher read all transcripts, put all similar topics together to form themes in order to make sense of the data collected and answer the research questions of this study. Interpretation is done and findings discussed in Chapter 4.

3.8 TRUSTWORTHINESS OF THE STUDY

According to Babbie and Mouton (2011), trustworthiness refers to how a researcher can convince the audience that the findings of the study merit their attention. According to De Wet and Erasmus (2005), appropriate steps should be taken in order to ensure that the research findings are trustworthy. Shenton (2004) outlined the four key concepts commonly used to establish the trustworthiness of qualitative data, namely, credibility, dependability, transferability and confirmability.

The researcher collected data using two different methods, which were focus group discussions and individual interviews, as a strategy of enhancing the trustworthiness of the research. Leininger (1994) stated that credibility refers to the truthfulness, believability and value of the researcher's findings in representing the real world as perceived by participants. According to Shenton (2004), credibility has to do with the originality of the collected data, or the data accurately representing what the participants shared with the researcher during interviews.

The researcher interviewed the participants in the comfort of their own homes and settings as part of the steps that were taken to enhance the credibility of the data. In addition, in order to enhance credibility, the researcher described the setting, targeted population and theoretical framework that guided the study. Furthermore, Anney (2001) stated that dependability refers to how credible the process of data collection and analysis is together with the integration of literature. Dependability is the qualitative equivalent of reliability in quantitative studies (Schurink, Fouche & de Vos, 2011). The researcher enhanced dependability of the findings by administering some of the interviews herself, by being present at all the interviews and by taking a leading role in the facilitation of the focus group discussions, where a research assistant observed and assisted with language issues.

The researcher allowed ample time between interviews and focus group discussions, and this process allowed the researcher enough time to reflect on the initial data before interviewing the next participant and before conducting the next focus group discussion. Shenton (2004) stated that transferability is the degree to which study findings can go beyond the boundary of the study setting and be applied to a similar setting. In this study,

only four stokvels from uMzingazi area outside Richards Bay, Kwa-Zulu Natal were studied which constituted a limitation.

However, it was evident during literature review those similar findings had been made in other communities and countries; therefore, ensuring a dense description of data collected enhanced transferability. Furthermore, Schurink et al. (2011) suggested the need to ask whether other persons had confirmed the findings of the study. To enhance confirmability, the researcher made use of correspondence checking as recommended by Pretorius and De la Rey (2004), whereby the categorisation of themes of the study was checked by the researcher's supervisor. Having the supervisor check the themes limited the potential for omitting key aspects, thereby enhancing confirmability.

3.9 ETHICAL CONSIDERATIONS

Ethics concerns the morality of human conduct. In relation to social research, it refers to the moral deliberation, choice and accountability on the part of researcher throughout the research process (Polit & Beck, 2008). The researcher required consent from Umfolozi Municipality to conduct the study (Appendix D) and the consent from participants (Appendix A – English and Appendix B – isiZulu) so their participation was voluntary, and the researcher ensured that there was no harm done to the participants and embarrassment or humiliation was avoided.

3.9.1 Voluntary Participation

Voluntary participation was achieved by explaining to the participants that choosing not to participate in the study would not have any negative consequences for any of the

potential participants. This was done in order to allow participants to voluntarily participate in the study. “Participants were legally and psychologically competent to give consent and were made aware of the fact that they could withdraw from the study at any given time without any negative consequences” (McLaughlin, 2007:26). A participant information sheet (Appendix A & B) was distributed amongst all potential participants for them to read and understand about the study before they were agreed to participate. However, for those participants who could not read, the information on the participant information sheet was read to them. This was done to ensure voluntary participation.

3.9.2 Informed Consent

This implies that all human participants should be fully informed about a research project before they agree to take part. Information about the purpose of the study, what participation is required of them and duration of participation was made available to the participants. Babbie (2001) stated that it is the responsibility of the researcher to ensure that participants are provided with the necessary information before they decide whether or not to participate in the study.

Hepworth, Rooney, Rooney, Strom-Gottfried and Larsen (2010) reiterated that to facilitate informed consent for persons with hearing, literacy, or language difficulties, social workers should utilise interpreters, translators and multiple communication methods as appropriate. Participants were invited to sign informed consent forms (Appendix A & B), before taking part in the study. For those who could not read, the information on the informed consent forms was read and explained to them before they signed. This

confirmed their willingness to participate and indicated that they were aware of the purpose of the study.

3.9.3 Confidentiality

Confidentiality in research is explained by Strydom (2011) as the protection of the data collected through ensuring that no one has access to the data, except for the researcher, research assistants and the academic supervisors. The involvement of research assistants and the supervisor in the study was explained to all potential participants from the beginning of the study. Potgieter (2007) emphasised confidentiality as one of the most important values of social work practice and also research.

Confidentiality will ensure protection of participants' information and identity and respects their dignity and their worth at all times regardless of their social, health or socio-economic status. For this study, confidentiality entailed that only the researcher was aware of the identity of participants, and that she committed to safeguarding all the information provided by the participants during the data collection process. However, the extent and limits of confidentiality were also explained to the participants, especially those who participated in the focus groups discussions.

3.9.4 Anonymity

In the publication of findings, efforts were made to ensure participants' anonymity. Rubin and Babbie (2001) described anonymity as a process where gathered data cannot be linked or associated with a particular participant. For this study, names and other

identifying particulars of participants were replaced by codes for anonymity purposes as outlined by Hepworth et al. (2010).

3.9.5 Avoidance of harm

The researcher has the duty to protect participants from any physical or emotional harm. According to Babbie (2011), if there is a reason to believe that carrying out a particular study might result in any harm inflicted to the participants, necessary steps should be put in place to minimise the potential harm or the study could be called off. Participants were informed beforehand about the potential impact of the study so that they could make informed decisions about whether they wanted to participate or not. For this study, the researcher ensured that all participants were not exposed to any form of emotional or physical harm.

3.10 SUBMISSION OF PROPOSAL FOR ETHICS CLEARANCE AND PUBLICATION OF FINDINGS

Prior to data collection, the researcher submitted the research proposal and ethics application form to the University of Zululand Research Ethics Committee (UZREC). This is one of the processes that were followed to make sure that the research upholds the necessary ethical requirements before it is undertaken. Wassenaar (2006) stated that an independent and competent research ethics committee should subject all protocols to independent ethical review prior to the commencement of the data collection process". Therefore, research was done after being cleared by the ethics committee and given a clearance certificate. Over and above the University ethical clearance (Appendix C),

authorities in the Umfolozi Municipality gave permission to undertake the study in uMzingazi (see Appendix D).

3.11 LIMITATIONS AND DELIMITATIONS

There was a possibility that some participants might furnish socially desirable responses in order to speak well about their stokvel. However, for this reason, they were assured of confidentiality and that there were no right or wrong answers. Some participants were wary of talking about their challenges in front of other participants during the focus group discussion, which led to the researcher conducting one-on-one interviews with five members from the four different stokvels.

Participants asked whether they were going to be compensated after participating in the study but no compensation was offered. The researcher paid transport fees for two members who travelled from Esikhawini. This was scary to the researcher as some members might have pulled out from participating, thereby losing vital information in the process as the researcher had to work with only those who voluntarily participated without any compensation.

The researcher experienced some challenges after the President of South Africa placed the country in lockdown due to Covid-19 pandemic. Everything came to a standstill as people were mostly indoors only going to town for groceries and medication. This caused a delay in completing this study.

3.12 CHAPTER SUMMARY

The third chapter provided a detailed description of the research methodology, through the discussion of the research paradigm, approach and design, study population and sampling procedures. Following the above sections was a discussion focusing on the research instrumentation, the rationale for inclusion of items in the interview schedule, pretesting of the research tool, data collection, and fieldwork experience and data analysis.

The chapter further explained the trustworthiness, ethical considerations as well as limitations and delimitations of the research design and methodology. The findings of the study are discussed in the following chapters.

CHAPTER 4: PRESENTATION OF FINDINGS

4.1 INTRODUCTION

This chapter presents the research findings from the analysed data collected using semi-structured interviews that were conducted with 20 participants. During the interviews, numerous views, feelings and responses were shared on how the participants use stokvel groups as their strategy to fight hunger in their households. The data analysis carried out elicited four themes which are discussed in the sections below: stokvel functions, gender dynamics, skills to minimise risks of losing savings, and constraints to participate in stokvels.

4.2 DEMOGRAPHIC PROFILE OF PARTICIPANTS.

Table 4.1 provides a demographic profile of the 20 participants in this study.

Table 4.1: Demographic profile of participants

Socio-demographic factor	Sub-category	No. of participants
Gender	• Male • Female	4 16
Age	• 20-29 • 30-39 • 40-59 • 60-69	2 5 11 2
Marital Status	• Single • Married • Divorced • Widowed	6 8 2 4
Number of Dependents	• 0-5 • 6-10 • 11-15 • 15-20	5 6 8 1
Level of Education	• Matric not completed • Matric completed • Post matric qualification	9 8 3
Employment status	• Employed • Unemployed • Self-employed	7 5 8

Socio-demographic factor	Sub-category	No. of participants
Source of income	• Salary • Business • Grant	7 10 3
Level of responsibility in the family	• Bread winner • Shared responsibility	11 9

4.2.1 Gender, age and marital status

The analysis of the findings indicated that gender was still an important demographic factor within the stokvels studied, as all the stokvel members who took part in the study were women. Historically, the concept of stokvels was pioneered by women in South Africa and the observation in this study is indicative of the fact that women still dominate these informal savings organisations in the South African context. A previous study by Mbizi and Gwangwava (2013) found that almost 83% of stokvel members were women. Further afield, a study conducted in Kenyan slums (informal settlements) by Mwangi and Kimani (2015) also established that women members formed the greater part of ROSCAs. Therefore, this finding confirms the dominance of women within the stokvels in South Africa.

The study revealed that the ages of stokvel members ranged from 20–63 years, with the majority age range being 40–49 years. In relation to marital status, eight out of 20 participants were married and living with their husbands, while six participants were single, two raising children on their own and three of the participants were widows. The fact that the majority of the participants were married supports the arguments made by different scholars (Buijs, 2002; Chikadzi & Lusenga, 2013; Matuku & Kaseke, 2014; Verhoef, 1999) who claimed that poverty and unemployment force many black women to

participate in stokvels as a means of sustaining their livelihoods and supplementing the household income and the poor incomes of their husbands.

4.2.2 Level of Education

The study showed that the majority of the participants did not complete their secondary school or matric level of education. This could also be a barrier to accessing and participating in some activities that might require a certain level of education. Of the 20 participants, nine participants indicated that they did not complete their matric, eight participants revealed that they completed matric and three participants had a post matric qualification. Human basic needs do not consider whether one is educated: this is the situation that encouraged most people to come together and form stokvels as a form of support and social protection for themselves and their families.

This finding supports the assertion made by Kaseke and Olivier (2008) that in most cases, people who participate in stokvels have a very low level of education. In addition, a study done by Mwangi and Kimani (2015) in Kenya established that the majority of people who participated in informal savings clubs had a very low level of education: in their study, they found that 47% of the participants had primary level education, with only 3% reported to have attained a secondary level of education.

4.2.3 Employment Status

During the study, while answering the questionnaire, participants indicated their employment status. It was found that out of 20 participants only seven were permanently employed. Informal employment referred to any form of informal trade ranging from street

vending, domestic work to car washing. This finding is in line with other studies (Matuku & Kaseke, 2014; Muhanguzi, 2016; Mwangi & Kimani, 2015) and with the current debates in development economics literature where an emphasis is placed on the lack of participation by women, especially black women, in formal economic activities through formal paid employment. In addition, Mashigo and Schoeman (2010) observed that stokvels, especially burial societies, are mainly used by people working in the informal economy, and especially those who do not have bank accounts or acceptable proof of income in the form of a pay advice slip.

Five participants were unemployed while eight participants were self-employed and had unreliable sources of income, but they were able to meet the monthly contributions to their stokvels. This finding differs from the findings from a study done by James (2015) in a village in South Africa's Mpumalanga province, where it was found that being able to pay the contributions of a savings club required a member to have a steady income, and that those who did not have a regular income in the form of employment or paid wages, were unable to meet the required monthly contributions.

However, this might also be an indication of differences in terms of context, because Mpumalanga is one of the least developed and most rural provinces of South Africa; therefore, stokvel members in that province might have limited financial opportunities compared to those in Richards Bay, as it is an industrial area with opportunities provided by the business hub.

The findings show that only seven out 20 participants were formally employed with regular income. This might be an indication of the evolving nature of stokvels and their

inclusiveness that they now attract even people who are not necessarily regarded as poor. This is also a good pointer to the call for more studies about stokvels and a need to update the documented evidence that stokvels are mainly for poor rural women who used the savings to supplement their husbands' meagre wages, as highlighted by Lukhele (1990). Furthermore, Olinto, Beeble, Sobrado & Uematsu (2013) stated that the excessively high rate of poverty among women is caused by a patriarchal society that keeps opposing their inclusion in decision making and engaging in formal employment. As a result, women form the majority of the poor in communities throughout the developing world. It was evident in the study that stokvels included in this study were no longer only for poor people as even employed people used stokvels as saving schemes.

4.2.4 Sources of Income

The study revealed that some stokvel members who participated in the study had three different sources of income. Ten of the 20 participants indicated that they earned their income through involvement in informal business. This was through buying and selling of different female necessities (weaves, clothes, shoes and bags) in their neighbourhoods and other communities, doing part-time jobs or domestic-related chores for payment. This finding confirms the findings from earlier studies (Ardener, 2010; James, 2015), that suggested that most people who participate in informal arrangements such as stokvels for their social protection needs obtain their income through informal means.

Gugerty (2007) stated that stokvels are part of informal saving strategies that are used by people with no formal or regular sources of income. However, it emerged in this study that it is not only the informally employed who participated in stokvels, but the formally

employed as well. Another source of income revealed by the participants was social assistance. The government provides social grants; the old age grants, for example, were mentioned as one of the sources of income for members of the stokvel, and three participants specified that they used part of their pension to contribute to their individual stokvels.

4.2.5 Level of Responsibility Within the Family

The findings of the study revealed that stokvel members had several levels of responsibilities within their families. It was observed that 16 participants indicated that they were breadwinners within their families and carried most of the responsibilities regarding provision for the family's day-to-day needs. This meant that over and above the responsibility of making sure that stokvels' contributions were made on a monthly basis without fail, these members had the added responsibility of making sure that their families had food and other basic social protection needs on a daily basis.

This was seen as a burden, as most of the participants did not have a regular or stable source of income to fulfil such responsibilities. However, when viewed from a different perspective, this finding might be an indication that, indeed, informal social security measures such as stokvels exploited women for the benefit of other extended family members as indicated by Muhanguzi (2016) and Patel (2015). Analysis of the findings also showed that of the 20 participants, only nine shared the responsibility of providing for their families either with other family members or with their partners. Some had grown children who were able to make a living and helped to support them.

4.3 MEMBERSHIP AND COMMITMENT

Membership can be understood as full participation in a stokvel group meaning that someone is committed in an informal social group with a goal of creating a better life for members and their families. Stokvel members mostly shared the same values and moral support; therefore, it is crucial to comply with the constitution of that particular stokvel. In order to have an effective stokvel group, it is important for a group not to be too large and there must be mutual trust amongst members. The participants agreed regarding the commitment of members in stokvels. Participants from ZS agreed that the greater the full participation the greater the closeness of the relationships; this ensured the longevity of the stokvel. Participants from the ZS shared that:

"…*The members have a mutual respect of each other and stokvel constitution, that is why we have sustained on this stokvel for 6 years*…" **Participant 2**

The stokvel members claimed that the group had 30 members and it was easy to monitor because they were not a large group. Leadership of the stokvel was selected by members on a rotation basis. Moreover, members of the SS stokvel group shared that:

"…*We are a group of 25 and people are welcome to join as long as they come with one of our members. That gives us a good reference about that new member but we have agreed not to exceed 40. Our stokvel has been operating for 2 years* …" **Participant 7**

During the interviews, some participants expressed that if the group had a large number of people, it was wise to split it into two different groups for easy management. Members

from TSC further shared that they had a large number of 60 members, but they had different entities/investments within their stokvel.

Another member stated that:

"…*We have five types of investments where members can choose from. We do investments sites, buildings for rentals, transport, money savings and food* …"

Participant 9

It was observed that the number of stokvel groups is rapidly growing in the community of uMzingazi. Other stokvel groups are now broken into branches and most members participate in more than one stokvel in order to gain better returns that would make a large contribution to changing their livelihoods. The chairperson from the VBS cited that:

"… I *formed a burial society stokvel. It is consisting of 110 members who are from three branches at uMzingazi, Esikhawini and Port Dunford. We have operated for 5 years*..."

Participant 5

4.4 STOKVEL CONSTITUTIONS

All stokvel members knew that they had to follow stokvel constitution or codes of conduct. The constitutions were created based on the members' agreements including clauses on contributions, the time frame for contributions, distribution of savings and disciplinary procedures. Member hosted their meetings at their homes on a rotational basis. One member of the ZS shared the procedure they followed when a member failed to contribute:

"… Based on our Constitution, the member has to contribute a fixed amount month-end (30/31st of the month). We chose month-end because members don't get their income on the same date. However, we do consider valid reasons like job loss, grant delays etc., as long as the contribution will be paid in the following month…" **Participant 3**

The rules of the constitution can be amended in agreement within all members, as long the main goal of economic benefit is not compromised. The stokvel groups were formed by friends, neighbours, colleagues and families. This helped them to easily contact each other and to know if a member had a real problem that would hinder his or her contributions. Therefore, they knew when they would be able to pay the missed contribution. The constitutions provide guidance to members and stipulate the amount to be contributed, as well as when and how the contributed amount will be saved. It was found that the ZS, Siyavuka stokvel and VBS contributed money monthly, while the TSC stokvel had a different set of rules when it comes to contributions. A member of the TSC shared that:

"…members had to pay R12 000 in January then the contribution will be in a descending form till R1000 in December. This plays a very crucial role in members' lives and their families. Some pay up cars/ school fees [and] even plan some family holidays..." **Participant 15**

Stokvel meetings are informal without agendas but payments are formally recorded for safekeeping and it is the stokvel steering committee's duty to make sure that all members contribute within the stipulated time and books do not have inconsistencies. One member from the TSC shared that:

"…*The money collected is normally recorded in a book. Three people are responsible for the financial accounts of the high-budget stokvel. The money is collected and submitted to the store where we purchase large bulk of meat from … this requires that we produce an Identity Document whenever they want access to the money*…" **Participant 7**

Stokvel programmes are widely known to better the lives of people. The various stokvel programmes within communities are people's livelihood strategies to combat poverty and meet their daily necessities. There are several different types of stokvels serving a variety of different purposes. In classifying stokvels, four main types of stokvel dominate the uMzingazi area. The findings were that participants belonged to burial, investment, savings and high-budget stokvels. However, more members participated in savings stokvels than other types of stokvels. Although some members participated in other types of stokvels like burial or investment, they were involved in savings stokvel groups as well. A participant from the ZS shared the following:

"…*I am playing another stokvel programme at my work place and we are contributing a fixed amount of R1500 every month, we provide loans to people with the interest of 30% a month*…" **Participant 6**

The participant explained that he paid contributions to two different types of stokvels. He stated that this then offered a chance to earn more benefits at the end of the year. A member from the VBS shared the same sentiment:

"…*within the burial stokvel, we are contributing a fixed amount of R200 for five family members; then if the family exceeds five, we pay R50 per each additional member* …"

Participant 10

The VBS participants contributed money which was used to purchase the crucial funeral necessities e.g., coffin, transportation of the body, mortuary fees and groceries for the grieving family. The members of the stokvel also offered moral support by visiting the family to conduct prayers. On the funeral day, members also provided catering service for funeral attendees. One of the participants shared that:

"…*We are a burial society and we work during times of bereavement within members' families. The money that you have been contributing to the programme will be combined to help during such sad times of bereavement. To make an example, as nobody in this home is working, if the child or the father dies, we will take the money and inform the members about the death in a certain home. We as a programme collectively go and pray at that member's house. This money is very helpful when buying funeral things such as the coffin [and] all other required services of the funeral and groceries*...**" Participant 12**

4.5 REASONS FOR JOINING STOKVELS

The main goal of members for joining stokvel groups is to bring economic change in their lives in order to have a better livelihood. Rural community members have needs and inequalities that require to be addressed. In order to try and address these inequalities like unemployment and failure to meet basic needs, stokvels play a role in women empowerment. The following sections elaborate more on these inequalities.

4.5.1 Unemployment

Many participants stressed that unemployment was the main reason that led them to participate in stokvels. In 2021, the unemployment rate was determined to be 32.60 percent, the highest since 1994 (Trading Economics, 2021) Thus, members saw an opportunity to save a little they get from grants, part time jobs and spouses to form stokvel groups as it was better to save with others than individually. Poverty is mostly produced by unemployment in rural communities as they are far from developed cities. Therefore, in order to eradicate poverty, community members of uMzingazi developed strategies such as stokvel to earn a living. One participant from the Siyavuka Stokvel shared that:

"...*I joined the stokvel because I'm a street vendor who do not have a stable income. [The] stokvel makes me discipline when it comes to saving for rainy days. By this, I'm able fight poverty in my family*…" **Participant 4**

The study also found that SS members are very grateful about the service they get from their stokvel in times of need. SS member explained that:

"…*we saw the difficulties we have in saving money and the high level of unemployment and we also have children who have completed matric who are not furthering their studies. We then saw the need to join a stokvel in order to attend our financial needs*…" **Participant 13**

4.5.2 Inability to Meet Needs

The participants shared that joining stokvel groups provided a better way to meet their day-to-day needs and to support their dependants. Some participants were breadwinners

without anyone to share their family responsibility with. Furthermore, they shared that being part of these groups helped them to buy groceries and clothes especially during December time and it catered for their children's education needs for the period of January. This involved buying uniforms and stationery when the schools opened, saving them from loan sharks. Therefore, this money was useful as it saved them from accumulating debt. One member of TSC shared that:

"…*The stokvel is very helpful even to me as I'm permanently employed but it helps me to save with other members every month. Before I joined [the] stokvel I could not save what I'm saving now. The stokvel taught me discipline when it comes to money*…" **Participant 17**

4.5.3 Provision for Children's Educational Needs

The study revealed that members of accumulating savings stokvels were able to meet the educational needs of their children through the provision and to buy most of the school necessities. Some even paid the tertiary tuition fees for their children. This was realised through both their shared savings and the money that they borrowed from the stokvel.

Participant 14 in the second FGD noted:

"…*another thing we all know is that in January children return to school, during that period they need new uniforms, clothes and stationery. So as a parent you need money to cover all those expenses. Our stokvel closes its book in December then share the money in January amongst members. For that reason, this stokvel comes in handy since January children are going back to school...*"

This view was shared by Participant 17 from the second FGD who also noted:

"…*I can even afford to pay the school fees for my children and buy their school books and also take my children on some outings too. This helped me to get 10% discount if I pay the whole year school fees...*"

These two responses show that stokvels promoted transformative social protection. It was apparent that stokvel members placed great value on the education of their children, as participants indicated that part of the money, they saved during the course of the year was used to meet the educational needs of their children, including paying school fees.

4.6 WOMEN EMPOWERMENT

Stokvels programmes play a major role in helping to fight poverty. It has been repeatedly demonstrated that women bear the brunt of poverty in predominantly rural areas and suffer the most from lack of access to resources (Gibbens, 2016). The majority of participants in this study were women, i.e., out of 20 participants 16 were women. By participating in stokvels, they saw themselves taking a stand about their lives that even boosted their self-esteem as they could generate income to be used for needs of their children or families. Appiah (2011: 243) argued that "women are more responsible than men are because they have a greater awareness of the needs of family and are thought to be less likely to squander loans on unproductive consumption".

Women who participate in stokvel revealed that their participation presents an opportunity to be financial independence. Participant 18 from (VBS) shared that her stokvel empowered her to expand her options and not to rely on only one source of income:

"…*what we are currently discussing as a group is to start a vegetable garden and also to practice poultry farming. The reason for this is so that we have something or a project we are doing besides the burial stokvel programme. As a result, we would be involved in a variety of things. The purpose of all this is to keep busy with our lives*…" **Participant 11**

Some of the participants had the feeling that stokvels empowered women to make it on their own and offered support to each other even with regard to other social ills. ZS participant revealed that:

"…*stokvel empowerment me, I'm now confident as I have managed to be a breadwinner after the passing of my husband for more three years now* …" **Participant 3**

Participating in stokvel groups encouraged women to be exposed to other projects that could assist them to sustain their livelihoods. They even shared projects in agricultural activities, for example, farming of vegetables or livestock.

Gender dynamics were shown to play a huge role in the existence of stokvel groups. Commonly, most stokvel groups had a large number of women as members and were chaired by women (Verhoef, 2001). Women were greatly associated with all domestic issues; even the children know that if they do not have bread, they asked their mother rather than asking their father. However, the number of men is showing rapid growth in stokvel participation. One participant stated that it had been a challenge for their stokvel to include men:

"...*within our stokvel programme there are males but not as many. Previously men were not allowed reason being that, the time we started the programme we were a group of*

females and we collectively felt against their involvement. We feared the participation of males because we thought that if one comes and sees that there is money in this programme, he will then invite thieves to come rob the programme. We did not trust them but now we see that they also wish and want to be part of the programme. However, we don't need the young males in the programme…" **Participant 1**

4.7 TRAINING AND FINANCIAL MANAGEMENT SKILLS

Findings from the study revealed that creating awareness and educating or training members of stokvels in financial management skills could equip them with the necessary knowledge and skills to grow their stokvels. It was highlighted that with proper knowledge and skills, members of stokvels might have a better understanding of different ways of doing business with the commercial insurers and investment companies which could help them to grow their savings for better returns, thereby strengthening their stokvels' social protection provision.

Participant 18 from the first FGD shared that:

"We need to be assisted or trained through workshops on how to grow our savings so that we can be able to have more investment. As much as our stokvel has family like characteristics, it is also a business and we wish that one day we can provide better services to the members. Therefore, for this stokvel to continue surviving it needs proper management and there should be procedures, regulations and rules governing the members. Furthermore, there should also be terms and conditions which are always adhered to, and I think we need training on these."

Similarly, participant 17 from FGD commented:

“I think this stokvel has made money over the years but our money is not growing and it is not giving us the returns that we expect. Training will equip the members and protect them from the risk of losing their savings.”

In addition, Anderson and Alexander (2016) also stated that development is not about the delivery of goods to a passive citizenry; however, it is about the active involvement and growing empowerment of people. Thus, participants acknowledged that it was important to train and educate stokvel members about different financial management skills so that they could become actively involved in the running of their stokvels and in choosing the investment packages for their stokvels. Mwangi and Kimani (2015) also stated that members of stokvels need to be trained in order to improve capacity building, and that training should focus on resource mobilisation, empowerment, leadership, financial management and simple bookkeeping skills.

4.8 CHAPTER SUMMARY

The study found that stokvel programmes had a huge membership of unemployed people who were earning below the minimum wage scale that resulted in the failure to meet basic needs. Therefore, they used stokvel programmes as a strategy to boost their source of income to meet basic needs. Stokvels also played a significant role in increasing self-esteem of members as they had empowered them to develop their livelihood strategies.

Many successful stokvel groups have empowered people especially women to become more self-determined. Therefore, one can conclude that stokvels play a significant part in

reducing poverty in rural communities. The next chapter discusses the findings discusses the main findings, conclusions and recommendations that emanated from the study.

CHAPTER 5: DISCUSSION, RECOMMENDATIONS AND CONCLUSION

5.1 INTRODUCTION

This final chapter clarifies the discussion, recommendations, and study conclusion based on data stated in Chapter 4. It relates the findings to the three objectives of the study, also addressing the research questions which were as follows:

- Why do members participate in stokvel groups?
- How can stokvels improve the wellbeing of members?
- How can stokvels provide guidelines to prevent members from losing their savings?

These questions sought to investigate the views of participants on how stokvels can be strengthened in order to provide a sustainable form of social protection for the poor. Participants gave varied responses on how stokvels can be strengthened in order to provide meaningful social protection for their members.

Themes that emerged from the data that specifically related to the strengthening of stokvels to provide meaningful social protection were as follows: regulation and integration of stokvels with formal institutions; provision of financial support through government subsidies; training of stokvel members on financial management skills; stokvels to be recognised as poverty reduction mechanisms; collaboration and networking with other stokvels; increase and diversification of membership; and flexibility and openness to new ideas. These themes are discussed in detail in the rest of this chapter.

5.2 WHY DO MEMBERS PARTICIPATE IN STOKVEL GROUPS?

The first objective of this study was to investigate and understand the engagement of rural community members. Most participants revealed that unemployment was a major reason they joined a stokvel group and after joining they gained budgeting skills and moral support. The socio-economic demographics showed that many participants were unemployed or self-employed while the wages of some of those who were employed were not sufficient to meet their family needs.

It is a fact that unemployment is the source of poverty as it prevents people from providing shelter, food, health care and education for their families. People who do not have tertiary level education find it hard to obtain employment with decent wages that can sustain their livelihoods. The findings revealed that participating in stokvel groups assisted members to support their families in terms of school uniforms, stationery, clothes and even bulk groceries for the festive season.

Additionally, there is a general view that people usually fail to save when they do it individually due to lack of commitment and mutual support. The stokvel was a better way of saving because members were taught to be disciplined and they supported each other.

The findings revealed that participants saved money so that they would be able to buy all school necessities for their children in January. This is a month that is regarded as a troublesome month because people are often broke in January after spending money on festivities and luxuries in December. Therefore, stokvels can be regarded as a strategy to fight hunger and poverty in rural communities. Further, the findings above are in agreement with Mashigo and Schoeman (2010) who stated that stokvels contribute to

social empowerment as they promote income generation, responsible behaviour and economic independence. Thus, the dependency of women on men is decreased.

Findings further illustrated that the reason for members joining the stokvel group helped in gaining moral support, mutual assistance and sense of belonging. Collective social relationships are crucial in issues concerning community development, economic development, social cohesion, health and improved quality of life (Putnam, 2000). Furthermore, Mfeti (2017) states that a sense of belonging and mutual support are also factors that motivate people to join stokvel programmes.

The findings showed that, indeed, accumulating savings and grocery stokvels played an essential role in advancing the social protection for the poor. Umukoro (2013) stated that protective social protection protects households' consumption needs, while preventive social protection protects households from falling further into extreme poverty: this is the role that accumulating savings and grocery stokvels play. In addition, this finding gives expression to the Sustainable Livelihood Framework as outlined by Krantz (2001).

According to this framework, when individuals experience shocks and hardships, especially with the provision of food, and when they do not have enough assets and capital to deal with these shocks, they rely on livelihood strategies such as stokvels in order for them to achieve outcomes that will see them having reduced vulnerability, improved food security and improved wellbeing. Therefore, accumulating savings and grocery stokvels prevent members from falling into severe deprivation and bring back their human dignity.

5.3 HOW CAN MEMBERS IMPROVE THEIR WELLBEING?

The study revealed that both burial and accumulating savings and grocery stokvels played a pivotal role in strengthening members' livelihoods, thereby realising the developmental function of sustaining their livelihoods. It was revealed that stokvels could not only provide financial support that was used for burial and subsistence-related social protection benefits to their members, but members were also able to borrow money from the stokvels to use for different purposes. It was revealed that participants were able to venture into small businesses through the support that they got from their respective stokvels (Mbizi & Gwangwava, 2013).

5.4 DO STOKVEL PROVIDE GUIDELINES TO MINIMISE RISK OF LOSING SAVINGS?

Members illustrated that trust and honesty played a significant role in the lifespan of the stokvel. The participants maintained that their stokvels had survived for many years due to trust and honesty amongst the members. They pointed out that the money was lent to people who are known and trusted by the other members. One participant explained: *"Outside we borrow people we trust, not everyone, only people we trust and know, because you can't just give people money, yet you do not even know where they live."*

Within the stokvel trustworthiness amongst the members themselves was vital, as one participant explained*: "The thing that has kept us to survive is honesty and understanding each other. If you are honest and sit down and talk, everything will be all right."*

Similarly, another participant noted that: "*There is no cheating, there are no tsotsis, and people in our stokvel are very honest."*

In this vein, dishonesty and abuse of funds by management can lead to break down and conflict amongst the members of stokvel. Thus, lack of trust and dishonesty result in the malfunctioning of a stokvel group. In instances where the stokvel failed due to mistrust and dishonest, members often dropped out and joined another stokvel group. This was caught in the following response from one of the participants:

"In stokvels, each and every month we contribute a fixed amount and in December we take the whole money and we buy groceries which will fit our families. But that money which each person contributed and the groceries did not match; there was no balance as the groceries were less than the amount that we had contributed from January to December, so we decided to quit. And I joined the stokvel I'm participating in now."

5.5 STOKVELS TO BE RECOGNISED AS POVERTY REDUCTION STRATEGY

The findings highlighted that stokvels could also be strengthened by being formally recognised as poverty-alleviation strategies and as forms of social protection against risks for the poor. It was indicated that by recognising stokvels as a form of social protection for the poor, government could then allocate stokvels with much needed finance in order for them to strengthen their social protection provision.

It was established that some stokvels, especially accumulating savings and grocery stokvels grew their money and savings through lending people their money and charging exorbitant interest rates; thus, participants highlighted that this process needed to be encouraged if stokvels were to provide meaningful protection for their members.

5.6 ESTABLISH A POLICY DEVELOPMENT COMMITTEE

In view of the findings, there is a need for youth participation in stokvel programs in the community of uMzingazi the study findings revealed that there is a lack of youth participation in stokvel programs in this rural community. The youth, however, need to take action and participate in communities with their parents constantly encouraging and supporting them in order for the development of the community and the sustainability of livelihoods through stokvels. The committee will then see to it that most, if not all, the questions that any stakeholder has regarding the formalisation process, are answered and also that any unclear issues are clarified. This might encourage full participation of all the stakeholders. Swanepoel and De Beer (2012) stated that participation is one of the key principles of community development and that participation should not just mean taking part in an initiative; however, it should entail playing a leading role and being part of the decision-making and planning team. Thus, it is suggested that such a committee be established.

5.7 EDUCATION AND TRAINING

The findings indicated that more than half of the stokvel members who participated in this study might be considered illiterate as they could not read or write. Therefore, because of this deficit in the education of stokvel members, it is suggested that education and training be carried out. Educating and training stokvel members in financial management skills is likely to equip them with the necessary skills and understanding on how to effectively run and manage their stokvels without shortfalls.

Education and training will also help in improving the current low levels of education that are evident in the stokvels studied. Popple (1995) stated that education provides an

opportunity for people to validate their values, histories, experiences and dreams; he also stated that it is important to begin from a person's own understanding. The assertion by Popple (1995) is important as it reminds us to recognise that even though some stokvel members were not that well-educated, they had still managed to successfully run their stokvels, which is why it would be vital to start off with what they know. If this is not done, it might be a serious drawback when it comes to formalisation because most stokvel members might not be able to understand how formal institutions operate and run their businesses. While the current debates talk about registration and taxation as part of policy proposals aimed at enhancing the capacity of stokvels, it is noted that most people might not understand why they need to register their stokvels and why they should be subjected to paying tax (Chen, 2012). Therefore, there will be a need to train and to educate stokvel members about the whole process so that they understand some of these processes and also what they could be signing on for.

5.8 COMMENTS

Stokvels, as part of informal economic arrangements, play an important role in contributing to the social protection needs of the poor, especially their members, and those who have no formal means of social protection. Stokvels, through their developmental function, have empowered and linked their members to different opportunities and enhanced their livelihoods through the provision of short-term loans to their members. In addition, stokvels are used by the poor not only for financial benefits and risk protection but, as has become clear, also as a vehicle for social cohesion and social networking; thus, they need to be nurtured and supported to provide meaningful social protection.

Again, findings from the study showed that the provision of subsidies and financial support to stokvels can strengthen their social protection provision. Hence, it is suggested that if the current discourse on ‘radical economic transformation’ (Notshulwana, 2017) is to be implemented, there is a need to formally recognise informal arrangements such as stokvels, as they are instrumental in social protection provisioning for the poor. However, still on formalisation, it was also revealed that some participants were sceptical about the idea of formalisation and the benefits that are derived from the process. They viewed formal institutions as being stingy when it came to rewarding them with interest for their savings.

The findings highlighted that the boundary that occurred between stokvels included in the current study and the formal social security systems strengthened their social protection provisioning. This applied to both burial stokvels and ROSCAs. Findings revealed that the reliance of stokvels on formal financial institutions boosted their interests and savings and helped the stokvels to reduce moral hazards associated with the misuse of financial resources by those in power in the stokvels. It was also confirmed that burial stokvels that worked closely with commercial life insurers did not have any problems related to the shortage of resources when an adversity befell members of the stokvel.

In addition, it was revealed that the partnership that existed between grocery stokvels and big retailers boosted the stokvels’ food security, as they could buy in bulk at discounted rates.

5.9 CONCLUSIONS

The study revealed that stokvels have a large membership of unemployed women or self-employed earners. This showed that stokvels are a significant source of economic security for people with low standards of living. Some of the participants, mostly women, use stokvels to boost their partner's income. The study revealed that participants have managed to meet their basic needs and provided care to their families through involvement in stokvels. In the process, stokvels empowered participants, more especially women by providing independence. It is clear that stokvels do bring change and improvement in members lives. The strength of using stokvels as strategy of improving social security enabled members to save and accumulate assets.

5.10 RECOMMENDATIONS

Based on the aforementioned findings and conclusions, the following recommendations are made.

It is therefore, in light of these assertions that it is recommended that:

- Policy guidelines should be developed in order to facilitate a smooth, inclusive and participatory process if stokvels are to be formalised;
- Consultations with different stakeholders should be done before the formalisation process is initiated;
- More areas of interface between the formal and the informal systems need to be identified, developed and nurtured;

- Assessments should be done in order to develop strategies and guidelines that will benefit both the formal and the informal sectors; and
- Practice standards and guidelines should be developed in order to maintain transparency during the implementation process.
- In the view of high unemployment rate in the country, gaps in social assistance and inadequate social assistance benefits, it is advisable that social workers encourage rural communities to involve themselves with stokvels to uplift income security and fight against hunger. This can supplement government effort on poverty alleviation. Secondly, participation in stokvels should be promoted as it is one of the main savings strategies for members receiving social grants. This will assist the rural communities to progressively rise out of poverty.

5.11 RECOMMENDATIONS FOR FUTURE RESEARCH

Based on the findings and conclusions of the study, it is envisaged that this study may be used as a foundation for further research on the contribution of informal social security systems, especially stokvels, towards meeting the needs of the poor. In addition, this study has shown the potential of initiating new debates within the field of social protection and social security, especially when looking at informal means of this phenomenon. Several possible research areas have been identified for future research on stokvels to focus on as follows:

- The possibility of using stokvels as strategies for radically transforming the economic provision of the poor and marginalised, especially within different townships in South Africa.

- The development of theoretical perspectives and frameworks that could be employed to better understand and explain the phenomenon of stokvels beyond their social protection contribution and their being reliable livelihood strategies for the poor.
- The investigation of informal networks, such as stokvels, as possible avenues that could be used for the acceleration of health care needs of the poor.
- The exploration of formalisation as a possible avenue that could be used to enhance the financial and human capacity of stokvels.

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APPENDIX A: PARTICIPATION CONSENT DECLARATION

INFORMED CONSENT DECLARATION

(Participation)

Project Title: THE ASSESSMENT OF STOKVELS AS A POVERTY-ALLEVIATION STRATEGY IN UMZINGAZI AREA; UMFOLOZI MUNICIPALITY

I Makhosi Charity Dlamini from the **Department of Social Work at the**; **University of Zululand** has requested my permission to participate in the above-mentioned research project.

The nature and the purpose of the research project, and of this informed consent declaration have been explained to me in a language that I understand.

I am aware that:

1. The purpose of the research project is only for academic purposes

2. The University of Zululand has given ethical clearance to this research project and I have seen/may request to see the clearance certificate.

3. By participating in this research project, I will be contributing towards helping communities with the knowledge on how to alleviate poverty using stokvels.

4. I will participate in the project by agreeing to be interviewed.

5. My participation is entirely voluntary and should I at any stage wish to withdraw from participating further, I may do so without any negative consequences.

6. I will not be compensated for participating in the research.

7. There will be no risk on this study and you will not feel uncomfortable at all times of participation.

8. The researcher intends publishing the research results in the form of articles in journals however, confidentially and anonymity of records will be maintained and that my name and identity will not be revealed to anyone who has not been involved in the conduct of the research.

9. I will receive feedback in the form of verbal feedback recorded on the tape recorder.

   Regarding the results obtained during the interview.

10. Any further questions that I might have concerning the research or my participation will be answered by the researcher: Makhosi Dlamini (cell phone no. 072 742 5159).

11. By signing this informed consent declaration, I am not waiving any legal claims, rights or remedies.

12. A copy of this informed consent declaration will be given to me, and the original will be kept on record.

I ……have read the above information / confirm that the above informed has been explained to me in a language that I understand and I am aware of this document's contents. I have asked all questions that I wished to ask and

these have been answered to my satisfaction. I fully understand what is expected of me during the research.

I have not been pressurised in any way and I voluntarily agree to participate in the above-mentioned project.

....

Participant's signature **Date**

APPENDIX B: IFOMU YOKUZIBOPHEZELA

(*Kobambe iqhaza*)

Isihloko: UCWANINGO NGEQHAZA ELIBANJWA IMIFELANDAWONYE EKULWENI NOBUBHA EMPHAKATHINI WASE MZINGAZI NGAPHANSI KUKAMASIPALA WASE MFLOLOZI

Makhosi Charity Dlamini ovela ku Mnyango wezenhlalakahle eNyuvesi yakwa Zulu, ube nesicelo semvume yokuzimbandakanya kulolucwaningo olulotshiwe ngenhla.

Imvelaphi kanye nenhloso yalolucwaningo, nalolu lwazi nophawu lokwamukela ukuzibophezela ngichazeliwe ngalo ngolimi lwami engilizwayo.

Ngiyaqonda ukuthi:

1. Inhloso yalolucwaningo ukucwaninga ukuthi ngabe imifelandawonye
    a. iyalibamba yini iqhaza ekwehliseni izinga lobubha emiphakathini.
2. Inyuvesi yakwaZulu inikeze ngemvume kubanzi balolu cwaningo ukuba benze loluhlelo futhi ngiyibonile leyomvume/ngingacela ukubona isitifiketi semvume.
3. Ngokubamba iqhaza kulolucwaningo ngizonikezela iqhaza ngokuqwashisa umphakathi ngezindlela zokuzibandakanya nemifelandawonye ukuzilekelela ekulweni nobubha.
4. Ngizobamba iqhaza kulolucwaningo ngokuvuma ukuba yingxenye yenhlolovo
5. kanye nokungqubuza amakhanda ngaloludaba.

6. Ekuzimbandakanyeni kwami angizukubheka mhlomulo futhi akukho lapho engizotholakala ngihoxa ocwaningweni, umakwenzeka ngeke kube nemiphumela emibi ocwaningweni.

7. Mina angizikunxephezelwa ngokuzimbandakanya kwami kulolucwaningo, kodwa izindleko eziphume kwelami iphakethe zizokhokhelwa. **(uma kukhona isinxephezelo nikeza imininingwane).**

8. Lolo cwaningo alunabo ubungozi futhi akukho lapho ozozizwa ungenakho ukukhululeka.

9. Umphequlili uzoshicilela imiphumela yalolucwaningo ngihlelo lwama athicle kumajenali.

    a. Nokho, ubhalomfihlo, nofihlo-gama lwemininingwane izobe igciniwe nokuthi igama lakho angeke kubonakaliswe kunoma yimuphi umuntu obengeyona

10. Angeke ngiyamukele imiphumela/ngizoyamukela imiphumela engaloluhlelo lovukhuluma kwami ngiqoshiwe emayelana nemiphumela etholakale ngesikhathi sesifundo.

11. Eminye imibuzo ephathelene nalolucwaningo noma mayelana nokuzimbandakanya kwami ingaphendulwa ngu Makhosi Charity Dlamini (inombolo kamakhalekhukhwini; 072 742 5159).

12. Ngokusayina lamafomu angiqubuli ubuthi noma amalungele kwezomthetho.

13. Ikhophi enolwazi oluphelele nophawu lokwamukela ukuzibophezela kwami ngizonikezwa, bese okungungqo kuyasayinwa.

Mina ngikufundile lokhu okubhalwe ngenhla/ngiyavuma ukuthi ngiyakuqonda okuqukethwe nokubhaliwe. Ngiyibuzile yonke imibuzo engifuna ukuyibuza, futhi yaphendulwa ngendlela engenelisayo. Ngiyayoqonda kahle ukuba kulundelekile ini kimi kulolucwaningo.

Angiphoqwanga nakancane ukubamba iqhaza kulolicwaningo.

.....

Isishicilelo kobambe iqhaza usuku

APPENDIX C: ETHICAL CLEARANCE

UNIVERSITY OF ZULULAND
RESEARCH ETHICS COMMITTEE
(Reg No: UZREC 171110-030)

RESEARCH & INNOVATION
Website: http://www.unizulu.ac.za
Private Bag X1001
KwaDlangezwa 3886
Tel: 035 902 6731
Fax: 035 902 6222
Email: LundallN@unizulu.ac.za

ETHICAL CLEARANCE CERTIFICATE

Certificate Number	**UZREC 171110-030 PGM 2020/54**							
Project Title	**The assessment of stokvels as a poverty alleviation strategy**							
Principal Researcher/ Investigator	M.C Dlamini							
Supervisor and Co-supervisor	Prof A.L Shokane		Prof M.A Masoga					
Department	Social Work							
Faculty	Arts							
Type of Risk	Medium Risk – Data collection from people							
Nature of Project	Honours/4th Year		Master's	x	Doctoral		Departmental	

The University of Zululand's Research Ethics Committee (UZREC) hereby gives ethical approval in respect of the undertakings contained in the above-mentioned project. The Researcher may therefore commence with data collection as from the date of this Certificate, using the certificate number indicated above.

Special conditions:

(1) This certificate is valid for 1 year from the date of issue.
(2) Principal researcher must provide an annual report to the UZREC in the prescribed format [due date-07 October 2021]
(3) Principal researcher must submit a report at the end of project in respect of ethical compliance.
(4) The UZREC must be informed immediately of any material change in the conditions or undertakings mentioned in the documents that were presented to the meeting.

The UZREC wishes the researcher well in conducting research.

Professor Mashupye R. Kgaphola
University Research Ethics Committee
Deputy Vice-Chancellor: Research & Innovation

07 October 2020

CHAIRPERSON
UNIVERSITY OF ZULULAND RESEARCH ETHICS COMMITTEE (UZREC)
REG NO: UZREC 171110-30
07-10-2020
RESEARCH & INNOVATION OFFICE

APPENDIX D: MUNICIPAL APPROVAL TO CONDUCT RESEARCH



uMFOLOZI LOCAL MUNICIPALITY
KZ 281

P. O. Box 96
Kwa-Mbonambi
3915

26 Brodella Street
Kwa-Mbonambi
3915

Tel: 035-580 1421
Fax: 035-580 1141
Web: www.mbonambi.org.za

Date: 05-Feb-020

Enquiries: Office of the SM: Corporate Services

Our Ref: 10/2/1/1

The Head of Department
Faculty of Arts
Department of Social Development
University of Zululand
Private Bag X 1001
KwaDlangezwa
3886

Dear Sir / Madam

APPROVAL TO CONDUCT RESEARCH UNDER THE TOPIC "THE ASSESSMENT OF STOKVELS AS A STRATEGY TO FIGHT HUNGER IN MZINGAZI AREA, uMFOLOZI LOCAL MUNICIPALITY"

1. uMfolozi Local Municipality is in receipt of the letter requesting approval to undertake a study on "the assessment of stokvels as a strategy to fight hunger in Mzingazi area, uMfolozi Local Municipality".

2. The Municipality hereby grants approval to conduct a study on condition that a copy of a Research Report, upon approval by the relevant authorities will be shared to the Municipality.

3. The student is therefore advised to communicate any enquiries to our Manager: Human Resources Management on 035-580 1421 during office hours.

Yours Faithfully:

PP
MR. K. E. GAMEDE
MUNICIPAL MANAGER

Tel: 035-580 1853 Fax: 035-580 1141 Cell: 083 991 9065 Email: gamedek@mbonambi.co.za

APPENDIX E: SEMI-STRUCTURED INTERVIEW SCHEDULE

UNIVERSITY OF ZULULAND

FACULTY OF ARTS

DEPARTMENT OF SOCIAL WORK

Section A: Introductory Interview

1. Age
2. Gender
3. Highest level of education
4. Indicate your current employment status with an “X” BELOW

    Employed

    Unemployed

    Self-employed

5. If employed, what is your occupation
6. Who is the head of the family?
7. How many dependents in your household?

Section B:

1. How long you have been involved in stokvels?
2. How does your stokvel work?
3. How many members does your stokvel have?
4. When do you do contributions?
5. What gender is the majority in your stokvel?
6. What was the reason that made you to join stokvel?
7. Does your participation in stokvel have any impact in your wellbeing?
8. 6.1 If yes, please explain how?
9. Does your stokvel have any majors to prevent fraud/ loss of savings?
    a. If yes, what are the majors?
10. Does your stokvel provide any knowledge about financial savings?
11. Does stokvel savings sustain your livelihood?
    a. If yes, please explain how?
12. How would your family livelihood be affected without stokvel?
13. How does your stokvel contribute in poverty reduction in this community?
14. What are the challenges that you face in your stokvel?
15. Can you encourage another person to join stokvel?
    a. If yes, please explain why?
16. If no, please explain why?

APPENDIX F: SEMI-STRUCTURED INTERVIEW SCHEDULE - ISIZULU

UNIVERSITY OF ZULULAND

FACULTY OF ARTS

DEPARTMENT OF SOCIAL WORK

Demographic data

1. Iminyaka

2. Ubulili

3. Izinga lokufunda

5. Isimo sezomnotho emndenini (Ububikazi Bempahla)

7. Iqophelo lomsebenzi onawo ekunakekeleni umndeni

8. Nibabangaki emndenini, nobanakekelayo

Imibuzo

1. Okokuqala, bengicela ungitshele isizathu esenza wangena kwisitokfela?

2. Yiziphi izizathu ezaholela ekusungulweni kwaso? (Umbuzo wokulandelisisa) Iziphi izinto ezibe nomthelela ekutheni lesisitokfela siqhubeke kusukela ngesikhathi esasungulwa ngaso?

3. Sekuyisikhathi esingakanani uzibandakanya nesitokofela?

4. Yini edingekayo kumuntu ufuna ukuba ilunga lalesi sitokfela? (Umbuzo wokulandelisisa) Kwenekni ke uma umutu efuna ukuba yilunga kodwa engenako lokhu okudingeka kuye?

5. Siyenza kanjani impilo yakho ibe nentuthuko isitokofela?

6. Kukusize ngani ukuba yinxenye laleisi yaso kusukela ngesikhathi owajoyina ngaso?

7. Sisebenza kanjani isitokfela senu? (Umbuzo wokulandelisisa) Ubani oqinisekisa ukuthi amalungu alandela indlela yokwenza okuvunyelwane ngayo futh lowo muntu ukhethwa noma uqokwa kanjani futh uqokwa obani?

8. Lukhona ulwazi ngokuphathwa kwezimali eniluthola esitokofeleni?

   Uma lukhona lunisiza kanjani?

9. Ukuzibandakanye nesitokofela kuyalwa nendlala endaweni yangakini (Umbuzo wokulandelisa) Uma kungu yebo ngicela uchaze

10. Ungamgqugquzela omunye umuntu ukuba azibandakanye nesitokofela? Umbuzo wokulandelisa) Uma kungu yebo ngicela uchaze imbangela. Noma kungu cha ngicela uchaze isizathu.