

SUSTAINING GROCERY STOKVELS: THE DYNAMICS AND FACTORS THAT INFLUENCE THEIR ESTABLISHMENT

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Abstract

As many are effectively excluded from availing themselves of the services of financial institutions in the formal sector, they often form stokvels, an informal method of saving which is commonly practised in their home country. The research study was conducted to investigate the dynamics of Zimbabwean grocery stokvels in Cape Town and the factors which have encouraged their formation. A mixed-methods approach was adopted, and both quantitative and qualitative research methods were used to collect the data. The quantitative data was obtained through the administration of a survey questionnaire. In contrast, the qualitative data was obtained by conducting one-on-one semi-structured interviews with leaders of Zimbabwean grocery stokvels, their spouses, and members of their families who did not belong to their stokvels. The qualitative data was augmented through the taking of field notes during the interviews. The results indicate that Zimbabweans in Cape Town form grocery stokvels due to severe shortages of basic necessities in Zimbabwe. Their participation in stokvels enables them to accumulate funds to purchase the groceries which they need to sustain themselves and their families in the absence of assistance from financial institutions in the formal sector and also to assist their families and relatives in Zimbabwe to cope with their dire economic circumstances by sending groceries to them.

Keywords: Grocery stokvels, informal associations, Zimbabweans, South Africa.

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1. INTRODUCTION AND BACKGROUND

Grocery stokvels have gained considerable popularity in black communities, owing to increasingly widespread perceptions that they represent a particularly effective means of saving for people who have little access to formal financial institutions (Tengeh & Nkem, 2017). In recognition of the growing significance of the phenomenon, some banks and retail shops launched grocery stokvel accounts that allow savings to earn interest and reduce the risk of money accumulated from being stolen (Masuku,

2018). Grocery stokvels fall under the classification of rotating savings and credit associations (ROSCAs). They are known as mukando or round tables in Zimbabwe and are referred to either by the Afrikaans word *stokvel* or the isiXhosa word *mugalelo* in Cape Town in South Africa. Matuku And Kaseke (2014) characterizes stokvels as self-help initiatives intended to counteract socioeconomic problems such as poverty, shortages of resources, low incomes, and a lack of mutual assistance mechanisms.

Many developed countries have formulated and implemented appropriate policies to assist the poor and economically marginalised segments of their countries' populations and minimise gross socioeconomic disparities. In recent times, financial inclusion has been recognised as a priority for developed countries such as the United Kingdom, France, Canada, and the United States. Although researchers in these countries have concluded that undocumented migrants usually have great difficulty in obtaining access to financial services (Sarma & Pais, 2011), it appears that in South Africa, there has been relatively little in-depth analysis of the side effects and consequences of financial exclusion on the everyday lives of immigrants, as most of the existing literature has tended to be concerned mainly with social exclusion.

Mwangi and Kimani (2015) maintain that apart from specific policies in Africa intended to develop recognised financial institutions that are accessible to the poor, the findings of relevant research studies confirm that underprivileged members of African societies continue to depend upon unrecognised financial institutions such as stokvels. It has been found that most disadvantaged people in informal settlements engage in informal saving because they are effectively excluded from recognised financial institutions. Although limited access to financial institutions in the formal sector is almost certainly one of the principal reasons for immigrants forming financial stokvels, the factors that motivate immigrants to form grocery stokvels in Cape Town are less easily discernible. As most Zimbabweans who elect to emigrate, do so for financial reasons, and many are undocumented in South Africa, they are obliged to participate in one or more types of stokvels in order to consolidate their financial positions in their host country, as their illegal status precludes them from participating in formal saving. This research study was conducted to determine the factors responsible for the success of Zimbabwean grocery stokvels in Cape Town and the strategies employed by Zimbabwean immigrants to run their stokvels successfully.

Although the literature reviewed reveals a considerable body of existing research pertaining to stokvels, relatively little attention has been given to grocery stokvels, despite their burgeoning popularity. Conversely, a great deal has been written concerning associations in which members receive payouts in cash on a rotational basis as representing the most popular form of stokvels. Although discussions concerning the popularity of stokvels have tended to be concerned with members who have no other means of obtaining financial assistance, trends are changing, as economically affluent and middle class

people are forming and stokvels in steadily increasing numbers. Grocery stokvels were listed among the categories which Halim (2017) identified, but to date, no extensive research has been conducted concerning them, despite their steadily increasing popularity. Although Julius Shamu acknowledged that grocery stokvels had not been popular and very few people participated in them, from 2015 to 2016 they began to proliferate among Zimbabwean women in the metropolitan area of Cape Town. Consequently, this research was conducted to investigate the dynamics of Zimbabwean grocery stokvels in Cape Town and the factors that have encouraged their formation.

2. LITERATURE REVIEW

2.1 Definitions of stokvels

Matuku and Kaseke (2014) define stokvels as self-help programmes or initiatives intended to reduce and overcome poverty among underprivileged segments of societies and reduce the effects of uncertain incomes. They maintain that the essential function of stokvels is to enable their members to save, invest, and accumulate funds in order to achieve a viable level of financial stability.

Although definitions of stokvels tend to depend largely upon the contexts in which they are formed and the purposes they are intended to serve, their defining characteristic is the collection of funds by groups of people for specific purposes. In general terms, a stokvel is a term used to describe informal organisations formed in communities for saving. As it has been explained, the word 'stokvel' is Afrikaans and the equivalents in isiXhosa, English, and Shona are mugalelo, round table, and mukando, respectively.

A stokvel is a means of saving or investing by a specific group of members, who agree upon the amounts they contribute, the periods they will contribute, and how the money accumulated will be spent. Vonderlack and Schreiner (2002) explain that members who have yet to receive payouts are known as savers in stokvels, while those who have received funds are known as debtors. According to Tengeh and Nkem (2017), there are three main categories of stokvels, namely:

- Proprietary informal financial groups, which can be comprised of people who provide financial assistance by acting as money lenders (known as matshonisa in isiXhosa and mubadzi in Shona). They can also take the forms of schemes for smallholder farmers, self-help groups, or traders' associations. This form of stokvel allows money to be borrowed and returned with a profit.
- Staff and social welfare schemes are usually formed by people who often interact with one another, such as fellow employees, friends, relatives, or neighbours.
- Mutual aid groups, such as ROSCAs and ASCAs.

2.2 ROSCAs, ASCAs, and stokvels

A ROSCA is a group of people who make regular financial contributions to informal joint accounts. ROSCA and ASCA schemes are similar, in that they entail once-off payments by members to establish savings accounts, after which the available funds can be made available to members in the form of loans, which are repaid after specified periods at a stipulated rate of interest. The essential difference between ROSCAs and ASCAs lies in the rotating basis on which payouts are made in ROSCAs. In a ROSCA, a member receives a payout at each sitting until all members have done so, after which a new rotation begins. This procedure contrasts with that of ASCAs, in which all of the accumulated funds are kept together until a stipulated time, at which each member receives a payout. As a result, repayments from borrowers increase the funds that have been initially invested and the money invested and the interest which has accrued are shared among the members at an appointed time, which usually occurs once a year (Verhoef, 2001).

Moliea (2007) explains that ROSCAs are popularly known as stokvels and that millions of rand can be transacted and exchanged in these unofficial markets. Verhoef (2001), cited by Moliea (2007), maintains that stokvels represent the most significant generators of informal and unofficial funds in South Africa. As many Zimbabweans in Cape Town are economic refugees who cannot open bank accounts in the formal sector, they form grocery stokvels to save in a manner which takes them out of the traditional shopping system. Although the system which is being developed is still a relatively new one, as Julius Shamu has explained, the emergence of grocery stokvels has also had a significant influence upon the success of buses which travel to Zimbabwe, as they now frequently carry groceries for the families of Zimbabweans who reside in Cape Town.

Bouman (1995) emphasises that ASCAs and ROSCAs are essentially similar, as both are formed to facilitate saving, and in either case, membership is voluntary. They are self-reliant and self-governing and have formulated rules which make them self-regulating and independent of formal financial institutions. From a similar standpoint, Verhoef (2001) explains that ROSCAs and ASCAs are essentially identical, as they are formed voluntarily and depend upon the existence of mutual trust among their members to achieve the objectives are intended to be achieved during their lifecycles. Disobedience and dishonesty concerning jointly agreed-upon arrangements are punishable. Verhoef (2001) has identified the following defining characteristics of stokvels:

- Members form stokvels of their own volition, to serve their interests, and no one is forced to join.
- Monthly payments are predetermined and identical for all members.
- Funds which are equitably accumulated, benefit members.

- Membership is strictly voluntary.

2.3 Types of stokvels

According to Halim (2017), stokvels can take several different forms and can be formed for an equally wide variety of other purposes. Examples of categories of stokvels are discussed in the subsections, which follow.

- ***Leisure stokvels***

The members of leisure stokvels save money for recreational purposes. Members receive payouts in predetermined sequences of rotation, and the funds are often put towards holidays.

- ***Savings stokvels***

Money is saved, and members receive their payouts on a rotational basis, often at monthly intervals.

- ***Credit stokvels***

The functions of credit stokvels often overlap with those of savings stokvels. Funds which are accumulated can be borrowed by members or people who are associated with them. The loans are repaid with interest and profits are shared among members at the end of cycles.

- ***Funeral stokvels***

Funeral stokvels function as burial societies and members accumulate funds to assist one another to finance the funerals of members of their families.

- ***Purchasing stokvels***

The purchasing stokvels accumulate funds to buy items they need, whose cost cannot exceed the available funds. Members take turns to receive funds to purchase items which they could not otherwise afford.

- ***Grocery stokvels***

Grocery stokvels are formed to accumulate funds to buy essential foods and groceries for the households of members. Groceries are purchased monthly or annually, depending upon the agreements upon which individual stokvels are based, and purchases are shared equally among members.

2.4 The unique characteristics of grocery stokvels

The characteristics of grocery stokvels tend to differ considerably from those of most other categories of stokvels and are discussed in detail in the subsections which follow.

2.4.1 Women and grocery stokvels

Women in many different countries, particularly developing countries, have long experienced great difficulty earning independent incomes, as they are often not in formal employment, owing to the responsibilities that they are usually expected to assume for running and maintaining their households. To take the initiative to overcome their impoverished circumstances, resourceful underprivileged women in some societies and cultures endeavoured to take control of their financial destinies by forming associations to increase their buying power. Stokvels became popular in South Africa during the 1990s due to women's high participation (Mayoux, 2000). It is often perceived that men prefer to use their money on projects which produce tangible benefits. In contrast, women prefer to invest their money in the health and the socioeconomic well-being of their families. Rose (1992) maintains that women play leading roles in stokvels and other micro-financing initiatives because women often display behaviour that expresses greater responsibility and awareness of their families' needs than is generally associated with men.

2.4.2 The leading role which women play in stokvels

In countries where cultural norms require women to play complementary roles to husbands who are breadwinners, they usually have limited access to opportunities to generate their own incomes or obtain credit. Women who find employment are often poorly paid, which has encouraged groups of motivated women to take matters into their own hands and collaborate to improve their financial circumstances. In April of 2016, Nthabeleng Likotsi, executive chairperson of the Young Women in Business Network (Pty) Ltd, attributed the domination of stokvels by women to women's enduring commitment to achieving financial freedom while men have worked to sustain their families.

2.4.3 Membership of stokvels

As Burman and Lembethe (1995) explain, although some stokvels have both male and female members, the membership of others is made up of one gender only and usually confined to women. The groups vary significantly concerning their sizes, how they operate, and the purposes for which they are formed. Some writers and researchers have emphasized that many stokvels whose memberships are restricted to women were created with the deliberate intention of excluding men. Their members believed that women are best able to work collaboratively with other women, owing to their shared perceptions, experiences, and interests. According to Tsai (2000), women can work together for mutual benefit in stokvels due to the attributes and social capabilities of their gender, which contribute to general perceptions of women being more reliable than men concerning adhering to the commitments which they make to their groups. Verhoef (2001) maintains that women prefer stokvels whose

membership comprises only women because they believe that men do not ascribe much value to saving, are often not trustworthy, and could easily betray their groups.

2.4.4 Enforced savings

Grocery stokvels can be considered to represent a form of voluntary enforced saving because once people become members, they are obliged to fulfil their obligations by making their fixed contribution at the end of each month, following the rules of their stokvels. Burman and Lembethe (1995) contend that participation in stokvels is a highly effective means of saving money because the rules prohibit members from skipping or failing to make monthly contributions. In addition, members often perceive grocery savings as supplementary to the money they allocate to purchasing groceries during the year and making it possible to buy extra groceries in their Christmas shopping.

2.4.5 Social considerations

Verhoef (2001) maintains that the roles that stokvels play in their members' lives in black communities often extend beyond providing mutual financial support. The socio-cultural support that members of stokvels offer to one another represents a form of support that banks and other financial institutions in the formal sector cannot provide. The support is precious for women from Zimbabwe who reside in South Africa, as they are a great distance from the communities in which they have lived in their home country and need the company of people whose experiences in life are similar to their own. Stokvels provide Zimbabwean women in Cape Town with forums to meet and socialise with other women from their home country. Consequently, it can be concluded that in the case of these women, stokvels are formed not solely to receive monetary benefits and that social relationships play a significant role in maintaining their overall well-being. As Julius Shamu points out, stokvels also provide forms of support other than financial support in times of need, as members are usually generous and reliable in their support of friends and associates during times of crisis or grief.

2.4.6 The support which members of stokvels provide to one another

Buijs (1998) maintains that membership of stokvels provides a means of supporting themselves through income-generating earning activities among poor women. Although grocery stokvels enable poor women to sustain their households by purchasing essential groceries in bulk, the social ties which are forged during the functioning of stokvels are often maintained and incorporated into broader social fabrics. The social ties can be invaluable in times of need, particularly when the next of kin of members are not available, and other members of their stokvels provide the support and assistance needed. These arrangements are of particular relevance for Zimbabweans who reside in Cape Town, as they

are more than two thousand kilometres away from their immediate families, as the relationships which they form in their stokvels can function in the manner of family ties. According to Thieme (2003), stokvel groups are particularly supportive in crisis times, such as severe illness or the deaths of loved ones.

2.5 Factors which encourage the formation of grocery stokvels

The two principal factors contributing to the steady proliferation of grocery stokvels among Zimbabwean immigrants in the metropolitan area of Cape Town are discussed in the subsections that follow.

2.5.1 Economic instability

As significant numbers of economic refugees from Zimbabwe have no proper documentation, they are effectively excluded from obtaining loans to establish themselves in Cape Town. Rahim et al. (2009) explain that immigrants' experiences of financial exclusion can usually be attributed to their inability to fulfil conditions to qualify for loans and related financial services. As stokvels confer a degree of purchasing power that would be beyond the reach of individual immigrants who are struggling to subsist in foreign countries, grocery stokvels have rapidly become acknowledged as a viable means of obtaining basic household necessities.

2.5.2 Reduced prices for bulk purchases

Halim (2017) emphasises the value of grocery stokvels to their members by explaining that they make it possible to purchase essentials for their households in bulk at significantly reduced prices, which makes them more affordable than they would be if they were to be bought by people who were not members of stokvels. Robinson (2001) maintains that stokvels represent a significant shift from depending upon financial assistance and donor funding to initiatives that promote self-reliance. Robinson (2001) explains that properly designed financial services and products enable underprivileged people to attain financial stability and become self-supporting by increasing their incomes.

Although stokvels are widely acknowledged to play a steadily increasing role in reducing poverty in South Africa, they also tend to be stereotypically perceived as a means of saving, which women mainly dominate. Women are frequently more directly affected by poverty than men and are also usually required to assume responsibility for their families and households' well-being. The leading role women play in grocery stokvels has resulted in significantly increased incomes which benefit the entire families of each member, as opposed to making their households solely reliant upon the ability of men to generate revenues in complex labour markets.

2.5.3 Stokvels as a means of accumulating savings

Although some financial institutions have questioned the benefits of stokvels, an assessment of the needs of depositors of small amounts of money (FinMarkTrust, 2007) generated the following conclusions:

- In most cases, underprivileged people need savings facilities, rather than credit facilities.
- Savings and loans function similarly, as they both represent means of accruing large amounts of money from small savings over stipulated time frames.
- Savings are beneficial to poor clients as they provide a suitable, dependable, and flexible means of making deposits in a secure environment, enabling them to receive lump sums when they need to obtain access to the money they have accumulated.
- A simple system that is controlled locally can assist the poor to obtain access to savings services conveniently.

2.6 Stokvels which Zimbabweans run in South Africa

According to the Consortium for Refugees in South Africa (CoRMSA) (2011), it is estimated that there are about 2 million Zimbabwean immigrants in South Africa. As most lack the necessary legal documentation, they cannot use the legal well-regulated financial institutions in South Africa (Tevera & Zinyama, 2002). As explained earlier, in the absence of documents such as valid passports or visas, accounts to verify their residential addresses, or payslips, illegal immigrants in South Africa have no formal means of saving, investing, borrowing, or sending money home. Consequently, they are obliged to devise their methods of doing so.

3. MATERIAL AND METHODS

The mixed-methods approach was adopted to conduct this study, which entailed collecting quantitative and qualitative data to understand the factors that encourage the formation of grocery stokvels by Zimbabwean immigrants in Cape Town.

The qualitative data was obtained from semi-structured interviews with members of Zimbabwean stokvels in Cape Town, their spouses, and members of their immediate families. The quantitative data was obtained through the administration of a survey questionnaire. The use of both methods was to give a broader spectrum to the research and allow members to express their opinions adequately.

This study was conducted in Cape Town, the provincial capital and primate city of the Western Cape. The study was confined to grocery stokvels whose membership comprised only Zimbabwean immigrants who resided in the metropolitan area of Cape Town.

3.1 Population, sample size and sampling

According to figures which the Zimbabwean community's chairperson in Cape Town provided, there are approximately 35 grocery stokvels in the metropolitan area of Cape Town, which comprise only Zimbabwean, each of which has an estimated average of 10 members. However, he acknowledged that there could be other grocery stokvels in which Zimbabweans participated with members of different nationalities. This research study concerned grocery stokvels that comprised Zimbabwean members only. Therefore, the researcher selected 10 stokvel groups, each consisting of 5 to 10 members, to arrive at a sample size of 78 participants with usable completed questionnaires. The following selection criteria were applied to select the research sample:

- Participants needed to be members of grocery stokvels which comprised Zimbabweans only.
- Participants needed to have been members of particular stokvels for at least 2 whole years.
- Also, at least 50% of the stokvels members needed to have been members since their groups' formation.

As mentioned, the sample size was deemed sufficiently large, as it was considerably more significant than the minimum figure of 30 stipulated by Martins et al., (1999) for quantitative research surveys. Non-probability sampling was used to select leaders of grocery stokvels, members of their families, and spouses to participate in their study, as the researcher believed that all three categories influenced the success of grocery stokvels and could potentially provide crucial insights and information.

The researcher used snowball sampling to recruit more participants, once a small initial research sample had been recruited. This technique makes use of the social networks of participants who have been recruited. As Bernard (2017) explains, snowball sampling entails researchers prevailing upon participants to recruit other informants, who, in turn, enlist others until an adequate research sample has been obtained.

3.2 Methods used to analyse the data

Both quantitative and qualitative research methods were used. The quantitative data set was subjected to statistical analysis, while the qualitative study yielded explanatory, descriptive, and illustrative data.

The quantitative data was analysed using Version 25.0 of the Statistical Package for the Social Sciences (SPSS) software. Rates of recurrence, the least and most significant ranges, were used to generate descriptive statistics presented in graphs and charts to provide graphic illustrations of all of the variables.

Both content analysis and discourse analysis were used to interpret the qualitative data. The two closely related types of analysis enable qualitative researchers to place the information which informants provide to them within the contexts of their lived experiences.

4. RESULTS

4.1 Gender profile of the respondents

It was noted that 92.3% of the respondents were female, while the remaining 7.7% were male. This finding is consistent with most of the literature reviewed, revealing that women are disproportionately strongly represented in most stokvels (Tsai, 2000). Conversely, the finding also confirms the assessment of Burman and Lembeth (1995), who explain that although the membership of some stokvels is confined to one gender only, that of others comprises both genders.

4.2 Areas in which the stokvels of the respondents were based

As seen in Table 1, the grocery stokvels to which a significant majority (48.7%) of the respondents belonged were found in the Northern Suburbs of Cape Town. Those to which a further 24.4% belonged were based in the Southern Suburbs, those of 11.5% in the Cape Flats, those of 10.3% on the Atlantic Seaboard, and 5.1% on the Cape West Coast. These percentages suggest that although people who reside in the Northern and Southern Suburbs usually enjoy more excellent economic stability than those who reside in areas such as the Cape Flats, significant numbers of people who live in the more affluent areas of Cape Town participate in grocery stokvels.

TABLE 1: AREAS IN WHICH THE STOKVELS OF THE RESPONDENTS WERE BASED

	Frequency	Percentage
Southern Suburbs	19	24.4
Northern Suburbs	38	48.7
Atlantic Seaboard	8	10.3
Cape West Coast	4	5.1
Cape Flats	9	11.5
Total	78	100.0

Source: authors

4.3 The sizes of the stokvels to which the respondents belonged

In terms of size, the results demonstrate that a small minority of 14% of the respondents belonged to groups that comprised fewer than five members. The largest group of 47% belonged to stokvels consisting of six to ten members. In comparison, 39% belonged to groups that comprised more than ten members. The qualitative tool's findings revealed that the participants tended to prefer to join groups whose sizes they considered manageable, as they enabled individual members to influence decision making.

4.4 Sources of encouragement to participate in grocery stokvels

The results indicate that social ties provided the impetus for 77% of the respondents to participate in grocery stokvels. A majority of 32.1 % had been influenced by friends, 23.1% by colleagues at work, and 21.8% by their families. Those who had been motivated by social or economic pressure constituted the remaining 23%.

Besides, it emerged from the one-on-one interviews that most participants had been encouraged by friends, family members, and people with whom they worked, with very few participants citing economic pressure as their principal reason. Most maintained that they had been attracted to their stokvel groups because their friends were members. These participants expressed a sense of security due to mutual trust among friends who felt obliged not to let one another down by defaulting on contributions. A small minority cited social pressure as a motivating factor, in that they had joined their groups because they perceived that most of their female peers belonged to grocery stokvels. Respondent 88, said:

"There is money involved, so we are just friends we know each other if we get anyone new they are referred by a friend".

4.5 Forms taken by the grocery stokvels

The distribution of ASCAs and ROSCAs among the stokvels to which the participants belonged. A significant majority of 73.1% of the respondents belonged to grocery stokvels which were accumulating savings and credit associations, which accumulate funds and distribute them at the end of each cycle. The remainder of the respondents belonged to stokvels which were rotating savings and credit associations or ROSCAs.

The majority of members of grocery stokvels who were interviewed also revealed that their stokvels were accumulating savings and credit associations, in that they made fixed contributions each month and the money which had accrued at the end of an 8 - or 12 -month cycle was used to buy groceries, which they shared equally. The remainder of the interviewees revealed that the stokvels to which they belonged were ROSCAs, in which groceries were purchased for a single individual member each month, following a predetermined rotational sequence. Members are permitted to compile lists of the groceries they require, according to the amounts which are spent on each member.

4.6 Reduced prices for collective bulk purchases

Halim (2017) was cited as explaining that the crucial role, which grocery stokvels played in Zimbabwean immigrants' lives, enabled basic food to be bought in bulk at reduced prices, thereby making them less expensive and more affordable than goods that are purchased at retail prices. This assessment echoes those of many of the members of grocery stokvels who were interviewed, 89.9% of whom considered

that bulk purchases represented a form of saving. They explained that they received significant discounts, particularly from wholesalers, for bulk purchases, which usually ranged from 12 to 17%. Some members revealed that in some instances, they received discounts of as high as 50% for some products which were being promoted by means of 'Buy-1-get-1-free' offers. Others revealed that they also received substantial discounts for making substantial single purchases. Responded 43 noted that:

"we do monthly saving and at the end of 6 months, we do our bulk purchase the amount of grocery we get is far much better and more than we buy monthly and not getting discounts."

4.7 Groceries which stokvels purchase are sent to Zimbabwe

Table 2 summarizes the survey questionnaire's responses that the groceries that stokvels purchase are sent to Zimbabwe.

TABLE 2: GROCERIES WHICH STOKVELS PURCHASE ARE SENT TO ZIMBABWE

	Frequency	Percentage
Strongly disagree	4	5.1
Disagree	9	11.5
Agree	12	15.4
Moderately agree	27	34.6
Strongly agree	26	33.3
Total	78	100.0

Source: authors

As Table 2 demonstrates, a vast majority of the respondents to the survey questionnaire agreed, moderately agreed, or strongly agreed that they sent groceries from the bulk purchases which their stokvels made to Zimbabwe. Some of the members of grocery stokvels who were interviewed revealed that their families consumed most of the groceries which they received from their stokvels in Cape Town; they sent essential commodities such as rice, sugar, flour, salt, bath soap, and washing detergent to their parents and families in Zimbabwe.

4.8 Factors which encourage the formation of Zimbabwean grocery stokvels

The subsections that follow take the form of analyses and discussions of the study's findings concerning the factors that encourage the formation of grocery stokvels.

4.8.1 Economic circumstances

Table 3 summarises the respondents' responses to the survey questionnaire concerning their assessments of the extent to which economic conditions had motivated them to form or join grocery stokvels.

TABLE 3: THE INFLUENCE OF ECONOMIC CIRCUMSTANCES UPON THE FORMATION OF GROCERY STOKVELS

	Frequency	Percentage
Strongly disagree	3	3.8
Disagree	6	7.7
Agree	12	15.4
Moderately agree	22	28.2
Strongly agree	35	44.9
Total	78	100.0

Source: authors

This finding confirms the points that emerged, which explained that stokvels represented a viable means of saving for immigrants who had fled economic instability in Zimbabwe and had few other options to obtain loans due to their illegal status. As Rahim *et al.* (2009) explain, illegal immigrants are subjected to financial exclusion because they do not fulfil the conditions to qualify for loans and other financial services. As it can be seen in Table 3, a significant majority of the respondents agreed, moderately agreed, or strongly agreed that economic circumstances had influenced their decisions to form or join grocery stokvels.

4.9 Factors which motivated the formation of grocery stokvels

TABLE 4: REASONS FOR THE ESTABLISHMENT OF GROCERY STOKVELS

		Shortages of basic necessities in Zimbabwe influenced the formation of grocery stokvels	Economic circumstances in South Africa have influenced the creation of grocery stokvels	Groceries which are purchased in South Africa are sent to Zimbabwe
Shortages of basic necessities in Zimbabwe influenced the formation of grocery stokvels	Pearson correlation	1	.516**	.359**
	sig. (2-tailed)		.000	.001
	N	78	78	78
Economic circumstances in South Africa have influenced the formation of grocery stokvels	Pearson correlation	.516**	1	.473**
	sig. (2-tailed)	.000		.000
	N	78	78	78
Groceries which are purchased by grocery stokvels are sent to Zimbabwe	Pearson correlation	.359**	.473**	1
	sig. (2-tailed)	.001	.000	
	N	78	78	78

**. Correlation is significant at the 0.01 level (2-tailed)

Source: authors

There were significant correlations between economic circumstances in South Africa influencing the formation of grocery stokvels and groceries which are purchased by grocery stokvels being sent to Zimbabwe and between economic circumstances in South Africa influencing the formation of grocery stokvels and shortages of basic necessities in Zimbabwe influencing the formation of stokvels (p -values <0.01). The value of 0.516 was indicative of a strong correlation, while a value of 0.001 confirmed the significance.

During the one-on-one interviews, members of stokvels explained that Zimbabwe's dire economic circumstances had made them acutely aware of the necessity to save and belong to groups, making it possible to accumulate funds. Conversely, a small minority of the interviewees who were members of grocery stokvels maintained that their membership of grocery stokvels had not been influenced by economic instability in Zimbabwe and that they had joined their groups because their friends had been members. Respondent 23 and 59 had this to say:

Respondent 23: *"Things are bad back home in Zimbabwe, and we have come to Cape Town to get a source of living. However, it is also not easy here as we do not have the needed documentation to make saving like anyone else; therefore we resort to stokvels."*

Respondent 59: *"We send groceries to help our parents that are taking care of our kids we came here (Cape Town) to look for jobs because at home they are terrible economic challenges."*

4.10 Factors which encourage the formation of grocery stokvels

4.10.1 Reasons given by the respondents for joining their grocery stokvels

Table 5: illustrates the statistical procedures for determining whether there were significant statistical correlations for the reasons which the respondents to the survey questionnaire gave for joining their grocery stokvels, with respect to whether they had joined because they had been encouraged to do so by their friends or families, or whether they had joined because members of their families or friends were members.

TABLE 5: REASONS FOR JOINING GROCERY STOKVELS

		Families and friends encouraged respondents to join stokvels	We joined because friends or members of our families were members
Families or friends encouraged respondents to join stokvels	Pearson correlation	1	.442**
	sig. (2-tailed)		.000
	N	78	78
We joined because friends or members of our families were members	Pearson correlation	.442**	1
	sig. (2-tailed)	.000	
	N	78	78

** . Correlation is significant at the 0.01 level (2-tailed)

Source: authors

The relationship is significant because it reveals a correlation between who encourages members to join stokvels and decisions to do so because family members or friends are members. The significance of the association is confirmed by a $p\text{-value} < 0.01$ and the value of 0.442, which reveals a strong correlation, serves to demonstrate that members of the families or friends had encouraged the respondents to join their stokvels and that they had joined as a response to the participation of members of their families or friends.

5. CONCLUSION

Stokvels are widely acknowledged for playing a crucial role in women's economic empowerment and eradicating poverty. The degree of interdependence among the members of stokvels provides convincing evidence of the social cohesion and mutual support among women which they encourage. Stokvels serve to empower women and enable them to become economically independent. By determining their socioeconomic status within their communities and ceasing to depend on their husbands, intimate partners, or families, they are working to empower themselves.

The literature revealed that grocery stokvels represented a possible grey area in the existing body of research, particularly in African countries such as Zimbabwean immigrants in Cape Town. Therefore, the paper investigated the dynamics of Zimbabwean grocery stokvels in Cape Town and the factors which have encouraged their formation. The result revealed that:

- Zimbabwean immigrants' culture of forming grocery stokvels originates from the severe economic crisis and shortages of essentials in Zimbabwe. As a consequence, some of the groceries which are purchased by grocery stokvels are sent to Zimbabwe.
- Zimbabwean immigrants often form grocery stokvels to feed their families in Cape Town because they cannot open accounts due to a lack of official documentation.
- Members of grocery stokvels believe that collective bulk purchases enable them to save substantial amounts of money.
- Members of grocery stokvels believe that their participation contributes significantly to reducing monthly expenditures.

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