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Analysing Stokvels Development Through the Lens of Layered Conceptual Framework

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Abstract. Despite the popularity of stokvels, there is dearth in studies to develop integrated models of stokvels. This study intends to provide a conceptual framework for developing an integrated framework by layering each component of the Maslow's hierarchy of need and Hayes & Wheelwright business models. Simple random method was adopted on 395 *stokvel* group's members who were administered with a questionnaire and the purposive sampling method on 6 MC members of eThekweni Municipality that participated in the interviews. The qualitative data was analysed using N-VIVO (version 11.0). The quantitative data was analysed using inferential and descriptive statistics. A new model layering Maslow's theory with the Hayes & Wheelwright four-stage model was developed using a theory triangulation technique to validate the theories with the findings of the study.

Keywords. stokvels, ROSCAs, Maslow, Hayes & Wheelwright, economic transformation, policy framework

Introduction

It is not clear from the consulted literature as to the drivers, motivators and aspirations for individuals to form or be part of or even to be associated with a specific type of *stokvel*. However, it is evident from the literature that there are eight types of *stokvels* in SA. Furthermore, the consulted literature on *stokvels* was lacking on the adopted and/or adapted frameworks (*albeit* theoretical or conceptual), with the exception of a research by Arko-achemfuor (2012) wherein the author elected a Wageningen Schools 'actor-action oriented' approach theoretical framework for the study. Arko-achemfuor (2012:129) cites Ansoglenang (2006) when indicating that the 'actor-action oriented' approach emphasises the "importance of the individual in the face of structural constraint". The writer further asserts that the 'actor-action oriented' approach "sees individuals as actors who have the capacity to appreciate their circumstances and find ways and means of confronting the situation. It does not matter how difficult the situation may be, the actors have the knowledge and capacity as well as the power and resources to confront their situation". Long (2001) cited in Arko-achemfuor (2012:129) "argues that individual actors study the pattern of events around them in the environment in which they operate and in a way observe the reactions of others to their behaviours".

Stokvels have the following elementary characteristics;

- Individuals form or take part or are associated with specific type of *stokvel* since they have a need that needs to be fulfilled, and
- A *stokvel* operates in the realm of an owner-manager business or a small business entity – by transacting the pooling of member funds for a common goal.

On the one hand, *stokvels* are made up of individuals or members who have certain goals and ambitions that need to be fulfilled – and those are drivers for their individualistic motivation to be part of a *stokvel*. The Maslow's hierarchy of needs theory could explain the ambitions and/or motivational needs of *stokvel* members. Whilst on the other hand, as transacting entities governed by the *Bank Act 94 of 1990*, the motivations of the different types of *stokvels*, as owner-manager entities bear similarity to those small businesses in a development continuum construct could be explained by the Hayes & Wheelwright theory construct. Maslow's theory is insufficient on its own to explain the motivation of different *stokvel* types as owner-manager entities, of this study, in their development and evolution continuum. Similarly, on its own, the Hayes & Wheelwright four-stage model would be insufficient to explain the motivation of individuals who form, are part of or associated with the different *stokvel* types.

This paper aims to go further than the 'actor-action oriented' approach and explore the existing theories of individual motivation and owner-manager business motivation of *stokvels* in the economic transformation of a municipal economy.

Literature Review

According to Arko-achemfuor (2012:129) "stokvels have some cultural undertones as they are mainly practised by Black South Africans" who were unemployed and impoverished. Most of the societal problems in SA; like poverty, inequality, threat of diseases and crime are blamed on "unemployment, yet a lot of people in the country do not have the skills and education to enable them to gain employment in the knowledge economy" (Maluku & Kaseke, 2014). Being part of a *stokvel* organisation is seen by many people as one of the ways in which some of their socio-economic problems can be addressed (Mashingo & Schoeman, 2012; Hossein, 2017). The research by Arko-achemfuor (2012:127) revealed "the pool funds collected and saved throughout the calendar year by members through their respective stokvels are usually used to finance end of year activities, ceremonies, school fees, payment of debt, furniture, appliances, and more". This bears testimony to the alignment of individualistic needs to a specific *stokvel* type; hence Maslow's theory of needs forms the basis of this study.

Conceptual Framework

The American Educational Research Association (AERA) (2006) cited in Yamauchi, Ponte, Ratliffe & Traynor (2017:11) refers to a theoretical or conceptual framework as "an essential component of research that shapes the quality and scope of investigations". A theorist Maxwell (2012) cited in Yamauchi *et al.* (2017:11) posits that through the use of a "theoretical framework, data that might initially seem unimportant or unrelated may be identified, explained, or related to other data in meaningful ways". Most of the theoretical frameworks and models have been based on modernisation theory, dependency theory, people centred development theories, process and content theories on the subject of socio-economic development. "Some of these theories have not been able to explain societal problems in the context of the developing world as well as providing ways of dealing with issues of poverty, inequality and transformation adequately" (Arko-achemfuor, 2012:129).

Theorists Miles & Huberman (1994) cited by Yamauchi *et al.* (2017:11) state that “a conceptual framework explains, either graphically or in narrative form, the main things to be studied — the key factors, concepts, or variables — and the presumed relationships among them”. Another theorist Camp (2001) cited in Yamauchi *et al.* (2017:11) sums it up well; “theoretical and conceptual frameworks differ in that while a conceptual framework is a structure used to explain the natural progression of phenomena, a theoretical framework is based upon one or more theories that have already been tested”.

Maslow’s Hierarchy of Needs Theory

Need theories revolve around the fulfilment of an internal state, that makes certain outcomes appear attractive. These theories form the basic foundations of motivation theories, and are the most straightforward. There are three main needs theories: Maslow’s Hierarchy of Needs, Alderfer’s ERG Model and McClelland’s Achievement Motivation Theory (Werner, 2016).

According to Adams, Martin & Harris (2015:29) “Abraham Maslow’s 1943 paper *A Theory of Human Motivation* presents a hierarchy of needs that is widely accepted by authors as a motivational theory and has been utilized for more than seven decades in business and many other multi-faceted disciplines”. Psychologists, managers, marketers, policy-makers and educators have been trying to establish that which influences patterns of behaviour of individuals, groups of people and/or organisations from time immemorial. Meanwhile most commentators are of the view that *stokvels* are endowed with pro-social economic factors that are a good source for economic growth and development through job creation, savings and investment capabilities, extending of mini-loans and credit facilities, women empowerment and social capital (Josten, 2013; Li *et al.*, 2015; Osakwe & Ajayi, 2015; Chatterjee *et al.*, 2017). A study by Arko-achemfuor (2012) maintains that *stokvel* organisations in SA have this huge source of funding which they can use to address the economic transformation-challenging issues in their communities. In a study by Taujanskaitė, Milčius & Rutkauskas (2015:492) it is indicated that “Maslow (1943) has been analysing behaviour of individuals only from the prospective of psychology without involvement of economics”.

A writer Rutledge (2011) found that the hierarchy of needs model “resonates across many disciplines, from business, technology and education to its field of origin, psychology”. Maslow’s hierarchy of needs model organises groups of human needs into levels within a pyramid-like hierarchical structure. While Maslow’s hierarchy of needs theory was not designed to define pro-social factors or “behaviours, it does examine the motivational elements of social behaviours” (Hatfield, Turner & Spiller, 2013:162). In *Motivation and Personality* by author Maslow (1987:139) it is maintained that the functions that human relationships serve, are diverse, namely “the giving of safety, love, belongingness, feeling of worth, and self-esteem”. It is these “ultimate goals or desires or needs” that Maslow (1987:47) considers to be essential to the study of human motivation. Maslow’s theory “also has implications for identity formation, moral development, and the emergence of values” (Winston, 2016:142).

“Maslow’s original hierarchy of needs was aimed at individual motivation” Adams *et al.*, (2015:29) and comprised five motivational levels of needs, often depicted as hierarchical levels within a pyramid. This five stage model can be divided into basic (or deficiency) needs and the growth (or being needs) (Winston, 2016).

The deficiency needs are; physical, safety, social and esteem whereas the growth (or being need) is the need for self-actualization. “The deficiency, or basic needs are said to motivate people when they are unmet. Also, the need to fulfil such needs will become stronger

the longer the duration they are denied” (Taujanskaitė, Milčius & Rutkauskas, 2015:492). It therefore follows that according to Maslow’s theory; deficiency motivates behaviour. “On the other hand, engagement with growth needs fuels one’s desire to become a more self-actualizing individual. Adequate gratification of a need results in the emergence of a higher-order need, culminating in the pursuit for self-actualization. Conversely, higher-order needs do not emerge when an individual’s basic needs have not been adequately gratified” (Winston, 2016:143).

The Hayes & Wheelwright Four-Stage Model

There are a number of studies that were developed on the basis of Maslow’s hierarchy of needs theory model, one of them is the Hayes & Wheelwright four stage model. “The Hayes & Wheelwright model depicts four stages in the contribution of operations to the performance of the business” organisation in its development and evolution (Adams *et al.*, 2015:31). The writers Adams *et al.* (2015:27) asserts that the preoccupation of “management in small business is survival in a highly competitive environment. Small business organisations are driven by day-to-day operational requirements, as opposed to long-term strategic focuses as is the case with large businesses. Small businesses have flexible organisations that allow them to respond quickly to market changes, and they tend to have informal management structures that are built around small management teams”.

Chapman (1999) cited in Adams *et al.*, (2015:27) substantiates that what results in the absence or neglect of long-term strategy in small businesses / owner-manager businesses is that “with small businesses, what exists instead of strategy are common patterns of behaviour in relation to the organization size and the industry sector” and the owner has “minimal time, resources, and skills to engage in sophisticated forecasting”. Whilst the author Robinson (1995) cited in Adams *et al.*, (2015:27) indicates that “the owner has moulded his (or her) decision-making activity through repeated crisis management, focusing on day-to-day decisions with relatively short time spans”. As it can be seen in this chapter, that one can draw similarities between small businesses / owner-manager businesses and *stokvels*; these entities are lauded for their intrinsic attributes of create employment, saving cash and building social capital (Maluku & Kaseke, 2014; Adams *et al.*, 2015). Yet *stokvels* and “small businesses do not have the advantages of size and resources that larger organisations possess; therefore, strategies that capitalise on applying greater size and resources are often ineffective when implemented by small businesses” (Adams *et al.*, 2015:28).

According to Adams *et al.* (2015:29) “small business organisations are different from large organisations in that they are primarily run by owner-managers”. A study by Wu *et al.*, (2015:22) maintains that a leader of a ‘rotating savings credit associations’ (RoSCAs) is an individual who “originates the association and facilitates the transactions. The leader generally takes more risk than the other participants and is granted certain advantages”. The motivation of a leader (in the case of a RoSCAs) and an owner-manager (in the case of a small business) is an important factor in the performance of these organisations hence “Maslow’s hierarchy of needs offers a good way of understanding the outlook of a small business organisation” and a RoSCAs like *stokvels* (Adams *et al.*, 2015:29). The theorist Adams *et al.* (2015:31) observed “where Maslow’s hierarchy of needs provides a framework for viewing motivation for individuals, Hayes and Wheelwright (1984) have developed a model for a manufacturer’s development from an organisation that is struggling into an organisation that is thriving”. The Hayes and Wheelwright model can be viewed as “stages of development along a continuum” (Wheelwright & Hayes, 1985:99). The theorists Wheelwright & Hayes (1985:100) indicate that the owner-manager needs to understand the possibilities along the stages continuum so as to

identify “both their business’s current position, the transformation in attitudes and approach that will be necessary if it is to advance to a higher stage of competitive effectiveness”.

According to Wheelwright & Hayes (1985:100) the stages in the model “are not mutually exclusive”. The authors also maintain “it is difficult, if not impossible, for a company to skip stage”. Whilst a new organisation can “attempt to begin operations at any level it chooses” in the continuum however, an organisation “that is already up and running has far less freedom of choice” Wheelwright & Hayes (1985:100). The theorists find that “attitudes and established modes of doing things are well entrenched, and it takes a tremendous effort just to move things along from one level to the next”. Just like in Maslow’s hierarchy of needs model; it is the “mastery of activities at one stage that usually provides the underpinnings for a successful transition to the next”.

Methodology

To support this study a mixed methods approach was employed to collecting data by constructing closed and open-ended questionnaire that will facilitate the collection of quantitative data from the participants. For qualitative data open-ended questions were formulated for use in an interview schedule and used as a guide during in-depth face-to-face interview sessions with the participants. The paper therefore defaulted to two sample groups from eThekwini Municipality that would participate in the data collection stages of the data. The paper adopted the simple random method of probability sampling on the larger population being the 395 stokvel group’s members who were administered with a questionnaire; and the purposive sampling method on the smaller population of six (6) MC members of eThekwini Municipality that participated in the interviews. The qualitative data was analysed by transcribing interviews and identifying common themes using N-VIVO (version 11.0). The data was coded, classified and analysed using inferential and descriptive statistics. The data collected from the quantitative and qualitative surveys was thematically analysed through a methodological triangulation technique. The raw data was entered into the Statistical Package for Social Sciences (SPSS version 25.0).

Results

For this study the response rate was 98% as 388 questionnaires were returned from a total distribution of 395 questionnaires. The Cronbach’s alpha coefficient attained was 0.769.

The frequency Table 1. reveals that 388 participants responded to these questions. Out of 150 participants who had matric as their highest level of education, the majority 122 (81%) were members of Grocery *stokvels*, whilst of the 122 participants who had no schooling the majority 104 (85%) were also members of Grocery *stokvels*.

Table 1. Cross-tabulation of participants educational level vs. type of stokvel they belong

Question 6. What is your educational qualification level?		Question 8. What type of <i>stokvel</i> are you a member?							Total
		Grocery <i>stokvel</i>	Investment <i>stokvel</i>	Savings <i>stokvel</i>	High budget <i>stokvel</i>	Birth day <i>stokvel</i>	Burial <i>stokvel</i>	Other	
Matric	Count	122	9	16	0	0	0	3	150
	%	81.3%	6.0%	10.7%	0.0%	0.0%	0.0%	2.0%	100.0%

Diploma	Count	18	5	32	0	7	1	5	68
	%	26.5%	7.4%	47.1%	0.0%	10.3%	1.5%	7.4%	100.0%
Bachelor's degree	Count	13	1	17	1	0	0	3	35
	%	37.1%	2.9%	48.6%	2.9%	0.0%	0.0%	8.6%	100.0%
Masters/PhD	Count	5	1	7	0	0	0	0	13
	%	38.5%	7.7%	53.8%	0.0%	0.0%	0.0%	0.0%	100.0%
No schooling	Count	104	3	12	0	1	1	1	122
	%	85.2%	2.5%	9.8%	0.0%	0.8%	0.8%	0.8%	100.0%
Total	Count	262	19	84	1	8	2	12	388
	%	67.5%	4.9%	21.6%	0.3%	2.1%	0.5%	3.1%	100.0%

From the 68 participants who held a National Diploma qualification the majority 32 (47%) were members of Savings *stokvels*. Of the 35 participants who were holders of Bachelor's degrees 17 (49%) were members of Saving *stokvels*. Lastly, of the 13 participants who were holders of Masters/PhD qualifications, 7 (54%) were members of Savings *stokvels*. The results in Table 2. show that a Pearson Chi-square value of 141.213 with 24 degrees of freedom and a significance probability value is 0.000. Because $P = 0.000 < 0.05$, therefore there was a statistically significant relationship between the educational level of participants and the type of *stokvel* they are members of.

Table 2. Chi-square test for the relationship between the participants education level of vs. stokvel they belong

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	141.213 ^a	24	.000
Likelihood Ratio	128.740	24	.000
N of Valid Cases	388		

The frequency Table 3. shows that out of 153 participants who said 'Yes' they are formally employed. The majority 90 (58.8%) of the formally employed members of *stokvels* were members of Grocery *stokvels*, whilst 46 (30.1%) were members of Savings *stokvels*. Of the balance of the respondents who said 'Yes' they are formally employed 7 (5%) were members of Investments *stokvels*, 5 (3.3%) respondents being members of Other types of *stokvel*, 4 (3%) were members of Birthday *stokvels* and 1 (1%) was a member of a High-budget *stokvel*. 235 participants said 'No' they are not formally employed. The majority 172 (73%) were members of Grocery *stokvels*, whilst 38 (16%) were members of the Savings *stokvels* and

12 (5%) were members of the Investment *stokvels*. Of the balance of participants who said ‘No’ 4 (2%) were members of a Birthday *stokvel* and lastly, 2 (1%) were members of Burial *stokvels*.

Table 3. Cross-tabulation of the employment status of participants vs. stokvel they belong

Question 5. Are you formally employed?		Question 8. What type of <i>stokvel</i> are you a member?						Other	Total
		Grocery <i>stokvel</i>	Investment <i>stokvel</i>	Savings <i>stokvel</i>	High-budget <i>stokvel</i>	Birthday <i>stokvel</i>	Burial <i>stokvel</i>		
Yes	Count	90	7	46	1	4	0	5	153
	%	58.8%	4.6%	30.1%	0.7%	2.6%	0.0%	3.3%	100.0%
No	Count	172	12	38	0	4	2	7	235
	%	73.2%	5.1%	16.2%	0.0%	1.7%	0.9%	3.0%	100.0%
Total	Count	262	19	84	1	8	2	12	388
	%	67.5%	4.9%	21.6%	0.3%	2.1%	0.5%	3.1%	100.0%

Table 4. Chi-square test for the relationship between the employment status of participants vs stokvel they belong

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.388a	6	.026
Likelihood Ratio	15.227	6	.019
N of Valid Cases	388		

The results in Table 4. further illustrates that a Pearson Chi-square value of 14.388 with 6 degrees of freedom and a significance probability value is 0.026. Because $P = 0.026 < 0.05$, therefore there is a statistically significant correlation between the employment status of a *stokvel* member and the type of *stokvel* they are a member of. This finding indicates that the employment status of a *stokvel* member influences the type of *stokvel* they choose to form or belong.

Table 5. Cross-tabulation of monthly contributions by participants vs stokvel they belong

Question 8. What type of <i>stokvel</i> are you a member?		Question 12. How much does each member of your <i>stokvel</i> group contribute per month?					Total
		Between R100 and R250	Between R251 and R750	Between R750 and R1500	Between R1500 and R2500	More than R2500	
Grocery <i>stokvel</i>	Count	91	161	1	4	1	262
	%	34.7%	61.5%	0.4%	1.5%	0.4%	100.0%
Investment <i>stokvel</i>	Count	6	3	2	5	2	19
	%	31.6%	15.8%	10.5%	26.3%	10.5%	100.0%

Savings <i>stokvel</i>	Coun t	17	30	1	16	1	84
	%	20.2%	35.7%	1.2%	19.0%	1.2%	100.0 %
High budget <i>stokvel</i>	Coun t	0	0	1	0	1	1
	%	0.0%	0.0%	100.0%	0.0%	100.0%	100.0 %
Birthday <i>stokvel</i>	Coun t	1	5	1	1	0	8
	%	12.5%	62.5%	12.5%	12.5%	0.0%	100.0 %
Burial <i>stokvel</i>	Coun t	1	1	0	0	0	2
	%	50.0%	50.0%	0.0%	0.0%	0.0%	100.0 %
Other	Coun t	2	0	10	0	0	12
	%	16.7%	0.0%	83.3%	0.0%	0.0%	100.0 %
Total	Coun t	118	200	39	26	5	388
	%	30.4%	51.5%	10.1%	6.7%	1.3%	100.0 %

Table 5. indicates that 61.5% of Grocery stokvels group respondents contributed between ‘R251 and R750’ per month, whilst 47.3% respondents who belonged to the Investment stokvels group stated that their members made monthly contributions of between ‘R100 to R750’ and the other 47.4% contributed between ‘R750 to more than R2,500’, with 55.9% of Savings stokvels group respondents indicating monthly contributions of between ‘R100 to R750’. All respondents from the ‘high-budget’ stokvel type indicated that their members contributed a minimum of ‘R750 up to more than R2,500’ per month. From the Birthday stokvel 63% of respondents stated that their stokvel group members contributed between ‘R251 and R750’. All respondents from the Burial stokvel type indicated that their stokvel group members contributed monthly in the range ‘R100 to R750’. Lastly, 83% of the respondents from the “Other” stokvel type indicated that their members contributed between ‘R750 and R1,500’ per month.

Table 6. Chi-square test for the relationship between the monthly contributions of a participant vs the type of stokvel a participant is a member

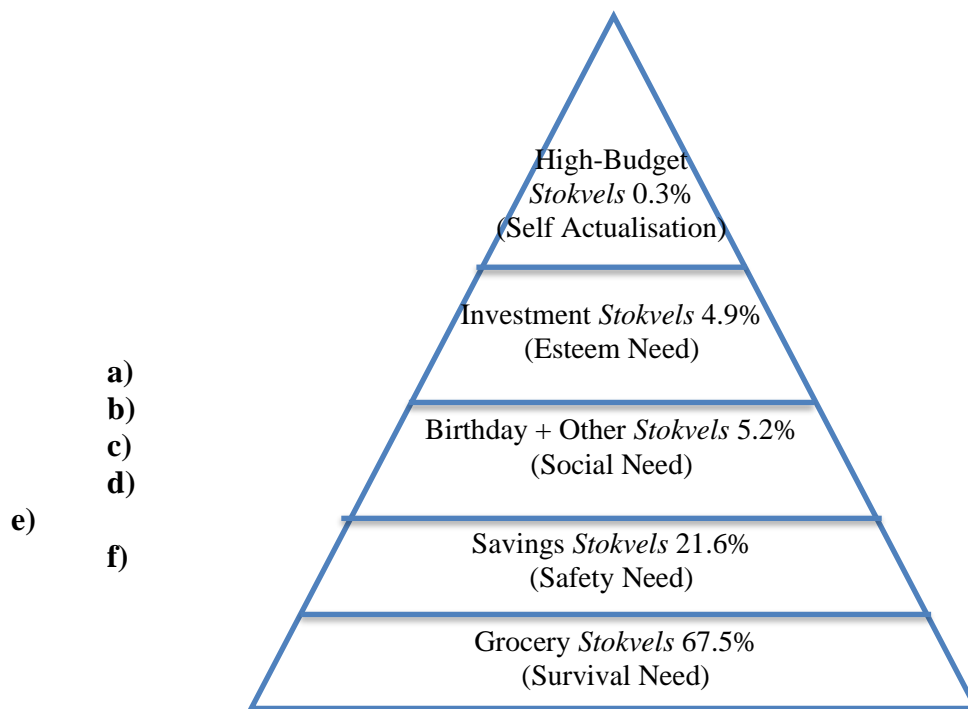
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	257.528 ^a	24	.000
Likelihood Ratio	151.295	24	.000
N of Valid Cases	388		

The results in Table 6. further show that a Pearson Chi-square value of 257.528 with 24 degrees of freedom and a significance probability value is 0.000. Because $P = 0.000 < 0.05$, therefore

there was a statistically significant relationship between how much each members of a *stokvel* contribute per month and the type of *stokvel* they are members of. This finding indicates that how much each member of a *stokvel* contributes per month influences the type of *stokvel* an individual becomes a member of.

Discussion

The findings highlight the individual needs of members of *stokvel* groups and are aligned with the five constructs of Maslow's hierarchy of needs theory. The findings also indicate a pyramid like view of the *stokvels* typology in eThekweni are grouped in a pyramid like structure (Figure 1.). The findings as elucidated in this paper, highlight the intrinsic and unique characteristics that can be found within each *stokvel* group type - aligned with the four-stage constructs of the Hayes & Wheelwright theory constructs. As there are eight types of *stokvel* found in eThekweni Municipality based on their founding objectives, each type of *stokvel's* objectives can be mirrored against both the Maslow's hierarchy of needs model and the Hayes & Wheelwright four-stage model.



g) Figure 1. Stokvel Group Types by Hierarchy of Needs

Source: Author

As indicated in Figure 2., the five focus-type stages of *stokvels* are; Grocery Focus Type *Stokvels*, Savings Focus Type *Stokvels*, Birthday/Other Focus Type *Stokvels*, Investment Focus Type *Stokvels* and High-Budget Focus Type *Stokvels*. The model reveals that these five focus-type stages can be identified in the form of a progression of increasing contribution to *stokvel* success or goal achievement.

Stage 1: Grocery Focus-Type *Stokvels* or Survival Focus (Survival Need/Internal Neutral)

When a *stokvel* is at the lower focus-type stage of the hierarchy of needs and the Hayes & Wheelwrights model, it operates much the same as an individual who is at the initial stage; at this stage survival is key. From observations made by the researcher during the surveys and as

indicated in Figure 2., just like a small business / owner manager a stokvel at this stage its members have a short-term view horizon and a need for instant gratification. Members do only what is required to survive, without concern of continually improving or planning for the long-term. Long-term plans are outside of the realm of understanding for a grocery focus-type stokvel at the initial stage of the hierarchy because the need for survival has not yet been met. In a grocery focus-type stokvel the majority of members are less sophisticated, either self-employed or unemployed. If a grocery focus-type stokvel can gratify the initial stage of survival, however, it can move to the next step in the hierarchy of needs: the savings focus-type level.

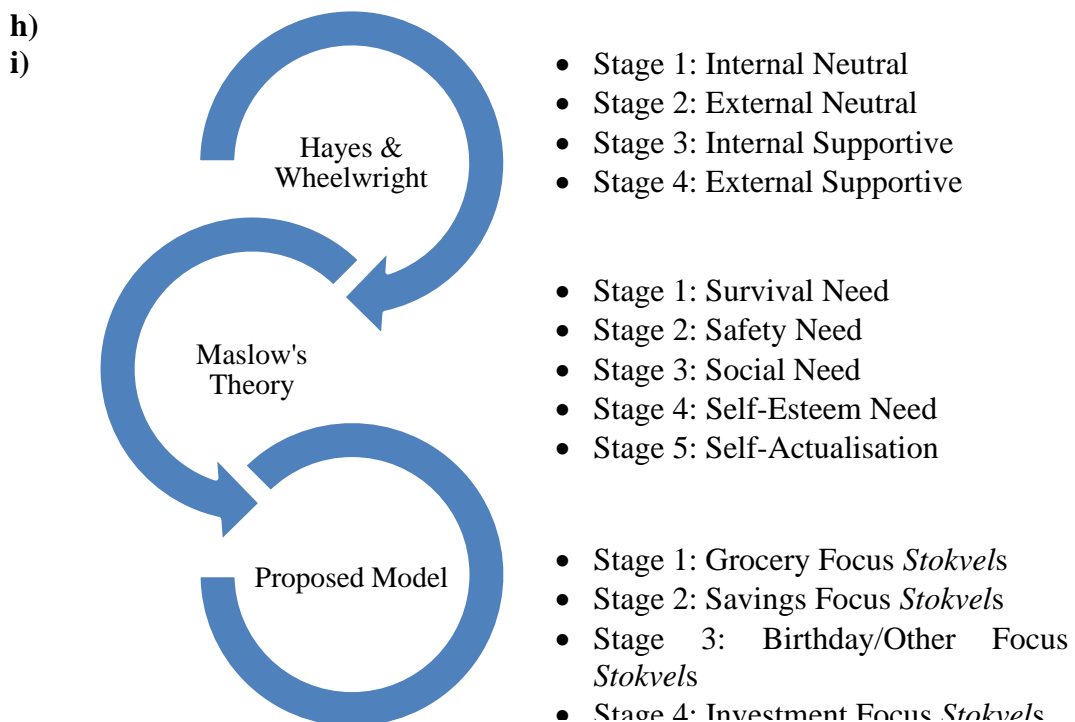


Figure 2. A Proposed Model for Stokvels

Source: Author

Stage 2: Savings Focus-Type Stokvels or Safety Focus (Safety Need/External Neutral) and Birthday/Other Focus-Type Stokvels or Social Focus (Social Need/External Neutral)

Once the survival needs are met, the driving motivation for behaviour in a small business/owner manager business is to improve, the same applies to a stokvel. The focus of a stokvel in the second stage is about monitoring performance and focus on a routine. This is congruent with the safety needs identified by Maslow and the second stage of Hayes & Wheelwright's model. For a Savings focus-type stokvel; developing a spread-sheet, a record of bank statements or a transactions metric is a way to measure progress. These are all safety mechanisms for a Savings focus-type stokvel to begin to focus on its performance to ensure the long-term viability of the stokvel group,

The social focus stage of the hierarchy is when stokvels are driven to add other objectives to their founding mandate for an example to celebrate birthdays, travel around the globe, socialise and network thus improving the social capital standing of their stokvel. It is at this stage when a stokvel actively pursues benchmarking against set industry standards and

formulating strategies based major competitors. There is no competitive advantage. Once the social stage has been gratified, the next stage of the hierarchy begins to drive the behaviour of stokvels. This next step in the hierarchy for the individual would be esteem needs, for a small business it is the competitive-focus level and for a stokvel it is the Investment focus.

Stage 3: Investment Focus-Type Stokvels (Esteem Need/Internal Supportive)

The successful implementation of programmes that resulted in the gratification of the social-focus stage develops a competitive advantage in the investment-focus stage. This is the fourth level (esteem needs) of Maslow's hierarchy of needs and the third stage (internal supportive) of Hayes & Wheelwright's model. From an observation made by the researcher during the survey of this study the investment focus type stokvels showed keen interest in diversifying their savings by soliciting advice on how to create an investment portfolio. This plays a key role in the development of an investment strategy.

Once the investment-focus stage has been gratified, the next step and final stage of the hierarchy for stokvels is the high-budget focus.

Stage 4: High-Budget Focus-Type Stokvels (Self-Actualisation/External Supportive)

From an observation made by the researcher during the survey, at this stage of the hierarchy stokvels or their members strive to become leaders in their respective industries, in alignment with the fifth level of Maslow's hierarchy of needs (self-actualization) and with stage four (external supportive) of Hayes & Wheelwright's model.

All the high-budget focus type stokvels in this study hold a portfolio of shares in the stock-exchange. Since the successful satisfaction of the previous four hierarchical needs the stokvel or its members have been empowered with the confidence and operational effectiveness to strive to be leaders in their respective industries.

Similarly at the high-budget focus stage, the stokvel becomes a positive influence in the community, venturing into capital intensive infrastructure programmes/projects thereby providing employment opportunities. This is supported by the interview participants where one said; "stokvels are job creators". Once stokvels or members in high-budget focus stage reach their potential, this results in positive spin-offs for all involved. The higher up a Maslow's hierarchy of needs an individual and the Hayes & Wheelwright's model a small business / owner manager goes or the stokvel in the case of proposed model in this study – the fewer the actors become.

Conclusion

The issue of development of the informal economy with more focus on RoCSAs like stokvels needs to be explored further as a means to improving livelihoods & living standards, inequality reduction and poverty alleviation. Stokvels, with their huge source of funds can make investments that would create a network infrastructure that can service their members and communities, thereby addressing wide-spread socio-economic problems. The conceptual model developed in this paper once integrated into the *Economic Policy Framework* of municipalities could be leveraged in various spheres of the economy; including as a tool for targeted industry sectors (e.g. tourism, property development, finance & banking and many more) to speed up economic transformation. It could also assist policy-makers designing programmes, initiatives and forums for the entire *stokvel* industry. The model further highlights the potential existence of class and social status across the pyramid.

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