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ALLEVIATION OF POVERTY THROUGH ENTREPRENEURSHIP IN SAVINGS AND CREDIT ASSOCIATIONS – *STOKVELS* – A CASE STUDY FROM SOUTH AFRICA

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Abstract. Women, especially widows, have always faced different forms of discrimination and financial exclusion. During the COVID-19 pandemic, most economic activities came to a standstill, resulting in a struggle for survival for widows involved in stokvel-preneurship. This study is set against the background that although studies on stokvels exist and, whilst negative impacts of the COVID-19 pandemic have been felt across the country, little is known about how widows involved in stokvel-preneurship in the Eastern Cape province went on with their stokvel activities during the COVID-19 pandemic to alleviate poverty, a gap that this study aims to address. We used a quantitative process by employing a positivist paradigm from a unique axiology, ontology, epistemology, technique, and rhetorical stance. Data were collected using questionnaires and analysed a T-independent test was employed as a data analysis tool to test the significance difference between the mean groups. Descriptive statistics were used to describe the features and summaries of the study's data set. The study found that widows could continue their stokvel businesses during the COVID-19 pandemic. The study concluded that the COVID-19 pandemic was a huge disruptor, but widows involved in this study moved on with their stokvel activities because they needed to survive.

Keywords: stokvel-preneurship; widows; poverty; inequality; discrimination

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JEL Classification: L26, L29

1. Introduction

After the Coronavirus was first reported in Wuhan, China, the WHO declared a pandemic, making staying at home mandatory to maintain social distancing (Panneer et al., 2022). As a result of the world being unprepared, the cost of responding to COVID-19 includes the closure of businesses, among others (Fairlie, 2023). The theoretical concept of necessity entrepreneurship is conceptually underdeveloped due to a lack of research (Reid et al., 2015). In no small measure, this gap can be traced to the field's disproportionate research emphasis on the high-growth and job-creating ventures of opportunity entrepreneurs, who engage in venturing by choice. We are thus connecting traditional practices on entrepreneurial processes among individuals who have become entrepreneurs out of necessity (Gaddefors & Anderson, 2019; Dencker et al., 2021; Dodd et al., 2021).

Universities have not engaged systematically to deliver theoretical knowledge about stokvels (Akonkwa et al., 2022). Thus, this research responds to the dearth of academic attention among widows who are in extreme poverty in the Global South (Anderson & Lent, 2019; Eijdenberg et al., 2019) by showcasing how stokvel-

preneurship, created out of necessity, can bring about new economic, social, institutional and cultural environments through the actions of a group of individuals such as widows.

After the coronavirus was detected and businesses came to a standstill in 2020, the challenges of coping with COVID-19 and adapting to a new lifestyle were brought about. Since little is known about the situation of widows involved in stokvel-preneurship in the Eastern Cape province, the overall purpose of this study is to analyse how widows involved in stokvel-preneurship coped with their savings club during the COVID-19 pandemic. We highlight how the COVID-19 pandemic and subsequent responses involving lockdowns and limited movement have exacerbated existing structural inequalities and vulnerabilities widows in South Africa face. Studies on stokvels exist and, whilst negative impacts of the COVID-19 pandemic have been felt across the country, little is known about how widows involved in stokvel-preneurship in the Eastern Cape province went on with their stokvel activities during the COVID-19 pandemic and how stokvels solve the issues of poverty and inequality.

2. Theoretical framework

This study is grounded on the Ujamaa theory which is based on African philosophy (Ikechukwu, 2023). The study uses the Ujamaa framework to examine how stokvels align with indigenous African philosophies and affect women socio-economically. Julius Nyerere, Tanzania's first president, popularised the Swahili term Ujamaa, meaning “familyhood” or “extended family,” according to Bangura (2018). Traditional African values like communalism and familyhood underpin Ujamaa (Sithole et al., 2021). Thus, Ujamaa embodies Nyerere's call for collective responsibility (Bangura, 2018).

The Ujamaa theory is essential to understanding women entrepreneurs' complex stokvel participation. It promotes collective responsibility, community improvement, shared resources, socioeconomic equity, and community development (Ikechukwu, 2023). Understanding how these principles apply to women's entrepreneurial activities in stokvels, which involve collective financial initiatives, is crucial. Since Ujamaa promotes resource aggregation and cooperative efforts for the benefit of all, analysing how widows involved in stokvel-preneurship coped with their savings club during the COVID-19 pandemic is compelling.

3. Review of selected literature

3.1. Conceptualising *Stokvels*

Stokvels, initially conceptualised as rotating savings and credit associations (ROSCAs), were explored in the conceptual works of Ardener and Geertz in the 1960s (Geertz, 1962; Ardener, 1964). With its long and often turbulent history (Redford & Verhoef, 2022), *stokvels* have long been a part of Africa's development. Some authors state that *stokvels* have been used to support economic and social activity (Biehe & Wolf, 2022). Regional and linguistic factors have a major influence on the terminology of *stokvels* (Bagire & Namagembe, 2022). *Stokvels* in multilingual South Africa are referred to as *chita or chitu* in Tamil or Hindi in Natal (Ardener, 1964). Other names for *stokvels* are *gooigoois*, which means 'throw' (money), *kuholisana* ('draw wages'), *mahodisana* ('pay back to each other'), *umgalelo*, and *umshayelwano* (Swanepoel, 2012).

Stokvels are a global phenomenon, existing in various forms across different cultures and economies (Lappeman et al., 2020). Calvin and Coetzee (2010) mention that the contention in defining *Stokvels* is due to a wide variety of *stokvels* that exist. Some are savings (Hlatshwayo, 2023), burial (Maziriri, 2024), festive, grocery, housing, and entertainment *stokvels* (Bophela & Khumalo, 2019).

Stokvels can be categorised into different types based on their operational frameworks. In savings *stokvels*, contributions are collected and paid out to members in a rotating manner. This model not only provides

immediate financial relief to members but also encourages disciplined saving habits (Hlatshwayo, 2023). Another model involves accumulating contributions over time, which are then paid out as a lump sum, often with accrued interest, at a specified maturity date. This approach allows members to plan for larger expenses, such as education or home purchases, thereby enhancing their financial stability (Hlatshwayo, 2023).

The flexibility and adaptability of these models make *stokvels* an attractive option for individuals who may not have access to traditional banking services. The impact of *stokvels* on financial inclusion is profound, particularly in the context of micro, small, and medium-sized enterprises (MSMEs). *Stokvels* serve as a vital source of capital for entrepreneurs who struggle to secure funding from formal financial institutions. By pooling resources, members can access larger sums of money that can be used for business ventures, thereby contributing to local economic development and job creation (Fomum & Opperman, 2023). Moreover, the informal nature of *stokvels* allows for a more personalised approach to lending and borrowing, which can be particularly beneficial for individuals with limited credit histories (Ngcobo, 2023).

This informal financial ecosystem not only supports individual members but also strengthens community ties and fosters economic resilience. The business model employed by *stokvels*, which are informal savings and credit groups predominantly found in South Africa, reflects a unique approach to financial inclusion and community support. *Stokvels* operate on principles of mutual aid and collective responsibility, allowing members to pool resources for various purposes, including savings, loans, and social events. This model is particularly significant in the context of marginalised communities, where access to formal financial services is often limited. The structure of *stokvels* can vary, but they typically involve regular contributions from members, which are then distributed according to predetermined rules, thereby fostering a sense of solidarity and community engagement (Hlatshwayo, 2023).

Depending on the reason for the formation of a *stokvel*, any member of society may participate in the *stokvel* business if they agree with the terms of reference of the *stokvel* that they want to join. Since participants in *stokvels* contribute to the survival of *stokvels*, they become shareholders of the *stokvels*, and, in a way, co-owners of the *stokvels*.

Lack of access to credit is often cited as one of the main causes of poverty in the world in general and in developing countries in particular. For the poor, money is a matter of absolute survival. Credit is often used to develop income-generating activities (IGAs), to feed, to care for themselves, to finance their children's schooling, etc. When they need to, they do not hesitate to go to pawn shops to relinquish their prized possessions for a meagre amount that contributes to keeping the poor in their precarious conditions (Ali & Siembou, 2022).

Several factors can influence savings behaviour at the individual, household, or national levels (Peprah & Redford, 2022). *Ipso facto*, extensive primary research by several authors (Adeola et al., 2022; Bagire & Namagembe, 2022; Gudeta et al., 2022; Mathuva, 2022; Onomo & Nkakleu, 2022; Verhoef & Hidden, 2022) in broad geographical regions across several African countries testifies to the sustained reliance on *stokvels* as an alternative for formal financial services. The research finds that it is incorrect to consider *stokvels* to be the exclusive preserve of 'the poor', and our research shows instead that they have emerged as a preferred vehicle for savings and wealth-building strategies also for people of more stable means, the rapidly growing African middle class as well as the higher-income strata of society.

In this context, there is evidence of persistent and extensive involvement in the efficacy of collective action through *stokvels* (Brito, 2022). *Stokvels* are fundamental to self-driven capacity-building, using informal social capital, as a path to self-empowerment and, eventually, formal financial inclusion, in line with the World Bank's Universal Financial Access 2020 goals (World Bank, 2020). *Stokvels* in Africa are typically agents of economic

growth, self-driven to address the existential phenomenon of poverty through informal community action (Redford & Verhoef, 2022).

From the outset, SG4Africa formulated the scope of the research to be '*stokvels* plus'. In other words, the consortium sought to understand *stokvels* as an integral part of a wider ecosystem of financial behaviour, financial inclusion for empowerment, wealth creation, and sustainable development. One of the main trends identified by SG4Africa as relevant to *stokvels* in the modern context is the rise of new forms of integration with formal financial services, especially micro-finance institutions (Redford & Verhoef, 2022).

The COVID-19 pandemic has significantly impacted women's economic security and livelihood, particularly in the informal sector. Women earn less, save less, and hold less secure jobs, with limited access to social protections. The pandemic has worsened pre-existing gender inequalities, particularly in the informal sector (Nkansah-Dwamena & Fevrier, 2022). The pandemic has resulted in the loss of lives, shrinking economies, overburdened healthcare sectors, unemployment and loss of benefits, unpaid work, increased domestic burdens, weaker social protections, and decreased earnings, to name a few. The pandemic has significantly reduced the livelihood and economic security of women (UN Women, 2020). Due to the stringent lockdown being declared as a public health response, the economic impact of this COVID-19 crisis has been dire, especially for the poor and the informal sector (Ajam, 2021).

3.2. *Stokvels* and the issues of poverty, unemployment, and widows

3.2.1. Poverty

Poverty refers to a lack of sufficient resources to provide the necessities of life (World Bank, 2020). Although it is a concept typically measured by income, poverty involves more than the income needed to provide a sustainable livelihood as it manifests in such things as lack of access to education and other basic services, social exclusion, discrimination, and lack of participation in decision making (United Nations (UN) 2005). Poverty reduction has increasingly become a core subject for researchers across the social sciences from economics and finance to management and entrepreneurship (Chen et al., 2017; Dollar et al., 2016; Sutter et al., 2019). This is in response to the severity of the problem of extreme poverty and the decidedly mixed results of poverty alleviation measures (Easterly, 2006). These measures include foreign aid programmes, microfinance and property rights promotion, and bottom-of-the-pyramid initiatives (Alvarez et al., 2015). These initiatives have not had much impact on extreme poverty and may have created some additional problems (Easterly, 2006).

In South Africa, poverty and inequality are often mentioned in the same breath. This ignores the over-important conceptual differences between poverty (measured by incomes at a particular threshold) and inequality (measured by gaps between groups or individuals). Poverty is analysed as an individualised metric, a person's income level, or a multidimensional index relative to an income or multidimensional poverty line (Leibbrandt & Pabon, 2021). As such, the analysis of poverty cannot necessarily explain the forces reproducing intergenerational inequality or poverty.

3.2.2. Inequality

Achieving gender equality and the empowerment of women and girls is essential. This is because women deserve to be treated equally and because empowered women can reinforce economic gains by contributing to the overall development of their families and societies (Yadav et al., 2020). The importance of women's empowerment is underscored by the Sustainable Development Goals (SDGs), particularly Goal 5, which aims to achieve gender equality and empower all women and girls (Keith et al., 2022). Societies must use all human capital optimally. Women, young and old, are part of society's human capital (Rickard, 2022). Providing women and girls with equal access to education, health care, decent work, and representation in political and economic decision-making processes will fuel sustainable economies and benefit societies and humanity at large (Demirgug-Kunt, 2018).

Despite the economic arguments for gender equality, women are among the most financially excluded segments of society. Out of the 1.7 billion unbanked adults globally (unbanked persons have no account with a financial institution or through a mobile money provider), the majority (56%) are women (Demirgüç-Kunt, 2018). The 2018 Global Gender Gap Report, which benchmarks countries on progress towards gender parity, reveals persistent gaps in the control of financial assets and in the time spent on unpaid tasks which continue to preserve economic disparities between men and women. In only 60% of countries, women have the same access to financial services as men, and women spend, on average, twice as much time on housework and other unpaid activities than men (World Economic Forum, 2018).

As revealed by Goetz and Sen Gupta (1994), on average, women make up 80% of savings group members globally. *Stokvels* appeal to women because of the low level of documentation they require for access and can be set up at a more convenient distance than most formal financial services (Johnson, 2004). As reported by Karla et al. (2017), women in *stokvels* report familiarity with handling money and independence in financial decision-making, solidarity, improved social networks and respect from the household and other community members and enhanced financial decision-making capabilities. Since enhanced economic independence often leads to the assumption that *stokvels* consistently contribute to women's empowerment, *we believe that stokvels* can provide access to basic financial services to financially excluded women through savings in small amounts, credit on flexible terms, and micro-insurance.

Stokvels have evolved from a pure methodological form of promoting financial management in the 1990s to complex multidimensional programmes accounting for health, gender, and education components. This confirms that *stokvels* offer an effective tool to reach the most excluded with an integrated package of support and services (Rickard, 2022). With various agents seeking to tap into the potential of women-led businesses for economic growth and job creation (Nguyen, 2012), *stokvels* often present an additional potential platform to support women's entrepreneurship and market engagement (Rickard, 2022).

3.2.3. Widows and their involvement in *stokvel-preneurship*

Widowhood does more than just make people sad; it changes their lives in fundamental ways. Although both widowed women and men experience lower levels of physical and psychological well-being (Bennett & Soulsby, 2012), women seem to be more vulnerable to the physical health challenges associated with widowhood (Das, 2013), as the psychological effects are further exacerbated among women related to particular social and cultural norms (Trivedi et al., 2009). Widows are vulnerable to social stigmatisation, economic vulnerability, and humanitarian injustices, especially in developing countries (Loomba Foundation, 2015).

We focus on women, and widows in particular, because they represent an extreme case of entrepreneurship out of necessity. Men, too, engage in entrepreneurship out of necessity. However, being a widow exacerbates the problems of being poor – whereby social isolation and ostracisation have resulted in various forms of isolation – geographic, economic (being far from markets), and from mainstream institutional support. Being cut off from family support and being stripped of any marital assets left these women destitute in terms of access to both social and livelihood resources. Facing the necessity of providing for themselves and their children, they had virtually no resources. Arguably, if progress is to be made in achieving the United Nations' number one Sustainable Development Goal (SDG) - 'End poverty in all its forms everywhere', learning more about entrepreneurship in contexts of necessity has a great deal of practical importance as a foundation for impactful policy and programmes.

The literature on all the case studies in Africa substantiates the observation that women constitute the core of voluntary informal *stokvels* (Verhoef & Hidden, 2022). The role of women in the rollout of *stokvels* across South Africa should not be underestimated, nor should the widely acknowledged empowerment function be performed

for its members (James, 2018; Van Wyk, 2017). In developing countries, most women are engaged in entrepreneurial activity driven by pure survival. This is out of necessity rather than opportunity due to a lack of jobs and a need for additional income (Vossenbergh, 2013). During the earlier stages of urbanisation, the start-up businesses in which many Black women invested their *stokvel* funds in micro-enterprises, included shebeens (taverns), laundry and sewing services, small grocery shops, also known as spaza shops, and dairy shops. In rural areas women operate most of the micro-enterprises, using collective savings funds for operations, such as the purchase of stock or transport of goods (Neves & Du Toit, 2013).

A recent report conducted by the Finmark Trust (2018) suggests that relationships within households improved thanks to the funding from *stokvels* members were able to support each other financially and plan together. *Stokvels* have a profound impact on the social cohesion and trust within a community.

4. Hypotheses

Our research hypotheses are:

- H_0 : COVID-19 did not influence widows' involvement in *stokvel-preneurship*.
- H_1 : COVID-19 influenced widows' involvement in *stokvel-preneurship*.
- H_0 : *Stokvels* do not solve the issues of poverty, inequality, and women's discrimination.
- H_1 : *Stokvels* solve the issues of poverty, inequality, and women's discrimination.

5. Methodology

5.1. Research paradigm

This was a non-experimental, descriptive, and correlational design, assessing reliability and validity through statistical analysis to establish a relationship between variables (Karambakuwa, 2024). The study utilised a positivist research paradigm, focusing on quantitative methods and universal laws governing human behaviour (Acharya, 2024). The rigidity and quantitative method of positivism were reflected in the use of numbers and statistics in this study (Omodan, 2024). It utilised logic, mathematical equations, statistical analysis, and a systematic approach to interpret knowledge based on empirical facts (Nyabuto & Wabwoba, 2024).

5.2. Sampling

We targeted widows who engage in project-based *stokvel-preneurship*. We selected individuals who conformed to specific criteria and possessed the characteristics of the study. We identified 10 *stokvels* from various research sites through a census sampling technique to acquire data from every member of the targeted population (Chandra, 2020; Johnson & Christensen, 2020; Quinlan et al., 2019). As a result, 50 widows were sampled for this study. The sample, aged between 40 and 55 years, had varied levels of education with little income, if any. They were all widows who had lost their husbands in the last two years, regardless of the cause of death and had contributed to their respective *stokvels* for two years.

5.3. Instrumentation

A self-administered questionnaire was used to gather data on the effects of COVID-19 on widows in *stokvel-preneurship* and the importance of *stokvels* in solving poverty, inequality, and women's discrimination. The questionnaires were actionable (Masha & Eze, 2022) and cost-effective (Batchelor et al., 2022).

5.4. Data Analysis

Data were analysed using the eight stages of data analysis proposed by Wild and Diggines (2020) whereby a T-independent test was employed as a data analysis tool to test the significance difference between the mean groups. Descriptive statistics were used to describe the features and summaries of the study's data set (e.g., variables mean, standard deviation, and frequency (Struwig & Stead, 2022).

5.5. Ethical Considerations

Since this study was conducted by researchers in institutions of higher learning, we had to be sanctioned by the research ethics committee before the issuance of an ethical clearance certificate (Sefotho, 2024). We secured informed consent from respondents (Bartley & Hashemi, 2024) and we assured them of their confidentiality and anonymity (Fouché & Chubb, 2024).

6. Study findings

The hypotheses in this paper are empirically tested to form a basis for accepting or rejecting the *Ho*. In particular, the t-test was utilised to test the significant difference between the two means of COVID-19 disruptions and women's involvement in *stokvel-preneurship*. With the verity that the study sampled human participants, a 5% level of confidence interval was utilised indicating that only 5% of the data is expected to occur by error.

6.1. Research hypothesis one

The first research hypothesis that COVID-19 disruptions did not influence widows' involvement in *stokvel-preneurship* was empirically tested with the t-independent test via the IBM SPSS version 21. The t-test coefficient detailed in Table 1 exhibits the strength and means between the different scores.

Table 1. T- independent test

Items	Est.	T Stat.	Decision	Remarks
COVID-19 was a disruptor	0.769	2.022	Significant	Accept
We were able to do business during the COVID-19 pandemic	0.466	1.554	Significant	Accept
We were able to make a profit during the COVID-19 pandemic	0.080	0.213	Significant	Accept
We were able to maintain our partnership during the COVID-19 pandemic	0.700	2.143	Significant	Accept
We were able to sustain ourselves during the COVID-19 pandemic	0.165	0.479	Significant	Accept

Source: Prepared by the researchers

Table 1 shows the significant coefficient of the different constructs that form the hypothetical statement of the influence of COVID-19 disruptions on widows' involvement in *stokvel-preneurship*. The results indicate that all constructs are above the limit of the threshold of ($t=2.022$; $t=1.554$; $t=0.213$; $t=2.143$; and $t=0.479$, $p<0.05$). Clearly, the results explain that the COVID-19 disruptions can be used to explain widows' involvement in *Stokvel-preneurship*. Similarly, it is important to stress that the results do not only indicate that COVID-19 disruptions explain widows' involvement in *stokvel-preneurship*, but also show a highly significant influence of the COVID-19 disruptions on widows' involvement in *Stokvel-preneurship*.

6.2. Research hypothesis two

The second hypothesis that *stokvels* do not solve the issues of poverty, inequality, and women discrimination was tested with the t-independent test via the IBM SPSS version 21. The t-test coefficient detailed in Table 2 exhibits the strength and means between the different scores.

Table 2. T- independent test

Items	Est.	T Stat.	Decision	Remarks
<i>Stokvels</i> solve the issue of poverty	0.685	6.244	Significant	Accept
<i>Stokvels</i> solve the issue of inequality	0.867	13.482	Significant	Accept
<i>Stokvels</i> solve the issue of unemployment	0.494	4.044	Significant	Accept
<i>Stokvels</i> solve the issue of discrimination against women	0.774	6.028	Significant	Accept
<i>Stokvels</i> are a source of income for widows	0.884	13.871	Significant	Accept

Source: Prepared the researchers

Table 2 shows the significant coefficient of the different constructs that form the hypothetical statement of the influence of *stokvels* in solving issues of poverty, inequality, and women's discrimination. The results indicate that all constructs are above the limit of the threshold of ($t=6.244$; $t=13.482$; $t=4.044$; $t=6.028$; and $t=13.871$, $p<0.05$). Clearly, the results explain that *stokvels* influence the issues of poverty, inequality, and discrimination among window women. In addition, it is important to stress that the results do not only indicate that *stokvels* influence poverty, inequality, and discrimination, but also show a highly significant influence of *stokvels* in issues of poverty, inequality, and discrimination among window women.

7. Interpretation of findings

The primary aim of the study was to test two hypotheses: One was to test if COVID-19 influenced widows' involvement in *stokvel-preneurship*, and the other was to test if *stokvels* solve the issues of poverty, inequality, and women discrimination.

Due to COVID-19's rapid global spread, most organisations found it difficult to continue operating during these COVID-19 times since there was a decline in economic indicators (Boateng et al., 2021). The vulnerability of women who work in informal employment was greatly increased when the COVID-19 epidemic broke out in early 2020 (Webb et al., 2020). Families throughout the world were greatly impacted by the COVID-19 problem (Yanti & Fauziah, 2021). COVID-19 finally became a pandemic that influenced many facets of society, including social interactions, human health, and the economy (Boateng et al., 2021).

Poverty reduction has become a central focus for social science researchers in a variety of fields, including economics, finance, management, and entrepreneurship (Sutter et al., 2019). Poverty not only hurts mental health but also lowers social status, trauma, violence, crime risk, and poor physical health (Baranyi et al., 2021; Hyde et al., 2020; Machado et al., 2022). To understand how *stokvels* affect women's empowerment, one must examine the various empowerment domains and how programmes with different designs and components can produce different empowerment results (Rickard, 2022). The UNDP (2019) stresses gender equality and women and girl empowerment. Because empowered women improve family and society's well-being and women should be treated equally, economic gains can be reinforced. Women and girls' equal economic participation will fuel sustainable economies, societies, and humanity (Demirgug-Kunt, 2018).

Women are among the groups in society that are most financially excluded, even despite the economic justifications for gender equality. Women make up the majority (56%) of the 1.7 billion unbanked adults worldwide (those without an account with a financial institution or through a mobile money provider) (Demirgug-Kunt, 2018).

Kunt, 2018). Women spend twice as much time as men do on housework and other unpaid activities, and only 60% of countries provide women.

Women are drawn to *stokvels* because they can be established more conveniently than most formal financial services and require less paperwork to access (Johnson, 2004). Therefore, through small-scale savings, flexible-term credit, and microinsurance, *stokvels* can give financially excluded women access to basic financial services. Women in *stokvels* report feeling more at ease with money and independent when making financial decisions. They also report feeling more united, having better social networks, receiving respect from family and neighbours, and having better financial decision-making skills (Karlan et al., 2017). Increased economic independence frequently results in the belief that *stokvels* permanently aid in the empowerment of women.

In the 1990s, *stokvels* were a strictly methodical way to promote financial management; today, they are intricate, multifaceted programmes that take gender, health, and education into account. This demonstrates that *stokvels* provide a useful instrument for reaching the most marginalised people with a comprehensive set of services and support (Rickard, 2022). *Stokvels* frequently offer an additional potential platform to support women's entrepreneurship and market engagement, as various agents look to capitalise on the potential of women-led businesses as a means of achieving economic growth and job creation (Nguyen, 2012).

Gender inequality happens in many places and for many groups of people in the general population. This is especially true when it comes to how it hurts women (Padavic et al., 2020), which in turn makes economic inequality worse (Bapuji, 2015). This means that the young women who are discriminated against don't reach their full potential, which in turn means that society does not reach its full potential. Since widows have less bargaining power in sub-Saharan African cultures, they are more likely to be mistreated. Widows comprise a large portion of the female population in all societies, but research on their plight and status in developing countries is scarce.

Widows are accused of bewitchment or sorcery for the deaths of their partners in Africa and communities (Udoh, 2023). In many countries, widowhood practices are condoned, some of which are life-threatening and psychologically harmful and drive widows and their children into extreme poverty and marginalisation (Dube, 2023). An array of harmful widowhood rites in some communities in Africa, making widows' mistreatment a clear sign of gender inequality (Owusu, 2023). Not all African societies abandon widows. Widowers and children of deceased parents observe *ukuzila*, but widowers are exempt from more difficult bereavement customs (Carton, 2003). Thus, *stokvel-preneurship* by women reduces poverty and inequality.

Conclusions

This study examines the impact of the COVID-19 pandemic on widows in *stokvel-preneurship* in the Eastern Cape province. It found that despite the pandemic being a disruptor, widows were able to continue their *stokvel* activities, make a profit, maintain their partnership, and sustain themselves. The study also found that *stokvels* can effectively address poverty, inequality, and discrimination against widows. Despite the challenges, widows continued their *stokvel* activities to survive. The study highlights the negative impacts of lockdowns and limited movement on widows in South Africa, and the need to understand how they coped with their savings club during the pandemic. The results indicate that despite the pandemic, widows in project-based *stokvel-preneurship* were able to do business, make a profit, maintain their partnership, and sustain themselves.

Recommendations

This study focused on widows in project-based *stokvel-preneurship*, revealing widespread engagement in communal action through *stokvels*. *Stokvels* are essential for self-driven capacity-building and financial inclusion, aligning with the World Bank's Universal Financial Access 2020 goals. Future research could include any type of *stokvel*. The study highlights the COVID-19 pandemic's effects on widows, *stokvel-preneurship's* potential to address poverty, inequality, and discrimination, and the organisation of widows during the pandemic.

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