



MEDIA STATEMENT

STOKVELS TO TAKE PART INTO THE MAINSTREAM ECONOMY

In his recent budget vote, MEC for the department of Economic, Small Business Development, Tourism and Environmental Affairs, Makalo Mohale pledged the department's support to local Stokvels. The main purpose is to provide necessary support mechanisms such as acquisition of necessary licences to formalise Stokvels and ensure that their investments are best utilised to truly liberate them economically.

Currently, 40% of SA population belong to stokvel. The research has shown that there are 820 830 and 11, 4 million stokvel members in South Africa. With an estimated value of R44 billion contribution to the GDP. (Survey; African Response 2011).

Most popular types of Stokvels are; savings stokvels and burial societies. Estimated value of stokvels contributions per month is R3.7 billion.

On the 27 September 2019, the MEC convened Chairperson's and Secretaries of Stokvels across the province at Willem Pretorius Resorts. This interaction between these Stokvels and the department was an important building block towards a sustainable support programme for this sector. Forty two stokvels represent more than eleven thousands members throughout the Free State attended the meeting. More than twenty five percent of the participants were burial societies mostly headed by women.

The first session on the day was networking, where the stokvels were sharing experiences, challenges as well as their long term visions. This exchange of knowledge created a conducive environment for constructive discussions.

One of the respected experts in stokvels matters in South Africa Ms Busisiwe Skenjana addressed delegates about possible solutions to some of the challenges. Busisiwe Skenjana has a 32 years marketing experience, specializing in the niche Stokvel market segment. She currently runs the stokvel academy which provide stokvels with sustainable programmes such as Entrepreneurship, Youth Development, Financial Literacy training, Crime Prevention, after school Care and Environmental preservation.

Making a strong case for support to stokvels in the Free State, Skenjana said 'Sokvels are the masses social currency that feeds mainstream economy which unfortunately excludes same masses. The Free State government's support is a welcome intervention which need to be applauded'.

In his address to the members of stokvels, MEC Makalo Mohale made a commitment to ensure that the department will deliver in its promise to support the stokvels. 'Stokvels and burial societies have been the pillars and source of financial support to many families in townships and rural areas. Our programme around revitalisation of the township and rural economy will therefore not be complete without the support of stokvels' said the MEC.

Among interventions being considered for stokvels are training in stokvel administration, exposure to business and investment opportunities. One of the outcomes Destea hope to achieve is to attract stokvels to participate in the tourism industry, among others by owning property and or time shares. A long-term plan to support stokvels will be developed in the near future.

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