Stokvel investment: A tourism SMME enabler in South Africa

by

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Teresa Kapp

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I now can admit that I fully understand why I had to take so long to complete this study. Three proposals and two institutions later, I could not be more grateful to the God of my Ancestors for guiding me through these exceptional years. Not only has it been a significant process, but it has been life-changing in many respects. I have lost a lot of people during this journey, whether through growth or death, but I have also gained a lot of spiritual understanding. I now move forward with a clear understanding and excitement of the goals and dreams I still need to fulfil, and so I say this work may come as one, but it stands as 10,000 (inspired by the Poem of Maya Angelou and the famous reiteration of the poem by Oprah Winfrey). Ten thousand of some alive and ten thousand of those who have walked the earth before.

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ABSTRACT

The growth of the global tourism industry has resulted in the emergence of several small and medium-sized enterprises (SMMEs), and their significance continues to attract the attention of various governments and other industries, such as hotels, airlines, ground transport, etc. Although the industry experienced a halt due to the coronavirus disease 2019 (COVID-19) pandemic, tourism is still identified as a critical sector for the international economy. Emphasis has been placed on the importance of SMMEs and the need for enterprise development that will transform the economy of Africa. Entrepreneurship has been documented as crucial for the improvement of the South African economy and the best way that employment can be created in South Africa. Stokvels are introduced as an investment alternative that could bring about socio-economic development in the tourism industry. The primary objective was to explore how stokvels can be utilised as an alternative form of investment to enhance tourism entrepreneurship. A positivist epistemology and quantitative research approach was followed. IBM SPSS V28 and AMOS V28 were used to analyse the data, resulting in a multi-mediation Tourism Stokvel Model for Social Entrepreneurship and Transformation. Tourism authorities and governments could use the model as a guideline on how to plan budgets for investment and funding of tourism entrepreneurship for the transformation of the tourism industry. Future research is needed on how women-led initiatives in the form of stokvels and SMMEs can contribute to the national and social economy.

Keywords: stokvels; tourism; investment; tourism social entrepreneurship; tourism stokvel investment; tourism social transformation

IQOQA

Ukukhula komkhakha wezokuvakasha emhlabeni wonke kuholele ekuveleni kwamabhizinisi amaningana amancane naphakathi nendawo (ama-SMME), futhi ukubaluleka kwawo kuyaqhubeka nokuheha ukunakwa ngohulumeni abahlukahlukene nezinye izimboni, njengezimboni zamahhotela, zezindiza nezithuthi ezihamba phansi. Nakuba imboni yezokuvakasha yamiswa ngenxa yobhubhane lwesifo segciwane lekhorona ngo-2019 (i-COVID-19), ezokuvakasha zisabonakala njengomkhakha obucayi emnothweni wamazwe omhlaba. Kugcizelelwe ukubaluleka kwama-SMME kanye nesidingo sokuthuthukiswa kwamabhizinisi okuzoshintsha umnotho wase-Afrika. Ezamabhizinisi ziqoshwe njengezibalulekile ekuthuthukiseni umnotho waseNingizimu Afrika kanti futhi ziyindlela engcono kakhulu yokwakha imisebenzi eNingizimu Afrika. Ucwaningo lugxile ezitok'feleni njengezinye zezindlela zokutshala imali engaletha intuthuko yezenhlalo nezomnotho embonini yezokuvakasha. Uhlelo lwezitok'fela lugxile emcabangweni othi "okwenziwelwa abantu ngabantu" futhi ziyaqhubeka ukuba yindlela ehamba phambili yokunciphisa ubuphofu eNingizimu Afrika. Ngakho-ke, inhloso enkulu yocwaningo lwamanje bekungukuhlola ukuthi izitok'fela zingasetshenziswa kanjani njengenye yezindlela zokutshala imali ukuze kuthuthukiswe ezamabhizinisi kwezokuvakasha. Kwasebenza indlela ebheka ubufakazi obubonakalayo kanye nendlela yezibalo (ikhwantithethivu) ocwaningweni.I-IBM SPSS V28 ne-AMOS V28 kwasetshenziselwa ukuhlaziya imininingo, okuholele ekutheni kube nohlelo olwaziwa nge-*Tourism Stokvel Model for Social Entrepreneurship and Transformation*. Iziphathimandla zezokuvakasha nohulumeni zingasebenzisa lolu hlelo oluyisibonelo njengomhlahlandlela wokuhlela ibhajethi yokutshala imali, kanye nokuxhaswa ngezimali kwezamabhizinisi kwezokuvakasha ukusekela ushintsho embonini yezokuvakasha. Ucwaningo lwesikhathi esizayo luyadingeka maqondana nokuthi imishikashika eholwa ngabesifazane ngendlela yezitok'fela nama-SMME ingaba kanjani negalelo emnothweni kazwelonke nasemnothweni kwezenhlalo.

Amagama asemqoka: izitok'fela; ezokuvakasha; utshalomali; ezenhlalo zamabhizinisi kwezokuvakasha; ezotshalomali zezitok'fela kwezokuvakasha; uguquko kwezenhlalo kwezokuvakasha.

KAKARETSO

Kgolo ya indasteri ya bohahlaudi lefatsheng ka bophara e entse hore ho be le dikgwebo tse mmalwa tse nyenyane le tse mahareng (di-SMME), mme bohlokwa ba tsona bo tswela pele ho hohela tlhokomelo ya mebuso e fapaneng le diindasteri tse ding, tse kang tsa dihotele, tsa difofane le diindasteri tsa dipalangwang tsa fatshe. Leha ele hore indasteri ya bohahlaudi e ile ya ema ka lebaka la sewa sa coronavirus sa 2019 (COVID-19), bohahlaudi bo ntse bo hlauwa e le karolo ya bohlokwa moruong wa matjhaba. Ho tobokeditswe bohlokwa ba di-SMME le tlhokahalo ya ntlafatso ya dikgwebo e tla fetola moruo wa Afrika. Bohwebi bo tlalehilwe bo le bohlokwa bakeng sa ntlafatso ya moruo wa Afrika Borwa le tsela e molemohadi ya ho theha mesebetsi Afrika Borwa. Phuputso ena e tsepamisitse maikutlo hodima ditokofele e le mokgwa o mong wa letsete o ka tlisang ntlafatso ya moruo wa setjhaba indastering ya bohahlaudi. Lenaneo la ditokofele le thehilwe hodima mohopolo wa "ke batho, bakeng sa batho" mme le ntse e tswela pele ho ba lewa le etellang pele la phediso ya bofuma ka hara Afrika Borwa. Ka hona, sepheo sa mantlha sa phuputso ena e ne e le ho hlahloba hore na ditokofele di ka sebediswa jwang e le mokgwa o mong wa matsete ho matlafatsa kgwebo ya bohahlaudi. Boiphihlelo bo fanang ka tsebo ya lefatshe le mokgwa wa ho etsa patlisiso wa bongata di sebedisitswe phuputsong ena. IBM SPSS V28 le AMOS V28 di sebedisitswe ho manolla dintlha, mme sena se lebisitse ho Moetso wa Bohahlaudi wa Setokofele wa mekgwa e mengata bakeng sa Kgwebo ya Setjhaba le Phetoho. Ba boholong ba bohahlaudi le mebuso ba ka sebedisa moetso ona e le tataiso ya mokgwa wa ho rala ditjhelete bakeng sa matsete, le matlole a ditjhelete a, kgwebo ya bohahlaudi ho tshehetsa phetoho ya indasteri ya bohahlaudi. Diphuputso tsa kamoso dia hlokahala mabapi le hore na boikitlaetso bo etelletsweng pele ke basadi ka mokgwa wa ditokofele le di-SMME bo ka kenya letsoho jwang moruong wa naha le moruong wa setjhaba.

Mantswe a sehlooho: ditokofele; bohahlaudi; letsete; bohahlaudi kgwebong ya setjhaba; letsete la setokofele sa bohahlaudi; phetoho ya setjhaba bohahlauding

EXECUTIVE SUMMARY

Introduction

Small, micro-, and medium enterprises (SMMEs) in the tourism sector have the potential to contribute to poverty alleviation through the development of new ventures. There is growing awareness of the stokvel system as a central financial strength for indigenous people in Africa (Iwara & Netshandama 2021) and a leading strategy for poverty alleviation in South Africa (SA), and there is a need for funding of small, micro-, and medium tourism enterprises (SMMTEs). Both SMMEs and stokvels have the potential to bring about transformation in the tourism industry.

The COVID-19 pandemic resulted in slow investment in the tourism industry; thus, stokvels were investigated in this study as a creative and innovative way to source alternative funding and financial support. Stokvels are a system that enables financing 'by the people for the people'. The study thus proposes tourism stokvel investment as an alternative form of investment for tourism transformation through employment opportunities and poverty reduction. The mediated relationship between dimensions of tourism stokvel investment and dimensions of tourism social transformation was statically tested to propose a tourism stokvel model for social entrepreneurship and transformation.

Main Research Objective

The study will investigate whether investment by tourism stokvels could enable social entrepreneurship in tourism in order to achieve social transformation of the tourism industry. In other words, the objective is to determine if:

Tourism stokvel investment (TSI) + *Tourism social entrepreneurship* (TSE)
= *Tourism social transformation* (TST).

Stokvels as an alternative tourism investment stimulus may be greatly beneficial to previously disadvantaged communities by providing an African solution in the transformation of the tourism sector.

Literature Review

Stokvels, as initiatives designed to respond to problems of poverty and income insecurity in communities (Matuku & Kaseke 2014), motivated the investigation of a tourism stokvel model for social entrepreneurship and transformation of the tourism industry. The literature review examined how stokvels can improve the standard of living in South Africa through investment in social entrepreneurship opportunities in the tourism industry. The constructs and dimensions gleaned from the literature formed the basis of a theoretical framework, which was then investigated further. It is important to note that expert opinions — such as those of scholars and researchers — can inform content validity when a new construct or scale is developed (Hair *et al.* 2018), a view that was applied in the current study.

Literature on tourism investment supports three dimensions, namely *Trust* (Matuku & Kasela 2014), S*ocial Development* (Moloi 2011), and *Financial Security* (Christian 2016). Following an empirical investigation of extant literature, three dimensions were deemed most suitable to investigate tourism social entrepreneurship, namely *Innovation* (Stephan *et al*. 2015), *Opportunity* (Bottazzi *et al*. 2012), and *Social capital* (Bikse *et al*. 2015). Literature on tourism social transformation posits that tourism social transformation is the result of the development of a tourism-focused business through stokvel investments, which achieve social transformation by alleviating poverty and providing income-generating opportunities, while simultaneously facilitating economic growth. Therefore, *Economic development* (Dickson, 2012), *Job creation* (Sifolo *et al*. 2017), and *Improved living standards and empowerment* (Moscardo *et al*. 2017) were selected as the dimensions supporting the *Tourism social transformation* construct.

Research Design

The research design encompasses the approach and method adopted in a study. The present study followed a quantitative approach and a positivist epistemology in testing a newly designed measurement instrument informed by theoretical studies. Primary data were collected from members of stokvels and members of savings and investments groups, who were selected using purposive non-probability sampling. The research strategy was a cross-sectional survey. The data collection of the study took

place between March and May 2021, with the instrument disseminated via e-mail and social platforms such as WhatsApp, Twitter, and Facebook.

Research Method

The data collection method was communication-based (Cooper & Schindler 2022; Mouton 2001). The data from 202 responses were analysed using IBM's Statistical Package for Social Sciences (SPSS) Version 28, and the analyses included univariate, bivariate, and multivariate analyses to investigate stokvels as innovative avenues for tourism SMME development. Exploratory factor analysis (EFA) and Pearson's correlation were employed to determine the underlying structures and patterns of correlation for TSI, TSE, and TST. The results of the EFA were subjected to further analysis, using confirmatory factor analysis (CFA) and structural equation modelling (SEM).

Results and Discussion

A total of 687 questionnaires were received from the Lime Survey. Three screening questions under section A were used to determine if respondents met the criteria to participate in the study. Of the 687 respondents, only 202 met the criteria and completed the full survey. Respondents who did not meet the criteria were automatically isolated from the survey system and could not complete the rest of the questionnaire.

Section B consisted of four demographic sections. The first question was to determine the gender of the respondent, and 73.1% of the respondents were recorded as female. Question 2 related to typologies of stokvels, and saving clubs dominated (37.3%). The third demographic question was aimed at determining which province had a higher incidence of stokvels. The results showed that most respondents (84.1%) resided in Gauteng.

Univariate, bivariate, and multivariate analyses were conducted, where the data supported H_1, H_2, H_3, H_4 and H_5. EFA and Pearson's correlation were further employed to determine if tourism social entrepreneurship and tourism social transformation can be achieved through the development of a tourism-focused stokvel group. Patterns of correlations were examined among the questions that determine respondents'

perceptions, and principal component analysis (PCA) was employed to achieve a parsimonious summary of the item scores for a more formative measurement of the variables (Fokkema & Grieff 2017). Correlations were used to measure the strength and direction of the relationships between the variables (Pallant 2020) for each construct.

After running SEM on the identified four latent variables (*Opportunity*, *Social capital*, *Economic development*, and *Improved standard of living*), the model presented a fit estimate CMIN/*df* = 1.75 (< 3.00) as the most parsimonious model, with RMSEA = 0.06 (< 0.8) to support an absolute model fit. The incremental fit measure of the Tucker-Lewis Index (TLI) = .95 (> .9) and the comparative fit index (CFI) = .96 (> .9) were indicative of how well the data supported the fit indices. The meditation model consisted of three causal paths between the independent variables:

(a) *Opportunity* to *Social capital* (.79) to *Economic development* (.22) to *Improved living standard* (.31), with an effect size of .05 and a standardised effect size of .29.

(b) *Opportunity* to *Economic development* (.35) to *Improved living standard* (.32); and

(c) *Social capital* (.22) to *Improved living standard* (.31), with a standardised effect size of .11.

Based on these results the **Tourism Stokvel Model for Social Entrepreneurship and Transformation** was confirmed.

Limitations

One limitation of the study was the breakout of the COVID-19 pandemic. The government of South Africa declared a national state of disaster in terms of the Disaster Management Act 57 of 2002 on 15 March 2020 (Government Gazette 2020). The country went into complete lockdown on 26 March 2020, and regulations were implemented that restricted face-to-face interactions, which impacted the fieldwork for the study. Data had to be collected online to ensure the safety of the respondents, per UNISA's ethical regulations. As a result, not all targeted stokvel members had access to technology to participate in the online survey.

Some stokvel associations with extensive databases were approached to assist with the distribution of the questionnaires to their members; however, non-responsiveness and a general reluctance to assist with the distribution of the survey required the researcher to design creative means to achieve the required number of responses.

As no similar measurement instruments could be found in previous similar studies, the development of the measurement instrument was informed by literature on general tourism and business studies. Therefore, the reliability of the constructs in this study could only be benchmarked against those studies.

Future Research

The **Tourism Stokvel Model for Social Entrepreneurship and Transformation** consist of four variables (*Opportunity*, *Social capital*, *Economic development*, and *Improved living standard*). Additional constructs such as a *sense of belonging* (Lukhele 2018), *community building* (Klug *et al*. 2014), *social advancement* (Bophela 2018), *creativity* (Hussain, Bhuiyan & Bakar 2014), *risk* (Mohapeloa 2017), *social development* (Lyon & Hunter-Jones 2019), and *poverty alleviation* (Shamim 2019) could be investigated for the expansion of the model.

Women's participation in all stokvel groups accounts for 82% in South Africa (Bophela & Khumalo 2019:26). Furthermore, most women are dependent on their spouses or partners for the primary financial support of the household (Ngcobo & Chisasa 2018b). Through investment in tourism stokvels, these women could become financially empowered to support their households and break away from the culture of being financially dependent on a spouse or partner. More research is needed on how women-led initiatives in the form of stokvels and SMMEs can contribute to the national and social economy. In support of the Tourism Sector Human Resource Development strategy of the National Department of Tourism (NDT 2020), future research can inform policies on how new and innovative tourism business opportunities can stem from investment in stokvels to empower more women, especially in rural communities.

The non-probability sampling method is deemed biased and may not be fully representative of the population. Future studies could expand the sampling techniques to obtain a bigger sample that is not only limited to stokvels or members of saving clubs. By expanding the reach and potential target markets of tourism stokvels, more

insight could be obtained into what members think about the possibility of stokvels as an investment avenue in tourism. Stokvels have gained popularity across all race groups in South Africa, and the interest across more demographic areas, such as race, could provide more insight into the possibilities to expand investment in tourism stokvels, such as the application of stokvels and investment avenues for tourism SMMEs.

Conclusion

The primary research objective to explore how stokvels can be utilised as an alternative form of investment to enhance tourism entrepreneurship was supported by the proposed theoretical framework and research hypotheses. A quantitative research method supported the collection of primary data through an online questionnaire. Following the statistical analyses, a best fit multi-mediation model suggested that *Social capital* and *Economic development* (mediating variables) enhance the relationship between *Opportunity* (independent/exogenous variable) on *Improved living standard* (dependent/endogenous variable) to present the final **Tourism Stokvel Model for Social Entrepreneurship and Transformation**. It is thus concluded that the main research objective, together with the sub-objectives (RO1 to RO5), have been achieved.

ABBREVIATIONS AND ACRONYMS

ASCA	Accumulating Savings and Credit Associations
CFA	confirmatory factor analysis
COVID-19	Coronavirus
DOT	Department of Tourism
EFA	Exploratory Factor Analysis
GDP	Gross Domestic Product
ICE	International Conference on Events
ISG	Informal Savings Association
ITSA	International Tourism Studies Association
JSE	Johannesburg Stock Exchange
ML	maximum likelihood
NASASA	National Stokvel Association of South Africa
NTTS	National Tourism Sector Strategy
OECD	Organisation for Economic Corporation and Development
RDP	Reconstruction Development Programme
RO	Research Objective
ROSCA	rotating savings and credit association
SAT	South African Tourism
SE	social entrepreneurship/entrepreneur
SE	standard error
SEFA	Small Enterprise Funding Agency
SEM	structural equation modelling
SMEs	small and medium enterprises
SMMEs	small, medium, and micro-enterprises
SMTEs	small and medium tourism enterprises

STATSSA	Statistics South Africa
TESA	Tourism Educators South Africa
TSE	tourism stokvel entrepreneurship
TSI	tourism stokvel investment
TIP	Tourism Investment Programme
TRO	theocratical research objective
TSHRD	Tourism Sector Human Resources Development
TST	tourism social transformation
TTF	Tourism Transformation Fund
UN	United Nations
UNWTO	United Nations World Tourism Organisation
WEF	World Economic Forum
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council

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CHAPTER 1

INTRODUCTION AND PROBLEM STATEMENT

1.1 INTRODUCTION

Stokvels are savings- or investment clubs to which members make regular contributions and ultimately receive a lump sum and are a central source of financial strength for indigenous people in Africa (Iwara & Netshandama 2021). The literature notes that tourism is one of the world's greatest and most diverse economic sectors, consisting of many economies dependent upon it for employment and economic development (Mazimhaka 2006; Sofronov 2018; United Nations (UN) 2020). The combination of tourism's image as a desirable development opportunity and driver of economic growth (Moscardo Konovalov, Murphy, McGehee & Schurmann 2017) and the ability of stokvels as a method of pooling financial resources to invest while maintaining social cohesion (Iwara & Netshandama 2021) makes it crucial that research explore how the two concepts could benefit entrepreneurship.

Entrepreneurship has been identified as a vital part of the contemporary South African economy.

South Africa's Department of Tourism (DoT) (2017) and the Culture, Arts, Tourism, Hospitality and Sports Sector Education and Training Authority (CATHSSETA) have noted that small, micro-, and medium enterprises (SMMEs) constitute 90% of the tourism economy. Despite their significance, the national government of South Africa is often the only investor in SMMEs (Kirsten & Rogerson 2002). There is a widespread assumption that funding small enterprises is riskier than investing in large firms (Collier 2009). In sub-Saharan Africa, small enterprises are less likely to access business credit than those in more industrialised regions of the world (Iwara & Netshandama 2021). This makes it important to explore alternatives to fund entrepreneurial undertakings.

Limited government funding, together with the challenges of the COVID-19 pandemic, gave rise to a growing need for financial independence through the development of creative and innovative ways for entrepreneurs in the tourism industry to source

funding (Mohapeloa 2017). The tourism industry has an opportunity to explore stokvels as an alternative vehicle to generate social capital for the economy of South Africa (Klug, Shulgin, Mate & Trajkovic 2014) and promote empowerment (Matuku & Kaseke 2014).

This study presents stokvels as an investment alternative. Three constructs are proposed in investigating this alternative, namely *tourism stokvel investment*, *tourism social entrepreneurship*, and *tourism social transformation*.

This chapter introduces the study, its concepts, and the background, together with gaps in research and the study's research problem. This introduction provides an overview of:

a) the background of the concepts under study, namely tourism, stokvels, the tourism–stokvels linkage, tourism stokvel investment, tourism social entrepreneurship, and tourism social transformation.

b) the problem statement and proposed theoretical framework containing the three constructs (*tourism stokvel investment*, *tourism social entrepreneurship*, and *tourism social transformation*);

c) the primary and secondary research objectives; and

d) the motivation for the research; and

e) an outline of the chapters of this dissertation.

1.2 BACKGROUND TO THE STUDY

Stokvels and their complex nature require a holistic understanding before the concept can be applied as an investment alternative for the tourism industry (Klug *et al*. 2014). This section provides an overview of tourism in the context of the stokvel market, together with references to the literature, and contextualises the three identified constructs. The next section discusses the nature and status of the tourism industry.

1.2.1 Tourism

Tourism is described as an export industry that provides domestic services and experiences of local attractions to foreign consumers, in exchange for foreign currency (Mazimhaka 2006). *Tourism* has many definitions in literature, which encapsulate an

array of differing views and interpretations. In the present study, tourism is defined based on the widely used definitions offered by Middleton, Fyall, Morgan, and Ranchhod (2009) and Saayman (2013), provided below.

Middleton *et al*. (2009:3) define *tourism* as follows: “Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes”. Saayman, Saayman and Slabbert (2013) define *tourism* as follows: “Tourism is the total experience that originates from the interaction between tourists, job providers, government systems and communities in the process of providing attractions, entertainment, transport accommodation and catering to tourists”. Based on these definitions, *tourism*, in the present study, is defined as activities that involve people who travel to a particular place, referred to as a destination, to undertake business or leisure activities such as visiting attractions and use tourism facilities during their stay.

Destination refers to a geographical area that attracts visitors (Morrison 2018). South Africa’s destination selling point is it’s people, known as the ‘Rainbow Nation’ (Van Niekerk 2014), which offers many and widely diverse destinations. The current study aims to investigate South Africa as a tourism destination where opportunities for stokvel funding in tourism could be applied. This is important because the tourism industry is regarded, as noted in South Africa’s National Development Plan 2030 (SA government 2009), as one of the most important drivers of economic growth and job creation (Statistics South Africa (Stats SA) 2015) for the country. The travel restrictions related to the COVID-19 pandemic had a significant negative impact on the tourism industry (Yeh 2020), making it an important time to search for alternative funding opportunities for the industry, such as through the development of SMMEs. SMMEs, of which there is a high concentration in tourism in South Africa, were identified as an avenue for funding, and the tourism sector is recognised as having the potential to contribute to poverty alleviation through job creation (DoT 2017).

Stokvels are an example of self-help initiatives that could assist communities in developing an alternative avenue of raising funds to undertake new ventures in tourism (Matuku & Kaseke 2014). New ventures create job opportunities, which generate income, ultimately alleviating poverty (Sebele 2010). This is an important consideration with regard to South Africa, where the unemployment rate was at an all-

time high of 33.9% in the second quarter of 2022 (Stats SA 2022). Chapter 2 (Sections 2.2.1, 2.2.2, and 2.2.3) elaborates on the tourism industry from an international, national, and local perspective to provide more context regarding the importance of tourism. Stokvels as an alternative funding model are discussed next.

1.2.2 Stokvels

Over the years, stokvels have evolved, with more than seven types documented by different authors. Two types of stokvels are relevant to the current study, namely:

a. Investment [s]tokvels — which have become prevalent in South Africa's sector (African Response 2012). The common goal noted for investment stokvels is to accumulate capital by investing in business ventures, where stokvel members of this particular club contribute money monthly and the funds are saved and allowed to accumulate before investment in a new business venture, these stokvels also promote savings through bulk purchases of goods (Matuku & Kaseka 2015). These are sometimes referred to as "cooperative buying societies" (Irving 2005).

The second type of stokvel relevant to the study is:

b. Travel stokvels — These recently developed stokvels allow members to all work towards a single pay-out. At the end of the stokvel's financial year, the members split the contributions or pay towards a group trip (Sawubona 2018).

The term 'stokvel' is exclusive to South Africa; therefore, the background and history of stokvels are discussed based on the literature on rotating savings and credit associations (ROSCAs), accumulating savings and credit associations (ASCAs), and informal savings associations (ISGs), as such associations are referred to in other countries (Lappeman, Litkie, Bramdaw & Quibell 2020:331). Ardener (1964:201) defined a ROSCA as "an association formed upon a core of participants who agree to make regular contributions to a fund which is given, in whole or in part, to each contributor in rotation". A ROSCA has also been defined as "an informal, indigenous savings and credit institution, and a widespread phenomenon in rural and urban economies around the world that facilitates the accumulation of financial capital for the purchase of indivisible goods and also savings within households" (Van den Brink & Chavas 1997:745). Bouman (1995) distinguished between rotating and accumulating

savings but recognised a hybrid form. Several countries use terms with a meaning similar to that of both a ROSCA and an ASCA; for example '*tontine*' in Cameroon and Senegal, '*susu*' in Ghana, '*esusu*' in Nigeria, and '*bishi*' in India. In South Africa, the term '*stokvel*' is mainly used (Bouman 1995:371).

South Africa is a diverse country with 11 official languages (Van Niekerk 2014), and stokvels are also called '*gooi-goois*' (Afrikaans for the plural of 'throw-throw'), '*kuholisana*' (Isi-Zulu for 'to draw wages'), '*mohodisane*' ('pay back to each other' in Sesotho), and '*umgalelo*' (Isi-Xhosa for 'to throw') (Irving 2005:10). More recently, stokvels have been referred to as 'social clubs', as many are associated with social events for their monthly gatherings (Calvin & Coetzee 2010). The term *stokvel* is used in the current study, as it is the most widely recognised term in South Africa.

The term originated from the term 'stock fairs'. Although primarily set up for the auctioning of cattle, stock fairs were a forum for farmers and labourers to gather, socialise, and sometimes pool money to purchase livestock (Irving 2005). It was the financial exclusion of most of the South African population during the apartheid era that solidified the existence of stokvel parties. Black communities organised street- or jazz parties to sell food and drinks, and members of the stokvel shared profits made from the social gathering (Calvin & Coetzee 2010).

Andrew Lukhele, the founder, and president of the National Stokvel Association of South Africa (NASASA) defines a stokvel as "a type of credit union in which a group of people agree to contribute a fixed amount of money for a common pool weekly, fortnightly or monthly" (Lukhele 1990, in African Response 2012:2). Moloi (2011) describes stokvels as clubs founded by friends, relatives, work colleagues, church members and as neighbourhoods' initiatives that aim to provide members with a social, spiritual, familial, communal and friendship promoting environment. From a tourism perspective, Engelbrecht (2009) describes a stokvel as a South African Tourism initiative that encourages South Africans to save. Travel stokvels are used as a strategy to boost domestic tourism in South Africa, where groups are encouraged to come together, open a savings account with R500, and commit to paying for a certain period until they are ready to enjoy destinations throughout the country (Adinolfi, Harilal & Giddy 2021).

Thus, a stokvel can be described as an invitation-only club founded by people who know and trust each other, and who come from the same community, i.e., friends, family, neighbours, relatives, co-workers, and church members, who contribute money towards a particular saving. The money is collected regularly, i.e., weekly, bi-weekly, or monthly, and pay-outs are rotated amongst members. The first ever stokvel in South Africa was the Bantu Burial Society, established in 1932 (African Response 2012). Since then, stokvels, burial societies, and other forms of communal savings have become part of the fabric of social security (Matuku & Kaseke 2014).

NASASA is a national, self-regulating umbrella body for all stokvels registered as not-for-profit companies in terms of Section 21 of the Companies Act 61 of 1873 (Calvin & Coetzee 2009) and represents the interests of the stokvel sector (Lukhele 2018). Currently, stokvels in South Africa are seen to be building wealth, with some investing in the country's stock exchange (JSE Limited) and property, and some establishing conventional cooperatives, giving a clear indication that stokvels can engage in more than just traditional approaches to saving (Lengolo 2019).

The typologies of stokvels documented by other researchers include savings stokvels, burial societies, grocery stokvels, birthday stokvels, entertainment stokvels, rotating stokvels, the Khulanaye stokvel, high budget stokvels, investment stokvels, and, more recently, travel stokvels (African Response 2012; Maluku & Kaseka 2015; Molio 2011; Irving 2005), which are discussed in more detail in the literature review in Chapter 2. However, it is evident that variations of tourism stokvels exist. These are focused on saving for travel, and research on this type of stokvel is limited. The term 'tourism stokvel investment' is not noted in the literature and is not discussed in stokvel typology. Therefore, the current study aims to investigate the viability of a tourism stokvel investing in SMMEs to stimulate entrepreneurship and transformation in the tourism industry. The potential association between investment in tourism and stokvels is discussed below.

1.2.3 Tourism and stokvels

Over the past 20 years, the tourism industry has continued to expand and is one of the high-growth industries worldwide (Liu & Chou 2016). However, the tourism industry is also faced with challenges. Attracting tourism has become highly competitive, due to tourism's potential to contribute to a country's economic development (Organisation

for Economic Co-operation and Development (OECD) 2017). The industry is also dominated by large enterprises, thereby marginalising small businesses and hampering their development. Therefore, one of the economic objectives of the OECD is to attract investment through the promotion of small tourism enterprises (OECD 2017), that have innovative business models that strive to meet both social and economic objectives.

Another problem is that not all revenue generated from tourist expenditure reaches the community. This 'economic leakage' is a phenomenon that occurs in the tourism industry of every country (Wiranatha, Antara & Suryawardani 2017). Most of the support for the development of SMMEs in the tourism sector in developing countries stems from the national government, in an attempt to transform the tourism industry, because the attraction of investment remains a challenge in these countries (Rogerson 2015).

A more recent challenge for the tourism industry is the COVID-19 pandemic. The regulations preventing travel, both locally and abroad had a devastating effect on the industry (Yeh 2020). These challenges, however, present an opportunity to develop a model that will help minimise the challenges through stokvels that provide entrepreneurs with opportunities through investment in such stokvels (Matuku & Kaseke 2014), which will lessen the reliance on government funding.

Stokvels are viewed as self-help initiatives designed to respond to problems of poverty and income insecurity in black communities. They improve the financial well-being of their members by enabling them to meet their basic needs. Stokvels provide an opportunity for members to save, invest, and, ultimately, accumulate assets (Matuku & Kaseke 2014). In the research study conducted by Matuku and Kaseke (2014), titled "The role of stokvels in improving people's lives: The case in Orange Farm, Johannesburg, South Africa", it was found that stokvels further contributed towards empowerment by promoting savings and income generation and responsible financial behaviour in communities.

Since the 1980s, tourism literature has called for the inclusion and involvement of local communities in the tourism sector (Sebele 2010). South Africa is used as an example by scholars, such as Van Niekerk (2014), of how communities have been allowed to participate in integrated tourism development planning. Through legislation, post-

apartheid South Africa (post-1994), planning practice now promotes integrated and sustainable development and includes people-driven processes that aim to involve and empower the community through the Reconstruction and Development Programme (RDP) (South Africa 1994).

There are many excellent examples of these initiatives, for example, the Makuleke community, which has benefitted through capacity-building and training programmes (Sebele 2010). One of the biggest challenges, however, is that such initiatives are implemented at the national or provincial level, posing difficulty in concretising their effects at the local level, as there are still various constraints and practical barriers. These barriers include local stakeholders not being able to capitalise on opportunities and optimise the true tourism potential of their respective destinations (Heath 2016).

From the above, it is clear that there is a need for innovative approaches to funding SMME development and sustainability in the tourism sector (Tourism Sector Human Resources Development (TSHRD) 2016; Mohapeloa 2017), as it could contribute to increasing the country's gross domestic product (GDP), thereby creating wealth for its citizens. It is therefore important to understand the depth of the stokvel phenomenon and develop a holistic approach to stokvels as an investment avenue to fund SMMEs in tourism.

The present study will investigate if tourism stokvel investment and tourism social entrepreneurship can support the social transformation of tourism. It is important to note that research conducted by previous scholars and researchers in tourism, stokvels and social entrepreneurship can inform content validity when a new construct or scale is developed (Hair *et al.* 2018), a view that is applied in the current study.

The theoretical model shown in Figure 1.1 will be applied in the present study.

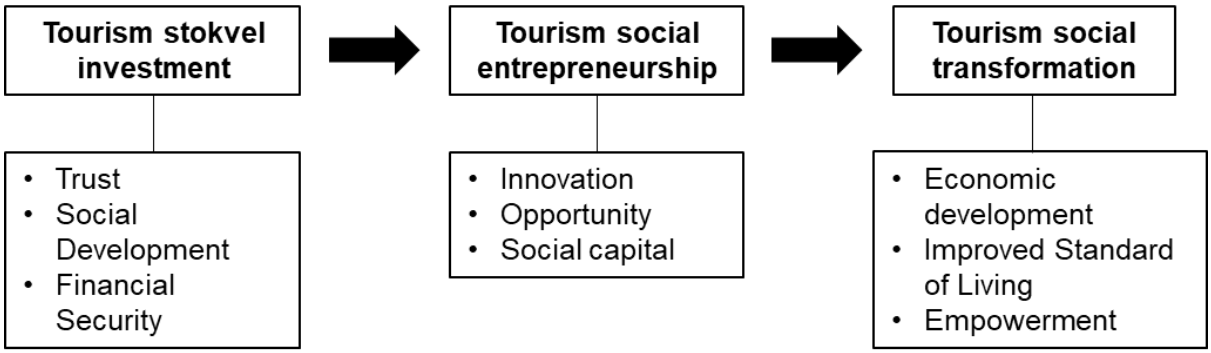


Figure 1.1: Theoretical model of tourism stokvels enabling social entrepreneurship in tourism to achieve social transformation of the tourism industry.
Source: Author's own

The theoretical model in Figure 1.1 will be used to explore whether social transformation in tourism could be brought about through the development of stokvel tourism investment that supports social entrepreneurship in tourism. The following section provides an overview of the constructs and their dimensions; a detailed review is provided in Chapters 2 and 3.

1.2.3.1 Tourism stokvel investment

An opportunity exists to address a gap in the literature on how stokvels can be used as a form of investment to develop small tourism businesses. Therefore, *Tourism stokvel investment* is the first construct in the theoretical framework of the research. It is proposed that achieving domestic investment will help bring about transformation in the tourism industry as a mechanism to stimulate tourism business development. Investment in tourism is a basic economic behaviour in the development of the tourism industry, to which scholars have paid close attention to (Li, Liu & Zhu 2018). Such investment includes the development, maintenance and renovation of accommodation, investment in tourism transportation, capital projects such as restoration of tourist attractions, tourism-related information, and communication technology (ICT) projects, and "sustainability-orientated" investment (WTTC 2015). These investments are widely recognised as means to lift some of the poorest countries out of poverty (Banerjee, Cicowiez & Gachot 2015), especially countries that recognise tourism as an important opportunity to stimulate economic growth, employment, and poverty alleviation (Li, Liu & Zhu 2018).

The *Tourism stokvel investment* construct has three dimensions: ***Trust*** (Ang, Cheng & Wu 2015; Benda 2012; Botaazzi & Da Rin 2012; Calvin & Coetzee 2010; Dare & Okeya 2017; Ert & Fleischer 2019; Ha, Kim, You, Li, Fan & Nam 2019; Iwara 2020b; Iwara & Netshandama 2021; Kelliher, Reinl, Johnson & Joppe 2018; Lengolo 2019; Matuku & Casela 2014; Moloi 2011; Moorman, Zaltman & Deshpande 1992; Ramsheva, Prosman & Waehrens 2019; Mungiru & Njeru 2015; Rahmani, Gnoth & Mather 2019; Yoon & Moon 2019; ***Social development*** (African Response 2012; Bruyn 1991; Calvin & Coetzee 2009; Diekmann, MacCabe & Ferreira 2018; Diaz & Vera 2018; Doğan & Timothy 2020; Eichhorn 2020; Forget, Peden & Strobel 2013; Harvie & Ogman 2019; Iwara & Netshandama 2021; Kakoudakis & McCabe 2018; Kukharenko & Gizyatova 2018; Lyon & Owen 2019; Mahon 2019; Matuku & Kaseke 2014; Midgley 2013; Moloi 2011; Schulze 1997; Soler & Poveda 2013; Puaschunder 2018; Qiao, Chen, Thompson & Xiao 2019; Youniss 2017) and ***Financial security*** (Ahmad & Sabri 2014; Benda 2012; Bouman 1994; Brown & Henkin 2014; Christian 2016; Collins & Ratcliffe 2016; Ivanova, Romanova, Kostoglodova & Romanov 2017; Jessop, Walker & Aune 2012; Kharlamova 2014; Mulder 2020; Netemeyer, Warmath, Fernandes & Lynch 2017; Schinasi 2004). These dimensions are defined and discussed in detail, together with other typologies of stokvels, under Section 2.3 of Chapter 2.

1.2.3.2 Tourism social entrepreneurship

'Social entrepreneurship' refers to entrepreneurs who attempt to respond to social issues (Mohapeloa 2017). Social entrepreneurship not only generates social value but also creates jobs and wealth. Tourism has emerged as a significant development option in post-apartheid South Africa, as the promotion of tourism was identified as a key strategy to achieve economic upliftment, community development, and poverty relief in the developing world (Binns & Nel 2002).

The tourism industry has stimulated the emergence of SMMEs (Jafaar, Abdul-Aziz, Maideen & Mohd 2011). The majority of regional tourism plans and policies indicate that tourism is a desirable development option for communities, as it directly contributes to improvements in destination communities' well-being (Mohapeloa 2017). Entrepreneurship is crucial to poverty alleviation in any country and provides a basis for economic change and upliftment (Hussain, Bhuiyan & Bakar 2014). Stokvels

are also aimed at poverty alleviation, as they are based on social consciousness and unity among community members (Moloi 2011). The social nature of tourism and stokvels and the notion of social entrepreneurship presents an opportunity for tourism stokvel investment, which can be recognised by both public and private initiatives in addressing a wide range of social needs (Stephan, Uhlaner & Stride 2014).

Local business development presents a platform for social entrepreneurship to promote tourism (Tetzschner & Herlau 2003). Many models of social entrepreneurship have been proposed; however, most refer to typologies of social entrepreneurship, because social entrepreneurs do not use the same business models as commercial enterprises (Wulleman & Hudon 2015).

The *Tourism social entrepreneurship* construct has three dimensions: ***Innovation*** (Abdul-Aziz, Maideen & Mohd 2011; Abereijo, Adegbite, Ilori, Adeniyi & Aderemi 2009; Biyela, Tsibolane & Van Belle 2018; Bouman 1995; Crossan & Apaydin 2010; Donovan 2015; Guclu, Dees & Anderson 2002; Jaafar *et al.* 2011; Lin & Chen 2006; Lisetchi & Brancu 2014; Laeis & Lemke 2016; Lengolo 2019; Lukhele 2018; Mohapeloa 2017; Ndhlovu 2016; Stephan, Uhlaner & Stride 2015; Tetzschner, Helge, Herlau & Henrik 2003; Webster & Haandrikman 2017; Wulleman & Hudon 2015; Zawawi, Wahab, Al-Mamun, Yaacob, Samy & Fazal 2016), ***Opportunity*** (Abu-Saifan 2012; Alverez & Jay 2013; Bottazzi *et al*. 2012; Davidsson 2015; Guclu *et al*. 2002; Jafaar *et al*. 2011; Karlesky 2015; Kirsten & Rogerson 2002; Puhakka 2010; Sarasvathy, Dew, Velamuri & Venkataraman 2010; Stahle, Stahle & Lin 2015; Tetzshner *et al*. 2003; Verhoff 2001), and ***Social capital*** (African Response 2012; Altinay, Sigala & Waligo 2016; Charman 2017; Claridge 2004; Foo, Chin, Tan & Phuah 2020; Guclu *et al*. 2002; Irving 2005; Klug, Shulgin, Mate & Trajkovic 2014; Lukhele 2018; Moloi 2011; Machalek & Martin 2015; Moscardo, Konovalov, Murphy, McGehee & Schurmann 2017; Rogerson 2015; Sato 2013; Stephan, Uhlaner & Stride 2015; Verhoef 2001). The *Tourism social entrepreneurship* construct is defined and discussed in detail in Sections Chapters 2 and 3.

1.2.3.3 Tourism social transformation

The legacy of South Africa's political past requires social transformation to address the resultant inequalities, and the responsible transformation of tourism is a critical success factor in achieving the economic welfare of all citizens of the country (Heath

2014). Transformation requires empowerment through the involvement of and collaboration with local communities as key stakeholders and beneficiaries of social enterprises (Altinay, Sigala & Waligo 2016). Thus, more black African entrepreneurs and owners of small businesses are needed to effect the distribution of broad-based benefits in order to transform the tourism industry (DoT 2017).

Social entrepreneurs aim to create social value and achieve transformation (Altinay *et al*. 2016) by engaging in enterprises to effect such change and transformation (Marti, Soriano & Marques 2016). The empowerment of the affected community is aligned with the RDP (South Africa 1994). As one of the most important forces shaping the world, community participation is regarded as an essential tool if tourism is to contribute to the development of a region (Higgins-Desbiolles 2004; Sebele 2010). It is important that the community feels empowered and experiences transformation in order to ensure positive long-term economic impacts (Altinay *et al*. 2016).

Models of social transformation are based on theories of social change and transformation theory (Leat 2005). Social-value creation through tourism enterprises is therefore a critical consideration with regard to the third construct, *Tourism social transformation*. This construct has four dimensions: ***Economic development*** (Andergassen & Candela 2013; Bäckman 2019; Binns & Nel 2002; Dickson 2012; Feldman, Hadjimichael, Lanahan & Kemeny 2016; Gorynia, Nowak, Hadjimichael, Lanahan & Kemeny 2016; Hossein 2017; Klug *et al*. 2014; Liu & Chou 2016; Trapczynski & Wolniak 2015; World Economic Forum 2020), ***Job creation*** (Binns & Nel 2002; Bophela & Khumalo 2019; Castillo-Palacio, Guo, Zhang, Zhang & Zheng 2018; Dennison, Feldman, Usher-Smith & Griffin 2018; Harrill & Zuniga-Collazos 2017; Chatterjee, Fan, Jacobs & Haas 2017; Heath 2016; Khun, Malchow-Moller & Sorensen 2015; Koopmans, Bernaards, Hildebrandt, Schaufeli, De Vet & Van Der Beek 2014; Lowrey 2019; Lowrey 2011; Meyer 2014; Mortensen & Pissarides 1994; Sifolo, Rugimbana & Hoque 2017; Yeh 2020), ***Improved living standard*** (Bophela & Khumalo 2019; Dube & Edwell 2018; Iwara & Netshandama 2021; Jones 2019; Lyon & Hunter-Lukhele 2018; Kirsten & Rogerson 2002; Lengolo 2019; Liu & Chou 2016; Magumbate & Nyanguru 2013; Matuku & Kaseke 2014; Muminov & Ambartsumyan 2020; Nawijn & Biran 2019; Ngcobo 2019; Onwuka, Ugwu & Itoya 2016; Salin & Shpakovskaya 2001; Shamim 2019; Wise 2018), and ***Empowerment*** (Dannison *et al.* 2018; Cavalieri 2018; Kawaguchi, Foud, Chiang, Elshair, Abdou, El Banna & Aoyama

2014; Heath 2014; Kaseke 2014; Lengolo 2019; Matuku & Kaseke 2014; Moloi 2011; Moscardo *et al*. 2017; Onwuka *et al*. 2016; Perkins 2010; Stone & Nyaupane 2018). The construct of *Tourism social transformation* is discussed in detail in Section 2.5 of Chapter 2.

1.3 PROBLEM STATEMENT

With tourism described as one of the world's fastest-growing industries (Mazimhaka 2006) and an identified desirable development opportunity for poor communities in rural destinations, it is often identified as a driver of economic growth (Moscardo *et al*. 2017). As noted above, SMMEs constitute 90% of the tourism economy of South Africa (DoT 2018). The national government is, however, usually the only investor in tourism businesses, through several investment programmes or incentives (Kirsten & Rogerson 2002), such as the Tourism Incentive Programme (TIP), the Tourism Transformation Fund (TTF), the Small Enterprise Funding Agency (SEFA), and the Small Enterprise Development Agency (SEDA), to name a few. However, access to these government funds may be difficult at the local level (DoT 2018). Stokvels, as popular informal institutions, may be a solution to address this problem, as they offer flexible and easily accessible financing opportunities, often in the form of investments (Iwara & Netshandama 2021).

The current study's objectives are discussed below.

1.4 RESEARCH OBJECTIVES

1.4.1 Primary research objective

The study seeks to investigate how a tourism stokvel investment enables tourism social entrepreneurship to achieve tourism social transformation. Therefore, the primary objective of the study is:

To explore how stokvels can be utilised as an alternative form of investment to enhance tourism entrepreneurship.

1.4.2 Secondary research objectives

Based on the primary research objective, five secondary research objectives (ROs) were formulated. RO1 to RO3 will be achieved through an extensive review of the

literature in order to construct a measurement instrument, and RO4 and RO5 relate to the results of the quantitative analysis of the results of the data gathered using the instrument.

RO1: To theoretically validate *Tourism stokvel investment* as a construct consisting of three dimensions, namely *Trust*, *Social development*, and *Financial security*;

RO2: To theoretically validate *Tourism social entrepreneurship* as a construct consisting of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*;

RO3: To theoretically validate *Tourism social transformation* as a construct consisting of three dimensions, namely *Economic development*, *Improved living standard*, and *Empowerment*;

The research instrument will then be administered to meet the following ROs:

RO4: To investigate if the overall statistical relationship between the dimensions of *Tourism stokvel investment* and the dimensions of *Tourism social entrepreneurship* can predict the dimensions of *Tourism social transformation* (empirically manifested model), to assess the fit between the constructs of the hypothesised theoretical framework;

RO5: To determine if the dimensions of *Tourism social entrepreneurship* significantly mediate the relationship between dimensions of *Tourism stokvel investment* and *Tourism social transformation*.

1.5 MOTIVATION FOR THE RESEARCH

The extensive demand for tourism facilities and services has stimulated the emergence of SMMEs (Jafaar *et al*. 2011). However, in South Africa, funding is limited, especially as traditional government initiatives such as donor funding or incentive programmes are unable to satisfy the need for development in the tourism sphere (Mohapeloa 2017). The vast majority of the world's poor live in rural areas with little access to financial services and, in the absence of formal financial institutions, households rely on networks, moneylenders, and informal financial services such as stokvels (Ksoll, Lilleor, Lonborg & Rasmussen 2016). Sebele (2010) and Van Niekerk (2014) note the potential role of tourism in the empowerment and social upliftment of communities. Furthermore, it is important to note that COVID-19 "proves that

pandemic outbreaks have a much larger destructive impact on the travel and tourism industry than previous studies indicate" (Skare, Soriano & Porada-Rochon 2021:1).

The latest research report reviewed by the World Travel and Tourism Council (WTTC 2020) states up to 75 million workers are at immediate risk of job loss as a result of COVID-19. Research reveals a potential travel tourism GDP loss in 2020 of up to US$ 2.1 trillion worldwide (WTTC 2020). The WTTC also estimates the daily loss of one million jobs in the travel tourism sector, due to the widespread impact of the pandemic (Skare, Soriano & Porada-Rochon 2021). This interaction between tourism, stokvels, human rights, trade, and investment could be used to promote a more sustainable approach to development (Bikse, Rivza & Riemere 2014) by providing inclusive, long-term inclusive growth (Mahon 2019) and financial well-being for individuals and communities (Benda 2012).

Financial security enhances the quality of life of communities (Brown & Henkin 2014), and stokvels enhance financial security. The desire for financial security and the fact that stokvels are initiatives designed to respond to problems of poverty and income insecurity in communities (Matuku & Kaseke 2014) present a clear opportunity to explore how tourism-focused stokvel investments could bring about transformation in the tourism industry.

Stokvels, being networks of people in societies, represent a form of social capital (Klug, Shulgin, Mate & Trajkovic 2014) and promote empowerment (Matuku & Kaseke 2014), both of which are significant in creating entrepreneurship opportunities in tourism that will offer a social dimension (Laeis & Lemke 2016) to transform the industry. The motivation for the use of each construct is detailed in the section below.

1.5.1 Tourism stokvel investment

Investment is an important factor in the development of any country (Wang & Xu 2011), and the development of a viable and sustainable tourism industry requires informed and strategic investments (Bai *et al*. 2014). The concept of investment has evolved as a result of socioeconomic developments (Pop 2012). Mekawy (2015) presents tourism as a smart investment that could break the poverty cycle in many destinations. This is due to tourism being considered to generate investment (Florea & Ciovica 2014). Informal savings schemes like stokvels have emerged as a way of addressing socio-

economic development issues (Biyela, Tsibolane & Van Belle 2019). Klug *et al*. (2014) make the observation that financial institutions and the public sector trying to harness stokvels are focusing too much on monetary incentives, neglecting stokvels' social contribution. Thus, it is evident that the stokvel market represents a potential opportunity as an investment opportunity to enable tourism entrepreneurship.

1.5.2 Tourism social entrepreneurship

Tourism is traditionally an SMME-based industry, as a great majority of tourist facilities are run by small and medium-sized businesses (Jaafar *et al*. 2011). Tassiopoulos (2011) refers to these tourism SMMEs as SMTEs (small and medium tourism enterprises). Looking at the significance of tourism having the potential to provide financial gains for rural communities in developing countries (Tetzschner & Harlau 2003), an interdependence between tourism and social entrepreneurship may exist. A social entrepreneur in tourism is regarded as a driver in the linking of destination communities with the enterprise, with the aim of creating economic benefits. Although there is a relationship between social entrepreneurship and tourism, the applicability of social entrepreneurship in the tourism context is limited (Laeis & Lemke 2016). It is worth noting that entrepreneurship in local communities can contribute to substantial social and economic benefits and be a response to environmental problems. Further, given South Africa's economy, which is faced with the triple complexities of poverty, inequality, and unemployment (Mohapeloa 2017), growth in the tourism economy is dependent on tourism's impact on economic and social development. Therefore, tourism social entrepreneurship through the development of stokvel-led investment could add value to society and offer solutions to the social problems of the country (Marti, Ribeiro-Soriano & Palacios-Marques 2016).

1.5.3 Tourism social transformation

Community participation is regarded as one of the most essential tools if tourism is to contribute to the social transformation of tourism in a destination (Sebele 2010). Effective engagement in tourism planning will directly or indirectly contribute to the well-being of the community (Moscardo *et al*. 2017). Given South Africa's political past, the responsible transformation of tourism is a critical success factor in achieving the country's vision of equality (Heath 2016). Empowerment and transformation facilitate

the involvement and collaboration of local communities as key stakeholders and beneficiaries of the social and economic goals which contribute to the development of tourism social enterprises (Altinay, Sigala & Waligo 2016). Community empowerment supports transformation, and transformation leads to positive long-term economic impacts (Altinay *et al*. 2016).

Three models of social entrepreneurship are recognised: the social bricoleur, the social constructionist, and the social engineer (Wulleman & Hudon 2015). These are discussed in detail in Chapter 2, but it is worth mentioning here that none of these models focuses on how stokvels can support social entrepreneurial development and contribute to social transformation in the tourism sector.

1.6 OUTLINE OF THE REMAINING CHAPTERS

The remainder of this dissertation is divided into seven chapters, discussed below.

Chapter 2: Literature Review

Chapter 2 presents the first part of the literature review in a detailed discussion of the literature on the constructs of the proposed theoretical framework, namely *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*, as well as their proposed dimensions. Each discussion is concluded with a hypothesis. These hypotheses are based on the primary and secondary research objectives as outlined above.

Chapter 3: Literature Review Continued: Relationship between the Three Proposed Constructs

Chapter 3 presents the second part of the literature review through a discussion of the different relationships that exist between the three proposed constructs. This discussion is critical with regard to the study's proposed mediation model, as the aim is to determine if previous literature supports the relationships between the proposed constructs. The chapter concludes with a proposed tourism investment mediation model.

Chapter 4: Research Design and Methodology

The chapter provides details on the research approach, field setting, and the fieldwork undertaken to investigate the topic under study. The chapter discusses the population, the method used to draw a sample and collect and statistically analyse the data, and introduces the empirical ROs that informed the statistical hypotheses of the study. The process followed in designing the research questionnaire is also detailed in this chapter. The chapter concludes with the ethical considerations relevant to the study.

Chapter 5: Results

Chapter 5 provides an in-depth account of the results of the statistical analyses, in accordance with the ROs and hypotheses. Tables and graphs are used to illustrate the results with regard to frequencies, item descriptive statistics, EFA, CFA, and SEM. Chapters 2 and 3 (literature reviews) are also revisited in discussing the data.

Chapter 6: Discussion and Interpretation of Results

This chapter provides a detailed discussion of the results according to the ROs and hypotheses and refers to current literature in this domain. In this discussion, the research results are interpreted, followed by a reconciliation of the ROs and hypotheses.

Chapter 7: Conclusion and Recommendations for Future Research

Chapter 7 provides a summary of the research and outlines the major results. A conclusion is provided from a theoretical, methodological, and practical perspective. This is followed by recommendations for practice, an overview of the contributions of the study, the study's limitations, and a final conclusion concerning the main research objective.

1.7 SYNTHESIS

In this chapter, which provided background and context to the study, tourism, stokvels, and SMMEs were introduced as the concepts under investigation in this study. The aim of the study was to investigate a model of stokvel investment in tourism SMMEs as an enabler of transformation in South Africa's tourism industry. Figure 1.1

introduces the theoretical model for this study, which proposes that stokvel tourism transformation could be achieved through the development of stokvel tourism investment that supports social entrepreneurship in tourism. The three constructs for the study were presented, namely *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*.

Chapter 2 presents the first part of the literature review, which is continued in Chapter 3.

CHAPTER 2

LITERATURE REVIEW

2.1 CONSTRUCT CONCEPTUALISATION: TOURISM, STOKVELS, AND SMMEs

The current chapter reviews the literature on tourism, stokvels, and SMMEs as the basis of constructs under study, namely *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*, together with their proposed dimensions. This chapter is divided into four sections, shown in Figure 2.1.

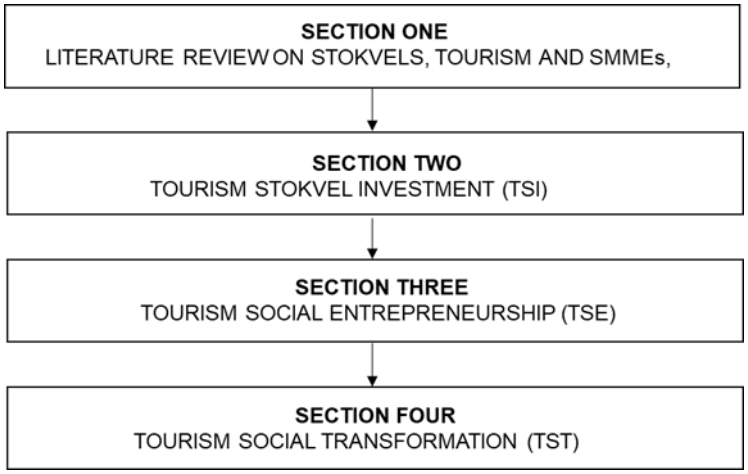


Figure 2.1: Outline of Chapter 2
Source: Author's compilation

The discussion (presented in two parts, this chapter and Chapter 3) follows the 'inverted pyramid' approach developed in 1845 by Samuel Morse. In this approach, the most important information is presented first (Maier 2013), in line with the presentation of a theoretical model in the introductory chapter. Figure 2.2 illustrates the application of the inverted pyramid to the literature review contained in this and the next chapter.

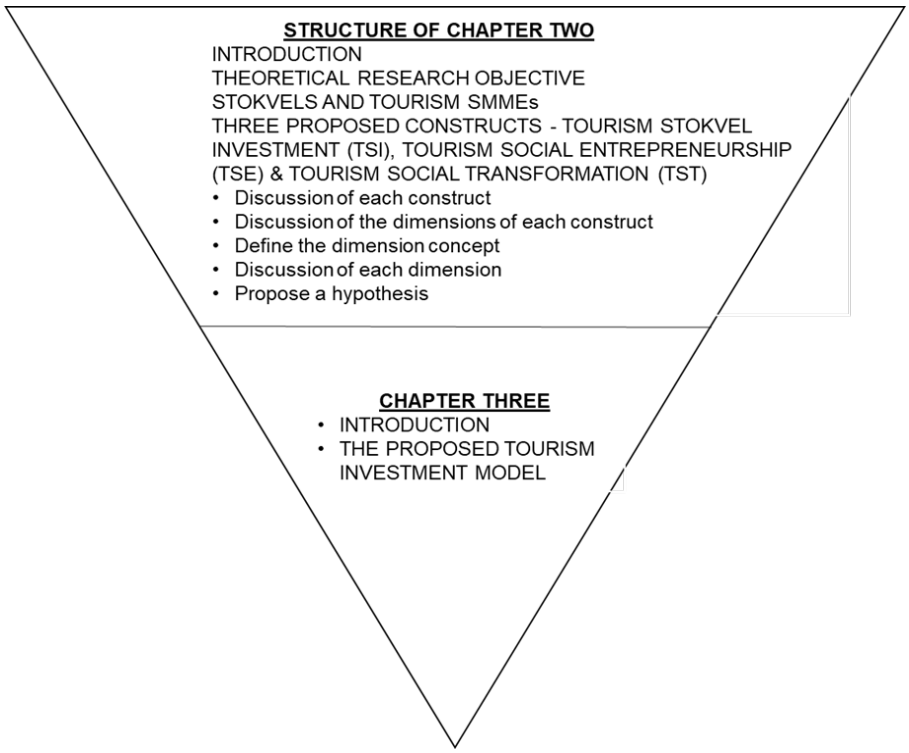


Figure 2.2: System of discussion of the literature
Source: Adapted from Samuel Morse (1854) in Maier (2013)

As shown in Figure 2.2, each section in Chapter 2 comprises a systematic discussion, structured as follows:

- a brief introduction;
- the theoretical objective;
- definition and discussion of the construct and its dimensions; and
- the related hypothesis.

A synthesis concludes the chapter.

Chapter 3 presents the proposed Tourism Investment Model after a discussion of the relationship between the three constructs and their proposed dimensions.

The guidelines of Miles (2017) and Müller-Bloch and Kranz (2014) on finding research gaps, methods and strategies were adopted in identifying research gaps with the present study's constructs. These constructs were developed based on an extensive literature investigation, in which it was found that they are not sufficiently addressed in the literature. The constructs informed the research hypotheses (H1 to H5). This

approach is consistent with the approaches followed in research on theory-based leadership (Ferreira 2014), culinary tourism (Tendani, Swart & Van Zyl 2021), and business tourism (Swart & Roodt 2020).

Graphic visuals are provided to illustrate the linkages and interrelationships among concepts.

Section 2.2 discusses the literature on the main concepts under study.

2.2 SECTION 1: TOURISM, STOKVELS, AND TOURISM SMMEs

This section provides a review of current literature on the major themes for the study namely, tourism, stokvels, and tourism SMMEs, as well as how the three sectors can be integrated. The section also provides an overview of South Africa's three-tier approach to tourism and some of the policies that guide its tourism industry. This is followed by a discussion of the stokvel industry, specifically, its benefits and how these could fit into and ensure transformation in tourism. The section ends with a discussion on SMMEs and tourism-specific SMMEs.

2.2.1 The Tourism Industry

The present study's definition of tourism, provided in Section 1.2.1, is the activities that involve people who travel to a particular place, referred to as a destination, and undertake leisure activities, such as visiting attractions and using tourism facilities during their stay.

Dwyer (2018:29) notes that "as the tourism industry responded to globalisation, travel developments, and conscientious traveller requirements, there has been a broadening of the tourism concept". Tourism is, therefore, more than travelling, and involves, amongst other things, providing catering for guests (instead of the self-catering service method), trip planning, transport at the destination, partaking in activities, and interactions between the host destination and the visitor. Rogerson and Rogerson (2017:193) note that tourism is based on "activities that propel people's movement to places or destinations which are outside their residence or abode on an interim basis". However, Fitchett, Robinson, and Hoogendoorn (2017:851) focus on the movement of people by noting tourism as "the service and visiting industries formed to fulfil the desires arising from provisional movement across or within global boundaries". The

UN World Tourism Organization (UNWTO 2020) describes tourism as an act of travelling for business and/or recreation, as well as a service provider. The UNWTO states that tourism occurs when people travel to and stay in a place outside their usual environment for less than one full year, for leisure, business, or any activity not related to work opportunities in that destination (UNWTO 2020). Table 2.1 outlines definitions through a criterion provided by the UNWTO to determine a tourism trip.

Table 2.1: Tourism trip criteria

Description	**Criterion**
People go to places outside of their residential area	Displacement
The maximum period is one year (12 months), excluding or including overnight stays	Duration
Travel occurs for purposes different from earning a wage at the destination	Kind of purpose

Source: UN (2020)

The above table illustrates that a trip does not amount to a tourism trip people move outside of their usual environment, for a maximum of one year, and for a purpose other than work. The International Recommendations for Tourism Statistics (IRTS) is a tool used by UNWTO to collect tourism statistics on all countries. It presents a system of definitions, concepts, classifications, and indicators to guide data sources and data-compilation methods that countries can use to compile tourism statistics (OECD 2020). In 2008, the IRTS designed a table that identifies and summarises the different types of tourism, which is still used by the UNWTO, herein Table 2.2.

Table 1.2: Types of tourism

Tourism type	**Description**
Inbound international tourism	Foreign international visitors travelling to a country outside their own
Outbound international tourism	People travelling from their home country to another country
Internal tourism	People visiting places within their country

Domestic tourism	A combination of foreign international visitors and people from a destination travelling to that destination
National tourism	People travelling within their home country and people travelling from their home country to another country

Source: UN (2020)

Table 2.2 indicates that there are five types of tourism typologies. Butler (2017:199) describes tourism as "involving: a) temporary people movement to places outside their usual residence and workplaces, b) the activities undertaken by people when staying in such destinations; as well as c) facilities fashioned to accommodate their desires or needs". This description of tourism adds the component of hosting as an essential to tourism (Marais, Du Plessis & Saayman 2017:10). This holistic view of tourism is relevant to the current study, as the concept of stokvel investment (as depicted in Figure 1.1) is centred around the above-mentioned components to encourage the growth of the different tourism typologies for South Africa.

Ei and Karamanis (2017:2) note that "[t]ourism entails a person's activities which include travelling and staying in foreign settings outside of their usual environment for business, leisure, religion, or such other purposes for less than one year". They also contend that, beyond recreation or leisure, that is, travel for sports, holidays, visiting relatives and friends, and/or to attend cultural proceedings as the leading types of tourism, individuals also travel for purposes of education (study), religion, business, and health, amongst others. This growth and increase in the various trends in tourism make tourism a desirable economic activity for any country to invest in (UN 2020).

It is important to note the impact of the COVID-19 pandemic in December 2019, as it not only put a strain on the tourism industry (WHO 2019), but tourism across the world came to a temporary standstill (UN 2020, 2021). International tourism was among the most impacted economic sectors, as most destinations were closed entirely for most of the years 2020 and 2021, due to COVID-19 regulations (UN Conference on Trade and Development 2020). The availability of vaccines in late 2021 enabled people to travel; however, they had to have proof of vaccination when travelling to another country. Tourism experts continue to note that arrivals are not expected to rise until 2023 or later and estimate a loss of US$910 million to US$1.1.

trillion in international exports due to the shutdown of most destinations (UNWTO 2020). The pandemic provided further motivation for the current study, as more innovative approaches such as stokvel investments are necessary to rebuild the tourism industry, especially small businesses, which are recorded to have suffered the most from this pandemic (UN 2020).

Global tourism is discussed next and contrasted with tourism in South Africa thereafter.

2.2.2 Global tourism

Tourism continues to experience low tourist numbers as it recovers from the effects of the COVID-19 pandemic. The longevity of the pandemic resulted in a full recovery of the industry taking longer than the average expected recovery time of five years (Skara, Soriano & Parada-Rochon 2021). However, the industry's ability as a service sector to create employment and enable economic productivity still places it as the largest and fastest-growing commercial sector in the world (Hall 2019), and the demand for it continues to grow (Lew 2018).

The present study was initiated in 2018, a time when the international travel and tourism sectors experienced robust growth (in 2018 and 2019), reinforcing the importance of tourism as a driver of job creation and economic growth (Leonard & Lebogang 2018). In 2019 alone, the direct and indirect induced impact of tourism accounted for a US$9 trillion (10%) contribution to the GDP of the world, about 331 million (one in 10) occupations across the world; US$2 trillion (7%) of total exports, 29% of international services exports, and capital investment of US$948 billion (4.5% of total investments) (Stats SA 2020). Africa recorded about 6% of the projected 1.5 billion global traveller arrivals in 2018 (UNWTO 2020). North Africa (that is, Algeria, Sudan, Tunisia, and Morocco) registered approximately 3% of global visitor arrivals (the UNWTO classifies Egypt as part of the Middle East). In 2019, sub-Saharan Africa (which, according to the UNWTO, consists of the rest of Africa) received about 5% of all global tourist entrances (UNWTO 2020). The OECD (2020) indicates that, across the world, arrivals of global tourists grew by about 5% every year. Growth in global tourist arrivals to North Africa is at about 5%, and the growth in sub-Saharan Africa is about 7% annually (OECD 2020).

A comparison of the top destinations demonstrates the potential of the tourism industry in Africa. Internationally, the leading destinations for tourists are Spain and France, with about 83 million and 88 million arrivals every year, respectively. With about 11 million and 12 million arrivals every year, respectively, Morocco and South Africa are the leading tourist destinations in Africa (World Travel & Tourism Council 2020). Tourism numbers worldwide started to pick up when vaccination was no longer a pre-requisite to travel.

2.2.3 Tourism in South Africa

South Africa as a country cannot be discussed without including its history of segregation, with sanctions imposed on South Africa, which impacted all industries, and tourism was no exception. The influx of controls and passed laws limited the tourism activity in South Africa before 1994. People in the country mainly travelled for work purposes, relocating from one province to the other, or commuting from townships to big cities where industrial factories were located (Rogerson 2017). Therefore, before the first democratic elections, South Africa did not record more than a million tourist arrivals annually (GICS 2018). The anticipated changes after the release of political leaders in 1990 and the lifting of sanctions caused a slight increase in tourist arrivals; however, in 1994, after the first democratic elections and the appointment of the first black president (South African Government 2020), South Africa registered a marked increase in annual figures of overseas visitors, to more than 3.7 million.

After the 1994 elections, the South African government identified tourism as a top priority with the potential to reverse the country's slow economic growth, rally foreign and domestic investment, and develop the SMME industry due to its capacity to generate jobs, register foreign currencies, and provide financial opportunities to historically underprivileged communities (Khan 2017). In 1996, the newly appointed democratic government's White Paper on the Development and Promotion of Tourism was tabled to give society members a voice in the government's process of policymaking (South African Government 2020). Apart from establishing the three tiers of South Africa's tourism industry, i.e., government-driven, community-driven, and private-sector-based (see Figure 2.3), the 1996 White Paper similarly set the stage for accountable and sustainable tourism as a leading principle in tourism

development in the country (Viljoen & Henama 2017). While not yet explored, opportunities from tourism stokvels were already identifiable in the Tourism White Paper.

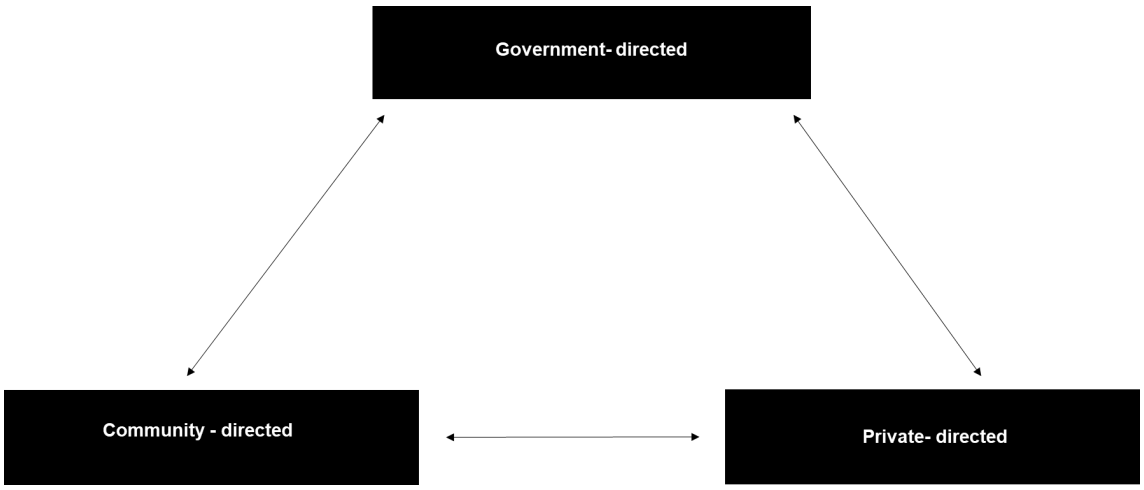


Figure 2.3: The envisioned three-tiered structure of South Africa's tourism industry
Source: Viljoen & Henama (2017:1)

Figure 2.3 illustrates the three-level symbiotic relationship that the South African government aspires to establish in the tourism industry. This three-level relationship interlinks a community-directed, a private-sector-directed, and a government-directed approach to tourism development. This vision stems from the launch of the 2021 National Tourism Sector Strategy (NTSS) of the DoT (Government of South Africa 2020). This vision was applied in the current study as guidance in the development of a tourism-focused stokvel investment framework.

In 2011, the DoT identified the objectives to guide the implementation of the NTTS, namely a) nurturing the tourism sector's contribution to the national economy; b) providing relevant skills training, capacity-building and job opportunities; c) increasing the effective contribution of domestic and regional tourism to the tourism economy; d) promoting accountable tourism; e) and the financial development of tourism at the local levels of government (South African Government 2020). "The NTSS also emphasised the unlocking of all potential at the local levels by creating and supporting the tourism SMMEs" (Rambe 2017:411). This is an important aspect, as it correlates with the proposed tourism stokvel investment as an enabling tool for tourism SMMEs

in South Africa. Stokvels have shown prominence in the South African community in terms of both social and economic benefits, and this, coupled with the goals of the NTTS, could help inject funding into the tourism SMME sector and result in the transformation of the sector.

The decline in tourist arrivals into South Africa caused by the Covid-19 pandemic was significant from March 2020 (Stats SA 2021). International tourism is, however, recovering. Since January 2022, with the UNWTO recorded 18 million more visitors worldwide, and more than doubled the international arrivals in January 2022, compared to January 2021 (UNWTO 2022). This increased tourism arrival and demand will require concerted investment in tourism's supply side, indicating the potential for the stokvel industry to be integrated into the industry. Despite a lack of formal acknowledgement, stokvels provide incredible socio-economic and societal benefits (Ngcobo & Chisasa 2018a:3). The next section provides an overview of stokvels and the industry in which they are active.

2.2.4 The stokvel industry

Stokvels in South Africa originated mainly in townships and rural areas, and are situated primarily in Gauteng province, followed by Limpopo and KwaZulu-Natal, with the fewest in the Western Cape (Lengolo 2019). These communities are usually characterised by unemployment, poverty, and great inequality levels, forcing people to depend heavily on community-funded and self-help initiatives to survive (Hutchison 2020a). Stokvels have remained among the leading strategies of poverty alleviation in South Africa.

When reviewing the literature on stokvels, it is important to note that the major reason for the development of stokvels was due to the financial exclusion and segregation of the majority of the South African population during the apartheid era (Calvin & Coetzee 2010), especially in the insurance- and banking sectors (Schulze 1997). Most of the black population remained in abject poverty after apartheid (Lengolo 2019), which led to the creation of different communal groups amongst black people to support each other through an interdependent financial model (Moloi 2011). This solidified the existence of informal saving clubs termed 'stokvels' (Calvin & Coetzee 2010). By the year 2009 stokvels were playing a significant role in South Africa's economy (Townsend & Mosala 2009).

According to the African Response Market Survey of 2020, there are about 552,046 stokvels in South Africa, contributing about R49.5 billion to the economy of the country. These stokvels have a total membership of 11.6 million, and the average contribution per member is R357 per month. Stokvels remain an underrated component of South Africa's economy, despite the above figures indicating their importance. It is based on these figures that the present study was aimed at exploring the gap in the literature with regard to recognising stokvels as agents for investment, specifically in tourism.

Bophela and Khumalo (2019:26) state that "at the municipality level, the leading monetary contribution features of South African stokvels include investment and money-saving, job creation, commercial opportunities, as well as policy development", which present an opportunity for policymakers to formulate monetary transformation policy frameworks that adopt stokvels as factors of fiscal contribution. According to the DoT (2020), the development and engagement of stokvels may be the crucial solution to broadening reasonable access to tourism capital accumulation, tourism economy ownership, creation of tourism employment, and alleviation of community poverty, thereby improving the societal standard of living and livelihoods (Mfeti 2017).

Stokvels in South Africa started receiving more research attention around 2000. A study in 2003, titled *Stokvels: Making social cents*, revealed that black adults in South Africa were investing approximately R12 billion into the country's economy. In 2007, Old Mutual revealed that this number had grown to R33 billion, terming this 'grey money holding' (Townsand & Mosala 2009). Until recently, further research on stokvels included a focus on their origin, legal nature (Schulze 1997), impact, and, most recently, a desktop study on stokvels as a traditional African model for informal saving and investments as a significant avenue for entrepreneurship (Iwara & Netsshandama 2021). Although this recent study focused on small-enterprise capitalisation through stokvels, it is a desktop study, and the tourism industry was not considered. To date, stokvels as a tourism investment model for South Africa have not been investigated.

According to NASASA (2020), stokvels have two functions associated with them, a social function which is centred around its nature to generate social capital through trust and a community of practices as characteristics of stokvels. The second function is the economic function related to using stokvels for the promotion of income security

and the mobilisation of large amounts for savings and investments (Iwara & Netsshandama 2021). The four leading types of stokvels in South Africa are high-budget-, investment-, burial-, and savings stokvels (Kariuki & Ofusori 2017). Savings (contribution) stokvels concentrate on promoting savings, with group members contributing an agreed amount of money and receiving the funds from the pool at the end of a term. Burial stokvels offer material as well as non-material support to their members in the case of a death. Investment (co-operative) stokvels or buying societies concentrate on amassing capital through business venture investments to promote savings through bulk purchases of properties as well as investment in commercially viable ventures. High-budget stokvels function as banks or financial institutions, and the aim is to promote investment and saving. “Naturally, the high budget stokvels contribute considerable amounts, which allow them to get huge payments that they use for resolving personal needs” (Bophela & Khumalo 2019:26).

Iwara and Netshandama (2021) term stokvels an ‘African indigenous model’ that can be harnessed to enhance entrepreneurship and an opportunity for developing traditional entrepreneurial systems that have been replaced by Western ideologies and left the African continent lagging in enterprise development. The current study seeks to investigate how the traditional stokvel system can be harnessed to support SMME entrepreneurs in the tourism industry, thereby contributing to the re-development and growth of the tourism industry, job creation, improvement of quality of life, a rise in income, poverty reduction, and economic growth (Iwara & Netshandame 2021; Mmbengwa, Groenewald & Van Schalkwyk 2013). SMME entrepreneurship is discussed below.

2.2.5 SMME entrepreneurship

Policy developers worldwide recognise the contribution of entrepreneurship to economic growth, poverty alleviation, and employment creation (Mahadea & Pillay 2008). The history of entrepreneurship and the formation of the South African economy is embedded in the culture of the country (Iwara & Netshandame 2021). SMMEs play an important role in the economic progress of less industrialised countries such as South Africa (Leboea 2017). Most entrepreneurship in the South African economy is generated by SMMEs, and entrepreneurship is also considered a vital part of the South African economy (Opportunity 2011).

The importance of this sector does not make the task of defining it any less challenging, and countries employ various definitions and abbreviations. In the present study, the term 'SMMEs' refers to registered South African businesses with fewer than 250 employees (Le Fleur, Koor, Chetty, Nthangase *et al*. 2014).

SMMEs in South Africa account for 98% of the entrepreneurial activities across all sectors and employ between 50% and 60% of people in the country, making SMMEs a critical engine of the country's economy (Kalidas, Magwentshu & Rajagopaul 2020). SMMEs are further seen as a stream that feeds into the big corporations and helps to mobilise them by helping curb unemployment. SMMEs also now have more success in accessing capital, as the percentage of successful applications has risen by 13% (Leboea 2017).

Rogerson (2008) notes that the tourism industry is characterised by a dominance of small firms that are perceived as viable avenues for local economic development (Booyens & Visser 2010). With current entrepreneurial initiatives driven by foreign models that are not compatible with grassroots entrepreneurial realities (Iwara 2020b) faced by South African SMMEs, stokvels are attracting research attention, as they could provide funds for investment in entrepreneurial ventures (Iwara & Netshandame 2021). The next section discusses SMMEs in the tourism industry.

2.2.6 Tourism SMMEs

There is no universally agreed-upon definition for tourism a SMME. "A tourism SMME theoretically includes the operations of an SMME that falls within the tourism and travel economic scope as well as the actual SMME businesses operating in the tourism and travel industry" (Mosweunyane, Rambe & Dzansi 2019:1). However, practical examination of tourism SMMEs remains confined to initiatives operating within the tourism and travel industry's boundaries, primarily in the three tourism sub-sectors of a) accommodation, e.g., bed-and-breakfasts, guest houses, and backpacker hostels; b) hospitality-related services, such as catering, restaurants, arts and crafts, and attractions; and c) tour guides and operators, amongst others.

South Africa continues to acknowledge the significance of encouraging SMMEs to engage in the tourism sector, especially after the publication of the 1996 Tourism White Paper (Rogerson & Rogerson 2017). The 2005 Tourism Black Economic

Empowerment (BEE) Charter and Scorecard represented another turning point in transforming possibilities for the promotion and empowerment of tourism SMMEs through policy (Mofokeng, Giampiccoli & Jugmohan 2018). The general objective is to make tourism markets and the tourism sector more accessible for evolving tourism businesses, which will expand business initiatives that offer additional commercial opportunities (Jugmohan, Mtapuri & Giampiccoli 2017).

One of the main objectives of the South African NTSS 2016–2026 is the facilitation of business and trade, in order to ensure growth in the tourism economy. The South African government aims to achieve this objective by facilitating the ease of access to funding by simplifying regulations governing tourism commerce. The government is developing a programme in collaboration with applicable authorities at every level, with a specific focus on releasing the SMMEs of their current regulatory burdens (Government of South Africa 2020).

Support for SMME development has been prevalent in national government planning and policies since the 1994 democratic election (Musavengane 2019). Even though the government and other stakeholders have acknowledged that the economy of South Africa is extremely varied and includes different enterprise groups that need different types of interventions, there is wide acknowledgement that numerous challenges constrain tourism SMME development, which continue to make access to funding challenging (Rambe 2017:411).

Adinolfi, Jacobs, and Tichaawa (2018) state that while there are dissimilarities between the growth constraints or challenges that impact emerging and established tourism SMMEs, the leading challenges for all tourism SMMEs are:

a) the deprived state of prevailing tourism advertising and under-marketing of the tourism attractions and products in South Africa;

b) the rising cost of marketing in guidebooks and magazines such as *Portfolio Collection* and *Getaway*;

c) unnecessary or excessive local, national, and provincial regulations that have an undesirable impact on tourism SMMEs' dealings, primarily with regard to the cost of labour, signage, and zoning applications;

d) poor development in terms of human resource skills training and the required training amenities and personnel; and

e) difficulty in accessing the required support and finance from existing national and local government programmes, partly due to bureaucracy and the absence of information on potential support and financial resources (Rogerson & Rogerson 2019a).

A lot of pressure is placed on the South African government to financially assist and upgrade SMMEs in the accommodation sector, in specific response to the current demands of cautious global tourists (Harilal & Nyikana 2019:13) and the effects of the COVID-19 pandemic. In the present study, the view is taken that this burden is too great to be borne by the government alone. For example, it takes the DoT 18 to 24 months to acknowledge receipt of a grant application by an SMME. Therefore, the overall aim of this study was to create a model for tourism stokvel investment. The next sections address the constructs and their dimensions that were formulated and validated in an extensive review of the literature.

The literature review underpinned the formulation of the current study's research objectives. The following discussions address the present study's first three (theoretical) ROs.

Section 2 addresses **RO1**: To theoretically validate *Tourism stokvel investment* as a construct consisting of three dimensions, namely *Trust*, *Social development*, and *Financial security*;

Section 3 addresses **RO2**: To theoretically validate *Tourism social entrepreneurship* as a construct consisting of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*; and

Section 4 addresses **RO3**: To theoretically validate *Tourism social transformation* as a construct consisting of four dimensions, namely *Economic development*, *Improved living standard*, and *Empowerment*.

The discussions in all three sections are structured as follows:

- An overview of the construct and its dimensions;
- A detailed discussion of the literature on each dimension;

- Statement of the definition of the dimension employed in the current study;
- A discussion of the linkages and interrelationships between the dimensions;
- Statement of the related hypothesis.
- Examples of the related questions in the current study's survey instrument.

The next section discusses the first construct in the theoretical model in Figure 1.1, namely *Tourism stokvel investment*, and its dimensions: *Trust*, *Social development*, and *Financial security*.

2.3 SECTION 2: TOURISM STOKVEL INVESTMENT

2.3.1 Overview

In rural areas, informal savings systems play a bigger role than formal financing in income mobilisation (Sile & Bett 2015; Forkuoh, Osei & Quaye 2015; Ngumbau, Kirimi & Senaji 2017), as these systems are not dependent on external forces (Matuku & Kasake 2014; Sile & Bett 2015). In the current study tourism stokvel investment is considered a viable option for SMME development because stokvels can readily mobilise capital for investment purposes. They are also more cost-effective than a loan that accumulates interest, and they are not regulated, which makes them more flexible and easily accessible to entrepreneurs who need to raise seed capital for a venture (Iwara & Netshandama 2021).

This section covers literature on tourism, stokvels, and investments, and then discusses how these three concepts can be integrated to develop a tourism stokvel investment model that could be beneficial to South Africa's tourism sector. The discussion in this section follows the sequence shown in Figure 2.2. The construct of *Tourism stokvel investment* is discussed along three dimensions: *Trust*, *Social development*, and *Financial security* (Iwara & Netshandama 2021; Lengolo 2019; Schulz *et al*. 2018), whereafter linkages between the dimensions are addressed.

2.3.2 Construct: *Tourism stokvel investment*

According to the WTTC (2020), tourism investment comprises a) accommodation, maintenance, development, tourism transportation, renovations, tourist sights, restoration of facilities, and capital projects; b) tourism-related ICT; and c) sustainability-positioned investment.

Investment is noted as a crucial factor in the development of any country (Wang & Xu 2011), and tourism is important for the world economy based on its potential to generate a high return on investment, a high employment rate, and support sustainability. The development of a viable and sustainable tourism industry in any destination, therefore, requires informed strategic planning of investment initiatives (Bai *et al*. 2014). In Section 1.2, tourism was referred to as activities that involve people who travel to a particular place, referred to as a 'destination', to undertake leisure activities such as visiting attractions. These tourists use tourism facilities during their stay at the destination. Three definitions of the term 'investment' are explored to contextualise how they fit into the current study.

Novy-Marx (2006:3) defines an investment as "a current commitment of money, based on fundamental research, to real and/or financial assets for a given period to accumulate wealth over a long term". Nieuwenhuyzen's (2004) definition notes 'investment' as the acquisition of income-bearing assets, such as property. Such investment includes the transfer of money to other people for income-generating purposes through, for example, shares, mutual funds, or even savings accounts. A more recent definition by Pop (2012) states that investment is a temporary but certain 'decommissioning' of a portion of current resources, i.e., material, financial, or human resources. The cost of current resources being decommissioned is with the intent that it be replaced by future net effects.

The concept of investment has evolved due to socio-economic developments (Pop 2012). From a tourism perspective, Mekawy (2015) presents tourism as a smart investment threshold that has the potential to break the poverty cycle in many destinations. Tourism is considered an engine for generating investment, and, like any other investment opportunity, tourism must express a character of sustainability for investors to be interested (Florea & Ciovica 2014). Evidence from its practice has shown tourism to have close linkages with social development, due to its nature of achieving sustainable outcomes for those communities (Kakoudakis & McCabe 2018).

Based on the above definitions and contextualisation of investment in the context of tourism, the current study sought to define tourism investment as the temporary but certain commitment of money to acquire income-bearing assets or to transfer these to

other people (through saving accounts, stokvels, shares, and mutual funds) for a certain period, to accumulate wealth in tourism over the short or long term.

Tourism stokvel investment is an alternative form of investment for tourism transformation, i.e., through the enhancement of entrepreneurship. In the present study, it is proposed that this will result in improved employment opportunities and assist in poverty reduction in destinations, as posited by Banerjee, Cicowiez, and Gachot (2015). Both stokvels and tourism are known to break the poverty cycle and bring about social transformation (Hesam, Kazemi & Rezazadeh 2016), thus presenting a unique opportunity to use stokvels as an investment gateway in the tourism industry of South Africa. Mohapeloa (2017) and Iwara and Netshandama (2021) emphasise the need for new ways to generate investment for entrepreneurs, the study presents stokvels as a possible revenue.

This opportunity presented by stokvels is evident in stokvel literature (Klug *et al*. 2014; Schulze 1997; Bophela 2018; Lengolo 2019, Iwara & Netshandama 2021), with authors noting that financial institutions and the public sector trying to harness stokvels only focus on providing stokvel investors with monetary incentives, neglecting stokvels as social drivers that can bring about social transformation. Benda (2012) refers to stokvels as an avenue to acquire funds and consumer goods that can provide working capital and entrepreneurial investment. Developing the stokvel industry is, therefore, an important consideration in poverty alleviation, the reduction of unemployment, broadening of equitable access to ownership of the economy, and capital accumulation, resulting in the improvement of livelihoods and raising the standard of living of South Africans (Bophela 2018).

The challenge with the 2020 targets of the NTTS is that they focus only on increasing foreign direct investment (FDI) and private-sector capital formation (NTTS 2011). These strategies, therefore, overlook how investment can transform society and how the tourism economy can explore more opportunities in the country (Dadam & Viegi 2018) through domestic investment, which can be achieved through its indigenous population.

In financial literature, foreign investors are often believed to be at an informational disadvantage relative to local investors (Ang, Cheng & Wu 2015a), as they lack a grassroots understanding of African structural systems of entrepreneurship, which, in

turn, prevents the identification of the exact investment required for enterprise growth that achieves transformation (Iwara & Netshandama 2021).

Tourism stokvel investment means the use of stokvel systems to fund new ventures in the tourism industry. Based on literature, the construct has three dimensions: ***Trust*** (Ang *et al.* 2015; Benda 2012; Botaazzi & Da Rin 2012; Calvin & Coetzee 2010; Dare & Okeya 2017; Ert & Fleischer 2019; Ha *et al.* 2019; Iwara 2020b; Iwara & Netshandama 2021; Kelliher *et al.* 2018; Lengolo 2019; Matuku & Casela 2014; Moloi 2011; Moorman, Zaltman & Deshpande 1992; Ramsheva, Prosman & Waehrens 2019; Mungiru & Njeru 2015; Rahmani *et al.* 2019; Yoon & Moon 2019; ***Social development*** (African Response 2012; Bruyn 1991; Calvin & Coetzee 2009; Diekmann *et al.* 2018; Diaz & Vera 2018; Doğan & Timothy 2020; Eichhorn 2020; Forget *et al.* 2013; Harvie & Ogman 2019; Iwara & Netshandama 2021; Kakoudakis & McCabe 2018; Kukharenko & Gizyatova 2018; Lyon & Owen 2019; Mahon 2019; Matuku & Kaseke 2014; Midgley 2013; Moloi 2011; Schulze 1997; Soler & Poveda 2013; Puaschunder 2018; Qiao, Chen, Thompson & Xiao 2019; Youniss 2017) and ***Financial security*** (Ahmad & Sabri 2014; Benda 2012; Bouman 1994; Brown & Henkin 2014; Christian 2016; Collins & Ratcliffe 2016; Ivanova *et al.* 2017; Jessop *et al.* 2012; Kharlamova 2014; Mulder 2020; Netemeyer, Warmath, Fernandes & Lynch 2017; Schinasi 2004).

These are defined and discussed below, together with the typologies of stokvels.

2.3.2.1 Dimension: *Trust*

Stokvels are built on trust (Dare & Okeya 2017). It is a community practice in which the members trust each other (Mungiru & Njeru 2015; Iwara 2020b). Stokvel members usually participate in stokvels to establish social networks and friendships (Lengolo 2019), which is usually done through people pledging for those with whom they have ties; thus, membership is dependent upon recommendation by an existing member (Dare & Okeya 2017; Mungiru & Njeru 2015), especially as no contract exists between the parties (Ang, Cheng & Wu 2015).

Stokvels are centred around reliance by members on the understanding that joining a stokvel group is a joint commitment that ensures continuous savings despite other urgent household needs (Benda 2012). Therefore, it is evident that trust is the leading

foundation for the stokvel system; trust is what ensures continuous member commitment, as well as the belief that the invested funds are safe, especially because stokvels are neither regulated nor formally registered under South Africa's Banks Act 94 of 1990 (Lengolo 2019; Iwara & Netshandama 2021).

It is important to note that such investments are generally difficult to transfer; therefore, trust and commitment are needed to enhance the performance of all parties and maintain a positive long-term relationship (Yoon & Moon 2019:516). Trust is also a vital element of the tourism industry. Tourists need to be able to trust that the travel experience in the unknown destination will enrich them through a memorable experience (Rahmani, Gnoth & Mather 2019:192). Thus, in the development of tourism investment stokvels, trust will result in better investment performance and long-term relations between the tourism sector and stokvel parties (Lengolo 2019; Iwara & Netshandama 2021).

Trust is described as a mechanism that ensures continuous commitment and safety and can be considered an expectation, attitude, state, relation, and process of social exchange (Calvin & Coetzee 2010; Engelbrecht 2009). Trust is further defined as "behavioural beliefs, repeated interactions, expectations, attitudes, relations, communication and social exchange processes, social and individual solidarity, and competence of a recognisable group of people which define their reliance on one another" (Biyela, Tsibolane & Van Belle 2018:35). In a personal context, trust is "a set of beliefs that one person has about the behaviour of another specific person and is based on repeated interaction between the two individuals" (Bottazzi & Da Rin 2012:6).

In the context of business, including marketing and investment, trust is described as "a party's willingness to rely on an exchange partner in whom the party has confidence" (Moorman, Zaltman & Deshpande 1992). Ang, Cheng, and Wu (2015) emphasise the importance of trust, especially in cases where the contract between parties is incomplete and when legal systems cannot guarantee the execution of the contract. It is thus evident that trust is needed in effecting investment decisions (Ramsheva *et al*. 2019; Ang *et al*. 2015; Yoon & Moon 2019), including, by extension, stokvels. The link between trust and Stokvels is easily identifiable from the literature shared above, as trust is essentially what binds stokvel members together (Moloi 2011).

Kelliher, Reinl, Johnson, and Joppe (2018) adapted various definitions by different authors to define trust as an interpersonal phenomenon, where one party is willing to be placed in a potentially vulnerable position relative to another while possessing some knowledge of the other party that inspires trust in that party. The present study, therefore, adds to the current literature around trust by defining trust as the confidence one person has in another based on repeated interaction between these individuals, to achieve a common goal, i.e., to invest money to develop a tourism-focused business for themselves.

The discussion of trust has increasingly been incorporated into financial studies, with an increasing number of firms taking the trustworthiness of a region and its impact into account before investing in that region (Ang, Cheng & Wu 2015). Insufficient trust is the main barrier to collaboration (Ramsheva, Prosman & Waehrens 2019). This is evident even in the case of stokvels, as it has been established that trust is a key factor in stokvels systems (Moloi 2011; Calvin & Coetzee 2010; Matuku & Casela 2014), in investment decisions (Botaazzi & Da Rin 2012; Ang *et al*. 2015; Yoon & Moon 2019; Ramsheva 2019), and tourism (Ert & Fleischer 2019; Kelliher *et al*. 2018). Having defined trust, it is necessary to consider how this dimension influences stokvels, investments, and tourism.

The role of trust in the tourism industry has seldom been researched. This does not, however, negate the significance of trust in this sphere (Kelliher *et al*. 2018), or the fact that trust is what makes tourism work (Ert & Fleischer 2019). Trust in tourism is critical, as it helps tourists cope with the unknown. Therefore, they must trust the destination and its service providers (Rahmani, Gnoth & Mather 2018).

The section explores the dimension of *Social development* in the context of investments by tourism stokvels.

2.3.2.2 Dimension: *Social development*

The term ‘social development’ compromises two words that each carry meaning, and both inform the definition of the term.

The word ‘social’ is used by sociologists and other social scientists to refer to human interactions and the complex phenomena that arise from these interactions, such as groups and associations, including family, neighbourhood associations, formal

organisations, communities, and even societies (Forget, Peden & Strobel 2013). The second word, ‘development, connotes a dynamic process of societal change, growth, progress, and evolution (Harvie & Ogman 2019). Although originally used to describe a process of societal change, “the term development has been primarily linked to economic modernisation in the developing countries after the Second World War, where it was originally defined as ‘involving growth and industrialisation’” (Midgley 2013:4).

Omer (1979:15) defined social development as “a process that brings about an integrated, balanced, and unified social and economic development of society, and one that gives expression to values of human dignity, equality, and social justice”. Aspalter and Singh (2008:2) define the term as “planned and directed change that enables people to achieve greater happiness, satisfaction and a peaceful life”. Browne & Millington 2015:2 state:

> *Social refers to many of the non-economic processes and outcomes of development, including but not limited to reduced vulnerability, inclusions; wellbeing; accountability; people-centred approaches; and the freedom from violence. It is fundamentally concerned with human rights, formal and informal power relations, inequality, and possibilities for building greater equality among individuals and groups within societies.*

Traditional stokvels enhance social cohesion and development because they emanate from the bottom up, with economically disadvantaged populations pooling resources to save or invest to help each other (Iwara & Netshandama 2021). Several authors have studied the long-term relationship between economic development, savings, and investments (Poveda 2013). The concept of development has evolved to include people’s comfortability towards economic, social, environmental, and cultural welfare (Kakoudakis & McCabe 2018:189). This is also the case in tourism, where increased interest is being shown in social tourism issues that involve making a positive socio-economic impact and ensuring that the local residents of a destination benefit from it (Diekmann, MacCabe & Ferreira 2018) their visit.

Stokvels are a critical element of society, as they provide both social and financial capital and development (Schulze 1997). As previously mentioned, tourism is an integral factor in development, because tourism contributes to social progress and

community harmony and wellbeing (Doğan & Timothy 2020). Social development focuses on human rights, informal and formal power connections, and possibilities, with the aim to better equality amongst groups and individuals in society (Youniss 2017:219). “Even though the term social development has been in regular use for more than half a century, it is still poorly defined” (Midgley 2013:3).

Social tourism refers to “initiatives for promoting active people participation in tourism financing and accessibility to cause economic and social benefits to the society” (Eichhorn 2020:3). Stokvels developed due to the effects of the previous political system of South Africa, which continues to leave most of the population economically deprived and impoverished. Thus, the very essence of stokvels is mutual financial assistance that creates social development for its members (Shulze 2018).

Investing in these low-income communities started in the 1970s, and community development banks were developed to provide at-risk communities with access to financial services (Puaschunder 2018). Social investors are not only interested in making a profit, but they are also interested in the impact of their investments on people’s lives (Bruyn 1991). Social investment started gaining momentum and providing a new rationale to break intergenerational cycles of poverty through what was termed ‘inclusive’ growth at the end of the 20th century (Mahon 2019). The development of social enterprises for both financial and philanthropic purposes, unlike the case of traditional SMMEs, also became prominent (Mahon 2019).

Social investment is rapidly growing across the world (Lyon & Owen 2019). The OECD is recognised to have played a key role in the development of social investment to achieve the development agenda of mitigating poverty (Mahon 2019). Social development in tourism has also evolved over the last decade, due to a significant increase in interest in studies regarding social issues (Diekmann, McCabe & Ferreira 2018). The term ‘social tourism’ originated in Europe, where it is referred to as ‘tourism for all’. In supporting social tourism, governments and other social organisations provide facilities, funds, policies, and other means so that all citizens, especially those belonging to vulnerable groups, can participate in tourism (Qiao, Chen, Thompson & Xiao 2019).

It is essential to note that the discussion of social development cannot be separated from social investment — “providing finance for financial and social return” (Soler,

Díaz & Vera 2018:659). Social investment ranges from “impact-first” investors who are willing to provide funding for organisations that are not able to generate market returns to ‘financial-first’ investors who are more traditional but with an interest in also having a social impact as well as financial returns” (Wilson 2014:4).

This gap in mainstream commercial finance, together with its scoring techniques, makes it important to create and grow a different nature of financing for the social economy through subsidized finance (Lyon & Owen 2019) or the development of a social type of investment. The main basis of the formulation of stokvels is for social and financial support (Calvin & Coetzee 2009) and the intention to alleviate poverty (Lengolo 2019), thus making it a convenient solution to the empowerment of disadvantaged people and their ability to actively participate in the economy and gain financial freedom (Lengolo 2019). Recipients of stokvels experience consequences that extend beyond economic benefits, stokvels increase the social welfare of the members and result in an improved standard of living (Kukharenko & Gizyatova 2018; Lengolo 2019).

Based on the above, social development, is the social and economic upliftment of communities, in this case, through initiatives that generate private investment opportunities through tourism-focused stokvels.

2.3.2.3 Dimension: *Financial security*

Stokvels are an important source of income for many South Africans (Iwara & Netshandama 2021) and were developed to overcome the inaccessibility of formal financial structures (Schulze 1997). Stokvels are an integral part of income security, with more than 50% of South African adults belonging to stokvels as an effective savings mechanism and providers of flexible soft loans (Iwara & Netshandama 2021). Therefore, exploring financial security as a dimension of the *Tourism stokvel investment* construct is critical, as stokvels have been identified as an investment model that enhances financial security (Lengolo 2019; Benda 2012).

Early research noted that the main function of informal savings is to offer members income and, therefore financial security (Bouman 1994; Bisrat, Kostas & Fenga 2012). Financial security is a major consideration in investment decisions (Kharlamova 2014), and is the main reason for both long-term private savings and

investments (Christian 2016). This implies a link between financial security and well-being (Yılmaz 2007). Financial security is dependent on multiple combinations of economic elements and changeability over time. While, well-being entails the realisation of one's full potential — physically, psychologically, socially, spiritually, and economically (Brown & Henkin 2014). Definitions of financial stability and the conditions required to achieve it are myriad (Ivanova, Romanova, Kostoglodova & Romanov 2017), and its meaning is deeply rooted in an individual's emotions (Jessop, Walker & Aune 2012).

Ahmad and Sabri (2014:110) define financial security as "the state of having constant income or other resources to sustain a standard of living now and in the foreseeable future". Delas, Nosova, and Yafnovyan (2015) analysed the interpretation of the term 'security' by different scholars and identified several characteristics associated with the term. The authors noted that most scholars are in support of the idea that security is a state of a company's safety from all threats or a state in which the company can survive and expand, despite threats. They ultimately defined the concept as "a certain state, as a capacity to protect itself, as a system of measures and actions" (Delas *et al*. 2015:249). Repnikova, Bykova, Shmanev, Kerimov, and Kozhina (2019:2256) define financial stability and security as "the capacity to enhance and facilitate monetary processes, handle risks as well as absorb the varying shocks".

With regard to the proposed *Tourism stokvel investment* construct, the dimension of *Financial security* represents the result of investment in a stokvel, which Tursunov (2020:10) describes as "the state or capacity to safeguard oneself and have constant revenue or some other resource to maintain the desired standard of living".

Tying the above discussions together, it is clear that the three dimensions of *Tourism stokvel investment* are inextricably connected and interdependent: To encourage investment in a tourism stokvel requires trust in the stokvel, the prospect of social development, and the realisation of financial security.

The discussions in the above sections represent the achievement of **RO1**:

> To theoretically validate *Tourism stokvel investment* as a construct consisting of three dimensions, namely *Trust*, *Social development*, and *Financial security*.

Therefore, the following was hypothesised:

H_1: The construct *Tourism stokvel investment* consists of three dimensions, namely *Trust*, *Social development*, and *Financial security*, which can be reliably and validly measured.

Figure 2.4 provides examples of items in the survey instrument that measured these three dimensions.

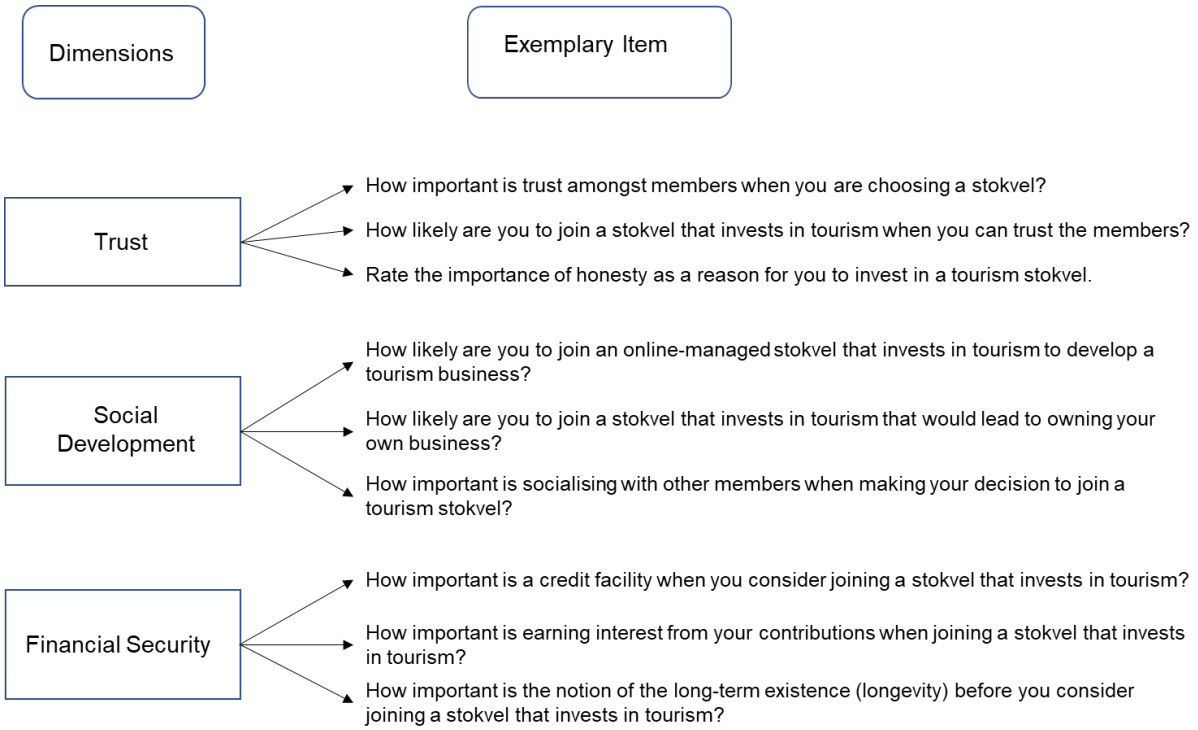


Figure 2.4: Survey instrument: Examples of items measuring dimensions of *Tourism stokvel investment*
Source: Author's own

Figure 2.4 illustrates that the questions in the survey (see Appendices A and G) were based on literature and formulated to measure respondents' subjective beliefs regarding the three dimensions of *Tourism stokvel investment*, namely *Trust*, *Social development*, and *Financial security*.

The next section, Section 3, discusses the second construct in the theoretical model in Figure 1.1, namely *Tourism social entrepreneurship*, together with its proposed dimensions, namely *Innovation*, *Opportunity*, and *Social capital*.

2.4 SECTION 3: TOURISM SOCIAL ENTREPRENEURSHIP

2.4.1 Overview

South Africa has an abundance of traditional initiatives to drive entrepreneurship. Many entrepreneurs, however, fail to fully harness their rich indigenous practices while embracing more Western ideologies. However, it must be noted that some Western business principles do not conform to the realities of the country (Iwara & Netshandama 2021). Furthermore, South Africa's ability to sustain and grow new businesses is ranked behind that of other African countries (Global Entrepreneurship Monitor (GEM) 2010). As a driver of social capital, stokvels can assist in the creation of employment and reduction of poverty (Lengolo 2019), this is important in assisting South Africa to redress its inequality gap (Le Fluer *et al*. 2014). Social entrepreneurship is central to the theme of addressing various social problems, which is why it was included as the second construct of the theoretical framework in Figure (Chapter 1).

The discussions in the subsequent sections continue to follow the order depicted in the inverted pyramid in Figure 2.2.

2.4.2 Construct: *Tourism social entrepreneurship*

The term entrepreneurship is discussed below to determine how stokvels can develop a social form of entrepreneurship within the tourism industry of South Africa.

Entrepreneurship plays a significant role in the evolution of a tourist destination (Jafaar *et al*. 2011) and provides a basis for economic change and economic independence through new knowledge creation and application (Hussain *et al*. 2014). Tassiopoulos (2011) identifies an entrepreneur as an individual who makes critical decisions about the use of scarce resources. In local communities, entrepreneurship can contribute to substantial social and economic benefits and can offer a response to environmental problems. Entrepreneurship that takes into consideration social and environmental issues is termed 'social entrepreneurship' (Bansal, Garg & Sharma 2019:1091). This type of entrepreneurship aims to create social value (Abu-Saifan 2012).

The tourism industry was historically considered an SMME industry, due to most tourist facilities being operated by SMMEs (Jaafar *et al*. 2011). Tassiopoulos (2011)

describes these tourism SMMEs as ‘SMTEs’, an abbreviation for small and medium tourism enterprises. Tassiopoulos (2011) further defines entrepreneurship in tourism as the establishment and operation of legal tourism businesses that are profitable and satisfy the needs of tourists.

The concept of entrepreneurship has evolved and now represents a much wider socio-economic approach (Bikse *et al*. 2015). Increased attention is directed towards the notion of social entrepreneurship, with a focus on the importance of social entrepreneurship in leveraging positive impacts on communities, especially in developing countries (Laeis & Lemke 2016).

Abu-Saifan (2012:25) defines a social entrepreneur as “a mission-driven individual who uses a set of entrepreneurial behaviours to deliver a social value to the less privileged, all through an entrepreneurially orientated entity that is financially self-sufficient or sustainable”. Zahra, Gedajlovic, Neubaum, and Shulman (2009:519) define social entrepreneurship as “[t]he activities and processes … undertaken to discover, define and exploit opportunities to enhance social wealth by creating new ventures or innovatively managing existing organizations”. Therefore, they “endeavour to react to prevailing social concerns” (Bansal, Garg & Sharma 2019:1091). Guclu, Dees and Anderson (2002) note that to be attractive to social entrepreneurs, an opportunity has to have sufficient potential to yield a positive social impact in order to justify the required investment of time, energy, and money.

The above definitions show that, at its core, social entrepreneurship is concerned with creating social value and effecting transformation (Altinay, Sigala & Waligo 2016). Tourism studies on entrepreneurship have concentrated on profit-making entrepreneurial activities, neglecting the social dimension of tourism entrepreneurship (Altinay *et al*. 2016). In considering these definitions, together with the fact that the aim of stokvels is the development and creation of social capital (Lengolo 2019), it was considered important to include tourism social entrepreneurship as a construct.

In the present study, tourism social entrepreneurship is defined as a process of identifying an attractive opportunity to create a business in the tourism industry, to make a profit as well as have a positive impact on the social development of the local community where the business is established.

The literature explored with regard to communities in the present study focused on South Africa's economy being characterised by the triple complexities of poverty, inequality, and unemployment (Mohapeloa 2017). These complexities were escalated by the COVID-19 pandemic's strict lockdown restrictions, which led to fewer people actively seeking employment and many people losing their jobs (UN 2020). South Africa's unemployment rate escalated to 30.8% in the third quarter of 2020, from 23.3% in the previous period, the highest rate since quarterly data became available in 2008 (Trading Economics 2020).

Stimulating growth in the tourism economy of South Africa relies, to a great extent, on tourism enhancing economic and social development. The South African government's funding capacity is under pressure, creating the need for additional funding. In 2020, the government introduced new funding models for businesses in response to the adverse economic effects of the pandemic. Some of these include the Social Relief Distress Grant of R350 per month to assist unemployed citizens (Development Policy Research Unit (DPRU) 2020). The government also conducted the Business Impact Survey in April 2020 to measure the impact of the pandemic on revenue from businesses registered for value-added tax (VAT), in an attempt to assist these businesses with grants during the pandemic (BIS 2020). The survey, however, did not include businesses with an annual turnover of less than R2 million, and thus excluded most SMMEs, posing yet another challenge to this sector.

The above discussion illustrates that there is insufficient government assistance in developing SMMEs, especially with regard to financial grants. Tourism entrepreneurs therefore have to create new and innovative ways of sourcing funding, which is why the present study proposes stokvels investing in tourism social entrepreneurship as a construct. There is a need to encourage tourism entrepreneurship, specifically social entrepreneurship, to add value to the societies in which they operate (Marti, Ribeiro-Soriano & Palacios-Marques 2016) facing South Africa.

The link between stokvels and social entrepreneurship is that both are aimed at social and economic upliftment (Lukhele 2018). Furthermore, tourism, by its very nature, has significant potential to benefit local communities, particularly in developing countries (Tetzschner & Harlau 2003), indicating the possibility of a positive relationship between tourism, social entrepreneurship, and stokvels. Social entrepreneurs in

tourism are regarded as a driver in linking destination communities with corporate enterprises to create economic benefits (Minnaert 2014).

Given the extensive reporting on three identified dimensions in literature on social entrepreneurship, it was decided to include these dimensions in this construct, namely **Innovation** (Abdul-Aziz, Maideen & Mohd 2011; Abereijo *et al*. 2009; Biyela, Tsibolane & Van Belle 2018; Bouman 1995; Crossan & Apaydin 2010; Donovan 2015; Guclu *et al*. 2002; Jaafar *et al*. 2011; Lin & Chen 2006; Lisetchi & Brancu 2014; Laeis & Lemke 2016; Lengolo 2019; Lukhele 2018; Mohapeloa 2017; Ndhlovu 2016; Stephan *et al*. 2015; Tetzschner, HeLge, Herlau & Henrik 2003; Webster & Haandrikman 2017; Wulleman & Hudon 2015; Zawawi *et al*. 2016), **Opportunity** (Abu-Saifan 2012; Alverez & Jay 2013; Bottazzi *et al*. 2012; Davidsson 2015; Guclu *et al*. 2002; Jafaar *et al*. 2011; Karlesky 2015; Kirsten & Rogerson 2002; Puhakka 2010; Sarasvathy *et al*. 2010; Stahle *et al.* 2015; Tetzshner *et al*. 2003; Verhoff 2001), and **Social capital** (African Response 2012; Altinay *et al*. 2016; Charman 2017; Claridge 2004; Foo *et al*. 2020; Guclu *et al*. 2002; Irving 2005; Klug *et al*. 2014; Lukhele 2018; Moloi 2011; Machalek & Martin 2015; Moscardo *et al*. 2017; Rogerson 2015; Sato 2013; Stephan, Uhlaner & Stride 2015; Verhoef 2001).

The dimensions are discussed in detail in the following sections.

2.4.2.1 Dimension: *Innovation*

The word ‘innovation’ originated from the Latin word *innovare*, which means creating something new (Lin & Chen 2006). Tetzschner *et al*. (2003) state that innovation may also denote applying and further developing an already existing element for practical or commercial use, and note that, in tourism, this may take the form of new products and services, new forms of organisation and management, new processes, logistics innovation, and new ways of marketing.

Entrepreneurialism refers to individuals establishing new ventures, which are often based on innovation (Webster & Haandrikman 2017). Social entrepreneurship appears to be a source of new and innovative solutions to persistent social issues (Wulleman & Hudon 2015), especially in middle-income countries with grave social challenges (Mohapeloa 2017). Literature on entrepreneurship notes that entrepreneurship cannot be characterised without including innovation (Tetzschner *et*

al. 2003), as innovation is what drives business development (Jafaar *et al*. 2014; Stephan, Uhlaner & Stride 2015). It was therefore considered important to include this dimension under the *Tourism social entrepreneurship* construct in the current study.

Donovan (2015) identified ambiguity in the word 'innovation', which he explained is due to a considerable amount of diversity in views and approaches to what constitutes an innovative activity. Boer (2001:84) defines innovation as "the creation of a new product–market–technology–organisation combination (PMTO combination)". Crossan and Apaydin (2010:1155) identify innovation as "the production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome". Lisetchi and Brancu (2014:88) define innovation as "a novelty across several dimensions of relevance to the economy taking the form of new goods, methods of production, new market, a new organization, new business model, services, management, or marketing techniques".

It is evident that innovation is the source of new ideas and may give organisations a competitive advantage and enhance their sustainability (Zawawi *et al*. 2016). Social enterprises favour innovative business models because they are agents of social change who, at their core, engage in innovation (Wulleman & Hudon 2015). Therefore, for social entrepreneurs to be effective, they constantly need to engage in developing opportunities and continuously innovate and adapt (Guclu *et al*. 2002).

Based on the above explanation and definitions of innovation, innovation, in the present study is defined as the process of creating or enlarging new entrepreneurial ideas to create a tourism-specific business that will create social value in a destination.

In tourism, the role of entrepreneurial innovation through the facilitation of community networks can have a positive impact on the livelihoods of communities (Laeis & Lemke 2016). Bouman (1995) described stokvels as an innovative approach to investing and saving in South Africa, referred to as the 'unbanked' community, as most of the money rotating in the stokvels system is not banked. This market continues to challenge what the formal financial banking sector offers (Lengolo 2019), because the traditional banking system's services are not geared to meet the community's special credit- and banking needs, due to exploitative interest rates (Lukhele 2018).

This nature of stokvels as community schemes that drive the social dimension of money in the country (Neves & Du Toit 2012) makes them of particular interest in the present study. Furthermore, in recent years, new trends have emerged in this sphere, such as property stokvels, e.g., the Ogatsheni Property Lifestyle Stokvel (Ndhlovu 2016) and investment stokvels, e.g., the Rustenburg Investment Stokvel (Mtshazo 2019).

Tourism social entrepreneurship is based on using innovative approaches to ensure the participation and involvement of local communities in tourism through stokvels. Stokvels offer innovative solutions to drive social transformation (Biyela, Tsibolane & Van Belle 2018). In this regard, Mohapeloa (2017) notes that stokvels can be used as an innovative avenue of a combination of resources aimed at targeting social needs and creating investment opportunities for communities.

2.4.2.2 Dimension: *Opportunity*

Davidsson (2015) notes that 'opportunity' is a nebulous concept to which authors struggle to apply a consistent view. Opportunity can be described as a set of ideas, beliefs, and actions that enable the creation of future goods and services in the absence of current markets for them (Dew, Velamuri *et al*. 2004). An opportunity must, however, be translatable into a viable product or service (Tetzshner *et al*. 2003).

Entrepreneurs and social entrepreneurs operationalise these ideas, beliefs, and actions. Bottazzi *et al*. (2012) describe entrepreneurs as individuals who enjoy exploiting opportunities, while Bikse *et al*. (2015) describe social entrepreneurs as individuals who seek opportunities to solve social problems. The identification of an opportunity is viewed as the starting point of any entrepreneurial process (Karlesky 2015), and one cannot define an entrepreneur or social entrepreneur without recognising that they seek opportunities (Jafaar *et al*. 2011; Kirsten & Rogerson 2002; Bottazzi *et al*. 2012).

Entrepreneurial opportunities are often associated with or focused on the creation of economic (Puhakka 2010). Social entrepreneurship, however, while still considering economic value, places greater focus on the creation of social value (Abu-Saifan 2012; Karlesky 2015). The concept of opportunity has been defined in a wide variety of fields

such as social studies, entrepreneurship, and business (Alverez & Jay 2013), reviewed below.

Adams (1931:215) defines opportunity as “the state of affairs when each man and each woman shall be able to attain the fullest stature of which they are capable regardless of the circumstances of their birth”. Casson (1982), a seminal writer on entrepreneurship, defines opportunity as situations in which new goods, services, raw materials, and organizing methods are introduced and sold at a cost greater than their cost of production. Alverez and Jay (2013:162) note that “opportunity represents value sought from the perspective of prospective customers”.

Following the above, ‘opportunity, in the present study, is defined as an attractive prospect in tourism with regard to products and services.

In the context of social entrepreneurship, the focus is on identifying opportunities to better society (Puhakka 2010); thus, social entrepreneurs play an important role as agents of societal change (Guclu *et al*. 2002). Opportunity in entrepreneurship needs to be emphasised, because entrepreneurship is not always linked to innovation (OECD 2006). Successful social entrepreneurs are able to identify opportunities and create organisations to pursue these (Jafaar *et al*. 2011), based on an understanding of the context and resources, in order to effect positive social change in a specific context (Laeis & Lemke 2016).

2.4.2.3 Dimension: *Social capital*

Social capital is networks of people in a society, such as stokvels, who contribute to community development, on both a social and a financial level (African Response 2012). Irving (2005) researched stokvels as a powerful means of investing in social capital because of their contribution to community development through employment creation, support for micro-entrepreneurs, funding of education and the acquisition of assets. The main objective in the development of stokvels has always been to generate social capital and ensure positive social outcomes (Lukhele 2018). Therefore, investing in stokvels is seen as promoting community resilience at multiple levels (Moloi 2011).

In the social sciences, tourism is recognised as an important factor in enhancing social capital, specifically through the development of destinations (Moscardo *et al*. 2017).

Thus, supporting social entrepreneurs in the tourism industry might yield an even greater impact on a community's social capital (Guclu *et al*. 2002).

Adam and Roncevic (2003) define social capital as the stocks of social trust, norms, and networks that people can draw upon to solve problems. Bartkus and Davis (2009:2) define social capital as "a representation of the resources that arise from relationships and which could assist individuals and the collective to reach their goals in working towards the common good". More recently, Machalek and Martin (2015) posited that it is an 'evolutionary term', defined as any feature of a social relationship that yields reproducing benefits.

From the above, it is clear that the formation of social networks is the foundation of social capital (Sato 2013). Social capital theory holds that social relationships are resources that lead to the development and accumulation of human capital (Machalek & Martin 2015). Stokvels are characterised as social networks (Neves & Du Toit 2012) based on social relationships (Verhoef 2001), usually formed by people who share a common bond (Moloi 2011). They play a central social and economic role by offering credit to those who do not qualify for credit with formal financial institutions (Lengolo 2019). In social entrepreneurship, social capital — including human capital, financial capital, and intangible resources — creates value, and the affected communities have a say in decision-making and participate in the required action (Altinay *et al*. 2016).

Based on the above, social capital, in the present study, is defined as social networks in the form of stokvels that enhance tourism through social entrepreneurship for the common good of the affected society.

Both public and private enterprises in South Africa recognise the importance of stokvels (Klug *et al*. 2014) and social entrepreneurship (Rogerson 2015) in addressing a wide range of social needs through social capital (Stephan *et al*. 2015). Greater cohesion leads to greater social capital, which has been noted to yield considerable economic and sociological benefits (Claridge 2004). Successful social entrepreneurs go beyond existing networks and initiate new relationships to raise the social capital needed for the envisaged business, thereby enhancing the local community's social capital (Stephan, Uhlaner & Stride 2015).

In closing, this research investigated the importance of the development of tourism social entrepreneurship because, through "the consistent rotating contributions,

tourism stokvel investments are therefore an avenue to encouraging society resilience, a reclamation of the production of the needed social investment" (Charman 2017:2).

The above discussions represent the achievement of **RO2**:

> To theoretically validate *Tourism social entrepreneurship* as a construct consisting of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*.

Therefore, the following was hypothesised:

H_2: The construct of *Tourism social entrepreneurship* consists of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*, which can be reliably and validly measured.

Figure 2.5 provides examples of items in the survey instrument (see Appendices A and G) that measured these three dimensions.

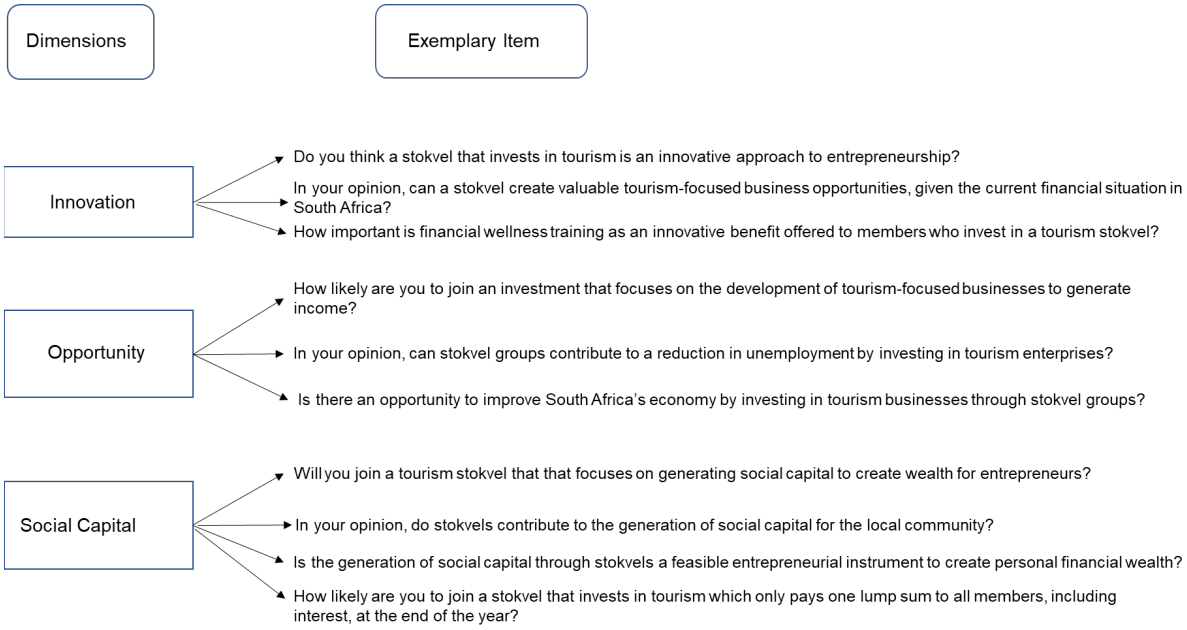


Figure 2.5: Survey instrument: Examples of items measuring the dimensions of *Tourism social entrepreneurship*

Source: Author's own

As shown in Figure 2.5, the survey questions were based on literature and formulated to measure the subjective beliefs of the respondents with regard to the proposed dimensions of *Innovation*, *Opportunity*, and *Social capital*.

Tourism social transformation, as the last construct of the theocratical framework, is discussed in the next section.

2.5 SECTION 5: TOURISM SOCIAL TRANSFORMATION

2.5.1 Overview

Social tourism initiatives facilitate disadvantaged communities' access to the benefits of tourism in their area (Minnaert 2014). Stokvels, by their nature, are drivers of mutual growth and social cohesion (Iwara & Netshandama 2021). The current section provides a contextual understanding of the last construct of the proposed theoretical framework depicted in Figure 1.1, namely *Tourism social transformation*. The construct of social transformation is integral to the current study, as "[t]he importance of stokvels to livelihood cannot be over-emphasised (Iwara & Netshandama 2021:4).

The *Tourism social transformation* construct consists of four dimensions: *Economic development*, *Job creation*, *Improved living standards*, and *Empowerment*.

The discussion in this section follows the same sequence as the two previous sections, per the inverted pyramid in Figure 2.2.

2.5.2 Construct: *Tourism social transformation*

Given the context of South Africa's political past, transformation and empowerment are symbiotic in South Africa (DoT 2017). For transformation to occur in tourism, local communities have to be considered key stakeholders, economically and socially (Altinay, Sigala & Waligo 2016), as community participation is regarded as essential for tourism to contribute to the social transformation of a destination (Higgins-Desbiolles 2004; Sebele 2010). This requires building a relationship with the local community (Altinay *et al*. 2016). This approach is particularly important in poverty-stricken destinations.

South Africa requires more black African entrepreneurs and owners of small businesses (DoT 2017; Iware & Netshandama 2021; Le Fleur *et al*. 2014), specifically social entrepreneurs (Marti, Soriano & Marques 2016). Social entrepreneurs aim to create social value in order to achieve social transformation (Altinay *et al*. 2016).

Therefore, the development and increase of social entrepreneurs will ensure a more even distribution of benefits, thereby enabling transformation (DoT 2017).

Altinay *et al*. 2016:405 note the importance of social value creation through tourism enterprises, and note that social entrepreneurship in tourism "cannot take place without it resulting in social transformation". Reisinger (2013:12) discusses Mezirow's (1997) leading tenets of transformational learning theory, which holds that travel enterprises in a destination lead to the social transformation of the local society. Lengolo (2019) notes that stokvels also contribute to social empowerment and transformation by enhancing income generation, economic independence, and income security. In the present study, it was thus deemed important to include *Tourism social transformation* in the proposed theoretical tourism stokvel investment framework.

Historically, the minority white population governed South Africa under a regime called 'apartheid' (Rogerson 2015). The apartheid era came to an end in 1994, and the democratically elected government instituted RDP with the aim of social transformation (Van Niekerk 2014), presented as an integrated socio-economic framework that includes a combination of programmes aimed at involving and uplifting previously disadvantaged communities. The government also deployed resources to ignite economic development and create jobs (Member 2004; Van Niekerk 2014). The main objective of the RDP was to decrease unemployment and poverty (Mamburu 2004). Van Niekerk (2014) notes that the programme was also aimed at allowing local communities to become involved in integrated planning and development.

The RDP had, however, not been able to even out all social inequalities, and many previously disadvantaged citizens have remained disempowered, dispossessed, and frustrated by the stalling of the transformation agenda (Ndhlovu 2019). The current economic climate and the COVID-19 pandemic have added to these challenges (UNWTO 2021). The pandemic focused the government's attention on mitigating the spread of the virus (Bakar & Rosbi 2020), neglecting the transformation agenda (UN 2020).

Social transformation is a complex notion, and literature offers many definitions. Rabie (2013:59) defines social transformation as "qualitative and quantitative change in all aspects of life", requiring the restructuring of all aspects of life, including cultural and

social relations, politics, the economy, the way we think, and the way we live (Rabie 2013). Wilson (2010) defines social transformation as a sociological term that denotes alterations to the basic structures of social groups or societies to build socially based responses to help change attitudes, behaviours, laws, and policies to better reflect the values of inclusion, fairness, diversity, and opportunity. From a tourism perspective, Kunjuraman (2017:60) defines social transformation as aided by "environmentally and socially conscious travellers and hosts who gradually use tourism as a medium for re-inventing an existing unsustainable community".

Based on the above, social transformation in tourism can be achieved by the development of tourism-focused businesses through stokvel investments, in order to achieve social transformation by alleviating poverty and realising income-generating opportunities, thereby facilitating economic growth.

Creating social value requires that communities feel empowered and experience transformation based on positive and sustainable economic impacts (Altinay *et al*. 2016). In this regard, the RDP's policy encourages engagement in the development of tourism to benefit local communities, both directly and indirectly (Moscardo *et al*. 2017).

Given the extensive literature on four dimensions, it was decided to include these as dimensions of the construct *Tourism social transformation*: ***Economic development*** (Andergassen & Candela 2013; Bäckman 2019; Binns & Nel 2002; Dickson 2012; Feldman *et al*. 2016; Gorynia *et al.* 2016; Hossein 2017; Klug *et al*. 2014; Liu & Chou 2016; Trapczynski & Wolniak 2015; World Economic Forum 2020), ***Job creation*** (Binns & Nel 2002; Bophela & Khumalo 2019; Bowman & Ambrosnini 2000; Castillo-Palacio *et al.* 2018; Dennison *et al.* 2018; Harrill & Zuniga-Collazos 2017; Chatterjee *et al.* 2017; Heath 2016; Khun *et al.* 2015; Koopmans *et al.* 2014; Lowrey 2019; Lowrey 2011; Meyer 2014; Mduduzi & Mortensen & Pissarides 1994; Sifolo *et al.* 2017; Yeh 2020), ***Improved living standard*** (Bophela & Khumalo 2019; Dube & Edwell 2018; Iwara & Netshandama 2021; Jones 2019; Lyon *et al.* 2018; Kirsten & Rogerson 2002; Lengolo 2019; Liu & Chou 2016; Magumbate & Nyanguru 2013; Matuku & Kaseke 2014; Muminov & Ambartsumyan 2020; Nawijn & Biran 2019; Ngcobo 2019; Onwuka *et al.* 2016; Salin & Shpakovskaya 2001; Shamim 2019; Wise 2018), and ***Empowerment*** (Dannison *et al.* 2018; Cavalieri 2018; Kawaguchi *et al*. 2014; Heath

2014; Kaseke 2014; Lengolo 2019; Matuku & Kaseke, 2014; Moloi 2011; Moscardo *et al*. 2017; Onwuka *et al*. 2016; Perkins 2010; Stone & Nyaupane 2018). The following sections present detailed discussions of the dimensions.

2.5.2.1 Dimension: *Economic development*

Tourism has been widely identified as an industry that is a catalyst for development in order to address historical inequalities (Binns & Nel 2002). Furthermore, SMMEs are recognised worldwide as critical to economic development. Therefore, stokvels investing in social tourism SMMEs would enhance a community's prospects of economic development (Bäckman 2019).

The World Bank classifies countries' populations into four income groups: low-income, lower-middle income, upper-middle income, and high-income (WEF 2020). South Africa is classified as a dual economy with high and persistent inequality, evident in a disproportionate number of low-income citizens. The situation has been exacerbated by weak economic growth and the COVID-19 pandemic (World Bank 2022). In this regard, the World Bank (2020) reported that South Africa is recovering from COVID-19 more slowly than anticipated. Stats SA (2022) however reported a 1.6 % increase in South Africa's GDP. The main drivers of this growth were agriculture, finance, transport, and manufacturing. Strategies to promote faster economic growth in developing countries such as South Africa generally involve investment in agriculture, manufacturing, and service sectors, of which the latter includes tourism (Tribe 2010). Countries with dual economies, like South Africa, are encouraged to use tourism to achieve economic development and to generate revenue for other developmental activities (Sebele 2010; Stats SA 2018).

Schumpeter (1961) defines economic development through a focus on the origins of business cycles and the conditions, stating that economic development is a process that involves transferring capital from established methods of production to new, innovative, productivity-enhancing methods. Feldman, Hadjimichael, Lanahan, and Kemeny (2016:8) define economic development as "the expansion of capacities that contribute to the advancement of society through the realisation of individuals, firms, and communities' potential". Hossein (2017:29) defines economic development as "wealth creation to realise communal benefits".

Feldman, Hadjimichael, Lanahan, and Kemeny (2016:6-7) explain that economic development occurs when individual agents develop capacities that allow them to actively engage with and contribute to the economy. They further state that economic development requires quality improvement, risk mitigation, innovation, and entrepreneurship. The term 'economic development' is, therefore, more qualitative, while economic growth can be quantitatively measured. However, it stands to reason that there is a link, as economic development is a direct result of economic growth. Tribe (2010) defines economic growth as the increase in real output per capita of a country, which is a measurement of the total economic output produced by a country, measured as the gross national product (GNP) and the GDP.

In the current study, economic development is defined as the result of economic growth due to tourism stokvel investments in social entrepreneurship enterprises.

Sebelle (2010) observes the importance of community participation in tourism which must ideally lead to community economic development initiatives, further noting "calls on citizens to shape their local economies' by influencing the types of businesses and industries developed" (Sebele 2010:137), thereby influencing employment opportunities. Tourism was identified as an industry that needs to participate more in economic development activities and capitalise on economic mobility in new ways (Dickson 2012), and the COVID-19 pandemic has heightened the urgency of tourism increasing economic growth (World Bank 2022).

Stokvels prevail as one of the few platforms for black SMMEs to participate in the national economy (Lengolo 2019). Capital mobilisation through the stokvel system can generate business capital and contribute to enterprise creation and growth (Iwara & Netshandama 2021). "Membership in stokvels provides those that were previously disadvantaged the chance to save and engage in massive projects that could see them penetrate the business market and bring about transformation in the tourism industry, by investing through stokvels" (Dennison, Feldman, Usher-Smith & Griffin 2018:731). This inclusiveness yields positive results through sustainable and rapid economic development of a society (Van Wyk 2017).

2.5.2.2 Dimension: *Job creation*

The emergence of tourism in a region often leads to job creation (Binns & Nel 2002). Politicians and strategic leaders at both the local and national levels view tourism as a sustainable industry and a key contributor to job creation (Heath 2016). Tourism has been recognised as a labour-intensive industry that often outperforms other industries in job creation (Sifolo *et al*. 2017).

Stokvels are a promising source of funding for SMMEs, which enterprises need human resources to function, resulting in job creation (Castillo-Palacio, Harrill & Zuniga-Collazos 2017:300). Job creation is important to the well-being of an economy (Lowrey 2019) and is the cornerstone of economic and social development (Meyer 2014). Entrepreneurs are considered key drivers in creating new jobs (Khun, Malchow-Moller & Sorensen 2015).

The term 'job creation' consists of two words: 'job', which is defined as "devoting one's labour time to achieving an economic task" (Lowrey 2011:3), and further identifies two types of jobs employment jobs and entrepreneurial jobs. The second word 'creation', means to make, produce, or cause something new (Bowman & Ambrosnini 2000). Job creation includes both short- and long-term paid employment (Holmes *et al*. 2013).

The creation of jobs leads to development (World Bank 2013). In South Africa, job creation has remained a priority of the government (Meyer 2014), especially due to the COVID-19 pandemic. According to the Quarterly Employment Statistics Survey (QES) released by Stats SA (2021), formal-sector jobs decreased by 671,000 in the second quarter of 2020. However, there are challenges associated with job creation, including access to financial equity, land, and natural resources (UN 2009a; UN 2020).

It is important to note that most informal sectors are firmly engaged with recognised commodity chains and sectors (Guo, Zhang, Zhang & Zheng 2018). For instance, grocery stokvels in South Africa have arrangements with wholesalers where each stokvel has an account with a wholesaler for its group members, allowing the stokvels to be involved in the value chain of consumable goods. According to Borden, Coles, and Shaw (2017:903), "such connections between the informal and formal sector allow resource leverage resulting from the formal segment into the informal enterprises". "The connections not only result in the early purchase of predominantly favourable

sites of trading but there are also extensive interactions between employment in the informal and formal sectors" (Rey-Martí, Ribeiro-Soriano & Palacios-Marqués 2016a:1651), giving stokvel clubs an advantage in job-creation.

Based on the above, job creation, in the present study, is defined as the creation of positions of paid employment through the development of new tourism business ventures, enabled by a tourism stokvel investment

club.

Stokvels can therefore play a pivotal role in stimulating job creation. Community members can invest their money (Lengolo 2019) into developing tourism products such as conference and accommodation facilities, and restaurants, amongst others, which would require staffing, resulting in job creation (Dennison, Feldman, Usher-Smith & Griffin 2018).

2.5.2.3 Dimension: *Improved living standard*

The development of tourism enterprises is critical to alleviating poverty (Kirsten & Rogerson 2002). Liu and Chou (2016) presented previously documented evidence that shows that tourism has a positive effect on a country's living standards. Stokvels are highly popular in financially disadvantaged townships and rural areas, and the development of tourism enterprises by stokvels, therefore, has significant potential to alleviate poverty and improve members' standard of living (Dube & Edwell 2018).

Stokvels are proactive in responding to poverty-related issues, and they have been shown to improve the living standards of their members (Bophela & Khumalo 2019; Iwara & Netshandama 2021; Lengolo 2019). A person's living standard encompasses more than mere paid employment; it includes social inclusion and interaction, as well as self-esteem, captured in the ancient African humanistic principle of '*ubuntu*'. Ubuntu lies at the heart of stokvels. The isiZulu phrase '*Umuntu ngumuntu ngabantu*' means 'I am because we are' (Magumbate & Nyanguru 2013:82). *Ubuntu* is embodied in inclusivity, respect, human dignity, caring, sharing, honesty, empathy, and communal dependence (Praeg 2014).

Muminov and Ambartsumyan (2020) note that the need to constantly improve the standard of living of the population requires the socialization of the economy, and Wise

(2018) states that social regeneration needs more research attention. More innovative ways are needed to incorporate social regeneration into the South African economy, and stokvels offer promising possibilities, as they are already offering their members social benefits (Lengolo 2019).

Salin and Shpakovskaya (2001:339) define 'standard of living' as "characterised by the material ability of the population to ensure its consumption. It includes aspects such as working conditions, the level of income structure and expenditure of the population, leisure, health, culture, art, and others." Shodmonov and Mamaraximov (2016:462) define 'standard of living' as "a level of material and spiritual well-being necessary for the survival of the population, and the level of its satisfaction with these needs".

Mamayunusovna (2019:4) defines it as "[a] combination of complex socio-economic categories and indicators that reflect the quality of life because of consistently meeting their material, domestic, spiritual, and educational needs, using the economic and intellectual potential of people".

From the above, it is clear that stokvels can, and already do, alleviate poverty through additional income and access to credit (Nawijn & Biran 2019:2386). Stokvels also enhance empowerment through various activities in both rural and urban areas (Lengolo 2019). Stokvels give their communities a sense of identity and connection through social interactions (Ngcobo 2019), and, by promoting saving and wealth accumulation, ensure financial inclusion of the poorest households (Lukhele 2018). Participating in the stokvel system is both a means and way of life for these communities (Lyon & Hunter-Jones 2019).

The use of a stokvel-driven investment framework to develop tourism entrepreneurship in South Africa may thus make a significant contribution to alleviating poverty and improving the standard of living of the poorest in the country.

2.5.2.4 Dimension: *Empowerment*

The term 'empowerment' formally entered the domain of development economics through the work of Sen (1999). Perkins (2010) notes that the term empowerment has been defined and measured in many ways, as it has been the subject of many theory-oriented studies in the fields of social work, community psychology, health promotion,

and organisational studies. The concept of empowerment, while complex and the subject of much debate, features in many political agendas and policies of institutions such as governments, businesses, civil organisations, international agencies, and development banks (Cavalieri 2018). Thomas and Velthouse (1990) believe that the concept of empowerment is core to human survival.

Lengolo (2019) notes that stokvels promote a culture of saving, which is instrumental in the empowerment of disadvantaged people through acquiring knowledge about saving and gaining independence. With regard to tourism, Binns and Nel (2002) note that local tourism development brings the community a sense of self-confidence and empowerment. Tourism facilitates and provides support for the creation of social networks and acts as an agent of change by encouraging community involvement to bring about community empowerment (Moscardo *et al*. 2017).

Stokvels are pro-social initiatives that enable black people to empower themselves (Matuku & Kaseke 2014; Moloi 2011). The empowerment facilitated by both stokvels and the tourism industry informed the inclusion of empowerment as the fourth dimension of the *Tourism social transformation* construct. Achieving empowerment is an important factor in South Africa, as it is aligned with the country's vision of equality (Heath 2014).

Whitmore (1988:13) defined empowerment as "an interactive process through which people experience personal and social change, enabling them to take action to achieve influence over the organisations and institutions which affect their lives and the communities in which they live". Lord (1993) noted that empowerment can be better understood by examining the concepts of power and powerlessness, as much of the literature on the topic of empowerment centres around personal control. Perkins (2010:116), however, defines empowerment as "a collective rather than just an individual process". Perkins (2010:116) adds: "It is no doubt important for individuals to take control over their fears, addictions, and other self-destructive or socially disruptive thoughts and behaviours". The World Bank (2017:3) broadly defines empowerment as power (control over one's own life and resources) and agency (capability to originate and direct actions for given purposes".

Stokvels are in a strong position to promote empowerment through, amongst others, enabling training and education and providing self-sufficiency (Dannison, Feldman,

Usher-Smith & Griffin 2018). Their strength is further enhanced by the social pressure associated with being in a stokvel group reducing the incidence of members defaulting on loan repayments and periodic contributions (Stone & Nyaupane 2018). A further consideration is that women constitute 82% of all stokvel group members in South Africa (Bophela & Khumalo 2019:26), placing stokvels in an ideal position to advance women-led initiatives (Hossein 2017).

Based on the above, empowerment, in the current study, is defined as a process of making a community financially independent through tourism stokvel investment in tourism-focused businesses.

The preceding discussions represent the achievement of **RO3**:

> To theoretically validate *Tourism social transformation* as a construct consisting of four dimensions, namely *Economic development*, *Job creation*, *Improved living standard*, and *Empowerment.*

Based on the above, the following was hypothesised:

H_3: The construct of *Tourism social transformation* consists of four dimensions, namely *Economic development*, *Job creation*, *Improved living standard*, and *Empowerment*, which can be reliably and validly measured.

Figure 2.6 provides examples of items in the survey instrument that measured the four dimensions.

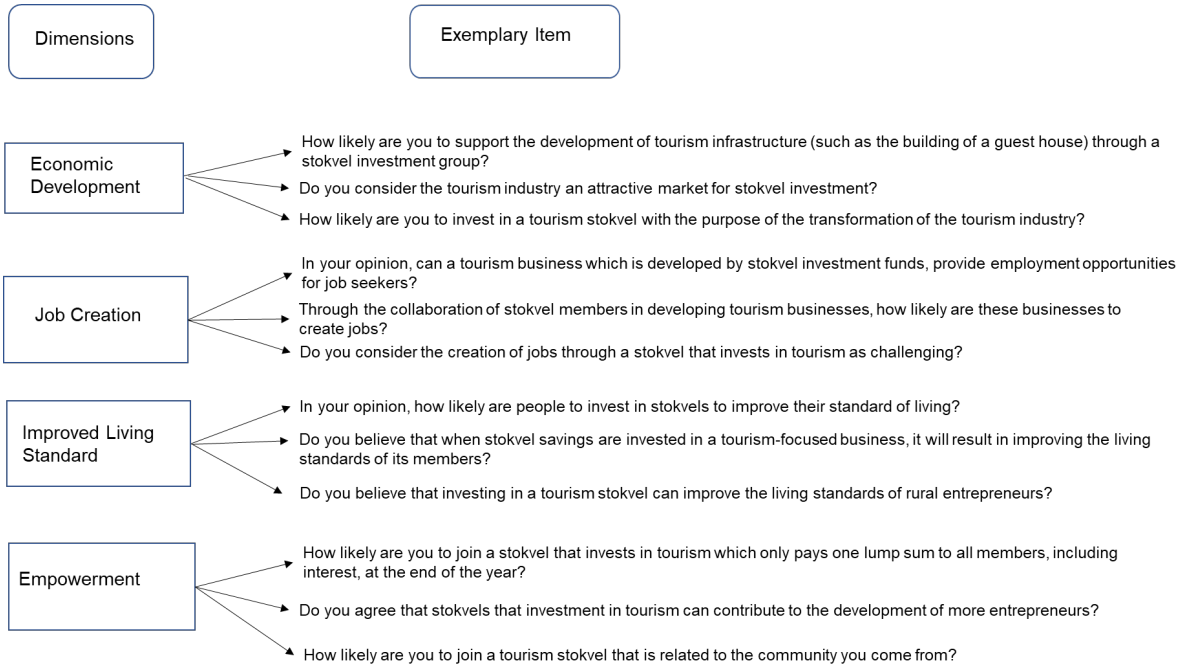


Figure 2.6: Survey instrument: Examples of items measuring the dimensions of *Tourism social transformation*

Source: Author's compilation

As shown in Figure 2.6, the survey questions (see Appendix A and G) were based on literature and formulated to measure the subjective beliefs of the respondents regarding the proposed dimensions of *Tourism social transformation*, namely *Economic development*, *Job creation*, *Improved living standard*, and *Empowerment*.

A conclusion of the current chapter is provided in the next section.

2.6 SYNTHESIS

Chapter 2 was divided into four sections, depicted in Figure 2.1. The first section provided an introduction to tourism, stokvels, and SMMEs, which was followed by detailed discussions of the proposed constructs that informed the proposed theoretical framework (provided in Chapter 3). The discussion of each construct and the associated dimensions followed the order indicated in the inverted pyramid in Figure 2.2, together with examples of items in the survey instrument used in the current study (see Appendix G). The discussions further detailed the interrelationships between the different constructs and dimensions, together with the related hypotheses. The

literature reviewed confirmed that tourism, stokvels, and SMMEs could be incorporated into a symbiotic system to support social and economic growth and empowerment, to enable transformation of the tourism industry. Chapter 3 provides a detailed discussion of the relationship between the three proposed constructs (*Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*), and concludes with a discussion of the theorised model of tourism transformation through stokvels.

CHAPTER 3

LITERATURE REVIEW
THEORETICAL MODEL OF TOURISM TRANSFORMATION THROUGH STOKVELS INVESTING IN SOCIAL ENTREPRENEURSHIP

3.1 INTRODUCTION

Chapter 3 is the second part of the literature review, and discusses relationships between the three constructs discussed in Chapter 2, providing support for the study's proposed predictive framework. The three constructs are *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*.

The discussion of literature for the current study will be presented as depicted in Figure 2.2 of the inverted pyramid. The chapter will begin with a brief introduction, followed by an overview of the chapter's theoretical research objectives. Then a detailed breakdown of the relationship between constructs. A hypothesis is presented after the discussion of the relationships. This will be followed by an introduction and discussion of a proposed theoretical model of tourism transformation through stokvels investing in social entrepreneurship.

3.2 RELATIONSHIPS BETWEEN CONSTRUCTS

The literature reviewed in Chapter 2 supports the three constructs and their dimensions that formed the theoretical basis of the present study. In short, stokvels create social capital, which, in turn, drives social development (Lengolo 2019). Social entrepreneurship creates social value, which leads to transformation (Altiney *et al*. 2016). This chapter reviews the literature on the following relationships between the constructs:

- *Tourism stokvel investment* and *Tourism social entrepreneurship*;
- *Tourism social entrepreneurship* and *Tourism social transformation*; and
- *Tourism stokvel investment* and *Tourism social transformation*.

3.2.1 The relationship between *Tourism stokvel investment* and *Tourism social entrepreneurship*

Stokvels are recognised for the social development of tourism SMMEs that are socially driven by creating social capital (Dwyer 2018). Recent trends have indicated that communities and stokvels who possess high social capital are better positioned to co-operate, communicate, and act in favour of the development of SMMEs for the tourism industry (Moscardo *et al*. 2017; Lengolo 2019; Iwara & Netshandama 2021). Different types of social capital exist at every phase of developing tourism and SMMEs (Netemeyer, Warmath, Fernandes & Lynch 2017). These different types of social capital all positively impact society and initiate the advancement of SMME capital. This implies that social capital plays a significant role in the tourism industry (Hatipoglu, Ertuna & Salman 2020).

Apart from offering the tourism SMMEs innovative approaches to combining commercial and social objectives, stokvels are somewhat unlikely to charge exorbitant service fees and demand collateral (Soler, Diaz & Vera 2018). Entrepreneurs in South Africa have limited access to credit, funding, and financial support from the government, and government support in this area is usually unevenly distributed (Iwara & Netshandama 2021). Stokvels do not compete for a share of the financial market but concentrate their offers on the financial gaps in banks' offerings, particularly with regard to the earlier stages of SMME development (Devine & Quinn 2019). In closing this gap in the tourism industry, it is important that stokvel members are educated with regard to the need for the development of SMMTEs (Lengolo 2019).

Participation in stokvels has far-reaching social consequences that extend beyond economic benefits for members (Lengolo 2019). Furthermore, community engagement plays an important role in social entrepreneurship (Altiney *et al*. 2016). The relationship between stokvels and entrepreneurship is clear in Iwara and Netshandama's (2021) recommendation that a framework be developed for entrepreneurship capacity-building through stokvel investments.

When social entrepreneurs engage through stokvels, they create social friendships and networks that offer a forum for deliberating on their problems and learning from their experiences. Such knowledge-sharing and co-operation between stokvels and SMME entrepreneurs may yield innovative solutions that benefit South Africa's tourism

industry. While many characteristics indicate a link between the two constructs, the generation of social capital to influence economic development is at the core of the relationship.

3.2.2 The relationship between *Tourism social entrepreneurship* and *Tourism social transformation*

Stokvels and social entrepreneurship both have to generate social capital as an aim (Hatipoglu, Ertuna & Salman 2020; Moscardo *et al*. 2017; Lengolo 2019; Iwara & Netshandama 2021; Altiney *et al*. 2016). “Social transformation implies a fundamental change in society” (Khondker & Schuerkens 2014:1).

Stokvels could enable entrepreneurs to save in order to engage in significant projects and accumulate the needed assets (Rodriguez-Giron & Vanneste 2019). Thus, stokvels can enable the development of tourism social entrepreneurs by offering them financial support and investment opportunities and encouraging saving (Niemeyer 2018). Social entrepreneurs are not focused solely on business development and profits. They also aim, through, for example, job creation and poverty reduction, to improve local societies’ quality of life (Iwara & Netshandama 2021), which is a key factor in social transformation (Rabie 2013; Wilson 2010; Leat 2005; Kunjuraman 2017; Lengolo 2019).

Although the stokvel system seems like a modest investment model, stokvels present a simpler method for social entrepreneurs to invest in greater projects by breaking the existing barriers to financing. The rigorous application processes employed by traditional funding institutions disadvantage social entrepreneurs (Iwara & Netshandama 2021). Stokvels thus offer a form of self-empowerment (Lengolo 2019) for social entrepreneurs who are exploring new business ventures but are grappling with a lack of start-up capital (Iwara & Netshandama 2021).

Traditional entrepreneurs’ main objective is to make a profit for their own, private wealth (Leboea 2017). Social entrepreneurship brings about social change (Altinay *et al*. 2016). “As opposed to traditional entrepreneurs who aim to create profit by anticipating and serving markets, social entrepreneurs find value in forming positive ‘transformational benefits’ to tackle social problems” (Ergul & Johnson 2011:41). Therefore, social change as the centre of transformation and has been a subject of

interest in sociology for many years (Khondker & Schuerkens 2014). Social entrepreneurs combine the business and non-profit sectors in search of new approaches to solving social problems and serving needs (Dees & Anderson 2003). Transformation is also a positive response to social problems, as the aim is to better the quality of life through inclusion, fairness, diversity, and opportunity (Wilson 2010). Therefore, in the present study, tourism social entrepreneurship is an important construct, as it is centred around addressing social problems, which will, in turn, drive social transformation.

3.2.3 The relationship between *Tourism stokvel investment* and *Tourism social transformation*

The growing economy of stokvels has enabled ordinary members, especially in black African communities, to access funds that were previously unavailable to them (Lengolo 2019; Iwara & Netshandama 2021; Calvin & Coetzee 2010; Bophela & Khumalo 2019; Calvin & Coetzee 2010; Molio 2011). “Stokvels permit the empowerment of underprivileged classes of people” (Masoga & Shokane 2019:38), especially South African women, as their involvement in stokvels is viewed as a contributing factor toward women's empowerment and advancement (Nyandoro 2018). This is because “most women in South Africa are currently dependent on their spouses or partners for preliminary contributions but the continued involvement in the stokvels is extensively empowering them to break away from the culture of being financially dependent on a spouse or partner” (Ngcobo & Chisasa 2018b:240). People with disabilities also acknowledge the role of the stokvels in encouraging savings as instrumental to personal empowerment (Lengolo 2019).

Stokvels are becoming increasingly popular, even among men and high-income earners (Lengolo 2019). Stokvels are easily accessible to anyone who needs financial assistance; therefore, there is no discrimination against gender, disability, or social class (Iwara & Netshandama 2021). By saving money and investing it in tourism SMMEs will generate social capital for all.

The practice of stokvels pooling money generates considerable amounts of money, which they can then lend at more affordable interest rates (Lengolo 2019). As such, stokvels in South Africa could function as credit institutions for SMMEs and assist them in launching new ventures. Stokvels are a driver of social capital and offer members

financial freedom, which has been identified as an important agent in assisting South Africa in redressing inequality (Calvin & Coetze 2010; Lengolo 2019). Mutual growth and social cohesion have been noted as the direct results of stokvels whose main objective is to improve the livelihoods of its members, mostly the local community (Iwara & Netshandama 2021).

Stokvels are made up of a community (Lengolo 2019), and community participation is regarded as one of the most essential aspects in ensuring that tourism contributes to the social transformation of a destination (Higgins-Desbiolles 2004, Sebele 2010). Therefore, communities are the beneficiaries of social and economic goals that are derived from stokvels and tourism social enterprise development initiatives (Altinay *et al*. 2016), indicating the link between stokvel investment and the social transformation of tourism.

Based on the literature review and the preceding discussions, the following was hypothesised:

H4: The theoretical hypothesised model has an overall good fit with the dimensions of *Tourism stokvel investment* and the dimensions of *Tourism stokvel social entrepreneurship* to predict the dimensions of *Tourism social transformation* in an empirical model.

The next section discusses and presents the proposed empirical prediction model.

3.3 PROPOSED EMPIRICAL MODEL

Prediction models are used to evaluate the probability of a particular outcome. Prediction models provide a projected probability that permits risk stratification according to groups or types of individuals (Lavagna-Slater & Powell 2019:4). A comprehensive prediction model maintains that the prediction results of the constructs are similar. In the current study, no previous investigations on the predictive relationships between the three constructs under study were found. Thus the proposed predictive model, while based on literature, may be a novel contribution with regard to linkages between the three constructs.

Iwara and Netshandama (2021), in a desktop study on small-enterprise capital mobilisation and marketing in rural areas, titled *A review synthesis of the stokvel*

model, proposed a framework for entrepreneurship capacity-building in rural areas. The model recognises stokvels as an important role player in entrepreneurship, specifically in capital mobilisation and product marketing. However, there is still a gap in the literature with regard to how stokvels can be enablers of SMMEs in South Africa, specifically social SMMEs in tourism. Therefore, the model below is proposed.

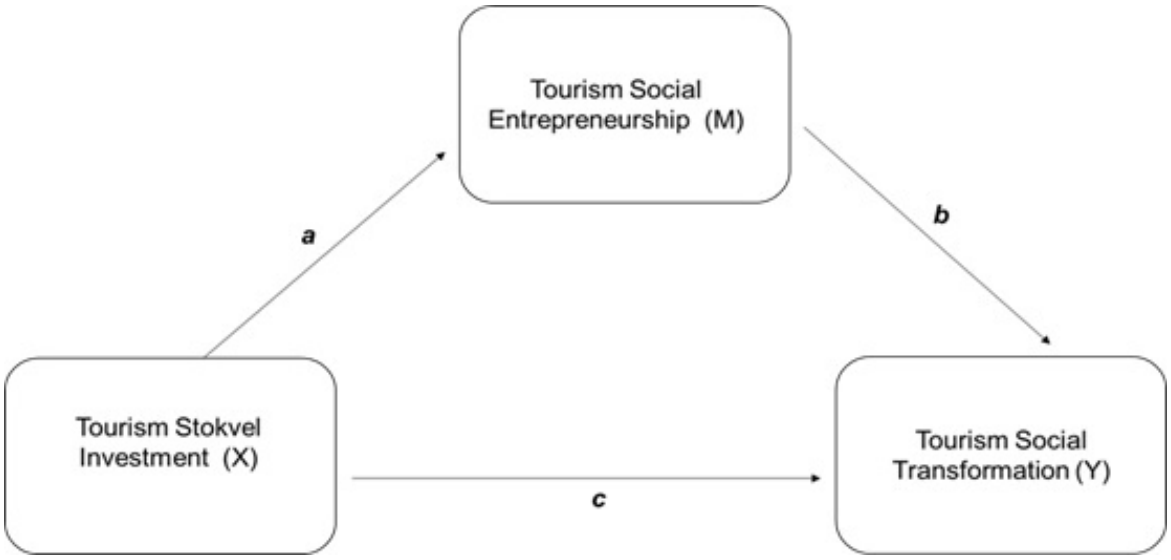


Figure 3.1: Proposed Tourism Stokvel Model for Social Entrepreneurship and Transformation
Source: Author's own

This model indicates that, if *Tourism stokvel investment*, as the independent variable (X), is influenced by *Tourism social entrepreneurship*, the mediating variable (M), it would result in the occurrence of *Tourism social transformation*, the dependent variable (Y).

This proposed model consists of two casual paths between the independent (also exogenous) variable, path *a*, which results in tourism transformation through the mediating variable (M) and path *c*, where tourism stokvel investment directly influences tourism social transformation (Wu & Zumbo 2008). The proposed model is a simple prediction model, of which the approach to mediation is discussed in the next section. The statistical results of the effects between the variables are reported in Chapter 5 and discussed in Chapter 6.

3.3.1 Mediation model

Mediation studies on tourism stokvels are limited, and therefore the literature relied on mediation methodology to inform the proposed hypothesis. Mediation occurs when an indirect effect on one variable (usually the independent variable, X) on another (usually the dependent variable, Y) is carried or transmitted by a third variable, known as the mediator or intervening variable (M) (Holland, Shore & Cortina 2016). IBM SPSS Amos Version 28 was used to determine from the analysed data if modification is to be performed on the proposed prediction model depicted in Figure 3.2. This was done to ensure that, should the model need improvement based on the statistical results, the model would be modified accordingly. This process involved determining if there were error variances within the same construct. Bollen-Kline bootstrapping was used to determine how well the chi-square estimation fit into the bootstrap, which then informed the hypothesised model for the study. Therefore, the following was hypothesised:

H5: The dimensions of *Tourism stokvel social entrepreneurship* (M) significantly mediate the relationship between the dimensions of *Tourism stokvel investment* (X) and the dimensions of *Tourism social transformation* (Y).

3.4 SYNTHESIS

This current chapter presented a discussion of the relationships between the three proposed constructs of the predictive model presented in Figure 3.1. The relationship between *Tourism stokvel investment* and *Tourism social entrepreneurship* is premised on the generation of social capital. The relationship between *Tourism social entrepreneurship* and *Tourism social transformation* was established through a review of the literature, which indicates that both terms are premised on the need to achieve positive social change. The relationship between *Tourism stokvel investment* and *Tourism social transformation* is based on the importance of community, empowerment, and improvement of quality of life in both constructs. The relationships identified between the constructs informed **H_4** and were used in the development of the final predictive mediation model (Figure 3.2). The discussion was concluded by the statement of **H_5** as informed by Figure 3.2 and the discussion on mediation. This

chapter concludes the literature review. The next chapter provides a detailed discussion of the methodology followed in conducting the study.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter discusses the present study's research design and approach, including sampling and the methods of analysis. The discussion is followed by an overview of limitations that were encountered during the research process.

Figure 3.1 provides an overview of the research methodology applied in the current study, which is discussed in detail in the subsequent sections.

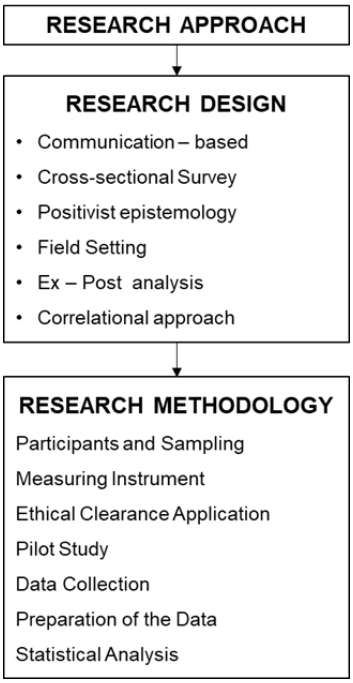


Figure 4.1: Overview of methodology
Source: Author's own compilation

4.2 RESEARCH APPROACH

The study followed a positivist epistemology, which holds that knowledge can be acquired through observation and interaction of phenomena. A quantitative research approach was used, i.e., primary numerical data were collected, using a cross-sectional survey questionnaire (Pallant 2020). A quantitative approach was the

preferred approach, as the aim was to analyse primary quantitative data to test hypotheses in order to investigate statistical relationships between constructs in order to propose a model. In the present study, the data were analysed statistically, using IBM's Statistical Package Social Sciences (SPSS) Version 28.

4.3 RESEARCH DESIGN

A research design is a blueprint for meeting the research objectives and answering the research questions (Cooper & Schindler 2022). The current study's research design was *ex post facto* and quasi-experimental, as the constructs and dimensions were not randomly assigned, but were grouped based on supporting literature (Mouton 2001; McMillan & Schumacher 2010). The study was aimed at measuring the subjective beliefs of stokvel members against the proposed theoretical framework (see Figure 1.1 in Chapter 1). Cooper and Schindler's (2022) table of the descriptors of research designs was consulted, which informed the decisions taken in the current study, which are summarised in Table 4.1, followed by a detailed discussion on why the highlighted descriptors were preferred and how they were applied in the current study.

Table 4.1: Seven different descriptors in the classification of the research design

DESCRIPTORS	APPLICATION TO THE STUDY	OPTIONS
Design classification	Exploratory study	Exploratory research is conducted to clarify and define the nature of the research problem or opportunity and offer ideas or insights as to how the research problem or opportunity can be addressed. Exploratory research is used to gather preliminary (primary) information to help paraphrase the research problem or opportunity. In exploratory research, information is collected in an unstructured, informal manner. The purpose of this type of research is to progressively narrow the scope of the research topic and, subsequently, paraphrase the problem or opportunity, as applied in this study.

DESCRIPTORS	APPLICATION TO THE STUDY	OPTIONS
Method of data collection	Communication-based	Personal or impersonal means are used to collect responses through interviews, surveys (self-administered or self-reporting instruments), or experiments. Surveys are one of the most popular methods to collect responses. Therefore, in this study surveys are used to collect primary data from respondents by means of electronic mail (online questionnaire).
Purpose of the study	Descriptive	Descriptive research is research that describes the research problem or opportunity. This type of research is appropriate for describing aspects such as the tourism stokvel potential of a new destination, together with the demographics and attitudes of stakeholders to invest in tourism.
Time dimension	Cross-sectional	This type of research provides a 'snapshot' of the topic at a point in time; thus data was collected only once. The data was collected between 27 March and 30 August 2021.
Topical scope	Statistical study	In statistical studies, the aim is to analyse primary quantitative data through the testing of hypotheses, to investigate the representativeness of the sample and the validity of the research design. In this study H_1, H_2, H_3, H_4 and H_5 are tested.
Research environment	Field setting	Field experiments are realistic situations in which the researcher manipulates the independent variable in as many carefully controlled conditions as the situation permits. A Lime survey was administered through the UNISA website (https://survey.unisa.ac.za/index.php/184862).
The power of the researcher to produce effects on the variables	*Ex post facto*	In employing an *ex post facto* design, the research can only report the outcomes concerning the variables. The researcher does not have control over the variable and is not able to manipulate it. In the current study, the constructs and dimensions were not randomly assigned but were grouped based on supporting literature.

Source: Adapted from Cooper & Schindler (2022)

The design of the current study was exploratory and *ex post facto*. In exploratory research, information is collected in an unstructured, informal manner to crystalise the problem which the study seeks to address (Cooper & Schindler 2022). *Ex post facto* means the study was conducted 'after the fact', without the researcher interfering with or influencing the outcomes (Mouton 2001). This was considered an appropriate design, as the aim of the study was to gain the views of members of a variety of stokvel types in order to gain insights into the problem of a lack of transformation of the tourism industry. A disadvantage of this design is that a quantitative survey restricts respondents from elaborating on and providing reasons for their views.

4.4 RESEARCH METHOD

Research has to be conducted in an organised, integrated manner and presented in a way that connects it logically to the proposed research objectives (Cooper & Schindler 2022). The subsequent sections provide a detailed discussion of the population, sampling method, and the realised sample.

4.4.1 Population and sampling

A study population consists of all the units of interest in the research (Cooper & Schindler 2022). In the present study, the population consisted of active members of a stokvel or an investment- or savings group within the borders of South Africa. As it is seldom possible to include all the units of interest in a study, sampling is required. Sampling is the selection of a representative portion of the population to include in the study (Leedy & Ormrod 2010).

Purposive sampling, a form of non-probability sampling, was initially used to select the sample for the current study. Sampling targeted members of SIT Investment Club, StokvelEx, Tshwane Take-A-Lot Ladies Stokvel, Soweto Ladies December Grocery Stokvel, Ladies December Saving Club, and Midweek Groove Stokvel (refer to Appendix B, C and D for gatekeeper/permission letters), due to their approach of encouraging their members to save and invest in different businesses. SIT Investment invests in JSE Limited, exchange-traded funds, SMMEs, business start-ups, and unit trusts, and members are constantly looking for new investment opportunities. StokvelEx is owned and managed by 7 Colours Media, of which Mr. Neo Mohlatlole is the CEO. The platform seeks to foster and formalise relationships between stokvel

clubs, co-operatives, and various service providers, with the main aim of increasing and promoting economic viability in underserved markets by imparting cutting-edge knowledge. Its membership includes various types of stokvels, including burial societies, clubs, associations, co-operatives, and small businesses. The Midweek Groove Tour Stokvel is a stokvel for businesspersons who own restaurants, pubs, grills, and taverns in Soweto. Its membership base includes the likes of Sakhumzi restaurant, which is a tourist destination. The Midweek Groove Tour Stokvel meets every Tuesday at a venue, intending to drive demand for the establishment hosting the stokvel. This demand is generated by each member bringing clients to spend money at the hosting establishment. Members also have an opportunity to support fellow businesspeople by spending money at the establishment for the week. The Stokvel also has a membership fee that rotates amongst them, to boost each other's businesses with a large cash injection. Due to the POPI Act, the targeted members could not reveal the number of stokvel members to inform the size of the population.

Furthermore, due to a limited number of members and a low response rate, sampling was extended to include any member of the public who belonged to a stokvel or savings- or investment group, using social media platforms like WhatsApp, Instagram, Facebook, and Twitter. As noted by Cooper and Schindler (2022) innovations in computerised data-collection innovations have made it easier to collect primary data from a larger sample.

4.4.2 Sample size

While it is usually difficult to determine the appropriate sample size for data collection (Mouton 2001), literature does provide guidance in calculating the required sample, according to the type of study (Luo & Qu 2014; Veal 2011). In the present study, using the rule-of-thumb approach (Ramkisson & Uysal 2011) a minimum of 200 respondents were required, which required a ratio of a minimum of five responses completed per item on the questionnaire. The survey in the present study contained 40 questions (including pre-screening and demographic questions); therefore, 40 questions multiplied by five responses (40 x 5) totalled a required sample of 200. A total of 677 questionnaires were returned; however, only 202 were fully completed and deemed usable for the study. Thus, the realised study sample size was 202.

4.4.3 Data gathering

Quantitative research in tourism employs mostly survey questionnaires to measure respondents' behaviour, knowledge, opinions, or attitudes (Veal 2011). Surveys contain a schedule of questions and pro-forma answers (Veal 2011). In the current study, a self-administered, communication-based online survey questionnaire was used to collect the data. Respondents had to indicate their answers on a seven-point Likert scale.

The data was collected between the 27th March and 30th August 2021. Members of SIT Investment Club, StokvelEx, Tshwane Take-A-Lot Ladies Stokvel, Soweto Ladies December Grocery Stokvel, Ladies December Saving Club, and Midweek Groove Stokvel were invited to participate in the study. An email was sent to the representatives of the identified stokvels to request participation by their members. A Lime survey was administered through the UNISA website (https://survey.unisa.ac.za/index.php/184862). An invitation letter containing the URL link to the survey was sent out to all stokvel members and all social media platforms identified for the study. As per the ethical guidelines related to the COVID-19 lockdown regulations, the questionnaire was distributed via e-mail, WhatsApp, Facebook, Instagram, and Twitter, for a period of five months. When the respondents accessed the survey, they first needed to click on the "Consent" option before they were allowed to continue with the questionnaire. Section A of the questionnaire informed prospective respondents about the study. It included information such as the researcher's name and contact details, the topic and purpose of the current study, the institution with which the current study was registered, eligibility requirements, consent to participate, and instructions for completion. It also contained screening questions. Respondents who did not meet the criteria for participation were eliminated from the research and led to a page that thanked them for having an interest in the study. They were also advised of the reasons why they could not continue.

The three screening questions were used to ascertain whether the respondent was: a) an active member of a stokvel or investment club; b) interested in joining a stokvel or investment club focused on developing tourism businesses; and c) would be interested in investing in a stokvel that is focused on developing tourism businesses.

The aim of screening questions is to eliminate possible sampling errors (Cooper & Schindler 2022) and to ensure respondents are eligible to participate in the study.

Section B contained four questions collecting demographic information aimed at market segmentation. Sections C (10 questions), D (nine questions), and E (13 questions) contained the questions per construct and the related dimension (discussed in detail below), and Section F, contained a demographic question to inquire how much money respondents were willing to invest monthly in a tourism stokvel. Section G invited comments from the respondents regarding the questionnaire and further details they wished to add. Findings from Section G are noted in Appendix O but are not discussed, as these were in the form of qualitative feedback that did not support the quantitative research method. At the end of the data-collection period, a total of 677 questionnaires were collected, of which only 202 were useful.

4.5 MEASURING INSTRUMENT

A questionnaire is a set of questions used to obtain information from respondents. There are, however, no scientific principles to guarantee an optimal or ideal questionnaire (Malhortra 2006). In the present study, the development of the instrument entailed first categorising the dimensions under a construct, based on statements in literature and questions used in previous research that were linked with the current study's research objectives.

Dimensions that were not supported by previous research or did not have enough evidence to support their use in the current study were eliminated from the originally proposed framework; these were a s*ense of belonging*, *Risk*, and *Poverty alleviation*. The survey questions were developed using a questionnaire development form (Appendix A).

A literature review is important in the formulation of the questions for a measurement instrument, because it strengthens the content validity of the questionnaire (Bai 2014). In the present study, an extensive literature review was conducted on the constructs of interest (*Tourism stokvel investment*, *Tourism social entrepreneurship*, *Tourism social transformation*) and their dimensions. Furthermore, there is no scale available in the literature related to stokvels. Thus, the literature review assisted in identifying what should be investigated in the study (Lui & Jang 2009). In addition, relevant

measurement instruments used in previous studies were consulted in formulating the items.

The questionnaire contained 40 questions in five sections (A to E). Sections A and B consisted of screening and market segmentation questions. Sections C to E contained questions about the respondents' views of a stokvel that invests in tourism businesses and their experiences as a stokvel member. The current study made use of a 7-point Likert scale as its numerical index, it has been subjected to extensive testing to ensure validity, thus ensuring that the scores produced once all the results from the data collection are combined are dependable (Veal 2011).

In the next sections, the questionnaire is discussed per construct measured, including a brief reference to the literature on which the definitions of the dimensions were based (as discussed in detail in Chapters 2 and 3). Reliability and validity reported in the literature on similar measurements are noted, if available.

Reliability reflects consistency and replicability over time, i.e., the stability or consistency of the measuring instrument over time, while validity refers to whether an item measures what it is supposed to measure (Surucu, Yesilada & Maslakci 2020). Wang and Xu (2011) note that reliability correlates with the usefulness of an instrument. Reliability is expressed as Cronbach's alpha coefficient, and a value higher than 0.60 indicates high internal consistency (Hair *et al*. 2018). Validity refers to the extent to which the information collected in a research study accurately reflects the phenomenon under study and indicates whether the assessment is trustworthy and accurate (Veal 2011).

4.5.1 Construction of the Instrument

Three measurement instruments for each construct were developed to test H_1, H_2 and H_3. Reliability and validity of items measuring the dimensions of each construct were provided as well as a rationale for the inclusion of each instrument (see Appendix G for the final questionnaire).

4.5.1.1 Section C: Tourism stokvel investment

Section C, which measured *Tourism stokvel investment*, contained 10 questions (for *Trust* – three questions, for *Social development* – three questions, and for *Financial*

security – four questions). An example of a question in this section is: “How important is trust amongst members when they are choosing a stokvel?”

4.5.1.2 Reliability and validity of items measuring the dimensions of *Tourism stokvel investment*

Section 2.3.2.1 provided a detailed discussion of extant literature on ***Trust***. The items for the *Trust* dimension were based on the work of Yoon and Moon (2019) and Ha *et al*. (2019). In measuring *Trust*, Yoon and Moon (2019) used principal component analysis (PCA) and Cronbach’s alpha coefficient, which yielded a reliability score greater than 0.7 (0.86), with an item-total correlation 0.55, which was greater than the 0.50 found in the study by Ha *et al*. (2019). Confirmatory factor analysis (CFA) was also conducted in the study by Yoon and Moon (2019), which demonstrated an acceptable level of convergence that was significant at $p < 0.01$. Multiple linear analysis using the OLS method was used to test the proposed hypothesis (Ha *et al*. 2019) but was not applied in this study.

Section 2.3.2.2 provided a detailed discussion of the literature on the dimension of ***Social development***. The validity of *Social development* has not been tested in previous studies. The items for this dimension were formulated based on the literature (Bijker 2010; Fairlie & Fossen 2018; Wang & Xu 2011). In studying *Social development*, Bijker (2010) used units of analysis with associated key concepts and conducted a constructivists analysis, which offered a theoretical perspective, while Wang and Xu (2011) used reliable data from listed companies to investigate how government intervention affects investment decisions to bring about social development.

Section 2.3.2.3 provided a detailed discussion of the literature on ***Financial security***. The items for the *Financial security* dimension were based on the work of Ahmad and Sabri (2014) and Momot and Rodchenko (2019). Ahmad and Sabri (2014) used a summary of 10 previous studies related to financial security in various fields, thus indicating that this dimension could be measured in the present study.

The use of PCA, EFA and CFA is deemed to be the most suitable statistical test to analyse the dimensions of this construct.

4.5.1.4 Rationale for inclusion in the instrument

The inclusion of the construct *Tourism stokvel investment* in the current study's theoretical framework was warranted because it was the cornerstone of the study. A detailed justification of its inclusion is recorded in Chapter 1, under Section 1.5.1. Chapter 3, as part of the literature review, supported this view through a detailed discussion of the construct and its dimensions in addressing RO1.

4.5.2 Section D: Tourism social entrepreneurship

Section D, which measured *Tourism social entrepreneurship*, contained 9 questions (for *Innovation* – three questions, for *Opportunity* – three questions, and for *Social capital* – three questions). An example of a question in this section is: "How important is financial wellness training as an innovative benefit offered to members who invest in a tourism stokvel?".

4.5.2.1 Reliability and validity of items measuring the dimensions of *Tourism social entrepreneurship.*

The literature on ***Innovation*** was discussed in detail in Section 2.4.2.1, and the concept was defined based on the work of Abereijo *et al*. (2009) and Donovan (2015). Research on innovation focused on the field of technology and measured a high-reliability score of 0.52 for innovation in universities and research intuitions when measured using correlation coefficients.

Literature on ***Opportunity*** was discussed in detail in Section 2.4.2.2, and the definition was based on the work of Henriksson (2013) and Fairlie and Fossen (2018). Observation studies by Fairlie and Fosses (2018) also measured high when investigating the importance of new opportunities for entrepreneurs.

Section 2.4.2.3 provided a detailed discussion of the literature on ***Social capital***, and the definition was based on the work of Sato (2013) and Soulard *et al*. (2018). Social capital studies focused more on analysing strategies in which social capital was applied as a framework (Sato 2013; Soulard *et al*. 2018).

The use of PCA, EFA and CFA is deemed to be the most suitable statistical test to analyse the dimensions of this construct.

4.5.2.4 Rationale for inclusion in the instrument

The qualitative studies discussed in detail in Section 1.2.5 and Section 1.5.2 (see also Figure 1.1) provided grounds for the inclusion of *Tourism social entrepreneurship* as a construct to be empirically measured.

4.5.3 Section E: Tourism social transformation

In Section E, the dimensions of this construct were measured through 13 questions (*Economic Development*, *Job Creation*, and *Improved Living Standard* all had 3 questions each, and *Empowerment* had 4 questions). An example of a question in this section is: "Do you consider the tourism industry an attractive market for stokvel investment?".

4.5.3.2 Reliability and validity of the items measuring the dimensions of *Tourism social transformation.*

Literature on ***Economic development*** was discussed in detail in Section 2.5.2.1, and the definition of the dimension was based on the work of Andergasses and Candela (2013) and Gorynia *et al*. (2015)

The literature on ***Job creation*** was discussed in detail in Section 2.5.2.2, and the definition was based on the work of Koopmans *et al*. (2014).

The literature on ***Improved standard of living*** was discussed in detail in Section 2.5.2.3, and the definition was based on the work of Shamim (2019) and Onwuka and Ugwu (2016).

The literature on ***Empowerment*** was discussed in detail in Section 2.5.2.4, and the definition was based on the work of Onwuka and Ugwu (2016) and Kawaguchi *et al*. (2014).

The reliability score reported in previous studies on economic development, job creation, improved living standard and empowerment have a Cronbach's alpha value of 0.66 (Gorynia *et al*. 2015), which provided a guideline on the expected reliability scores for the *Tourism social transformation* construct. The use of PCA, EFA and CFA is deemed to be the most suitable statistical test to analyse the dimensions of this construct.

4.5.3.4 Rationale for inclusion in the instrument

The literature discussed in Section 1.5.3 and listed in Section 4.5.3.2 motivated the inclusion of *Tourism social transformation* in the measurement instrument.

4.6 PILOT STUDY

A pilot study was conducted between December 2020 and January 2021, after approval had been granted by the ethics committee of the university. Thirteen stokvel members were identified and requested to take part in the pilot study. E-mails were sent to the members, and they were asked to fill out the questionnaires while identifying grammatical errors and noting issues regarding clarity of the questions. The feedback from all 13 respondents was positive, and only minor revisions were made to the instrument. Thereafter, the final survey (Appendix F) was disseminated.

4.7 STATISTICAL ANALYSIS

The collected primary data were analysed using IBM's SPSS Version 28. A professional statistician, Mrs Dina Venter, was employed to assist in conducting the analysis. The analysis was a two-phased process, the details of which are depicted in Figure 4.2.

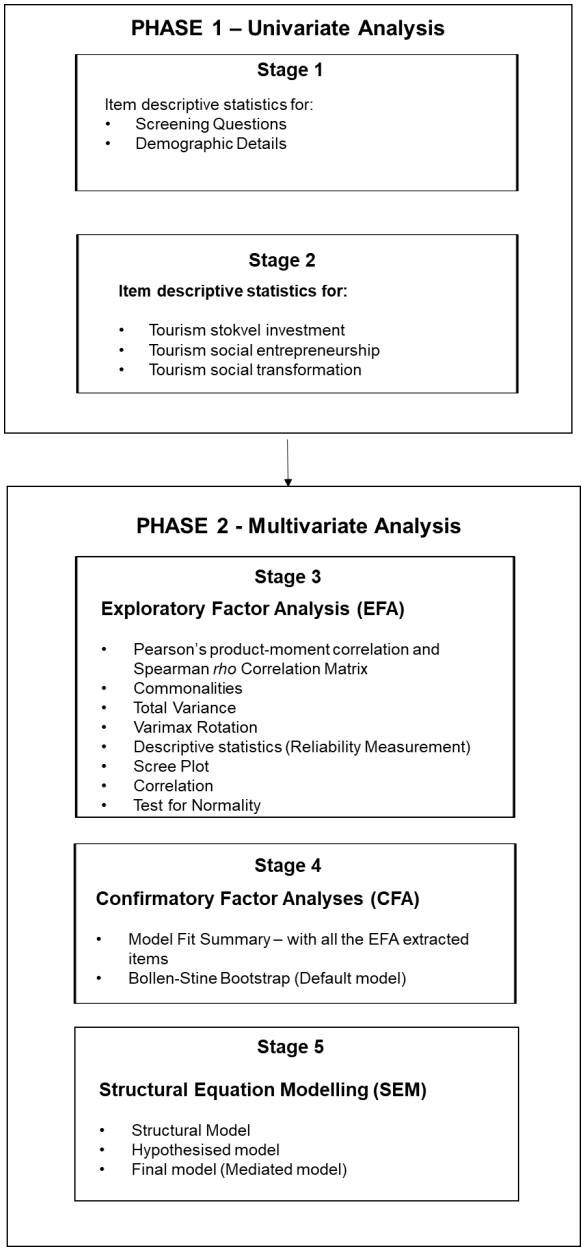


Figure 4.2: Statistical analysis process

Source: Author's own compilation

Figure 4.2 depicts the statistical analysis process in two phases. Phase 1 comprises two stages (Stage 1 and Stage 2) while Phase 2 consists of three Stages (Stages 3, 4, and 5). The process adopted the use of both univariate and multivariate analysis which is explained below.

4.7.1 Univariate analysis and multivariate analysis

Univariate and multivariate analyses were used to test the assumptions that the respondents had regarding the relationships between *Tourism stokvel investment*,

Tourism social entrepreneurship, and *Tourism social transformation* constructs. Frequencies of the continuous variables were also determined. The variables were subjected to further analysis to determine correlations and the normality of the data (Pallant 2020). These constructs were subjected to multiple techniques to measure the strength and associations of the relationship between the constructs, and to determine if they were interrelated (Khami & El-Rafae 2020). The conclusions drawn that informed the final model are discussed in Section 5.7.3.

Based on the literature (Pallant 2020; Hair *et al*. 2022; Khami & El-Rafae 2020; Suhr 2006), the following process was followed for the univariate analysis and multivariate analysis.

(a) Univariate analysis in the form of descriptive statistics is used to measure central tendency mode, median, and mean, as well as dispersion, such as kurtosis and skewness coefficients of the item score.

(b) EFA was conducted on each of the constructs to explore the underlying theoretical structure and factor extraction, to reduce or refine the data.

(c) CFA was employed to verify the factor structure obtained from the latent constructs that resulted from the EFA and to establish a best-fit measurement model for each construct (H_1, H_2 and H_3 of the study).

(d) To determine the causal relationship and a statistical structural model, SEM was conducted to assess if there was a fit between the elements and the theoretically hypothesised framework (H_4 and H_5 of the study).

(e) The indirect and direct effects were determined through a mediation analysis.

(f) The final mediated model was established.

The stages are detailed below.

4.7.2 Phase 1: Univariate analysis

Stage 1 encompassed conducting item descriptive analysis for the screening questions and the demographic details. The results are reported in Section 5.3.

Stage 2 entailed computing item descriptive statistics for the constructs (*Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social*

transformation), analysed using multivariate data analysis techniques, to gain insight into stokvel members' behaviours and attitudes (see Veal 2011), and whether the respondents had an interest in joining a tourism-focused investment stokvel.

4.7.3 Phase 2: Multivariate analysis

Phase 2 consisted of three stages, as illustrated in Figure 4.2, which are discussed in the sections below.

4.7.3.1 Stage 3

Stage 3 focuses on the multi-variate analyses and outlines the EFA, Pearson's product-moment correlation and Spearman's rho, Commonalities, Total Variance, Varimax rotation, Reliability measurement through Descriptive Statistics, Scree plots, Correlation, and Test for Normality.

- **Exploratory factor analysis (EFA)**

The multivariate statistical technique EFA was employed, as it offers improved knowledge of the structure and interrelationships of variables (Hair *et al*. 2022). The results are reported in Section 5.5 in Chapter 5. The data set of 202 respondents was acceptable to ensure a consistent recovery factor (De Winter, Dodou & Wieringa 2009). PCA was employed to explore the structure of the multivariate data by reducing the dimensionality of the data (see Jung 2013). The Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity were used to indicate adequate correlations in the dataset and support factor analysis (Kaiser 1970, 1974; Bartlett 1954). The Cronbach alphas extracted from the factors and the percentage of variance of the remaining items were tested. Patterns of correlations were then examined and used to measure the strength and direction of the relationships between the continuous variables (Pallant 2020) for each construct and test $\mathbf{H_1}$, $\mathbf{H_2}$, and $\mathbf{H_3}$. The results are reported in Sections 5.5.1.3, 5.5.2.3, and 5.5.3.3.

- **Pearson's product-moment correlation and Spearman's rho**

Pearson's product-moment correlation coefficient (r) was applied to assess the strength and direction of the relationship between the constructs and thus served as a basis for many multivariate calculations (see Hair *et al*. 2022; Tabachnick & Fidell

2013). This correlation was either positive or negative, depending on the direction of the relationship between the variables (Hair *et al*. 2022). As a nonparametric alternative, Spearman's *rho* correlation was employed to determine if more types of relationship existed between the variables by extracting and analysing raw data from the ranks (see Frost 2021). Colour coding was used to report the results (see Sections 5.5.1.1, 5.5.2.1, and 5.5.3.1). Pearson's product-moment correlation coefficient (r), which tested the strength of the relationships between factors, is represented as follows.

A coefficient had a small effect if it ranged between r = .10 and .30. 

A coefficient had a medium effect if it ranged between r = .30 and .50. 

A coefficient has a high/large effect if it ranges between r = .50 and 1.00. 

For the Spearman's *rho* correlation (r), the strength of the association between factors is represented by the following.

A correlation represented a weak or small effect if r = .10 and .30.

A correlation represented a moderate or medium effect if r = .30 and .50.

A correlation represented a strong or large effect if r = .50 and 1.00. 

(Pallant 2020; Hair *et al.* 2022).

- **Commonalities**

The retained items from the Pearson's product-moment correlation coefficient (r) and Spearman's rho correlation (r) were investigated to determine common variables with the constructs (Pallant 2020) using PCA. This method was adopted as it is commonly used in the extraction process of EFA (De Winter & Dodou 2012; Hair *et al*. 2022).

- **Total variance**

As a PCA and EFA were conducted on the constructs, new latent variables were identified to "… summarise most of the original information (variance) in a minimum number of factors…" (Hair *et al.* 2022:107). Thus the total variance explained indicated the differences between the model and the actual data, with an ideal minimum of 60% variance. The results are reported in Sections 5.5.1.3, 5.5.2.3, and 5.5.3.3.

- **Varimax rotation**

Varimax rotation was employed to clarify the relationship among the loaded factors and to try and keep the correlations among the latent factors to a minimum. Dimension reduction in SPSS V28 assisted in suppressing the small values because a sample size of 202 has small values of .4. The total sample size for the study was 202 therefore all dimensions measuring .4 and lower were suppressed and resulted in a simple structure (see Thurstone 1947). The extracted factors indicated several strong loadings and demonstrated good internal consistency (refer to Tables 5.4, 5.9, and 5.17 in Chapter 5).

- **Reliability measurement**

It is important to study underlying latent variables, as it adds value to EFA (Jung 2013). Therefore, Cronbach's alpha coefficient (α) as the most used indicator of internal consistency was adopted to determine the internal consistency of the constructs by calculating the mean of the items that were loaded for each subscale (Pallant 2020), and the recallability of the extracted factors. The overall Cronbach alpha scores indicated good internal consistency, as most respondents selected a higher rank on the measured scales (refer to Tables 5.10, 5.18, and 5.5). This was conducted by extracting subscales for the factors through the calculation of the mean on each item loading. This resulted in the formulation of latent variables for the study, namely, *Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard*. It is important to study underlying Latent variables as it adds benefits to the EFA. Therefore, these newly named latent variables were each plotted on the scree plot as a technique to further examine the factors (Pallant 2020).

- **Scree plots**

Each of the factors loaded was examined to determine which factors should be retained and determine a model fit, should the extracted factor be supported (Woods & Edwards 2011). Figure 5.10 depicts that *Tourism stokvel investment* had to be retained, Table 5.12 illustrates the two factors that loaded for *Tourism social entrepreneurship*, and Table 5.15 indicates that nine factors loaded for *Tourism social transformation and* were thus retained.

- **Correlation**

The extracted factors were further subjected to descriptive analysis to measure the level of agreement by determining to which proportion of the scale the mean score leaned. Pearson's and Spearman's correlation tests were employed on the new latent variables to determine if they correlated with one another (Pallant 2020). All the new latent variables leaned towards the larger proportion of the mean score, as the majority of respondents rated the questions towards the positive side of the scale, thus indicating that the variables could be reliably and validly measured. They could then be tested for continuity and skewness.

- **Test for normality**

The EFA section of each construct is concluded by reporting on the test for normality for the continuous variables to determine the skewness of the data set (Kline, McGehee & Delconte 2019.) to test the statical hypotheses. The distribution of scores and possible outliers were tested using the Kolmogorov-Smirnov and Shapiro-Wilk tests (Hair *et al*. 2022; Pallant 2020) for *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*. Table 5.6 reports that the *p*-value of < .001 was significant in the sample of 202 respondents for all three constructs. The results suggested a violation of the assumption of normality, as $p < .001$, and resulted in two hypotheses (see Section 5.5.1.6). H_A is supported by the data, as the data were not normally distributed, as the *p*-value was above $p < .05$ (.17 Kolmogorov-Smirnov and .86 for the Shapiro-Wilk tests; see Section 5.5.1.6). Table 5.13 reports that the *p*-value of <. 001 was significant for a sample of 202 respondents, indicative that both the Kolmogorov-Smirnov and Shapiro-Wilk tests of normality found that the distributions of the latent constructs (*Opportunity* and *Social capital*), which were extracted from *Tourism social entrepreneurship*, deviated significantly from normality and suggested a violation of assumption. Two hypotheses were formulated for each latent construct (see Section 5.5.2.9). A violation of the assumption was detected under the latent constructs loaded for *Tourism social transformation*, where the Kolmogorov-Smirnov and Shapiro-Wilk tests of normality indicated that the distributions of the latent constructs deviated significantly from normality, instead of the minimum .05 (Pallant 2020) (see Section 5.5.3.9).

The results from the EFA were subjected to further analysis by conducting CFA on all loaded factors, to determine if there was a relationship between the observed variables and latent constructs obtained from the EFA (Suhr 2006).

4.7.3.2 Stage 4

Stage 4 focused on the model fit following the CFA, as discussed in the next section.

- **CFA**

In **Stage 4**, CFA was conducted on all the items extracted from *Tourism stokvel investment* (C5, C8, C9, and C10), *Tourism social entrepreneurship*'s *Opportunity* (Items D4, D5, and D6) and *Social capital* (Items D7, D8 and D9), and *Tourism social transformation*'s *Economic Development* (Items E1, E2, E3, E4, and E5) and *Improved living standard* (Items E7, E8, E9, and E10) (*n* = 202).

Maximum likelihood (ML) estimation, inflated chi-square test values, and measuring of standard errors for Type I errors were conducted to assess normality (Hair *et al*. 2022). Kurtosis values larger than 7 are indicative of substantial departure from normality and skewness (absolute values) and should be considered extreme if greater than 3, these values were used to measure the variance and covariance of the constructs (Byrne 2010).

To test various models concerning the interrelationships between the latent variables based on multiple regression and factor analytic techniques that evaluate the importance of each independent variable and test the overall fit of the model (Pallant 2020), SEM was employed to ensure comprehensive validation of the measurement model of the latent constructs (see Awang 2012), derived from the EFA. A logical sequence of three steps was followed in conducting the SEM analysis, namely model identification, model specification, and model modification (see Diamantopoulous & Siguaw 2000; Kline 2011; Suhr 2006). Amos was further adopted to test for normality and outliers, guided by extant literature, to ensure the application of the rule-of-thumb assessment criteria for assessing normality (Kline 2011). EFA is usually done to develop a hypothesis to be tested using SEM, which is a multivariate statistical technique that is sometimes referred to as a combination of EFA and regression (path) analysis. It enables testing any number of interrelationships simultaneously, while also

taking the residual (measurement-specific) errors into account. Once viable latent constructs have been identified and the relationships among hypothesised, a measurement model that supports the hypothesised model needs to be established using CFA (Pallant 2020; Hair *et al*. 2022; Awang 2012). To further ensure that the construct variables matched, CMIN/*df* (< 3.00), CFI (> .9), RMSEA (< 0.8) and the TLI (> .9) were utilised (see Hair *et al*. 2022; Shui *et al*. 2010). The results indicated that the multivariate normality was still problematic, and no other observations stood out as multivariate outliers (see Appendix M and Section 5.6.1). Therefore Bollen-Stine bootstrapping was applied to compensate for any drawbacks experienced in multivariate non-normality, to generate more reasonable standard errors (ML bootstrapping and bias-corrected confidence intervals) and to validate the multivariate model by drawing many sub-samples and estimating models for each subsample to provide the 'best' estimate coefficient (Hair *et al*. 2018) (refer to Section 5.6.2).

Variables extracted from the EFA and CFA to test if **RO4** had been achieved: To explore if the overall statistical relationship between the dimensions of *Tourism stokvel investment* and the dimensions of *Tourism social entrepreneurship* can predict dimensions of *Tourism social transformation* (empirically manifested model), to assess the fit between the constructs of the theoretical hypothesised framework. The next section discusses the SEM conducted on the dimensions of *Investment*, *Opportunity*, *Social capital*, *Economic Development*, and *Improved living standards* through discussions of the structural model, the hypothesised model, and the final/mediated model.

4.7.3.3 Stage 5

- **Mediation analysis**

Holland *et al.* 2016) note that mediation takes place when an indirect effect on one variable (usually the independent variable, X) on another (usually dependent variable, Y) is carried or transmitted by a third variable, known as the mediator or intervening variable (M). The mediation analysis and SEM tested $\mathbf{H_5}$: The dimensions of *Tourism social entrepreneurship* significantly mediate the relationship between the dimensions of *Tourism stokvel investment* and the dimensions of *Tourism social transformation*. Figure 4.3 depicts the initial independent variables of the proposed framework depicted in Figure 1.1 in Chapter 1.

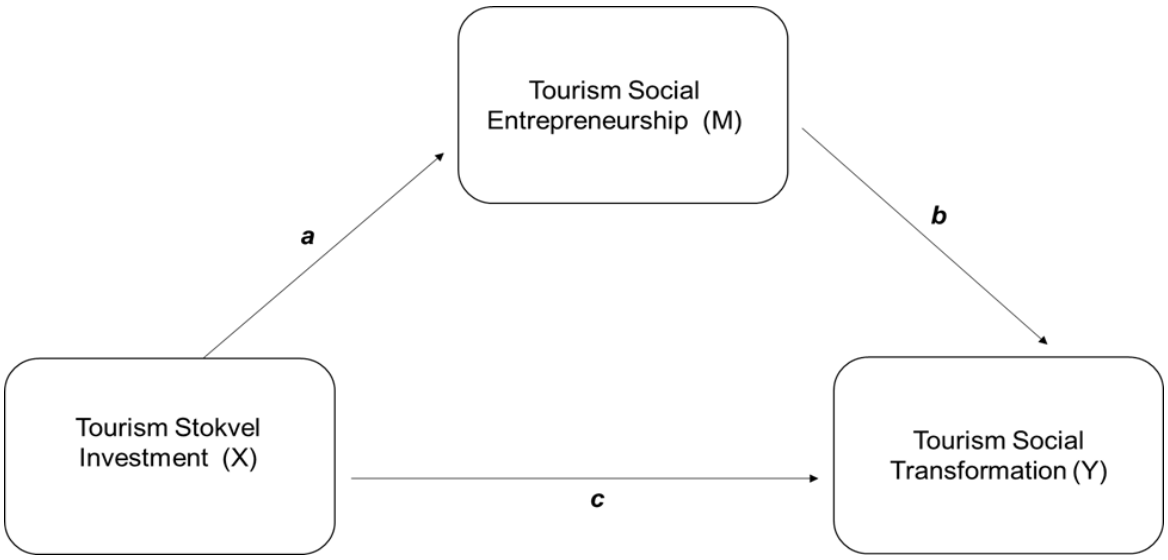


Figure 4.3: Proposed stokvel framework

Source: Author's own compilation

As shown in Figure 4.3, the study was aimed at determining if *Tourism stokvel investment*, which was the independent variable (X), would be influenced by *Tourism Social Entrepreneurship*, the mediating variable (M), in achieving *Tourism social transformation*, the dependant variable (Y). The envisaged model consisted of two causal paths between the independent variable and the dependent variable. The first is path *a*, which would result in *Tourism transformation* through the mediating variable (M), to path *b*. The second path is path *c*, whereby *Tourism stokvel investment* directly influences *Tourism social transformation* (Wu & Zumbo 2008). The envisaged model is a simple mediation model that illustrates that the partial direct effect of the independent variable (X) on the dependant variable (Y) is quantified as path *c*, and the mediating variable (M) plays a dual role in the causal relationship, as it acts as an independent variable for X in path *a*, but a dependant variable for Y in path *b* (see Hayes 2009).

The initial baseline model did not present a good model fit, ~~as~~ the variables extracted could be analysed further. Therefore, to improve the fit of the observed model, model modification was done by removing parameters that yielded no practical meaning and

added restrictions (Schumacker & Lomax 2010). This modification was done using the IBM SPSS AMOS V28 to improve the model and was done only between error variances within the same construct, only if the ML was larger than 15. This resulted in 500 usable bootstrap samples being obtained. Again, the Bollen-Kline bootstrap method was used. This was done to see how well the chi-square estimation fit into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples. This gave rise to the hypothesised model.

Several relationships were detected among the latent constructs; these were specified in the model (Section 5.7). Standardised and unstandardised indirect, direct, and total effects were also listed, together with bootstrapping, to obtain the significance levels of the direct, indirect, and total effects, to ultimately develop the final mediated model. For each construct, one of the regression weights was constrained to 1, to ensure that the latent construct had the same measurement scale as the observed item, where bootstrapping was done on 500 samples to determine the structural model (see Table 5.23). To improve the fit of the observed model, model modification was done by removing parameters that yielded no practical meaning and added restrictions (Schumacker & Lomax 2010) using IBM SPSS Amos V28. Again, the Bollen-Kline bootstrap method was used. This was done to see how well the chi-square estimation fit into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples, to develop a hypothesised model tested from a dataset consisting of 200 or more cases (see Figures 5.20 and 5.21). Two options were available for exploration after the hypothesised model fit (discussed in Section 5.7.2), and simple mediating analysis was employed to test if a direct effect exists between the variables. A chi-square test was used to test the overall fit of the model to the data and test the null hypothesis, together with a Bollen-Stine bootstrap analysis on the default baseline model to mitigate the risk of Type I errors and guide the specification of the model fit (see Figure 5.23). Several relationships among the latent constructs were specified in the model through the request of standardised and unstandardised indirect, direct, and total effects results (listed and discussed in Section 5.7.4) to support H_5.

This concludes the discussion on the statistical analyses employed in the study. The next section provides an overview of the ethical considerations that applied to the current study.

4.8 ETHICAL CONSIDERATIONS

It is vital the research adheres to ethical principles (Cooper & Schindler 2022), especially when research involves humans (Veal 2011). Ethical clearance to conduct the study was granted by the ethics committee of the University of South Africa (UNISA) (see Appendix E – 2020CEMS_DAM018) and the leaders of the stokvels. The researcher adhered to the university's ethical requirements for research, including the COVID-related regulations. The questionnaire was designed in such a way that participants would not suffer harm, discomfort, loss of privacy, or embarrassment (see Cooper & Schindler 2022). Respondents were assured that participation was voluntary and that their personal information or identifiers would not be used in reporting the results. Respondents were also free to withdraw from the study at any point during data collection. The data are securely stored and accessible only by the researcher and study supervisor and will be destroyed five years after completion of the study.

4.9 SYNTHESIS

Stokvels play diverse social and economic roles in communities (Lengolo 2019). The present study sought to investigate how stokvels could be utilised as an alternative form of investment by promoting social entrepreneurship in order to advance empowerment opportunities for previously disadvantaged communities, in order to transform the tourism industry of South Africa (Lengolo 2019). The study followed a positivist epistemology, and quantitative methodology to investigate the research objective. This chapter provided detailed information on how the study was carried out, including the statistical analyses employed across 5 stages. The next chapter (Chapter 5) reports the results of the study and introduces the newly formed final mediation model.

CHAPTER 5

RESULTS

5.1 INTRODUCTION

Chapter 4 outlined the research process and detailed the statistical analyses, which were conducted in two phases. The current chapter reports the results of the empirical research undertaken in terms of the research objectives in Section 1.4.2 and the hypotheses.

5.2 EMPIRICAL RESEARCH OBJECTIVES

The research objective of the study, as detailed in Section 1.4, was to investigate whether a tourism stokvel investment model that enables tourism social entrepreneurship could achieve tourism social transformation (TSI + TSE = TST). RO1 to RO3, which were theoretical objectives, were addressed in the previous chapters. However, results from H_1, H_2 and H_3 are shared in this chapter. Furthermore, this chapter reported on the results that address the two empirical objectives:

RO4: To explore if the overall statistical relationship between dimensions of *Tourism stokvel investment* and dimensions of *Tourism social entrepreneurship* can predict dimensions of *Tourism social transformation* (empirically manifested model) to assess the fit between the constructs of the theoretical hypothesised framework.

RO5: To determine if the dimensions of *Tourism stokvel social entrepreneurship* significantly mediate the relationship between dimensions of *Tourism stokvel investment* and dimensions of *Tourism social transformation*.

These empirical objectives are supported by the results for H_4 and H_5.

5.3 Phase 1: Univariate analysis

Phase 1 of the statistical analysis process consisted of two stages. The sections below report the frequency results for the screening and demographic questions. Thereafter, the results for Stage 2 are reported, namely the item descriptive statistics for the three constructs (Tourism stokvel investment, Tourism social transformation, and Tourism social transformation) (see Appendix H).

5.3.1 Stage 1: Frequencies for screening questions and demographic details

(a) Section A: Descriptive statistics for screening questions

As per ethical guidelines from UNISA, it was important to establish that the respondents fell within the target population for the study. To achieve this, three pre-screening questions were posed in the final survey questionnaire (refer to Appendix H). Question a.) measured if one of the respondents were a stokvel or investment member and b.) if members were interested in becoming a member of a stokvel, investment or stokvel group, the results obtained are discussed below.

Are you an active member of a stokvel or investment group?

This was a mandatory question to continue with the survey, and three response options were provided: traditional stokvel, savings or investment group, and sub-member of a stokvel, investment, or savings group. Figure 5.2 illustrates the results.

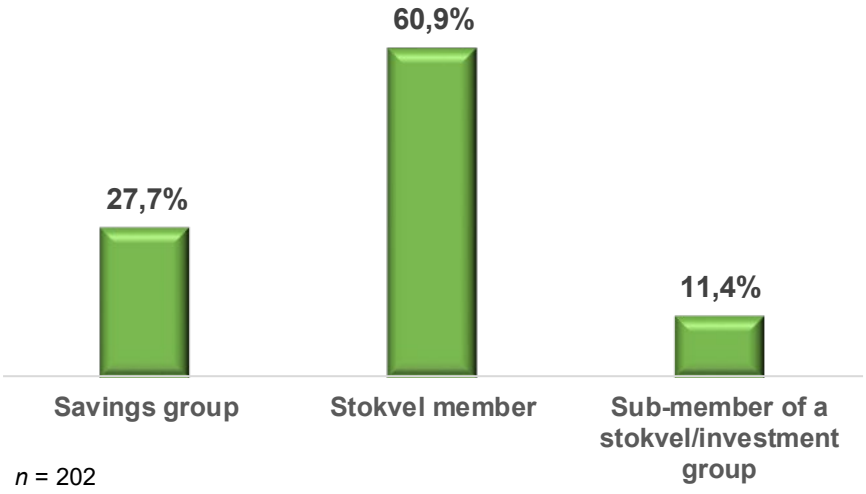


Figure 5.1: Active stokvel member categorisation

Of the 202 responses, 123 (60.9%) were members of traditional stokvels.

Are you interested in joining a stokvel or investment group that focuses on the starting of tourism businesses?

The second pre-screening question was also mandatory, and only respondents (*n* = 202) who answered in the affirmative were allowed to continue with the survey.

5.3.1.2 Section B: Descriptive statistics for demographic details

Market segmentation is the clustering of individuals into groups with similar perceptions (Hair *et al*. 2022). The data for market segmentation in the present study were collected through four questions in Section B and two questions in Section F. The results are reported below.

(a) Gender

Question B1 in the questionnaire required respondents to indicate their gender as an applicable variable to the current study, as it is one of the most widely used market segmentation variables (Pallant 2020). Although gender was not investigated in the present study as an influence, however, it was used in determining the demographics of the sample. The results are indicated in Figure 5.3.

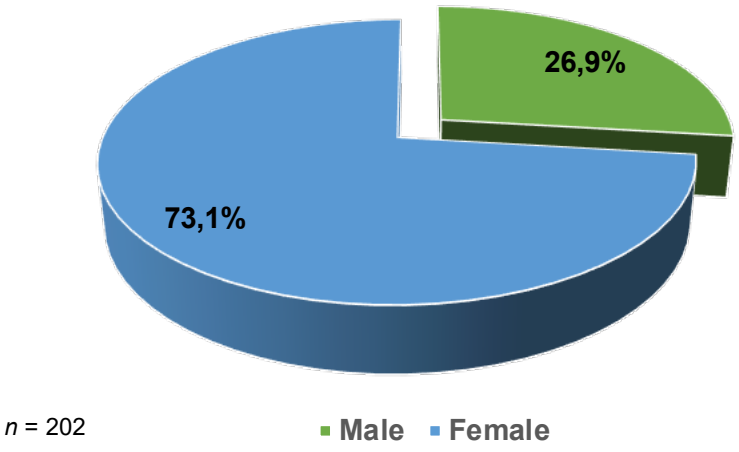


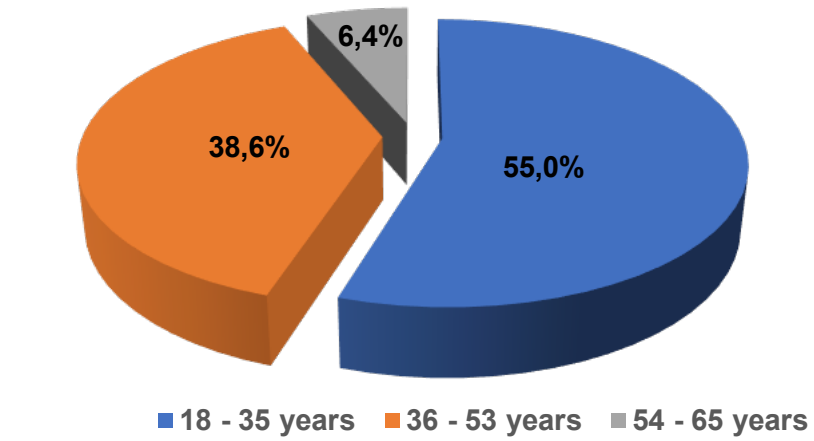
Figure 5.2: Gender distribution

Of the 202 respondents, one chose not to provide this information. This was treated as a missing value in the analysis of gender. From the remaining 201 respondents, a

total of 147 (72.8%) respondents indicated that they were women, while only 54 (29.9%) indicated that they were men.

(b) Age

Question B2 asked respondents to indicate their age group, which may be an important consideration in interpreting the results (Pallant 2020). Age was classified according to generational cohort: Gen Y (18–35 years), Gen X (36–53 years) and Baby Boomers (54–65) (Wiedmer 2015). Figure 5.4 illustrates the results.



n = 202

Figure 5.3: Age distribution

More than half (111 or 55.0%) of the 202 respondents indicated that were in the age group 18–35. This indicates that stokvel membership is popular among Gen Y, followed by Gen X, at 78 (38.6%) and Baby Boomers (6.4%).

(c) Category of stokvel or investment group

Section 1.2.2 of the current study noted that 7 types of stokvels are recorded by various authors. The study will focus on Investment Stokvels (African Response, 2012) and Travel Stokvel (Sawubona 2018). Respondents had to indicate the type or category of stokvel of which they were a member. Figure 5.5 illustrates the results.

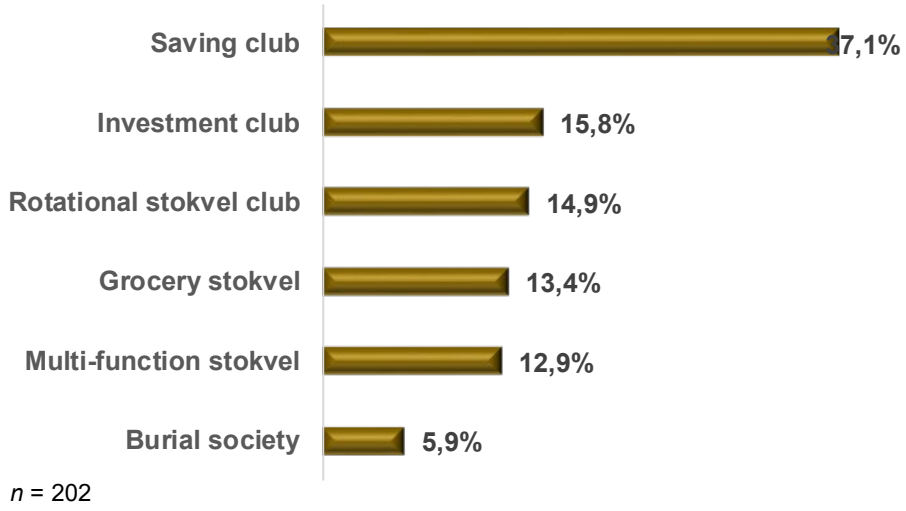


Figure 5.4: Stokvel category distribution

Of the total of 202 respondents, two selected the option "Other", and specified "birthday celebration stokvel" and "school shoe charity stokvel". These responses were recoded to fall into the "multi-function stokvel" category of the study. A total of 75 (37.1%) respondents belonged to a saving group, followed by investment clubs (32 or 15.8%), and rotational stokvels (30 or 14.9%). Burial stokvels were the least popular (12 or 5.9%).

(d) Province segmentation

To determine in which provinces stokvels were popular, respondents were asked to indicate their province of origin. Respondents could select one of South Africa's nine provinces or indicate that they were not born in South Africa. Of the 202 responses received, only one indicated not being from South Africa. The results are illustrated in Figure 5.6.

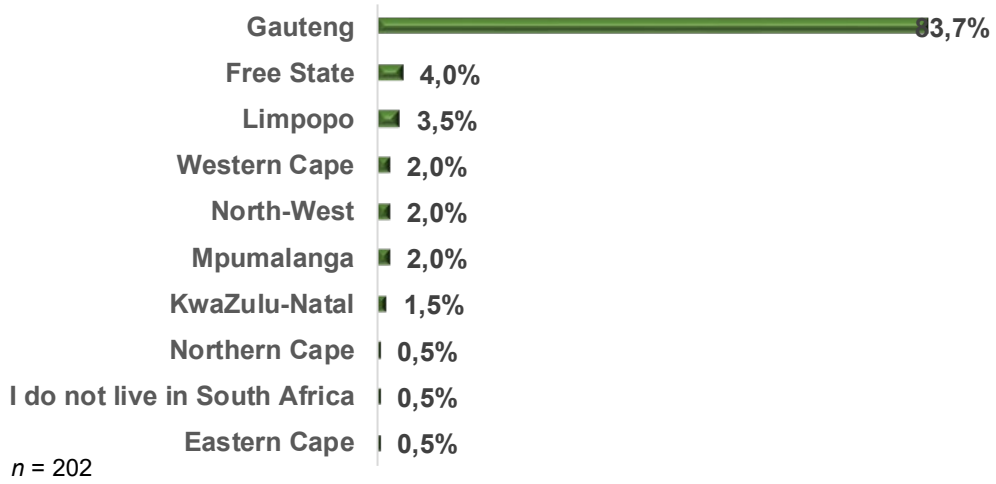


Figure 5.5: Province segmentation

The Gauteng province showed the highest number of representatives (169 or 83.7%). The Free State (8 or 4.0%) and Limpopo (7 or 3.5%) showed a difference of one respondent. The Eastern Cape province had the lowest representation.

The last set of market segmentation questions were in section F of the questionnaire (F1, F2, and F3), and are discussed below.

(e) Amount of money respondents invest monthly in a tourism stokvel

Question F1 required respondents to indicate the amount of money they are willing to invest in a stokvel aimed at tourism. Figure 5.7 below illustrates the results.

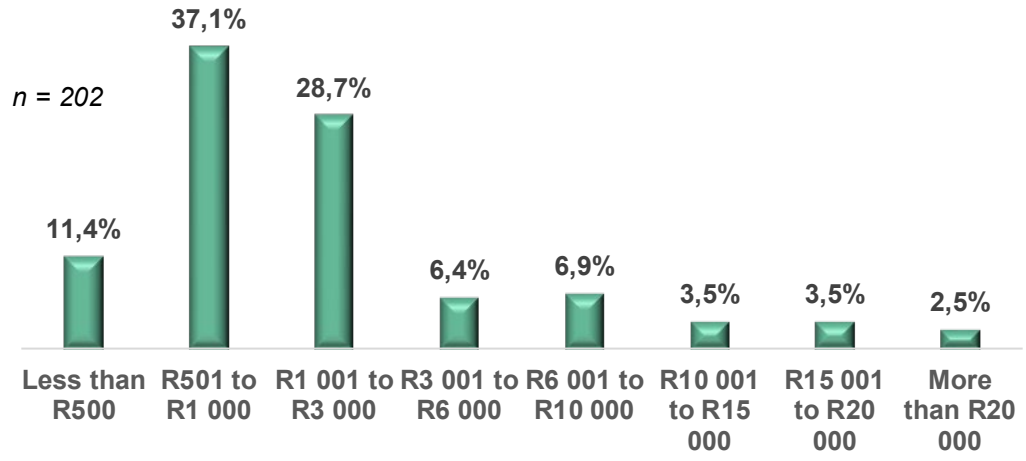


Figure 5.6: Monthly investment in tourism stokvel

The majority (75 or 37.1%) of the respondents indicated that they would be prepared to invest between R501 and R 1000 per month in a tourism stokvel, while 58 (28.7%) indicated R1 001 to R3 000. Only five respondents indicated that they would be willing to contribute more than R20 000 per month.

(f) Willingness to invest in a stokvel or investment club that focuses on tourism businesses in Limpopo

As a former 'homeland', the Limpopo province was of particular interest in the present study. The province is characterised by very limited urbanisation. There are no metro areas and only one secondary city in a total of 30 municipalities (Provincial 2016). With 89% of the population being rural, Limpopo province is yet to capitalise fully on tourism (Mafunzwaini & Hugo 2005). solution. Figure 5.8 illustrates the results.

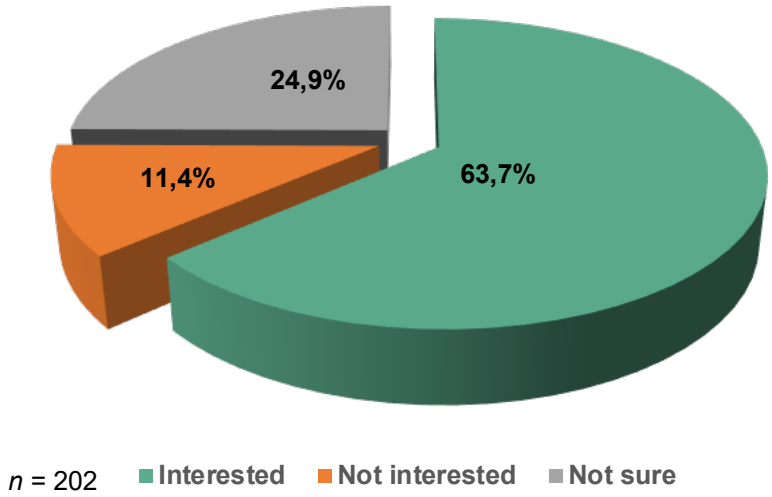


Figure 5.7: Limpopo tourism stokvel

The majority (128 or 63.7%) of the respondents indicated that they would be interested in a tourism stokvel to develop tourism businesses in Limpopo, followed by 24.9% who were not sure and 23 (11.4%) who were not interested.

(g) Provinces in which respondents would invest in tourism businesses

Respondents were asked to indicate in which of South Africa's nine provinces they would invest in a tourism stokvel. The results are illustrated in Figure 5.9.

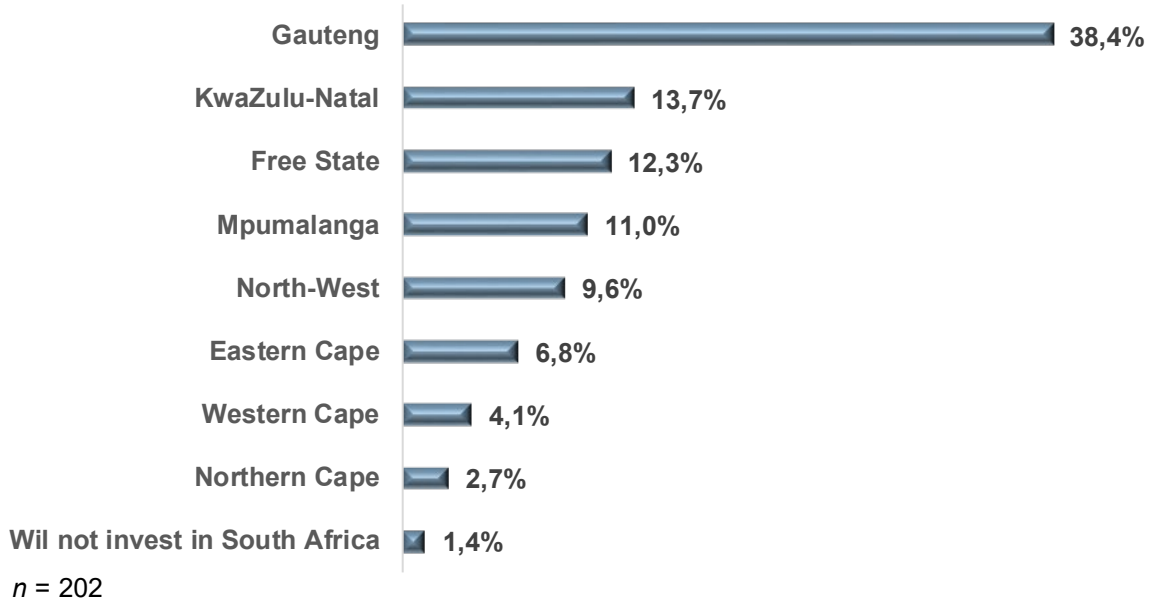


Figure 5.8: Province selected for tourism stokvel investment

Of the total 202 respondents, 129 values were missing; these respondents had already indicated they would invest in Limpopo province. Of the remaining 73 respondents, one person indicated being unwilling to invest in South Africa. Most of the sample selected Gauteng (28 or 38.4%), followed by KwaZulu-Natal (10 or 13.7%), Free State (9 or 12.3%), and Mpumalanga (8 or 11.0%), with the lowest score for Northern Cape (2 or 2.7%).

5.3.2 Stage 2: Item descriptive statistics

Descriptive statistics refer to a group of statistical techniques that are used to measure central tendency (i) mode, (ii) median and (ii) mean as well as dispersion such as kurtosis and skewness coefficients of the item score (Hair *et al*. 2022; Pallant 2020). This section reports the results of the univariate analysis of the dimensions of the study's three constructs: *Tourism stokvel investment* (Section C; 10 items), *Tourism social entrepreneurship* (Section D; nine items), and *Tourism social transformation* Section E; 13 items). The results are based on a dataset of 202 responses; only one survey has missing values for questions C10 and F2. This did not affect any of the requirements of descriptive statistics (see Pallant 2020).

5.3.3 *Tourism stokvel investment*

The dimensions of the *Tourism stokvel investment* construct were: *Trust*, *Social development*, and *Financial security*. Appendix H (Tables B1 to B3) reports the scores for each dimension. All three constructs also underwent further inspection of sample size, means, standard deviations, skewness, and kurtosis to determine whether the continuous variables were suitable for further analysis (see Pallant 2020). These results are discussed in a later section.

The importance of trust in choosing a stokvel was measured in sections C1 to C3 of the questionnaire, using a seven-point scale. Overall, respondents rated statements about ***Trust*** and honesty very high, evident in results for the importance of trust when choosing a stokvel (M = 6.81; SD = .78; *n* = 202), the likelihood of investing in tourism stokvel when the members are trusted (M = 6.40; SD = .99; *n* = 202) and the importance of honesty (M = 6.76; SD = .68; *n* = 202). Therefore, the average value of the group of scores was high (Pallant 2020).

Social development (C4 to C6) was also rated towards the higher end of the scale (refer to Appendix H). Respondents indicated that they are likely to join an online managed tourism stokvel (M = 5.11; SD = 1.54; *n* = 202). They further indicated an interest in investing in a tourism stokvel that will lead to their owning a business (M = 6.35; SD = 1.12; *n* = 202) and the importance of socialising with other members before deciding to join a stokvel (M = 5.96; SD = 1.38; *n* = 202).

The last dimension of this construct was ***financial security*** (C7 to C10; see Appendix H). The majority of the respondents indicated they are highly likely to join a stokvel based on its credit facility offering (M = 5.48; SD = 1.66; *n* = 202) and one that would allow them to earn interest on their contributions (M = 6.44; SD = 1.05; *n* = 202). Longevity (M = 6.00; SD = 1.22; *n* = 202) and a stokvel that pays out a lump sum (M = 6.20, SD = 1.26; *n* = 202) were also regarded as important in the decision-making process regarding joining a stokvel.

5.3.4 *Tourism Social Entrepreneurship*

Tourism social entrepreneurship has three dimensions: *Innovation*, *Opportunity*, and *Social capital*. Refer to Appendix H for an overview of the scores.

Concerning ***Innovation***, the results in Table B4 (Appendix H) are indicative that respondents think that a stokvel that invests in tourism would be an innovative approach (D1 to D3) to entrepreneurship (M = 6.27; SD = .99; *n* = 202). Respondents also indicated that these could create valuable tourism-focused business opportunities (M = 6.13; SD = 1.16; *n* = 202) and that financial wellness training is an innovative benefit to add to stokvels (M = 6.44; SD = 1.06; *n* = 202). Overall, it seems that respondents thought that a stokvel provides opportunities for improving South Africa's economy (refer to Appendix H, Table B5).

With regard to ***Opportunity*** (D4 to D6), the majority of the respondents indicated they would join a stokvel that generated income (M = 6.20; SD = 1.12; *n* = 202), and held the perception that stokvels could contribute to a reduction in unemployment (M = 6.19; SD = 1.19; *n* = 202). They also indicated that stokvels could provide an opportunity to improve South Africa's economy (M = 6.31; SD = 1.02; *n* = 202) through membership of tourism-focused stokvel investment.

Items on ***Social capital*** (D7 to D9) were also rated towards the higher end of the scale (refer to Table B6 in Appendix H). Most respondents were interested in joining a stokvel that focuses on social capital and the creation of wealth (M = 6.38; SD = 1.05; *n* = 202). Respondents further indicated that they viewed stokvels as contributors to social capital for the local community (M = 5.73; SD = 1.43; *n* = 202), and viewed the generation of social capital through stokvels as a feasible entrepreneurial instrument that could create personal financial wealth (M = 5.82; SD = 1.30; *n* = 202).

5.3.5 *Tourism Social Transformation*

This had four dimensions, which were investigated in section E of the questionnaire. Refer to Appendix H (Tables B7, B8, B9, and B10) for an overview of the scores.

The respondents indicated a positive perception of the impact of stokvels on ***Economic development*** (E1 to E3), thus indicating that they would consider the tourism industry as an attractive avenue to stokvels (M = 6.05; SD = 1.18; *n* = 202). The majority of the respondents further indicated that they were likely to support the development of tourism infrastructure through their stokvel's involvement (M = 6.22; SD = 1.16; *n* = 202) and invest in a tourism stokvel centred around transforming the tourism industry (M = 6.07; SD = 1.20; *n* = 202).

Scores on ***Job creation*** also lean towards the higher end of the scale. Respondents indicated that they felt that tourism businesses developed by a stokvel investment fund could provide employment opportunities (M = 6.31; SD = 1.00; *n* = 202), and that, through the collaboration of stokvels, tourism businesses could create jobs (M = 6.18; SD = 1.07; *n* = 202). Respondents indicated that considered job creation a challenge, resulting in a lower mean score; however, the SD was high (M = 4.79; SD = 1.63; *n* = 202).

Concerning ***Improved standard of living***, Respondents indicated that they would join a stokvel to improve their standard of living (M = 5.95; SD = 1.27; *n* = 202) and that they believed that stokvel savings invested in a tourism-focused business would improve members' standard of living (M = 6.11; SD = 1.13; *n* = 202). When asked if they believed that investing in a tourism stokvel could improve the living standards of rural entrepreneurs, most respondents responded positively (M = 6.08; SD = 1.15; *n* = 202). Respondents further indicated that joining a stokvel would result in their empowerment (M = 6.10; SD = 1.18; *n* = 202), as they agreed that stokvels that invest in tourism could contribute to the development of more entrepreneurs (M = 6.18; SD = 1.11; *n* = 202). Respondents perceived stokvels that invest in tourism as contributors to the economic growth of an area (M = 6.06; SD = 1.23; *n* = 202) and further indicated they were more likely to join a tourism stokvel related to their community of origin (M = 5.90; SD = 1.55; *n* = 202).

5.4 PHASE 2: Stage 3: EFA

PCA was used to explore the structure of the multivariate data by reducing the dimensionality of the data (see Jung 2013). Patterns of correlations were examined among the questions that determined respondents' perceptions. PCA was employed to provide a parsimonious summary of the item scores for a more formative measurement of the variables (see Fokkema & Grieff 2017). Correlations were used to measure the strength and direction of the relationships between the dimensions of each proposed construct (see Hair *et al*. 2022; Pallant 2020).

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient (r). Spearman's rho correlation (r) was also employed to validate Pearson's correlation in measuring the strength of the association between the items of each construct. Spearman rho techniques offer a non-parametric overview

using two variables (construct items), and do not make assumptions about the underlying population distribution, but use ranks, allowing for ordinal measurement to analyse the association (Pallant 2020; Hair *et al.* 2022). These are similar to Pearson's correlation in that they express the strength of the association between two variables (construct items) in a single correlation coefficient value between -1 and +1.

The next section reports the results of the examination of patterns of correlation between the constructs of *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*. A coefficient (r) ranging from .1 to .3 indicates a weak correlation, .3 and .5 is a medium correlation, and .5 and 1.0 is a large correlation (Pallant 2020; Hair *et al*. 2018). With regard to Spearman's rho, .10 indicates a weak or small correlation, .30 indicates a moderate correlation, and .50 and above indicates a strong or large correlation (Hair *et al.* 2022; Pallant 2020). The results are shown in the correlation matrices in Tables 5.1, 5.6, and 5.14 obtained from Pearson's product-moment correlation coefficient. Spearman's rho was used to validate these correlations. For ease of reference, Pearson's product-moment correlation coefficients are colour-coded according to the strength as detailed below:

A coefficient has a small effect when it ranges between r = .10 and .30;

A coefficient has a medium effect when it ranges between r = .30 and .50;

A coefficient has a high/large effect when it ranges between r = .50 and 1.0.

For Spearman's rho, the strength of the correlation between factors is indicated as follows:

A correlation represents a weak or small effect when it ranges from r = .10 and .30;

A correlation represents a moderate or medium effect when it ranges from r = .30 and .50;

A correlation represents a strong or large effect when it ranges from r = .50 and 1.00

(see Pallant 2020; Hair *et al.* 2022).

5.4.1 EFA for *Tourism stokvel investment*

A total of 10 items were selected for factor analysis to measure *Tourism stokvel investment* according to its dimensions: *Trust*, *Social Development*, and *Financial security*, each with three items.

5.4.1.1 Correlation matrix

To reduce the dimensionality of the data, PCA was conducted to examine patterns of correlations among the questions used to determine perceptions regarding committing to a stokvel aimed at tourism as an investment.

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient. The correlation matrix (Table 4.1) contains two coefficients of .3 and above. The Kaiser-Meyer-Olkin (KMO) value was .693, above the recommended minimum value of .6 (Kaiser 1970, 1974), and Bartlett's test of sphericity (Bartlett 1954) reached statistical significance where $X^2 = 73.70$ ($df = 6$; $p < .001$) (see Appendix C). Thus, the correlation matrix below (Table 4.1) was subjected to EFA.

Table 5.1: Correlation coefficients among the original 10 items of *Tourism stokvel investment* (Pearson's correlation)

Items	C1_TRU	C2_TRU	C3_TRU	C4_SOCD	C5_SOCD	C6_SOCD	C7_FIN	C8_FIN	C9_FIN	C10_FIN
C1_TRU: How important is trust amongst members when you are choosing a stokvel?	1									
C2_TRU: How likely are you to join a stokvel that invests in tourism when you can trust the members?	.160*	1								
C3_TRU: Rate the importance of honesty as a reason for you to invest in a tourism stokvel.	.297**	.187**	1							
C4_SOCD: How likely are you to join an online-managed stokvel that invests in tourism to develop a tourism business?	0.071	.205**	.162*	1						
C5_SOCD How likely are you to join a stokvel that invests in tourism that would lead to owning your own business?	0.099	.277**	.250**	.274**	1					
C6_SOCD How important is socialising with other members when making your decision to join a tourism stokvel?	-0.063	0.133	0.079	0.012	0.078	1				
C7_FIN How important is a credit facility when you consider joining a stokvel that invests in tourism?	0.019	0.120	0.076	.198**	0.027	.349**	1			
C8_FIN How important is earning interest from your contributions when joining a stokvel that invests in tourism?	0.113	0.136	.267**	.212**	.260**	0.137	.225**	1		

Items	C1_TRU	C2_TRU	C3_TRU	C4_SOCD	C5_SOCD	C6_SOCD	C7_FIN	C8_FIN	C9_FIN	C10_FIN
C9_FIN How important is long-term existence (longevity) before you consider joining a stokvel that invests in tourism?	0.082	0.129	.220**	0.108	.266**	.171*	0.118	.279**	1	
C10_FIN How likely are you to join a stokvel that invests in tourism which only pays one lump sum to all members, including interest, at the end of the year?	-0.028	0.082	.175*	0.129	.345**	.145*	0.134	.247**	.249**	1

*. Correlation is significant at the 0.05 level (2-tailed).

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

TRU = *Trust*; SOCD = *Social development*; FIN = *Financial security*

Based on the results in Table 5.1, Pearson's product-moment correlation coefficient (r) between the factors ranged between $r = .35$. and r = .25 ($n = 202$; $p < .001$) indicating small and medium effects.

Following the Pearson correlation, the 10 items were initially subjected to PCA, which resulted in a four-factor solution that explained 59.26% of the variance. Six variables (Items C1, C2, C3, C4, C6, and C7) had to be excluded from the solution, due to these forming three different constructs, each with only two items loading on it. The Cronbach alphas for these three factors were below the accepted level of .6 and the correlations between the pairs of items were very small. The remainder of the results were reported on the four retained items (C5, C8, C9 and C10).

5.4.1.2 Communalities

Communality is defined as "the total amount of variance an original variable shares with all other variables included in the factor analysis" (Hair *et al*. 2022:122). Low communality values (i.e., less than .30) could indicate that an item does not fit the data well (Pallant 2020). Communalities of the four items retained after Pearson's product-moment correlation coefficient were investigated using PCA to determine the common variables (items) within the construct *Tourism stokvel investment*. The results are shown in Table 5.2.

Table 5.2: Communalities of the four items of *Tourism stokvel investment* (PCA)

Items	Initial	Extraction
C5_SOCD How likely are you to join a stokvel that invests in tourism that would lead to owning your own business?	1.000	.497
C8_FIN How important is earning interest from your contributions when joining a stokvel that invests in tourism?	1.000	.422
C9_FIN How important is long-term existence (longevity) before you consider joining a stokvel that invests in tourism?	1.000	.432
C10_FIN How likely are you to join a stokvel that invests in tourism which only pays one lump sum to all members, including interest, at the end of the year?	1.000	.473

Extraction method: Principal component analysis, α = .60

All four items loaded indicated values greater than .30. This suggested that one component was loaded. This factor was extracted to be used to determine the recovery of variables that would be used in further analyses. The loaded factor demonstrated acceptable internal consistency, as illustrated by a Cronbach's alpha

coefficient of .60 which is consistent with the findings from de Winter, Dodou and Wieringa (2009).

5.4.1.3 Total variance

Total variance represents the total eigenvalue of a factor as explained by the factor (Pallant 2020). Total variances are ideally suited to summarising data and can be divided (partitioned) into various types of variances (Hair *et al*. 2022). Table 5.3 illustrates the analysis undertaken on tourism stokvel investment construct to measure total variance.

Table 5.3: Total variance explained for *Tourism stokvel investment* using EFA (PCA)

	Initial Eigenvalues			**Extraction Sums of Squared Loadings**		
Componen t	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
1	1.824	45.599	**45.60**	1.824	45.599	**45.60**
2	.801	20.026	65.624			
3	.721	18.019	83.643			
4	.654	16.357	100.000			

Extraction method: PCA

Table 5.3 indicates the remaining four items (C5, C8, C9, and C10) resulted in a one-factor solution explaining 45.60% of the variation in the data, with the items demonstrating strong loadings on the factor, illustrated in Table 5.4.

Table 5.4: Component matrix: PCA

	Component
Items	1
C5_SOCD How likely are you to join a stokvel that invests in tourism that would lead to owning your own business?	**.705**
C10_FIN How likely are you to join a stokvel that invests in tourism which only pays one lump sum to all members, including interest, at the end of the year?	**.688**

C9_FIN How important is long-term existence (longevity) before you consider joining a stokvel that invests in tourism?	**.657**
C8_FIN How important is earning interest from your contributions when joining a stokvel that invests in tourism?	**.650**

Extraction method: PCA

a. One component extracted

The subscale for the extracted factor was obtained by calculating the mean of the items loading on it. The Cronbach alpha coefficients for the four loaded items were at the accepted level of .60. The extracted factor demonstrated an acceptable internal consistency (Hair *et al*. 2022). Thus, the factor was combined and named *Tourism stokvel investment* (see Table 5.4). Therefore, the data supported H_1: The construct *Tourism stokvel investment* consists of three dimensions, namely *Trust*, *Social development*, and *Financial security*, which can be reliably and validly measured.

5.4.1.4 Scree plot for *Tourism stokvel investment*

Scree tests or scree plot analysis involves plotting each of the eigenvalues of the factors loaded and inspecting the plot to find a point at which the shape of the curve changes direction and becomes horizontal (Pallant 2020). The technique further examines the mentioned loaded factors to find an elbow through a pattern denoting subsequent factors that are not distinctive (Hair *et al*. 2022) (refer to Figure 5.10).

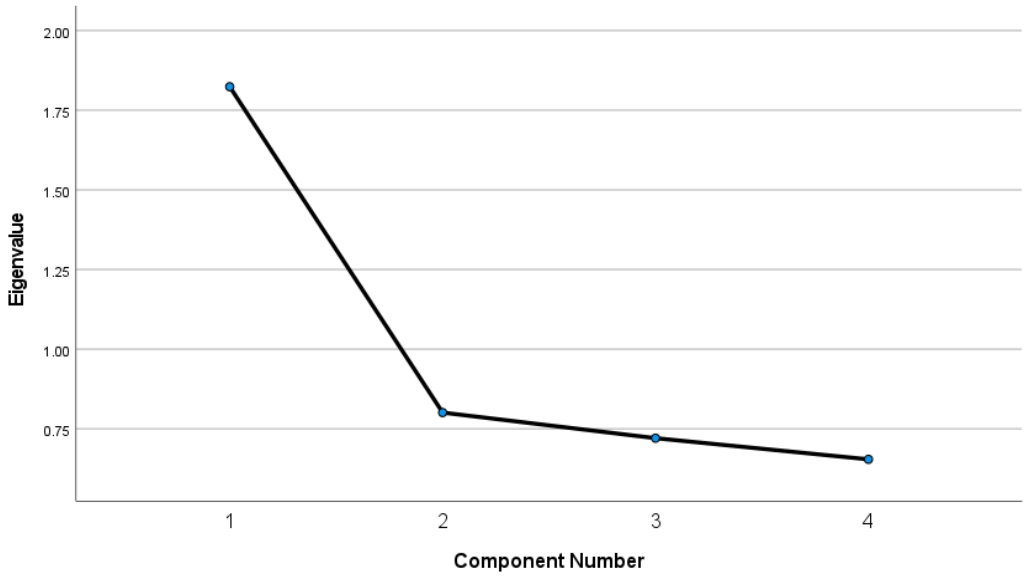


Figure 5.9: Scree plot

The scree plot in Figure 5.10 supports the extraction of the *Tourism stokvel investment* factor.

5.4.1.5 Descriptive statistics for *Tourism stokvel investment*

Table 5.5 depicts the descriptive statistics obtained when measuring *Tourism stokvel investment* as a factor.

Table 5.5: Descriptive statistics of the one extracted factor

Factor	*n*	Minimum	Maximum	Mean	SD
Investment	202	2.50	7.00	6.2471	.78730
Valid *n* (listwise)	202				

The results for *Tourism stokvel investment* were M = 6.25 and SD = .79 for 202 responses. The mean score was above the middle value, indicating that the majority of the respondents selected a higher value on the scale.

5.4.1.6 Test for normality for *Tourism Stokvel Investment*

Table 5.6 reports the Kolmogorov-Smirnov and Shapiro-Wilk test results for the Tourism Stokvel Investment Scale. The rest of the descriptive results are provided in Appendix L.

Table 5.6: Tests of Normality — *Tourism stokvel investment*

	Kolmogorov-Smirnov[a]			**Shapiro-Wilk**		
Factor	**Statistic**	***df***	***p***	**Statistic**	***df***	***p***
Investment	.170	202	<.001	.845	202	<.001

a. Lilliefors significance correction, *df* = degrees of freedom, *p* = significance

Table 5.6 shows that the *p*-value of < .001 was significant in a sample of 202 respondents. This was indicative that both the Kolmogorov-Smirnov and Shapiro-Wilk tests of normality found that the distributions deviated significantly from normality.

Pallant (2020) notes that to indicate the normality of the results requires a significance value of more than .05. However, the results suggested a violation of the assumption of normality, as $p < .001$. Thus, the following was hypothesised:

H_0: The data of *Tourism stokvel investment* are normally distributed; alternatively,

H_A: The data of *Tourism stokvel investment* are not normally distributed.

H_A was supported by the data, as the ρ-value was below .05 (.17 for the Kolmogorov-Smirnov and .86 for the Shapiro-Wilk test). If the sample size is more than 200, the test for normality is not critical and could lead to an underestimation of the variance (Tabachnick & Fidell 2013).

Figure 5.11 is a histogram graph depicting the deviations from normality, which is the distribution of the Tourism Stokvel Investment Scale after a factor analysis had been conducted.

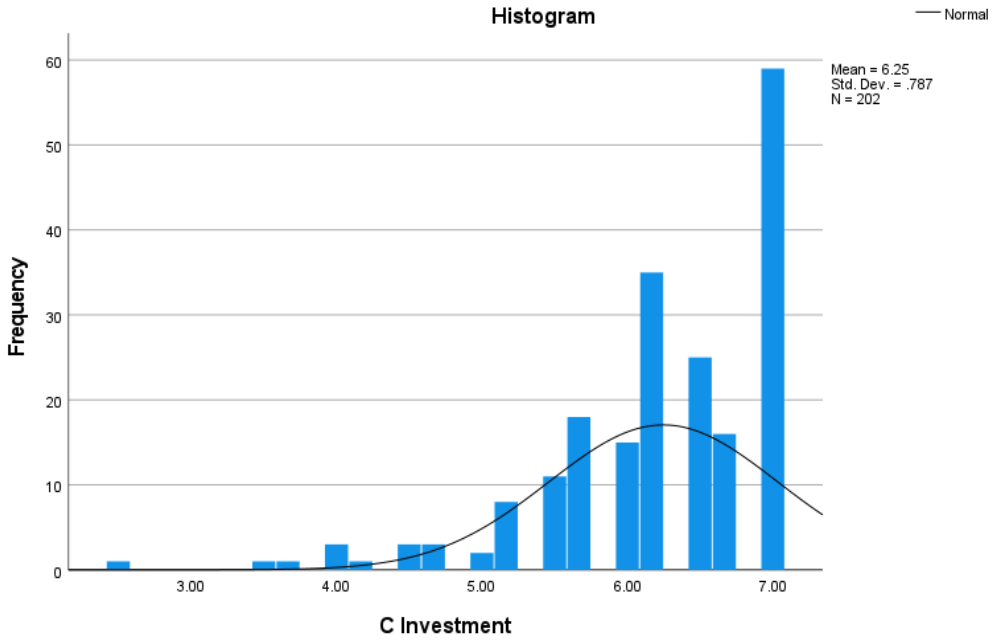


Figure 5.10: Histogram of deviations — Tourism Stokvel Investment Scale

The scores ranged from 2.00 and 7.00 (M = 6.30; SD = .79). Several departures from normality were dictated (see Hair *et al*. 2022), as most scores clustered towards the high end of the graph, reflecting a negatively skewed distribution (Kline 2011), which Pallant (2020) notes is a common phenomenon in social sciences studies.

5.4.2 The EFA of *Tourism Social Entrepreneurship*

Nine items were selected for the factor analyses to measure *Tourism social entrepreneurship* according to its dimensions: *Innovation*, *Opportunity*, and *Social capital*, each with three items. The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient (Pallant 2020), depicted in the matrix in Table 5.6, which indicated several coefficients of .30 and above in the data set of 202 respondents.

The KMO value was .805, well above the recommended minimum value of .60 (Kaiser 1970, 1974), and Bartlett's test of sphericity (Bartlett 1954) reached statistical significance X^2 = 423.42 (*df* = 15; *p* < ..001). Thus, the correlation matrix was deemed factorable (see Appendix D).

5.4.2.1 Correlation matrix

As noted in Section 5.4.2.1, Pearson's product-moment correlation coefficient (r) was used to determine the strength of the relationship between variables, which was validated using Spearman's rho (see Pallant 2020; Hair *et al*. 2022). The methods were used to ensure intercorrelations among variables and determine if they could be subjected to further analysis (see Pallant 2020).

Table 5.7: Correlation Coefficients among the original nine items (Pearson correlation/Spearman's rho*)*

Items	D1_INN	D2_INN	D3_INN	D4_OPP	D5_OPP	D6_OPP	D7_SOCC	D8_SOCC	D9_SOCC
D1_INN Do you think a stokvel that invests in tourism is an innovative approach to entrepreneurship?	1	.457**	.327**	.500**	.404**	.371**	.326**	.316**	.294**
D2_INN In your opinion, can a stokvel create valuable tourism-focused business opportunities in a region such as Limpopo?	.475**	1	.300**	.405**	.378**	.415**	.297**	.337**	.383**
D3_INN How important is financial wellness training as an innovative benefit offered to members who invest in a tourism stokvel?	.350**	.274**	1	.356**	.223**	.261**	.179*	0.110	.151*
D4_OPP How likely are you to join an investment that focuses on the development of tourism-focused businesses to generate income?	.459**	.327**	.448**	1	.524**	.619**	.560**	.326**	.412**
D5_OPP In your opinion, can stokvel groups contribute to a reduction in unemployment by investing in tourism enterprises?	.403**	.369**	.195**	.515**	1	.593**	.428**	.304**	.403**
D6_OPP Is there an opportunity to improve South Africa's economy by investing in tourism businesses through stokvel groups?	.393**	.407**	.311**	.574**	.602**	1	.519**	.413**	.501**

Items	D1_INN	D2_INN	D3_INN	D4_OPP	D5_OPP	D6_OPP	D7_SOCC	D8_SOCC	D9_SOCC
D7_SOCC Will you join a tourism stokvel that focuses on generating social capital to create wealth for entrepreneurs?	.285**	.272**	.254**	.595**	.505**	.536**	1	.313**	.391**
D8_SOCC In your opinion, do stokvels contribute to the generation of social capital for the local community?	.264**	.299**	0.111	.226**	.272**	.322**	.228**	1	.539**
D9_SOCC Is the generation of social capital through stokvels a feasible entrepreneurial instrument to create personal financial wealth?	.257**	.319**	0.116	.308**	.360**	.412**	.390**	.567**	1

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

INN = innovation; OPP = opportunity; SOCC = social capital

As shown in Table 5.7, Pearson's product-moment correlation coefficient (*r*) between the factors indicated medium and large effects. In a medium effect, the coefficients ranged between *r* = .31. and *r* = .48 (*n* = 202; *p* < .001), while the coefficients ranged between *r* = .52 and *r* = .60 (*n* = 202; *p* < .001) for a large effect. Results for Spearman's rho indicated medium and high effects, where the medium effect ranged between *r* = .30 and *r* = .46 (*n* = 202; *p* < .001) and the large effect ranged between *r* = .50 and *r* = .62 (*n* = 202; *p* < .001) (Pallant 2020; Hair *et al.* 2022).

5.4.2.2 Communalities

Section 5.4.2.1.1 noted the definition of communalities of Hair *et al.* (2022). Low communality values (less than .30) could indicate that an item does not fit the data well (Pallant 2020). Nine items were initially subjected to PCA, resulting in a two-factor solution that explained 55.16% of the variance in the data. Three of the variables were excluded from the solution due to these not contributing to the solution because the amount of variation explained by the solution increased without them. The commonalities of the six items retained after the Pearson and Spearman correlations were investigated to determine the common variables (items) with the *Tourism social entrepreneurship* construct, using PCA. The results are shown in Table 5.8.

Table 5.8: Communalities of the six items

Items	Initial	Extraction
D4_OPP How likely are you to join an investment that focuses on the development of tourism-focused businesses to generate income?	1.000	.701
D5_OPP In your opinion, can stokvel groups contribute to a reduction in unemployment by investing in tourism enterprises?	1.000	.632
D6_OPP Is there an opportunity to improve South Africa's economy by investing in tourism businesses through stokvel groups?	1.000	.687
D7_SOCC Will you join a tourism stokvel that focuses on generating social capital to create wealth for entrepreneurs?	1.000	.660
D8_SOCC In your opinion, do stokvels contribute to the generation of social capital for the local community?	1.000	.819
D9_SOCC Is the generation of social capital through stokvels a feasible entrepreneurial instrument to create personal financial wealth?	1.000	.760

Extraction method: PCA

All six items (D4, D5, D6, D7, D8, and D9) loaded indicated values greater than .30, suggesting that all the factors loaded fit well with the other components, which is important for factor recovery of variables for further analysis.

5.4.2.3 Total variance

A definition of total variance by Pallant (2020) was provided in Section 4.7.2.1.3. It is important to further note that these are ideally suited for use when summarising data,

and can be divided (partitioned) into various types of variances (Hair *et al*. 2022). The nine items initially subjected to PCA resulted in a two-factor solution that explained 57.29% of the variance in the data. Three of the variables (Items D1, D2, and D3) were excluded from the solution due to these not contributing to the solution; the amount of variation explained by the solution increased considerably without them. Table 5.9 shows the results of the analysis undertaken on *Tourism social entrepreneurship* to measure the amount of variance explained in the data obtained from the two-factor solution as extracted following the Pearson correlation.

Table 5.9: Total variance explained by EFA (PCA)

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
1	3.169	52.818	52.818	3.169	52.818	52.818
2	1.089	18.157	**70.974**	1.089	18.157	**70.974**
3	.541	9.018	79.992			
4	.451	7.523	87.515			
5	.391	6.522	94.037			
6	.358	5.963	100.000			

First, the percentage of variance was examined (see Pallant 2020). Table 5.9 indicates that the remaining six items (D4, D5, D6, D7, D8, and D9) resulted in a two-factor solution explaining 70.97% of the variation in the data, which were subjected to further analysis, the results of which are reported below.

5.4.2.4 Varimax rotation

Varimax rotation is a statical technique used at one level of factor analysis to clarify the relationship among the factors loaded (Dilbeck 2018). It is the most popular orthogonal factor rotation method and focuses on simplifying the columns in a factor matrix (Hair *et al.* 2022). The technique is a rotation method that tries to keep correlations among the latent factors to a minimum. This was applied excluding factor loadings of less than .4, shown in Table 5.10.

Table 5.10: Rotated component matrix: PCA varimax rotation (Kaiser normalisation)

	Component	
Items	**1**	**2**
D4_OPP How likely are you to join an investment that focuses on the development of tourism-focused businesses to generate income?	**.832**	
D7_SOCC Will you join a tourism stokvel that focuses on generating social capital to create wealth for entrepreneurs?	**.796**	
D6_OPP Is there an opportunity to improve South Africa's economy by investing in tourism businesses through stokvel groups?	**.781**	
D5_OPP In your opinion, can stokvel groups contribute to a reduction in unemployment by investing in tourism enterprises?	**.767**	
D8_SOCC In your opinion, do stokvels contribute to the generation of social capital for the local community?		**.898**
D9_SOCC Is the generation of social capital through stokvels a feasible entrepreneurial instrument to create personal financial wealth?		**.821**

Extraction method: PCA

Rotation method: Varimax with Kaiser normalisation

a. Rotation converged in three iterations.

Component 1 was renamed *Opportunity*

Component 2 was renamed to *Social capital*

With the varimax approach, the maximum possible simplification is reached if there are only 1s and 0s in a column (Hair *et al.* 2022). Varimax gave an overview of the value of the loadings, which were the six items (D4 to D9) that contained commonalities and were retained for further analysis (see Table 4.6). This technique measures the correlation between the items in a two-component solution (in this case, named *Opportunity* and *Social capital*), as shown in Table 5.9. Dimension reduction was conducted to suppress the small values according to the sample size. A sample size of 200 has small values of .4. The total sample size for the study was 202; therefore, all dimensions measuring .4 and lower were suppressed (see Table 5.10), which resulted in a simple structure (see Thurstone 1947). Each of the two factors (components) in Table 5.10 showed several strong loadings. Both the extracted factors demonstrate good internal consistency, as illustrated by Cronbach alpha

coefficients[1] of .6. From these results, it is evident that the EFA did not deliver the same theoretical components as set out in the questionnaire.

5.4.2.5 Descriptive statistics for *Opportunity* and *Social capital*

Cronbach's alpha coefficient is a measure of internal consistency, also referred to as 'reliability', and ranges from 0 to 1 (Hair *et al*. 2022). It is one of the most commonly used indicators of internal consistency and was used in the present study to determine internal consistency. A Cronbach alpha coefficient value above .7 is considered acceptable; however, values above .8 are preferable (Pallant 2020). The results are shown in Table 5.11.

Table 5.11: Reliability statistics for the two extracted factors

Factors	Description	*n* of Items	Cronbach's alpha
F1	*Opportunity*	4	0.831
F2	*Social capital*	2	0.722
Overall	All dimensions	**6**	**0.806**

Table 5.11 summarises the reliability of the two factors extracted from the Cronbach's alpha overall score. Both extracted factors demonstrated good internal consistency. The subscales for the extracted factors were obtained by calculating the mean of the items loading on each of the subscales.

Studying underlying latent variables is important because it adds benefits to EFA (Jung 2013). Therefore, in the current study, subscales for the extracted factors were obtained by calculating the mean of each item loading for each of the subscales. This resulted in two latent variables being created:

Factor 1: *Opportunity* (consisting of items D4, D5, and D6).

Factor 2: *Social capital* (consisting of items D7, D8, and D9).

[1]"The generally agreed upon lower limit for Crohnbach's Alpha is 0.70, although it may decrease to 0.60 in exploratory research" (Hair *et al*. 2006: 137).

5.4.2.6 Scree plot

As explained in Section 5.4.2.1.5, scree plots were used to examine the loaded factors for further analysis. Figure 5.12 illustrates the scree test analysis for the *Tourism social entrepreneurship* construct.

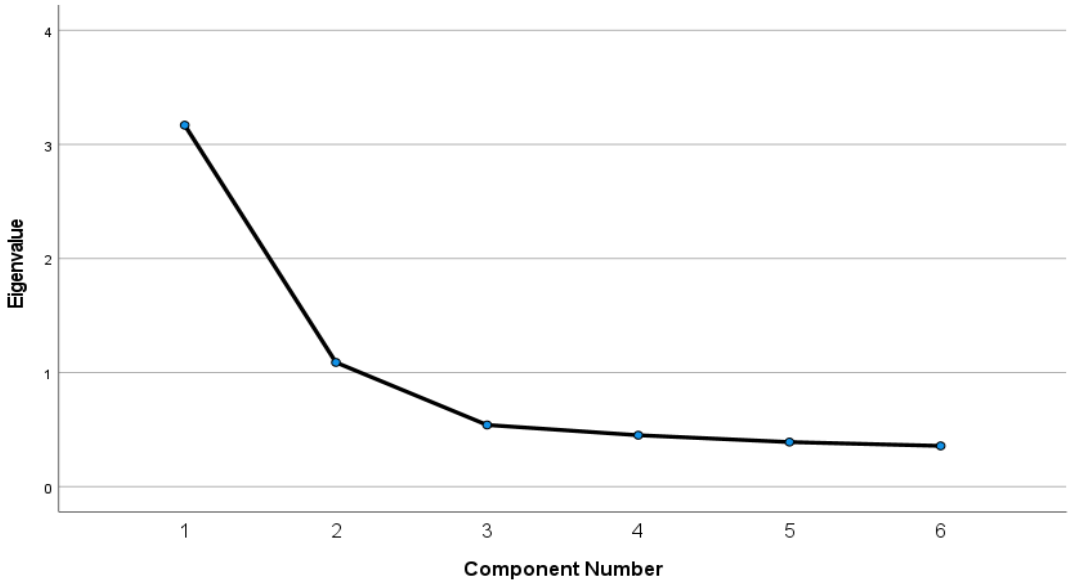


Figure 5.11: Scree plot for the components of Tourism social entrepreneurship

A scree plot was used to determine the stopping point (see Hair *et al.* 2022). The scree plot supported the extraction of the two factors referring to eigenvalues on the Y-axis and the number of factors on the X-axis levelling off at 3, which indicated that the two factors loaded should be retained (Pallant 2020).

5.4.2.7 Descriptive statistics of *Opportunity* and *Social capital*

Table 5.12 illustrates the descriptive statistics analysis undertaken to measure the two extracted factors *Opportunity* and *Social capital* that were extracted from the Tourism Social Entrepreneurship Scale.

Table 5.12: Descriptive statistics for *Opportunity* and *Social capital*

Factors	*n*	Minimum	Maximum	Mean	SD
Opportunity	202	2.75	7.00	6.2710	.89491
Social capital	202	1.00	7.00	5.7723	1.21152
Valid *n* (listwise)	202				

As discussed in Chapter 4, interpretation of the mean score should be done relative to the middle value (in this case, 4) of the original scale used to measure the level of agreement. The mean score of both factors was above the middle value. *Opportunity* had the highest mean score (M = 6.27; SD = .89), followed by *Social capital* (M = 5.77; SD = 1.21).

5.4.2.8 Correlations for *Opportunity* and *Social Capital*

The two loaded factors were further analysed for correlations, using Pearson's and Spearman's correlation tests. The results are shown in Table 5.13.

Table 5.13: Correlations between the two extracted factors (Pearson's/Spearman's rho)

Factors	Opportunity	Social Capital
Opportunity	1	.544**
	202	202
Social capital	.431**	1
	202	202

** Correlation is significant at the 0.01 level (2-tailed), $p < .001$

Table 5.13 indicates that the two new latent variables (*Opportunity* and *Social capital*) correlated with one another, as Pearson's coefficient between *Opportunity* and *Social capital* had a medium effect, as $r = .43$ ($n = 202$; $p < .001$), while for Spearman's rho, the effect was large, at $r = .54$ ($n = 202$; $p < .001$). Based on these two new latent variables, the data partially supported H_2: The construct of *Tourism social entrepreneurship* consists of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*, which can be reliably and validly measured.

5.4.2.9 Test for normality for *Tourism social entrepreneurship*

For *Opportunity* and *Social capital* the distribution of scores and possible outliers were tested through the Kolmogorov-Smirnov and Shapiro-Wilk tests (see Hair *et al*. 2022; Pallant 2020). Table 5.14 reports the results. The normality of their distribution is discussed below, and the rest of the descriptive results are depicted in Appendix L.

Table 5.14: Tests of normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
Factors	**Statistic**	***df***	***p***	**Statistic**	***df***	***p***
Opportunity	.205	200	< .001	.806	200	< .001
Social capital	.155	200	< .001	.861	200	< .001

a. Lilliefors significance correction, *df* = degrees of freedom, *p* = significance

Table 5.14 reports that the *p*-value of < .001 was significant in the sample of 202 respondents. This was indicative that both the Kolmogorov-Smirnov and Shapiro-Wilk tests of normality found that the distributions of the latent constructs (*Opportunity* and *Social capital*) deviated significantly from normality. Pallant (2020) notes that normality requires a significance value of more than .05. The results from Table 5.14 suggest a violation of the assumption of normality, as ρ < .001, which is common in larger samples (Pallant 2020; Fidell 2007). For each latent variable, two hypotheses were formulated:

H_0: Data for Opportunity are normally distributed;

H_A: Data for *Opportunity* are not normally distributed;

H_0: Data for *Social capital* are normally distributed; and

H_A: Data for *Social capital* are not normally distributed.

For both latent variables, the null hypotheses, H_A, was supported by the data, indicating that the data were not normally distributed, as ρ < .05 for both scales. The alternative hypothesis was therefore assumed to hold. As the sample size was greater than 200, the test for normality was not critical, as it can lead to an underestimation of the variance. It is, furthermore, known that the Kolmogorov-Smirnov and Shapiro-Wilk tests are sensitive to larger sample sizes (Tabachnick & Fidell 2013).

Figures 5.13 and 5.14 are histogram graphs that depict the deviations from normality. The latent variables depict the distribution after factor analysis had been conducted (see Pallant 2020).

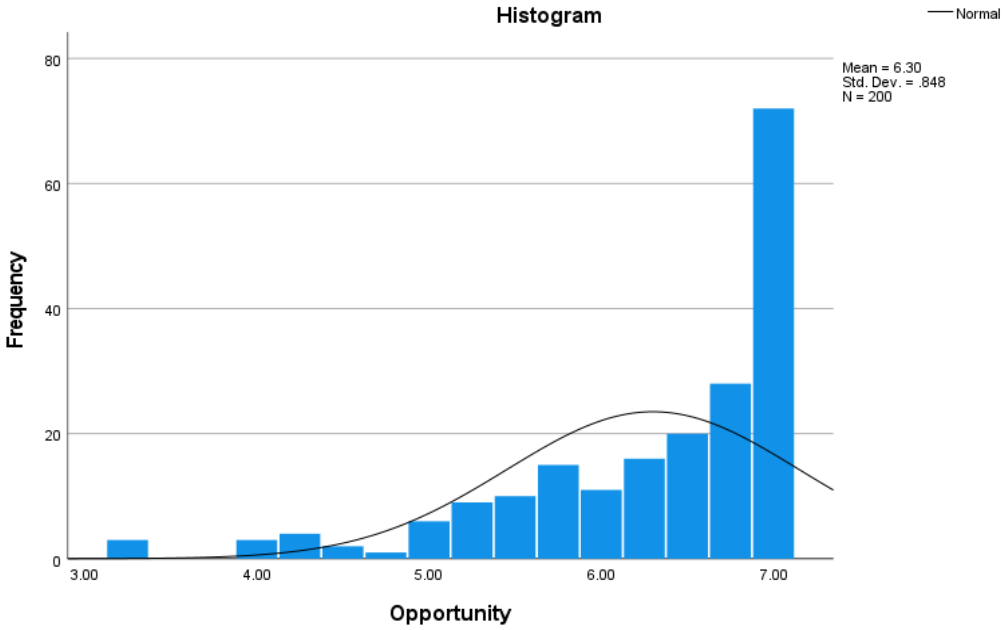


Figure 5.12: Histogram of deviations from normality for *Opportunity*

Figure 5.13 is a depiction of the deviation from normality using a histogram graph to display the distribution of *Opportunity* as a continuous variable (Pallant 2020). From the data set of 202 respondents, the scores ranged from 3.00 to 7.00, with a mean score of 6.3 and an SD of .85. Thus, several departures from normality were indicated (Hair *et al*. 2022), as most scores clustered towards the high end of the graph, reflecting a negatively skewed distribution (Kline 2011). Pallant (2020) notes that this phenomenon is common in social science studies.

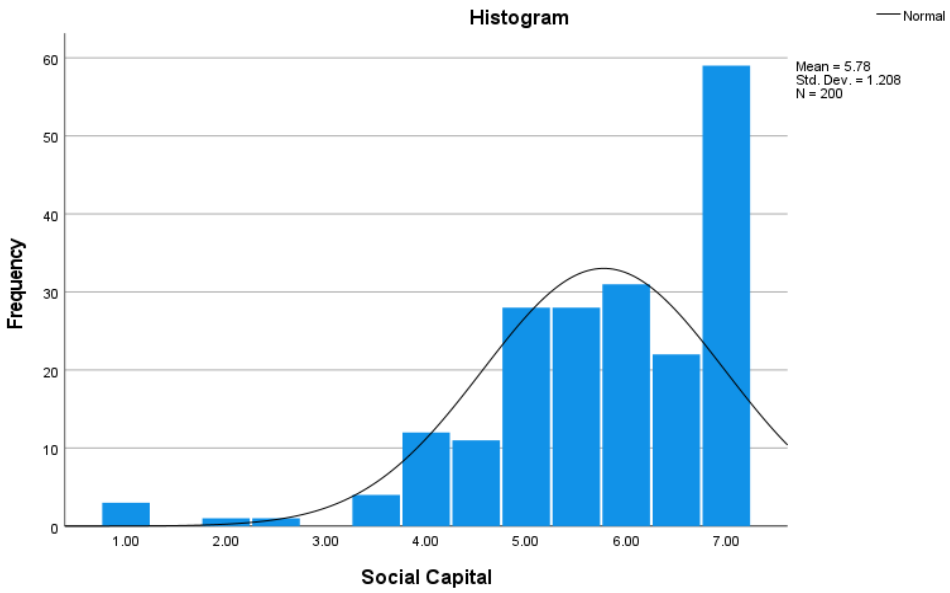


Figure 5.13: Histogram of deviations from normality for *Social capital*

Pallant (2020) notes 'the shape of a normal curve', where scores are regarded as reasonably normal when most scores occur in the centre of the graph. Figure 5.15 illustrates that the *Social capital* variable was negatively skewed, as the distribution of scores tapered towards extremes, with a cluster of scores leaning towards the high end of the graph. The scores obtained from the 202 stokvel members yielded a score ranging from 1.00 to 7.00 (M = 5.8; SD = 1.3).

5.4.3 EFA for *Tourism Social Transformation*

A total of 13 items were selected for factor analyses to measure *Tourism social transformation* according to its dimensions: *Economic development*, *Job creation*, *Improved living standard* (three items each), and *Empowerment* (four items). The literature supports these four dimensions with the 13 items, an EFA was conducted on all 13 items.

The factorability of the correlation matrix was investigated using Pearson's product-moment correlation coefficient. The correlation matrix (refer to Appendix K) contained some coefficients of .3 and above. The KMO value was .853, well above the recommended minimum value of .6 (Kaiser 1970, 1974), and Bartlett's test of sphericity (Bartlett 1954) reached statistical significance ($p < .001$). Thus, the correlation matrix was deemed factorable for further analysis (see Appendix K).

5.4.3.1 Correlation matrix

As noted in Section 5.4.2.1, Pearson's product-moment correlation coefficient, validated by Spearman's rho, was employed to determine intercorrelations among variables (see Pallant 2020). Thus, to reduce the dimensionality of the data, PCA was used to examine patterns of correlations among the questions used to determine perceptions regarding committing to a stokvel aimed at tourism as an enabler for social transformation. The results are shown in Table 5.15.

Table 5.151: Correlation coefficients among the original 13 items (Pearson correlation/Spearman's rho)

Items	E1_ECO	E2_ECO	E3_ECO	E4_JOB	E5_JOB	E6_JOB	E7_IMP	E8_IMP	E9_IMP	E10_EMP	E11_EMP	E12_EMP	E13_EMP
E1_ECO How likely are you to support the development of tourism infrastructure (such as the building of a guest house) through a stokvel investment group?	1	.536**	.587**	.615**	.578**	0.089	.328**	.426**	.435**	.461**	.575**	.550**	.321**
E2_ECO Do you consider the tourism industry an attractive market for stokvel investment?	.521**	1	.620**	.456**	.600**	0.110	.254**	.435**	.392**	.392**	.496**	.478**	.265**
E3_ECO How likely are you to invest in a tourism stokvel with the purpose to transform the tourism industry?	.640**	.632**	1	.509**	.582**	0.094	.314**	.581**	.450**	.455**	.585**	.586**	.426**
E4_JOB In your opinion, can a tourism	.608**	.472**	.505**	1	.698**	0.053	.359**	.528**	.468**	.512**	.590**	.542**	.338**

business which is developed by a stokvel investment fund, provide employment opportunities for job seekers?													
E5_JOB Through the collaboration of stokvel members in developing tourism businesses, how likely are these businesses to create jobs?	.553**	.629**	.562**	.702**	1	0.085	*.337***	*.585***	*.476***	*.488***	*.573***	*.550***	*.383***
E6_JOB Do you consider the creation of jobs through a stokvel that invests in tourism as challenging?	0.101	0.077	0.098	0.078	0.073	1	.196**	0.128	0.137	.138*	0.105	.186**	.216**
E7_IMP In your opinion, how likely are people to invest in stokvels to improve their standard of living?	.301**	.257**	.265**	.318**	.294**	.191**	1	*.567***	*.488***	*.398***	*.426***	*.481***	*.352***

E8_IMP Do you believe that when stokvel savings are invested in a tourism-focused business, it will result in improving the living standards of its members?	.447**	.406**	.496**	.574**	.604**	0.120	.470**	1	.683**	.520**	.611**	.526**	.452**
E9_IMP Do you believe that investing in a tourism stokvel can improve the living standards of rural entrepreneurs?	.426**	.367**	.406**	.439**	.477**	0.085	.427**	.668**	1	.659**	.641**	.459**	.455**
E10_EMP Do you think rural tourism entrepreneurs will be empowered when they join a stokvel that invests in tourism?	.394**	.367**	.423**	.469**	.454**	0.129	.393**	.454**	.624**	1	.676**	.518**	.468**
E11_EMP Do you agree that stokvels that invest in tourism can contribute to the development of more entrepreneurs?	.557**	.473**	.561**	.558**	.555**	0.086	.391**	.552**	.612**	.606**	1	.699**	.455**

E12_EMP How likely are stokvels that invest in tourism able to contribute to the economic growth of an area?	.553**	.498**	.587**	.602**	.609**	.150*	.422**	.533**	.494**	.525**	**.725****	1	.443**
E13_EMP How likely are you to join a tourism stokvel that is related to the community you come from?	.275**	.246**	.349**	.307**	.340**	.160*	.310**	.352**	.386**	.388**	.464**	.475**	1

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

*. Correlation is significant at the 0.05 level (2-tailed).

ECO = *Economic development*; JOB = *Job creation*; IMP = *Improved living standard*; EMP = *Empowerment*

Based on the results in Table 5.15, Pearson's product-moment correlation coefficient between the factors indicated medium and large effects. For the medium effect, the coefficients range between $r = .30$. and $r = .49$ ($n = 202$; $\rho < .001$), , while the coefficients ranging between $r = .51$ and $r = .73$ (n = 202; $\rho < .001$) indicated a large effect. Results for Spearman's rho showed medium and high effects, where the medium effect ranged from $r = .31$ to $r = .49$ ($n = 202$; $\rho < .001$) and the large effect ranged from $r = .50$ to $r = .70$ ($n = 202$; $\rho < .001$) (Pallant 2020; Hair *et al.* 2022).

From a total dataset of 202 respondents, the majority of the coefficients were .3 and above for *Tourism social transformation*. The 13 items were initially subjected to PCA and resulted in a two-factor solution that explained 58.067% of the variance in the data. Four of the variables were excluded (E6, E11, E12, and E13) from the solution due to them not contributing to the solution, one exclusion was due to low communality and the other three because the amount of variation explained by the solution increased without them. The remaining nine items (E1, E2, E3, E4, E5, E7, E8, E9, and E10) items resulted in a two-factor solution explaining 65.95% of the variation in the data, these factors were subjected to further analysis as reported below.

5.4.3.2 Communalities

A total of 13 items were initially subjected to PAF resulting in a two-factor solution that explained 58.07% of the variance in the data. Four of the variables were excluded from the solution due to them not contributing to the solution. From the four removed, nine items (E1, E2, E3, E4, E5, E7, E8, E9, and E10) retained after the correlation analysis determine the common variables with the construct of *Tourism social transformation* (refer to Section 5.4.2.2.2 for a definition of commonalities). The nine remaining items were subjected to further analysis as illustrated below in Table 5.16.

Table 5.16: Communalities of the nine items (PCA)

Items	Initial	Extraction
E1_ECO How likely are you to support the development of tourism infrastructure (such as the building of a guest house) through a stokvel investment group?	1.000	.650
E2_ECO Do you consider the tourism industry an attractive market for stokvel investment?	1.000	.665
E3_ECO How likely are you to invest in a tourism stokvel with the purpose to transform the tourism industry?	1.000	.692
E4_JOB In your opinion, can a tourism business which is developed by a stokvel investment fund, provide employment opportunities for job seekers?	1.000	.637
E5_JOB Through the collaboration of stokvel members in developing tourism businesses, how likely are these businesses to create jobs?	1.000	.714
E7_IMP In your opinion, how likely are people to invest in stokvels to improve their standard of living?	1.000	.579
E8_IMP Do you believe that when stokvel savings are invested in a tourism-focused business, it will result in improving the living standards of its members?	1.000	.681

E9_IMP Do you believe that investing in a tourism stokvel can improve the living standards of rural entrepreneurs?	1.000	.727
E10_EMP Do you think rural tourism entrepreneurs will be empowered when they join a stokvel that invests in tourism?	1.000	.590

Extraction method: PCA

All nine items loaded on Table 5.16 above indicated values greater than .6. indicating that all the factors loaded fit well with the other components, this is important for factor recovery of variables which will be analysed further as suggested by de Winter et al. (2009).

5.4.3.3 Total variance

Table 5.17 is an illustration of the analysis employed on the *Tourism social transformation* construct to measure the total eigenvalue of the nine loaded factors (Pallant 2020). This will be summarised, and the Total Variance of these is illustrated in table 5.17 below.

Table 5.17: Total variance explained by exploratory factor analysis (PCA)

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.833	53.702	53.702	4.833	53.702	53.702
2	1.102	12.247	**65.949**	1.102	12.247	**65.949**
3	.648	7.205	73.154			
4	.612	6.797	79.951			
5	.527	5.859	85.810			
6	.489	5.435	91.245			
7	.339	3.767	95.012			
8	.240	2.664	97.676			
9	.209	2.324	100.000			

Table 5.17 above indicates that the percentage of variance was first checked from the nine remaining items (E1, E2, E3, E4, E5, E7, E8, E9, and E10), the analysed items resulted in a two-factor solution explaining 65.94 of the variation from the data. These were subjected to further analysis.

5.4.3.4 Varimax rotation

To try to keep correlations among the latent factors to a minimum, the varimax method of rotation was employed by the current study for further analysis of the loaded nine factors (Pallant 2020). Table 5.18 illustrates depicts the results from SPSS 28.

Table 5.18: Rotated component matrix: PCA with varimax rotation (Kaiser normalisation)

	Component	
Items	**1**	**2**
E3_ECO How likely are you to invest in a tourism stokvel with the purpose to transform the tourism industry?	**.805**	
E2_ECO Do you consider the tourism industry an attractive market for stokvel investment?	**.803**	
E5_JOB Through the collaboration of stokvel members in developing tourism businesses, how likely are these businesses to create jobs?	**.770**	
E1_ECO How likely are you to support the development of tourism infrastructure (such as the building of a guest house) through a stokvel investment group?	**.768**	
E4_JOB In your opinion, can a tourism business which is developed by a stokvel investment fund, provide employment opportunities for job seekers?	**.699**	
E9_IMP Do you believe that investing in a tourism stokvel can improve the living standards of rural entrepreneurs?		**.802**
E7_IMP In your opinion, how likely are people to invest in stokvels to improve their standard of living?		**.757**
E8_IMP Do you believe that when stokvel savings are invested in a tourism-focused business, it will result in improving the living standards of its members?		**.699**
E10_EMP Do you think rural tourism entrepreneurs will be empowered when they join a stokvel that invests in tourism?		**.699**

Extraction method: PCA

Rotation method: Varimax with Kaiser Normalization.

a. Rotation converged in three iterations.

Component 1 was renamed *Economic development*

Component 2 was renamed *Improve living standard*

Nine items (E1, E2, E3, E4, E5, E7, E8, E9, and E10) that contained commonalities and were retained for further analysis, this technique measures the correlation between the items in a two-component solution (named *Economic development* and *Improve living standard*) presented in Table 5.18. Dimension reduction was conducted

on SPSS 28 to suppress the small values according to the sample size. A sample size of 200 has small values of .4. The total sample size for the study was 202, therefore all dimensions measuring .4 and lower were suppressed from Table 5.18, which resulted in a simple structure (Thurstone 1947). Each of the two factors (components) in Table 5.17 shows several strong loadings. Both the extracted factors demonstrate good internal consistency as illustrated by Cronbach's alpha coefficients[2] of .6. From these results it is evident that the EFA did not deliver the same theoretical components as set out in the questionnaire.

5.4.3.5 Descriptive statistics for *Opportunity* and *Social capital*

Cronbach's alpha coefficient (a) as the most used indicator of internal consistency also was adopted to determine internal consistency also referred to as reliability for tourism social transformation (Pallant 2020), illustrated in Table 5.19.

Table 5.19: Reliability statistics for the two extracted factors

Factor	Description	N of Items	Cronbach's Alpha
F1	*Economic development*	5	0.873
F2	*Improve living standard*	4	0.800
Overall	All dimensions	**9**	**0.887**

The reliability of the two factors extracted from the Cronbach's alpha overall score in Table 5.19 above indicates that both the extracted factors demonstrate good internal consistency. The subscales for the extracted factors were obtained by calculating the mean of the items loading on each of the subscales. This process resulted in the creation of 2 latent variables, which are named.

Factor 1: *Economic development* (consisting of items E1, E2, E3, E4, and E5).

Factor 2: *Improve living standard* (consisting of items E7, E8, E9, and E10).

These latent variables were each plotted on the scree plot as a technique that further examines the factors (Pallant 2020), this is discussed in Section 5.4.2.3.6.

[2]"The generally agreed upon lower limit for Crohnbach's Alpha is .70, although it may decrease to .60 in exploratory research" (Hair *et al*. 2006:137).

5.4.3.6 Scree plot

Below Figure 5.15 supports the extraction of the nine factors to measure consistency by measuring the eigenvalues extracted from factors (Hair *et al*. 2022). The figure further illustrates the cumulative variance explained by each component (Pallant 2020).

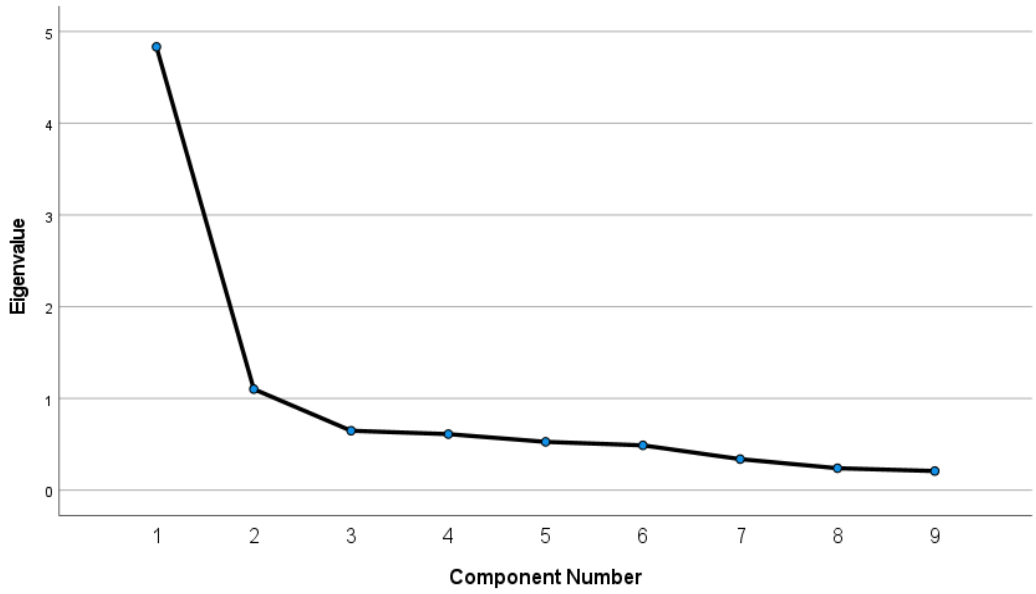


Figure 5.14: Scree plot for the components of *Tourism social transformation*

The above scree plot supported the extraction of the two factors this is indicated by eigenvalues on the y-axis and the number of factors on the x-axis showing an elbow at 3. This indication validates the decision for the loading of the two factors loaded to be retained and kept for the PCA of the study (Pallant 2020). Descriptive is applied to these factors to measure the level of perception of the initial scale.

5.4.3.7 Correlations for *Economic Development* and *Improved Living Standards*

Descriptive statistics were discussed in detail in Phase 1 (Section 5.3). Table 5.20 indicates the descriptive statistics analysis used to measure the two extracted factors of *Economic development* and *Improved living standards*.

Table 5.20: Descriptive statistics of two extracted factors

Factors	*n*	Minimum	Maximum	Mean	SD
Economic development	202	2.60	7.00	6.1673	.91745
Improved living standard	202	3.50	7.00	6.0619	.94066
Valid N (listwise)	202				

When interpreting the mean score, it should be done relative to the middle value (in this case, 4) of the original scale used to measure the level of agreement. If the mean value is above the middle value, then one can conclude that a larger proportion of respondents rated the questions towards the positive side of the scale rather than to the negative side of the scale. If the mean value is below the middle value, then the inverse is true. The mean scores for both factors loaded (*Economic Development* and *Improved Living Standard*) are above the middle value.

5.4.3.8 Correlations for *Economic Development* and *Improved Living Standards*

The two factors were subjected to further analysis for correlations, the Pearson's and Spearman correlation tests were employed as per the illustration in Table 5.21 below.

Table 5.21: Correlations among the two extracted factors (Pearson/Spearman rho)

Factor	Opportunity	Social capital
Economic development	1 202	.616** 202
Improved living standard	.625** 202	1 202

**. Correlation is significant at the 0.01 level (2-tailed), $p < .001$

Table 5.21 above indicates that the two new latent variables (*Economic development* and *Improved living standard*) correlate with one another, as the Pearson's coefficient between Economic Development and Improve Living Standard has a large effect as $r = .62$ (n = 202; $p < .001$), the Spearman *rho* effect was also large as $r = .63$ ($n = 202$; $p < .001$). Thus, the data partially support H_3 which states that Tourism Social Transformation can be reliably and validly measured, through *Economic Development* and *Improved living standards*.

5.4.3.9 Test for normality for *Tourism social transformation*

Section 5.4.2.2.9 gives details on the use of the test for normality for the current study. Table 5.22 below reports on the Kolmogorov-Smirnov and Shapiro-Wilk tests employed to analyse *Economic development* and *Improved living standards* and the normality of their distribution will be discussed below. The rest of the descriptive results are depicted in Appendix L.

Table 5.22: Tests of normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
Factors	**Statistic**	***df***	***p***	**Statistic**	***df***	***p***
Economic development	.184	200	< .001	.839	200	< .001
Improved living standard	.159	200	< .001	.873	200	< .001

a. Lilliefors significance correction, *df* = degrees of freedom, *p* = significance

Table 5.22 indicates a *p*-value of < .001 significance for both *Economic Development* and *Improved standard of living*, from a dataset of 202 respondents. Both the Kolmogorov-Smirnov and Shapiro-Wilk tests of normality found that the distributions

of the latent constructs deviate significantly from normality, instead of the minimum .05 (Pallant 2020) results from Table 5.22 suggests a violation of the assumption of normality as ρ < .001. For each latent variable, two hypotheses are indicated:

H_0: Data for *Economic development* are normally distributed.

H_A: Data for *Economic development* are not normally distributed.

H_0: Data for *Improved living standards* are normally distributed.

H_A: Data for *Improved living standards* are not normally distributed.

In both the latent variable the H_A is supported by the data, indicating that the data are not normally distributed, as ρ < .05 for both scales. As the sample size was more than 200 the test for normality is not critical because it can lead to an underestimation of the variance. It is further noted that the Kolmogorov-Smirnov and Shapiro-Wilk tests are sensitive to larger sample sizes (Tabachnick & Fidell 2013).

Below Figures 5.16 and 5.17 are histogram graphs that visually depict the deviations from normality, as the latent variables depict the distribution after factor analysis had been conducted (see Pallant 2020).

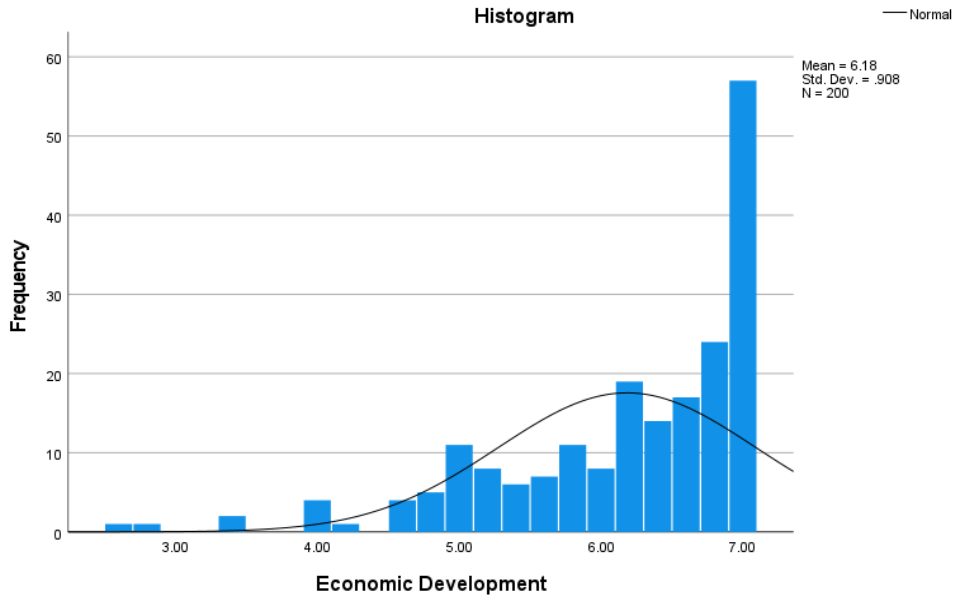


Figure 5.15: Histogram depicting deviations from normality for *Economic Development*

The unsymmetrical distribution scores of Figure 5.16 reflect a negatively skewed distribution because scores are regarded as reasonably normal when most scores occur in the centre of the graph to form the shape of a normal curve or a bell shape (Pallant 2020). In this case, it reflects an opposite result, with scores ranging from 2.00 to 7.00 (M = 6.2; SD =.91), reflecting a lean towards the higher end of the graph.

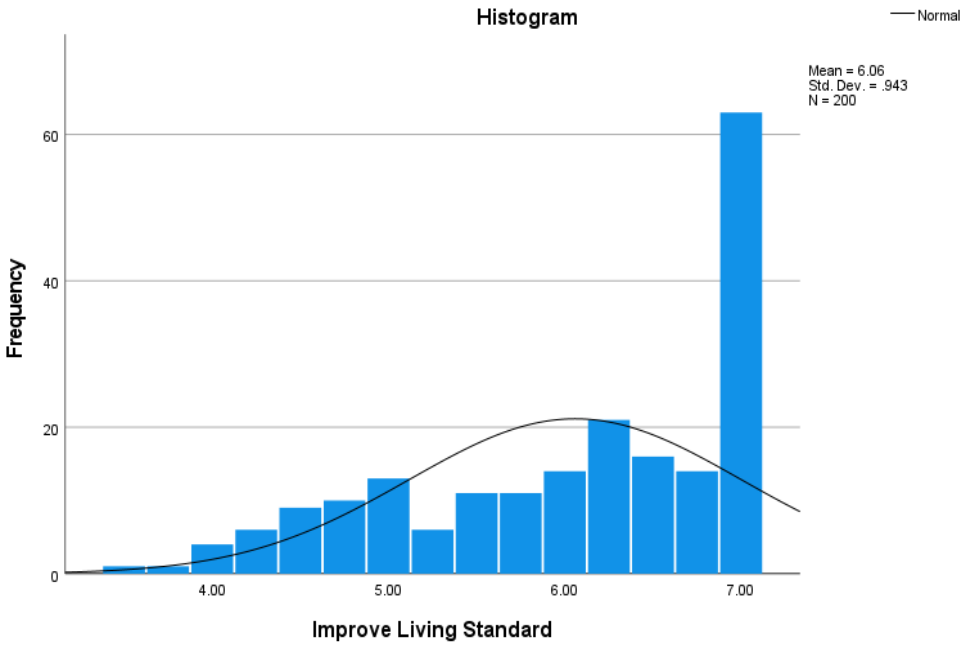


Figure 5.16: Histogram depicting deviations from normality for *Improved living standard*

Figure 5.17 is a visual depiction of *Improved living standards*. Most of the data were relatively flat, with a cluster of the scores leaning more towards the high end of the graph, causing an uneven distribution, which resulted in a negatively skewed distribution (Pallant 2020). The scores ranged from 4.00 to 7.00 (M = 6.1; SD = .94).

5.5 PHASE 2: Stage 4 — CFA

The second stage of Phase 2 of the data analysis was CFA, which was employed to verify the structure of the loaded factors and determine if there was a relationship between the observed variables and latent constructs obtained from the EFA as informed by Suhr (2006). A statical test of the four hypotheses introduced in the literature review chapter (Chapters 2 and 3) and listed in this chapter under Section 5.4 was aimed at comparing the squared correlation between a pair of constructs

against the average variance extracted (AVE) for each of the two constructs as informed by Shiu, Pervan, Bova and Beatty (2010). To further check if the construct variables matched, minimum discrepancy per degree of freedom (CMIN/*df*), the CFI, RMSEA, and the TLI were utilised (see Hair *et al*. 2022; Shui *et al*. 2010). A logical sequence of three steps was followed in conducting the SEM analysis, namely model identification, model specification, and model modification, although most researchers propose four steps when conducting SEM Diamantopoulous & Siguaw 2000; Kline 2011; Suhr 2006).

First, CFA was conducted on all the items extracted from the new latent variables, namely *Opportunity* (consisting of items D4, D5, D6, and D7), *Social capital* (consisting of items D8 and D9), *Economic development* (consisting of items E1, E2, E3, E4, and E5), and *Improved living standard* (consisting of items E7, E8, E9, and E10) (*n* = 202).

ML estimation assumes that variables included in the analysis demonstrate multivariate normality and violations of this assumption can, firstly, lead to inflated chi-square test values, rejecting plausible candidate models, and, secondly, have a tendency to underestimate standard errors (i.e., bias) when testing model parameters, increasing the risk of Type I errors. Hair *et al*. (2022:3) define a Type I error as the "probability of incorrectly rejecting the null hypothesis — in most cases, it means saying a different or correlation exists when it does not. Also termed alpha (α)". Hair *et al.* (2022) further note that typical levels of Type I errors are 5% or 1% (.05 or .01). Byrne (2010) notes that this can lead to the re-specification of models on the part of the researcher, resulting in models that do not generalise well beyond the current sample.

Furthermore, to get guidelines, Byrne (2010) and Kline (2011) were consulted for rule-of-thumb assessment criteria for assessing normality. Byrne (2010) suggests that kurtosis values larger than 7 are indicative of substantial departure from normality, while Kline (2011) suggests that kurtosis values in the range of 8 to 20 are extreme values. None of the kurtosis values is close to the suggested value of 7. This indicated that the inspection of data did not violate these guidelines. Kline (2011) also suggests that skewness (absolute values) should be considered extreme if greater than 3. Byrne (2010) puts more emphasis on kurtosis, since it impacts tests of variances and covariances, while skewness has a greater impact on means. None of the skewness

values in the table below exceeds 3 (absolute value) (refer to Phase 1, Stages 1 and 2, of the statical analysis process.

Byrne (2010) suggests that multivariate kurtosis > 5 should be considered a deviation from multivariate normality. In the case of the current study, there is a deviation from multivariate normality. To address this, the Mahalanobis distances were assessed to determine whether there were highly influential cases in the dataset. The Mahalanobis or D^2 was employed as it has statistical properties that allow for significance testing, which is important for interpretation purposes. This measure is a multivariate assessment of each observation across the set of variables that weigh each variable equally (Hair *et al.* 2022).

Please note: Two cases, namely 106 and 197, were identified in the dataset. These cases seemed very different from the rest (multivariate outliers) and were dropped from the dataset.

5.5.1 Model fit summary: All EFA extracted items

The items extracted from *Tourism stokvel investment* (C5, C8, C9, and C10), *Tourism social entrepreneurship* with *Opportunity* (D4, D5, and D6) and *Social capital* (D7, D8, and D9), *Tourism social transformation* with *Economic development* (E1, E2, E3, E4, and E5), and *Improved living standard* (E7, E8, E9, and E10) using the 200 responses (cases).

The chi-square value was significant, indicating that the null hypothesis stating that the data fit the model, should be rejected. However, due to the chi-square test being sensitive to sample size, other goodness-of-fit indices were also investigated and rerecorded in the following results.

After a CFA had been conducted on the identified items, this model presented an acceptable fit of the data to the model using the values of the CMIN/*df*, TLI, CFI, and RMSEA. The fit estimate CMIN/*df* = 2.01 (< 3.00) was the most parsimonious model, with RMSEA = .07 (< .8) to support an absolute model fit. The incremental fit measures TLI = .93 (> .9) and CFI = .95 (> 9) are indicative of how well the data supported the fit indices.

Two influential cases were identified in the sample and omitted, resulting in a final data set of 200 responses. Therefore, the measurement model in Figure 5.18 was used.

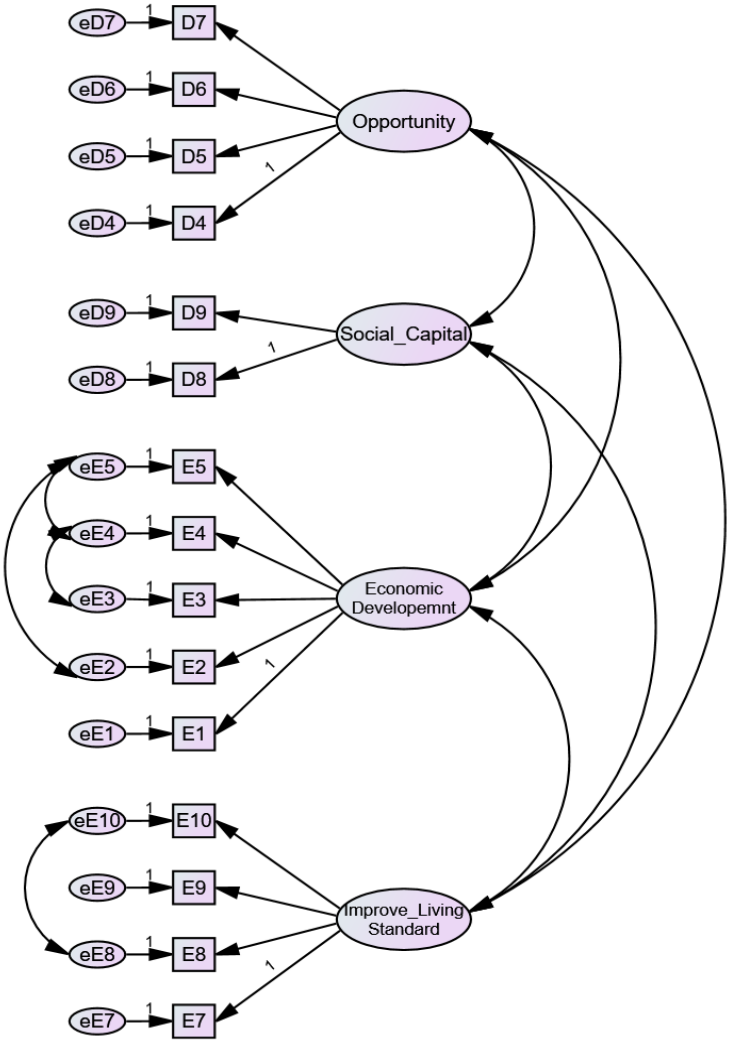


Figure 5.17: Baseline model with no amendments

The classification of the endogenous and exogenous variables is illustrated in Table 5.18. Endogenous variables can be referred to as those that are changed or determined by their relationship with other variables within the statistical model; thus, it is synonymous with a dependent variable and correlates with other factors within the system. Exogenous variables represent those that are independent (Blunch 2013; Swart & Roodt 2020), meaning that their measure is determined outside the model and imposed on the model (Peterson 2001). Table 5.23 below depicts the endogenous variables and exogenous variables of the measurement model in Figure 5.18.

Table 5.23: Endogenous and exogenous variables

Endogenous variables	**Exogenous variables**
E1	*Economic_development*
E2	eE1
E3	eE2
E4	eE3
E5	eE4
D4	eE5
D5	*Opportunity*
D6	eD4
D7	eD5
D8	eD6
D9	eD7
E7	*Social_Capital*
E8	eD8
E9	eD9
E10	*Improved_Living_Standard*
	eE7
	eE8
	eE9
	eE10

The total number of variables in the model was 34. A total of 15 were observed (endogenous) (E1, E2, E3, E4, E5, D4, D5, D6, D7, D8, D9, E7, E8, E9, and E10) and 19 were unobserved (exogenous) (*Economic development*: eE1, eE2, eE3, eE4, and eE5; *Opportunity*: eD4; eD5; eD6; and eD7; *Social capital*: eD8 and eD9; *Improved living standard*: eE7, eE8, eE9, and eE10).

The results in Table 5.23 indicated that the multivariate normality was still problematic, and no other observations stood out as multivariate outliers. For this reason, bootstrapping was used to compensate for the drawbacks of multivariate non-normality by generating more reasonable standard errors (ML bootstrapping and bias-corrected confidence intervals). Bootstrapping was selected as a method to compensate for these drawbacks, as Hair *et al*. (2022:2) note:

> "*it is an approach to validate a multivariate model by drawing a large number of sub-samples and estimating models for each subsample. Estimates from all the subsamples are then combined, providing not only the 'best' estimate coefficients (e.g., means of each estimated coefficient across all the sample models) but their expected variability and thus their likelihood of differing from zero; that is, are the estimated coefficients statistically different from zero or not? This approach does not rely on statical assumptions about the population to assess statical significance, but instead makes its assessment based solely on the same data*."

Further to the bootstrapping, Bollen-Kline bootstrapping was used to assess how well the chi-square test fit into the bootstrapping distribution of the chi-square values.

5.5.2 Bollen-Stine bootstrap (default model)

The model fit was better in 341 bootstrap samples. It fit about equally well in 0 bootstrap samples and fit worse or failed to fit in 159 bootstrap samples. Testing of the null hypothesis indicated that the model was correct (Bollen-Stine bootstrap $p = .319$). The Bollen-Stine bootstrapping found that the null hypothesis, which states that the model is correct, could not be rejected, as $p < .05$, as indicated in the model in Figure 5.19.

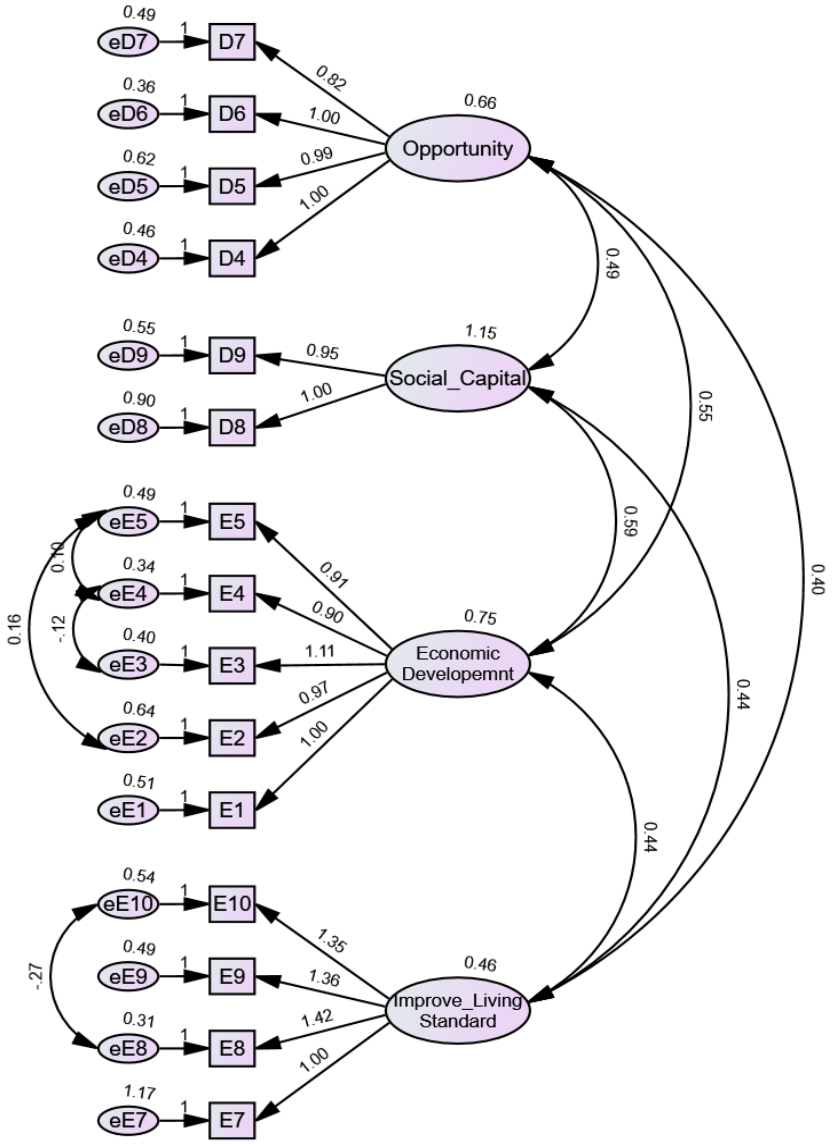


Figure 5.18: Model 2 based on the Bollen-Stine bootstrap

The model in Figure 5.19 presented an acceptable fit of the data to the model. The fit estimate CMIN/*df* = 1.78 (< 3.00) was the most parsimonious model, and RMSEA = .06 (< .8) supported an absolute model fit. The incremental fit measures, TLI = .95 (> .9) and CFI = .96 (> 9) were indicative of how well the data fit the model.

5.6 PHASE 2: Stage 5 — Structural equation modelling (SEM)

The relationships between the independent (exogenous) and dependent (endogenous) variables which emerged from the EFA and CFA informed the development of five structural models. As mentioned in Section 4.7.2.3, SEM was

conducted to test various models concerning the interrelationships between the latent variables, using multiple regression and factor analytic techniques that evaluated the importance of each independent variable and tested the overall fit of the model (Pallant 2020). These models were further analysed to determine which model best fits the study and the structural models in which paths between constructs all proceed only from the antecedent construct to the consequences (outcome construct) (see Hair *et al*. 2010:691), and thus address H_4 and H_5. The theoretical hypothesised model has an overall good fit with the dimensions of *Tourism stokvel investment* and *Tourism stokvel social entrepreneurship* to predict the dimensions of *Tourism social transformation* as the empirically manifested model. It is important to note that, as SEM was conducted, no construct is both a cause and effect of any other single construct (Hair *et al*. 2022). Therefore, the regression weights in the 'Estimate' column in Table 5.23 can be interpreted, but the standard errors (SEs) and *p*-values should be obtained from the bootstrapping results, which are in the last three columns of Table 5.24. Bootstrapping was done with 500 samples; see Table 4.24 represents the mean regression estimate across the 500 samples. The mean results indicated that the loading of the item on the construct was significant and that it could be included in the final model.

Table 5.24: Regression weights (standardised and unstandardised)

Parameters						Unstandardised Regression Weights			Standardised Regression Weights			
		Estimate	S.E.	C.R.	*p*	Label	Bootstrap SE	Bootstrap Mean Estimate[1]	Bootstrap *p*	Estimate	Bootstrap SE	Bootstrap Mean Estimate	Bootstrap *p*
E1	<--- *Economic_Development*	1.000					.000	1.000	...	.771	.054	.766	.005
E2	<--- *Economic_Development*	.968	.092	10.522	***		.134	.984	.005	.723	.055	.722	.005
E3	<--- *Economic_Development*	1.108	.092	12.022	***		.140	1.127	.003	.834	.043	.833	.004
E4	<--- *Economic_Development*	.900	.080	11.271	***		.109	.907	.003	.799	.043	.795	.004
E5	<--- *Economic_Development*	.906	.085	10.711	***		.116	.924	.006	.746	.055	.747	.009
D4	<--- *Opportunity*	1.000					.000	1.000	...	.769	.042	.771	.007
D5	<--- *Opportunity*	.988	.100	9.882	***		.144	.998	.006	.713	.055	.710	.003
D6	<--- *Opportunity*	1.004	.090	11.213	***		.119	1.012	.005	.805	.047	.805	.005
D7	<--- *Opportunity*	.816	.086	9.478	***		.091	.813	.002	.686	.060	.683	.006
D8	<--- *Social_Capital*	1.000					.000	1.000	...	.749	.086	.742	.003

Parameters			Unstandardised Regression Weights						Standardised Regression Weights			
			Estimate	S.E.	C.R.	*p*	Label	Bootstrap SE	Bootstrap Mean Estimate[1]	Bootstrap *p*	Estimate	Bootstrap SE	Bootstrap Mean Estimate	Bootstrap *p*
D9	<---	*Social_Capital*	.945	.118	7.977	***		.165	.976	.006	.807	.062	.810	.004
E7	<---	*Improved_Living_Standard*	1.000					.000	1.000	...	.533	.066	.533	.005
E8	<---	*Improved_Living_Standard*	1.421	.184	7.710	***		.286	1.452	.003	.865	.036	.864	.006
E9	<---	*Improved_Living_Standard*	1.358	.175	7.756	***		.240	1.384	.003	.798	.041	.797	.004
E10	<---	*Improved_Living_Standard*	1.354	.186	7.297	***		.260	1.386	.006	.781	.055	.780	.006

1. Bootstrapping was done with 500 samples; this is the mean regression estimate across the 500 samples.

The 500-sample bootstrapping was done under the mean regression estimate across the 500 samples represented in Table 5.24. The bootstrap SE tends to be larger than the ML, to protect against the tendency to underestimate standard errors (i.e., bias) when testing model parameters (risk of Type I error). All regression weights are measured significantly when the items are loaded and can be included as part of the final model (see covariances in Addendum A, Table G4).

To improve the fit of the observed model, a model modification was done by removing parameters that yielded no practical meaning and added more restrictions (Schumacker & Lomax 2010). This modification was done to improve the model and was done only between error variances within the same construct, only if the ML was larger than 15. This resulted in 500 usable bootstrap samples being obtained. Again, the Bollen-Kline bootstrap method was used. This was done to see how well the chi-square estimation fit into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples.

This model presented a fit estimate CMIN/*df* = 1.78 (< 3.00) as the most parsimonious model, with RMSEA = .06 (< .8) to support an absolute model fit. The incremental fit measure through TLI = .95 (> .9) and the CFI = .96 (> .9) are indicative of how well the data supported the fit indices where X^2 = 142.33 which indicates that the data fit the distribution well following the bootstrapping. This is an indication that the data fit the model (see Appendix M).

5.6.1 Hypothesised model

Once an acceptable measurement model had been found, the hypothesised relationships among the constructs were specified in a structural model and tested to see how well the data fit the model. The results are illustrated in Figure 5.20. This hypothesised model was tested from a dataset consisting of 200 cases.

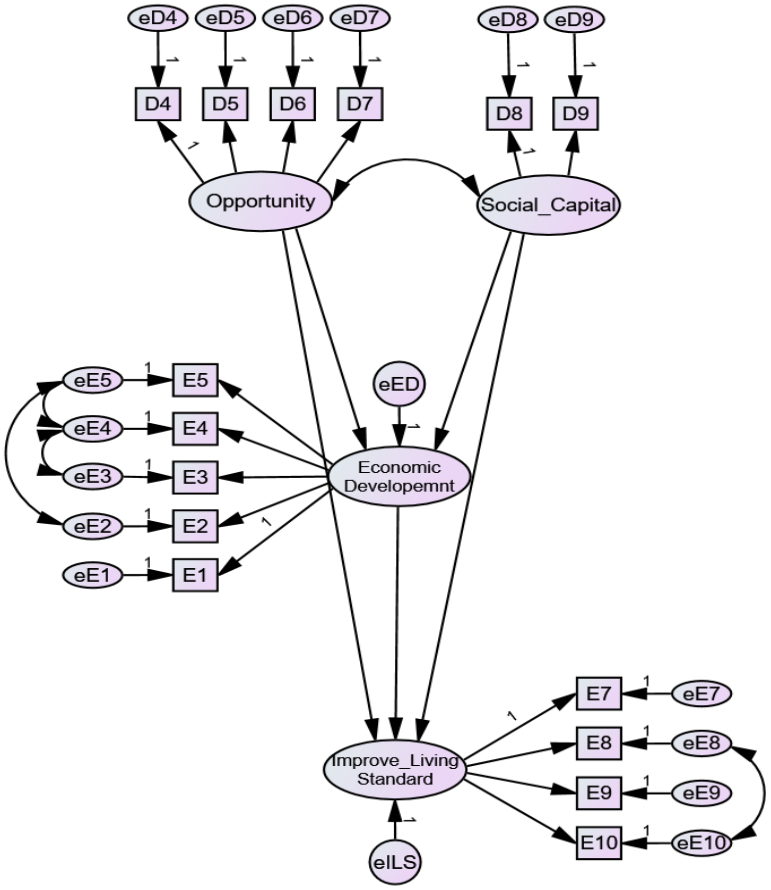


Figure 5.19: Hypothesised model for *Tourism stokvel investment*

Figure 5.20 illustrates that the correlation between *Opportunity* and *Social capital* (see Section 5.4.2.2.8) was required by Amos for conducting SEM. All estimated parameters were significant, and the Bollen-Stine bootstrapping results indicated that the data fit the model. This analysis was done to see how well the chi-square estimation fit into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples. The results indicated that the data fit the model. The Bollen-Stine bootstrapping indicated that the null hypothesis, which states that the model is correct, should not be rejected, as $p > .05$.

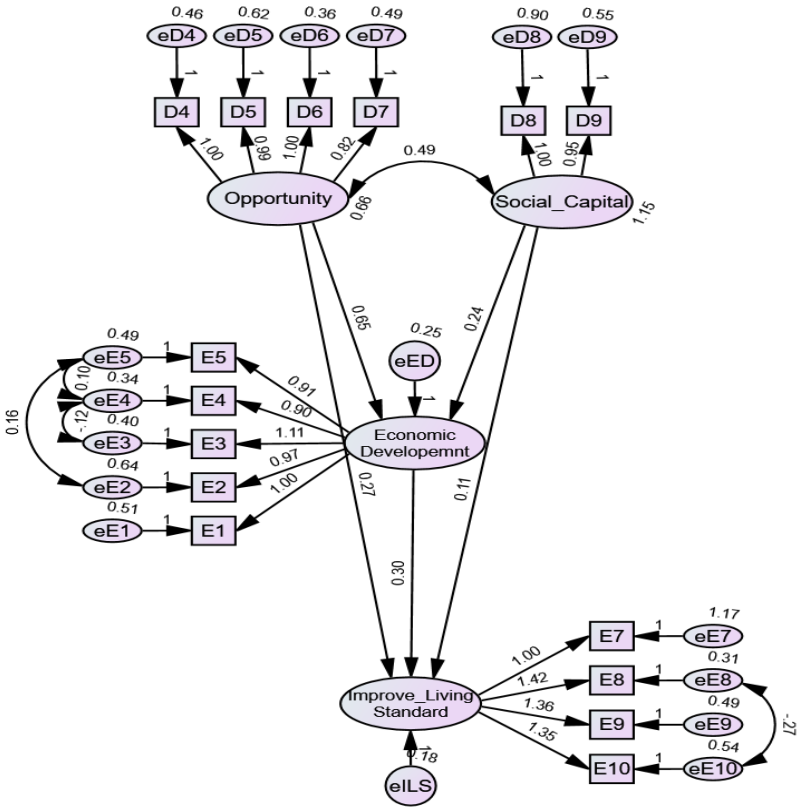


Figure 5.20: Hypothesised Bollen-Stine bootstrapping model for *Tourism stokvel investment*

This model presents a fit estimate of CMIN/*df* = 1.78 (< 3.00) as the most parsimonious model, and RMSEA = .06 (< .8) to support an absolute model fit. The incremental fit measure through TLI = .95 (> .9) and the CFI = .96 (> .9) were indicative of how well the data supported the fit indices where X^2 = 142.33 which indicates that the data fit the distribution well following bootstrapping. This was an indication that the data fit the model.

However, to guard against inflated chi-square test values and to mitigate the risk of Type I errors, the ML bootstrap results were used as a guide in respecifying the model. Bootstrapping results indicated that some parameter estimates should not be considered significant (see regression and covariances Table 5.25 and Table 5.26)

Table 5.25: Regression weights: Group 1 (default model) Model H

Parameters			Estimate	S.E.	C.R.	P	BS SE	BS Mean	BS P
Economic_Development	<---	Opportunity	.655	.098	6.661	***	.145	.642	.004
Economic_Development	<---	Social_Capital	.235	.068	3.460	***	.139	.250	.014
Improved_Living_Standard	<---	Opportunity	.271	.094	2.873	.004	.146	.265	.036
Improved_Living_Standard	<---	Social_Capital	.108	.055	1.973	.048	.135	.130	.095
Improved_Living_Standard	<---	Economic_Development	.302	.096	3.147	.002	.163	.298	.084
E1	<---	Economic_Development	1.000				.000	1.000	...
E2	<---	Economic_Development	.968	.092	10.522	***	.134	.984	.005
E3	<---	Economic_Development	1.108	.092	12.022	***	.140	1.127	.003
E4	<---	Economic_Development	.900	.080	11.271	***	.109	.907	.003
E5	<---	Economic_Development	.906	.085	10.711	***	.116	.924	.006
D4	<---	Opportunity	1.000				.000	1.000	...
D5	<---	Opportunity	.988	.100	9.882	***	.144	.998	.006
D6	<---	Opportunity	1.004	.090	11.213	***	.119	1.012	.005
D7	<---	Opportunity	.816	.086	9.478	***	.091	.813	.002
D8	<---	Social_Capital	1.000				.000	1.000	...
D9	<---	Social_Capital	.945	.118	7.977	***	.165	.976	.006
E7	<---	Improved_Living_Standard	1.000				.000	1.000	...
E8	<---	Improved_Living_Standard	1.421	.184	7.710	***	.286	1.452	.003
E9	<---	Improved_Living_Standard	1.358	.175	7.756	***	.240	1.384	.003
E10	<---	Improved_Living_Standard	1.354	.186	7.297	***	.260	1.386	.006

Table 5.26: Covariances: Group 1 (default model) Model H

Parameters			Estimate	S.E.	C.R.	P	BS SE	BS Mean	BS P
Opportunity	<-->	Social_Capital	.490	.096	5.085	***	.082	.476	.001
eE4	<-->	eE5	.098	.039	2.511	.012	.061	.099	.083
eE2	<-->	eE5	.157	.046	3.413	***	.087	.152	.016
eE8	<-->	eE10	-.266	.052	-5.082	***	.084	-.264	.002
eE3	<-->	eE4	-.123	.037	-3.370	***	.052	-.122	.005

Two options were available for exploration. One option for model trimming was deleting the direct effect of *Economic Development* on *Improved living standards* to see the effect on the model. Another option was to replace the covariance between *Opportunity* and *Social capital* with a direct effect of *Opportunity* on *Social capital*. It was decided to delete the direct effect of *Social capital* on *Improved living standards*. The covariance between *Opportunity* and *Social capital* was replaced by a direct effect of *Opportunity* on *Social capital*. The covariance between eE2 and eE5 was dropped, and the covariance between eE2 and eE4 was added, to define the respecified model to investigate the mediating role and test H_5.

5.7 MEDIATION ANALYSIS

Holland et al. (2016) note that mediation takes place when an indirect effect on one variable (usually the independent variable, X) on another (usually the dependent variable, Y) is carried or transmitted by a third variable, known as the mediator or intervening variable (M). For the current study, Figure 5.22 presents a path diagram that illustrates how the independent variable (X) influenced the dependent variable (Y) through the two mediating variables (M1 and M2).

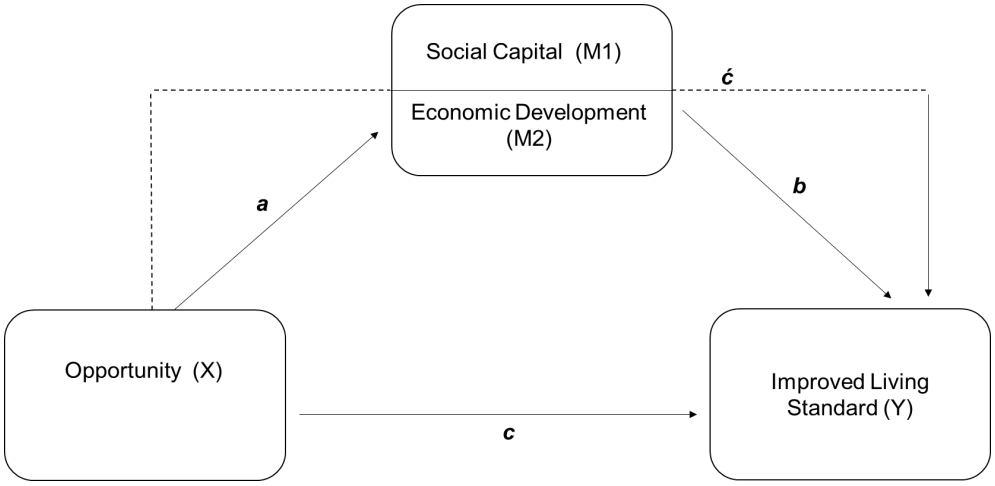


Figure 5.21: Mediation paths between latent constructs

The next step in the statistical analysis involved determining if a mediating effect existed between the latent constructs (*Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard*). The author formulated the diagram in Figure 5.22 to illustrate the mediation paths between the constructs. First, *Opportunity* was identified as the independent variable (X). It had two direct relationships, first, a direct relationship (*a*) between *Social capital* and *Economic development* exists. These factors both acted as mediation variables (M1 and M2). Second, a direct relationship (*c*) existed between *Opportunity* and *Improved living standard* (dependent variable, Y). However, the data reflected that, as mediators, both *Social capital* and *Economic development* had a direct relationship (*b*) with *Improved living standards* as well. It is important to note that the model depicted in Figure 5.22 introduces the mediating effect and consists of two causal paths between the three variables (X, Y and M) (Wu & Zumbo 2008), indicated by path *ć*. This simple mediation model illustrates that the partial direct effect of the independent variable (X) on the dependent variable (Y) is quantified as path *c*, and the two mediating variables (M1 and M2) play a dual role in the causal relationship and acts as an independent variable for X in path *a*, but as a dependant variable for Y in path *b* (Hayes 2009). Therefore, to improve the fit of the observed model, model modification was done by removing parameters that yielded no practical meaning and added restrictions (Schumacker & Lomax 2010). This modification was done to improve the model and was done only between error variances within the same construct to develop the final mediated model, shown in Figure 5.23.

5.7.1 Final redefined model (mediated model)

To confirm the mediating effect between the different paths as indicated in the above simple mediation analysis (see Figure 5.22), Process V3.0 was employed to test if a direct effect existed between *Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard*. An SEM analysis was undertaken on these four latent variables to further refine the model fit and present a final model for the study. SEM also revealed that *Opportunity* was the main predictor of *Improved living standards*, because *Opportunity* directly ensured *Social capital* (*c*) or indirectly, through mediation by *Social capital* and *Economic development* (*b*).

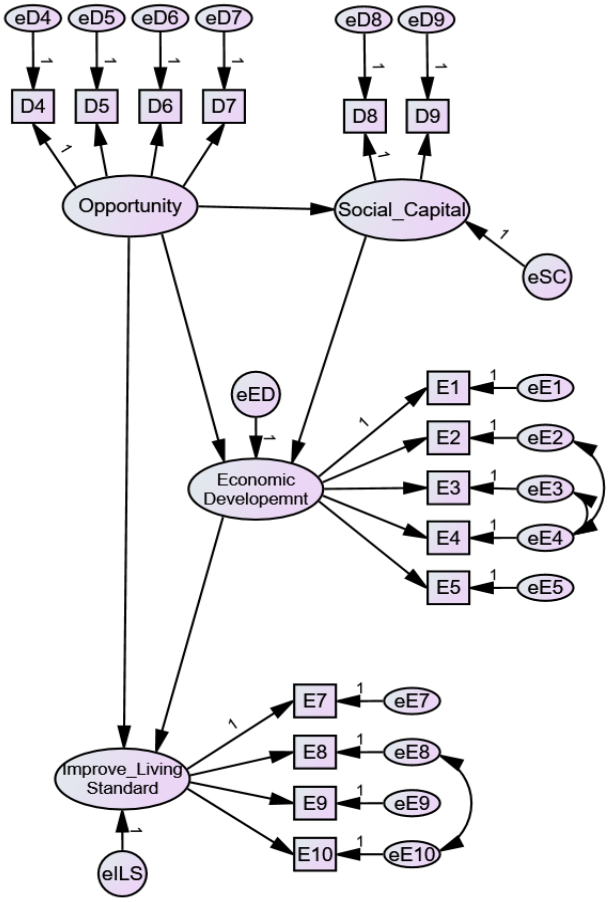


Figure 5.22: Redefined model / Mediated model fit

Figure 5.23 reflects the chi-square tests conducted on the overall fit of the model to the data. The null hypothesis being tested was that the model fits the data. For a good

result, a non-significant ($p > .05$) chi-square value is preferred, so that the null hypothesis does not have to be rejected. In this case, the null hypothesis had to be rejected because the *p*-value was less than .05. This meant that, based on this absolute model fit, the model was not acceptable. However, since the chi-square test is sensitive to sample size (the larger the sample, the smaller the *p*-value), one can look at other descriptive fit statistics to assess whether the data fit the model adequately. The study, therefore, made use of ML bootstrapping to determine a further descriptive fit for the model.

5.7.2 ML bootstrap (default/baseline model)

Bootstrapping was the preferred technique for this study, as it does not make any assumptions about the shape of the sampling distribution of the mediating effect (Hayes 2018), and is regarded as the most readily available for use in statistical analysis and SEM software such as SPSS and Amos (Hayes & Rockwood 2017). Therefore, the nonparametric estimation percentile method was used by repeating sampling 500 times to determine how well the chi-square estimation fit into the bootstrap distribution of the chi-square values (see Hayes 2018). Figure 5.24 illustrates the result of this bootstrapping, and indicates that the data fit the model. Thus, the model fit better in 326 of the 500 bootstrap samples. However, fit about equally well in 0 bootstrap samples, and failed to fit in the rest of the 174 bootstrap samples. Testing of the null hypothesis confirmed that the model was correct. The ML bootstrap resulted in $p = .349$, which indicated that the null hypothesis, which stated that the model is correct, should not be rejected, as $p > .05$.

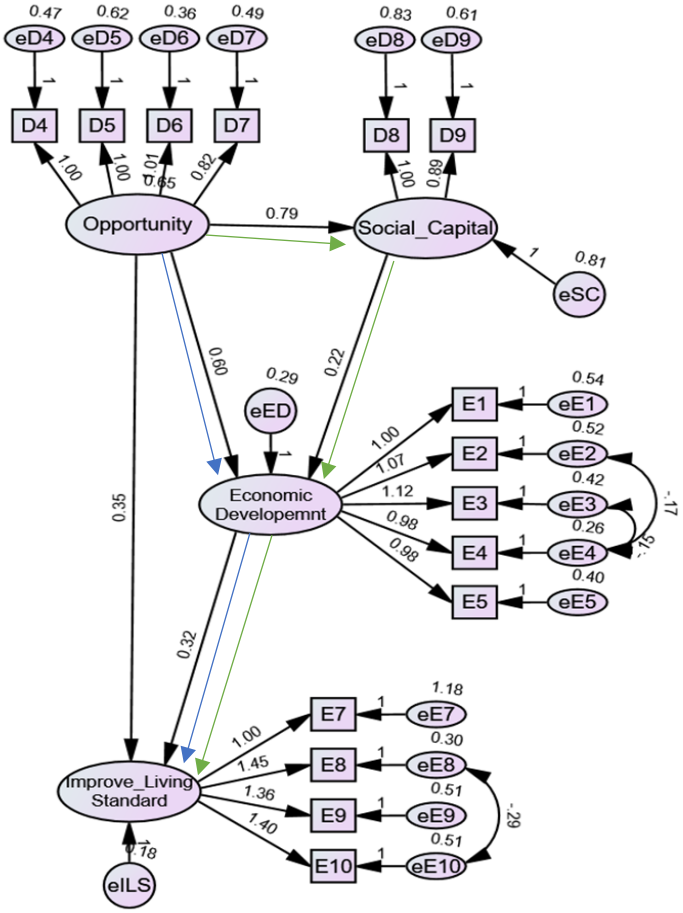


Figure 5.23: ML bootstrap on default/baseline model

After performing SEM on *Opportunity*, *Social capital*, *Economic development*, and *Improved living standard* as latent constructs, the ML bootstrap model presented a fit estimate of CMIN/*df* = 1.75 (< 3.00) as the most parsimonious model, and an RMSEA = .06 (< .8) to support an absolute model fit. The incremental fit measure through TLI = .95 (> .9) and the CFI = .96 (> .9) were indicative of how well the data supported the fit indices, where X^2 = 143.28 which indicates that the data fit the distribution well following bootstrapping. However, to guard against inflated chi-square test values and mitigate the risk of Type I errors, the ML bootstrap results were used as a guide in respecifying the model to develop a final model. The bootstrapping results indicated that all parameter estimates could be considered significant (refer to

Table 5.27). These results indicated no further model trimming was necessary, as all estimated regression weights and covariances were significant.

Table 5.27: Regression weights: Group 1 (default model)

Parameters			Estimate	S.E.	C.R.	*p*	BS SE	BS Mean	BS *p*
Social_Capital	<---	Opportunity	.791	.130	6.102	***	.153	.787	.002
Economic_Development	<---	Opportunity	.599	.097	6.199	***	.166	.587	.008
Economic_Development	<---	Social_Capital	.225	.066	3.418	***	.144	.239	.035
Improved_Living_Standard	<---	Opportunity	.349	.090	3.878	***	.143	.359	.006
Improved_Living_Standard	<---	Economic_Development	.319	.081	3.921	***	.129	.316	.027
E1	<---	Economic_Development	1.000				.000	1.000	...
E2	<---	Economic_Development	1.071	.095	11.273	***	.144	1.085	.004
E3	<---	Economic_Develo pemnt	1.116	.094	11.916	***	.130	1.132	.003
E4	<---	Economic_Develo pemnt	.975	.081	12.047	***	.118	.984	.004
E5	<---	Economic_Develo pemnt	.983	.082	11.941	***	.109	1.001	.007
D4	<---	Opportunity	1.000				.000	1.000	...
D5	<---	Opportunity	.996	.101	9.835	***	.146	1.007	.006
D6	<---	Opportunity	1.012	.091	11.131	***	.119	1.021	.005
D7	<---	Opportunity	.820	.087	9.414	***	.091	.818	.003
D8	<---	Social_Capital	1.000				.000	1.000	...
D9	<---	Social_Capital	.892	.114	7.793	***	.156	.918	.005

Parameters			Estimate	S.E.	C.R.	*p*	BS SE	BS Mean	BS *p*
E7	<---	Improved_Living_ Standard	1.000				.000	1.000	...
E8	<---	Improved_Living_ Standard	1.454	.191	7.602	***	.290	1.485	.004
E9	<---	Improved_Living_ Standard	1.361	.178	7.656	***	.242	1.388	.003
E10	<---	Improved_Living_ Standard	1.403	.193	7.255	***	.264	1.436	.007

Multiple regression analysis is used to assess the relationship between a single dependent (endogenous) variable and several independent (exogenous) variables, while mediation analysis is used to investigate whether one (or more than one) variable transmits the effects of a predictor variable on an outcome variable (Hair *et al*. 2022). The results of the mediation analysis controlling for *Opportunity*, *Social Capital*, *Economic Development*, and *Improved Living Standard* indicated that two mediation models existed. The first mediation existed between *Opportunity*, *Social capital* (.79), *Economic Development* (.22), and *Improved living standard* (.22). The second mediation was found between *Opportunity*, *Economic Development* (.60), and *Improved living standard* (.35).

5.7.3 Direct and indirect effects

Several relationships among the latent variables were specified in the model depicted in Figure 5.24. A request for a list of standardised and unstandardised indirect, direct, and total effects results was launched, and bootstrapping was also employed, to obtain the significance levels of the direct, indirect, and total effects for the latent variables that were considered to have a causal relationship with *Improved living standard*. These effects were investigated in the final mediated model for the study (Hayes 2018).

5.7.4 Individual indirect effects in the model

Three individual indirect effects of causal variables on *Improved living standards* were obtained (a, b, and c).

(a) Variables along the path of an indirect effect of one variable on another are often referred to as mediating the effect. For example, *Economic development* mediated the effect of both *Opportunity* and *Social capital* on *Improved living standards*. The same variable can have more than one indirect effect on another variable (Hayes 2018).

(b) *Opportunity* had two different indirect effects on *Improved living standards*. To calculate the total indirect effect of a causal construct, the individual indirect effects for that construct are summed. The results in Table 5.28 shows the calculation of the product of coefficients estimation approach to sum the indirect effects of *Opportunity* and *Social capital* (Hayes 2018).

(c) There was a fourth indirect effect in the model, the *Opportunity* to *Social capital* to *Economic development*, but was ignored as the focus was on the effects of *Improved living standards* (Hayes 2018).

Table 5.28: Coefficient estimation

Effect Path	Effect Calculation	Effect Size (*p*)	Standardised Effect Size (*p*)
Opportunity to *Social capital* to *Economic development* to *Improved living Standard*	.79*.225*.319 + .599*.319	.057 + .191 = .248 (.021)	.299 (.023)
Opportunity to *Economic development* to *Improved living standard*			
Social capital to *Economic development* to *Improved living standard*	.225*.319	.072 (.037)	.118 (.052)

Note: Product of coefficients estimation approach was used

Table 5.28 indicates what is stated above regarding the product of the coefficient estimation approach used to determine the paths in the model and how these paths were met through estimating regression coefficients for the three models (Hayes & Rockwood 2017). The paths are indicated as follows.

(a) *Opportunity* to *Social capital* (.79) to *Economic development* (.22) to *Improved living standard* (.31), with an effect size of .05 and a standardised effect size of .29;

(b) *Opportunity* to *Economic development* (.35) to *Improved living standard* (.32); and

(c) *Social capital* (.22) to *Improved living standard* (.31), with a standardised effect size of .11.

All unstandardised indirect effects were significant. However, the standardised indirect effect of *Social capital* on *Improved living standards* was marginally non-significant, as it indicated a CI lower bound = .00. All the indirect effects indicated positive relationships.

The following table summarises the total effects, direct effects, and indirect effects (unstandardised and standardised) of the causal variables on *Improved living standards*. These effects can also be found in the model diagrams below and the Amos output listed further down in the document.

Table 5.29: Effects of causal variables on *Improved living standard*

The listed significance of effect values in Table 5.29 are bootstrap-adjusted.

Variables	Total Effects (*p*)	Standardized Total Effects (*p*)	Direct Effects (*p*)	Standardized Direct Effects (*p*)	Indirect Effects (*p*)	Standardized Indirect Effects (*p*)
Opportunity	0.59 (.004)	0.719 (.005)	0.34 (.006)	0.421 (.005)	0.248 (.021)	0.299 (.023)
Social capital	.072 (.037)	0.118 (.052)	0	0	0.072 (.037)	0.118 (.052)
Economic development	0.319 (.027)	0.404 (.034)	0.319 (.027)	0.404 (.034)	0	0

The results suggested that *Opportunity*, *Social capital*, and *Economic Development* were significant for construct violation, and the different relationships shown in Table 5.29 were as follows.

- The total effect for *Opportunity* resulted in a bootstrap result with a correlation coefficient of .59, and had a direct effect on other variables of .34. The result of the indirect effect of *Opportunity* with are other variables was .28.
- *Social capital* recorded a total effect of .07, with no direct effect on any other variable, resulting in $p = 0$. However, its indirect effect was recorded at .07.
- *Economic development* recorded a total effect of .31 and a direct effect of .31; however, it had no indirect effects on any of the other variables.
- All unstandardised total effects on *Improved living standards* were significant, one at the .01 level of significance, and the others were significant at the $p = .05$ level of significance.
- Concerning the standardised total effects, *Opportunity* (.719; $p < .01$) had the largest total effect on *Improved living standards*, followed by *Economic development* (.404; $p < .05$), and then *Social capital* (.118; $p > .05$).
- Both the direct and total effects of *Opportunity* were significant, as indicated in Table 5.28.
- In the case of *Opportunity*, mediation of its effect on *Improved living standards* could be considered. The total effect was larger than the direct effect only, implying that both *Social capital* and *Economic development* mediated its effect on *Improved living standards* (sequential mediation).
- *Economic development* on its own was also a mediating variable for *Opportunity*.

Therefore, in the case of *Social capital*, it could be considered complete mediation, since there was no direct effect of *Social capital* on *Improved living standards*, only via *Economic development*. The above results in Table 5.28 and the mediation shown in Figures 5.22 and 5.23 indicate that the model for the current study was therefore a multiple mediation model consisting of two mediation variables: *Social capital* and *Economic development*.

After running SEM on the identified four latent variables (*Opportunity*, *Social capital*, *Economic development*, and *Improved living standard*), this model presented a fit estimate of CMIN/df = 1.75 (< 3.00) as the most parsimonious model, and RMSEA = .06 (< .8) to support an absolute model fit. The incremental fit measure TLI = .95 (> .9) and the CFI = .96 (> .9) indicated how well the data supported the fit indices (see Appendix N).

5.8 SYNTHESIS

The current chapter discussed the two-phased research analysis that was followed, together with the results. The discussion of Phase 1 of the statical analysis included the results of the screening questions, which included whether respondents were members of a stokvel and whether they would be interested in being a member, as well as distribution according to gender, age, stokvel category, province, and the amount of money they would be willing to invest. This was followed by the results of the univariate analysis of the constructs of *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*.

Thereafter, the results of analysis conducted in Phase 2 were reported, which included EFA and CFA, followed by SEM. EFA was conducted to assess *Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation* as constructs by employing Pearson's product-moment correlation and Spearman's rho correlation matrix, total variance, scree plotting, and tests for normality. CFA was conducted using all the factors (*Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard*) extracted from the EFA, using ML estimation to demonstrate multivariate normality and violations to test the results against the hypotheses (H_1 to H_4). Lastly, SEM was conducted on *Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard* to specify the new latent variables as extracted from the initial EFA, to determine the model fit based on the direct and indirect effects when conducting mediation analysis. Thus, from the results, the following confirmations can be observed. The results supported H_1 to H_4. The results are discussed in Chapter 6.

CHAPTER 6

DISCUSSION AND INTERPRETATION OF RESULTS

6.1 INTRODUCTION

The current chapter provides a detailed discussion and interpretation of the results presented in Chapter 5, with specific references to the study's hypotheses and ROs. First, the ROs are stated, followed by an overview of the literature discussed in Chapters 2 and 3. Thereafter, the empirical results are discussed in relation to the hypothesis. The final model is then presented and named the **Tourism Stokvel Model for Social Entrepreneurship and Transformation**.

First, an overview of the study is presented.

6.2 REVIEW OF THE STUDY

The study sought to investigate whether tourism stokvel investment could enable tourism social entrepreneurship in order to achieve tourism social transformation (TSI + TSE = TST). Figure 1.1 introduced the proposed theoretical framework of the relationships. The constructs presented in this theoretical framework, the dimensions of the constructs, as well as the relationships between the constructs, were discussed in detail in Chapters 2 and 3 and informed the literature review. The ROs of the study, of which RO1 to RO3 were theoretical and RO4 and RO5 were empirical. The statistical relationships between the constructs resulted in the final mediation model, depicted in Figure 5.22.

6.3 FINDINGS FROM THE LITERATURE REVIEW (RO1 – RO3)

The literature review was divided into Chapters 2 and 3, which comprised of an in-depth discussion of the constructs and their dimensions based on significant findings from previous research. The literature review therefore achieved RO1 related to *Tourism stokvel investment*, RO2 related to *Tourism social entrepreneurship*, and TRO3 related to *Tourism social transformation*, i.e., that these constructs are indeed valid and can be reliably and validly measured.

RO4 and RO5 were aimed at statistically measuring the relationships between the constructs and their dimensions to formulate a prediction model of tourism social transformation in South Africa.

The following section discusses the findings of the RO4 and RO5.

6.4 EMPIRICAL RESULTS (EO AND EO5)

The results for the EOs are discussed according to the two-phased statistical analysis process indicated in Figure 5.1. Phase 1 was univariate analysis of the data obtained through the screening-, demographic, and market segmentation data, as well as univariate item analysis for the constructs. Phase 2 entailed multivariate analysis of the constructs (*Tourism stokvel investment*, *Tourism social entrepreneurship*, and *Tourism social transformation*), using EFA, CFA, and SEM. Phase 3 entailed mediation analysis to determine the final best-fit model for the study. A discussion of the univariate results is presented first.

6.4.1 Phase 1: Univariate analysis

The screening questions provided a profile of the respondents and insight into their appetite for investing in different stokvel models, specifically the model under investigation.

6.4.1.1 Stage 1: Frequencies for screening questions

From the results depicted in Figure 5.2, it is clear that most respondents belonged to a traditional stokvel. All respondents indicated an interest in joining a tourism-based stokvel or investment. These results support the data published by NASASA (2016), which indicates that the traditional saving scheme is still the preferred stokvel type. Furthermore, all 202 respondents indicated an interest in joining a stokvel that invests in tourism businesses. The world of stokvels is continually growing and evolving in South Africa, with stokvels becoming increasingly popular (Lengolo 2019), a view that is supported by the present study's results, specifically the item descriptive results reported in Sections 5.3.1.1 and 5.3.1.2.

6.4.1.2 Stage 1: Frequencies for demographic details

To investigate the demographic details, market segmentation was investigated according to gender, age, category of stokvel or investment group, province of origin, the amount contributed monthly to a stokvel, willingness to invest in a tourism stokvel, and preferred province for tourism stokvel investment. The results revealed that women have the largest representation in stokvels groups (Figure 5.3), which concurs with the views of NASASA (2016), Lengolo (2019), Calvin and Coetzee (2010), and Klug *et al*. (2014).

The age representation indicated that stokvels are most popular amongst Gen Y (born between 1980 and 1994, and thus aged 42 and 28), as shown in Figure 5.4. This result is in line with reporting by African Response (2012) that stokvel members predominately fall between the ages 25 and 49. Saving clubs represented the largest number of respondents (see Figure 5.5), which is aligned with literature in this regard (African Response 2012, Lengolo 2019; Calvin & Coetzee 2010; Klug *et al*. 2014).

Figure 5.6 illustrated that the Gauteng province represented the highest number of stokvel members, followed by the Free State and Limpopo. Limpopo also received the highest interest concerning the province of choice for investing in a tourism stokvel. These results support the literature. Africa Response (2012) also identified Gauteng as a popular province but indicated Mpumalanga and North West as amongst the top four provinces with regard to stokvel membership. Further, Lengolo (2019) notes that stokvel usually originates in townships and rural areas, of which there are many in Gauteng, Limpopo, and KwaZulu-Natal, with the least in the Western Cape (Lengolo 2019). The results on the preferred area to invest in a tourism-based stokvel again leaned towards Gauteng province; however, the top five provinces in this regard included Free State, Mpumalanga, and North West (see Figure 5.9). Therefore, these provinces could be earmarked for stokvel investment in tourism businesses. Most respondents indicated being willing to invest between R501 to R1 000 (see Figure 5.7). This demographic profile provides insights into the characteristics of stokvel members.

6.4.2 Stage 2: Item descriptive statistics for the constructs

Skewness and kurtosis were the two indices employed to assist with the distribution of the scores on the variables. Distribution is normal distribution if the mean, modes, and medians are identical (Van Pool & Leonard 2011). Each variable was scored according to the subjective views of respondents in a dataset of 202 responses. All three constructs deviation from normality; all were negatively skewed (refer to Figure 5.11 for the *Investment* variable, Figure 5.13 for the *Opportunity* variable, Figure 5.14 for the *Social capital* variable, Figure 5.16 for the *Economic development* variable, and Figure 5. 17 for the *Improved living standard* variable).

6.4.3 Phase 2: Multivariate analysis discussion

This section gives a summary of the results obtained from the EFA, CFA, Cronbach's alpha, Kolmogorov-Smirnov test, and SEM for each hypothesis.

6.4.3.1 Stage 3: H_1

H_1: The construct *Tourism stokvel investment* consists of three dimensions, namely *Trust*, *Social development*, and *Financial security*, which can be reliably and validly measured (RO1).

Traditional literature on stokvels does not specify the underlying dimensions of tourism stokvel investment as a unique construct in tourism- and investment studies. However, previous studies (Dwyer 2018; Rogerson & Rogerson 2017; UNWTO 2020; Butler 2017; Marais, Du Plessis & Saayman 2017; Ei & Karamanis 2017; Khan 2017; Rogerson 2017; Ngcobo & Chisasa 2018a; Rambe 2017; Lengolo 2019; Hutchison 2020a; Lappeman, Litkie, Bramdaw & Quibell 2020) identified strategic and innovative approaches to investment planning as a requirement for sustainable tourism development (Bai *et al*. 2014), a view that was adopted in the present study. RO1 was to explore the construct of *Tourism stokvel investment*, i.e., whether a tourism stokvel could be applied as an alternative form of investment in tourism, via three dimensions. The scale in the survey was based on previous research to test the reliability of the items during the questionnaire development stage. The literature indicated the following:

- *Trust* was used in a quantitative study by Yoon and Moon (2019). Using PCA and Cronbach's coefficient, *Trust* had a coefficient value higher than .70, implying a high level of internal consistency (Hair *et al*. 2018). Reliability scales on the trust item measured greater than .7 (.86), with a total correlation of .55, which was greater than the .50 found in the study by Ha *et al*. (2019).
- In measuring *Social development*, Bijker (2010) used units of analysis with associated key concepts, employing constructivist analysis, which offered a theoretical perspective, while Wang and Xu (2011) used reliable data from listed companies to investigate how government intervention affects investment decisions to bring about social development.
- Ahmad and Sabri (2014) released a summary of ten previous studies related to *Financial security* in various fields.

The data consulted reflected satisfactory consistency of the items of dimensions in the current study. This, together with gaps identified in the literature review, informed the development of the 10 items of the Tourism Stokvel Investment Scale. The *Trust* and *Social development* dimensions had three items, and the *Financial security* dimension had four items.

To reduce the dimensionality of data, PCA was used to examine patterns of correlations amongst the questions to determine perceptions towards committing to a stokvel aimed a tourism investment. The factorability of this correlation matrix was investigated using Pearson's product-moment correlation coefficient. Both coefficients were .3 or above, and the KMO value was .69 or above. Thus, Bartlett's test of sphericity reached a statistical significance of $p < .001$, and the correlation matrix was deemed factorable. Thus, the 10 items were subjected to PCA. Six of the items (C1, C2, C3, C4, C6, and C7) loaded on three different constructs, resulting in these items being excluded from further analysis, as the Cronbach alphas were below the acceptable level of .60. Therefore, the results of the present study do not support the findings of previous studies in this regard, which a unique contribution to the investigation of stokvel investment in a tourism context. The remaining four items (C5, C8, C9, and C10) resulted in a one-factor solution, with items demonstrating strong loadings on the factor and acceptable internal consistency, with a Cronbach alpha coefficient of .60, which met the minimum required standard (Pallant 2020). The factor

was named *Tourism stokvel investment* (refer to Tables 5.1, 5.2, 5.3, and 5.4 in Chapter 5). When CFA was further employed to measure the dimensions, this demonstrated an acceptable level of convergence, which was significant at $p < .01$. Previous research does not contain any findings on such items in relation to the context of tourism; therefore, the present study makes a unique contribution to the body of knowledge through the methodological contribution of the construct *Tourism stokvel investment*, which, as a newly formulated construct, had never before been measured. The results support H_1; thus, RO1 was achieved.

6.4.3.2 Stage 3: H_2

H_2: The construct of *Tourism social entrepreneurship* consists of three dimensions, namely *Innovation*, *Opportunity*, and *Social capital*, which can be reliably and validly measured (RO2).

Although the current concept of entrepreneurship has evolved and is explained in a much wider socio-economic approach (Bikse *et al*. 2015), there are no specific studies that report on this construct and its dimensions. Most previous research focused on social entrepreneurship as an avenue to develop and create social value and transformation (Altinay, Sigala & Waligo 2016) and the social dimension of stokvels to create social capital (Altinay *et al*. 2016; Lengolo 2019). Thus, RO2 was to explore the construct of *Tourism social entrepreneurship* and how it can be developed through tourism stokvel investment as a funding model by determining if a relationship between the three dimensions can be reliable. The items for this scale were developed based on the following:

- Sample research on *Innovation* was focused more on technology and yielded high-reliability scores (.52) in research on universities and research intuitions when measured using correlation coefficients (Mohapeloa 2017; Lengolo 2019; Lukhele 2018).
- Qualitative studies by Fairlie and Fosses (2018) measured a high on new *opportunities* for entrepreneurs.
- *Social capital* studies focused more on analysing strategies through purposive selection, where *Social capital* was applied as a qualitative framework (Sato 2013; Soulard *et al*. 2018).

In the present study, the test for reliability of the items for *Innovation*, *Opportunity*, and *Social capital* yielded Cronbach alpha coefficients greater than .60, as recommended by Pallant (2020). Thus, all nine items (three per dimension) were retained.

Patterns of correlations among the questions were used to determine perceptions regarding *Innovation*. The dimensionality of the data was reduced by conducting PCA on the nine items. The KMO value was .805, well above the recommended minimum value of .6 (Kaiser 1970, 1974), and Bartlett's test of sphericity (Bartlett 1954) reached statistical significance, $p < .001$. Thus, the correlation matrix was deemed factorable. From the PCA, three items (D1, D2, and D3) were excluded, as they did not contribute to the solution, and the amount of variation explained by the solution increased considerably without them. The six items (D4, D5, D6, D7, D8, and D9) that were retained from the PCA based on the common variables (Pallant 2020) all indicated values greater than .3 during factor recovery, and resulted in a two-factor solution, and therefore subjected to further analysis for dimension reduction. Therefore, from the 9 items initially subjected to analysis only 6 items were retained. Table 5.9 indicates how all six items (D4, D5, D6, D7, D8, and D9) loaded on the 2 factors. The dimensions illustrated good internal consistency, as all yielded Cronbach alpha coefficients of .7 or greater during reliability testing. These factors thus loaded as subscales, and were renamed as new latent variables, namely *Opportunity* (consisting of Items D4, D5, and D6) and *Social capital* (consisting of Items D7, D8, and D9). Therefore, H_2 was supported and RO2 was achieved.

All items in *Opportunity* as an attractive situation in which new tourism products and services can be designed for the development of the tourism sector were retained. The results of the present study are consistent with those of previous studies related to *Opportunity* (Henriksen 2013; Fairlie & Fossen 2018) and make a unique contribution with regard to tourism social entrepreneurship.

All items in *Social capital* were related to generating a profit and contributing to income growth, in alignment with previous studies (Sato 2013; Soulard, Knollenberg, Boley, Perdue & McGehee 2018). Thus, social capital could inform tourism social entrepreneurship, which is a unique contribution to the body of knowledge in this domain, as *Tourism social entrepreneurship* is a newly formulated construct that has never before been measured.

6.4.3.3 Stage 3: H_3

H_3: The construct of *Tourism social transformation* consists of four dimensions, namely *Economic development*, *Job creation*, *Improved living standard*, and *Empowerment*, which can be reliably and validly measured (RO3).

South Africa's political past provides a backdrop to the country continuing to seek more broad-based means to effect transformation (DoT 2017). Reviewed studies on South Africa's current economic climate and the COVID-19 pandemic have indicated the country's growing challenges concerning inequality (UNWTO 2021). The previously disadvantaged still feel disempowered, dispossessed, and frustrated by the stalling progress towards transformation (Ndhlovu 2019). Most research on tourism social transformation involves the participation and well-being of the local community, directly or indirectly (Moscardo *et al*. 2017; Higgins-Desbiolles 2004; Sebele 2010; Altinay, Sigala & Waligo 2016), and the creation of jobs (Koopmans *et al*. 2014), with several researchers noting that transformation and empowerment go hand in hand (DoT 2017; Verhoef 2001; Onwuka *et al*. 2016; Kawaguchi *et al*. 2014), especially in South Africa (DoT 2017). The review of the literature resulted in the formulation of the dimensions of *Economic Development*, *Job creation*, *Improved living standards*, and *Empowerment* in the current study.

Patterns of correlations among the questions to determine perceptions towards committing to a stokvel aimed at tourism as an enabler of social transformation were determined using PCA. Pearson's product-moment correlation coefficient contained some coefficients of .3 and above. The KMO value was .853, well above the recommended minimum value of .6 (Kaiser 1970, 1974), and Bartlett's test of sphericity (Bartlett 1954) reached statistical significance, $p < .001$. Thus, the correlation matrix was deemed factorable. From the 13 items initially subjected to analysis, four (E6, E11, E12, and E13) were excluded from the solution, due to these not contributing to the solution. One had low communality and three were excluded because the amount of variation explained by the solution increased without them. Nine items (E1, E2, E3, E4, E5, E7, E8, E9, and E10) were extracted and retained from the PCA, based on the common variables (Pallant 2020); all nine indicated values greater than .3 during factor recovery, and resulted in a two-factor solution, and were therefore subjected to further analysis for dimension reduction. Table 5.16 indicates

that all loaded dimensions illustrated good internal consistency, as all Cronbach alpha coefficients were greater than .6. Two factors (*Economic Development* and *Improved living standard*) resulted in Cronbach alpha coefficients of .8 or greater during the reliability testing. Thus, these factors loaded as subscales, which led to the naming of two latent variables: *Economic development* (consisting of Items E1, E2, E3, E4, and E5) and *Improved living standard* (consisting of Items E7, E8, E9, and E10). H_3 was thus supported and RO3 was achieved.

Stokvels and tourism play an important role in empowerment and social transformation through income generation and economic independence, which results in economic growth. The results of this study are consistent with the literature (Lengolo 2019; Calvin & Coetzee 2010; Moloi 2011; Ngcobo & Chisasa 2018a:3; Bophela & Khumalo 2019) and make a unique contribution to the existing body of knowledge. Tourism's role in the creation of social value through the development of tourism enterprises (Altinay *et al*. 2016) in an economy is critical for development.

6.4.3.4 Stage 4: H_4

H4: The theoretical hypothesised model has an overall good fit with the dimensions of Tourism stokvel investment and the dimensions of Tourism stokvel social entrepreneurship to predict the dimensions of Tourism social transformation in an empirical model (RO4).

Stokvels, tourism, and social entrepreneurship create social capital, which, in turn, drives the success of social transformation (Lengolo 2019; Altiney *et al.* 2016). CFA was employed to verify the structure of the loaded factors and determine if there was a relationship between the observed variables and latent constructs obtained from the EFA (see Suhr 2006). SEM was aimed at comparing the squared correlation between a pair of constructs against the AVE for each of the two constructs (see Shiu, Pervan, Bova & Beatty 2010). CMIN/*df*, CFI, RMSEA, and the TLI were utilised (see Hair *et al*. 2022; Shui *et al*. 2010) to determine if the construct variables matched. CFA was conducted on all the items extracted from the new latent variables, namely *Opportunity* (consisting of Items D4, D5, D6, and D7), *Social capital* (consisting of Items D8 and D9), *Economic development* (consisting of Items E1, E2, E3, E4, and E5), and *Improved living standard* (consisting of Items E7, E8, E9, and E10) (*n* = 202). The CFA thus analysed the relationship between these constructs to determine the best-fit

model. This resulted in the emergence of independent (exogenous) and dependent variables and informed the formulation of five structural models (see Figures 5.18, 5.19, 5.20, 5.21, and 5.23). First, a baseline model (Figure 5.18) was developed from the results of the EFA, which extracted the following items:

- *Tourism stokvel investment*: C5, C8, C9, and C10;
- *Tourism social entrepreneurship*, with *Opportunity* consisting of Items D4, D5, and D6 and *Social capital* consisting of Items D7, D8, and D9; and
- *Tourism social transformation*, with *Economic development* consisting of Items E1, E2, E3, E4, and E5 and *Improved living standard* consisting of Items E7, E8, E9, and E10.

This baseline model had no amendments and consisted of a total of 34 variables, of which 15 were observed variables and 19 were unobserved, i.e. 15 endogenous variables (E1, E2, E3, E4, E5, D4, D5, D6, D7, D8, D9, E7, E8, E9, and E10) and 19 exogenous variables (*Economic development*: eE1, eE2, eE3, eE4, eE5; *Opportunity*: eD4, eD5, eD6, and eD7; *Social capital*: eD8 and eD9; *Improved living standard*: eE7, eE8, eE9, and eE10). These results (see Table 5.23) indicated that the multivariate normality was still problematic, and no other observations stood out as multivariate outliers presented a consequence of multivariate normality which presented a problematic model after the CFA results. Thus, ML bootstrapping was applied to compensate for the drawbacks of multivariate non-normality by generating more reasonable standard errors (ML bootstrapping and bias-corrected confidence intervals). The results from bootstrapping informed the development of Model 2 (see Figure 5. 19). The model fit was better in 341 bootstrap samples, and fit about equally well in 0 bootstrap samples, with worse or failed fit in 159 bootstrap samples. Figure 5.19 was thus to conduct SEM. The fit estimate results indicated that CMIN/*df* = 1.78 (< 3.00) was the most parsimonious model, and RMSEA = .06 (< .8) supported an absolute model fit. The incremental fit measures TLI = .95 (> .9) and CFI = .96 (> 9) indicated how well the data fit the model, as detailed in Section 5.6.2. Therefore, the null hypothesis, which stated that the model was correct, could not be rejected, since $p > .05$. The model was thus first analysed through SEM to determine which model would best fit the study and which paths between constructs all proceeded only from the antecedent construct to the consequences (outcome construct) (see Hair *et al*.

2010:691). H_4 was thus supported, as the theoretical hypothesised model had an overall good fit with the dimensions of *Tourism stokvel investment* and its dimensions. Thus, RO4 was achieved.

6.4.3.5 Stage 5: H_5

H_5: Dimensions of *Tourism stokvel social entrepreneurship* significantly mediate the relationship between the dimensions of *Tourism stokvel investment* and the dimensions of *Tourism social transformation* (RO5).

To improve the fit of the observed models, model modification was done by removing parameters that yielded no practical meaning and added to more restrictions (see Schumacker & Lomax 2010). A total of 500 samples was used for bootstrapping, and a mean regression estimate was obtained across all 500 samples (refer to Table 5.24). The bootstrap SE was larger than the ML, to protect against the tendency to underestimate standard errors (i.e., bias) when testing model parameters (risk of Type I error) and improve the fit of the observed model. The model modification was done by removing parameters that yielded no practical meaning and added more restrictions (see Schumacker & Lomax 2010). This modification was done only between error variances within the same construct, and only if the ML was larger than 15. This yielded 500 usable bootstrap samples. This was done to see how well the chi-square estimation fit into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples, and once an acceptable measurement model was found, the hypothesised relationships among the constructs were specified in a structural model (see Figure 5.20: Hypothesised Model for Tourism Stokvel Investment). This model was again tested to see how well the data fit the model. The results depicted in Figure 5.20 illustrated that all estimated parameters were significant, that the data fit the model, and that the null hypothesis, which states that the model is correct, should not be rejected, since $p > .05$. A hypothesised Bollen-Stine bootstrapping model for Tourism Stokvel Investment (see Figure 5.21) was developed to see how well the chi-square estimation fits into the bootstrap distribution of the chi-square values obtained from the 500 bootstrap samples. Figure 5.21 also presented a fit estimate CMIN/*df* = 1.78 (< 3.00) as the most parsimonious model, and RMSEA = .06 (< 0.8) supported an absolute model fit. The incremental fit measure for the model through TLI = .95 (> .9) and the CFI = .96 (> .9), were indicative of how well the data supported

the fit indices which indicated that the data fit the distribution well following bootstrapping. However, to guard against inflated chi-square test values and to mitigate the risk of Type I errors, the ML bootstrap results were used as a guide in respecifying the model. This resulted in model trimming, where the covariance between eE2 and eE5 were dropped and the covariance between eE2 and eE4 added to define the respecified model. Mediation took place to further determine if effects existed between the latent constructs (*Opportunity*, *Social capital*, *Economic Development*, and *Improved living standard*). In an attempt to illustrate the mediation paths between the latent constructs, a simple mediation model (see Figure 5.22) was used to demonstrate the relationships between the constructs, as discussed in Section 5.8. This process helped improve the model fit and confirmed the mediating effect between the different paths. Thus, a mediated model fit was conducted to determine if a direct effect existed between *Opportunity*, *Social capital*, *Economic Development*, and *Improved living standards*.

SEM was then undertaken on the four latent variables to further refine the model fit and present a final model for the study. The meditation model consisted of two causal paths between the independent (exogenous) variables (Wu & Zumbo 2008) and resulted in a simple mediation model (refer to Section 5.8). Therefore, model modification was further conducted by removing parameters that yielded no practical meaning and added more restrictions (see Schumacker & Lomax 2010). The modification was done to improve the model shown in Figure 5.22. This final mediated model as illustrated in Figure 5.24 became the final model as presented in Figure 6.1. The ML bootstrap model presented in Figure 5.24 shows that no further model trimming was necessary, thus, the model was renamed **Tourism Stokvel Model for Social Entrepreneurship and Transformation**.

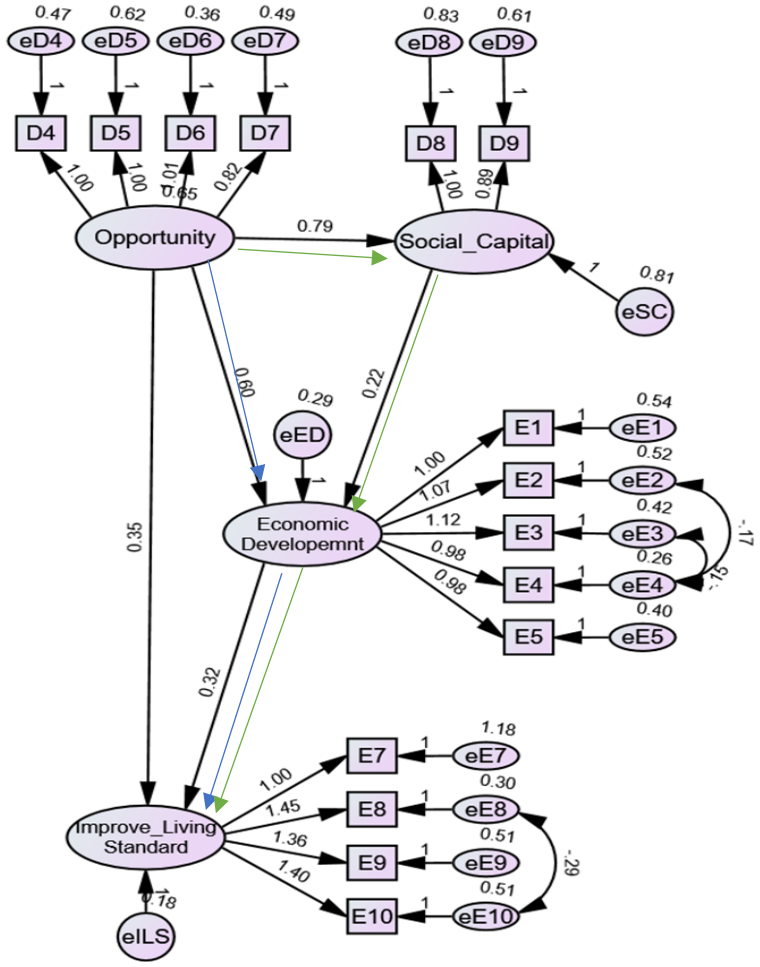


Figure 6.1: Tourism Stokvel Model for Social Entrepreneurship and Transformation

The above figure presents the following paths:

(a) *Opportunity* to *Social capital* (.79) to *Economic development* (.22) to *Improved living standard* (.31), with an effect size of .05 and a standardised effect size of .29;

(b) *Opportunity* to *Economic development* (.35) to *Improved living standard* (.32); and

(c) *Social capital* (.22) to *Improved living standard* (.31), with a standardised effect size of .11.

Thus, the results supported that H_5 and RO5 were achieved.

6.5 SYNTHESIS

This chapter presented a discussion of the results and a review of the proposed theocratical framework presented in Figure 1.1. The results observed from the literature review (Chapters 2 and 3) in relation to the primary objective of the study, to explore how stokvels could be utilised as an alternative form of investment in tourism businesses, were highlighted in the context of the ROs. The results were discussed according to the two phases of analysis.

Chapter 7 presents the study's conclusion and recommendations for future research.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The previous chapter provided a discussion and interpretation of the research findings. The current chapter offers an overview of the chapters and outlines the study's theoretical and methodological contributions. This is followed by recommendations for practice and future research, as well as an overview of the study's limitations.

7.2 OVERVIEW OF CHAPTERS

Chapter 1's purpose was to, first, contextualise the study by introducing the study, concepts, and background, which led to the identification of research gaps and, second, to formulate the study's research problem (Section 1.3). Three constructs were proposed and introduced for the study: *Tourism stokvel investment* (TSI), *Tourism social entrepreneurship* (TSE) and *Tourism social transformation* (TST), to investigate the primary objective:

To explore how stokvels can be utilised as an alternative form of investment to enhance tourism entrepreneurship.

Chapter 2 encompassed the first section of the literature review, to discuss the three constructs through the ROs. Upon the achievement of RO1, RO2, and RO3, relevant hypotheses (H_1, H_2 and H_3) were stated. Chapter 3 provided support for the theoretical investigation to propose a model of tourism transformation through stokvels investing in social entrepreneurship. RO4 was informed by the theoretical justification of the relationships between the three constructs (TSI and TSE, TSI and TST, and TSE and TST) to propose H_4. The mediation effect of TST in the relationship between TSI and TST was proposed through RO5 and the postulated H_5 to inform the proposed Tourism Stokvel Model for Social Entrepreneurship and Transformation.

The research design and methodology were discussed in Chapter 4. The study followed a positivist epistemology and quantitative research approach to address the research objective. A comprehensive outline of the statistical analysis process was discussed across two phases and five stages (see Figure 4.2).

Chapter 5 contained the study's results. Univariate, bivariate, and multivariate analyses were conducted, where the data supported H_1, H_2, H_3, H_4 and H_5. The meditation model consisted of three causal paths between the variables:

(a) *Opportunity* to *Social capital* (.79) to *Economic development* (.22) to *Improved living standard* (.31), with an effect size of .05 and a standardised effect size of .29;

(b) *Opportunity* to *Economic development* (.35) to *Improved living standard* (.32); and

(c) *Social capital* (.22) to *Improved living standard* (.31), with a standardised effect size of .11.

Chapter 6 provided a detailed discussion and interpretation of how the results from the hypotheses presented in Chapter 5 supported the ROs.

7.3 CONCLUSIONS

7.3.1 Theoretical conclusions

The study reviewed the work of previous scholars to gain an understanding of existing research and debates regarding the concepts of stokvels, tourism, and SMMEs. Results from this study support the suggestions made by Rogerson (2008) on the importance of SMME development in South Africa's tourism industry.

Literature proposed ***trust*** (Yoon & Moon 2019), ***social development*** (Bijker 2010; Wang & Xu 2011) and ***financial security*** (Ahmad & Sabri 2014) as dimensions of ***Tourism stokvel investment***. However, only four items from *Social Development* and *Financial Security* supported the one-factor solution, named ***Tourism Stokvel Investment***. The findings of this study are consistent with those of Ahmad and Sabri (2014), Bijker (2010), and Wang and Xu (2011). However, the results did not support the inclusion of *Trust* as proposed by Yoon and Moon (2019).

Literature on ***Tourism social entrepreneurship*** proposed ***innovation*** (Lengolo 2019; Lukhele 2018, Mohapeloa 2017), ***opportunity*** (Fairlie & Fossen 2018; Henriksen 2013), and ***social capital*** (Altinay *et al*. 2016, Lengolo 2019; Sato 2013; Soulard *et al*. 2018) as dimensions. The results of the current study are consistent with

those of Altinay *et al*. (2016), Fairlie and Fossen (2018), Henriksen (2013), Lengolo (2019), Sato (2013), and Soulard *et al*. (2018), but do not support *Innovation* as proposed by Lengolo (2019), Lukhele (2018), and Mohapeloa (2017). ***Tourism social transformation*** was informed by literature on ***economic development*** (Bäckman 2019; Hossein 2017), ***job creation*** (Bophela & Khumalo 2019; Sifolo *et al*. 2017; Yeh 2020), ***improved living standards*** (Dube & Edwell 2018; Lengolo 2019; Muminov & Ambartsumyan 2020), and ***empowerment*** (Bophela & Khumalo 2019; Cavalieri 2018; Lengolo 2019; Moscardo *et al*. 2017). The results of the current study are consistent with those of the studies by Bäckman (2019), Bophela and Khumalo (2019), Dube and Edwell (2018), Hossein (2017), Lengolo (2019), Muminov and Ambartsumyan (2020), but do not support *Job creation* as proposed by Bophela and Khumalo (2019), Sifolo *et al*. (2017) and Yeh (2020).

Literature (Ergul & Johnson 2011; Rodriguez-Giron & Vanneste 2019) in support of *Tourism social entrepreneurship* (through *Opportunity* and *Social capital*) and *Tourism social transformation* (through *Economic development* and *Improved living standards*) are supported by this study. However, studies in support of the relationships between *TSI* and *TSE* (Dwyer 2018; Hatipoglu *et al.* 2020) and between Tourism Stokvel Investment (*TSI)* and Tourism Social Transformation (*TST)* (Iwara & Netshandama 2021; Lengolo 2019) are not supported.

Following the empirical investigation, the proposed theoretical Model of Tourism Transformation through Stokvels Investing in Social Entrepreneurship was confirmed as a **Tourism Stokvel Model for Social Entrepreneurship and Transformation**.

7.3.2 Methodological conclusion

The sampling of the study was impacted by the COVID-19 pandemic; therefore, purposive non-probability sampling method was deemed more appropriate to gain access to different stokvel members on online platforms.

The questionnaire for the study provided an in-depth investigation into the subjective beliefs of stokvel members against the proposed theoretical framework. This was aimed at determining if stokvel investment could be a viable enabler for tourism SMME development and result in the transformation of the tourism industry of South Africa. Three new measurement instruments were developed for *Tourism stokvel investment,*

Tourism social entrepreneurship and T*ourism social transformation*. Univariate, bivariate, and multivariate data analysis techniques were employed to measure the subjective beliefs of stokvel members, to determine if stokvels can be applied as innovative avenues for SMME development in tourism.

7.4 CONTRIBUTIONS

The section comprises a discussion of the theoretical, methodological, and practical contributions of the study.

7.4.1 Theoretical contributions

An in-depth traditional literature review was conducted to inform the development of the constructs of *Tourism stokvel investment*, *Tourism social entrepreneurship* and *Tourism social transformation*. This is a unique contribution, as these terms were uniquely defined and have never been discussed in this context in previous research in South Africa or abroad. The literature supported the development of the proposed theoretical model of tourism transformation through stokvels investing in social entrepreneurship.

7.4.2 Methodological contributions

The empirical testing of *Tourism stokvel investment, Tourism social entrepreneurship* and T*ourism social transformation* through EFA and CFA makes a methodological contribution in the testing of the related hypothesis (H_1, H_2, and H_3). Furthermore, SEM supported the testing of the best-fit model of the theoretical hypothesised model (H_4) and mediation (H_5).

7.4.3 Practical contributions

The **Tourism Stokvel Model for Social Entrepreneurship and Transformation** can serve as a guideline on how stokvels can be applied to assist stokvel members, general members of the public, entrepreneurs, and SMMEs with capital to start their tourism businesses.

Tourism authorities and governments could use the model as a guideline on how to plan budgets for investment and funding of tourism entrepreneurship for the transformation of the tourism industry. It is evident that opportunities in tourism directly

improve the living standards of the local communities. However, these opportunities are enhanced if social capital is generated, which, in turn, leads to economic development to, ultimately, improve people's living standards. Thus, investment in the tourism industry is needed through social capital to support social entrepreneurship as a means of driving BEE and achieving the transformation goals of South Africa. The findings from this study could inform the development of customised tourism SMME policies to employ stokvel investment as a way of achieving economic transformation and social cohesion across the different tourism sectors, as proposed by Rogerson (2008).

Researchers, as well as tourism- and financial sector practitioners, could use the study's findings to gain an in-depth understanding of stokvels and how investment through social capital can stimulate economic development and support pro-poor tourism initiatives.

The **Tourism Stokvel Model for Social Entrepreneurship and Transformation** provides insights on alternative methods to raise capital within tourism communities as a self-empowerment initiative as the tourism industry recovers from the impact of the COVID-19 pandemic.

In a stokvel study, Lengolo (2019) introduced the term 'economic *ubuntu*'. Based on the **Tourism Stokvel Model for Social Entrepreneurship and Transformation**, this term could be expanded to 'tourism economic *ubuntu*' as a solution to fostering tourism transformation in South Africa. At the local government and municipality level, especially in rural areas, the opportunities that stem from tourism stokvel initiatives can support fewer leakages of social capital in a specific area, such as informal settlements. This means that stokvel money can be circulated in a specific area to foster economic development, which can create more jobs and improve the living standards of local communities. Through these initiatives, investment through tourism stokvels supports the primary research aim of the study concerning solutions in using stokvels as an alternative form of investment to enhance tourism entrepreneurship.

7.5 LIMITATIONS OF THE STUDY

The study employed a cross-sectional research design to collect primary data for the development of a model of tourism transformation through stokvels investing in social

entrepreneurship. As a once-off study, the long-term perception of investment in tourism cannot be determined.

South Africa went into a complete lockdown on the 26th of March 2020, and regulations were implemented that restricted face-to-face interactions due to the COVID-19 pandemic. The reach of the questionnaire was thus limited to an online platform, which might have excluded some stokvel members who do not have access to the internet, especially in rural areas. Therefore, not all stokvel members could participate in the study. It is also important to note that because the study took place during the pandemic, the intentions of the respondents to invest in tourism through a stokvel initiative could have been limited, as the industry was in distress. Now that the industry is recovering, it would be valuable to investigate the notion of investing in tourism again.

Some stokvel associations with extensive databases were approached to assist with the distribution of the questionnaires to their members; however, non-responsiveness and a general reluctance to assist with the distribution of the survey required the researcher to design creative means to achieve the required number of responses.

As no similar measurement instruments could be found in previous similar studies, the development of the measurement instrument was informed by literature on general tourism and business studies. Therefore, the reliability of the constructs in this study could only be benchmarked against those studies.

7.6 SUGGESTIONS FOR FUTURE RESEARCH

The below details a list of suggestions that could be adopted in future studies.

The **Tourism Stokvel Model for Social Entrepreneurship and Transformation** consist of four variables (*Opportunity*, *Social capital*, *Economic development*, and *Improved living standard*). Additional constructs such as a *sense of belonging* (Lukhele 2018), *community building* (Klug *et al*. 2014), *social advancement* (Bophela 2018), *creativity* (Hussain, Bhuiyan & Bakar 2014), *risk* (Mohapeloa 2017), *social development* (Lyon & Hunter-Jones 2019), and *poverty alleviation* (Shamim 2019) could be investigated for the expansion of the model.

Women's participation in all stokvel groups accounts for 82% in South Africa (Bophela & Khumalo 2019:26). Furthermore, most women are dependent on their spouses or partners for the primary financial support of the household (Ngcobo & Chisasa 2018b). Through investment in tourism stokvels, these women could become financially empowered to support their households and break away from the culture of being financially dependent on a spouse or partner. More research is needed on how women-led initiatives in the form of stokvels and SMMEs can contribute to the national and social economy. In support of the Tourism Sector Human Resource Development strategy of the National Department of Tourism (NDT 2020), future research can inform policies on how new and innovative tourism business opportunities can stem from investment in stokvels to empower more women, especially in rural communities.

Section 4.3.1 states that a cross-sectional quantitative survey questionnaire was used to generate primary data from stokvel members, which could have restricted the responses from the members. Therefore, future studies could conduct longitudinal mixed-methods or qualitative research to gain a more in-depth understanding of stokvel members' views.

The non-probability sampling method is deemed biased and may not be fully representative of the population. Future studies could expand the sampling techniques to obtain a bigger sample that is not only limited to stokvels or members of saving clubs. By expanding the reach and potential target markets of tourism stokvels, more insight could be obtained into what members think about the possibility of stokvels as an investment avenue in tourism. Stokvels have gained popularity across all race groups in South Africa, and the interest across more demographic areas, such as race, could provide more insight into the possibilities to expand investment in tourism stokvels, such as the application of stokvels and investment avenues for tourism SMMEs.

7.7 FINAL CONCLUSION

The primary research objective to explore how stokvels can be utilised as an alternative form of investment to enhance tourism entrepreneurship was supported by the proposed theoretical framework and research hypotheses. A quantitative research method supported the collection of primary data through an online questionnaire. Following the statistical analyses, a best fit multi-mediation model suggested that

Social capital and *Economic development* (mediating variables) enhance the relationship between *Opportunity* (independent/exogenous variable) on *Improved living standard* (dependent/endogenous variable) to present the final **Tourism Stokvel Model for Social Entrepreneurship and Transformation**. It is thus concluded that the main research objective, together with the sub-objectives (RO1 to RO5), have been achieved.

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Appendix A

Questionnaire development form

Stokvel investment: A tourism SMME enabler in South Africa

CONSTRUCT ONE TOURISM STOKVEL INVESTMENT (TSI) Definition - tourism stokvel investment is defined as a temporary but certain commitment of money to acquire income-bearing assets or to accumulate wealth over the long term for the purpose of developing a tourism business.				
Dimension	**Original Statement**	**Question**	**7 – Likert scale**	**References**
Trust Definition – trust can be defined as the confidence one person has in another based on repeated interaction between these individuals to achieve common goals i.e. develop a tourism-focused business.	Trustworthiness	How important is trust amongst members when you are choosing a stokvel?	1 = not important to trust at all -2-3-4-5-6-7 = Most important to trust	Yoon, J. & Moon, J. (2019). The moderating effect of buyer purchasing strategy on the relationship between supplier transaction-specific investment and supplier firm performance. *Journal of Business Research,* 99, 516 - 523. Ha et. Al. (2019). *The effect of trust on consumers' online purchase intention: An integration of TAM and TPB. 9,* 1451 - 1460.
		How likely is it that you will join a tourism stokvel as an investment opportunity when you can trust the members?	1 = not likely to join at all -2-3-4-5-6-7 = Most likely to join	Yoon, J. & Moon, J. (2019). The moderating effect of buyer purchasing strategy on the relationship between supplier transaction-specific investment

				and supplier firm performance. *Journal of Business Research,* 99, 516 - 523 Ha et. Al. (2019). *The effect of trust on consumers' online purchase intention: An integration of TAM and TPB. 9,* 1451 - 1460.
	Honesty	Rate the importance of honesty as a motivation to invest in a tourism stokvel.	1 = not important at all -2-3-4-5-6-7 = Most important	Yoon, J. & Moon, J. (2019). The moderating effect of buyer purchasing strategy on the relationship between supplier transaction-specific investment and supplier firm performance. *Journal of Business Research,* 99, 516 - 523.
Social Development Definition – a set of initiatives used to generate private investment through the creation of tourism-focused stokvels	How do we describe development in terms of technology?	How likely are you to join an online managed tourism stokvel investment club to develop a business?	1 = not likely to join at all -2-3-4-5-6-7 = Most likely to join	Bijker.E. (2010). How is technology made? That is the question! Cambridge Journal of Economics, 34, 63-76.
	Business Creation	How likely are you to join a tourism business-focused stokvel to generate income that would eventually lead to owning your own business?	1 = not likely to join at all -2-3-4-5-6-7 = Most likely to join	Fairlie, R.W. and Fossen, F.M. (2018). Opportunity versus Necessity Entrepreneurship: Two Components of Business Creation. IZA Institute of Labor Economics, IZA DP No. 11258, Schaumburg-Lippe-Straße 5–9

				53113 Bonn, Germany.
	Social involvement	How important is socializing with other members in your decision to join a tourism stokvel?	1 = not important to socialise at all -2-3-4-5-6-7 = Most important to socialise	Wang, C. & Xu, H. (2011). Government intervention in investment by Chinese listed companies that have diversified into tourism. *Tourism Management 32*, 1371-1380.
Financial Security Definition – financial security is a state of having a constant income generated from a tourism business	Credit Management Ability	How important is a credit facility when you consider joining a stokvel?	1 = not important to have a credit facility at all -2-3-4-5-6-7 = Most important to have a credit facility	Ahmad, S.Y. and Sabri, M.F. (2014). Understanding Financial Security from Consumer's Perspective: A Review of Literature. International Journal of Humanities and Social Science, Vol.4 No. 12, 110 – 117.
		How important is earning interest from your contributions when joining a tourism stokvel club?	1 = not important to earn interest at all -2-3-4-5-6-7 = Most important to earn interest	Ahmad, S.Y. and Sabri, M.F. (2014). Understanding Financial Security from Consumer's Perspective: A Review of Literature. International Journal of Humanities and Social Science, Vol.4 No. 12, 110 – 117.
	Availability of a long-term development strategy (from 3 years and more)	How important is the longevity of the stokvel before you consider joining a tourism stokvel club?	1 = not important at all -2-3-4-5-6-7 = Most important	Momot, T. & Rodchenko, S. (2019). Assessment of financial security of banks in conditions of macroeconomic instability.

				Innovative technologies a scientific solution for industries, No.3 (9), pp 34-43.
	Income maintenance system	How likely are you to join a tourism stokvel club that only has one lump pay-out for all members including interest at the end of the year?	1 = not likely at all -2-3-4-5-6-7 = Most likely	Ahmad, S.Y. and Sabri, M.F. (2014). Understanding Financial Security from Consumer's Perspective: A Review of Literature. International Journal of Humanities and Social Science, Vol.4 No. 12, 110 – 117.
CONSTRUCT TWO **TOURISM SOCIAL ENTREPRENUERSHIP (TSE)** Definition - the identification of an opportunity to develop a tourism-focused business that will generate profit and make a positive impact on the local community.				
Innovation Definition - the process of creating new tourism entrepreneurial ideas.	Right to use innovation of others	Do you consider the notion of a tourism stokvel as an innovative approach to entrepreneurship?	1=Not innovative at all -2-3-4-5-6-7= Most innovative	Abereijo, I.O. Adegbite, S.A., Ilori, M.O. Adeniyi, A.A. Aderemi, H.A. (2009). Technological innovation sources and institutional supports for manufacturing small and medium enterprises in Nigeria. Journal of technology Management & Innovation, Volume 4, Issue 2.
	The perceived and actual value of the relative advantage, complexity, compatibility, trialability/divisibility and observability of product,-process,	In your opinion can a tourism stokvel be regarded as a valuable business concept given the current financial situation in Limpopo?	1=Not valuable at all -2-3-4-5-6-7= Most valuable	Donovan, A.M.J. (2015). Entrepreneurship and innovation: setting an agenda for greater discipline contextualisation.

	and organizational innovation			Education + Training, Vol 57 Iss 1, pp. 74-87.
	Theoretical underpinnings of entrepreneurship and innovation result in education and training initiatives unique to each discipline.	How important is financial wellness training as part of the innovative benefits when joining a tourism investment stokvel?	1 = not important at all -2-3-4-5-6-7 = Most important	Donovan, A.M.J. (2015). Entrepreneurship and innovation: setting an agenda for greater discipline contextualisation. Education + Training, Vol 57 Iss 1, pp. 74-87.
Opportunity Definition – an attractive situation where a set of new tourism products and services are designed for the development of the tourism sector.	Opportunity exploitation	How likely are you to exploit an opportunity by joining a new form of investment that focuses on the development of tourism businesses?	1 = not likely to exploit at all -2-3-4-5-6-7 = Most likely to exploit	Henriksson, K.V. (2013). Entrepreneurial opportunity Development: How entrepreneurs turn ideas into viable business concepts (Unpublished master's thesis). Department of Marketing, Aalto University, School of Business.
	Searching and Experimenting	Are you willing to experiment with a stokvel investment model that can help you save money towards the development of a tourism business?	1 = not willing at all -2-3-4-5-6-7 = Most willing	Henriksson, K.V. (2013). Entrepreneurial opportunity Development: How entrepreneurs turn ideas into viable business concepts (Unpublished master's thesis). Department of Marketing, Aalto University, School of Business.
	Number of opportunity entrepreneurs and the unemployment rate	In your opinion, can stokvel groups contribute to the reduction in unemployment by investing in tourism enterprises?	1 = not at all -2-3-4-5-6-7 = Definitely	Fairlie, R.W. & Fossen, F.M. (2018). Opportunity versus Necessity Entrepreneurship: Two Components of Business

				Creation. IZA Institute of Labour Economics. IZA DP NO. 11258.
	Number of new entrepreneurs and real GDP growth rate in Germany	Is there an opportunity to stimulate gross domestic product growth by investing in tourism businesses through stokvel groups?	1 = no opportunity at all -2-3-4-5-6-7 = Opportunity	Fairlie, R.W. & Fossen, F.M. (2018). Opportunity versus Necessity Entrepreneurship: Two Components of Business Creation. IZA Institute of Labour Economics. IZA DP NO. 11258.
Social Capital Definition – involves relationships between people who have mutual tourism business development interests with the purpose to generating profit and income for the community	The usefulness of the concept of social capital	Will you support a stokvel to use social capital to support a tourism entrepreneur?	1 = do not support at all -2-3-4-5-6-7 = Definitely support	Sato, Y. (2013). Social Capital. Sociopedia.isa, 1-10.
	Bridging social Capital	In your opinion do you think stokvels contribute to the generation of social income for the local community?	1= do not contribute at all 2-3-4-5-6-7 = Definitely contribute	Soulard, J., Knollenberg, W., Boley, B.B., Perdue, R.R., McGehee, N.G. (2018). Social capital and destination strategic planning. *Tourism Management 69*, 189-200.
	Social Capital and tourism plan approach	Is the generation of social capital through stokvels a feasible entrepreneurial instrument for the planning of a sustainable tourism business?	1 = not feasible at all -2-3-4-5-6-7 = Feasible	Soulard, J., Knollenberg, W., Boley, B.B., Perdue, R.R., McGehee, N.G. (2018). Social capital and destination strategic planning. Tourism Management 69, 189-200.
CONSTRUCT THREE TOURISM SOCIAL TRANSFORMATION (TST) Definition – When stokvel investments are made in tourism businesses with the purpose to alleviate poverty and simulating gross domestic profit growth.				

Economic development Definition – The process of positive economic change at a destination as a result of tourism stokvel investments	Multinational infrastructure investment	How likely will you support the development of tourism infrastructure through a stokvel investment group?	1 = not likely to support at all -2-3-4-5-6-7 = Most likely to support	Andergassen, R. & Candela, G. (2013). Less Developed Countries, Tourism Investments and Local Economic Development. *Review of Development Economics,17 (1)*, 16-33.
	Market attractiveness at the start of the investment	Do you consider the tourism industry an attractive market for stokvel investment?	1 = not attractive at all -2-3-4-5-6-7 = Most attractive	Gorynia, M., Nowak, J., Trapczynski, P. Wolniak, R. (2015). Establishment Mode Choices of Emerging Multinationals: Evidence from Poland. *Managing Global Transitions 13 (2),* 101–124
		How likely are you to join a tourism stokvel investment group with the purpose to transform the tourism industry?	1 = not likely to join at all -2-3-4-5-6-7 = Most likely to join	Gorynia, M., Nowak,J., Trapczynski, P. Wolniak, R. (2015). Establishment Mode Choices of Emerging Multinationals: Evidence from Poland. Managing Global Transitions 13 (2), 101–124
Job Creation Definition - The creation of jobs through the development of new tourism businesses as a result of tourism stokvel investment clubs.	The rate at which seekers meet vacancies	In your opinion can the tourism business be supported by stokvel investment clubs that provide employment for job seekers?	1 = do not support at all -2-3-4-5-6-7 =Definitely supported	Koopmans, L., Bernaards, C.M., Hildebrandt, V.H. *et al.* (2014). Improving the individual work performance questionnaire using Rasch Analysis. *Journal of applied Measurement 15 (2)*, 124-148.
	Collaboration with others was very productive	Through the collaboration of tourism stokvel	1 = not likely to create jobs at all -2-	Koopmans, L., Bernaards, C.M., Hildebrandt, V.H.

		investors, how likely can jobs be created to aid the transformation of the tourism industry?	3-4-5-6-7 = Most likely to create jobs	et al. (2014). Improving the individual work performance questionnaire using Rasch Analysis. Journal of applied Measurement 15 (2), 124-148.
	I took challenging work tasks when available	Do you consider the transformation of the tourism industry through a stokvel investment as challenging?	1 = not challenging at all -2-3-4-5-6-7 = Most challenging	Koopmans, L., Bernaards, C.M., Hildebrandt, V.H. et al. (2014). Improving the individual work performance questionnaire using Rasch Analysis. Journal of applied Measurement 15 (2), 124-148.
Improved standard of Living Definition – is defined by the general improvement in the economic and social standard of living for individuals due to the impact of social transformation.	Impact of Micro Finance	In your opinion how likely are people to invest in stokvels to improve their standard of living.	1 = not likely to invest at all -2-3-4-5-6-7 = Most likely to invest	Shamim, A. (2019). Impact of Grameen Bank microcredit on standard of Living in rural poor women in Sariakandi Upozila of Bogra District. American Journal of Trade and Policy, Vol. 6 (1), 33-40.
	Total Savings	Do you believe an investment in a tourism stokvel can improve to savings of its members to aid the living standards? How would you rank your total savings or investment portfolio?	1= do not believe at all -2-3-4-5-6-7 = Believe	Shamim, A. (2019). Impact of Grameen Bank microcredit on standard of Living in rural poor women in Sariakandi Upozila of Bogra District. American Journal of Trade and Policy, Vol. 6 (1), 33-40.
	Rural entrepreneurship	Do you believe an investment in a	1 = do not believe at all	Onwuka, E.M., Ugwu, K.E., Itoya,

	has the capacity to dispel the concentration of industrial units in urban areas and promotes regional development in a balanced	tourism stokvel can improve the living standards of rural entrepreneurs?	-2-3-4-5-6-7 = Believe	J. (2016). Investigating the Relationship between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State, Nigeria. *Australian Journal of Commerce Study,* ISSN : 2203-9422 (Print) ISSN : 2203-9430 (Online).
Empowerment Definition – The outcome that occurs when a community is empowered to become economically independent through investments in tourism stokvel businesses.	Rural entrepreneurship is synonymous to rural industrialization	Do you anticipate the empowerment of rural tourism entrepreneurs through a tourism investment stokvel?	1 = do not anticipate to empower at all -2-3-4-5-6-7 = Anticipate to empower	Onwuka, E.M., Ugwu, K.E., Itoya, J. (2016). Investigating the Relationship between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State, Nigeria. Australian Journal of Commerce Study, ISSN : 2203-9422 (Print) ISSN : 2203-9430 (Online).
	To accelerate the rate of development in an area, it is necessary to increase the supply of entrepreneurs	Do you agree that tourism stokvels investments can contribute to the acceleration of economic development through the supply of more entrepreneurs?	1 = not agree at all -2-3-4-5-6-7 = Definitely agree	Onwuka, E.M., Ugwu, K.E., Itoya, J. (2016). Investigating the Relationship between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State, Nigeria. Australian Journal of Commerce Study, ISSN : 2203-9422 (Print)

				ISSN : 2203-9430 (Online).
	The economic boom in an area is a direct function of the number of entrepreneurs and entrepreneurial demand by creating jobs at least in rural areas.	Do you anticipate tourism stokvel investments to contribute to the economic growth of a rural area?	1 = not anticipate economic growth at all -2-3-4-5-6-7 = Anticipate economic growth	Onwuka, E.M., Ugwu, K.E., Itoya, J. (2016). Investigating the Relationship between Entrepreneurships Development and Poverty Reduction in Rural Communities in Edo State, Nigeria. Australian Journal of Commerce Study, ISSN : 2203-9422 (Print) ISSN : 2203-9430 (Online).
	Are you aware of community activities in your community? Do you participate in these?	How likely are you to join a tourism stokvel that is related to the community you come from?	1 = not likely to join at all -2-3-4-5-6-7 = Most likely to join	Kawaguchi, L., Foud, N.A.M., Chiang, C. Elshair, I.H.H., et.al. (2014). Dimensions of Women's Empowerment and their influence on the utilization of maternal health services in an Egyptian village: A Multivariate Analysis. *Nagoya J. Med. Sci*, 76, 161 - 171.

Appendix B

Permission letter sent to gatekeepers for approval.

16 August 2020

To: Ms. Nosipho Mtsweni

Treasurer: Ladies Savings Club

From: Mrs Nonhlanhla Seoe

MCom Tourism Management Student: UNISA

Re: Request for permission to conduct Research Survey with Ladies Savings Club members

Dear Ms., Nosipho Mtshweni

My name is Nonhlanhla Seoe and I am currently involved for a Master of Commerce Degree in Tourism Management, in the Department of Applied Management (Student number: 54609305) at the University of South Africa.

In meeting the degree requirements, I have opted to investigate how Stokvels can enable small and medium-sized enterprises (SMMEs) in the development of tourism businesses. I am specifically keen to conduct this study.

The study aims to explore how stokvels/ group savings and investments can be utilised as an alternative form of investment for the development of tourism businesses. Therefore, the research intends to investigate stokvels as an alternative tourism investment stimulus for previously disadvantaged communities. More specifically Tourism Stokvel Investment is investigated as a Social Entrepreneurship enabler to propose an African solution for the transformation of the tourism sector in South Africa. Thus, only respondents who are part of a stokvel will be invited to participate in the research.

Since the Ladies December Savings stokvel association, I would like to request for permission and support for the distribution of a questionnaire. Due to the COVID-19

pandemic and the new regulatory requirements announced by the government and UNISA, I have opted to create an online questionnaire of which the URL link will be shared using emails or WhatsApp groups.

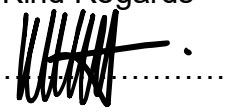
The online questionnaire will be anonymous to protect the private information of the respondents, however, some information related to the respondent's demographics will be included such as gender and age, amongst others. It is anticipated that the collected data will assist me to fulfil the outcomes of a Master's Dissertation. Unisa ethics regulations require that I inform you that once permission is granted for the distribution of the questionnaire amongst Ladies December Savings members, consent will also be obtained from each respondent to use the data for research purposes, and the publication in accredited peer-reviewed publications and conference proceedings. I would therefore like to request that you also share with me the contact details/email addresses of your members as well as documents that can be in the public domain about the investment club i.e. level of savings, type of business invested in/acquired, annual contribution etc.

The research will be reviewed and approved by the UNISA Ethics Committee and I do not foresee that you and/or the organisation will experience any negative consequences by assisting in the distribution of the questionnaire. Please note that you or any member of the club will not be reimbursed or receive any incentives for your participation in this survey. The researcher undertakes to keep any information provided herein confidential, and to report on the findings from the perspective of the participating individual and not from the perspective of the researcher. All recordings of the questionnaire will be kept for five years for audit purposes where after it will be permanently destroyed (hard copies will be shredded, and electronic versions will be permanently deleted from the hard drive of the computer.

After this study, Ladies December Savings Club will be handed over a full copy of the dissertation with implications and recommendations.

Please fill in the attached form A – once completed please return this to me using 54609305@mylife.unisa.ac.za. You are also welcomed to contact me on my mobile (071 351 4458) for any additional information. You may also contact my supervisor Prof. Nellie Swart at either swartmp@unisa.ac.za or mobile: 082 771 0270.

Kind Regards



Date: 8/12/20

Nonhlanhla Seoe (Student number: 4609305)

Appendix C

Form A - Acknowledgement form to grant the researcher to conduct data.

To: Nonhlanhla Seoe

From: Mr Themba Davids

Chairman: SIT Investment Club

Re: Request for permission to conduct Research Survey with SIT investment club members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for SIT Investment Club to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

SIT Investment and its members would like to confirm that we will be part of the research survey for the topic "How stokvels can small and medium-sized enterprises (SMMEs) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. SIT would like that you to share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on Themba.davids@sitinvest.co.za.

Kind Regards Date:

…… ……

Themba Davids

Chairman SIT Investment Club

Appendix D

Permission letter: SIT investment club members

To: Nonhlanhla Seoe

From: [redacted]

Chairman: [redacted]

Re: Request for permission to conduct Research Survey with SIT investment club members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for SIT investment Club to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

SIT investment and its members would like to confirm that we will be part of the research survey for the topic "how stokvels can small and medium size enterprises (SMME's) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. SIT would like that you share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on [redacted]

Kind Regards

[redacted]

[redacted]

Chairman SIT Investment Club

Date:

24-08-2020

Appendix D

Permission letter: Ladies Saving Club members

To: Nonhlanhla Seoe

From: [redacted]

Founder: [redacted]

Re: Request for permission to conduct Research Survey Ladies Saving Club members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for Ladies Saving Club to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

Ladies Saving Club and its members would like to confirm that we will be part of the research survey for the topic "how stokvels can small and medium size enterprises (SMME's) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. Ladies Saving Club would like that you share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on [redacted].

Kind Regards

[redacted]

Date:

17/08/2020

[redacted]

Treasurer: [redacted]

Appendix D

Permission letter: Soweto December Grocery Stokvel members

To: Nonhlanhla Seoe

From: [redacted]

Treasurer: [redacted]

Re: Request for permission to conduct Research Survey with Soweto December Grocery Stokvel members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for Soweto December Grocery Stokvel to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

The Soweto December Grocery Stokvel investment and its members would like to confirm that we will be part of the research survey for the topic "how stokvels can small and medium size enterprises (SMME's) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. The Soweto December Grocery Stokvel would like that you share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on 073[redacted]

Kind Regards

Date:

[redacted] e.text here

12/08/2020

[redacted]

Treasurer: SDGS

Appendix D

Permission letter: Stokvelex

To: Nonhlanhla Seoe

From: [redacted]

Founder: Stokvelex

Re: Request for permission to conduct Research Survey STOKVELEX members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for Stokvelex to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

Stokvelex and its members would like to confirm that we will be part of the research survey for the topic "how stokvels can small and medium size enterprises (SMME's) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. Stokvelex would like that you share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on [redacted]

Kind Regards

[redacted]

[redacted]

Founder: STOKVELEX

Date:

2020-09-21

Appendix D

Permission letter: Tshwane Ladies Take-A-Lot Stokvel

To: Nonhlanhla Seoe

From: [redacted]

Founder: Tshwane Ladies Take-a-Lot Stokvel

Re: Request for permission to conduct Research Survey with Tshwane Ladies Take-A-Lot Stokvel members

Dear Nonhlanhla Seoe (Student number: 54609305)

Please note that this letter serves to acknowledge your request for Tshwane Ladies Take-a-Lot Stokvel to contribute towards your Master of Commerce Degree in Tourism Management, at the Department of Applied Management at the University of South Africa.

Tshwane Ladies Take-a-Lot Stokvel and its members would like to confirm that we will be part of the research survey for the topic "how stokvels can small and medium size enterprises (SMME's) in the development of tourism businesses." We will also ensure that we share the information about our organisation that you have requested in your permission letter (contact emails; level of savings, type of business invested in/acquired, annual contribution etc.)

I will therefore distribute the survey and link once it is shared by yourself to our members as well as encourage participation from each member. Tshwane Ladies Take-a-Lot Stokvel would like that you share the final dissertation and study with the club, further for the club to be acknowledged as a contributor to the study.

Should you have any further questions or enquiries please contact me on [redacted]

Kind Regards [redacted]

Date: 24/08/2020

Treasurer: Tshwane Ladies Take-A-Lot Stokvel

Appendix E

ETHICAL CLEARANCE

Approved amendment (2021/08/10)
Titled changed to: Stokvel investment: a tourism SMME enabler in South Africa.
Population changed from Limpopo province to the whole of

UNISA university of south africa

UNISA DEPARTMENT APPLIED MANAGEMENT RESEARCH ETHICS REVIEW COMMITTEE (DAM-RERC)

Date: 18 December 2020

ERC Reference # : 2020_CEMS_DAM_018
Name: Ms Nonhlanhla Tshabalala ("Seoe")
Student #: 54609305
Staff #:

Dear Ms Nonhlanhla Tshabalala ("Seoe")

Decision: Ethics Approval from December 2020 to December 2023

Researcher(s): Ms Nonhlanhla Tshabalala ("Seoe")
071 351 4458 / 012 358 6347 /
54609305@mylifeunisaac.onmicrosoft.com /
NonhlanhlaSeoe@Tshwane.gov.za / nonhlanhlatoto@gmail.com

Supervisor (s): Prof. M. P. (Nellie) Swart
082 771 0270 / 012 433 4678 / swartmp@unisa.ac.za

Working title of research:
Exploring how stokvels can enable tourism SMME development: A Limpopo Province case study

Qualification: MCom in Tourism Management

Thank you for the application for research ethics clearance by the Unisa DAM Ethics Review Committee for the above-mentioned research. Ethics approval is granted for three years.

*The **medium risk application** was **reviewed** by the DAM Ethics Review Committee in December 2020 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment. The decision was approved on the 15th of December 2020.*

University of South Africa
Preller Street, Muckleneuk Ridge, City of Tshwane
PO Box 392 UNISA 0003 South Africa
Telephone: +27 12 429 3111 Facsimile: +27 12 429 4150
www.unisa.ac.za

The proposed research may now commence with the provisions that:

1. The researcher will ensure that the research project adheres to the relevant guidelines set out in the Unisa Covid-19 position statement on research ethics attached.
2. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
3. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the DAM Committee.
4. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.
5. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.
6. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
7. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data require additional ethics clearance.
8. No field work activities may continue after the expiry date (12/2023). Submission of a completed research ethics progress report will constitute an application for renewal of Ethics Research Committee approval.

*Note: The reference number **2020_CEMS_DAM_018** should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.*

Yours sincerely,

Mrs C Poole
Chair: DAM-RERC
E-mail: damrerc@unisa.ac.za
Tel: (012) 433-4668

Prof M Mogale
Executive Dean: CEMS
E-mail: mogalmt@unisa.ac.za
Tel: (012) 429-4419

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Appendix F

Feedback on pilot research

10 February 2021

No.	RESPONDENT	QUESTION/SECTION	FEEDBACK	RESEARCHER'S RESPONSE
1.	**Respondent A**	1. 1ST Paragraph 2. 2nd Paragraph 3. D7 4. D2 5. D5	Good afternoon Nonhlanhla Feedback on the questionnaire is as follows. **Comments** 1. In the first paragraph, you introduce yourself as Nonhlanhla "Seoe" Tshabalala, also the inverted commas can make someone think it's a nickname... Also as a reference u wrote Nonhlanhla Tshabalala "Seoe" Please keep consistency AND remove inverted comas. 2. In the second paragraph…the word utilized is with an 's'. 3. Please remove the "That" double-wording error	1. Responded decided to use Seoe (but will reflect on the paper 2. Changed 3. Removed 4. Rephrased and changed 5. You added and updated

			4. Please rephrase the question to "Can a stockvel or can stokvels". 5. Please add "You" so your question is directed to the person answering you questionnaire. Everything else seems to be in order and I'll fill in my answers once document is changed to PDF. Thank you	
2.	**Respondent B**		Hi Nons, Please find attached, I hope it helps out and good luck in your research. regards, **Comments** • N/A • Only filled out the questionnaire	
3.	**Respondent C**		Hi Nonhlanhla Please find attached document with comments. Let me know if you still require me to comments with	

		1. Paragraph 3 2. Paragraph 3 3. C8 4. C10 5. D7 6. Section E 7. E11 8. E12	an understanding of each question. Regards, Sibongile Morale **Comments** 1. Should this not be: You are eligible to take part in this survey if you are an active member 2. Or interested in joining a stokvel 3. Add S invests 4. Is this second comma necessary? 5. Repeat of the word "That" 6. I am not making sense of this sentence, I am not sure if its me or it needs to be reconstructed? 7. Should this not be invest instead of investment? 8. Do you need able in this sentence? Or reconstruct sentence	1. Decided not to change the sentence, as the interpretation is expected to be synonymous 2. Changed 3. S added and updated 4. Second comma removed 5. That removed 6. Not changed as it is explained in the context of the study and she is the only that didn't understand 7. Changed to invest 8. No change as sentence doesn't make sense once able is removed
4.	**Respondent D**		Hi Mrs Seoe Please see attached my response to the survey. Best regards, Lebogang Mashaba	

		1. Paragraph 1 2. Paragraph 2 3. Paragraph 2 4. Paragraph 5 5. Paragraph 5 6. Section C	**Comments** 1. Mrs Nonhlanhla Tshabalala "Seoe", u 2. ~~Investigate~~ explore 3. ~~Investigated~~ considered 4. assist ~~me~~ in 5. add "d" medium-size 6. ~~i.e.~~i.e., • other changes include formatting, font change sizes etc.	1. Responded decided to use Seoe (but will reflect on the paper 2. Changed and updated 3. Changed and updated 4. Changed and updated 5. Added letter "d" 6. Changed and updated
5.	**Respondent E**	1. Paragraph 1 2. Paragraph 5 3. Paragraph 5 4. Paragraph 7 5. Paragraph 12 6. Question A1 7. Question D7 8. Question D8 9. Question D9 10. Question E4 11. Question E5 12. Question E12 13. Question E13 14. Question F	Hi Lala, Compliments of the New Year. Kindly see attached with responses, comments and tracked changes. Thanks, T **Comments** 1. Was this required by ethics? Is it not better to say Nonhlanhla Seoe (Tshabalala)? 2. Perharps not refer to 1st persons. "the collected data will assist in determining whether stokvels can" or will assist to determine whether stokvels can 3. any information provided herein will be confidential" Avoiding the first person ref 4. Like done here. You are included as 'the' primary researcher, which indicates that	1. Responded decided to use Seoe (but will reflect on the paper 2. Changed and updated 3. Changed and updated 4. Changed and updated 5. Appointed Statistician approved 6. Changed 7. Not changed – only one that could not understand 8. Not changed only comment

			its bigger than a 1 person study 5. How are you going to differentiate across 3 levels on neutrality and agreements? 6. investment group 7. Not sure I understand this Q fully 8. Its hard to know this, but on assumption perhaps they could. Provided the certainty inclined by the question, I decided on neutral. 9. feasibility study can determine this, for now answer is an assumption of an unknown phenomenon 10. Seems same as D5 11. Seems same Q as D5 and E4 12. assumption 13. not relevant for me when making investment decisions 14. this is dependent on the opportunity presented, its viability, and reliability of the projects. It would vary in accordance to evaluation	received in this regard 9. Not changed - only one with this comment 10. Not changed as this measure validity and reliability 11. Not changed as this measure validity and reliability 12. Not changed as it is the only comment 13. Only respondent it is not relevant to 14. Comment noted and forwarded to statistician
6.	**Respondent F**		Hi Nonhlanhla Kindly see attached a completed survey as requested. Hope all is in order Warm Regards,	

			Comments N/A	
7.	**Respondent G**		Hi Nonhlanhla Please receive the attached completed questionnaire. It looks fine to me. I would just suggest that you make it shorter as I personally felt that the survey was a little too long. I also thought one or two of the questions in section D were a repetition / mean the same thing, just worded differently. Otherwise this is a very well-constructed survey. Good Luck! **Comments** • N/A • Only filled out the questionnaire	Questions on section D are not repetition however they are there to measure reliability and validity. Length of questionnaire is noted
8.	**Dina Venter (Statistician)**	1. Question A1	Hi Nonhlanhla Good to hear from you. Many happy returns for the new year! I have gone through your questionnaire. Well done. I made some suggestions here and there. Best regards	1. Removed

		2. Question D7 3. Question E2 4. Question E 11 5. Question F	**Comments** 1. If this note refers to A1, then these options are incorrect 2. Delete one that 3. Perhaps change to "with the purpose to transform the tourism industry" or something similar. This part of the sentence does not read well for me. 4. invest 5. add you	2. Deleted That 3. Changed 4. Changed 5. Added you
9.	**Respondent H**	1. Paragraph 2 2. Question A1 3. Question C8 4. Question C9 5. Question D7 6. Question E3 7. Question E4 8. E- definition 9. Question E10 10. Question F	Hi Nonz, Please see attached. I am so proud of you! You are outchea killing it man :) A **Comments** 1. previous(ly) 2. Not interested" or "Not sure – these options aren't in the listed answer above. 3. Add S in invest 4. This creates redundancy in the question. Easier to read as "How important is long term-existence before…" 5. Remove ~~that~~ that 6. purpose ~~to~~ of transformation of i~~n~~ the tourism in	1. Changed 2. Removed 3. S added 4. Changed and updated 5. That removed 6. Sentence updated and changed 7. Question left as is – only comment received in this regard 8. Changed and updated 9. Sentence updated accordingly

			7. (Could this be a yes / no answer? And then provide an option for additional feedback?) 8. Businesses~~es~~ 9. Do you agree that stokvels ~~that~~ investing in tourism can contribute to the development of more entrepreneurs 10. can (who?) invest	10. Added you to the sentence
10.	**Respondent I**	1. Paragraph 5 2. Paragraph 6	Babe My 2 sentence input, but the survey is very clear and straight forward. All the best **Comments** 1. It is anticipated that the collected data will assist me with the following: • Determining whether stokvels can enable small and medium-size enterprises (SMMEs) in the development of tourism businesses. • Will contribute much-needed knowledge on how stokvels can promote social entrepreneurship and unlock empowerment opportunities for previously disadvantaged communities and bring about transformation in South Africa's tourism industry. • The data collected from this survey will be kept for five years	1. Updated accordingly 2. Paragraph is important as per ethical standard therefore it

		3. Question A2 & A4	for audit purposes, where after it will be permanently destroyed using software programs such as File Shredder and Eraser. I think it belongs here 2. I would do away with this paragraph we all know that its approved and you have explained in the beginning. You are, however, under no obligation to complete the survey, and you can withdraw from the study prior to submitting the survey. Babe they will respond don't give them an option 3. A2 AND A4 Is the same question I would go for A4 as its more detailed. Please delete A2	was not changed 3. Not changed as it is important to measure reliability and validity 4.
11.	**Respondent J**		Hi chomi, I had completely forgotten to complete L Nonhlanhla just reminded me. Here it is, attached with responses. Stunning work J **Comments** • N/A	

			• Only filled out the questionnaire	
12.	**Respondent K**		Hey Toto, Once again apologies for the delay L I hope the attached is in order. Regards Dionné **Comments** • N/A • Only filled out the questionnaire	
13.	**Respondent L**		Baby Please forward to Toto Regards Shadowski **Comments** • N/A • Only filled out the questionnaire	

* Names of respondents to be provided on request.

Appendix G

Final Survey Questionnaire

Questionnaire Survey

Ethical clearance #: 2020_CEMS_DAM_018
Stokvel investment: A Tourism SMME enabler in the Limpopo Province

PARTICIPANT INFORMATION SHEET

Dear prospective respondent,

You are invited to take part in a survey conducted by Nonhlanhla Seoe (maiden surname Tshabalala) under the supervision of Prof Nellie Swart, an Associate Professor in the Department of Applied Management. The survey is towards the fulfilment of a Master's degree in Commerce (Tourism Management) at the University of South Africa. The study is funded by UNISA and The City of Tshwane Municipality.

The survey aims to explore how stokvels/group savings and investments can be utilised as an alternative form of investment for the development of tourism businesses. The research will explore stokvels as an alternative tourism investment stimulus within previously disadvantaged communities. More specifically, tourism stokvel investment is considered as a social entrepreneurship enabler, to propose an African solution for the transformation of the tourism sector in South Africa.

You are eligible to take part in this survey as you are an active member of a stokvel group, and if you are interested in joining a stokvel to invest in tourism businesses. Please note that you will not be eligible to complete the survey if you are not an active member of at least one stokvel group and if you are not interested in investment or stokvels.

The online questionnaire will be anonymous, to protect your private information and identity. Only information related to your demographics such as gender and age will be asked, to assist the researchers to determine the demographic details of the overall sample. Please note that by completing this survey, you agree that the information you provide may be used for research purposes, including dissemination through peer-reviewed publications and conference proceedings.

It is anticipated that the collected data;
will assist in determining whether stokvels can enable small and medium-sized enterprises (SMMEs) in the development of tourism businesses.
will contribute much-needed knowledge on how stokvels can promote social entrepreneurship and unlock empowerment opportunities for previously disadvantaged communities and bring about transformation in South Africa's tourism industry.
Any information provided herein will be confidential and will report the findings from the perspective of the participating individuals, not from the perspective of the researcher.

The research was reviewed and approved by the Department Applied Management Research Ethics Review Committee, and it is forecast that you will not experience any negative consequences by participating in the survey. Please note that you will not be reimbursed or receive any incentives for your participation in this study. You are, however, under no obligation to complete the survey, and you can withdraw from the study before submitting the survey.

The data collected from this survey will be kept for five years for audit purposes, whereafter it will be permanently destroyed using software programs such as File Shredder and Eraser.

For any questions and enquiries regarding the survey or the study, you may contact the primary researcher, Ms Nonhlanhla Seoe on 071 351 4458 (office hours), or via e-mail at 54609305@mylife.unisa.ac.za.

Should you have any questions regarding the ethical aspects of the study, you can contact the chairperson of the Department of Applied Management Research Ethics Review Committee via email at damrerc@unisa.ac.za. Alternatively, you can report any serious unethical behaviour on the university's toll-free hotline: 0800 86 96 93.

Thank you for taking the time to read this information sheet and for participating in this study.

NOTE TO ETHICS COMMITTEE: The information above will be included under the "Instruction" section of the Lime survey.

By continuing with the survey, you consent to the following:

CONSENT TO PARTICIPATE IN THIS STUDY

I have read and understood the information provided about the research survey.

I understand that my participation is voluntary and anonymous and that I am free to withdraw at any time and without penalty.

I am aware that the findings of this study will be processed for a research report, journal publications, and/or conference proceedings.

I am aware that copies of the completed questionnaire will be stored by the researcher for a period of 5 to 10 years on a password-encrypted computer, for audit purposes and future academic purposes.

To give consent please select "yes"

NOTE TO THE ETHICS COMMITTEE: This consent will be indicated as a question on the survey, only respondents who selected "Interested" for all the preceding questions will be allowed to proceed with the completion of the questionnaire.

Instructions for completion:

This questionnaire contains several questions about your views on a stokvel that invests in tourism businesses and your experience as a stokvel member. You are requested to select the number next to the question that most accurately reflects your view. The scale ranges from 1 to 7.

1 (Not at all); 2; 3; 4 (Neutral); 5; 6; 7 (Definitely)

1 (Not likely at all); 2; 3; 4 (Neutral); 5; 6; 7 (Very likely)

1 (Not important); 2; 3; 4 (Neutral); 5; 6; 7 (Very important)

Please read each question carefully and choose the option that best describes your perception and views about tourism, stokvels, and investments. The questionnaire consists of five sections (A to E), with the following contents: s

SECTION A: PRE-SCREENING

SECTION B: MARKET SEGMENTATION DETAILS

SECTION C: TOURISM STOKVEL INVESTMENT

SECTION D: TOURISM SOCIAL ENTREPRENUERSHIP

SECTION E: TOURISM SOCIAL TRANSFORMATION

SECTION A: PRE-SCREENING

(Mark with an **X** or fill in your answer)

A1. Are you an active member of a stokvel or investment group?

1. Stokvel member	
2. Sub-member of a stokvel/investment group	
3. Savings group	
3. None of the above	

A2. Are you interested in joining a stokvel or investment group that focuses on starting tourism businesses?

1. Interested	
2. Not interested	
3. Not sure	

SECTION B: MARKET SEGMENTATION DETAILS

B1. What is your gender?

1. Male	
2. Female	
3. Prefer not to answer	

B2. What is your age group?

18–35		36–53		54–65	

B3. Which category best describes your stokvel or investment group?

[Mark your **primary** stokvel group]

1. Grocery stokvel	

2. Saving club	
3. Burial society	
4. Investment club	
5. Rotational stokvel club	
6. Multi-function stokvel	
8. Other	
If you have selected “Other”, please specify.	

B4. In which province of South Africa do you live?

[Select only **one** province]

1. Gauteng	
2. KwaZulu-Natal	
3. Western Cape	
4. Eastern Cape	
5. Mpumalanga	
6. Limpopo	
7. North-West	
8. Free State	
9. Northern Cape	
10. I do not live in South Africa	

SECTION C: TOURISM STOKVEL INVESTMENT

A tourism stokvel investment is defined as a temporary but certain commitment of money to acquire personal income-bearing assets to accumulate wealth over the long term to develop a tourism-focused business.

Trust *is defined as the confidence one person has in another based on repeated interaction between these individuals to achieve common goals, i.e., to develop a tourism-focused business for themselves.*

Please answer the questions below regarding this definition.

C1	**How important is trust amongst members when you are choosing a stokvel?**								
	Trust is not important at all	1	2	3	4	5	6	7	**Trust is extremely important**
C2	**How likely are you to join a stokvel that invests in tourism when you can trust the members?**								
	Not likely to join at all	1	2	3	4	5	6	7	**Highly likely to join**
C3	**Rate the importance of honesty as a reason for you to invest in a tourism stokvel.**								
	Honesty is not important at all	1	2	3	4	5	6	7	**Honesty is extremely important**

Social development *is a set of initiatives developed to generate private investment through the creation of tourism-focused stokvels.*

Please answer the questions below concerning this definition.									
C4	**How likely are you to join an online-managed stokvel that invests in tourism to develop a tourism business?**								
	Not likely to join at all	1	2	3	4	5	6	7	**Highly likely to join**
C5	**How likely are you to join a stokvel that invests in tourism that would lead to owning your own business?**								
	Not likely to join at all	1	2	3	4	5	6	7	**Highly likely to join**
C6	**How important is socialising with other members when making your decision to join a tourism stokvel?**								
	Not important to socialise at all	1	2	3	4	5	6	7	**Extremely important to socialise**

Financial security *is a state of having a constant income generated from a tourism business.* Please answer the questions below concerning this definition.									
C7									
	Not important to have a credit facility	1	2	3	4	5	6	7	**Extremely important to have a credit facility**
C8	**How important is earning interest from your contributions when joining a stokvel that invests in tourism?**								
	Not important to earn interest	1	2	3	4	5	6	7	**Extremely important to earn interest**
C9	**How important is long-term existence (longevity) before you consider joining a stokvel that invests in tourism?**								
	Longevity is not important at all	1	2	3	4	5	6	7	**Longevity is extremely important**
C10	**How likely are you to join a stokvel that invests in tourism which only pays one lump sum to all members, including interest, at the end of the year?**								
	Not likely at all to join	1	2	3	4	5	6	7	**Highly likely to join**

SECTION D: TOURISM SOCIAL ENTREPRENUERSHIP

Social entrepreneurship is the identification of an opportunity to develop a tourism-focused business that will generate profit for SMME's and make a positive impact on the local community.

Innovation *is the process of creating new and entrepreneurial tourism ideas.* Please answer the questions below concerning this definition.									
D1	**Do you think a stokvel that invests in tourism is an innovative approach to entrepreneurship?**								
	Not innovative at all	1	2	3	4	5	6	7	**Very innovative**

D2	**In your opinion, can a stokvel create valuable tourism-focused business opportunities in a region such as Limpopo?**								
	Not valuable at all	1	2	3	4	5	6	7	**Valuable**
D3	**How important is financial wellness training as an innovative benefit offered to members who invest in a tourism stokvel?**								
	Not important at all	1	2	3	4	5	6	7	**Extremely important**

Opportunity *is an attractive situation in which new tourism products and services can be designed for the development of the tourism sector.*

Please answer the questions below concerning this definition.

D4	**How likely are you to join an investment that focuses on the development of tourism-focused businesses to generate income?**								
	Not likely to join at all	1	2	3	4	5	6	7	**Highly likely to join**
D5	**In your opinion, can stokvel groups contribute to a reduction in unemployment by investing in tourism enterprises?**								
	Not at all	1	2	3	4	5	6	7	**Definitely**
D6	**Is there an opportunity to improve South Africa's economy by investing in tourism businesses through stokvel groups?**								
	No opportunity at all								**Many opportunities**

Social capital *is the relationships between people who have mutual tourism business development interests with the purpose of generating profit and income for personal growth.*

Please answer the questions below concerning this definition.

D7	**Will you join a tourism stokvel that focuses on generating social capital to create wealth for entrepreneurs?**								
	I Will not join it at all	1	2	3	4	5	6	7	**Will join**
D8	**In your opinion, do stokvels contribute to the generation of social capital for the local community?**								
	Do not contribute at all	1	2	3	4	5	6	7	**Contribute a lot**
D9	**Is the generation of social capital through stokvels a feasible entrepreneurial instrument to create personal financial wealth?**								
	Not feasible at all	1	2	3	4	5	6	7	**Very feasible**

SECTION E: SOCIAL TRANSFORMATION IN TOURISM

When stokvel investments are made in tourism businesses to alleviate poverty by stimulating the generation of income and in turn facilitate economic growth.

Economic development *is the process of economic growth as a result of tourism stokvel investment in individual tourism businesses.* Please answer the questions below concerning this definition.									
E1	**How likely are you to support the development of tourism infrastructure (such as the building of a guest house) through a stokvel investment group?**								
	Not likely to at all	1	2	3	4	5	6	7	**Highly likely to develop a tourism business**
E2	**Do you consider the tourism industry an attractive market for stokvel investment?**								
	Not attractive at all	1	2	3	4	5	6	7	**Extremely attractive**
E3	**How likely are you to invest in a tourism stokvel with the purpose to transform the tourism industry?**								
	Not likely to invest at all	1	2	3	4	5	6	7	**Highly likely to invest**

Job creation *refers to the creation of jobs through the development of new tourism businesses as a result of tourism stokvel investment clubs.* Please answer the questions below concerning this definition.									
E4	**In your opinion, can a tourism business which is developed by a stokvel investment fund, provide employment opportunities for job seekers?**								
	Not likely to employ at all	1	2	3	4	5	6	7	**Highly likely to provide employment**
E5	**Through the collaboration of stokvel members in developing tourism businesses, how likely are these businesses to create jobs?**								
	Not likely to create jobs	1	2	3	4	5	6	7	**Highly likely to create jobs**
E6	**Do you consider the creation of jobs through a stokvel that invests in tourism as challenging?**								
	Not challenging to create jobs	1	2	3	4	5	6	7	**Incredibly challenging to create jobs**

Improved standard of living *is defined by the general improvement in the economic and social standard of living for individuals due to the impact of social transformation caused by a stokvel that invests in tourism businesses.*

Please answer the questions below concerning this definition.

E7	**In your opinion, how likely are people to invest in stokvels to improve their standard of living?**								
	Not likely to invest at all	1	2	3	4	5	6	7	**Highly likely to invest**
E8	**Do you believe that when stokvel savings are invested in a tourism-focused business, it will result in improving the living standards of its members?**								
	Do not believe it at all	1	2	3	4	5	6	7	**Very much believe it**
E9	**Do you believe that investing in a tourism stokvel's can improve the living standards of rural entrepreneurs?**								
	Do not believe it at all	1	2	3	4	5	6	7	**Very much believe it**

Empowerment *is when a community becomes financially independent through the development of a tourism stokvel investment to stimulate the development of a tourism-focused business.* *Please answer the questions below concerning this definition.*									
E10	**Do you think rural tourism entrepreneurs will be empowered when they join a stokvel that invests in tourism?**								
	Will not be empowered	1	2	3	4	5	6	7	**Will be empowered**
E11	**Do you agree that stokvels that invest in tourism can contribute to the development of more entrepreneurs?**								
	Do not agree at all	1	2	3	4	5	6	7	**Agree completely**
E12	**How likely are stokvels that invest in tourism able to contribute to the economic growth of an area?**								
	Not likely to contribute to economic growth	1	2	3	4	5	6	7	**Highly likely to contribute to economic growth**
E13	**How likely are you to join a tourism stokvel that is related to the community you come from?**								
	Not likely to join at all								**Highly likely to join**

F1 How much money are you willing to invest monthly in a Tourism stokvel?

[Please choose only **one** option.]

Less than R500	
2. R501 to R1 000	
3. R1 001 to R3 000	
4. R3 001 to R6 000	
5. R6 001 to R10 000	
6. R10 001 to R15 000	
7. R15 001 to R20 000	
8. More than R20 001 (please specify the amount)	

F2. As you have selected more than R20 0001, how much money are you willing to invest on a monthly basis in a tourism business?

A3. Would you be interested in investing in a stokvel or investment club that focuses on tourism businesses in the Limpopo region?

1. Interested	
2. Not interested	
3. Not sure	

As you indicated you are not interested to invest in the Limpopo region, select the province where you will invest.

1. Gauteng	
2. KwaZulu-Natal	
3. Western Cape	
4. Eastern Cape	
5. Mpumalanga	
6. North-West	
7. Free State	
8. Northern Cape	
9. I do not live in South Africa	

Please provide us with any additional comments you may have.

Thank you for completing the questionnaire.

Appendix H

Descriptive Statistics for Section C, Section E and Section F

The section below reports on the descriptive statistics obtained for Section C, E and F.

Table B1 – Descriptives for Investment

Factor			Statistic	Std. Error
Investment	Mean		6.2471	.05539
	95% Confidence Interval for Mean	Lower Bound	6.1379	
		Upper Bound	6.3563	
	5% Trimmed Mean		6.3325	
	Median		6.2500	
	Variance		.620	
	Std. Deviation		.78730	
	Minimum		2.50	
	Maximum		7.00	
	Range		4.50	
	Interquartile Range		1.25	
	Skewness		-1.527	.171
	Kurtosis		3.170	.341

Table B2 Report on Trust

Items	Mean	N	Std. Deviation
C1_TRU How important is trust... [...amongst members when you are choosing a stokvel?]	6.81	202	.782
C2_TRU How likely are you to .... [...join a stokvel that invests in tourism when you can trust the members?]	6.40	202	.993
C3_TRU Rate the importance of honesty .... [... as a reason for you to invest in a tourism stokvel.]	6.76	202	.681

Table B2 is indicative that respondents tended to rate the statements about trust an honesty very high. They also mostly indicated that they are extremely likely to join a stokvel aimed at tourism if they can trust the members.

Table B3 Report on Social Development

Items	Mean	N	Std. Deviation
C4_SOCD How likely are you to join ... [... an online-managed stokvel that invests in tourism to develop a tourism business?]	5.11	202	1.545
C5_SOCD How likely are you to join ... [... a stokvel that invests in tourism that would lead to owning your own business?]	6.35	202	1.120
C6_SOCD How important is socialising ... [... with other members when making your decision to join a tourism stokvel?]	5.96	202	1.380

Table B3 shows that on average, it seems that respondents are positive about supporting a stokvel that is aimed at improving the tourism business.

Table B4: Report on financial Security

Items	Mean	N	Std. Deviation
C7_FIN How important is a credit facility ... [... when you consider joining a stokvel that invests in tourism?]	5.48	202	1.667
C8_FIN How important is earning interest ... [... from your contributions when joining a stokvel that invests in tourism?]	6.44	202	1.055
C9_FIN How important is long-term existence (longevity) ... [... before you consider joining a stokvel that invests in tourism?]	6.00	202	1.224
C10_FIN How likely are you to join a stokvel ... [... that invests in tourism which only pays one lump sum to all members, including interest, at the end of the year?]	6.20	201	1.262

Table B4 indicates that respondents tended to rate the statements about financial security towards the higher end of the scale.

Table B5 – Report on Innovation

Items	Mean	N	Std. Deviation
D1_INN Do you think a stokvel that ... [... invests in tourism is an innovative approach to entrepreneurship?]	6.27	202	.998
D2_INN In your opinion, can a stokvel create valuable tourism-focused business opportunities .... [... in a region such as Limpopo?]	6.13	202	1.162
D3_INN How important is financial wellness training ... [... as an innovative benefit offered to members who invest in a tourism stokvel?]	6.44	202	1.065

Table B5 shows that average, it seems that respondents think that a stokvel provides opportunities for innovation.

Table B6 – Report on Opportunity

Items	Mean	N	Std. Deviation
D4_OPP How likely are you to join ... [... an investment that focuses on the development of tourism-focused businesses to generate income?]	6.20	202	1.120
D5_OPP In your opinion, can stokvel groups contribute ... [... to a reduction in unemployment by investing in tourism enterprises?]	6.19	202	1.192
D6_OPP Is there an opportunity to improve South Africa's economy ... [... by investing in tourism businesses through stokvel groups?]	6.31	202	1.025

Table B6 shows that on average, it seems that respondents think that a stokvel provides opportunities for improving SA's economy and to reduce unemployment.

Table B7 – Report on Social Capital

Items	Mean	N	Std. Deviation
D7_SOCC Will you join a tourism stokvel ... [... that focuses on generating social capital to create wealth for entrepreneurs?]	6.38	202	1.050
D8_SOCC In your opinion, do stokvels contribute ... [... to the generation of social capital for the local community?]	5.73	202	1.435
D9_SOCC Is the generation of social capital... [.... through stokvels a feasible entrepreneurial instrument to create personal financial wealth?]	5.82	202	1.301

Table B7 illustrates that on average, it seems that respondents think that a stokvel can be a vehicle for generating social capital.

Table B8 – Report on Economic Development

Items	Mean	N	Std. Deviation
E1_ECO How likely are you to support the development of tourism infrastructure (such as the building of a guest house) through a stokvel investment group?	6.22	202	1.182
E2_ECO Do you consider the tourism industry an attractive market for stokvel investment?	6.05	202	1.160
E3_ECO How likely are you to invest in a tourism stokvel with the purpose to transform the tourism industry?	6.07	202	1.203

Table B8 indicates that respondents tended to rate the statements about economic development towards the higher end of the scale.

Table B9 – Report on Job Creation

Items	Mean	N	Std. Deviation
E4_JOB In your opinion, can a tourism business which is developed by a stokvel investment fund, provide employment opportunities for job seekers?	6.31	202	1.005

E5_JOB Through the collaboration of stokvel members in developing tourism businesses, how likely are these businesses to create jobs?	6.18	202	1.070
E6_JOB Do you consider the creation of jobs through a stokvel that invests in tourism as challenging?	4.79	202	1.635

Table B9 illustrates that on average, it seems that respondents feel positive about a stokvel-based tourism business's contribution towards job creation.

Table B10 – Report on Improved Standard of Living

Items	Mean	N	Std. Deviation
E7_IMP In your opinion, how likely are people to invest in stokvels to improve their standard of living?	5.95	202	1.276
E8_IMP Do you believe that when stokvel savings are invested in a tourism-focused business, it will result in improving the living standards of its members?	6.11	202	1.138
E9_IMP Do you believe that investing in a tourism stokvel's can improve the living standards of rural entrepreneurs?	6.08	202	1.158

Table B10 indicates that on average, it seems that respondents feel positive about support for a stokvel investment in a tourism business to improve living standards.

Table B11 – Report on Empowerment

Items	Mean	N	Std. Deviation
E10_EMP Do you think rural tourism entrepreneurs will be empowered when they join a stokvel that invests in tourism?	6.10	202	1.180
E11_EMP Do you agree that stokvels that invest in tourism can contribute to the development of more entrepreneurs?	6.18	202	1.116
E12_EMP How likely are stokvels that invest in tourism able to contribute to the economic growth of an area?	6.06	202	1.234
E13_EMP How likely are you to join a tourism stokvel that is related to the community you come from?	5.90	202	1.556

Table B11 illustrates that on average, it seems that respondents feel positive that a stokvel investment in a tourism business will lead to empowerment.

Appendix I

Exploratory Factor Analysis - Section C Tourism Stokvel Investment

Table E1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.693
Bartlett's Test of Sphericity	Approx. Chi-Square	73.702
	df	6
	Sig.	<.001

Appendix J

Exploratory Factor Analysis - Section D Tourism Social Entrepreneurship

Table F1 - KMO and Bartlett's Test Tourism Social Entrepreneurship

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.805
Bartlett's Test of Sphericity	Approx. Chi-Square	423.416
	df	15
	Sig.	<.001

Appendix K

Exploratory Factor Analysis - Section E Tourism Social Transformation

Table G1 - KMO and Bartlett's Test Tourism Social Transformation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.853
Bartlett's Test of Sphericity	Approx. Chi-Square	922.991
	df	36
	Sig.	<.001

Appendix L

Tests of normality (EFA latent constructs)

Table D1 - Descriptives (Stokvel investment)

Descriptives			Opportunity	Social Capital	Economic Development	Improve Living Standard
Mean		Statistic	6.3000	5.7750	6.1830	6.0588
		Std. Error	.05999	.08542	.06424	.06666
95% Confidence Interval for Mean	Lower Bound	Statistic	6.1817	5.6066	6.0563	5.9273
	Upper Bound	Statistic	6.4183	5.9434	6.3097	6.1902
5% Trimmed Mean		Statistic	6.3958	5.8861	6.2756	6.1194
Median		Statistic	6.6250	6.0000	6.4000	6.2500
Variance		Statistic	.720	1.459	.825	.889
Std. Deviation		Statistic	.84844	1.20796	.90843	.94276
Minimum		Statistic	3.25	1.00	2.60	3.50
Maximum		Statistic	7.00	7.00	7.00	7.00
Range		Statistic	3.75	6.00	4.40	3.50
Interquartile Range		Statistic	1.25	2.00	1.35	1.69
Skewness		Statistic	-1.459	-1.293	-1.347	-.716
		Std. Error	.172	.172	.172	.172
Kurtosis		Statistic	1.882	2.506	1.724	-.665
		Std. Error	.342	.342	.342	.342

Appendix M

Confirmatory Factor Analysis (CFA)

The section below consists of a list of Appendices to give more context into the CFA results that were obtained for the current study.

Model Fit Summary

The fit indices below also indicate that the data fits the model reasonably well – better than the model based on 202 observations.

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	40	142.327	80	.000	1.779
Saturated model	120	.000	0		
Independence model	15	1685.299	105	.000	16.050

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.056	.915	.873	.610
Saturated model	.000	1.000		
Independence model	.539	.258	.151	.225

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.916	.889	.961	.948	.961
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.762	.698	.732
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	62.327	32.910	99.592
Saturated model	.000	.000	.000
Independence model	1580.299	1451.023	1716.969

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.715	.313	.165	.500
Saturated model	.000	.000	.000	.000
Independence model	8.469	7.941	7.292	8.628

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.063	.045	.079	.108
Independence model	.275	.264	.287	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	222.327	229.322	354.260	394.260
Saturated model	240.000	260.984	635.798	755.798
Independence model	1715.299	1717.922	1764.774	1779.774

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.117	.969	1.304	1.152
Saturated model	1.206	1.206	1.206	1.311
Independence model	8.620	7.970	9.306	8.633

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	143	158
Independence model	16	17

Execution time summary

Minimization:	.024
Miscellaneous:	.362
Bootstrap:	.248
Total:	.634

Model Fit Summary

The fit indices below also indicate that the data fits the model reasonably well – better than the model based on 202 observations.

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	40	142.327	80	.000	1.779
Saturated model	120	.000	0		
Independence model	15	1685.299	105	.000	16.050

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.056	.915	.873	.610
Saturated model	.000	1.000		
Independence model	.539	.258	.151	.225

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.916	.889	.961	.948	.961
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.762	.698	.732
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	62.327	32.910	99.592
Saturated model	.000	.000	.000
Independence model	1580.299	1451.023	1716.969

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.715	.313	.165	.500
Saturated model	.000	.000	.000	.000
Independence model	8.469	7.941	7.292	8.628

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.063	.045	.079	.108
Independence model	.275	.264	.287	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	222.327	229.322	354.260	394.260
Saturated model	240.000	260.984	635.798	755.798
Independence model	1715.299	1717.922	1764.774	1779.774

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.117	.969	1.304	1.152
Saturated model	1.206	1.206	1.206	1.311
Independence model	8.620	7.970	9.306	8.633

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	143	158
Independence model	16	17

Execution time summary

Minimization: .024

Miscellaneous: .362

Bootstrap: .248

Total: .634

Appendix N

Mediation – final model fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	40	142.327	80	.000	1.779
Saturated model	120	.000	0		
Independence model	15	1685.299	105	.000	16.050

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.056	.915	.873	.610
Saturated model	.000	1.000		
Independence model	.539	.258	.151	.225

Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.916	.889	.961	.948	.961
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Parsimony-Adjusted Measures

Model	PRATIO	PNFI	PCFI
Default model	.762	.698	.732
Saturated model	.000	.000	.000
Independence model	1.000	.000	.000

NCP

Model	NCP	LO 90	HI 90
Default model	62.327	32.910	99.592
Saturated model	.000	.000	.000
Independence model	1580.299	1451.023	1716.969

FMIN

Model	FMIN	F0	LO 90	HI 90
Default model	.715	.313	.165	.500
Saturated model	.000	.000	.000	.000
Independence model	8.469	7.941	7.292	8.628

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.063	.045	.079	.108
Independence model	.275	.264	.287	.000

AIC

Model	AIC	BCC	BIC	CAIC
Default model	222.327	229.322	354.260	394.260
Saturated model	240.000	260.984	635.798	755.798
Independence model	1715.299	1717.922	1764.774	1779.774

ECVI

Model	ECVI	LO 90	HI 90	MECVI
Default model	1.117	.969	1.304	1.152
Saturated model	1.206	1.206	1.206	1.311
Independence model	8.620	7.970	9.306	8.633

HOELTER

Model	HOELTER .05	HOELTER .01
Default model	143	158
Independence model	16	17

Execution time summary

Minimization: .082

Miscellaneous: .578

Bootstrap: .347

Total: 1.007

Appendix O

Other comments

Of the 202 respondents, 89 respondents provided some additional comment – see below.

Table C1 - Please provide us with any additional comments you may have.

Items	Frequency	Percent	Valid Percent	Cumulative Percent
	112	55.4	55.4	55.4
.	1	.5	.5	55.9
A stokvel that will improve my standard of living and generate interest is interesting	1	.5	.5	56.4
According to my perspective, stokvels are likely to create more job opportunities and grow businesses worldwide. Investing in a tourism stokvel is a bonus as it benefits many people, both nationally and internationally.	1	.5	.5	56.9
After Limpopo you must consider other provinces	1	.5	.5	57.4
As a women entrepreneurship is key, so I will definitely join	1	.5	.5	57.9
Beautiful initiative	1	.5	.5	58.4
Encourage communities to invest in within their areas	1	.5	.5	58.9
Financial education is also needed as the support factors to the community active on stockvels, Majority of the time when the money is shared in December, we or majority of black community all the think about is buying booze, or spend it on unnecessary benefits. It will be good if such money can be invested on something very beneficial to the community, e.g starting a proper business of some sorts	1	.5	.5	59.4
Focus on women and rural area development	1	.5	.5	59.9
Free State province harbor a lot office tourism destination that still need to be developed and promoted. I would rather invest in my province	1	.5	.5	60.4
Gauteng is central and most people stay around, and only go home in December.	1	.5	.5	60.9
Given the opportunity to join this potential stokvel, I would. Trust and proper registration processes are a must.	1	.5	.5	61.4
Government must subsidise those in need for this project to be successful	1	.5	.5	61.9
Highly interested in contributing on Stokvel investments as this will truly eradicate poverty and the alarming rate of unemployment.	1	.5	.5	62.4

Honestly i do not fully understand stokvels in tourism but with the information above i think its a good investment that will help community in building small businesses	1	.5	.5	62.9
I like the government to create more job on this project	1	.5	.5	63.4
I really enjoyed what i read in this survey,it taught me something very interesting.If i really had some extra income i would have loved to joined...thank you.	1	.5	.5	63.9
I think as an investor and evaluate each investment in relation to others. Right now the tourism industry has been decimated with the culmination of higher unemployment and reduced salaries (lower disposable income) I would find it difficult to invest in a stokvel that focuses on businesses in Limpopo. Limpopo is very far and is more of an international leisure destination than a local one. The only possibility would be in a a B&B in a mining town where we would be able to get corporate business. Gauteng would be a potential destination due to: proximity to where I live to have oversight of operations; has a very good source market; has a better GDP per capita than Limpopo; is travelled regularly by locals; and has better infrastructure than Limpopo (Wifi, roads, public transport accessibility etc.)	1	.5	.5	64.4
I think it's actually a great idea to invest in the tourism industry as it contributes to the country's economy. Government should also look into investing into its tourism industry as a means to stimulate growth over the long term and enabling the poor to share in economic gains.	1	.5	.5	64.9
I think people should invest in tourism and consider it beneficial to the economy Thank you	1	.5	.5	65.3
I think they shouldn't look at Limpopo only because of high employment rate it is around all the provinces.	1	.5	.5	65.8
I think this could be a great stockvel initiative than grocery stockvel and burial stockvel	1	.5	.5	66.3
I think this initiave will definitely work especially in the black communities. They believe so much in stockvels and they mostly get ripped off, but with this initiave they would get back their monies worth. Also this will assist uneducated people or unemployed people as it's tough to find work nowadays.	1	.5	.5	66.8
I will invest in Gauteng as it will be easy to manage instead of travel over 200km away	1	.5	.5	67.3
I wish that the business tourism can really help stokvel to improve the standard of living	1	.5	.5	67.8
I wish the department of tourism can really implement this stockvel.	1	.5	.5	68.3
I would invest anywhere in Suth Africa Where theres a business tourism opportunity.	1	.5	.5	68.8

I would like to play a role in the tourism industry within my neighborhood. I believe that I need to know my immediate surroundings before I can venture out into other provinces.	1	.5	.5	69.3
I'd be interested in investing in a Tourism Stokvel that focuses on multiple areas/regions at a time and that empowers its investors with constant education of the industry (perhaps even short courses).	1	.5	.5	69.8
Interesting study	1	.5	.5	70.3
Investment through stokvel should be transformed from the traditional focus of spending the invested money carelessly but spend it wisely. Tourism business is another innovative idea that will educate and inform majority of people black in particular about the importance of investing in sectors which are part of the main economic drivers. There are so many lodges and guest houses built in limpopo but majority of them are intended to serve a local market which does not guarantee a sustainable profit making business. In this regard, marketing more specifically digital marketing becomes very important especially in this fourth industries revolution Era. Ageing parents (pensioners) should consider investing in tourism business, educate their kids about importance of tourism business properties and the need to take care of such facilities. Government should expropriate land stollen by white apartheid regime, nationalize it and lease it to black entrepreneurs in both business and agricultural economy to transform the life a d plight faced by black majority of South Africa. Tourism is the most dominant job creating economic sector globally and South Africa should drive an innovative agenda to take advantage of its job creation and economic growth potential.	1	.5	.5	70.8
It is good proposal that will benefit all communities and improve their lives and their families	1	.5	.5	71.3
It is interesting different kinds of stockvel and investment that other people they are not aware of	1	.5	.5	71.8
It was not easy to answer the questions with the current limitations of Covid 19. The responses would have been a lotore favorable if there was no Covid. However I don't see opportunities given the current circumstances people are worried about jobs and putting food on the table. But in a normal economy tourism could boost the wealth of stokvels	1	.5	.5	72.3
It would be a great intervention for our country for such tourism Stokvel to form social networking programs that caters to mostly rural part of the Limpopo province.	1	.5	.5	72.8
Limpopo is a beautiful province with alot to offer from game drives, seeing animal, socials great place to travel	1	.5	.5	73.3

Limpopo is fast growing to be a tourist attraction spot for leisure and a whole lot more, such long term investments would be of great value for the community and us investors. Plus as the country starts to rebuild itself from the pandemic.. Stokvels are s great start.	1	.5	.5	73.8
Looking forward to see the department of tourism creating this stockvels that will create jobs for our communities	1	.5	.5	74.3
Money is not something you can play with, especially to a faceless people..and i dont trust Limpompo people with Money anymore, after the incident of the VBS.. It must be around me, so that i can go and have more info.. Not always sending money and have no idea of the Offices..	1	.5	.5	74.8
Most people I know are highly likely to encourage promotion of a region that they are from and would invest considerable amounts of money in a stockevel for tourism of their hometown for sentimental reasons with a desire to see economic development and activity and that area	1	.5	.5	75.2
N/A	1	.5	.5	75.7
Never thought the two topics can intertwine only after being introduced to your topic that I realise they make an interesting and quite lucrative combination.	1	.5	.5	76.2
No comment	1	.5	.5	76.7
No comments for now	1	.5	.5	77.2
None	7	3.5	3.5	80.7
None.	2	1.0	1.0	81.7
Not much to say as we are still affected by covud=19	1	.5	.5	82.2
Nothing just hope everything comes into place	1	.5	.5	82.7
One on one with members who are clueless when it comes such things, members needs education so they know of such investment	1	.5	.5	83.2
One, I'll be bias in this question as I'm based in KZN. KZN is a known province for tourism because of the sea and many things which attracts tourists following the African history and African legend's history which most people would love to learn about	1	.5	.5	83.7
Please consider the execution of the mentioned Tourism Stockvel Investment, how they would be managed and centralised as well and how people would be capacitated to participate especially when you are considering an area like Limpopo. Most areas are rural in Limpopo and people who are likely to join are also older. This is an interesting concept and with a strong plan it can be very successful when applied correctly especially for rural economic development. Thank you for the opportunity to participate.	1	.5	.5	84.2
Poverty can highly be alleviated with this initiative	1	.5	.5	84.7
Regulations for Stovel should be developed and implemented to assist the stokvel industry	1	.5	.5	85.1

scores to some of the questions were given cautiously with the current covid-19 devastation in mind, one was unsure if the research sought opinions based on the current economic state (which have swayed from when the environment was normal). It would have been great if this had been clearly indicated so that as participants we are more clearer and more relevant with our responses.	1	.5	.5	85.6
Stokvel in tourism will improve economy of the rural community. It is a transparent and secure way to grow money for unemployment for any group of age. Cultural village can be a key to tourist attraction and development initiative in the rural community.	1	.5	.5	86.1
Stokvel's like this will encourage young people to join because this stokvel is about making a better tomorrow	1	.5	.5	86.6
Stokvels are a trusted way to invest for future big goals. When they are well structured and run in a professional way they are a massive investment tool.	1	.5	.5	87.1
Stolvels have far long lived in our communities as the previously underprivileged and their main aim was to create capital in forms of a lump sum payout at the end of the year or in groceries but a tourism focused investment would reach further in improving the community at large and awakening entrepreneurs in the rural communities.	1	.5	.5	87.6
Thank you for the survey. Very insightful and helpful to people considering to join stokvels for personal and economic growth, and a GREAT opportunity to expand business in the tourism industry.	1	.5	.5	88.1
The amount of investment will however be affected due to the current rate of unemployment as people currently have no capital.	1	.5	.5	88.6
The area has lot of space to build and start a business also farming to create jobs.	1	.5	.5	89.1
The challenge with stockvels is that they are not recognized as a legal entity. Stockvels can be used for the purposes of collecting the investments amount and then a legal entity can be formed. One of the underrated vehicles that are more suited for this purposes is a co-operative. As a member of two stockvels , one having acquired a franchise and created about 12 jobs I am confident about the efficacy of stockvels. The other stockvel that I am member of will in due course be registered as a Co-operative financial institution with a lot of money having been raised. It is note worthy to mention that this stockvel has more than 500 members.	1	.5	.5	89.6
The lives of many people especially women will be improved with this initiative	1	.5	.5	90.1
The reason are the nowadays stokvel are either you win or loss	1	.5	.5	90.6
This has been a different form of stokvel that I actually think would be a success both for SMMEs & tourism development as a whole.	1	.5	.5	91.1

This initiative is long overdue	1	.5	.5	91.6
This is a great opportunity for wealth creation and living a legacy for your kids3	1	.5	.5	92.1
This is a very good research study and look forward to a comprehensive outcomes that will co tributes knowledge and understanding of the concept of Stockvel. However, I would have liked to be asked what type of Tourism business category I am likely to join Stockvel for (e.g. Tourism training institution, accommodation, transportation, restaurants, tour operators, travel agency, etc). This would have given a picture on the type of business people are likely to invest on in tourism, than to mention only guesthouse in one question. Great study	1	.5	.5	92.6
This is a very innovative idea, something that the tourism and hospitality industry can really pursue...	1	.5	.5	93.1
This is an interesting topic, loved it.	1	.5	.5	93.6
This would be a great initiative to uplift communities and generate an extra income simultaneously.	1	.5	.5	94.1
Through Stokvel-based approaches, we can establish sustainable financial-support mechanism if tourism-focused businesses cooperate with businesses in other sectors to form their Cooperative Banks in line with Cooperative Banks Act 40 of 2007. A Cooperative Bank is based on Stokvel approach (www. nptcsa. coop).	1	.5	.5	94.6
Tirisanong Mmogo	1	.5	.5	95.0
Tourism contributes significantly to the GDP of our Country and we saw the dip of it during the covid pandemic. This was a result of the shutdown that happened and now things are slowly picking up. This means that tourism needs to innovate to find new ways of attracting business and i belive tourism stockvels can being new ways where members and their familes can use the services and can even host stockvel meetings at the establishment that would have been setup. Looking forward to seeing what this research will share.	1	.5	.5	95.5
Tourism is an industry which does not necessary create much employment as opposed to other industries like infrastructure development. Thus one should not be over ambitious that tourism stokvel investment will create more jobs.	1	.5	.5	96.0

Tourism is one of the tools to Improve any community, Improving the standard of living for esp rural communities. This in turn will create employment through innovation from locals, for e.g. improving infrastructure to attract tourists in your community. Unemployed youth coming together to create local brands through cultural clothing etc. Older people teaching young ones how to bead, sing their local songs, poetry, that in return will increase tourism development. Nd tourists will in return spend their money within communities nd improvie the GDP of Limpopo for instance. Accommodation establishments that are unique to the communities. In essence if local communities come together, with their innovative thinking, It will automatically improve their area and their standard of living. International groups come into communities for a different experience. Nd yes I do believe local stockvel that are tourism based are a way to go.	1	.5	.5	96.5
Tourism stokvel is something new for. Only came to learn about it by participating on this survey. I like the idea of tourism stokvel and I strongly believe it will reduce the unemployment market of South Africa. It will also give upcoming entrepreneurs and business enthusiasts an opportunity to experience financial freedom and become debt free. We are a nation who's drowning in debts. We do really need such projects to keep the South African economy alive				

Appendix P

Abstract submitted and presented at the 5th conference on Events – ICE 2020.

Exploring how Stokvels can enable business tourism SMME development: a Limpopo Province case study

Abstract

The proposed study intends to investigate stokvels as an alternative business tourism investment stimulus for previous disadvantaged communities, and an African solution in the transformation of the business tourism sector. A number of tourism scholars, Sebele (2010) and van Niekerk (2014), noted the potential role of tourism development and its role in the empowerment and social-upliftment of communities. Further, Mekawy (2015) presented tourism as a smart investment threshold that would break the poverty cycle in many destinations. Entrepreneurship in business tourism offers a social dimension where community engagement plays a key role to integrated sustainable tourism development. Stokvels are social drivers who generate social capital for the economy of South Africa (Klug, Shulgin, Mate & Trajkovic, 2014) and promote local empowerment (Matuku & Kaseke, 2014). There is a growing need for financial independence through the development of creative and innovative ways for entrepreneurs to source funding or financial support (Mohapeloa, 2017) to enable sustainable tourism business development.

In South Africa, the National Government is frequently the only investor in tourism businesses through a number of investment programmes or incentives (Kirsten & Rogerson, 2002) such as the Tourism Incentive Programme (TIP), the Tourism Transformation Fund (TTF), the Small Enterprise Funding Agency (SEFA), and the Small Enterprise Development Agency (SEDA) to name a few. However, access to these government funds remains a challenge at local level (Department of Tourism, 2018). The elevated significance of tourism continues to attract attention of various governments and other industries such as hotels, airlines, and ground transport (Sifilo, Rugimbana & Hoque, 2017). This affords the business tourism industry with an opportunity to explore stokvels as a vehicle of to benefit the socio-economic state of a region.

This paper investigates how literature informs the development of constructs related tourism stokvel investment, tourism stokvel social entrepreneurship and tourism social transformation, for the development of a business tourism investment model in the Limpopo province. This paper aims to contribute significantly to the industry by presenting an innovative alternative to

funding business tourism opportunities thus in turn stimulating and increasing tourisms' contribution to economic growth and social transformation. The paper presents literature published on keywords related to *investment*, *social entrepreneurship* and *social transformation* in Scopus over the past 20 years.

Keywords

Stokvels, tourism, investment, SMME, social entrepreneurship, social transformation, tourism growth.

Seoe (Tshabalala), N. & Swart, M.P. 2020. *Exploring how Stokvels can enable business tourism SMME development: a Limpopo Province case study: Proceedings of the 5th International Conference on Events (ICE),* Cape Town, 16 – 18 November.

Appendix Q

Abstract submitted and presented at the7th Biennial International Tourism Studies Association (ITSA) & 2nd International Tourism Educators South Africa (TESA) Conference,

Exploring how Stokvels can enable tourism SMME development: a Limpopo Province case study.

Abstract

The proposed study intends to investigate stokvels as an alternative tourism investment stimulus for previous disadvantaged communities, and an African solution in the transformation of the tourism sector. A number of tourism scholars, Sebele (2010) and van Niekerk (2014), noted the potential role of tourism development and its role in the empowerment and social-upliftment of communities. Entrepreneurship in tourism offers a social dimension where community engagement plays a key role to integrated and sustainable tourism development. Stokvels are social drivers who generate social capital for the economy of South Africa (Klug, Shulgin, Mate & Trajkovic, 2014) and promote local empowerment (Matuku & Kaseke, 2014). There is a growing need for financial independence through the development of creative and innovative ways for entrepreneurs to source funding or financial support (Mohapeloa, 2017) to build sustainable tourism businesses. This research seeks to explore how stokvels can be utilised as an alternative form of investment for tourism businesses. Three research constructs are proposed namely tourism stokvel investment, tourism stokvel social entrepreneurship and tourism social transformation. Multivariate data analyses techniques using structural equation modelling (SEM) are proposed for the analyses of the primary data of this quantitative study. The paper introduces stokvels as an alternative investment model in the tourism sector, which is socially driven in an informal business environment of the Limpopo Province.

Keywords

stokvels, tourism, investment, SMME, social entrepreneurship, social transformation, tourism growth.

Seoe (Tshabalala), N. Swart, M.P. 2018. *Exploring how Stokvels can enable tourism SMME development: a Limpopo Province case study: Proceedings of the 7th Biennial International Tourism Studies Association (ITSA) & 2nd International Tourism Educators South Africa (TESA) Conference*, Pretoria, 06 – 10 August 2018. International Tourism Studies Association and International Tourism Studies Association.