

**Financing Small, Medium and Micro-Enterprises (SMMEs) in
Rural South Africa: An Exploratory Study of Stokvels in the Naledi
Local Municipality, North West Province**

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ABSTRACT This article examined the prevalence of the credit rotating system which is referred to as stokvels as a source of financing small, micro and medium enterprises (SMMEs) in South Africa. This paper investigated the activities of *stokvels* in the Naledi Local Municipality and determined how much of the funds saved through the scheme are used to establish and support SMME activities. The qualitative method of research in the form of focus group interviews was used to explore the activities of four *stokvels* in the Naledi Local Municipality. It was found that a lot of money is raised through the *stokvels* in the Naledi Local Municipality but almost all the money is used for household consumption. Based on the findings recommendations are made to policy makers on how savings from *stokvels* can be used as one of the funding sources for SMMEs in South Africa.