

‘Point of Sale’ Cash/Cashless Banking Enterprise Retention in Rural South Africa: Limitations and Interventions

Authors : Ishmael Obaeko Iwara

Abstract : The Point of Sale (POS) cash and cashless semi-formal business has emerged as a significant driver of employment in countries like Nigeria and Kenya, similar to other micro and small-scale enterprises. This business model enables individuals to establish cash in/out outlets, offering entrepreneurs and small business owners a lucrative opportunity to generate additional income. However, the benefits extend beyond employment, as the POS model has become an integral part of the payment system in these countries. It facilitates convenient fund transfers, cash deposits, and withdrawals for individuals residing in both urban and rural areas. Given South Africa's high youth unemployment rate and limited banking services in rural households, coupled with a vibrant informal business economy akin to Nigeria and Kenya, the POS model potentially presents a business opportunity for the unemployed and serves as a banking solution for remote communities. Nonetheless, its implementation within South Africa's entrepreneurial landscape remains a subject of contention. Through qualitative research employing a participatory community-led action research approach, this study analyzes feedback, critiques, and potential interventions from various stakeholders, including business actors, grassroots communities, financial institutions, and policymakers. The findings offer crucial insights into the challenges associated with the adoption of the POS model and suggest mitigating factors to facilitate its successful implementation.

Keywords : grassroots entrepreneurs, rural households, POS banking, youth employment

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