

ECONOMIC PARTICIPATION CASE

Participatory Economic Alternatives
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PEKKA: Women-Headed Household Empowerment

Highlights Grass-roots member-owned cooperatives for female heads of households in rural Indonesia (PEKKA) empower the female members through three economic activities: community-based microfinance through savings and borrowing; a closed trading and marketing system, branded as PEKKA Mart; and economic lobbying and advocacy. Through their membership of the cooperative, female heads of households are increasing their voice and agency over economic decision-making. They increase their access to and control over resources through saving and borrowing activities, as members use loans from the cooperative to access land and improve control over their microbusinesses (e.g. pricing, investment). Access to and control over capacity building through links with the PEKKA Foundation and the exchange of information within the nationwide network of cooperatives are important enabling factors to increasing awareness and capabilities.

Introduction

Since 2001, *Perempuan Kepala Keluarga* (Women-Headed Household Empowerment), known as PEKKA, has addressed the social and economic exclusion of female heads of households in Indonesia. Indonesian marriage law states that household heads are male and so does not recognise women in this capacity. Women who are heads of households are referred to as *Janda*: a negative, dismissive term referring to widowed or abandoned women. By naming the organisation PEKKA, it sends a social and political message.

The idea of PEKKA as an organisation evolved from work in the northern province of Aceh to assist widows who were the victims of conflict in 2000. Today, PEKKA is a



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membership-based organisation, active in 20 of the 34 provinces of Indonesia to secure women's livelihoods, their participation in social, economic and political life, and their standard of living. Self-organisation in cooperatives (economic empowerment) and associations (social and political empowerment) has given over 31,000 members (rural widows, single women, carers for their terminally ill husbands, and abandoned and divorced women) an autonomous grass-roots voice at village, district, provincial and national levels. This goes beyond organising marginalised women as *users and choosers* of services, to engaging women as leaders so that they can influence decisions and policies that directly affect their lives.

Timeline

1998	2001	2014	2015	2019
Law 22 on regional autonomy is passed	PEKKA is founded	Village Law offers opportunities for the inclusion of women's voices in public decision-making	New education programme for women called the Paradigma Academy	PEKKA Federation receives its own funding for special projects

How It Works

PEKKA started in an era of devolving government functions to local authorities after the fall of President Suharto in 1998 and the passing of Law 22 on regional autonomy in 1999. The PEKKA organisation has been structured alongside these devolved powers, with two central structures. The first is the PEKKA associations that together form the PEKKA Federation, the social and political pillar of the PEKKA structure. Association members gather each month in their villages to make decisions and coordinate activities. At the national level, PEKKA is organised as a federation of associations. All leaders and representatives of the associations are democratically elected members.

The second is the PEKKA cooperatives, which are collectively run and owned by local women's groups at the sub-district level. These are the economic pillars of the PEKKA structure where savings and borrowing activities take place and the PEKKA Mart is based. The managers of the cooperatives are also democratically elected members. They are called managers not decision makers, as decisions take place in the associations.

For the three economic activities, the following processes are in place:

1. **Loans and borrowing:** A member can apply for a loan by submitting a request to the cooperative managers, who assess the loan's feasibility by calculating the member's contributions in savings, her income and the ability to repay. If members with debts are not able to repay the loan in time, the cooperative managers visit members at their houses to discuss the problem. If they find that the member is in difficulty and unable to repay, the repayments can be adjusted, but only with consent from the members.
2. **PEKKA Mart:** The cooperative owns and manages the PEKKA Mart at the sub-district level. It has its own democratically elected managers within the cooperative, who cannot be involved in the saving and borrowing activities. Members discuss together the regulation of the PEKKA Mart, such as profit sharing, payment terms, price setting, and to what extent they can resell products to non-members.
3. **Economic lobbying and advocacy:** Lobbying and advocacy are coordinated within the PEKKA groups at the village level and by member representatives at the district, provincial and national levels. Issues are raised during monthly and annual meetings. In general, the aim is not so much to campaign, but to establish a lasting dialogue with

government institutions. At the village level, individual members are more directly involved in decision-making structures.

Enabling Participation

Collectively, the PEKKA community works to promote women's access to and control over resources and decision-making and the internalisation of new values. In doing so it seeks to influence different dimensions of power based on formal structures (visible power), values and beliefs (invisible power), and informal structures (hidden power). Given this focus on solving economic needs through long-term changes in power relations, the essential elements that support this goal include capacity building; skills and education; and a change in mindset. Without these factors in place, cooperative managers suggest that it would be impossible to achieve real economic change and development for the PEKKA members.

Each cooperative is linked with local fieldworkers on the payroll of the PEKKA Foundation whose task is to advise members and managers of the cooperatives; monitor for progress and bottlenecks; and link members with available trainings for capacity building. They are in contact with educators and organisers within the PEKKA Foundation to establish what they call 'female popular education processes' - a participatory, problem-solving approach to learning and action. Members analyse concrete problems, develop strategies to address them, and learn skills to deal with the inevitable challenges and conflicts that emerge. The aim is that women take action and the fieldworkers provide opportunities for critical reflection about experiences, successes and failures. Creating an environment in which experiences are exchanged between cooperatives is at the forefront of this approach.

Practical training on subjects such as decision-making models and basic accounting are the foundation of success for cooperatives and are, therefore, offered to each member when new cooperatives or PEKKA groups are started. Cooperative managers and leaders of the associations receive additional skill training for their particular leadership roles (social, political or economic), including the basics of democratic processes, business management, and organisational development.

Since 2015, the PEKKA Foundation has strengthened capacities for community engagement, public deliberation, and decision-making by developing an education programme for women both for its own members and non-members. This education programme for women is called the Paradigma Academy. Paradigma comes from an ancient Javanese word meaning 'a woman who stands tall and strong'. The Paradigma Academy offers each year a curriculum of 13 training modules, including ones for; writing, leadership, advocacy, communications, monitoring, budgeting, and village law. The aim is to increase women's leadership capacity and to stimulate practice so that they can be actively involved in decision-making and development processes in their area. Since its development, 2,524 women from 523 villages have participated in the Paradigma Academy and 2,081 of them successfully graduated.

Paradigma in particular prepares rural women for a participatory role in the local public sphere and village decision-making, especially following the 2014 Village Law which creates spaces for public decision-making processes, including the potential for participatory budgeting processes. Since the introduction of the Village Law, members have been able to propose their own projects and some even have active roles in development planning commissions or monitoring and evaluation activities for village projects.

Finally, mindset (determination and willingness) enables members to use their abilities to make positive changes and be proactive. It also refers to mindset change in the broader community, which is needed to break negative stereotypes around the women and, in particular, in ceremonies and traditions that negatively influence economic progress, like widows having to

pay back the wedding price or dowry to the family-in-law. These remain challenges for PEKKA.

Outcomes

Women members of PEKKA are more economically empowered through better networks that help their enterprises (e.g. mini markets) and improved access to credit through their cooperatives. Savings and loan activities help PEKKA members improve the financial situation of their households and lay the foundation for individual and organisational self-sufficiency and independence.

Since becoming a member of the cooperative, many women have reported facing important changes in their working status. Traditionally, many members work for their income as micro or small producers of products (e.g. sarungs (traditional dresses), shawls, belts), making snacks and crackers from corn or cassava, making copra (dried pieces of coconut), or as small traders (papalele, meaning they buy anything for resale).

Positive changes in working status can be described in four ways:

- Staying in the same work, but significantly improving the quality and volume of their main products.
- Starting a business in new areas: over the years, new business opportunities have arisen for some of the women.
- Moving from labourer to business owner: most of the women run their own small (family) business activities, although most of the women do not speak about themselves as *business owners*.
- Getting access to land.

Although on average 20–25 per cent of the loans are used for micro or small family businesses, PEKKA members also see investment in education for children or the purchase or improvement of a house as an advancement in their economic situation. In other words, a higher income through improved businesses is not the main purpose. More important is greater control over their economic future and creating better economic opportunities.

Finally, through advocacy, information exchange and awareness raising, communities have gained to access to improved public services and women have better access to social protection schemes. Women members of the community have also gained official recognition from the government on their status and position as household heads. Furthermore, the organised presence of female household heads has gained greater cultural, social and political recognition, and public trust.

References

Quak, E. (2019) *Linking Participation with Economic Advancement: PEKKA Case Study*, Brighton: IDS. Available at: <https://opendocs.ids.ac.uk/opendocs/handle/20.500.12413/14535>

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Image: PEKKA members selling sarungs at the Lagaloe Market in Sakutokan village on Adonara.

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This Case Summary forms part of the collection of materials produced for the 'Linking Participation and Economic Advancement' project led by the Institute of Development Studies. This research project recognises that economic processes impact the lives and livelihoods of people who frequently have little or no power in these processes. Through this research we identify alternatives: ways that communities, governments and enterprises are making economic decisions in which 'ordinary' people have a real voice.

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