

INDONESIA

Women Come Together to Build a Better Future

The Women Headed Household Empowerment Program (PEKKA)

About 6 million households in Indonesia are headed by women (2007). Over the past decade, the percentage of total women headed households has steadily increased, from around 12.7% in 1997 to an estimated 15% of total households in Indonesia in 2008.

Statistics from the National Socio-economic Survey also show that women headed households are generally poorer than those headed by men. Women who become the head of the family generally occupy a marginal position in all aspects of life, such as in education, employment and income level. Economic pressure, combined with lack of legal status and opportunity can lead to a downward spiral that can last generations, especially as children get withdrawn from the education system.



of the poor in certain areas, including situations where households were headed by women, and by widows in particular.

The purpose of the JSDF grant was to reverse the downward spiral of poverty that affects female-headed households in seven conflict areas of Indonesia by providing families with access to resources, small business management and organizing skills, and facilitated support so that their domestic economic status can be stabilized and improved.

PEKKA started with a vision of female heads of households contributing to building a prosperous, gender-equal, and dignified society. PEKKA's mission is to organize and facilitate efforts to empower this group to actively participate in each cycle of development, to have critical awareness of their rights as human beings and citizens, and to take part in the decision making process in their households and in the community.

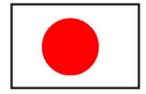
To achieve these goals, a program implementation strategy was developed, based on four pillars:

- **Visioning** builds critical awareness of the women's rights as human beings, women and citizens, to increase their motivation

"I used to feel embarrassed seeing other people, I didn't have the guts to come out of my house....Three years ago I met a PEKKA field assistant. I was asked to join PEKKA, I was asked to meet other widows. Since then, I no longer feel alone, especially now I can borrow capital money from PEKKA, so that I can make banana chips at home. I don't have to leave my daughter, and I get some money"
- Yulidar
Aceh Besar District
Nanggroe Aceh Darussalam

The Project

The Women Headed Households Empowerment Program (PEKKA) was initiated at the end of 2000 to respond to the request of the victims of the conflict in Aceh, "the widows". The project built on the lessons emerging from the Government of Indonesia's Kecamatan Development Program (KDP), which aimed at alleviating poverty by strengthening local institutions. Program evaluation revealed that the KDP design was unable to reach the poorest



to improve their welfare, and develop a vision and mission for their lives.

- **Capacity Building** aims to increase the capacity of PEKKA women to overcome their many challenges. It is carried out through intensive facilitation, training and workshops aimed at building self-esteem and by increasing technical and managerial skills. The program also trains and develops community leaders and facilitators who are members of PEKKA groups. This strategy is also used to facilitate the development of microfinance institutions (MFIs) to provide PEKKA women with direct access to resources.
- **Organization and Network Development** is achieved through establishing and strengthening community-based groups (PEKKA groups). These are provided support to develop networks among themselves, from the sub-district to the national levels, as well as with other institutions, such as other local NGOs.
- **Advocacy and Change** focuses on access to information, resources, decision-making, and legal justice, as well as educating the public to alleviate any negative perspectives ascribed to women and female heads of household,

The project achieved its objectives through two mechanisms, or components.

1. **The provision of sub-grants to Female Heads of Households:** un-earmarked block grants were allocated against proposals made by groups headed by very poor female-headed households. The grants could only be used for productive purposes, and grants used for microcredit must revolve within the group to other beneficiaries.
2. **Organizing and training female heads of households:** The main purpose of the training was to teach the “widows” basic principles of micro-finance and small business management.

Results

PEKKA aims to provide far more than just funds to help women. It provides vocational and leadership training for members, literacy and book-keeping classes and health education. It encourages women to save their own funds and subsequently apply for micro-credit loans of up to US\$100 for farming, animal husbandry, tailoring and trading activities. PEKKA also has a social fund for older women and those who cannot work and gives scholarships to their children. There is a separate rehabilitation program for widows of the tsunami.

PEKKA's most significant benefits, however, may be less tangible. They are found in the widow's newfound confidence and pride in themselves. This shows up in unexpected ways. Several of the widows groups have turned down the micro-credit funds, saying the money should be used to help widows elsewhere because they can now stand up for themselves in village budget meetings.

Project Data

- Implementation Agency: *Program Perempuan Kepala Keluarga (PEKKA)*
- Grant Amount: (1) US\$2.3 million (2) US\$ 1.6 million
- Implementation Period: (1) 2001-2004 (2) 2004-2009

After several phases/funding rounds, PEKKA, has an estimated total family membership of 70,000. Evaluations show that the project has successfully targeted the poor to very poor. The likelihood of long-term sustainability is growing. Repayment from the microcredit loans is around 98%, and with interest, the accumulated capital is now 20% higher than the original grant. The surveys suggest that the poverty cycle has been effectively broken, with no child having been pulled out of school since the program started and indeed, in most groups school enrolment has increased.

Capacity Building - By the conclusion of the project's first round, participants could carry out basic book-keeping: maintain a cash-book, carry out double-entry book-keeping, calculate interest, operating costs and profit, and maintain receipt record books. Training in some cases also included basic literacy. Evaluations highlight that training under the project worked extremely well and has resulted in visible benefits. Community groups are aware of sources and uses of funds and most of the economic activities are likely to be sustained. In subsequent years the project has developed a more comprehensive capacity building program that supports a greater variety of skills and is more broadly available.

Provision of Sub-grants - Block grants provided to groups averaged US\$5,000 and provided the platform for microenterprise training, discussions with local leadership, and small group formation. The majority of the funds were used as micro-finance which the group members could use to start or improve their micro-enterprises. The second largest use was to cover the costs of keeping their children in school. The funds supported 400 saving and loan groups, 28 microfinance institutions, nearly 10,000 family members, 420 local leadership teams (cadres), and 500 base female leaders across 252 villages, 5049 sub-districts and 20 districts in 8 provinces.

Facilitation - Seen as one of the major success factors of PEKKA, local facilitation was used to encourage group formation and group responsibility. It supported three important developments:

1. grouping of the “widows” themselves, who were, as noted, the most marginalized and isolated within the conflict villages.
2. dialogue between the village leadership and the “widows” groups. This was one of the most successful – though hardest to quantify, outcomes of the first JSDF grant. By the end of

this period a significant number of the “widows” groups had become active members in the village decision-making process.

3. dialogue between the village groups and the district government.

While started as a pilot project under the framework of a massive Government development program with funds from the international community, **PEKKA has grown to be a movement of poor women groups against poverty and injustice.** PEKKA groups now have their own identity, and are increasingly recognized by local government and community groups, which provide them with:

- **Access to additional training;**
- **Access to additional microfinance.** Three out of eight provincial governments were already adding their own funds to PEKKA a others are increasingly providing direct funding support.
- **Improved access to other development programs** Prior to the project women headed households could not benefit from Government social welfare programs such as the “Rice for the Poor” project because they had no ID cards. PEKKA helped 20,000 women get divorce certificates and ID cards, giving them eligibility to benefit from government grants.
- **Enfranchisement** - Prior to the project, “widows” were often not registered as voters. After the project they were commonly recognized as including some of the communities most literate and numerate members, registered as voters, sometimes recruited to help manage the election process and in some cases nominated as candidates and even elected.

Replicability: The models developed with JSDF support have been replicated widely in Indonesia by PEKKA. The successful approach to group-based micro-finance, for example, is being used as a model by the large-scale IDA-assisted PNPM project (otherwise known as PNPM CARE and often described as “a scale up of JSDF”).

Sustainability: The project had strong ownership from its many stakeholders, including government, - the State Ministry for Women’s Empowerment assigned office space and at least two local governments are contributing their own funds to its sustainability. A field visit in December 2010 found that measures had been taken to strengthen the institutional sustainability of PEKKA. The womens’ groups formed with the support of the PEKKA National Secretariat have now formed a National PEKKA Federation, with branch PEKKA associations in 9 provinces and 13,000 women members. Many of the provincial PEKKA associations receive direct budget support from local government.

Part of the original PEKKA concept was that the original group-level savings and credit groups would eventually be grouped into larger units to provide stronger and more diverse banking services to PEKKA members. Reflecting this, some associations have established their own banking

Ibu Mariani, Suka Makmur-Aceh, Besar



“Now, after getting the starting capital from PEKKA, I can open my own vendor stand in the market, rent land, and raise ducks,” said Ibu Mariani , who has become the breadwinner in her family after her husband was paralysed. She owns a kiosk in the market which her husband helps to run while she buys stocks and groceries, takes care of the ducks and make salted eggs in season. Her brood of ducks has grown from 10 to 60 and her kiosk’s sales volume has reached Rp 300.000 per day. In addition, she has also managed to buy a 1,300-square meter piece of land.

units and other resource sharing and income generating activities.

Broadening its Reach - PEKKA has also proven itself able to respond to other needs of its constituency, most notably the crisis following the tsunami disaster in Aceh at the end of 2004. PEKKA has also addressed the lack of access to education services by poor families, The PEKKA education program focuses on the provision of basic education for dropout children, functional literacy for adult women, and advocacy on education budgets and curricula for the general public. The education program has been fully implemented by the communities through the establishment of education committees at the village level.

Lessons Learned

A large number of lesson have been learned in the ten year since the inception of PEKKA. Many of these can serve as useful input to efforts to empower poor and marginalized community in other circumstances.

Empowerment - the PEKKA experience proves that organizing vulnerable women into groups can be a highly successful means of empowering the poorest members of society and providing them with access to resources and the opportunity to adopt new roles and responsibilities in their families, communities and broader society. Group formation helps previously marginalized individuals benefit from collective action, attain self reliance, and elevate their social position in the community.

Successful and sustainable group formation is not without challenges. PEKKA has successfully overcome a number of these:

1. to avoid running the risk of creating resentment in other (non-selected) members of the community, PEKKA has gradually expanded access to available resources (funds,

- information, knowledge, and opportunities) to others in the community,
2. to avoid overly favoring leaders and creating elites with an unequal level of understanding and ability among members, largely due to differences in their level of involvement and their respective functions, PEKKA has rotated and randomly selected training participants. Workshops and discussions have addressed issues of responsibility, transparency and accountability.
 3. to ensure equality and democracy in the decision-making process and to develop a sense of ownership and the collective responsibility needed within a well functioning group PEKKA has established a set of clear principles. These include. the election of leaders by the members, decision making based on simple majority rule, the allocation of the same amount of basic savings to everyone.



coordinating team with empowerment expertise, is essential. It is also important to consider the sustainability of this secretariat and the evolution of its roles once field activities are running smoothly.

From Group Activity To Activism: Female headed household groups have the opportunity to effect fundamental social change. While not a transformation that happens overnight, the PEKKA experience shows that the development of economic activity and the establishment of revolving funds can become a catalyst for communities to dig deeper into the roots of poverty-related problems that they might confront.

Savings and loans activity - In addition to developing self-reliance and mutual support, the act of managing microfinance activities also provides the basis for the development of management skills. Far from becoming a mere entry point activity, it can transform the members' consumptive behavior. The obligation to save first before being allowed to borrow compelled the group members to manage their finances wisely and avoid careless spending. To avoid the risk that people get trapped in the routines associated with the savings and loan and forget to consider other social aspects of life, PEKKA also developed thematic activities that deal with - among others - health, legal empowerment, education, and politics.

Support System - In terms of building sustainable capacity, the existence of **field workers who live among the communities** was essential. They hold responsibility for day-to-day activities in the field, and function as facilitators who guide the groups and cadres in the development of their activities. To be able to work effectively, these **field facilitators need to be supported** by a system that develops concepts, frameworks, methodologies and content. The **establishment of a national secretariat** with a

The role of grant funds - direct grant funding is a necessity in any effort to empower poor communities. This serves as an incentive until such time as the community is able to develop and manage its own resources and local government is committed to integrate the needs of the poor community into their regular budget. With such support comes challenges, not least rising expectations and the potential for beneficiaries to become dependent on external funding and its continuation. Conflicts of interest and corruption at various levels pose another challenge to the goals of providing funds to targeted beneficiaries. PEKKA established several innovative solutions to these problems. First, targeted beneficiaries were not informed about the possibility of external resource availability upfront. Second, aid was conditional upon the groups first gaining experience in managing a self help funds for at least one year. Third, the largest component of the funds were earmarked for savings and loans activity to ensure that all members of the group would have equal access to the resources. Fourth, funds were channeled through bank transfers directly to the beneficiaries. Finally, funds could not be solely used to finance business capital, food, housing, and physical infrastructure, but were also also assigned for the development of human resources through training as well as the establishment of information and learning centers.

Resources

see <http://www.pekka.or.id/> and <http://www.worldbank.org/pekka>

The Japan Social Development Fund -- The JSDF is a partnership between the Government of Japan and the World Bank that supports innovative social programs in developing countries. JSDF grants are executed by NGOs/CSOs and local governments and implemented at the community level. JSDF projects meet four basic requirements: (i) they target and respond to the needs of poor, vulnerable, and disadvantaged groups, and aim to achieve rapid results, (ii) they are innovative and pilot alternative approaches or partnerships, (iv) they use participatory designs and stakeholder consultation to design inputs and as an integral part of monitoring and evaluation, (iii) they empower local communities, local governments, NGOs/CSOs through capacity building and rapid feedback of lessons learned, and (v) they focus on scale-up potential, replication and the sustainability of interventions.