

# PERMAMPU: Supporting Women Credit Unions

## MAMPU Project Brief

### WHAT ARE PERMAMPU WOMEN CREDIT UNIONS?

PERMAMPU Credit Unions are women's savings and loan groups formed by members of PERMAMPU, a consortium of eight women's organisations from across Sumatra established in 2012 under MAMPU that work in **179 villages in 31 districts and cities**. The members of the credit unions formed under this initiative, are poor rural and urban women with limited access to resources, such as information, public services, and loans.

The credit unions are used as platforms for encouraging women to organise. Through the credit unions, women become members of savings and loan groups, where they can learn to save money and borrow loans for business, education and health purposes. These women then develop the financial capacity and knowledge to independently finance their needs, especially the ability to access sexual and reproductive health services. These women's group also become the basis to strengthen women's leadership from the grassroots level.

Under the PERMAMPU Credit Union initiative, **557 women's groups** with a total membership of **26,784** spread across **8 provinces** in Sumatra have been formed. These groups engage in various types of activities, including but not limited to savings and loans. These groups have collected **IDR 49,347,045,373** (approximately AUD 5,358,901) in total and distributed **loans totaling IDR 51,594,479,941** (AUD 5,602,587) to their members.

Of the eight PERMAMPU members, the credit union model is currently being implemented by Flower Aceh, PESADA North Sumatra, CP WCC Bengkulu, WCC Palembang and Damar Lampung. Other PERMAMPU members namely PPSW Sumatra (Riau) and APM Jambi assist women's cooperatives, while LP2M Padang supports a pre-cooperative savings and loan group. The Credit Union initiative is just one of the ways that PERMAMPU works to empower women across Sumatra.



### HOW DO CREDIT UNIONS EMPOWER WOMEN?



The PERMAMPU Credit Union initiative is based on three pillars: **Self-help, Solidarity, and Education**. These pillars are achieved by:

- 1. Forming women's groups at the village level** —members of the groups are assisted to formulate savings and loans rules and regulations (types of savings, when to meet, loans size, how to repay loans, election of management, etc.).
- 2. Managing savings and loan groups** —group members receive assistance and closely monitor the use of the loans in order to help manage money so that it can be used to start or develop businesses, purchase assets, or finance their members' health and education needs. On average, the groups are required to save for at least three to six consecutive months before their loaning activities can start. Regular meetings with members and facilitators are held every month to discuss various issues including decisions regarding who is to receive loans. People who take out loans must submit a loan application detailing the size of the loan being applied for, the purpose of the loan, and how the member will repay the loan.
- 3. Facilitating education of members** —members of credit unions are provided with basic education about topics including cooperatives, gender awareness, collective action, and management of household finances. This training develops the capacity of the women members of credit unions by teaching critical awareness, and organisational management skills. Credit unions also facilitate vocational education courses to improve the skills of their members in conducting businesses. Topics covered in this vocational education include business planning and management, agriculture, animal husbandry, bookkeeping, entrepreneurship, marketing and more.

4. **Raising critical awareness** — credit union members develop critical awareness by taking part in political education and courses focusing on human rights and women's rights, legal awareness, domestic violence, local government budget analysis, women's leadership and voter education.

## HOW DO CREDIT UNIONS INCREASE ACCESS TO SERVICES?



The development of the PERMAMPU Credit Union initiative has encouraged women's groups to network and build communal strength through collective action. These groups advocate for various issues, including access to the government's social protection programs.

The Credit Union Network established the Grassroots Women's Community Forum (FKPAR) at the district, province and Sumatra wide level. This network has built partnerships with religious leaders, community leaders and the Multi Stakeholder Forum (FMS).

**Their cooperation with FMS has resulted in better access to basic health care and reproductive health services for poor women**, including:

- Free or affordable health services;
- A Memorandum of Understanding between District Public Health Offices and Health Centers; and
- The creation of gender responsive local regulations aimed at protecting women and children, preventing child marriage, etc.



## HOW DOES MAMPU SUPPORT PERMAMPU WOMEN CREDIT UNIONS?



MAMPU facilitated the establishment of PERMAMPU in 2012 to encourage collaboration between eight organisations that work across Sumatra to influence religious and customary leaders, schools and local governments to change social and cultural norms that constrain women from accessing reproductive health services. To raise the voice and influence of women, **MAMPU assists PERMAMPU to support community organising and particularly women's organising** by forming women's groups to improve their access to information and savings and loans.



"In PESADA Credit Union we were taught that women should be brave and competent. I was moved and thought, what is the difference between men and women? We have similar knowledge, we also have the same level of education. If they (men) can, why we (women) cannot? A visit I made to Regional Legislative Council made me realise that there was still lack of women representation at the DPRD. Having received leadership training and political education from PESADA since 2017, and understanding that we still need more women in politics to voice our concerns and opinions, I was thrilled and passionate when PESADA CU encouraged me to run for a seat in the Pakpak Barat DPRD. And I won my seat"

### ▶ RISMAWATI BANCIN ◀

a member of CU Sada Ukur, Jambu Belang Village, West Pakpak Regency who currently serves as Member of West Pakpak Regional Legislative Council (DPRD Pakpak Bharat) 2019 – 2024.

"Based on my experience, it is hard for women to speak up, especially when they are not financially independent. Since I joined a credit union group in my village and started farming on my own, now I have enough money for my children's education. My extended family has also recognized this; that a women can have skill and ability to survive. Since then, my voice is heard and taken into consideration for important decisions in my extended family."

### ▶ ENDANG ARITONANG ◀

Board Member of CU Pesada Perempuan

## ABOUT MAMPU

MAMPU - The Australia - Indonesia Partnership for Gender Equality and Women's Empowerment is a joint initiative between the Government of Australia and the Government of Indonesia. MAMPU supports the Government of Indonesia in achieving the Sustainable Development Goals (SDGs) by building women's leadership and empowerment to improve their access to essential government services and programs. MAMPU works with 13 organisations and their networks of over 100 local partners in over 1,100 villages across 27 of Indonesia's 34 provinces. Through MAMPU, our Partners support 35,000 women organised in 1,600 villages groups to develop their collective capacity to influence decision making at multiple levels, from the village to national parliament.

## INFORMATION:

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