

P4K



ENGLISH VERSION

It's there, waiting to be picked

This booklet is about picking fruit - the fruit of opportunity, the fruit of fulfillment - that seems always beyond the reach of people who are very poor. And it is about encouraging very poor people to use the services that seem always to be hovering just above them, just beyond their reach. We call our organisation P4K. That stands for Pembinaan Peningkatan Pendapatan Petani Kecil - Income Generating Project for Marginal Farmers and Landless. We believe we have developed ways of helping people to take the steps to bring them within reach of that tempting fruit. We don't give people anything; we *encourage* them to do what they want to do to live fulfilling productive lives. We work with them in their neighbourhoods, in their villages. In this booklet, hear their voices, our voices. It is our hope to entice you to find out more about P4K so that you may apply its principles and methods.

Ask us:

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**United Nations
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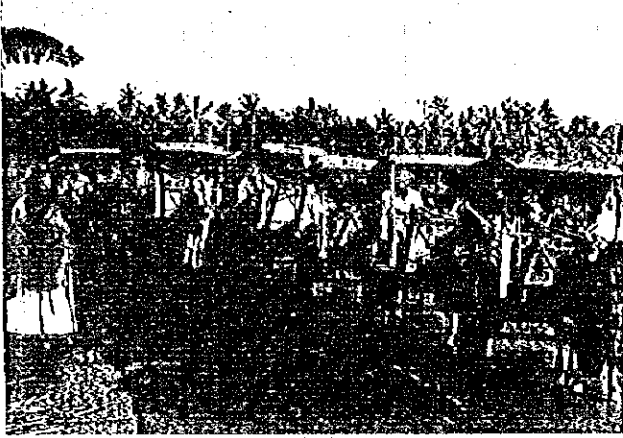
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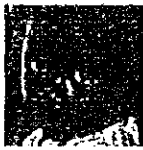
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For the very poor, none of the fulfillment of village life...



...nor the festivity of a country wedding...



Every child is born rich.

Every child is born with the wealth of hope and optimism to grasp life and live it to the fullest. For a child born in a very poor family, life from the beginning is a process of limitation of hope, curtailment of opportunity. Life becomes withdrawal into the particular isolation of the very poor. For the child born in a poor family, abundance seems a dream permitted other people - even the abundance of a village of modest affluence: a wedding procession, the social intercourse of the market, the movement of fat bags of cash crops to distant buyers. The very poor child grows up watching. But the hope, the want, never die. Poverty is not so much a condition as it is a lack, a lack of means, of wherewithal - of money. Poverty is a negative value, a vacuum to be filled, and Indonesia has set about to fill it. Indonesia does not recognise the existence of a permanent underclass forever in poverty. Indonesia regards everyone as worthy of development. This belief and the durable hope of the very poor form the foundation on which P4K stands.

...none of the familiar sociability of the busy marketplace...



...nor the pleasure of profit.



Profile of poverty

P4K searches out the very poor people in a community, and only them. They are sometimes not easy to find, for they appear in many ways similar to the more affluent: at times busy, often cheerful. The difference is income; they are poor. They speak of living in shame; their social status is low, and in many essential ways they are isolated. They neither participate fully in village affairs nor do they benefit from many community programmes. The very poor are in a daily trade of negative equity within their communities: nothing for nothing. They miss most of life's opportunities, and they have very few sources of income. They have neither capital nor credit, and their work, when they can find it, is hard, profitless. The very poor are missed by many poverty programmes, for they exist below the grass roots. It is there, down deep, where P4K works - where the latent hope and promise lie hidden.

What it was like...

"What was hardest was when the children started school. They saw other children who had something, and then they knew how poor we were."

"If you have land, you are a farmer. If you do not have enough land to feed your family, or if you do not have any land, are you a farmer?"

"I knew a little about trading, but I could not get anywhere. I could hardly pay the interest to the money lender. A trader needs capital. You can't build capital when the money lender takes all of your profit, and you can't be a strong trader if you don't have money. You can't bargain right. And you don't have respect in the market."

"We watched them build the road and the bridge, but we had no place to go. That construction was for other people. Everything was for other people."

"Everything passed us by. When the government began the campaign to get people to make their windows bigger, we could do nothing. We had no window. I sat in the dark house thinking about a window. That's what I did."

"You can be ashamed about something you have done, but being poor is living in shame and you have not done anything. People don't say anything; they try to be kind, and that just makes it worse. But you never stop dreaming."

We have synthesised and combined typical quotes to sharpen meaning.

Structural poverty is man made: big family, small income, too little land or no land at all. Such families need a chance to change their condition, their outlook.



Low pay, no steady work, no future, no fulfillment, no chance for real happiness.



...below the grass roots

As Indonesia works to eliminate poverty, the task becomes harder as the effort reaches deeper and deeper into the least responsive ranges of deprivation. It is in this area that P4K works, confident that the hope and will of the very poor are as strong as they are among those more easily reached. We work on the principle that poor people themselves know what is best for them. We simply encourage very poor families to replace group inactivity with group activity, for despite the numbing isolation of the very poor, they are in fact a group. We believe that man-made structural poverty - that is what we are dealing with - can be transformed into man-made structural prosperity. We believe that self-generated cash flow, however small, can do wonders for people who have had none.

Our clientele is fairly specific:

- o Landless families with no regular income.
- o Marginal farmers with insufficient land or very poor land.
- o Farm labourers or sharecroppers.
- o Fisherfolk.
- o Handicrafters.

These are the people who seem always to be trying to come from behind. They control almost none of the variables of their lives. Usually their level of literacy is lower than that of their regions, and their health is poorer. They cannot afford good medical care. In a striving nation, they are not productive. And as social services develop, they become a liability. Poverty is expensive. But they are people, and Indonesia does not write off any of its people. How do we know that these families who in other cultures might be considered permanently marginal can be productive and can rise above the poverty line? We have seen them do it.

For now, our mandate does not include poverty in cities. For now, our work is in the countryside.

Like a natural poverty line: good farms on one side of the ridge, dry clay on the other. The poorer farmers worked on the better farms part of the year.

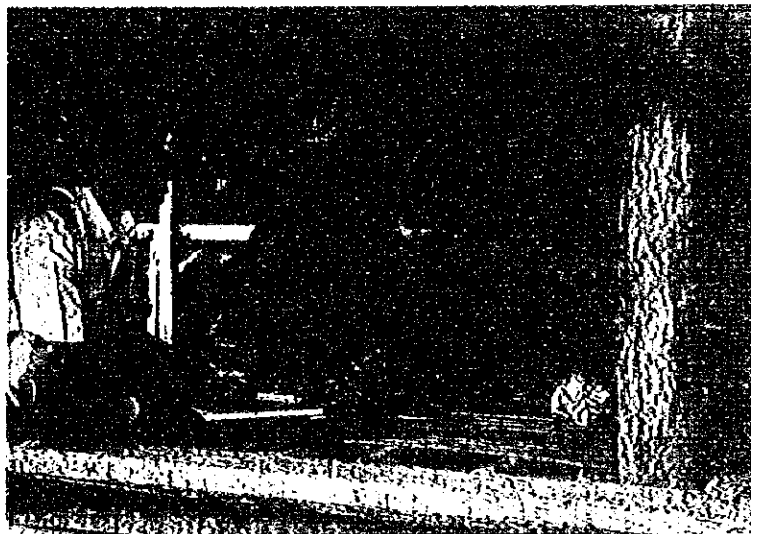


The marginal farmers turned the poor land into profit with a P4K brickmaking group.



Step 1 Getting Started

Fulfillment of all the planning and organisation of P4K depends mainly on the field extension workers and the community. Most of the field workers are educated and young, from the areas they serve. Many of them are trained agricultural extension workers. In their P4K work, they have very little equipment. They start with an understanding of the people they serve. Their basic tools are their initiative and ability to recognise and shape the motivation of groups. Above all, they do not bring feelings of superiority to their work. For them, helping poor people help themselves is not charity; it is a practical matter. The extension workers extend the hope of the very poor and simultaneously the will of their nation.



A P4K field worker gets to know a small farmer. ...and conducts a household survey of one of the families in a new group.

Someone cared about us...

"He came to see us where we live. He was not surprised by our condition. He seemed to know us. He spoke our language, and the only thing different about him was his batik shirt and his gold pen and his shoulder bag full of papers."

"She walked past the houses where we expected she would stop and came directly to us. She knew our markets and our farms and she knew the village head. We sat with her, and she seemed to want to know only this: were we poor enough to want her to help us and were we willing?"

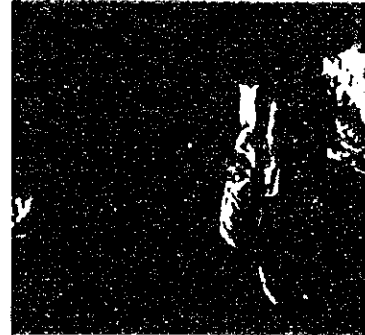
"When we formed our group, we decided what we wanted to do. The best thing is that we decided as a group. That was the first time most of us had not felt alone. Before, we were not anybody; we were just poor. You do something and you have a name. We have a name. We call our group Baru Bangun (Awakening). Now everybody is helping us, the village head - everybody."

"Three more groups have formed. That's thirty families, forty counting ours. From nobody to somebody - what a good village!"



Just what does a field worker do to help new groups get started?

A field worker meets several times with new families, does more listening than talking, and thus helps the group form a picture of itself in the context of its area. Through this process, the group begins to reach consensus about activities to be undertaken, most of them based on business, entrepreneurship. The families in the group know better than anyone else that what they need most immediately is income - money. We don't try to create entrepreneurs; they emerge, and in a way the group is the entrepreneur. And we don't create leaders; they too emerge. One is selected group head, another treasurer.



The field worker's procedures in helping people form a P4K group are standard:

- o Finding pockets of poverty and surveying resources of the area.
- o Surveying small business in the area.
- o Finding and screening group members below the poverty line, which is the equivalent of 320kg of rice per capita per year.
- o Encouraging formation of a small group - 8 to 16 members.
- o Doing a household survey of each family in the group.
- o Training the group in organisation and management.
- o Encouraging member families to save money regularly.

Forming a group introduces its members to a world of ideas and action in which they have had almost no experience. They learn to be together, to plan together, to work together. They learn to rationalise their business enterprise and to understand the relationships of the components of a business. They learn to account for money. They learn to use without fear the government and social services which in their poverty they never connected with their own lives. They learn, often with wonder, that a big bank has time for them, money for them. And they learn that their village is not indifferent to them; it is waiting for them. Group formation is a crash course in new concepts; it begins their full membership in their world.

"I think the group gives each one of us strength. You didn't give us that; we found that together in the group, and we felt it from the first meeting. We had our first meeting in my house. They chose me as the leader. I was very proud. I had never thought of myself as a leader before."

"We go over that plan again and again. The figures always add up the same: I could work sixty days a year on a farm for a thousand rupiahs a day. In the group, making bricks, I can earn two thousand a day - for the whole year."

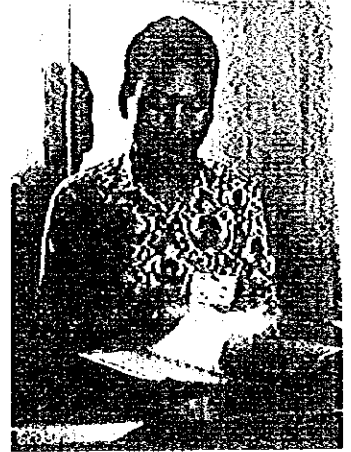
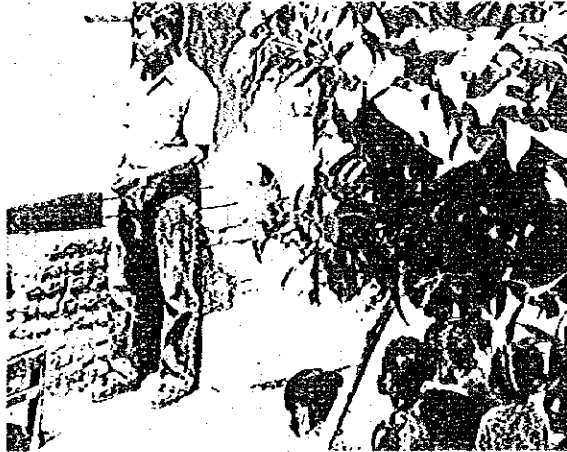
"When the field worker came back with his boss, he had a paper. He said it was from a computer and we were already in the records in Jakarta."

"We just formed our group, and we haven't done anything yet, but we are together and I don't feel poor any more."

"At night before I go to sleep I think about all of the things I want for our family. They were just dreams before; now they are real hopes. Maybe soon I can call them plans."

Step 2 Doing Business

What P4K did was persuade a big bank to offer massive credit at commercial interest rates to large numbers of people who by normal banking standards would never have been considered creditworthy.



A P4K field worker helps a new group make a business plan...and a bank official looks over the plan, suggesting changes before considering the request for credit approval.

Cash follows confidence.

Central to the P4K method is the flow of money to improve family income. And central to the flow of money is its control and re-use. Money is not *given* to the P4K groups; it is *lent* in the form of credits, cash, and it must be repaid with interest. For some groups, the difference between the bank interest, one percent per month, and the money lender's interest they had been accustomed to, as high as twenty percent per month, is the difference between persistent failure and encouraging success. For families in other groups who had never had access to money, the loans are simply an astonishing expression of confidence.

Cash follows confidence, and confidence in the world of business rests on predictability. For the lender, Bank Rakyat Indonesia, confidence and predictability are based on the business plan each group makes, on the careful monitoring by P4K field workers during the term of the loan, and ultimately on repayment. Typically, groups are allowed three or four credits over an average of three or four years; then they are on their own, having formed the habit of using credit, re-investing their profits, expanding their range of activity. And as a social bonus they discover they can begin to control the elusive variables affecting their lives.

Confidence is contagious. We have seen in thousands of groups that the confidence of the bank and the field workers is quickly reflected within the group as an awakening of dormant self-confidence. In that magic moment when the first packet of rupiahs is passed by the bank to the group leader, smiles appear. They are in business. They have standing in their community.

The bank usually takes the loans to groups in their villages, but sometimes distributes pre-counted funds to many groups at once. At right, a district leader exhorts members of 75 groups to repay on time. Through social pressure and the urge to grow, the groups' default rate is very low.

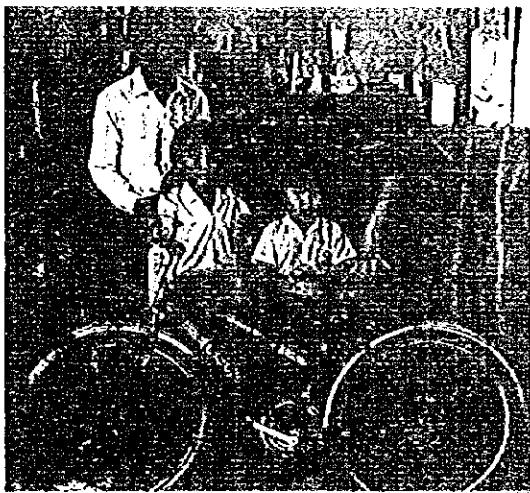


"Do you know what I would have said last month if you told me a bank would lend me money? I would have said they would laugh. I would never ask. Now I have confidence, and they have trust."

"I used to dream of being a pilot, flying above the hard world in control of my airplane. Now I dream of one of my children being a pilot."

"As soon as the bank man left, the bamboo came. We had ordered it in advance and we went right to work. The money lender wished us luck."

"We had a thanksgiving that evening. We have known those families for years, and this was a new kind of occasion to celebrate together. I only hope we never have so much we forget to thank God."

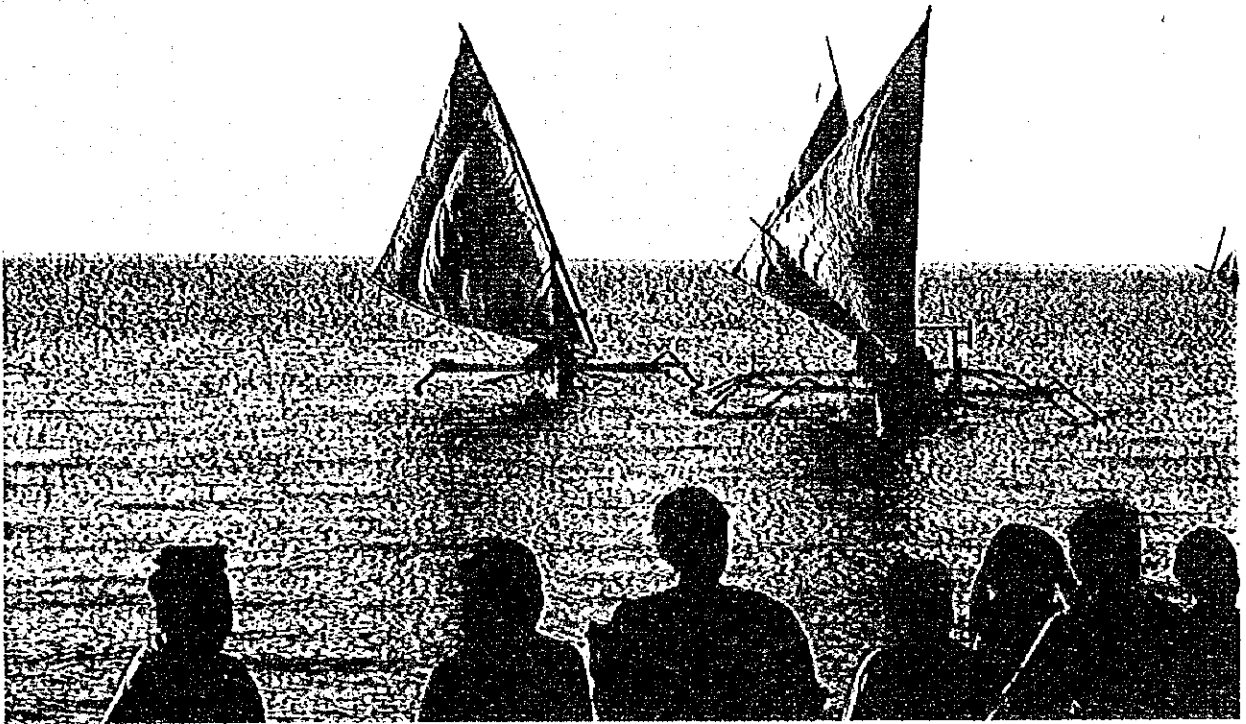


Born to trade

Even the gold jewelry Sainah buys is for sale. Everything else she buys is for her family: the radio to hear world news, the television to raise her children's expectations, the bicycle her husband rides to work. A few years ago they had nothing. In trade, Sainah could just pay the money lender's interest. Her husband's work in the crew of a fishing canoe barely bought food. No breakfast, no money for school books. When a P4K group was formed, life improved. Gradually, over three credit cycles, the family put in a window, wired the house, bought school books. Sainah guided her P4K fish-trading group into expansion - into leasing a salt flat. Sainah has no plans she cannot fulfill. For her, reach and grasp are the same. She plans to become a big market woman. She is saving to buy her husband his own canoe. This will increase her access to good fish. She wants her children to be professionals, to control their own lives. And she would like to keep a few pieces of her jewelry.

Growth and responsibility

The relationship between the group and the bank is formalised in the business plan. The members sign the plan and thus become responsible jointly and individually for repaying the loan. The interest rate is 22.15% per year, or 1% flat rate per month. Repayment installments vary from monthly for fast-turnover trading to yearly for some kinds of farming. A group can receive three or four credits, each for a minimum of 12 months, but sometimes for as long as 15 or 18 months for slow-payout enterprises like livestock fattening. The first credit is for Rp100,000 (US\$50) per member, the second is for Rp200,000 and the third is for Rp250,000. Default in repayment alerts the field workers and the bankers, who help find the problem and correct it. Intervention is minimal, and when it does occur, it is benign and helpful, not authoritarian. The groups grow rapidly into responsibility.



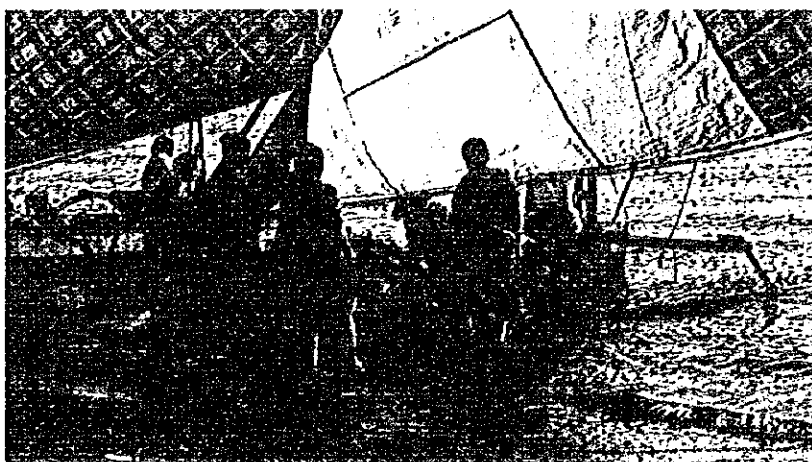
Custom fishing

It is surprising that any Indonesian has to be taught to bargain, until you think that the very poor, among whom bargaining would seem to be most critical, have very little practice: they can buy almost nothing. And as marginal marketers, always on the fringe, they are easily cheated. A group of women in one village, not able to get beyond marketing inferior profitless fish, formed a P4K group, and their choices grew immediately. Their business expanded and their position in the market improved. They developed strength in bargaining. With the cash from the bank, they place their orders before the canoes leave the beach. And when the canoes return, the best of the catch is theirs. Their most

immediate profit was in the margin between the high interest they had been paying money lenders and the fair interest they paid the bank. They re-invested their profit and diversified: smoking some fish and sun drying others. But they took it directly to market, fresh, where they commanded premium prices. They laugh now when they recall when the field worker brought them to market. What was lacking then, was cash. They had no bargaining power. Now they do. There were now new P4K groups in the village. There is no port, no fish and while this permits the women to deal directly with the

But can they learn to do anything?

A frequent question is: can very poor people learn new things? Yes. The groups learn bookkeeping and management, of course, and also new techniques, new crafts. Field experts come to teach, and members go for apprenticeship with groups in the same work. The range of business of P4K groups is wide - services: such as carpentry; trading: fish, cloth, vegetables; farming and food processing; manufacturing: baskets, knives, shoes, pottery, carvings. But size is limited by the size of loans. Groups are small, without expensive machinery, planned for maximum employment. In villages where many families do the same business, groups are numerous but are still small. Emulation of success widens employment and brings strength. Traders in new groups in isolated villages pool transport and reach distant markets as a unit, earning respect and opening new marketing channels.



With bank credit, the group can buy fish in advance and have the pick of the catch. At the market, they can offer a variety of fish, fresh or smoked. A year earlier, financed by money-lenders at high interest, these women could buy only the poorest fish at the beach and usually ended their day with tiny profit.



there is a limitation: there are not enough canoes to meet the demand, and they go out only twenty days a month. Fishermen from other islands fill the deficit. The new affluence is unmistakable: two food shops run by P4K groups, TV aerials, tile roofs, the bright dome of a new mosque, nicely-dressed children and throughout the village an air of optimism. The families of the P4K groups are pleased now to take part in community affairs: they feel needed, and they have a stake in the village, the region. The road from the beach to the next big town always simply passed the village. Now the road truly serves the village: the groups have integrated the sea and the market.



Circle of profit

This woman's basket is never empty. She has developed a circular trade as an extension of her work in a marketing group. She buys rice in her village to sell in another village where she buys packaged foods and household items. She walks a familiar circuit of houses, selling her goods and buying vegetables to sell on her way home. She is far more than a door-to-door vendor; this minuscule entrepreneur is a carrier of the very spirit of economic development.

Belief in the future, experience in dealing with money and the wonderful choice of how to spend their profits: all of these come from group participation.

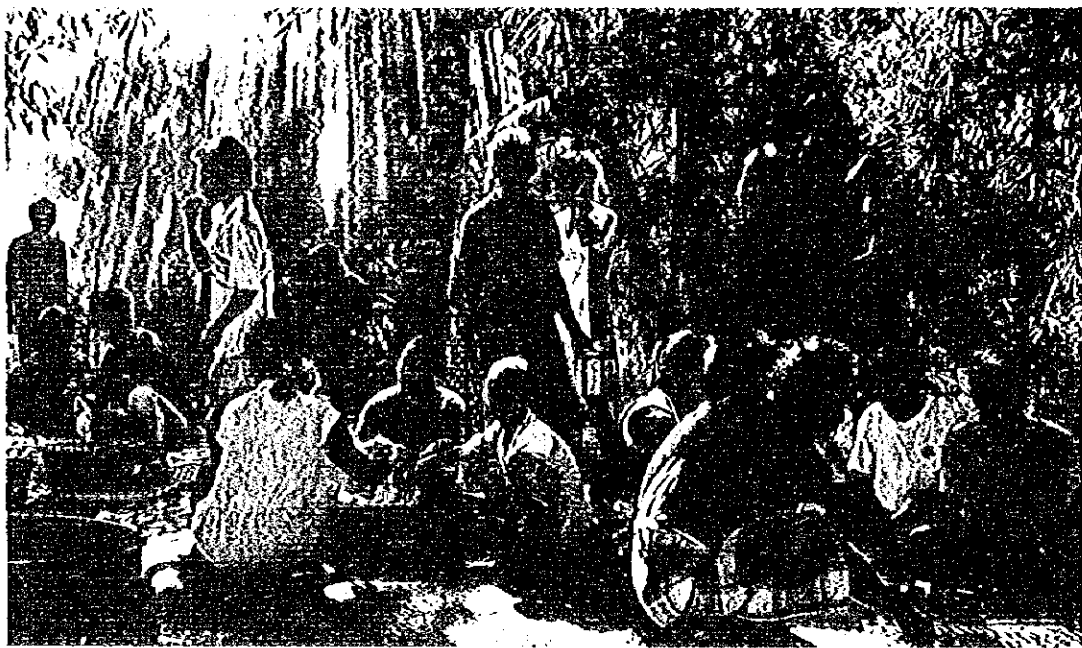
...and can they handle money?

One of the most-frequently-asked questions is: are very poor people able to manage money? The answer, after several years' experience with thousands of P4K groups is yes, without reservation. They are able to handle not only money but credit as well. They don't go wild with money. In fact, they are usually quite frugal and conservative. They borrow as a group and save as a group. The group conviction that there is a future, based on the productive rhythm of borrowing and repaying, quickly infects members who individually believed they had no future before they were included in a P4K group.

Disposition of profit is a wonderful task for members of P4K groups. Each group devises its own plan, but central to all plans is the requirement to pay the bank on schedule. Members of many groups put money in blue boxes distributed by P4K, to be allocated for repayment, replenishment of inventory, re-investment and distribution to members for family improvement. Some groups form intergroup associations and put a portion of their profit into what might be called a bag bank - it is usually kept in a leather shoulder bag. They lend cash from the bag bank at stiff interest for short terms, usually for a couple of weeks, while the money is accumulating to repay the commercial bank. This personal banking provides cash on call, keeps the money working and increases the groups' income.

Money to repay the bank is accumulated in blue boxes, as well as funds to finance an informal group bank - a bag bank.





This P4K food processing enterprise grew rapidly, involving most of the families in a large section of a village.



Bulk ingredients are partly cooked, stored and finished as needed. Fuel demand brings prosperity to wood cutters.

Everybody works

Fast turnover, low capital, work for nearly everybody in a very poor village: those are the characteristics of the successful growth of a venture in food processing. The village, once isolated in poverty, has become a centre of relative prosperity, drawing on other villages for its raw materials and stimulating cash flow in an enlarging area. The cause of impoverishment, insufficient land in plots too small to support families, was the stimulus to formation and expansion of the enterprise. The groups simply could not grow enough, so they began buying in other villages, first through vendors at high interest, then directly with low-interest loans from the bank. Now they buy raw food in bulk, ever-larger quantities which they half-process and store, drawing on it daily for final pro-

cessing and marketing - an efficient procedure which permits the groups to increase their profits. Demand for firewood exceeds normal village supply. Woodcutters working in controlled forests in the area of the village have prospered meeting the growing demand. Next step for the enterprise: association buying of raw materials, raising the need for development of management practices for financial control and re-investment of profits. This in turn raises questions of the extent of growth of an enterprise that is not a cooperative, not a company, but remains a grouping of families centred in one village, with effects reaching well beyond the village. At the time of production of this booklet, field workers and bankers were planning ways to permit the growth.

Step 3 Joining the Community



The biggest change is in the mind, in the view of self; that is the essence of human development.

The P4K family groups are not just single-minded business people. They are, above all, families in villages, communities. Before they joined the groups, they were *in* the village, yes, but not always *of* it. Once in the groups, they find the acceptance and support they had missed. P4K eases their integration into the village, guiding them through the matrix of social services that make a village a community.

The field worker is their guide, introducing them as newly-productive citizens to services open to them, such as family planning, literacy classes, health services, religious guidance, sanitation and water instruction. If they have difficulties, feel rebuffed or misunderstood, the field worker is there to help them. The field worker, even while receding from the active work of helping the groups organise, remains their friend and advocate. And an odd thing happens: as group members become integrated into the village, they become senior advisers to the new groups forming, helping them through the process of joining the community.

Each year the progress of integration of P4K groups into their communities is taken up at field workshops running sometimes three or four days. These sessions bring together group members, field workers, bankers, village heads, P4K officials from all levels of management and people from all of the services involved in village development and poverty reduction. Recommendations for action are agreed upon and are followed during the ensuing year. Usually, more than half of the people at the workshops are P4K group members. The sessions are a kind of fulfillment in themselves, for they are proof, if by then any be needed, that families of P4K groups, previously inert in their poverty, are a force in their communities.

Health worker welcomes new P4K group member.

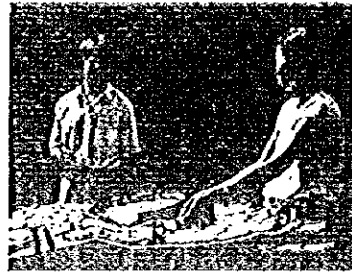


Leading farmer in a district shares knowledge with a P4K group.





Help, advice and an attentive ear. A P4K district officer inquires about progress and needs of a brick maker.



Field workers become a kind of general partner to the groups they serve. A worker talks about drying fish with a group head.



Social development and material growth run apace. A district liaison officer helps women deal with their concerns.

Guiding principles:

Explicit principles underlie the P4K methods and guidance:

GROUP APPROACH requires that guidance be offered to small groups rather than individuals, so that *all* members may feel empowered.

HARMONY requires that groups be made up of compatible people of similar background who trust each other and share objectives.

EMERGING LEADERSHIP is a natural outgrowth of the view that the group makes its own decisions. Leaders do emerge within the group, but the group leads P4K.

PARTNERSHIP means group members are partners and P4K is *their* partner.

SELF-RELIANCE comes from adherence to all of these principles, reinforced by commitment to private enterprise.

ACTION LEARNING is a creative process requiring just a touch of guidance, in which families improve the techniques of their work on their own, as they produce.

TOTAL FAMILY APPROACH requires that guidance be given to husband and wife and children impartially, not just to a head of household. All learn; all develop.



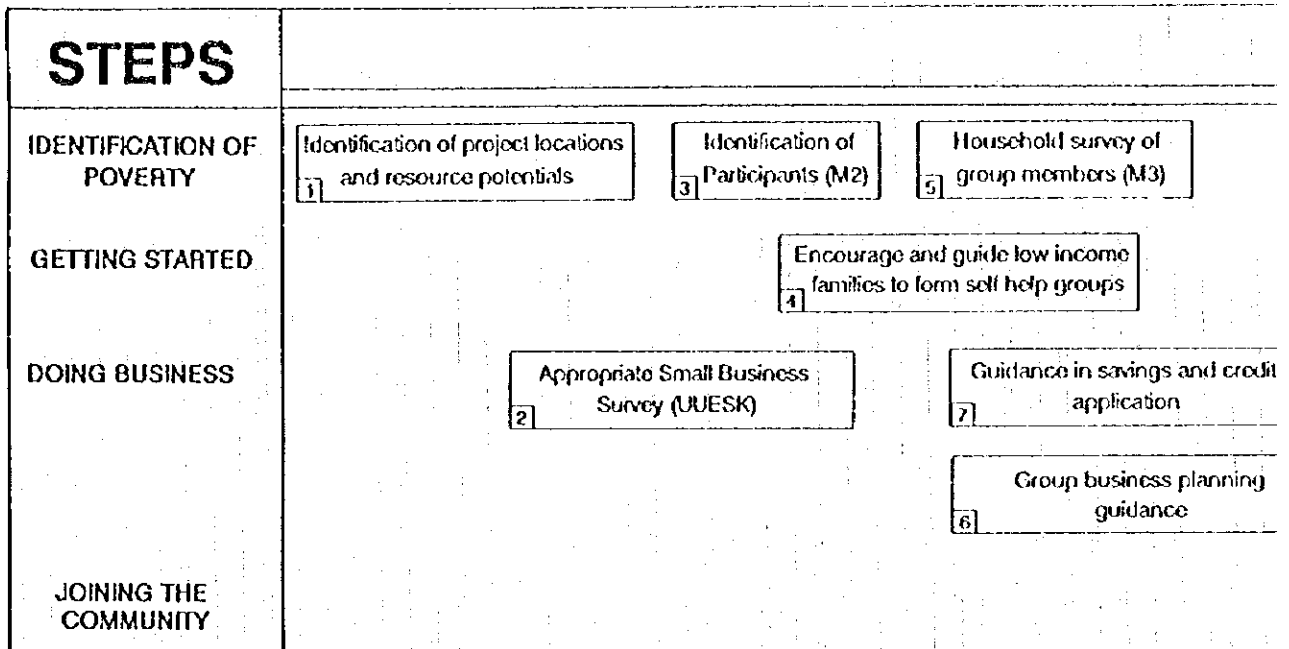
The craft of individuals applied to pottery made from standard designs results in mass output.



Specialisation, a trend.

A large industrial pottery would make as many pots as do the hand workers in this village, but would employ far fewer people and would likely take the profits away from the village. Several P4K groups with the simplest of hand wheels make pottery to order for a distributor and keep their profit in the village. Experts brought in by P4K have improved quality and introduced designs appealing to the ever-growing urban market. This kind of village specialisation is inevitable, and P4K helps groups adapt to it. The success of the pot-making groups has raised the standard of living of the whole village, both materially and in many social benefits: education, health, community cohesiveness. The village loses fewer of its people to the urban areas. Self-employment has made a big difference.

P4K TIMELINE



Management

Management of P4K is a process entirely responsive to goals:

CLEAR GOALS are essential. We examine them ceaselessly, adapt them to changing circumstances, adjust them and keep staff and field workers informed regularly.

INFORMATION FLOW upward and downward is critical - and open. Our data base, updated continually from the field, is a portrait not only of the entire operation but of each group in each village. It is an enormously valuable resource.

OPEN MANAGEMENT keeps us on our toes. We cannot work in secrecy; too many people depend on the flow of information. We formerly called in experts to evaluate our performance. Now we do that ourselves, ruthlessly, and use experts to make sure we are not deceiving ourselves.

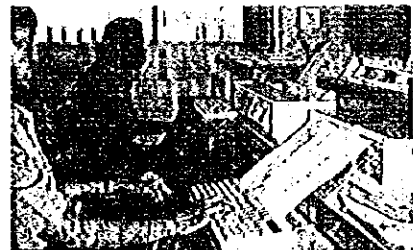
Raw information is gathered on each group in the field.

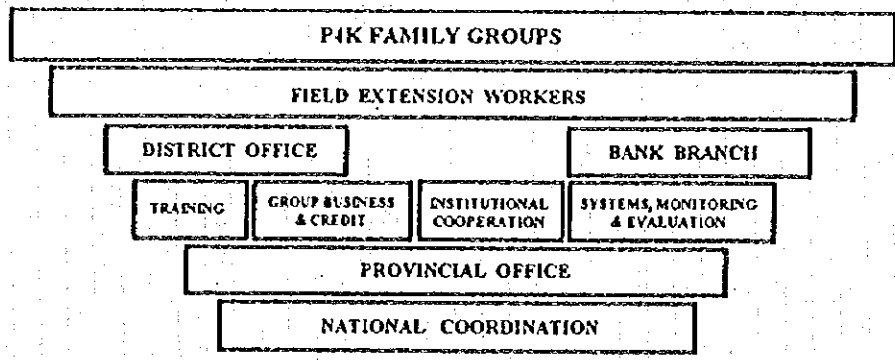
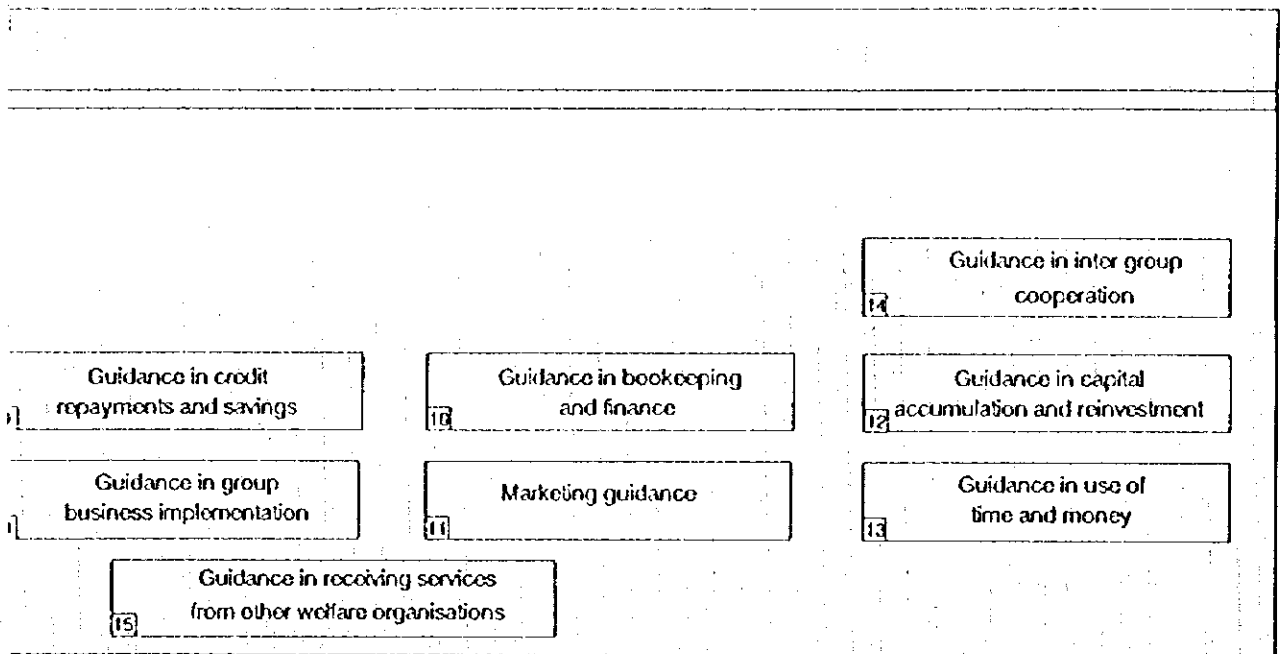


Updated information is noted monthly on a form for tracking each group's performance.



Data go to the P4K management office; print-outs go to field worker and village head.





The P4K way of working is from the bottom up. Our true directors are the family groups. We are more than decentralised: we have no direct control over field workers, bank people or village officials; we depend on persuasion and information.

Funding comes from the Government of Indonesia's national and regional budgets, a loan from the International Fund for Agricultural Development and grants from the United Nations Development Programme and the Netherlands Government.

At a seminar, a field worker confers with a regional expert about one of her groups.



Field workers exchange data and experience whenever they meet.



Specialists are on call. A Directorate of Livestock expert explains a new kind of goat pen.





The P4K village groups are beneficiaries of frequent workshops and seminars. Their movement toward successful lives brings together as partners officials and experts from several ministries and directorates and people from NGOs and international agencies. The sessions are not abstract; they result in plans, recommendations and action.

Keys to Success

Your programme should be based on the ability of poor families to increase their incomes with your help and training.

Group development should adhere to the guiding principles of P4K.

The fifteen steps in the P4K method shown in the timeline on the preceding page cover identification of participants, formation of small groups, education in savings, business planning, handling credit and being in contact with other welfare services.

Special training for staff and field workers increases their enthusiasm, dedication and abilities in order that they may assist in developing the aspirations of the low-income families they serve.

Open management improves the creativity and productivity of field staff.

You should regard the credit scheme not only as the stimulus to growth of family groups, but also as an educational tool which will enable the members to develop better relationships with banks.

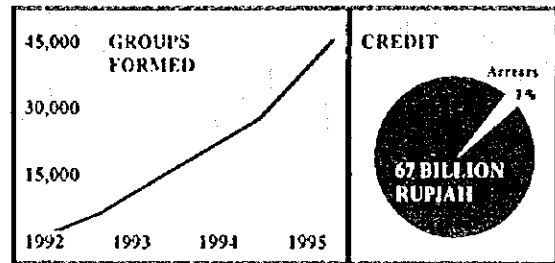
You may have to help community leaders through participatory training to apply a caring attitude to practical planning for reduction of poverty in their villages.

You should give special attention to promoting fast-earning businesses that use local technology and have a ready market. Early success pumps money into the families, raises morale of the groups and stimulates formation of new groups.

The P4K method releases the potential for achievement and satisfaction in the smallest developable unit: a person, a family. That is the core of the P4K strategy. We see development as a domestic affair. Our groups are groups of families, and to us - and we hope to you - their success is the success of human development.

Results:

US \$ 30 million borrowed by 35,000 P4K groups in 3,197 villages during the past five years with arrears only 2% or 7% based on outstanding balance



At the time of reprinting this booklet in 1995, P4K had become operational in more than 3,000 villages. Some 500,000 low-income families had been identified. Over 44,000 self-help groups had been formed. Of these, almost 17,000 were women only. Basic training had been given to 2,000 project staff. Some 55,000 group business plans had been prepared, and 33,000 groups had been trained in business planning. Sixty seven billion rupiahs (US\$ 30 million) had been lent. Credit arrears stood at only 2 percent of loans disbursed. More than 30,000 community leaders were assisting the P4K groups. More than 300 types of small businesses had been chosen by the groups. Saving of the groups stood at Rp 6 billion. Cost per family, excluding credit, was about \$1 per month. Other help was received by thousands of groups from the Ministries of Education, Health, Religious Affairs and Small Industries and the Agency for Family Planning, as well as village welfare organisations.

Future:

Our immediate plan is for P4K to expand to further provinces, using the method described in this booklet as the model. In time, we hope to cover all of the 27 provinces of Indonesia. For the families, there are many alternatives in the future after leaving P4K: to join other government credit schemes, to continue on bank credit in their own right, to become self-financing by using their profits as capital, to seek guidance from other small-business projects, to form inter group associations and cooperatives, or simply to leave the groups and go their own way individually. Whichever course they choose, they will be connected, merged with the mainstream of the economy.



In balance with the village.

In school, the little boy looked like the other little boys, his uniform hid the deep shame of his family's poverty. To pay for his books, he sold ice and gathered grass for horses. In his teens, he left his village and worked as a waiter in a distant hotel. He learned a great truth about poverty alleviation: income fills the emptiness we call poverty. Sarafuddin returned to his village - to his very poor neighborhood. He rented a small house and bought some chickens. When a P4K group formed, Sarafuddin was asked to be its head. He married Juriah, a girl from another village. Sarafuddin and Juriah are pleased with their lives, with the growth of their poultry business, with the success of the P4K group and the balance they have achieved in their village. Sarafuddin dreams of going to university and becoming a teacher, Juriah believes his path is business. They married for love, and they married to help each other. Juriah excelled at Koranic studies in secondary school. She depends on Sarafuddin to guide their future, he depends on her to guide the religious life on which their marriage is based.

P4K groups do not participate with us; we participate with *them*, we and all of the others: banks, government agencies, specialists. In this, we make the fruit of success a little more tempting, bring it closer for the people in the groups to reach up and pick. But it is they who pick it.

P4K groups are not pampered. They work with the pitiless realities of the world of enterprise. The interest they pay for their loans is standard bank interest, and the goods they offer must compete in the market. They are not subsidized. If they have any edge at all, it is in the guidance and expertise we can offer them in their effort to come from behind. In claiming their right to succeed, the families of the P4K groups have claimed their right to fail. When their cycles of credit are finished, they are not shocked to find themselves in the world of reality, for they have been there all the time.



*"I never expected to have anything.
I never expected to be here."*

P4K

Design & writing: George Orick. Photography: George Orick & Richard Beresford. Printed in Jakarta by PT. Subahtera Semesta Graphka.



Republic of Indonesia

Machinery for
the Advancement of Women



Office of the State Minister for the Role of Women
Jalan Merdeka Barat 15
Jakarta
Telp.: 3805563 Fax.: 3805562
1994

AT THE NATIONAL LEVEL

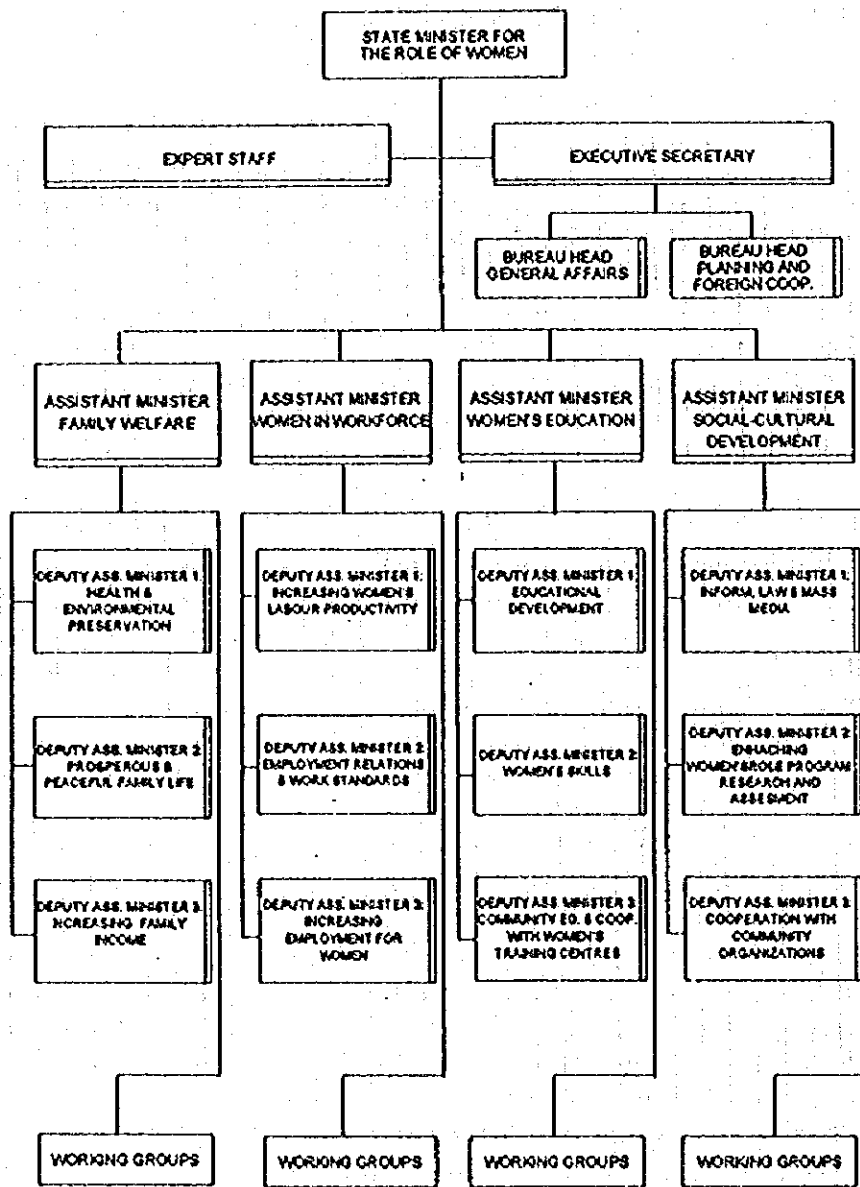
In 1978 with the inclusion of a chapter on the Role of Women in Nation Building in the Broad Guidelines of State Policy, the Indonesian Government appointed a Junior Minister for the Role of Women, as a member of the cabinet. The status was elevated to Minister of State in 1983.

Based on the Presidential Decree (Number 44 in 1993), the functions of the State Ministry for the Role of Women are: policy formulation, planning, coordination and advocacy of programmes and activities for improving the situation of women. The implementation of women in development programmes is the responsibility of various sectoral ministries. Programme officers are located within the ministries. At the sub-national level the programmes or projects are carried out by field offices of sectoral ministries in cooperation with the sub-national governmental machineries. Almost all ministries are engaged in the implementation of programmes aimed at enhancing the role of women in development. Programmes are either specifically designed for women or integrated programmes.

In the Office of the State Minister for the Role of Women, there are four Assistant Ministers, namely Assistant Minister for Family Welfare, Assistant Minister for Women Workers, Assistant Minister for Education of the Role of Women and Assistant Minister for Development of the Socio-Cultural Environment. The Assistant Ministers are responsible for coordinating various programmes relevant to their fields, and conduct staff-work to support policy formulation, planning and advocacy for improving the situation of women. There are several expert staff in the Ministry who assist the Minister in giving recommendations and suggestions on specific fields. The Executive Secretary of the Office of the State Minister for the Role of Women is responsible for coordinating activities of the staff of the Assistant Ministers for State Ministry as well as the administrative support of the Office.

To enable the State Minister to function effectively, institutional arrangements for policy formulation, implementation, monitoring, review and appraisal of achievements have been established by facilitating networks and linkages. Coordination of all development activities from planning up to monitoring and evaluation stages is conducted through various working groups established at the Office of the State Minister for the Role of Women. Members of the working groups are representatives of sectoral ministries, representatives of the Family Welfare Movement (PKK) and national women's organizations. The State Minister also holds meetings twice a year with first echelon officials of various sectoral ministries for budget and programme formulation and programme assessments. The machinery for women's advancement at the sub-national levels (provincial and district levels) have also been established.

**ORGANIZATIONAL STRUCTURE
THE OFFICE OF THE STATE MINISTER FOR THE ROLE OF WOMEN**



NOTE :

- Echelon I
- Echelon II

AT THE SUB-NATIONAL LEVEL

For effective coordination of women in development programmes the mechanism of coordination at the sub-national levels is structured as follows:

At the provincial level, Governor is the person responsible for the advancement of the role of women in development. He is assisted by a Vice-Governor as the Head of the Provincial Management Team for the advancement of Women. The Head of the District Planning Board acts as a Vice-Chairman of the team.

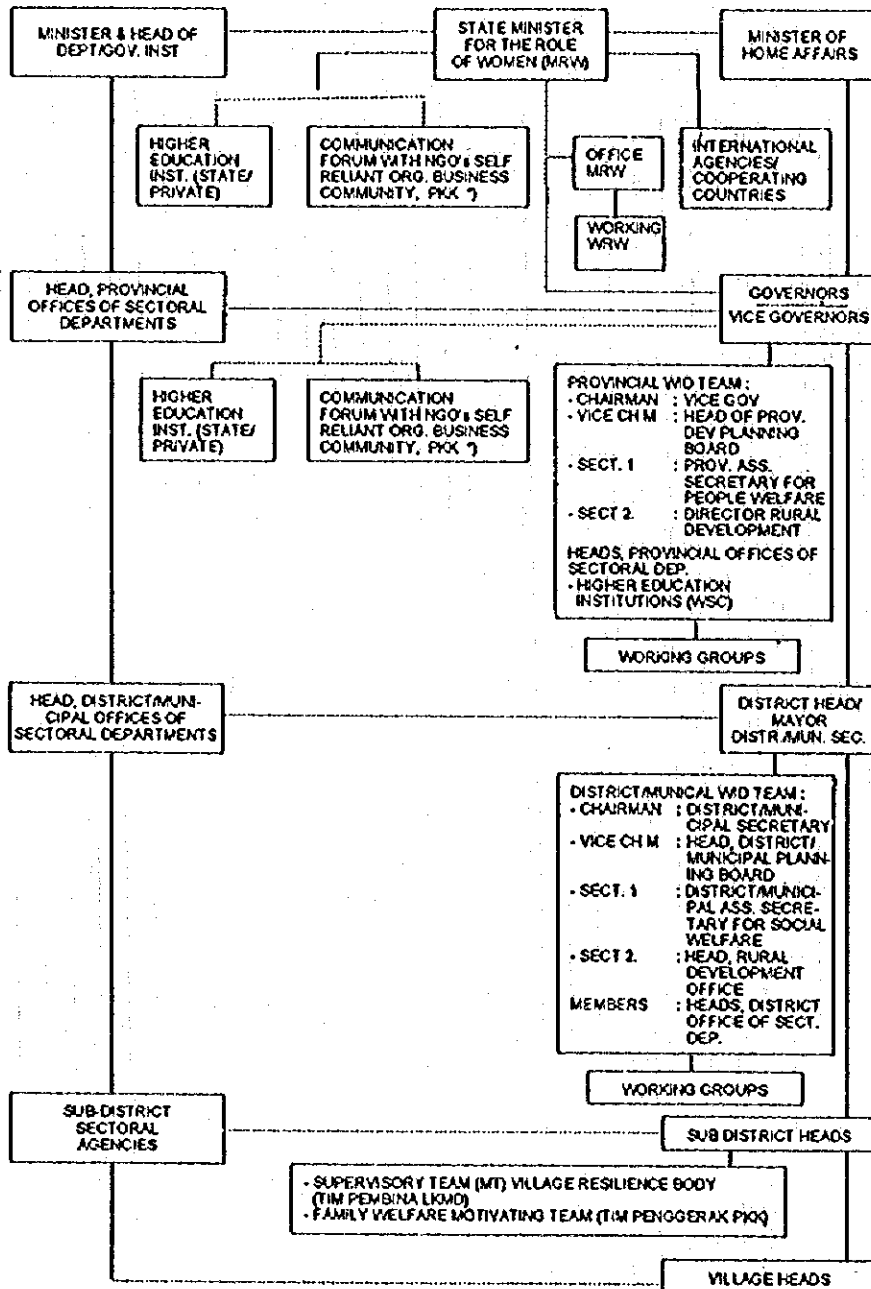
Concerning to the above structure, at the district level, the District Head/Mayor is the person responsible for the advancement of the role of women in development. He/She is assisted by District Secretary/Municipal Secretary, as chairperson of the team, and the local head of Planning Board as a Vice-Chairman.

At the provincial and district level, there are several working groups established as needed. The working groups assist the Management Team for the Advancement of Women in the implementation of their activities.

In the urban and rural villages the Village Head is responsible for coordinating women in development activities. In carrying out this task he/she is assisted by the Village Resilience Body (LKMD) and the Village Family Welfare Motivating Team (TP-PKK). At the village level the Family Welfare Motivating Team forms the tenth sector of the Village Resilience Body.

To support Women in Development policy, program formulation and planning. Women Study Centres have been established in both state and private universities in all Indonesia's 27 provinces.

MECHANISM FOR THE ENHANCEMENT OF THE ROLE OF WOMEN IN DEVELOPMENT (WID) AT NATIONAL & SUB NATIONAL LEVEL



NOTES :

- : Line
- - - - - : Consultative
- *) : Family Welfare Motivating Team (PKK)

- VILLAGE RESELIENCE BODY (LRMD)
- FAM. WELF. MOTIVATING TEAM (TP. PKK)

MAJOR NON-GOVERNMENTAL WOMEN'S ORGANIZATION

1. PKK: The Family Welfare Movement

This is not an organization with registered membership, but rather a voluntary movement consisting mostly of women. In 1964 it started with women's group activities in communities in Central Java which later spread to other provinces. In 1972 it became a nation-wide movement to improve family welfare. PKK has 10 major programmes: comprehension and practical application of the State Ideology, Pancasila, fostering mutual self-help (gotong royong), food, clothing, housing and house arrangement, education and skills, health, promotion of cooperatives, protection and conservation of the environment and sound domestic planning. PKK activities are focussed on villages and poor urban neighbourhoods. Volunteers are supervised by motivating teams formed at national, provincial, district, sub-districts and village levels to facilitate and monitor activities implemented at the lower levels. At the village level, the PKK forms one section of the Village Resilience Body (LKMD). This body is responsible for enhancing community participation in the planning and implementation of community-based development activities. The chairperson of the village PKK motivating team also functions as the vice chairperson of the Village Resilience Body.

PKK's objective is to reach directly as many families as possible. Its strategy is to organize households into units of 10 to 20 into the so called *Dasawisma*. The Dasawisma members select a chairperson to record and report on key social data on its member-families, and assist the village PKK in mobilizing community participation in village development activities. The Dasawisma structure enables development programmes to reach disadvantaged women and their families, and to strengthen community initiatives, participation, and solidarity in development.

There are presently about two million PKK volunteers actively involved in village level social development programmes carried out in more than 62,000 urban and rural villages throughout Indonesia. The volunteers have played a key role in organizing and implementing Posyandu (integrated service post). In recognition of its role as a primary force for awareness raising and mobilizing support for CSD (Child Survival and Development) and health development in Indonesia PKK received both UNICEF's Maurice Pate Award and the World Health Organization's Sazakawa Health Prize in 1988.

2. KOWANI : The Indonesian Women's Congress

The Indonesian Women's Congress is comprised of 64 nation-wide women's organizations, ranging from professional groups, functional groups, religious associations, and social welfare associations. The women sections of several major youth organizations are also members of the KOWANI. Founded in 1928, KOWANI today represents an estimated 20 million women through its member organizations. In its five-year workplans, formulated and adopted by the General Assembly, KOWANI covers eleven areas of concern; education, science and technology, employment, legal literacy, population development and environment, economy and cooperatives.

KOWANI maintains formal cooperation with practically all government bodies. Members of its executive board have been active in working groups or committees established by various government departments, particularly the Office of the State Minister for the Role of Women, the Department of Information and the Department of Education and Culture. This way the federation and its member organizations participate in the policy making process at the national level, including the formulation of the Broad Guidelines of State Policy.

This federation is recognized as the accredited National Council of Women of Indonesia. It has been a member of the ASEAN Confederation of Women's Organization (ACWO) since 1981 and of the International Council of Women (ICW) since 1973.

Other federations of women's organizations exist at the provincial and district levels, with similar functions. Although there are no structural relations between KOWANI and the provincial BKOW (Badan Kerjasama Organisasi Wanita or Women's Council at Provincial Level) or the District Level GOW (Gabungan Organisasi Wanita or Federation of Women's Organizations), KOWANI is expected to provide guidance to these federations on programme related matters. Representatives of the BKOW from all 27 provinces are invited to attend KOWANI's congress, held every five years.

3. DHARMA PERTIWI

Established in 1964, this organization groups the wives of the armed forces personnel - Persit Kartika Chandra Kirana (Army), Jalasenastri (Navy), PIA Ardhya Garini (Air Force), Bhayangkari (Police) and the Ikatan Kesejahteraan Keluarga ABRI (Armed Forces Family Welfare Association). At the national level, it is governed by a central board, assisted by 5 standing

committees. This working system is extended down to all its units and branches at the sub-national level. A national meeting is held every three years to assess the organization's achievements, and to draw up a working programme for the coming period. Their activities cover various fields, particularly education, health, nutrition and social welfare.

The schools, maternity clinics and other social services run by Dharma Pertiwi are also made accessible to the public.

4. DHARMA WANITA

Dharma Wanita, which was established in 1974 is an organization of wives of civil servants. Its membership is spread over the whole country down to the smallest government administration unit, also in every Indonesian Embassy or Consulate abroad. Its activities support government social development programmes such as courses on the comprehension and practical application of the State Ideology, Pancasila functional literacy, family planning, health, nutrition, environmental preservation and cooperatives. Dharma Wanita runs thousands of kindergartens, schools for handicapped children, primary schools, junior and senior high schools, and also vocational schools at both primary and secondary levels and social welfare activities.

The Dharma Wanita literacy programme, initiated in 1975 has won the Honourable Mention of the Noma Prize and Medal in the 1981 International Basic Education Competition from UNESCO in Paris.

THE NATIONAL COMMISSION ON THE STATUS OF WOMEN

This functional organization was established in 1978 and works towards the advancement of the status of the Indonesian women in the family as well as in society. The Commission's primary task is to collect data through research and other appropriate means. Recommendations for improvements or actions are submitted to the government.

The National Commission is a semi-governmental autonomous body consisting of 35 members representatives of women's organizations, and members of sectoral departments whose fields of operation directly affect women. The executive board of five members (three from women's organizations and two representing the sectoral departments) are elected for a five-year term.



AN INTRODUCTION TO

**H
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A**

**CLEARING HOUSE ON WOMEN
IN DEVELOPMENT
2ND FLOOR, BANGUNAN LPPKN
JALAN RAJA LAUT
50562 KUALA LUMPUR
MALAYSIA**

TEL : 03-2930095

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**WOMEN'S AFFAIRS DIVISION
MINISTRY OF NATIONAL UNITY
and SOCIAL DEVELOPMENT
MALAYSIA**

Dicalak oleh Percetakan Warni Sdn. Bhd.

WOMEN'S AFFAIRS DIVISION (HAWA)

INTRODUCTION

The Women's Affairs Division (HAWA) was established in 1983, pursuant to the declaration of the United Nations Decade for Women (1976-1985). The Division was initially under the Prime Minister's Department. However, following Cabinet reshuffle in 1990, it has been placed under the Ministry of National Unity and Social Development.

POLICY

HAWA's policy is to enhance the status of women so that their existing potentials can be harnessed, thereby facilitating their maximum participation in national development.

OBJECTIVE

HAWA was established with the following objectives:

- (a) to promote the participation of women in the national development process; and
- (b) to ensure that national development plans take into consideration the integration of women through the provision of equal opportunities and access to facilities and resources.

Hawa has been entrusted with the following responsibilities:

- (a) **Monitoring the Implementation of Government Policies and Project for Women**

HAWA monitors the implementation of government policies and programmes by various ministries, department and agencies; ascertains its contributions to and implications on women; its positive and negative impacts on women; identifies constraints and issues confronting women; and provides feedback to the government so that appropriate action can be taken wherever and whenever necessary.

- (b) **Organising Courses and Seminars**

HAWA organises courses, seminars and workshops aimed at improving the knowledge and skills of women in various fields in order to facilitate their entry into the labour market or ensure their sustenance in employment. HAWA also organises gender-analysis programmes to enhance the awareness about women's concerns among policymakers, planners and implementors.

- (c) **Research**

HAWA identifies priority research areas on women and women-related issues; determines the agency or individual to do the research and secures funding for such research. HAWA also analyses the recommendations made and takes appropriate follow-up action.

- (d) **Liaison with International Agencies**

HAWA serves as the national focal point for liaison with international agencies dealing with women's affairs. HAWA represents the country at meetings/ conferences on women organised by the United Nations, Commonwealth, ASEAN, the Organisation of Islamic Countries etc.

- (e) **Clearing House for Women In Development**

The Malaysian National Clearinghouse (MAWID) acts as a one stop agency in information supply and document delivery on WID in Malaysia. It also acts as the regional/international focus for dealing with WID information queries, supporting women's and programmes through information activities MAWID function within a national network with each node collecting materials on its own target interest. The network members, 24 of them consist of women's associations, government and non-government organizations, political auxiliaries, national, academic and research institution, libraries and archives. In addition to consolidating the image of WID in Malaysia,

MAWID serves the practical purpose of saving time, energy and effort of individual researchers and institutions. MAWID plays a vigorous bibliographic role within the nation and the region. Since its inception, MAWID has produced several publications such as Women in Malaysia, Directory of Women's Organisation, Malaysian Women: Facts and Figures and Women's Bibliography. The official bulletin of MAWID is the NETWORK NOTES which is published twice a year. BERITANITA the quarterly newsletter of the Women Affairs Division is also published and distributed to all government ministries, departments, agencies and women's organizations.

(f) **Secretariat for the National Advisory Council for the Integration of Women in Development (NACIWID)**

HAWA serves as the secretariat for NACIWID. NACIWID, established in June 1976, is a multisectoral body comprising representative from the government and non-government sectors. NACIWID provides the platform for greater intensification of efforts towards the integration of women in development. Amongst the functions of the Council are to provide advisory services and guidance to women's organisations on their participation in national development and to advise on the formulation of legislation and programmes affecting women. It serves as a nucleus to which issues pertaining to women are referred and in addition, initiates research, studies and the dissemination of information. It liaises with appropriate authorities and related international organisations to promote friendly international relations and peace.

(g) **Coordinating and Monitoring Activities of Women's Organisations**

HAWA provides advisory services to women's organisations and monitors their activities to ensure that government policies are adhered to. To date there are approximately 220 women's

organisations, 53 of which are affiliated to the National Council for Women's organisations. HAWA also provides financial assistance to some women's organizations to enable them to carry out their activities.

ORGANISATIONAL STRUCTURE

HAWA is headed by a director and assisted by three Assistant Directors, a Librarian and Assistant Administrative Officer, with other supporting staff. To ensure the effectiveness of HAWA's functions, liaison officers on women's affairs were appointed at ministerial level in 1986. In 1989, liaison officers at state and district levels were appointed. The network of liaison officers serves as a forum through which ministries and departments can address women's issues within their sectoral areas of competence. Liaison officers are also responsible for monitoring the impact of development policies and programmes on women implemented by their respective ministries. Realizing the fact that the role and contributions of women at the grass-root level is very important in integrating women into the development process, state and district Consultative Committees on Women's Affairs were established in 1992. These committees are chaired by prominent women leaders at the state and district levels. The members of these committees comprise of representatives of the government department, the NGOs and the private sectors at both the state and district levels.

National Policy on Women (NPW)

In view of the increasingly active role of women in development, and in recognition of the need that specific strategies must necessarily be formulated to effectively incorporate women in the process of development, the government formulated the National Policy for Women (NPW) in December 1992.

The overall objectives of NPW are:

- i) to ensure equitable sharing in the acquisition of resources and information as well as access to opportunities and benefits of development, for

both men and women; and

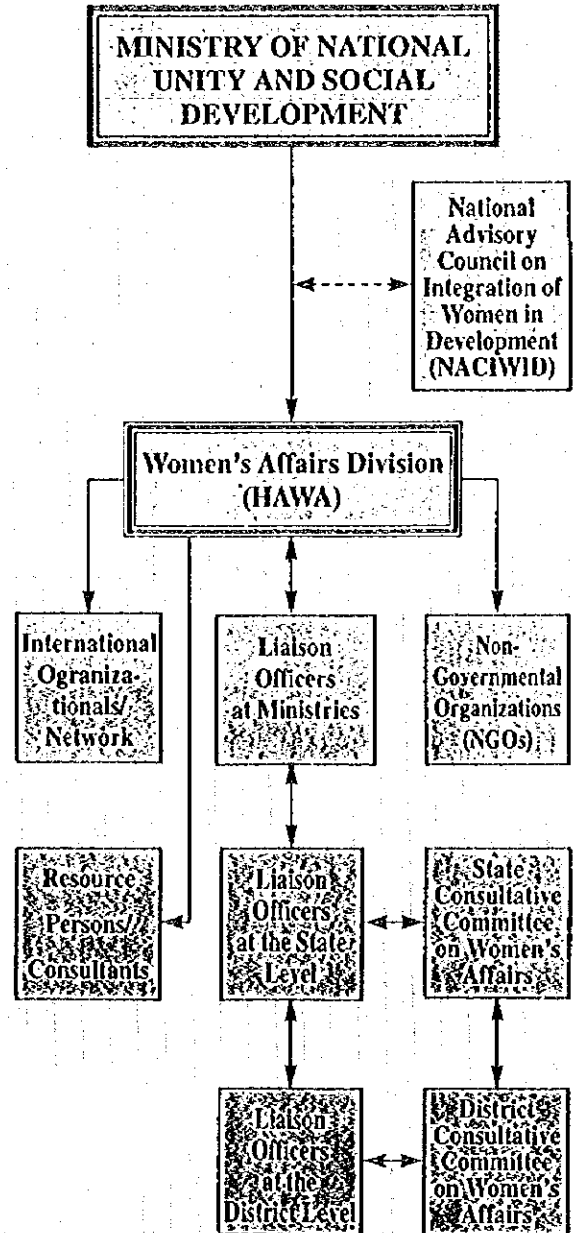
- ii) to integrate women in all sectors of national development in line with their abilities and needs in order to improve the quality of life, eradicate poverty, abolish ignorance and illiteracy and ensure a peaceful and prosperous nation.

To achieve these goals, the following strategies are proposed:

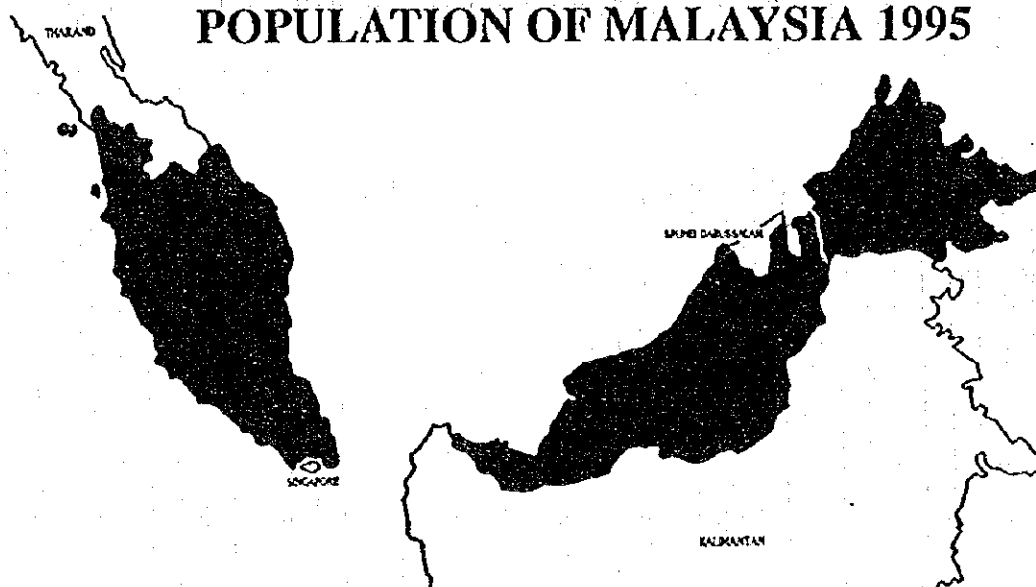
- a) strengthen the machinery to address women's issues;
- b) reorientate the institutional process for the planning, implementation and monitoring of government policies and programmes to accommodate women's concerns;
- c) raise public awareness and sensitize the government bureaucracy with regard to women's concerns;
- d) activate NGOs in order to increase the efficiency and effectiveness of socio-economic programmes; and
- e) redress problems of discrimination and promote affirmative action for the benefit of women in particular.

The NPW essentially articulates the government's commitment toward facilitating the participation of women in social and economic life of the nation. It also establishes guidelines for the integration of women's contribution in the process of national development.

NATIONAL MACHINERIES FOR ADVANCEMENT OF WOMEN IN MALAYSIA



POPULATION OF MALAYSIA 1995



Demographic Profile

Malaysia comprises of Peninsular Malaysia, Sabah and Sarawak. It has an estimated population of 19.5 million in 1994. The total land area of Malaysia is about 329,758 square kilometers.

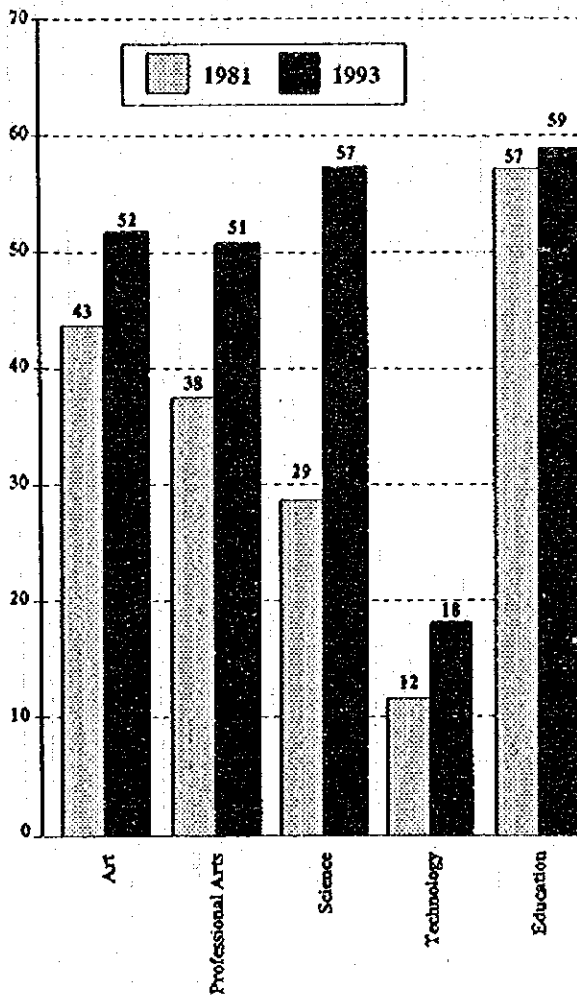
Malaysian Population by State (1994)

State	Male	Female
Johor	1,127.0	2,306.6
Kedah	719.4	733.5
Kelantan	643.9	660.7
Melaka	277.1	285.8
N. Sembilan	386.5	379.2
Pahang	598.3	555.7
Perak	1,037.6	1,051.8
Perlis	101.1	100.6
P. Pinang	584.7	591.9
Sabah	1,041.8	938.0
Sarawak	945.2	894.1
Selangor	1,312.3	1,268.4
Terengganu	443.2	427.5
W/P K. Lumpur	669.7	635.6
W/P Labuan	32.0	27.8
Total	9,972.5	9,677.5

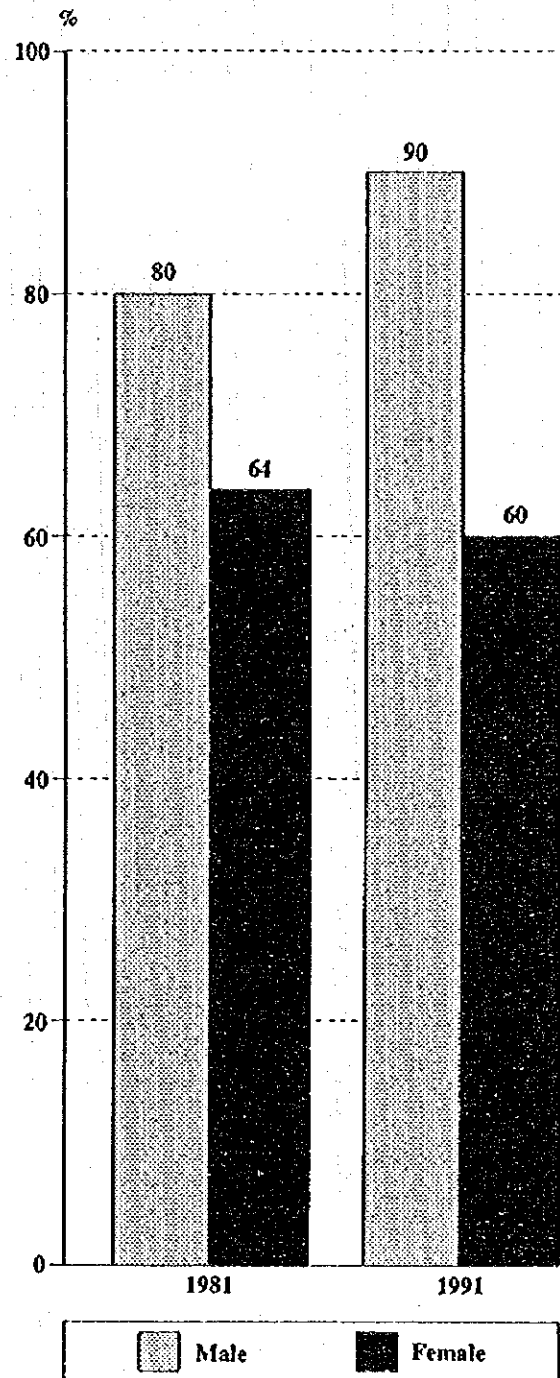
Women In Education

Women benefited from equal access to educational opportunities. Gender differentiation was nevertheless apparent by the preference of female students in the education, arts and professional arts. The increment of female students in science is almost 100%, however the percentage of female grads in technology is still too low.

**Proportion of Female graduates
(first degree)
from universities by type of courses, 1993**



Literacy rate by sex 1981 & 1991



Women In Politics

Number of Women Members of Parliament
Penal in State Assembly (1995)

State	Parliament			State Assembly		
	M	F	Total	M	F	Total
Perlis	3	0	3	13	2	15
Kedah	16	1	17	33	3	36
Kelantan	16	0	16	48	0	48
Terengganu	8	0	8	52	0	52
N. Borneo	16	0	16	40	3	43
Perak	21	2	23	50	2	52
Pahang	9	2	11	36	2	38
Selangor	16	4	20	46	2	48
W. Borneo	9	1	10	-	-	-
N. Sembilan	7	0	7	30	2	32
Malacca	5	0	5	21	1	22
Johor	19	1	20	45	5	50
Sarawak	2	1	3	55	1	56
Sabah	10	-	10	17	1	18
W. Borneo	1	0	1	-	-	-
	142	13	155	441	21	462
	11.4%	6.5%	10.5%			

Source: General Election '95 Results
NST, Thursday, April 27 1995

- * Based on election result 1991
- ** Based on election result 1994

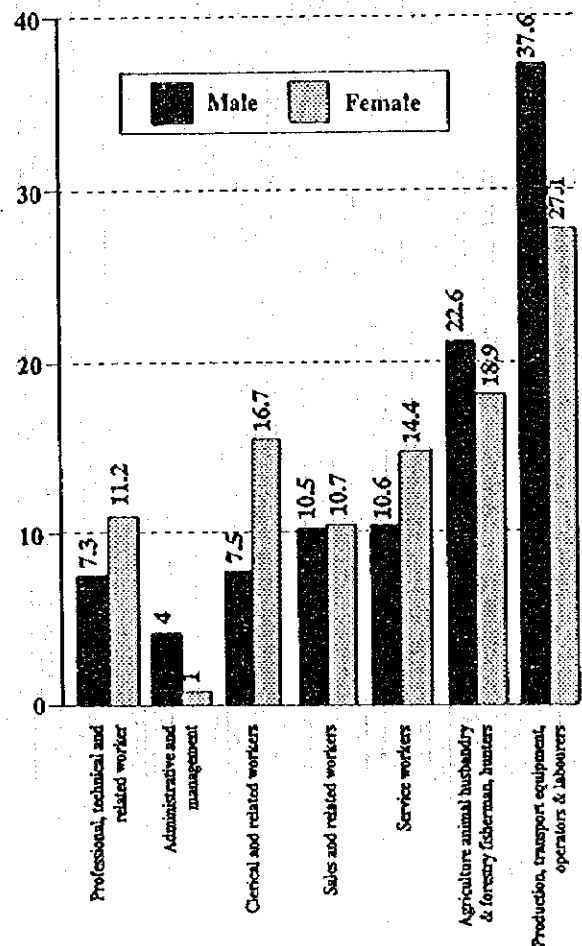
At present, Malaysia has two women ministers, three deputy women ministers and two women secretary of parliament.

Women in Employment

In terms of occupational structure, women were largely concentrated in low-skilled, labour intensive jobs in the agriculture sector and in low paying, semi skilled, assembly type production operations in the industrial sector.

In 1993, even though 11.2 percent of women in professional and technical occupations, the majority of them were in teaching and nursing. The participation in administrative and managerial occupations in one percent, with the increase of 0.4% compared by 1990.

Employment distribution by occupation
and sex, 1993



Women in Politics

Number of Women Members of Parliament
and in State Assembly (1995)

State	Parliament			State Assembly		
	M	W	Total	M	W	Total
Pelias	3	0	3	13	2	15
Kedah	4	1	5	13	3	16
Kelantan	14	0	14	43	0	43
Terengganu	8	0	8	32	0	32
P. Pinang	11	0	11	30	3	33
Perak	21	2	23	50	2	52
Pahang	9	2	11	36	2	38
Sejangor	13	4	17	46	2	48
W/P. Lumpur	9	1	10	35	1	36
N. Sembilan	7	0	7	30	2	32
Melaka	5	0	5	24	1	25
Johor	19	1	20	35	5	40
Sarawak	26	1	27	55	1	56
Sabah	19	1	20	47	1	48
W/P. Labuan	1	0	1	1	0	1
	199	11	210	601	21	622
	(19)	(5)	(100)	(60)	(3)	(63)

Source: General Election '95 Results
NST, Thursday, April 27, 1995

- * Based on election result 1991
- ** Based on election result 1994

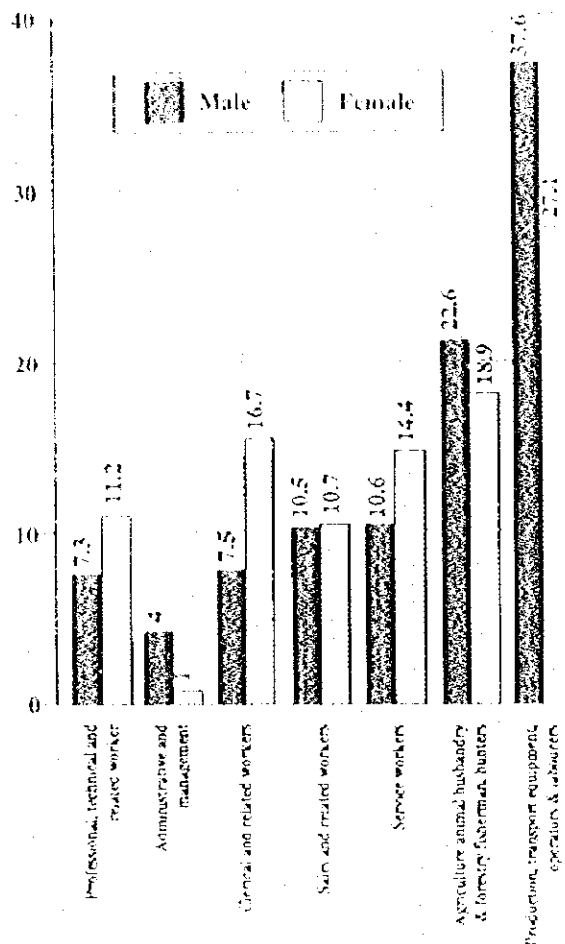
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Women in Employment

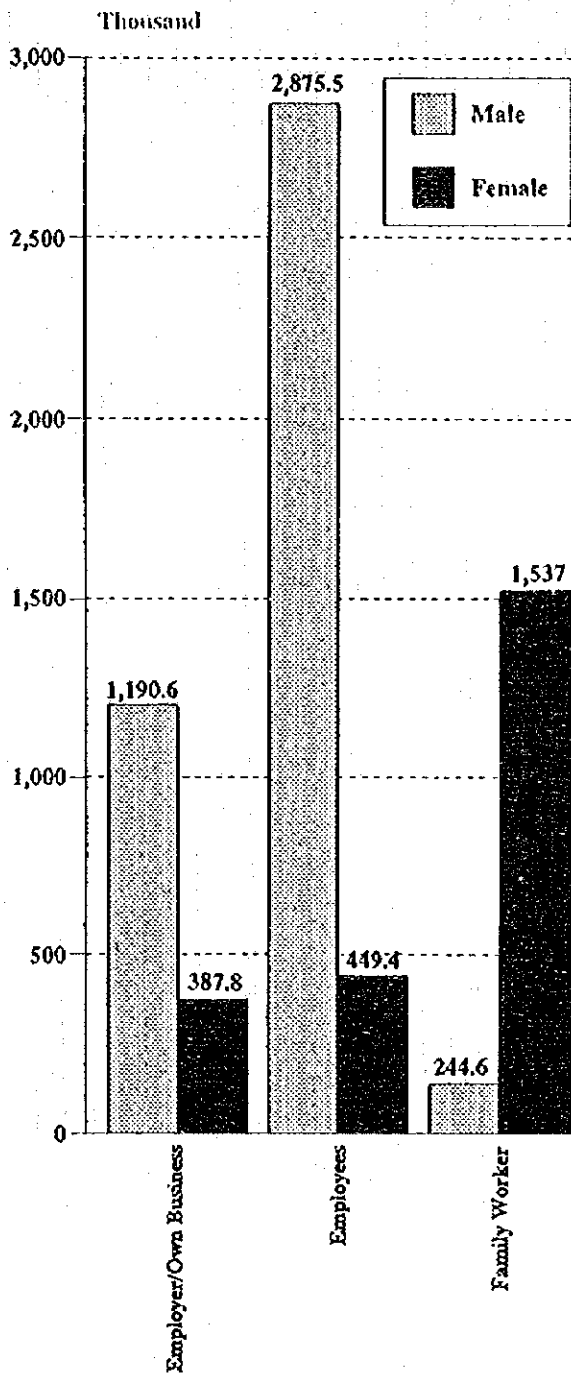
In terms of occupational structure, women were largely concentrated in low-skilled, labour intensive jobs in the agriculture sector and in low paying, semi skilled, assembly type production operations in the industrial sector.

In 1993, even though 11.2 percent of women in professional and technical occupations, the majority of them were in teaching and nursing. The participation in administrative and managerial occupations in one percent, with the increment of 0.4% compared by 1990.

Employment distribution by occupation
and sex, 1993



Employment Rate 1990



WOMEN IN HEALTH Selected indicators of health status and health service facilities, 1993

