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Women's Credit Unions as an Economic-Political Vehicle for Grassroots Women: PESADA's Experience in Building Grassroots Women's Political Power through Women's Credit Unions in North Sumatra and Sumatra

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Abstract

Grassroots women in Indonesia face limitations in economic access due to the patriarchal capitalist system, which places them in a vulnerable position. A paradigm shift is necessary to strengthen women's economic empowerment as a means of eradicating their systemic impoverishment across various social and political institutions. Such initiative has been developed by PESADA since 2006 through the women's Credit Union (CU). Women CU takes a different perspective from the mainstream economic approaches by fostering financial independence while simultaneously cultivating political awareness through conscientisation and active participation in the public sphere. This article adopts the feminist economics framework and conscientisation theory as implemented by PESADA in North Sumatra. The study employs a case study methodology, incorporating document analysis, participant interviews, and field observations. The findings in this article demonstrate that women's CU not only enhances women's economic independence but also strengthens their political participation—notably through SPUK (Suara Perempuan untuk Keadilan - Women's Voices for Justice). Women CU proves that community-based economic models with a feminist perspective can serve as an effective strategy for social transformation of grassroots women.

Keywords: Women's Credit Union, community-based economy, conscientisation, economic independence, feminist economics theory

Introduction

Grassroots women in Indonesia are vulnerable due to limited economic access. They face various forms of complex, layered vulnerability. Many experience violence and discrimination, rooted in social and political structures (Sinombor 2020). This vulnerability is exacerbated by the dominance of a patriarchal system embedded in culture and policies that are unfavourable to women, particularly within local communities. The prevalence of violence and vulnerability among grassroots women highlights the existence of a deeply entrenched patriarchal political hierarchy in Indonesian society. This condition persists throughout the lives of grassroots women, impoverishing them even amid multiple changes in government (Solidaritas Perempuan 2023).

This vulnerability highlights the need for a comprehensive, community-based approach to empower grassroots women. Since 2006, PESADA (Perkumpulan Sada Ahmo) has been running a Women's Credit Union (CU) programme. Women's CU programme provides financial access and serves as a forum for building critical awareness and encouraging active participation in the public sphere among grassroots women. In this context, the CU differs from general cooperatives in Indonesia. Its core value is education, not merely the collection of money, as conceived by its founder, Friedrich Wilhelm Raiffeisen (Asian Credit Union Journal 2013).

The principles of Women's CU are based on the paradigm of women's economic empowerment (Mayoux, 2005). These principles are: 1) the Poverty Alleviation Paradigm, which focuses on increasing family income to overcome poverty; 2) the Financial Self-Sustainability Paradigm, which aims to build the sustainability of women's groups and their supporting institutions; and 3) Feminist Paradigm, which emphasises the transformation of power relations and the elimination of women's impoverishment in all social and political institutions. Together, these three approaches offer solutions that can improve the lives of grassroots women. Under the poverty alleviation paradigm, Women's CU provides access to loans, which were previously difficult to obtain through formal financial institutions. This paradigm also improves members' financial capabilities through training in financial matters and small business management, as well as facilitating voluntary savings as a form of social solidarity.

The paradigm of financial sustainability encourages Women's CU to develop sustainable, community-based cooperative models that do not depend on external loans or grants. Grassroots women can independently manage savings and loans, giving them control over economic resources. This gives them the opportunity to take on financial leadership roles within their communities. In the feminist paradigm, CU transformatively mobilises the perspectives of grassroots women, encouraging them to work within structures that eliminate the dominance of the patriarchal capitalist system. CU acts as a catalyst, creating a space for conscientisation in which women can raise their awareness of their economic and political rights. Additionally, CU fosters solidarity and economic welfare, ensuring women's representation in the public sphere.

PESADA's programme addresses the issues faced by grassroots women in North Sumatra. PESADA (Perempuan Pembaharu) is a local non-governmental organisation (NGO) that was established on 1 October 1990 in North Sumatra. PESADA began with the Family Chicken Project and the Child Care Park for preschool children in rural areas inhabited by minority tribes in Dairi Regency, which was still very underdeveloped in the 1990s. PESADA's initial strategic focus was on increasing family income and preschool education to strengthen Indigenous communities, as well as empowering women and children. PESADA was initially a foundation, but after 13 years it became an association to become more independent, transparent, democratic and participatory. Thirty-five years later, PESADA now works directly in sixteen districts and cities in North Sumatra, the Nias Islands, and Aceh, as well as in seven other Sumatran provinces through the PERMAMPU (Perempuan Sumatra Mampu) consortium.

PESADA's vision is to realise the economic and political empowerment of grassroots women that is gender-equitable, inclusive, sustainable and influential at all levels, from local to global. This vision is realised through the following mission: 1) Providing assistance to women who are victims of violence, including those affected by child marriage, and supporting the fulfilment of women's sexual and reproductive rights; 2) Strengthening the economies of grassroots women to promote a gender-equal, inclusive, and sustainable economic movement; 3) Exploring and developing ways to strengthen the leadership of women and minority groups in public, traditional, and religious institutions, with the aim of creating a democratic society that respects diversity and gender equality, and has zero tolerance for all forms of discrimination; and 4) Exploring and developing independent and sustainable resources.

From the outset, PESADA has developed its mission and programmes based on an understanding of the socio-economic and political conditions in North Sumatra at local, national and global levels. The organisation has focused on gender inequality and poverty, particularly the feminisation of poverty (Pearce 1978). This concept describes the situation in which women experience poverty at a much higher rate than men. It is a process whereby women are systematically conditioned to be poor. PESADA acknowledges this issue in the design of its People's Empowerment Programme, which specifically targets women, children, impoverished families, and other marginalised groups.

The programme uses the Strengthening Framework developed by Sara Hlupekile Longwe in 'Women's Empowerment Framework' (1995a). This framework outlines five levels of equality that women must achieve, ranging from basic welfare to full control over resources and decision-making processes. This framework is a practical tool for analysing gender issues and planning interventions to promote gender equality (Longwe 1995a). Additionally, the programme uses power analysis (Batliwala 2020), which emphasises understanding power as the capacity of individuals or groups to determine the following: 1) who gets what; 2) who does what; 3) who decides what; and 4) who sets the agenda. This approach highlights the importance of grassroots women's organisations that believe critical awareness-raising is central to empowerment and pay attention to meeting the basic needs of poor women, ensuring they have access to resources. When groups that previously lacked power due to gender, economic, ideological, or class differences realise their equality and understand their right to participate, they gain the confidence to meaningfully contribute to decision-making and policy implementation.

PESADA recognises that power does not necessarily have a negative influence leading to oppression and discrimination based on gender, class, ethnicity, religion, geographical location, and other factors. On the contrary, power can be transformed into a force for building a movement with an agenda of gender equality, justice and ultimately, social justice. Grassroots women, minority groups, vulnerable groups and other marginalised groups can become a collective force through critical education and collective action in programmes that align with the framework for women's empowerment. Therefore, all PESADA programmes are planned and analysed using the following five-level framework, as discussed in 'Women's Empowerment & Equality Framework' (Longwe 1995a): 1) fulfilment of basic needs (e.g. food and drinking water); 2) access to resources (e.g. education, skills, information and credit); 3) conscientisation as a form of critical awareness through education (Freire 2005); 4) participation in decision-making within the household, community and public/political spheres; and 5) control over resources and the implementation of decisions, including women's leadership and representation in all decision-making arenas.

PESADA develops its framework using participatory methods. This is evident in the planning and implementation of programmes such as MEL (Monitoring, Evaluation and Learning), which are carried out during the biannual Work Plan Review Workshop and the Annual Evaluation and Planning (EVAPERCA) process. PESADA also engages in a three-year strategic planning process (Renstra). PESADA believes that all personnel are empowered through learning from the community when carrying out activities to empower women and other people.

The organisation of women's groups through Women's CU has demonstrated benefits for women's economic independence and political positioning within their families, indigenous communities and local governments. Educated CU cadres can advocate for grassroots women and support the sustainability of PESADA's women's empowerment efforts. As of early 2024, PESADA had 333 cadres from 263 CU groups, enabling it to expand its reach and accelerate gender equality and social justice.

Over the course of its nearly 35 years working with and serving grassroots women and other marginalised groups, PESADA has observed and analysed the development of women's empowerment efforts carried out by various NGOs, recognising their strengths and weaknesses. PESADA experienced difficult times during the COVID-19 pandemic, when movement and access to funds were limited.

Therefore, NGOs had to take the initiative in order to remain active. This situation demonstrates that empowering women is not an easy task. Many NGOs work to raise political awareness, advocate for policies and eliminate violence against women. However, these efforts are limited because they require time, various approaches and support from different parties, including funding. For example, supporting women who are victims of violence and have to deal with the law can be unpredictable in terms of time, as it depends heavily on the commitment of law enforcement and other parties.

PESADA's experience of promoting women's political participation demonstrates the importance of integrated efforts. These efforts should begin with strengthening women's capacity and awareness, advocating policies that recognise the importance of women's participation, and altering the community's perspective on the importance of women's political participation. Political education and capacity building will be meaningless if they are not carried out on a large scale and in a sustainable way.

Based on the issues faced, this paper focuses on three key questions: 1) How does Women's CU function as an economic and political vehicle for grassroots women? 2) To what extent can Women's CU overcome the limited economic and political access of grassroots women? 3) How does Women's CU foster community solidarity based on PESADA's field experience? These questions emphasise the importance of Women's CU when analysing economic and political empowerment, and the significance of implementing a community-based economic system that empowers grassroots women.

Research Methodology

Mainstream economics is often criticised for overlooking the value of reproductive and social work. Despite these activities being fundamental to the overall economic structure, they are often ignored (Folbre, 2001). This approach is exclusive and masculine, and has the potential to discredit community-based economic models driven by women. This study presents Women's CU as an alternative to the profit-oriented economic paradigm - indeed, as an antithesis - through a feminist economic framework that is grounded in care work and the principle of solidarity.

Credit union (CU) embodies a community-based economic system that was established to foster financial and social independence among groups that have been marginalised by the conventional banking system (Sinila

1976). The movement began with the formation of the Feminist Federal Credit Union (FFCU) in the United States in 1973. This demonstrated how a community-based financial institution could be used to resist gender inequality in economic access. Inspired by this, Women's CU emerged as a rejection of patriarchal structures in the financial world that discriminate against women based on marital status, income or asset ownership - something women often lack independently.

In the context of this paper, Women's CU provides financial access to grassroots women who are excluded from mainstream financial systems. Women are often discriminatorily placed in the 'bad risk' category under mainstream banking standards because they are considered to have unstable income and limited assets. However, the mainstream economic system overlooks the fact that women can build an economy based on community solidarity rather than solely on profit. Women's CU addresses this issue by providing financial access to grassroots women through a system based on participation, solidarity, and mutual responsibility. The profits are then allocated to empower women in the community.

While this paper draws on PESADA's experiences, its main focus is to demonstrate how feminist economics can offer an alternative to mainstream economics' failure to address the needs of grassroots women. Discussing the institution provides an opportunity to learn and serves as a starting point for examining economic and political relations, as well as raising critical awareness of marginalised women within patriarchal capitalist logic.

Nancy Folbre, in her book entitled 'The Invisible Heart: Economics and Family Values' (2001), criticises the mainstream economic system for ignoring the role of care work performed by women. The patriarchal capitalist economic system does not value work based on solidarity, care, and compassion (Folbre 2001). Yet these aspects form the foundation of a sustainable society. Women tend to prioritise their caregiving and caring roles within the family and community over achieving results. This strength is emphasised to demonstrate the success of Women's CU, which stems from women's awareness and solidarity in maintaining the stability of community-based economic systems rather than focusing on individual profits.

The sense of community in these systems has given rise to a transfer of knowledge that fosters critical awareness. This aligns with Paulo Freire's emphasis in 'Pedagogy of the Oppressed' (1970) that education must liberate through conscientization—a process of individual awareness and the beginning of action to effect change (Freire 2005). Meetings in the Women's CU education process facilitate critical discussion about the inequalities experienced by grassroots women, based on experiential learning. Women's CU encourages grassroots women to take control of decision-making, particularly with regard to financial policies affecting themselves, their families, and their communities. This demonstrates that empowerment is inextricably linked to power dynamics (Batliwala, 2020). Power is not only a form of domination ('power over'), but can also be used to create collective solidarity ('power with') and the capacity to act and make decisions independently ('power to'). This is a process through which women's movements with a shared vision and strategy ('power for') seize control, originating from women's critical awareness ('power within') (VeneKlasen and Miller 2002).

Converging these two theories provides an analytical lens through which to examine the important role of women's cooperatives in strengthening and building critical awareness among grassroots women in the face of economic and gender injustice. This concept is reinforced by the framework developed by Sara Hlupekile Longwe (1995b), which provides an approach to understanding how women gain control over resources and decision-making in their social, economic, and political lives. Longwe emphasises that empowerment is not simply given from above, but requires the struggle of women themselves through collective awareness and strategic action (Longwe 1995b).

Longwe's approach begins with identifying the different levels of women's empowerment: 1) Welfare: the basic level at which women are passive recipients of social or economic interventions. At this stage, women do not have full control over the resources provided — there are no real elements of empowerment yet. 2) Access: Women begin to gain access through education, skills training or business credit. However, this access is still limited because it depends on a system controlled by the authorities. Longwe emphasises that women should obtain this access through their own efforts. 3) Conscientisation: At this stage, women realise that their limited access is not due to a lack of ability or effort on their part, but rather because of discriminatory structures that systematically hinder them. 4) Mobilisation: Women become aware of injustice and begin to organise and take collective action to fight the discrimination they experience. 5) Control: This is the final stage of women's empowerment, where women have access to and control over resources (Longwe 1995b).

Women's empowerment is not a linear process, but rather a cycle that repeats itself. When women successfully reach the final stage, they open up access for other women, thereby strengthening collective welfare and mobilisation within the community. We can therefore understand the work of Women's CU as an intersection between community-based economics, feminist economics (rooted in care and concern), and critical education. Women's CU is a political and social strategy for changing patriarchal economic structures that marginalise women.

This study employs a qualitative case study approach to examine the role of Women's CU in strengthening the economic and political empowerment of grassroots women. PESADA research was conducted in several regions of Sumatra, particularly North Sumatra, drawing on the experiences of CU members and administrators, SPUK (Women's Voice for Justice) cadres, and external parties supporting the PESADA programme. The process mainly involved participatory observation of members accessing and managing the CU, as well as the consciousness-raising process within the CU community.

The data in this study were collected based on PESADA's real-life experience of setting up a pre-Credit Union (CU) as an organisational tool, which was linked to savings and lending activities that generated a surplus (SHU). This proved useful for increasing women's political participation and representation. These routine activities also provided women with access to education that fostered their critical awareness and encouraged them to question the importance of women's rights. All members saved money every month and received education on gender issues, various forms of injustice, and women's rights as human beings, daughters, girlfriends, daughters-in-law, wives, mothers, and mothers-in-law, and various other identities within tribal and religious communities, and as Indonesian citizens.

In addition to observations and interviews with members and administrators of the Women's CU, this study used data analysis from PESADA and Pesada PEREMPUAN Tangguh Cooperative (KESADANTA) documents. These documents demonstrate that PESADA successfully established the CU as an economic and political vehicle for women. All the collected data were analysed thematically to explore the application of the principles of the care economy and conscientisation in the Women's CU. The main categories considered were access to finance, critical education, collective participation, and the impact on the lives of grassroots women in the community. This provides evidence of a community-based economic system that raises grassroots women's critical awareness.

Care Economy and Solidarity Networks in Women's CU

The dominance of the mainstream economy can potentially lead to biased access to economic resources based on gender and class. Women's CU, developed by PESADA, emerged as a form of resistance to this structural exclusion. The lessons learned from PESADA can be theorised as a form of care economy and conscientisation approach. Women's CU offers this concept as a more gender- and socially just alternative.

The care economy is an approach that restores the value of work based on solidarity, care, and compassion (Folbre 2001). These three characteristics form the foundation of sustainability, which is often overlooked in society. It is important to consider these three characteristics as, in reality, women tend to prioritise the financial security of the family, acting altruistically by prioritising the welfare of the family, especially children.

Three aspects need to be considered to strengthen the use of the care economy, especially among grassroots women. Firstly, finance should be viewed as a collective tool rather than an individual instrument (Folbre 2001). In Women's CU, for example, this approach has been implemented primarily to promote a financial system that is based on solidarity and social justice. Each member fosters an attitude of mutual support and ensures collective sustainability. Secondly, we must empower grassroots women through community-based care work. Women often bear economic and social responsibilities within the household and community (Folbre 2001). Through Women's CU, their economic work will be recognised and valued more, both through access to business capital and internal policies that enable them to independently manage economic resources. Thirdly, there is social, needs-based economic redistribution. This can be achieved by allocating social profits to collective needs such as women's education, advocacy for women's rights, and the strengthening of women's politics at the community level. This approach generates economic profits and strengthens welfare and critical awareness. We can observe this economic aspect of care in the work that PESADA has done in establishing Women's CU.

PESADA established the Primary CU

Starting with a group of parents of pre-school children called Taman Bina Asuh Anak (TBAA) in 1993, PESADA went on to establish the first Women's CU in Tinada, Salak subdistrict, Dairi regency. This first CU, called CU Melati Tinada, was located in Salak District, Dairi Regency. It was organised by establishing rules such as enabling members to save with the lowest possible amount (e.g., IDR 1,000 per month). Although it did not yet fully comply with the CU model, CU Melati Tinada began to grow. Ideally, the CU would have had complete bookkeeping and RAT, but it was not yet able to do so regularly. However, the main focus was on raising awareness among women of their equality with men, particularly with regard to the roles of wives and husbands, and of their right to choose whether to marry, rather than being obliged to do so in accordance with strict customary rules.

Support for this process was gained when STT HKBP Siantar offered PESADA the opportunity to conduct research in Tinada and several other Pakpak villages in 1991 to assess the community's welfare and the issues it was facing. Interviewing CU members and their husbands in Tinada, as well as traditional and religious leaders, revealed a gender gap, with women tending to experience extreme poverty. Although the term 'gender' was not widely recognised at that time, PESADA was able to analyse the situation based on the differences in the roles of husbands and wives — an analytical tool for gender-related social issues. Housework and childcare were the responsibility of mothers. Women were also responsible for farming short-term and secondary crops, as well as raising short-term livestock such as chickens and pigs. Women who worked in the fields were not considered farmers; only husbands were considered farmers and the main breadwinners. In line with these findings, all respondents stated that children belonged to their fathers, even though they were born to their mothers. This is reasonable when you consider that, like the Batak tribe in general, the Pakpak tribe is patrilineal with strong patriarchal customs. Unfortunately, the typewritten manuscript of this internal research, which was only presented within the STT HKBP Siantar project circle, cannot be found.

This growth is in line with the development of TBAA. In the early 1990s, preschool education was not yet widely available in the Salak District. This type of education was very appealing to parents, particularly mothers, as it gave them more freedom to work on the farm and complete household tasks. At that time, agriculture was largely based on shifting cultivation, and children would be left in the village with their older siblings or neighbours. The elderly were unable to participate in farming due to physical limitations, and men were reluctant to go to the fields. As a result, CUs began to form and spread through the villages of the Pakpak tribe (an Indigenous group in the Dairi district which, at that time, was lagging behind the immigrant tribes), for example, in Jambu Village, Salak Village, Sukaramai Village and Singgabur Village. The emergence of critical education, regular group savings activities and collective activities outside the city, accompanied by young women becoming caregivers and educators of pre-school children at TBAA, changed the perception of female CU members. Initially, this social condition raised suspicions about the 'advancement of women', as it was thought that this might negatively impact the Pakpak tribe. However, support from the local government and the church was instrumental in the acceptance of these social changes. Women, who were previously restricted from leaving the house by household rules, local culture, and poverty, began to enjoy greater freedom of movement.

Development of Pre-Large Credit Union Groups

During the 1998 economic crisis, CUs spread to other areas of Dairi Regency, including the Siempat Nempu and Sumbul sub-districts, via a Japanese rice aid programme. PESADA recognised the benefits of organising women through CU. In accordance with the principle of NGO self-reliance, the rice was not given for free, but instead was exchanged for a small contribution of IDR 500 per kg of rice. This boosted the self-esteem of the recipient families, who did not feel like beggars. All contributions were recorded in SIMPEDES as the initial capital for the group to become a CU. Women's group meetings became regular and no longer required invitations from PESADA, as savings and loan activities became the binding force. The meetings also provided an opportunity to share information with women about current issues and matters related to their needs, interests, and social position.

Ten years after supporting the establishment of the first CU, which now operates independently at the village level, PESADA evaluated its development as part of the institution's strategic planning in 2004. Within this timeframe, PESADA successfully established 48 credit unions totalling 2,145 members across the districts of Dairi, Pakpak Bharat and Humbang Hasundutan, as well as the city of Medan. In line with the growth of the CUs, political changes occurred in the main areas supported by PESADA: the Salak and Kerajaan sub-districts, which had previously been part of the Dairi district, became the Pakpak Bharat district in July 2003. This political change was significant for the PESADA-assisted CUs in the area, as PESADA organised events to raise awareness of the division and emphasise the importance of women's involvement in the process. The division into the Pakpak Bharat Regency was planned through discussions and seminars with proponents of the division. This further demonstrated the presence of PESADA and its partner CUs, most of which were located in the Pakpak Bharat area. PESADA then wrote a book based on its experiences of raising awareness and establishing the Pakpak Bharat Regency. Entitled 'Questioning the Role of Women in the Expansion of Dairi Regency', it details this process. Although there was no female representation in the first Pakpak Bharat elections in 2004, the intensive political education carried out since 1998 had raised women's political awareness, encouraging them to realise their independence in voting and being elected. This gradual political education was so encouraging that it resulted in the book 'Peol Otik', which describes the experiences of women and PESADA in understanding politics and exercising their political rights. Recognition of the role of women in the public arena has become increasingly visible. For instance, the first Regent of Pakpak Bharat would often stop to observe CU activities in villages while touring the area on his motorbike.

However, economic and political analysis in the form of recognition of the CUs as a group that dares to speak out still has little influence. This is because they are scattered across dozens of villages and lack unity. This demonstrates that the development of CU PESADA is relatively slow in terms of finance and membership, and is unstable due to its fragmented nature. Additionally, management limits the number of CU members for fear of problematic loans and non-repayment. Finally, the 2004 Strategic Plan recommended that all primary CUs (each one separate and located in a different village) should merge under one management. The organisational form has yet to be agreed upon. The executive has been given a mandate to study the most appropriate form to support women's empowerment.

In 2005, various organisations were studied, including the North Sumatra Credit Union Coordination Agency (BK3D), BK3D Kalimantan, the Petemai Urip CU in East Kalimantan and the Pancur Kasih CU in West Kalimantan. Following intensive discussions and social analysis by the founders, management and executives of PESADA, it was agreed that all the primary CUs receiving assistance should merge to form one entity, known as the Big CU. The intention was to build the collective strength of women in terms of capital and membership numbers and distribution, and to encourage them to voice the concrete problems they face daily, such as the price of basic commodities, male gambling, marketing agricultural products, access to clean water, and domestic violence.

In 2006, the idea was presented to 48 groups, and the purpose of merging the primary CUs into a large CU was explained. PESADA wanted the CU to function as an economic and political vehicle at the village, provincial and national levels. On 29 August 2006, the PESADA PEREMPUAN CU was finally formed. Five years ago, in order to comply with government regulations, the Big CU became a legal entity for the first time, known as Pesada PEREMPUAN Women's Cooperative (Kopwan Pesada PEREMPUAN).

Challenges in Setting Up the Big CU

The main challenge in setting up the Big CU was building trust among the 48 members of the women's group, convincing them to allow their money to be managed and used by other women. They were concerned that their money would be taken away or become trapped in another village, which made them reluctant to join. Following a series of socialisation sessions, two groups stated that they did not wish to join the Big CU and opted to remain independent. This situation highlights the importance of fostering solidarity.

Another challenge was the existence of bad debts in several groups, which prevented them from joining immediately. Groups were required to resolve their bad debts before they could join. Consequently, only 14 of the 48 groups were able to join in the first year. Once the CUs had merged, the number of members had increased to such an extent that manual recording of financial transactions could no longer be relied upon to ensure accuracy. Internal controls must be tighter, given the rapid cash flow and high potential for abuse of authority at every level.

CU PESADA PEREMPUAN Development

After the Big CU was formed, its development was slow but steady. This situation is very encouraging. Figure 1 shows that the number of groups has grown significantly over 18 years. Starting with only 14 groups, there are now 234.

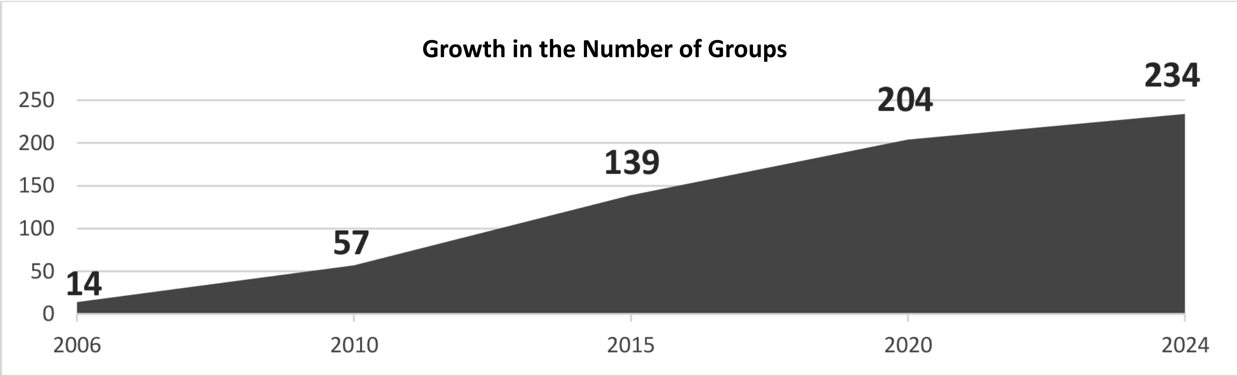

Figure 1. Development of Women's Credit Union Groups

Source: KESADANTA Annual Report

The number of members served by the Big CU has grown significantly, too, increasing from 950 in 2006 to 14,846 by December 2024 (comprising 10,099 regular adult female members, 2,669 girls and 2,078 boys). Figure 2 illustrates this growth in membership.

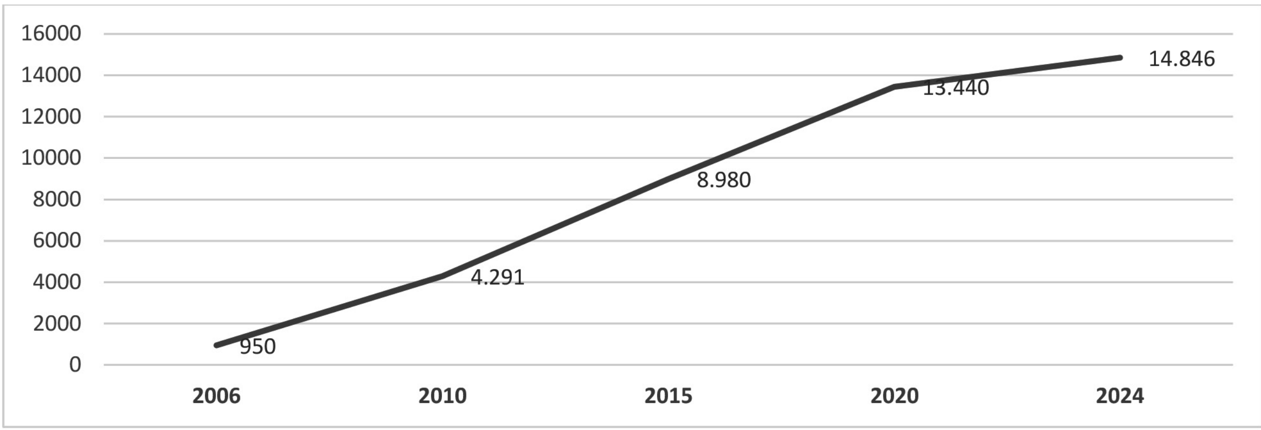

Figure 2. Development of KESADANTA Membership Numbers

Source: KESADANTA Annual Report

Of course, the CUs' growth in terms of numbers and members did not occur solely due to the efforts of PESADA, but its cadres also provided maximum support. Due to their limited personnel, PESADA could only assist a few groups. However, with the help of PESADA cadres, the CUs' reach widened. PESADA cadres' capacity is regularly enhanced so they can provide assistance as needed.

PESADA routinely collects data and builds the capacity of its female cadres, equipping them to act as PESADA representatives and engage with women at a grassroots level. Currently, almost 500 PESADA cadres are assisting CUs, supporting women victims of violence, and promoting women's political participation.

Conscientisation in the Financial and Political Education of Women's CU

After achieving its goals in the care economy, Women's CU adopted a framework that prioritised critical education, particularly in economics and politics, for grassroots women. This critical awareness is evident in the process of conscientisation that made women in the community aware of existing oppressive structures and encouraged them to take action to effect change (Freire, 2005). This conscientisation is evident in several areas: 1) Financial education based on the experiences and realities of grassroots women. Women are no longer viewed as passive customers as they were in the mainstream banking system. They no longer simply accept financial products without understanding how the system works. Women's CU provides education to help women understand financial mechanisms, giving them full control over their economic decisions. 2) Critical discussions about economic and gender inequality. These discussions arise at every Women's CU meeting and address not only savings and loans, but also provide a space for critical education about the economic and gender inequalities experienced by women. This dialogical concept (Freire 2005) enables grassroots women, who are members of the CU, to share experiences with each other, building collective awareness, and receiving information. 3) They open up spaces for women to participate in economic and political decision-making processes. This empowers women to make independent economic decisions within the household. They also develop an unconscious sense of responsibility for community policies. Conscientisation in Women's CU gives women the chance to understand their rights fully, enabling them to play an active role in shaping family and community financial policies. These three critical awareness education points are evident in every PESADA process carried out through Women's CU in each community. Critical awareness is also fostered by encouraging women to take out loans to purchase assets in their name, such as vehicles to increase mobility and laptops and mobile phones to improve access to technology.

Strengthening Women's Political Participation

Once a CU has been established in a village, its administrators must register it with the local government. The aim of this is to introduce the CU as a women's organisation rather than simply as a savings and loan organisation, enabling it to participate in village meetings and voice the needs and interests of women (Molyneux 1985). This also helps to create a culture of providing input to the village government and encourages it to pay attention to the needs and interests of women. CU members are trained and encouraged to participate in decision-making at the village level (Musrenbangdes) by becoming village officials, heads and election organisers, as well as members of Village Representative Councils (BPD). They are also encouraged to become legislators at the district and national levels, as well as regents, mayors, governors, and presidents.

PESADA refers to these women as having the potential to take on these strategic positions. PESADA has campaigned for political parties to open their doors and accommodate a 30 per cent quota for women, and has educated female legislative candidates and facilitated conventions for them. All these activities aim to encourage women to engage with politics, as politics has traditionally been considered a male domain. Around 40 per cent of all PESADA members are political cadres - women with potential - who form a special organisation: the political wing of CU, SPUK (Women's Voice for Justice).

Women's CUs as Supporters of Women's Political Participation

CUs are widely recognised as financial institutions by many parties. However, many institutions have used the name 'CU' to collect funds from the community, prompting the government to verify their existence. This is to ensure that CUs adhere to Indonesian cooperative principles. Otherwise, they will be considered banks. This will have a significant impact on women's economic and political education at the grassroots level within the community. Engaging in economic care will be difficult using the mainstream banking system. Solidarity within Women's CUs must be maintained to encourage the active political participation of women at the grassroots level.

The question that then arises is how CUs can strengthen women's participation. This is a question that many people ask. This is based on the recognition by many parties of the importance of women's political participation in voicing the interests of grassroots women in North Sumatra. This was demonstrated by the presence of thirteen women at Munas Perempuan in Bali on 19-20 April 2024. Alongside nine women representatives from FKPAR (the Grassroots Women's Community Forum), a forum for women supported by the PERMAMPU (Perempuan Sumatera Mampu)

Consortium, they joined hundreds of other women supported by eleven other organisations that are INKLUSI partners. The thirteen CUB Kesadanta representatives attended at their own expense, funded by the CUs. This funding was allocated from the Women's Political Participation Fund. The cooperative system ensures that Women's CUs can equitably allocate their finances to prioritise the welfare of their members, including the development of their political education.

Figure 3 shows the development of SHU obtained by KESADANTA over a period of five years. This illustrates the development over a period of five years. This SHU will later be used to allocate various activity funds, including those for the education of its members.

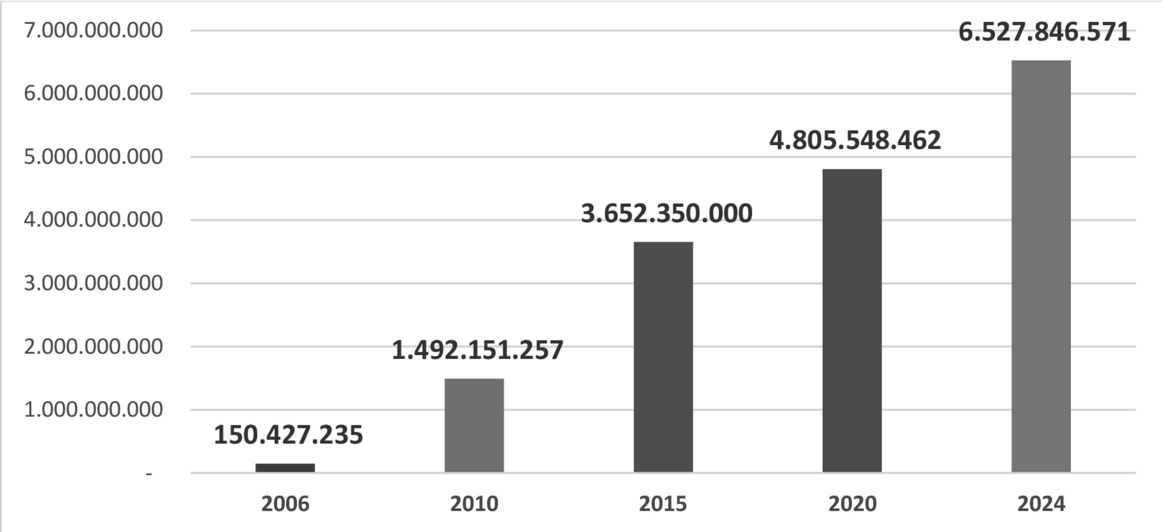

Figure 3. Development of SHU

Source: KESADANTA Annual Report

Big CU fully supports PESADA in allocating its SHU to strengthen education and critical awareness. In accordance with the Memorandum of Understanding between CU and PESADA, the following allocations will be made from the SHU each year: 1) 10 per cent to the Education Fund for basic education at CU, capacity building for cadres and women's rights campaigns; 2) 2 per cent to the Women's Political Participation Fund to finance women involved in village head, legislative, and executive (regional head) elections; (3) 1 per cent will go to the Women Victims of Violence Assistance Fund to finance the activities of WCC Sinceritas PESADA; (4) 3 per cent will go to the Solidarity Fund, which PESADA will use for activities that have not received external funding. These allocations have proven instrumental in energising PESADA during challenging periods, such as when there were no partners and during the pandemic, as well as during periods when numerous activities needed to be carried out with limited external support.

Potential women cadres and SPUK

Support for women with potential came in the form of political funding to print campaign materials, assist with campaign implementation and facilitate connections with the PESADA women's group. Data shows that support was provided to 20 legislative candidates at the district level, as well as two Regional Representative Council (DPD) candidates, in the 2019 elections. By 2024, this had increased to 14 district-level candidates and one DPD candidate. Thanks to growing solidarity, four candidates were elected in 2019 (including one DPD), and one DPD candidate won in 2024.

In the November 2024 regional elections, the female candidate supported by PESADA won in Humbang Hasundutan Regency. Male candidates who had signed political contracts with women's groups also won in Dairi Regency, Central Tapanuli Regency, and West Nias

Regency. Discourse encouraging people to vote for the empty box was introduced to raise awareness of this right. This demonstrates that, even if there is only one candidate, they may not necessarily represent the wishes of the entire community; therefore, we have the option to vote for the empty box. This kind of political system often arises from unhealthy political activities, such as preventing other candidates from standing. It is important to note that women recognising the power of CU and PESADA's support came forward prior to the elections to request assistance and establish political alliances. These individuals included Prof. Darmayanti Lubis (DPD North Sumatra), the late Jenny Brutu (DPR RI), a female candidate for the Pakpak Bharat regency and Prof. Rosdanelly Hasibuan, who was standing for mayor in Stabat-Langkat. One woman who received support from PESADA obtained an interest-free loan for her mayoral election campaign. Although she did not win, she continued to have a good relationship with them and repaid the loan. This demonstrates CU's commitment to supporting women who will become leaders, even if they are not from their own region.

CU as a Tool for Social Transformation

CU has proven to be an empowering tool that fosters women's critical awareness in the face of economic and gender inequality. A care-based economic approach ensures that Women's CUs create a financial system that prioritises the welfare of individuals, families and communities. Grassroots women gain access to finance and receive critical education to help them understand the economic and political systems, recognise inequalities, and strive for change.

Based on this understanding of CU as a tool for social transformation, PESADA facilitates the process with active member participation. One of PESADA's key roles within the Big CU is to ensure that it is well managed and utilised for the benefit of women. PESADA also supports the achievement of its vision and mission of empowering women to become independent and influential. To this end, PESADA appoints one person to the Management Board and one to the Supervisory Board. These individuals play an active role in overseeing practices in the field and participating in Big CU activities, such as meetings at CUs.

Organisationally, the Big CU must report on its progress in PESADA's annual review, evaluation and planning processes. The chairperson of the Big CU also becomes a member of the PESADA Supervisory Board. This maximises the assisted group's role in providing input to PESADA, strengthening the women it supports and demonstrating how power can be shared. They also have the right to oversee PESADA's fulfilment of its social mandate.

At the Big CU Annual General Meeting, PESADA monitored changes that had occurred among members at the individual, family, community, and government levels. Women enthusiastically described the changes they had experienced since becoming CU members. This is evident in the testimonials of CU members in Figure 4.

"I never thought I could save money"
"Thanks to CU, I have made many friends"
"Because of CU, I had the opportunity to increase my knowledge"
"Because of CU, I have the opportunity to express my opinions to the government"
"Because of CU, I was able to borrow money to start a business"
"Thanks to CU, I can send my children to university"
"Because of CU, I dared to run for village head and legislative candidate"
"Because of CU, I have the courage to discuss things with my husband and my in-laws"
"I feel like I have an organisation where I can voice my concerns"
"Together with CU, we rise and prosper"

Figure 4. CU Member Testimonials

Source: Minutes of the KESADANTA Annual General Meeting

Ultimately, Women's CUs proved that their role extended beyond that of a financial institution. Rather than being exclusive groups of women that emphasised financial capability, Women's CUs demonstrated that household economic management, perseverance in saving, and awareness as independent women within the CU could foster solidarity in the fight against poverty and the impoverishment of women. Critical awareness, including an understanding of power, is a significant strength of women, both individually and collectively — the primary asset of the Big CU (VeneKlasen & Miller, 2002). Together, they fight for their position through a shared vision embodied in the Big CU (becoming agents of change/power to and power from), carrying out collective activities to advocate for women (power with) (VeneKlasen & Miller 2002).

Through CUs, grassroots women learn how to build economic independence without exploiting female labour, raise awareness of women's economic and political rights and open up opportunities for women to participate in community decision-making, even in indigenous communities. Women's CUs provide business capital and encourage the development of individuals who are economically and politically aware and empowered. Grassroots women are able to position themselves as independent economic actors, free from dependence on grants, cheap credit, or economic systems that have marginalised them. In addition to providing space for the care economy, Women's CUs offer a form of liberating education. PESADA's work through these CUs has brought about social transformation within the community by promoting financial education grounded in care-based economics, popular sovereignty and resistance to capitalism, as well as fostering women's solidarity.

Closing

PESADA's experience of setting up Women's CUs has demonstrated the effectiveness of a community-based economic model in promoting social transformation for grassroots women. PESADA believes that CUs should be established as economic and political vehicles for women, based on principles of transparency and accountability, and committed to empowering women while opposing collusion, corruption and nepotism. These principles are incorporated into a code of conduct, which must be taught to every member of the Big CU. Rather than being a divisive force, money should be used as a tool to accelerate social justice. Women's CUs not only function as economic instruments, but also as spaces for critical education and collective solidarity.

Women's CUs build systems that encourage grassroots women to take control of economic resources and increase their political participation. However, it should be noted that the principle of inclusiveness is still in its early stages, given that CUs are economic institutions which require members to have the ability to save and use loans for productive businesses. Nevertheless, CUs have proven to be spaces for collective learning, economic empowerment, and political action for grassroots women. Another challenge that needs to be addressed is ensuring the sustainability of Women's CUs amid policy changes and socio-economic dynamics. Through the PERMAMPU consortium and with the support of MAMPU and INKLUSI, PESADA aims to encourage its members to utilise CUs to organise grassroots women — a strategy that has already proven successful for PESADA.

The mainstream economic model prioritises accumulation and efficiency while ignoring the social and ethical dimensions of the economy. This has resulted in its failure to address the needs of women at a grassroots level. Women's CU, with its feminist economic principles, shows that a financial system based on solidarity and social justice can promote women's political and economic participation and strengthen their autonomy over their bodies, minds and feelings. Therefore, expanding the scale and recognition of alternative economic systems, such as the Women's CU model implemented by PESADA, is a crucial step in dismantling patriarchal structures within the conventional economy.

Some of the recommendations presented in this article include: Increasing the inclusiveness of Women's CU to ensure the most vulnerable groups of women (survivors of violence, women with disabilities and women from minority groups) can participate fully through access facilitation, inclusive policies and special assistance; 2) Strengthening political education and critical awareness so that grassroots women can take on leadership roles at a larger level, not only participating in small communities. This can be achieved through a systematic advocacy strategy to ensure women's representation in decision-making at village, regional, and national levels; 3) Developing sustainable financial independence so that they are not always reliant on grants or external funds, for example through developing community-based businesses;

4) Strengthening alliances with other organisations to create a stronger system to combat a capitalist economy that tends to be biased against grassroots women; 5) Advocating for policies that support women's economies; and 6) Conducting more research on women's credit unions.

By emphasising these points, Women's CUs can strengthen the economy of grassroots women through a care economy-based approach and collective solidarity. Grassroots women can become socio-economic drivers, especially if they are able to act independently. Women's credit unions can help women escape economic inequality and open up opportunities for greater social transformation towards gender equality and justice in Indonesia.

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