

# Women's cooperative for a better quality of life

## Location

Desa Poogalampa,  
Kec. Batauga,  
Kab. Buton,  
Prov. Sulawesi Tenggara

## Contact Person

Wa Ode Sabariah  
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## Beneficiaries

500 People

*"Actually, village communities have strengths, worth that can be developed, and wealth from their activities that can be managed. Perceptions that village communities are poor and stupid are false. If these communities are strengthened with an understanding of how to manage their own money, this can break the chains of outside aid which bid them."*

**Syukri Rauf** (SINTESA Director)

- It's estimated that there are 50 million micro-enterprises and 550,000 small enterprises in Indonesia. These enterprises absorb 70% of the labor force in Indonesia. 10% of these are in eastern Indonesia.
- Laborers in this sector produce greater added value than laborers in large-scale enterprises. This added value immediately benefits the household, with waiting for the trickle-down effect.
- Challenges include low access to credit for business development and management of funds which is not maximized because they are mixed up with household finances.

Tears flow down the face of Wa Ode Pancu (50), a widow in Poogalampa village, when she remembers her son, La Ode Amli, who is currently serving as a member of the Indonesian Armed Forces in Makassar. Since childhood, Amli aspired to join the Army. Three years ago, when his father was gravely ill, he took the test to join. This period was one of the most difficult ever experienced by Wa Ode Pancu, who as a farmer had no funds for her husband's medical expenses or to pay for her son to take the test; however, as a mother, she is proud that she was able to make her child's dream come true.

Wa Ode Pancu tried to find a loan from her family and neighbors, but it was to no avail. Luckily, she was a member of the Mata Mosobu Productive Enterprise Development Group. She obtained a loan with a relatively low interest rate and without having to have a guarantee.

BUKP Mosobu Eye is a savings and credit cooperative run by women in Poogalampa village, Batauga sub-district, Buton district, Southeast Sulawesi, and most of the members are also women. Sixteen years ago, Mata Mosobu was just a arisan group in the village of Poogalampa. In 1994, SINTESA provided assistance of 1.5 million as initial capital. Beginning with this assistance, members agreed to form a group or cooperative for lending and borrowing to encourage members to manage their household finances properly.

The members agreed to apply the jointly agreed upon rules, namely to become a member a person had to put in Rp25,000 and then make a mandatory savings deposit of Rp 1,000 every month. The amount is very small but it may have major influence on the future. In addition to mandatory savings, members are also advised to save money voluntarily, in accordance with the capacity of each member. Funds collected and managed by cooperatives and then lent to members for venture capital or other basic needs; the loans have simple requirements, don't require collateral and have an interest rate of two percent per month.

"Before, I only made mattresses to meet the demand in Buton district, but after I took a loan of Rp 10 million from Mata Mosobu to buy a kapok sorter, in one year I was able to produce more than two hundred mattresses, a mattress I made can even be found up in North Maluku," said Wa Ode Hasrah (40), a housewife who opened a mattresses business.

"In its lifetime, the Mata Mosobu cooperative has received capital injections from SINTESA, which we have paid back in installments, but now in our sixth year we are managing funds from the community without any other funds from outside," said Wa Ode Sabariah (41), the head of the cooperative.

The development and success of the Mata Mosobu cooperative also affects the welfare of its members. Sarlia (36), a housewife, has greatly benefited from the cooperative. She needed funds to make a kiosk in front of her house and she hoped that the cooperative could lend her the funds

without requiring collateral. Mata Mosobu's board allowed a loan of Rp. 5 million over a period of ten months with two percent interest per month. The funds were very helpful in allowing her to build up her stock of goods and she was also able to utilize her expertise in making traditional cakes to increase her revenue.

Successfully managing the kiosk that supplies basic goods using capital from the cooperative, Sarlia started evaluate to her ability to take on another loan if she applied for one to repair her house; after ten months of running the kiosk and the first loan installment completed without any obstacles, Sarlia applied for another loan for home improvement and the cooperative granted her petition.

Unlike other cooperatives which don't allow loans for consumptive purposes, Mata Mosobu loans over 50% of its funds to fulfill education costs, 30% for business capital, and 20% for home repairs.

"We are brave enough to have this policy because in Poogalampa we used to see that the only people able to reach higher levels of education were children of civil servants, but now, after the cooperative loans, even farmers and fishermen can send their children to school and repay 100% of the loan," said Sabariah. "As long as the board evaluates the borrower as being able to repay the loan, we have no reason to reject their request," she added.

If at the beginning of Mata Mosobu had only 16 members, today 130 people in Poogalampa entrust their funds to be stored and managed by the cooperative. Moreover, Mata Mosobu charges only one percent interest, an amount that can't compete with the rate offered by other financial institutions. The total savings of Mata Mosobu members has reached Rp 312 million, with the amount of savings ranging from Rp 500,000 to Rp 88 million. The accumulated revolving funds in the form of loans have reached Rp 2.2 billion.

"We never suspected it would be as successful as this, because the board doesn't have a lot of knowledge, I only graduated high school and that was 21 years ago. I don't even have a computer," said Ibu Sabariah, when she was asked about her success in managing the cooperative.

"Maybe it's because we implemented a participative and open system, so that all members feel a sense of ownership. Aside from dividing the profits, each year also give all members Lebaran bonuses from the profits, even if it's just soap or cooking oil," explained Ibu Nurlina (35), the Mata Mosobu treasurer.

In January 2010, Mata Mosobu held an annual members meeting and distribution of the net income for the 2009 fiscal year which was also attended by the village government, representatives of the Department of Cooperatives and Small and Medium Enterprises Buton District, and Yayasan SINTESA as a supporting organization. At the annual meeting, the group reported a total net profit of Rp 57,273,000,- an increase of Rp 16 million from the previous year. Total net gains generated were then divided by percentages: 30% percent for capital funds, 40% for members, 10% for education & social funds and 20% to administrators.

The commitment of the Mata Mosobu Cooperative has been proven not only to its members but also to village development. The cooperative sets aside 10% of the profits to fund education and social activities. Funds collected were used to build a learning space and park for preschool education and to improve religious facilities in the village.

Seeing the management and services from the cooperative, which are very good and helpful, made Sarlia feel compelled to use the voluntary deposit facilities. Almost every month, Sarlia sets aside profits from her kiosk to be stored in the cooperative, and every quarterly meeting she gets the interest accrued from her savings. Sarlia now has a promising kiosk business, is saving money in the form of voluntary savings, and has a decent home to live with her family. ■

Notes