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BankPakaian

Policy Brief

Women's Economic Participation
and Community-Based Textile
Recycling in Indonesia: Evidences
from the *Bank Pakaian* Initiative

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Executive Summary

This policy brief presents findings from qualitative research on the *Bank Pakaian* initiative, a women-led circular fashion program in Indonesia that focuses on textile reuse and upcycling. The study explores how participation in circular production activities relates to women's livelihoods, environmental awareness, and community engagement. Participants reported gaining sewing and upcycling skills, earning supplementary income, and developing greater confidence in contributing to household and community activities. Women also described increased awareness of textile waste through their direct involvement in sorting, repairing, and redesigning discarded clothing. These findings reflect broader discussions on women's economic participation, informal labor, and community-based environmental action (Kabeer, 1999; Chen, 2012).

The study also finds that women-led textile recycling initiatives continue to face practical and institutional challenges. Participants identified barriers including limited market access, inadequate equipment, unstable income opportunities, and limited recognition within local waste management and sustainability programs. While Indonesia has introduced commitments related to circular economy and sustainable development, support for community-based textile recycling remains limited (Bappenas et al., 2021; MoEF, 2022). This brief recommends collaboration between local governments, civil society organizations, and women-led initiatives through small-scale financial support, skills development, and greater inclusion within environmental and waste reduction programs.

Background and Problem Statement

Indonesia faces growing challenges related to textile and fashion waste, driven by increasing clothing consumption and limited recycling systems. The fashion industry contributes to carbon emissions, water use, and waste generation globally (Niinimäki et al., 2020). Indonesia has strengthened sustainability commitments through its Enhanced Nationally Determined Contribution (NDC), which includes sustainable waste management and low-carbon development targets (MoEF, 2022). Circular economy approaches have also been promoted through policy work led by Bappenas and development partners, including reports identifying textiles as a priority sector for resource efficiency and waste reduction (Bappenas et al., 2021). At the regional level, ASEAN has encouraged member states to adopt circular economy approaches through the Framework for Circular Economy for the ASEAN Economic Community (ASEAN, 2021). Within this context, women-led initiatives such as *Bank Pakaian* demonstrate how textile reuse and upcycling can support livelihoods and local waste reduction efforts. Many participants work within informal arrangements that often involve limited protection, unstable income, and restricted access to financial support (Chen, 2012; ILO, 2018). Participants in *Bank Pakaian* reported earning supplementary income and developing greater awareness of textile waste practices. However, challenges remain related to market access, equipment, financing, and limited recognition within local environmental programs.

Methodology

This policy brief is based on community-based field research conducted for the study *Women's Economic Participation and Community-Based Textile Recycling in Indonesia: Evidence from the Bank Pakaian Initiative*. Data were collected through semi-structured interviews with women involved in textile sorting, upcycling, sewing, and related production activities within the Bank Pakaian initiative. The research explored participants' experiences of income generation, skill development, household decision-making, environmental practices, and community participation. Interview data were analyzed thematically to identify common experiences, opportunities, and challenges reported by participants.



Key Research Findings

ECONOMIC EMPOWERMENT AND CAPABILITY EXPANSION

Participation in *Bank Pakaian* contributed to women's access to new skills, additional income opportunities, and involvement in household economic decisions. Participants described learning practical skills such as sewing, pattern cutting, and upcycling, which allowed them to contribute to household finances through the sale of recycled textile products. Although earnings were generally supplementary, women reported that having their own income helped them cover everyday needs such as groceries, school supplies, or healthcare expenses for their children.



Participants also described changes in how they viewed their work and economic contribution. Some women who had previously identified primarily with domestic responsibilities began to see themselves as income-earning artisans with valuable skills. In several cases, earning independent income supported greater participation in household decision-making, particularly regarding daily spending and family needs. However, participants noted that income from circular production remained limited by market access, production capacity, and the continued responsibility of unpaid domestic work

Key Research Findings

SOCIAL TRANSFORMATION AND THE GROWTH OF COLLECTIVE AGENCY

Beyond income generation, participants described the collective production model as an important source of social support and shared learning. The collaborative workspace created opportunities for women to exchange ideas, develop practical skills, and build confidence through group activities. Several participants reported feeling more comfortable expressing opinions, working with others, and participating in discussions related to production and community events. Women also described supporting one another during family or health-related difficulties by adjusting workloads or sharing responsibilities.



Some participants reported involvement in activities outside the household, including representing the initiative at village meetings, local exhibitions, or sustainability events. Through these experiences, women gained visibility within their communities and expanded their social networks. While experiences differed across participants, the initiative provided a space where women could strengthen cooperation, develop confidence, and contribute to local discussions on livelihoods and environmental practices.

Key Research Findings

ENVIRONMENTAL AWARENESS AND EVERYDAY WASTE PRACTICES

Participants described environmental awareness developing through their direct involvement in sorting, repairing, and redesigning discarded clothing. Working with textile waste allowed women to observe the volume and condition of used garments entering community donation and recycling channels. For some participants, this experience changed how they viewed clothing waste, leading them to see used textiles as materials that could still be repaired, reused, or redesigned.



Several participants also reported changes in everyday household practices related to clothing use and disposal. These included repairing family clothing, separating reusable textiles, encouraging responsible donation practices, and discussing waste issues with family members or neighbors. Some women described sharing these practices with their children or local communities. While the scale of these activities remained community-based, the findings suggest that hands-on involvement in textile reuse can contribute to greater awareness of waste issues and more sustainable daily practices.

Key Research Findings

STRUCTURAL AND INSTITUTIONAL CHALLENGES

Participants identified several challenges that limit the growth and sustainability of women-led circular fashion initiatives. One commonly reported issue was market access. Some participants explained that upcycled products were sometimes viewed as second-hand or low-value items, making it difficult to compete with cheaper mass-produced clothing. Sales often depended on community events, exhibitions, or informal networks, which created uncertainty in income generation.



Participants also described financial, technical, and institutional constraints. Because many groups operate informally, access to bank loans, grants, or business support programs remained limited. Production activities were often carried out using basic equipment, which restricted the range and scale of products that could be produced. In addition, participants reported limited engagement with local waste management or environmental programs, despite their involvement in textile reuse and recycling activities. These findings suggest that stronger collaboration, technical support, and recognition within local sustainability initiatives may help improve the long-term viability of community-based circular fashion programs.

Socio-Economic and Environmental Outcomes Reported by *Bank Pakaian* Participants

Indicator of Change	Before Participation	Observed Changes	Research Findings
Textile Waste Practices	Limited reuse practices; reliance on disposal, donation, or burning.	Involvement in clothing repair, reuse, and upcycling activities.	Participants reported increased awareness of textile waste and more attention to clothing reuse and repair practices.
Income and Household Contribution	Limited opportunities for personal income generation.	Supplementary earnings from upcycled products and craft activities.	Additional income supported everyday household expenses such as food, school supplies, and healthcare.
Skills and Community Participation	Participation centered largely around household responsibilities.	Development of sewing, design, and production skills; involvement in group and community activities.	Some participants described increased confidence in contributing ideas, participating in events, or representing the initiative in public activities.
Institutional and Operational Capacity	Activities largely informal with limited equipment and external support.	Continued production and community engagement despite resource limitations.	Participants identified challenges related to market access, financing, equipment, and limited connection with local environmental programs.

Policy Recommendations for Supporting Women-Led Circular Fashion Initiatives

Priority Area	Recommended Action	Expected Contribution
Local Government Support	Include community-based textile recycling groups within local waste reduction, recycling, and sustainability programs. Encourage collaboration through village programs, environmental campaigns, and local exhibitions.	Strengthens visibility and creates stronger links between grassroots initiatives and local environmental efforts.
Financial and Equipment Support	Provide accessible small grants, sewing equipment assistance, and basic production support for women-led upcycling groups through local government, NGO, or social enterprise programs.	Supports production activities and helps reduce financial barriers faced by informal groups.
Skills Development and Market Access	Offer training on digital marketing, financial management, product design, and business development through partnerships with universities, NGOs, or local agencies.	Expands marketing opportunities and supports longer-term income generation.
Women-Friendly Work Arrangements	Encourage flexible working arrangements and community workspaces that consider caregiving responsibilities, including flexible schedules and child-friendly activities where possible.	Supports women's participation while recognizing domestic and care responsibilities.
Public Awareness and Sustainable Consumption	Support community education on textile waste, clothing reuse, repair practices, and responsible donation through local environmental programs and public campaigns.	Encourages awareness of clothing waste and promotes more sustainable consumption practices.

Conclusion



Strengthening support for community-based textile recycling initiatives may contribute to Indonesia's broader goals on waste reduction, circular economy development, and inclusive livelihoods (Bappenas, 2021; MoEF, 2022). Collaboration among local governments, civil society organizations, and grassroots initiatives could help expand access to training, financial support, and community partnerships for women involved in circular fashion production.

The findings also highlight the role of hands-on textile reuse in shaping everyday waste practices and environmental awareness. Participants described repairing clothing, reusing textiles, and sharing knowledge about donation and waste practices within their families and communities. At the same time, women-led circular fashion initiatives continue to face challenges related to market access, limited equipment, financial constraints, and limited institutional recognition within local waste management and sustainability programs.

This study finds that participation in the Bank Pakaian initiative contributed to women's access to new skills, supplementary income, and greater involvement in community activities. Participants described learning sewing, repair, and upcycling skills that supported small-scale income generation and household expenses. Some women also reported increased confidence in contributing ideas, participating in group activities, and engaging in community events related to sustainability and local livelihoods.

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Disclaimer

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