MICROFINANCE LENDING PROGRAM OF COOPERATIVES IN CEBU, PHILIPPINES: REALITIES, BENEFITS AND WOMEN'S PARTICIPATION

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INTRODUCTION

Government MDP
- *eradication of extreme poverty and hunger, and*
- *promote gender equality and empowerment of women*

MFI
- *improve household incomes,*
- *reduce poverty, and lessen the vulnerability of the poor*

Credit Cooperatives
- *run small enterprises and build assets,*
- *stabilize consumption and earn sustainable profits*

General Objective

Determine the contribution of government microfinance programs on cooperatives and their members.

Specific Objectives

1. Investigate the extent of contribution of government microfinance on cooperatives in terms of:
   a. Assets;
   b. Capitalization; and
   c. Profit.

Specific Objectives

2. Examine the extent of contribution of microfinance on cooperative members in terms of net disposable income from microfinance project.

Specific Objectives

3. Determine the level of women's participation for the cooperative to attain its goals.

Specific Objectives

4. Assess the improvement of the living standards of the cooperative members attributed to microfinance program.

Specific Objectives

5. Crafte recommendations that would address regional development strategies and policies to better enhance the potentials of the cooperatives.

METHODOLOGY

Quantitative Descriptive Survey Research Design

Interview Schedule

Training of Field Research Assistants

8 coops
(4 small &
4 large)

400 samples

50 respondents
per cooperative

Sample Cooperatives and Households

FINDINGS

Providers of Microfinance for Cooperatives
LBP, PCFC, NATCO, Foreign Donors

Cooperative Assets
Building Acquisition
Capitalization: P1T to >Pbillion
Profits: About 5% share from Microfinance

FINDINGS

Contribution of Microfinance on Cooperative Members

Freq	Income	Amor-tization	Gross Profit
Daily	566	268	305
Weekly	2,024	1,024	200
Monthly	10,650	4,396	1,251

FINDINGS

Contribution of Microfinance on Cooperative Members

Employment Generation

5 (loans granted)
2 (employment)

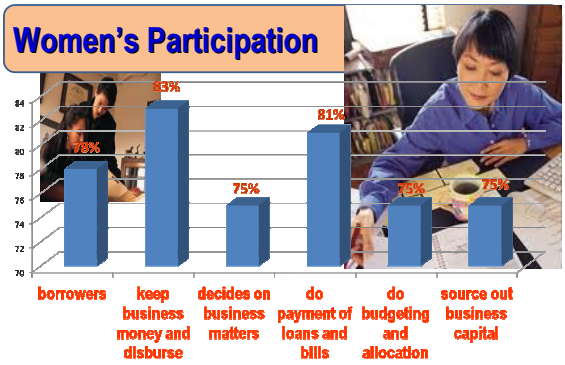
FINDINGS

Contribution of Microfinance on Cooperative Members

Acquired Assets	Mean value
Buildings	P168,407
Goods in Stock	P35,835
Appliances	P20,935

FINDINGS

Women's Participation



FINDINGS

Realities

- Not financially literate borrowers
- No proper accounting of expenditures and income
- Lead to habitual borrowings

FINDINGS

Success Story of Nida (married & 42yo)

Mongo sprout grower and seller

- ✓ Initial loan 3T, Just 4 yrs into her microenterprise
- ✓ Weapons to move ahead - determination & hardworks, only few sellers of mongo sprouts
- ✓ Pay her amotization seriously as scheduled
- ✓ Among the best performing microfinance borrowers
- ✓ Improved the family's living standard

FINDINGS

Success Story of Gle (37yo & married)

Microenterprise with a gold status & golden heart

- ✓ Initial loan 5T, just 6 yrs into his microenterprise
- ✓ Hardworks, sacrifices, perseverance keep him on going
- ✓ Ever prompt to pay his loan amotization – earned him a gold status
- ✓ Recepient of kugi award in 2009
- ✓ Lend to poor farmers from neighboring brgys.

CONCLUSION

Government microfinance program benefitted both the cooperatives and their member-beneficiaries.

This has led to increased assets and profits among implementing cooperatives, has led to increased disposable income among recipient members, promoted women empowerment and improved the living standard among the household coop members.

RECOMMENDATIONS

1. **Make microfinancing readily available to cooperative members** especially those who don't have access to formal financial resources to prevent poor borrowers resort to informal lenders charging very high monthly interest rates.
2. Should have **authentic assessment** on the economic status of microcredit clients **to avoid drifting away from the focus on the poor and low income families/households**.
3. **Effectively assessed marginalized borrowers** who could not met scheduled payments/repayments on microfinance loans due to unexpected/emergency needs if authentic poverty alleviation is to be attained in building a better world.

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