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THE WOMEN'S INCOME-GENERATING PROJECT:

AN IMPACT ANALYSIS

THE SALVATION ARMY PHILIPPINES

IMPACT ANALYSIS OF THE SALVATION ARMY'S FINANCIAL ASSISTANCE TO MICRO-ENTREPRENEURS

An Evaluation Study Conducted by the Micro-Industries Development Center of the Philippines on the Women's Income-Generating Project of the Salvation Army's Philippine Command Home League.

Mandaluyong, Metro Manila

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SUMMARY OF THE STUDY

This summary presents the highlights of the evaluation as presented in the evaluation report proper.

I. Profile of Recipients

- all the W.I.G.P. recipients belong to the sector of unskilled, under-educated, low-income family groups.
- these women expressed the need to engage in income-generating activities to augment family income.
- occupations engaged in by family heads are generally blue-collars type jobs.
- recipient families have very minimal housing facilities and assets.

II. Economic Benefits from W.I.G.P.

- the income derived out of the income-generating project definitely registered an additional income for the family. However, such an addition may not safely be assumed as significant in meeting the needs of the family considering high cost of urban living. Nevertheless, the added income fills in the gap towards improving the quality of life of the family.
- though limited in capital, the income-generating project has established itself as a potential source of employment generation in the community.

0 *the products produced by these enterprises tend to be those which are readily consumed and marketed in the community.*

III. Non-Economic Benefits from W.I.G.P.

0 *proceeds from the income-generating projects could only cover the minor educational expenses of the children such as transportation allowances, funds for school projects etc., but not as a major source for being able to send the children to school.*

0 *family life is enhanced since the wife took on the role as the husband's helpmate. The children have realized the need for greater involvement in the tasks which the mother could not attend because of her project.*

0 *there are very few positive responses to the question on having the house improved since the income derived from the project is generally chanelled to priority needs of the family such as food.*

0 *the same result is registered under the item on appliances purchased from the proceeds of the project.*

0 *save from the socio-psychological effect of the project on the community, there is no other direct effect of the project on the community. The women proponents have exemplified the new and emerging role of the woman in the family.*

IV. The W.I.G.P. Delivery System

0 *considering the limited loanable amount, the project types have been nar-*

rowed down to the vending/trading type, simple manufacturing projects and animal and fowl raising.

- *majority of the W.I.G.P. recipients are members of the Home League.*
- *a screening criteria developed by the CHQ is supplemented by a set of criteria devised by the corps officers.*
- *there is no systematic procedure in assessing the economic viability of the project.*
- *there is a built-in regular monitoring activity of the program. These activities are recorded and summarized every quarter for submission to CHQ.*
- *the corps officers expressed their technical inadequacy to solve business related problems of the recipients.*
- *the recipients need help most in the marketing of their products.*
- *still another area of consideration is production technology which is important in manufacturing projects where product improvement/innovation plays a vital roïe.*
- *there is a general feeling among the corps officers of technical inadequacy in terms of knowledge and skills in business management.*
- *loan processing from loan application to the eventual release of loan takes about 4-6 weeks.*
- *the CHQ encourages great initiatives on the part of the corps officers to implement policies and procedures emanating from the CHQ taking into consideration specific situations arising in the area of coverage of the center.*
- *there is limited CHQ monitoring visit to the corps centers.*

- *the stall at the Little Divisoria was a pilot project to tent a marketing strategy for W.I.G.P.*
- *the corps officers may have not fully utilized what they have learned in their business management trainings since they have verbalized their need for more trainings of the same kind.*
- *there is a bookkeeping system installed by the corps officers being used presently.*
- *the reporting system devised for the W.I.G.P. could not be an effective tool in measuring whether the objective of the program has been reached as tracking the progress of the client is difficult since there are no individual folders of the assisted recipients which could contain the data needed.*

I. INTRODUCTION

B A C K G R O U N D

The Salvation Army is an international, religious and charitable movement in the Philippines which is tasked with the realistic challenge that the Church, it may realize the fruition of its vision as the living witness of Christian Faith must relate itself to the problems confronting society. As a non-stock, non-profit organization, The Salvation Army aims at the spiritual, moral and physical transformation of society by providing the necessary opportunities that shall enable its members and other constituents to participate in the transformative work of the Church. Through the years of its existence, The Salvation Army in the Philippines has evolved various programs and activities to meet the goals of the organization. These have included human welfare programs and social programs to provide direct services to children, adults, out-of-school youths, cultural groups, fellowship groups and other individuals with special needs. The organization believes that through these programs and activities, it can effectively bear witness to the full humanity revealed in Christ, bear witness also to the interdependence of humanity, and create the will to discern and to work forcefully against the causes which perpetuate social inadequacy and injustice in the society.

In this purview, The Salvation Army which already has a number of other existing programs working interrelatedly with each other, initiated the Home League Program with the end goal of improving women's physical, mental, social

which shall be attuned to the needs of the target clientele, at the same time, complementing The Salvation Army's goal of social transformation.

THE HOME LEAGUE

The Home League is a world-wide organization of The Salvation Army.

Purposes:

1. The Personal improvement of the Individual.

The Home League should not only give counsel, direction and encouragement to each individual as a homemaker, but it should also aid in developing a well-rounded personality, and lend spiritual guidance to lead to a deeper understanding of God and His way of Life.

2. The Advancement of Spiritual Life in the Home and the Corps Center.

We emphasize the importance of building a good Christian home. If we are to have a better community, a better country, a better world, the place to begin is in the home. The Home League emphasizes the women's responsibility in the home and how best spiritual life may be developed there. Women have a strong influence on their children and their husbands. The Home League strengthens the spiritual life of the individual woman, uniting women in a common cause, encouraging them to worship with their families. Thus we shall bring about the advancement of spiritual life in the Corps center as well as in the home.

3. The betterment of the community, the country and the world.

Efforts are made to educate our women in the social and economic problems facing the citizens in each community. The Home League accepts and shares in this great task, thus helping women to full maturity as citizens in a world community, capable of action as Christian women helping build a better tommorow.

A Fourfold Program is followed:

Worship: That we might learn to know more of God and His will concerning us.

Education: That we might become better homemakers by increasing our skills and developing our powers of thought.

Fellowship: That we might share in happy Christian comradeship.

Service: That we might learn to know the joy of giving and doing for others.

THE WOMEN'S INCOME-GENERATING PROJECT (W.I.G.P.)

This project is an answer to the felt and expressed economic needs of the Home League Members. They come from economiclly depressed families within an average of 5-7 dependents, and with an unstable income derived from laundry work, vending, fishing, and food processing, jeepney driving, and sewing, with iimited capital.

The loan scheme supports projects like sewing, crocheting, vending, pig-raising, poultry-raising and food processing. Screening and evaluation/recommendation of applicants are done by the corps officers and submitted to the Command Headquarters for Approval. Loan funds are released from CHQ to the Corps, and the corps officers disburse the funds to the borrowers.

Objectives of the Women's Income-Generating Project

1. Main Objective - To be able to raise the standard of living of women.
2. Specific Objectives - a) Train women in income-generating skills.
   b) To procure/supply employment.
   c) To market products for home and overseas consumption.

II. EVALUATION DESIGN

PURPOSE OF THE EVALUATION

Main Objective

To be able to organize a methodology for evaluating the effectiveness of the Salvation Army's Women's Income Generating Project in providing financial assistance to its beneficiaries.

Specific Objectives

1. To derive the economic benefits of the W.I.G.P.
   a) Change in Income
   b) Employment Generated
   c) Types of products produced
   d) Market Outlets

2. To derive the non-economic benefits of the W.I.G.P.
   a) Pscychological effects of the program on the family's welfare.
   b) Change in status of living.
   c) Positive influence of the business to the community.
   d) Effects on education of children.

3. To assess the delivery system of the W.I.G.P.
   a) Screening and selection criteria

b) Loan Processing

c) Monitoring System

d) Loan Repayment

METHODOLOGY

A. Sampling

There are six Salvation Army Centers in Metro Manila that have been providing financial loan assistance since January 21, 1982. The total number of loan transactions is 128 involving 120 participants. For the purpose of the evaluation, 67 respondents were interviewed representing 55.83% of 120.

As originally planned, the 120 recipients were identified as respondents to the evaluation. However, upon the execution of the interview, 53 of the other recipients could either not be located (changed residence) or were not available upon interview. Thus, the plan to cover all recipients did not materialize.

Aside from these, all five corps officers of the six center shall also be interviewed.

The 67 respondents are distributed as follows:

AREA	NO. OF RESPONDENTS
Tondo	16
Pasig	12
Guadalupe	6
Quezon City I	20
Quezon City II	2
Manila Central	11
	67

B. Evaluation Instruments

1. Client

Questions were framed based on the set-up indicators (increase in income, employment generated, education and skills in production and management) that have been gathered through the objectives of the project. All these questions shall serve as guide for the interview schedule, observation and reviewing techniques.

2. Staff Delivery System

The program delivery system shall be evaluated and reviewed through the use of Interview Schedule for the W.I.G.P. staff, review of records and status reports, and unobtrusive observation.

C. Staff Interview and review of Records

1. *Interview Schedule - Two interviewers shall review the delivery system of The Salvation Army Women's Income Generating Project in order to determine the strengths and weaknesses of their assistance.*

2. *Record Review - To be able to counter check the interview schedule responses to obtain other information that cannot be tapped in the interview schedule, the two interviewers shall review the records of the W.I.G.P. Aside from this, the status reports of the program which were submitted by the officers to the MIDP shall also be reviewed.*

D. Presentation of Study

The findings of the study shall be presented according to the specific objectives of the evaluation. Thus, the analysis of these findings will be grouped accordingly under each category that shall indicate the impact of the program. More specifically, findings about the recipients shall form the respondents' profile. This shall be followed by the analysis of the economic impact, analysis of the findings on the non-economic impact and finally by the findings on the W.I.G.P. delivery system. The latter portions shall embody the conclusions and recommendations arrived at by the evaluation team. Attachments and supporting tables shall be appendixed accordingly.

III. EVALUATION FINDINGS AND ANALYSIS

THE RECIPIENTS

The respondents to the study (67) being 55.83% of the total 120 recipients of the W.I.G.P. is representative of the kind of clientele that the W.I.G.P. serves.

The recipients are composed mostly of middle aged married women who have had some formal yet limited education. Besides being ordinary housewives, these women have engaged in some form of occupation as entrepreneurs and other supplemental sources of income prior to W.I.G.P. assistance. Being of the disadvantaged sector, these women and their families do not have any claim for ownership of home and the lot on which they reside and have had to save for very meager and basic belongings accumulated through the years. They likewise own very limited assets in terms of appliances and house furnishings.

The average family size falls within the national average of 6 members, with some exceptions of significantly large families. Considering that they belong to the less skilled and under-educated group, the family income thus suffices only for meeting the basic needs of the family. Thus, these recipients could not find better paying jobs and working benefits. This is observable in the occupations that the family heads generally have. Very rarely can we come accross white-collar jobs as opposed to the blue-collar jobs engaged in by the family heads.

RESPONDENTS PROFILE

1. TOTAL RESPONDENTS: 67

Of the total participants there is only one husband working as a co-worker. This man was included in the 67 respondents interviewed.

2. AGE DISTRIBUTION:

AGE RANGE	FREQUENCY
16-30	10
31-45	24
46-60	26
61-75	7
Mean Age: 45.5	67

As distributed, ten (10 or 14.92%) respondents fall under the 16-30 age range while twenty four (24 or 35.82%), and twenty six (26 or 38.81%) respondents fall under the 31-45 range and 46-60 range respectively. Only seven (7 or 10.45%) respondents fall under the 61-75 age range. As could be seen from the distribution, fifty (50 or 74.63%) respondents fall under the middle age range mean of 45.5 years.

3. CIVIL STATUS OF RESPONDENTS:

STATUS	FREQUENCY
Married	48

Single	*6*
Widowed	*9*
Separated	*4*
	67

As to the civil status of the respondents, forty eight (48 or 71.64%) of the respondents are married vis-a-vis six (6 or 8.96%) who are single. Nine (9 or 13.43%) respondents are widows while four (4 or 5.97%) are separated either legally or through mutual consent of the spouses.

4. EDUCATIONAL ATTAINMENT

EDUCATIONAL LEVEL	*FREQUENCY*
Elementary 1-4	*14*
5-7	*16*
High School 1	*5*
2	*7*
3	*3*
4	*12*
Collegiate 1	*4*
2	*2*
3	*1*
4	*3*
Vocational Course	*2*
	69

In terms of educational attainment, thirty (30 or 44.78%) have finished or reached some form of elementary education distributed as follows: 14 for the primary level and 16 for the intermediate level. Twenty seven (27 or 40.30%) respondents expressed having reached high school level, 12 of whom reaching as far as the 4th year. Of the 67 respondents, only ten (10 or 14.92%) have reached colleges, 4 of whom reaching only the first year while only 3 having finished the 4th year course. It should be noted that two out of sixty seven (2.98%) have taken a vocational course, namely hair science and dressmaking.

5. *OCCUPATION OF RESPONDENTS BEFORE W.I.G.P. ASSISTANCE*

OCCUPATION	FREQUENCY
Vendor/Trader	34
Dressmaker/Tailor	5
Teacher	1
Housewife	10
Employee	2
Laundry woman	5
Manufacturer	3
Hog Raiser	2
Student	1
Service Related	2
None	2
	67

In relation to the respondents' occupation prior to receiving assist-

ance, thirty four (34 or 50.75%) of the respondents have engaged in some form of vending/trading activity. Ten (10 or 14.92%) respondents were not engaged in any occupation prior to W.I.G.P. assistance. Twenty one (21 or 31.34%) respondents were engaged in various occupations as means of livelihood. Only 2 respondents did not mention any occupation.

As to the question on business-related experience, forty one (41 or 61.19%) respondents verbalized their having had some form of business experience. On the other hand, twenty (20 or 29.85%) of the respondents did not have any business related experience. Six (6 or 8.96%) did not give any response. With regard to the length of business experience, twenty two (22 or 53.66%) of the respondents with business experience claimed a 1-5 year experience range. Another eleven (11 or 26.83%) expressed over ten years of experience. Six (6 or 14.63%) and two (2 or 4.88%) respondents expressed a 6-10 year and less than one year business experience respectively.

6. *PROPERTIES OWNED BY RESPONDENTS*

With regard to house ownership of the respondents, twenty eight (28 or 41.79%) respondents claim that they own the house in which they live. Coupled with this is the claim that eight (8 or 11.94%) respondents own the lot on which their house stands.

On the other hand, thirty (30 or 44.78%) respondents do not own the house they live in while another ten (10 or 14.92%) expressed non-ownership

of the lot on which their house stands.

Seven (7 or 10.45%) claimed payment of monthly rentals while thirty one (31 or 46.27%) revealed themselves as squatters.

Monthly rentals on the house revealed the following distribution: fifteen (15 or 55.56%) pay rent of less than ₱100.00 a month. Ten (10 or 37.04%) pay a rental of ₱100.00 or over. Two (2 or 7.41%) respondents claimed not paying a fixed amount every month.

Monthly rentals on the lot is limited to three (3 or 33.33%) respondents who pay less than ₱100.00 monthly rental while six (6 or 66.67%) claim not paying any fixed amount for the monthly lot rental.

Twenty one (21 or 31.34%) respondents deemed themselves as squatters either in the house in which they live or on the lot on which it stands. There was one (1 or 1.49%) respondent, however, who claimed receiving free housing.

7. APPLIANCES/PRICES OF FURNITURE OWNED BEFORE W.I.G.P. ASSISTANCE

APPLIANCES	FREQUENCY	FURNITURE	FREQUENCY
Television	14	SALA SET	14
Radio	5	BEDS	8

Sewing machine	4	Cabinet	8
Stove	15		30
Electric Fan	20		
Refrigerator	5		
Phonograph	2		
Wall Clock	2		
Gas Range	3		
	70		
No Resposse	12		

Of the appliances owned by the respondents before the assistance, electric fans (20 or 28.57%) stand out as the most common appliance owned. This is followed by the gas stove (15 or 21.43%) and the television (14 Or 20%) as the second and third most common appliance.

With regard to furniture, the sala set (14 or 46.67%) was the most common furniture.

8. FAMILY SIZE:

Of the sixty seven respondents, twenty seven (27 or 40.30%) represent families falling under the 1-5 family size range. Thirty one (31 or 46.27%) belong to the 6-10 family size range. Another 5 respondents claim having a family size falling under the 11-15 family size range. Four (4 or 5.97%) did not give a response to the question.

9. *AVERAGE MONTHLY FAMILY INCOME*

INCOME LEVEL	FREQUENCY
No Income	12
₱ 1.00 - 300.00	4
301.00 - 600.00	18
601.00 - 900.00	12
901.00 - 1,200.00	5
1,201.00 - 1,500.00	2
1,501.00 & Above	7
No Response	7
	67

Monthly family income is the sum total of all the monthly earnings of the family members contributed for the family use. Twelve (12 or 17.91%) respondents claimed not to have any income at all. They revealed to be dependent only on dole outs from relatives, friends or from occasional income from odd jobs. Eighteen (18 or 26.86%) of the respondents claimed to have an average monthly family income falling within the ₱300.00 - ₱600.00 range. Another twelve (12 or 17.91%) revealed an average monthly income within the ₱601.00 - ₱/900.00 income level. Putting these two data together thirty (30 or 44.78%) fall under the ₱301.00 - ₱900.00 average monthly family income.

In relation to the Work of the family head, the most common work engaged in by the family head are as follows:

OCCUPATION OF FAMILY HEAD	FREQUENCY
Laborer	9
Driver	7
Carpenter	5
Tailor	2
Mason	2
Military Man	3
Collector	1
Maintenance Officer	1
Machinist	1
Fireman	1
Vendor	1
Deceased Family Head	8
None	2

This data probably shows the little or lack of skill of the respndents' family heads to be able to work in highly technical/skilled jobs that would ensure higher compensation rates.

With regard to business experience of the family heads, of the 58 responses, twenty two (22 or 37.93%) have had some business experience

while twenty five (25 or 43.10%) did not have any experience. Eleven (11 or 18.97%) gave no response to the question on business experience.

ECONOMIC BENEFITS FROM W.I.G.P.

The economic benefits derived from the project are indicated by the income incurred, employment generated, products produced and market outlets created or established. Considering the overriding objective of the W.I.G.P. to improve the lifestyle of recipients, the impact of the program could be gleaned from the data which shows an increase in income in terms of its monetary resource as a result of the income-generating activity. From such, one may assume that this income redounds to the general welfare of the proponent and her family. Similarly, the data on employment generated reveals the spread of the economic benefits to other individuals whether family members or non-family members, who have been employed in the project either as volunteers (for family members) or as minimally-paid workers (for non-family members).

Other indicators of the economic benefits from W.I.G.P. assisted projects are the types of products produced by the projects as well as the market outlets demanding the products. The evaluation reveals that the products being produced are generally of the consumer type, i.e. food commodities, basic necessities and the like, which the identified market regularly consumes. Considering the limited working capital of the projects, types of products produced generally tend to be those which are commonly required by the customers in the community in order for the proponents to immediately roll over the working capital of the business.

Through community stores, the products produced/sold are readily made available to the end users at reasonable prices on cash or credit basis. The community being the captive market of these products is likewise benefited from being able to purchase goods whenever needed. Added to this is the facility it provides the customers who can not by themselves afford to produce the needed product because of sufficient resources. This is illustrated by the cooked-food vendor who sells cooked food to the community at very low prices, making available and affordable a ₱5.00 lunch for a family of 6 members. A ₱5.00 budget for viand would amount to pathetically little if the customer were to spend it in the market for still-to-be-cooked ingridients.

A. Average Additional Income

As revealed by the recipients interviewed, ten (10 or 14.92%) solely depend on their income-geneting projects as their major source of family income. Thus, one can gather from this data that the income-generating projects did significantly provide a source of income to the ten families who otherwise would have depended solely on dole outs.

The other fifty seven (57 or 85.08%) respondents who said they had an income-source prior to the W.I.G.P. assistance, claim to have registered an average income of ₱248.35 from their business which presupposes an additional income of the family.

B. Employment Generated

Per data gathered from the respondents, there is a total of twenty (20) family members involved in the enterprise. Except for two (2 or 10%), the eighteen (18 or 90%) do not receive any form of remuneration for their involvement in the business. These two family members claim to receive ₱20.00 to 30.00 monthly allowance as compensation for their involvement.

On the other hand, there are ten (10) non-family members who are involved in the respondents' income-generating projects, specifically among the sewing projects. These include piece rate workers, finishers, sewing assistants, etc. Compensation is usually on a piece rate basis paid daily, weekly or monthly. The presence of these employed non-family members in the sewing projects is attributed to the fact that the project is, to a certain extent, labor intensive and would definitely require additional manpower. It is not surprising that this generated employment is observable under this project-type since labor intensive/manufacturing projects generally tend to be the desired strategy in most employment generation. What is surprising is the fact that the business even though it is so small could still contribute to the creation of employment for the community.

C. Types of Products Vis-A-Vis Types of Consumers

As earlier discussed the projects assisted under the program gradually

tend to go with a certain type of consumer in terms of the products produced. Considering the minimal size of the loans extended to the projects, the proponents instinctively tend towards saleable products which require very little production know-how. This is borne out of the need for the proponents to be able to reinvest limited capital to assure continuity of the business cycle. It is not surprising therefore to see proponents marketing twice a day to replenish sold-out inventories. Added to this is the instinctive knowledge of the proponents to combat inflationary tendencies by re-investing sales within the shortest possible time.

NON-ECONOMIC BENEFITS FROM W.I.G.P.

One of the more important objectives of the W.I.G.P. is the non-economic benefit generated by the assistance to the recipients. By non-economic benefit is meant the non-material, non-money indicators of the effects of the program on the recipients' social and family life. More specifically, these non-economic benefits are identified in the areas of education, family life, improved housing conditions and effects of the business on the community. It is assumed that through the W.I.G.P. assistance, the recipients would derive some significant change/improvement in the above mentioned areas. To date thus, these have been the changes implemented:

A. Education

Considering that there are no available data regarding the parents' prior ability to send their children to school before the W.I.G.P. assistance, one could not readily conclude that twenty nine (29 or 43.28%) respondents were able to send their children to school as a result of the W.I.G.P. assistance. On the other hand, twenty six (26 or 38.81%) respondents claimed inability to send their children to school. Another twelve (12 or 17.91%) respondents gave no response to the question on their ability to send their children to school as a result of W.I.G.P. assistance.

From the above data therefore, one cannot easily conclude that the respond-

ents who claim their ability to send their children to school could attribute totally such ability to the positive effects of their income-generating project assisted by the program. By the same token, the respondents who were unable to send their children to school could not attribute such inability to the project. It is therefore difficult to determine whether the project has had a positive effect on the education of the children as a result of the income-generating project of the recipient.

On the other hand, considering the minimal income derived from the projects by the recipients, one may perhaps safely assume that to a very limited extent, the families could provide for some of the educational needs of their children in terms of transportation allowances or funds for school projects, and such.

B. Family Life

Since the recipients of the loan program are composed mostly of women who have husbands who are either temporarily or permanently employed, the recipients reveal that their productive activity as a help-mate of the husband has not caused them to neglect their roles in the family in terms of attending to their husbands (50%), caring for their children (67%) and household chores (67%) As a result, a feeling of cooperation among family members has been generated because each one feels the need for greater cooperation in strengthening the family and in coming up with ways and means

to meet the economic needs of the family. The positive effect of the program could be more effectively measured by the amount of time spent by the recipient with her family. It could likewise be assured that the Home League activities, wherein the recipients participate, contribute a lot as a supportive activity in strengthening family relationships.

It could be assumed that there is a growing awareness among the womenfolk of the emerging role they play in the face of economic difficulties and in the process they discover their potentials and their other possibilities. Likewise, the children feel proud that somehow they could emulate their parents industriousness, a trait which has helped see them through difficult times.

C. Improved Housing Conditions Acquired Home Appliances

Housing improvement is a dream that slum dwellers always hope for. It is a fervent desire that somehow, sometime in the near future, they would be able to buy replacements for leaking roofs, cardboard walls, patched-up flooring and the like. The findings of the interview reveal a mere seventeen (17 or 25.73%) respondents positively responding to the question on improvement of housing conditions.

As a corollary to these, of the 67 respondents, only eight (8 or 11.94%) claim to have purchased appliances from the earnings of their economic profits while fifty nine (59 or 88.06%) responded in the negative to the

question on acquisition of home appliances from said source.

The 2 findings stated above do not really come as a surprise to anyone considering the size of the investment when compared to the myriad of priority expenditures that the family has. Generally, the recipients would opt for improving nutritional levels specifically using the income derived from the project. It is also not a surprise to know that the majority of the recipients have not improved housing conditions or purchased home appliances primarily because of the smallness of the realized profits from the business itself. The project could not be expected to generate huge profits considering its limited working capital. This is coupled with the fact that the projects have been funded starting January 1982 onwards which is obviously too short a time for the proponents to have earned enough profits to use for housing repairs or purchase of home appliances.

D. Influence of the Business in the Community

One reality that the project proponents must carefully take into account that their projects are located in the community and consequently exert some amount of influence on the community residents. There is also the added reality of relatives and extended kin living within the household or community on whom the business exerts a measure of influence.

With regard to the influence of the business on the community, forty five (45 or 67.16%) responded positively to the question. In one way or another

the respondents revealed that they feel they have accomplished the two-fold task of providing products at a cheap price and also setting an example of industriousness for others to emulate. Both as proponents of the enterprises and as housewives, the recipients have become role models in their communities thus showing the pssibilities of cultivating their emerging roles in their families.

In relation to the effect of the business on relatives, fifty (50 or 74.63%) claimed to have extended some form of help to relatives by way of their business. This is indicated by the fact that some relatives have been encouraged to participate in the enterprise or have been taught the trade by the recipient.

THE W.I.G.P. DELIVERY SYSTEM

A. W.I.G.P. Projects

From the start of the financial assistance in January 1982 up to the period under review, the program has assisted a total of 128 projects distributed as follows:

AREA	NO. OF PROJECTS
Quezon City I	37
Quezon City II	6
Guadalupe	10
Tondo	19
Pasig	33
Manila Central	23
	128

TYPE OF PROJECTS	PERCENTAGE DISTRIBUTION
Vending/Trading	38%
Light Manufacturing	38%
Animal Raising	15%
No data	9%

The projects, being limited only to a maximum of ₱350.00-₱400.00 per pro-

ject, are limited to the vending/trading type (38%): light manufacturing projects (38%) such as paper bag making, candy making, food processing, macrome, crocheting and embroidery. Fifteen per cent (15%) are engaged in raising animals and fowl such as pigs and poultry. Based on the data gathered from the respondents, the applicant determines the loan amount as well as the project he wants to engage in. Generally, the loan amount requested turns out to be the same as the loan extended to the applicant there being a policy of ₱350.00 as the maximum loanable amount. Thus, it would appear that there is little investigation on whether or not the amount being requested could ensure the economic viability of the project.

PROJECT STATUS	PERCENTAGE DISTRIBUTION
Operational	54%
Non-operational	32%
No data available	14%

Of the total projects, 54% are operational while 32% are non-operational. There is no data available for 14% of the assisted projects. The most commonly identified causes for the closure of projects are:

a) utilization of capital for personal needs

b) diversion of project funds to other expenditures.

c) lack of business orientation and management skills

d) change of residence

These data imply the lack of monitoring activities and supportive services

with regards to the beneficiaries/recipients in order to prevent their misuse of the project funds for other personal or emergency needs.

B. Selection of Recipients:

Since the program grew out of the felt and expressed needs of Home League members, it is not surprising that majority if not all the assisted recipients either belong to The Salvation Army as a Church Organization or regularly participants in the Home League activities. However, the expressed criteria used to screen applicants are the following:

a) open to all female applicants
b) willingness to comply with policies
c) proposed projects fall within the categories of livestock, trading/vending and manufacturing
d) applicant has low income
e) applicant possesses business experience

It was observed that aside from the above-stated criteria, the corps officers added the following criteria in selecting the recipient namely:

a) Applicant possesses good moral character (trustworthiness, no vices, etc.)
b) Is a permanent resident of the area
c) Pledges collaterals
d) repays loans on shorter terms

As revealed by the study, there was one (1) male recipient of the W.I.G.P. which, the center had allegedly justified with the CHQ for assistance. While the expressed criteria opens the option for assistance to all regardless of affiliation, it was revealed that majority of the recipients are members of The Salvation Army Home League since it is required that the recipients attend the Home League activities.

With regard to the types of assisted projects, since the W.I.G.P. has categorized the type of projects that could be funded by the program, as well as the set loan ceiling of ₱350.00, the projects tend to be limited in terms of the proponents being creative and innovative to come up with varied projects for funding.

The business experience aspect is important to determine the capability of the proponent to manage an income-generating project considering the fact that the proponent should possess the capability to operate an economic enterprise.

The "unofficial" criteria added to the stated criteria of the W.I.G.P. being followed by some corps officers is worthy of consideration. Both criteria should however not hinder the attainment of the W.I.G.P. objectives particularly on the criteria of having collaterals to pledge which very few could afford to raise.

C. Project Viability Assessment

In assessing the applicant and his proposed project, the corps officers utilize the accomplished application form of the applicant and interview the applicant on the proposed project. Assessment of the economic viability of the Project is however, dependent on the capability of the corps officer to screen/assess a viable project and a good recipient.

From the interviews conducted, 60% of the corps officers expressed the following reasons for the dissatisfaction with the quality (performance) of the recipients:

a) recipients do not have the business skills (technical) and management) in handling their projects.
b) project funds were diverted to other uses (financial management)
c) loan are not paid on time

The above stated reasons are indicators of a faulty or deficient project viability assessment procedure. As revealed by the corps officers, there is no set system on how projects could be assessed to ensure feasibility as well as to educate the recipient on the mechanics of project operation.

D. Total Loan Amount Involved:

The W.I.G.P. has released to 120 recipients a total of ₱29,494.95 since

January 21, 1982. As earlier discussed, this amount was extended to 128 projects with an average loan size of ₱230.42 per project. Majority (72 projects or 56%) of these loans were released during the first quarter of the 1982. Of the 6 corps centers, Pasig ranked first with 31% of the total loans involved. Quezon City I second with 21% of total loans involved. Manila Central is third with 18% of total loans involved, followed by Tondo, Guadalupe and Quezon City II with 14%, 10% and 5% respectively of total loans involved.

E. Loan Repayment

One source of the dissatisfaction of the corps officers on the performance of the recipients is the loan repayment status. The table below show the percentages of the loan repayment of the recipients as perceived by the corps officers.

	A R E A S				
	Q.C.	GUADALUPE	MANILA CENTRAL	PASIG	TONDO
Up-to-date	50%	25%	4%	30%	100%
Slightly behind	50%	75%	60%		
Significantly behind				22%	
Dropped out			36%	48%	
T O T A L S	100%	100%	100%	100%	100%

Of the 5 areas surveyed, the Tondo area registers a 100% up-to-date record of loan repayment. The Pasig and Guadalupe areas come in third (30% and fourth (25%) respectively. Curiously, though, the Manila Central area shows a very low level of 4% only up-to-date repayments despite the fact that this area is nearest the CHQ. Coupled with this, Manila Central area registers second (36%) to Pasig area (48%) in terms of drop out cases i.e. loans from recipients which could not be collected anymore. The Pasig area registers almost one half (48%) of its loans as drop-outs.

However, based on the review of records, Quezon City II ranks highest in terms of arrearage level with 53% of its total loan amortization in arrears. This is followed by Manila Central with 40% arrearage, Guadalupe with 36% in arrears, Quezon City I with 35% in arrears and the Pasig and Tondo area with 25% and 12% arrearage respectively. (see Loan Repayment Status Report)

It could thus be assumed that the low loan repayment report in terms of up-to-date payments is another indication that either there had been a deficient applicant and project assessment, little or no monitoring/ follow-up done on the project (supervision). Also, it is probable that the recipients still look at the assistance as another dole-out from a social development agency.

LOAN REPAYMENT STATUS

AS OF SEPTEMBER 30, 1982

Areas	No. of Loan Transactions	Loan Amount	Total Amount Due	Actual Collections	Amount in Arrears	Percentage of Arrearages
Manila Central	23	₱ 5,500.00	₱ 2,873.65	₱ 1,721.00	₱1,152.65	40%
Tondo	19	4,200.00	950.00	835.00	115.00	12%
Pasig	33	9,150.00	5,454.00	4,104.00	1,350.00	25%
Guadalupe	10	2,900.00	1,412.50	900.00	512.50	36%
Quezon City I	37	6,156.50	3,843.85	2,524.00	1,319.85	34%
Quezon City II	6	1,588.45	880.30	410.00	470.30	53%
	128	₱29,494.95	₱15,414.30	₱10,494.00	₱4,920.30	32%

$$\text{\% of Arrearages} = \frac{\text{Amount in Arrears}}{\text{Total Amt. Due}}$$

	Total Amount Due	Up-to-date/ Fully Paid			ARREARS					
					Slightly Behind			Significantly Behind		
		No	Amount	%	No	Amount	%	No	Amount	%
Manila Central	₱ 2,873.65	6	₱ 953.00	33%	10	₱ 313.65	11%	7	₱ 839.00	29%
Tondo	950.00	13	520.00	55%	6	115.00	12%			
Pasig	5,454.00	24	3,566.00	65%	2	64.65	1%	7	1,285.35	24%
Guadalupe	1,412.50	5	600.00	42%	1	50.00	4%	4	462.50	33%
Quezon City I	3,843.85	13	1,580.00	41%	15	411.60	11%	8	908.25	24%
Quezon City II	880.30	2	350.00	40%	1	22.00	3%	3	448.30	51%
	₱15,414.30	63	₱7,569.00	49%	35	₱ 976.90	6%	29	₱3,943.40	26%

Difference of ₱2,925.00 which is 19% of total amount due represents collections made on accounts in arrears

F. Project Supervision:

As revealed by the corps officers, weekly visits lasting from 20-45 minutes are scheduled with the loan recipients. These visits usually cover status of business operations, business problems, family life, absences from Home League meetings and reminders on loan obligations. Feedback from such meetings are recorded and summarized every quarter for submission to CHQ or corps officer supervisors.

Ocassionally, corps officers meet with the local leaders to discuss issues and concerns of the members and the CHQ officers for consultation on issues needing immediate management decision.

Generally, problems identified by the corps officers on visits to recipients are the following:

a) irregular repayment of loans
b) lack of business management skills
c) diversion of funds to family/emerging needs
d) low sales
e) high credit sales vis-a-vis low collection of receivables

To these problems, the corps officers assist the recipients in rooting out

the problem and providing appropriate solution to the identified problem However, it is observed that still the process involved in solving the problems verbalized by the recipients is not systematic enough to ensure the solution of the problem. What is being addressed to in this issue is how the resources available to the recipient could be mobilized together with whatever resource that the staff could offer to solve the identified problem. They likewise verbalized the help extended by the CHQ staff in solving the identified problems as well as those offered by the area leaders. It is therefore important that the corps staff be trained on the problem-solving process focusing on the mobilization of either internal or external resources available to both the recipient and the Staff.

Q. Areas Where Recipients Need Help

Upon interview, the corps officers ranked according to importance the areas of business operation where the recipients need most help. To wit:

a) Marketing of products

b) Raising additional funds

c) Production Technology

d) Accounting/Bookkeeping/Budgeting

e) Quality Control; Acquisition of Raw Materials

f) Selection of project site

In relation to marketing of their products, The Salvation Army has thought of putting up a stall at the "Little Divisoria" to serve as the market outlet of W.I.G.P. products. However, for one reason or another, this plan which was implemented did not accomplish its ends. (This is further discussed in the latter portion of this report). Marketing is really important because once assured, this will ensure the continuous cycle of the business and shall motivate the proponents to strive further and become more productive.

Ironically, though, majority of the projects engaged in by the recipients are under the vending/trading type which rarely requires a sophisticated production technology. The question on the need for help in production technology is addressed to projects under the manufacturing and/or livestock categories. Production technology teaches manufacturers on better production systems, product improvement/innovation, cost reduction procedures and the like. What is again called to mind here is the possessed knowledge and skill of recipients in the specific project they are engaged in. It is necessary that the proponent is well-versed in his business and that such training on production technology could be built on what they already know or possess as entrepreneurs.

Similarly, the corps officers verbalized the need to train the recipients on business management and financial management techniques and control systems. The proponents in general manifested their inability to manage their business and its resources in order for it to maintain its profit-

ability and assume its obligations.

H. Areas Where Corps Officers/Staff Need Help

Corollary to the above stated needs, the corps officers/staff expressed their inability to effectively operationalize the W.I.G.P. for lack of appropriate training and orientation. The corps officers expressed their needs in the following areas:

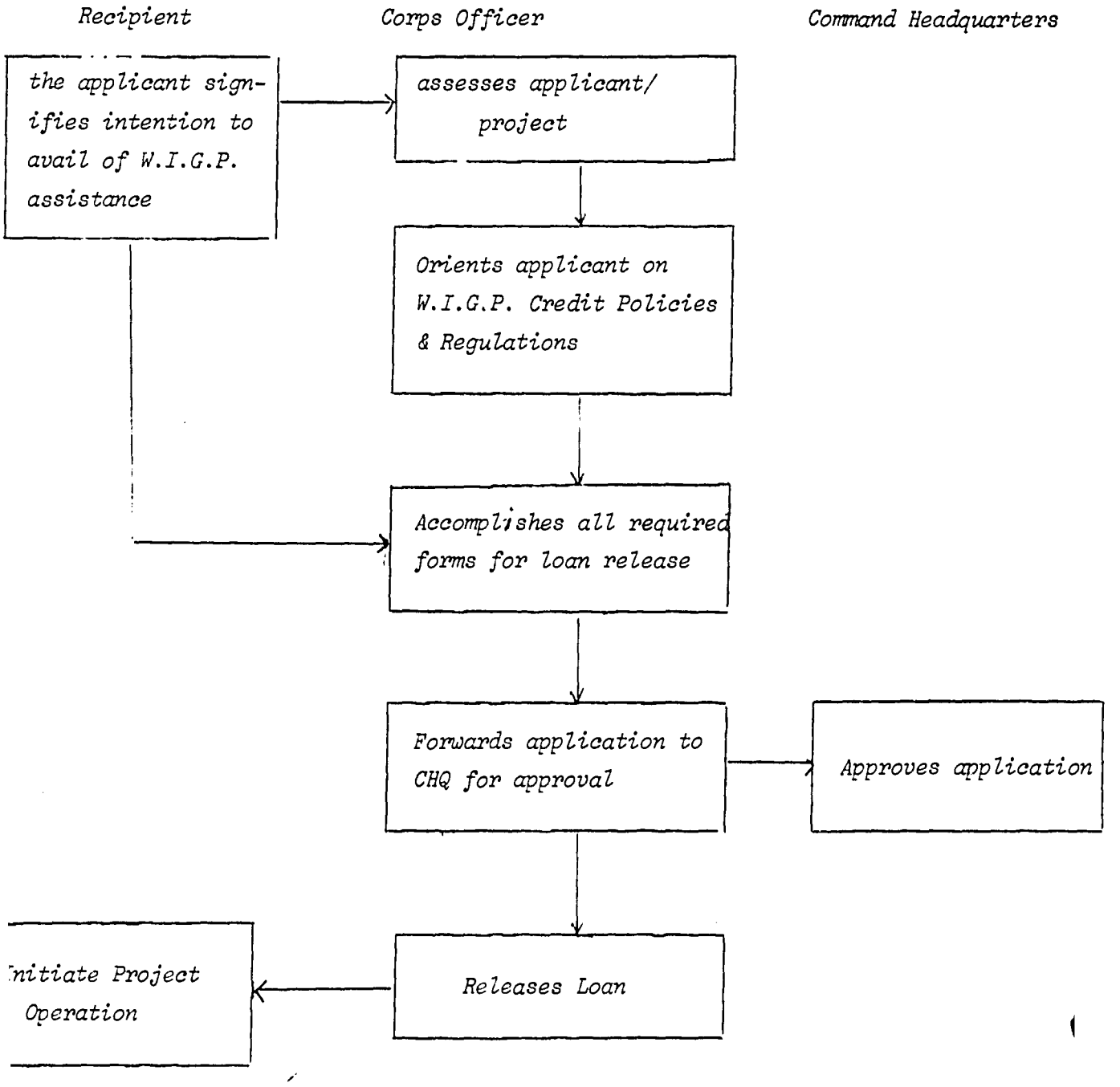
a) Business Management
b) Marketing
c) Production Technology
d) Budgeting
e) Loan Collection Techniques
f) Raising Additional Funds
g) Selection of Clients
h) Evaluation of Clients

Aptly stated, the corps officers/staff realized the importance of possessing knowledge and skills in implementing an income-generating program. They expressed the need for them to be well-versed in the different components of implementing, supervising and evaluating IGPs for without such necessary knowledge and skills as implementors they would not be able to discern problems confronting enterprises as well as provide the appropriate solution or business advice to the problem verbalized by the proponents.

As resource persons (technical consultants), they would experience great difficulty in guiding the direction of the enterprise as well as affording other possibilities to the recipients in terms of other alternative options to their business. Added to this is the fact that based on data gathered on the educational qualification, trainings attended and other related activities provided for the staff in order to prepare them to implement the W.I.G.P., it revealed the lack of IGP related trainings and orientations that would have provided them with the necessary tools to implement the W.I.G.P.

I. Loan Processing

The diagram below illustrates the loan processing flow as implemented:



As gathered from the corps officers/staff, the entire process involved from loan application to eventual release of the loan takes about four to six weeks. This process includes assessment of applicant and project, orientation on the W.I.G.P. credit policies and regulations and accomplishment of application form to loan release. As earlier mentioned, the corps officers/staff mainly relies on the application form, interview and home visits done on the applicant to ascertain the eligibility of the applicant for assistance and viability of the project.

J. DATA GATHERED FROM CHQ STAFF

1) Monitoring System (CHQ to Corps Center)

Generally, corps officers attend the regular bi-monthly meetings at the CHQ. Monthly progress reports containing the general description of monthly corps center activities are submitted. Data included in the corps officers quarterly reports are the summaries of their monthly monitoring visits to recipients which include: number of clients assisted, problems encountered, procedural modifications planned and/or implemented, progress of recipients and their projects, etc. These planning and coordinating meetings are complemented by frequent individual consultations on a per need basis by the corps center. Such meetings usually include inputs by the CHQ staff on preparation of better recordings and financial reports.

In terms of the CHQ conducting monitoring visits to the corps centers, this activity is rarely done since the CHQ relies mainly on the regularly scheduled meetings and reports submitted by the corps officers. While the policies and guidelines emanate from the CHQ in terms of technical inputs and implementing procedures, the corps officers are encouraged to use their initiative in applying such procedures considering the specific needs of each center. This allows for greater flexibility in the operationalization of the W.I.G.P. based on the individual needs and situations

of the different corps centers and their constituents.

2. "Little Divisoria". Marketing Strategy.

As envisioned, the stall at the "Little Divisoria" which was actually a mini central marketing and distribution outlet, aimed to provide additional market outlets for the W.I.G.P. products. As implemented, it was located at the corner of Padre Faura and Taft Avenue Streets to serve the needs of the general public and possibly tourists, the site being located near the Tourist Belt. The project started as a display and sale center of products from the different corps centers such as processed food, clothes, crocheted articles and some handicrafts. Unfortunately, however, the project failed for the following reasons.

a) the prospectiee customers for the products turned out to be mostly students who could not afford the products sold besides them not being priority needs of the studentry.

b) the manufacturers suggested to sell their products on their own because their working capital has been tied down to their inventory of products submitted for sale at the Little Divisoria on consignment basis. This is coupled by the added transportation expense they incur in bringing their products to the Little Divisoria market.

With these 2 major reasons, the project on its experimental stage had to be scrapped. This indicates a deficient market study of the project in terms of forecasting and exactly identifying the real consumers/users of the products to be sold vis-a-vis the product lines that are deemed to be readily sold to the identified consumers.

3) Staff Training and Qualifications

The corps officers had undergone a 5-year training of the Salvation Army Training College where the trainees imbibe The Salvation Army Philosophy as well as study about human relations and public speaking. In the case of an ordained minister, the individual undergoes extensive training in family and spiritual counselling since he is expected to minister to all the needs of the family. The training program of the staff includes management and supervision of social service projects, bookkeeping, and statistical record keeping. These training courses are envisioned to provide the staff with the necessary knowledge and skills in carying out the Salvation Army's aims and projects and its envisioned goals to help humanity.

Thus, as earlier discussed, The Salvation Army has embarked on a socio-economic project of providing opportunities to individuals and groups to develop manpower potentials and create gainful employment. The corps officers who are presently implementing the W.I.G.P. as a poverty intervention strategy have undergone an implementors' training program on income-generating pro-

jects which include Business Management Seminars, Project Feasibility Study Preparation, Bookkeeping, Monitoring and Evaluation. They have likewise undergone a Training on Credit Program Development.

K. Data From Corps Center

1) Bookkeeping System:

As an essential element in financial transactions, a bookkeeping system has been installed by each center to monitor the outflow and inflow of the financial resources of the projects. As such, the corps centers have devised record books to monitor the individual and corps center performance under the loan program and other cash disbursements. (See Appendix ____ for different bookkeeping forms)

2) Reporting Systems

Just as essential as the bookkeeping system is the reporting procedure followed by the corps center as a feedback mechanism. The reporting format devised by The Salvation Army involves the recording of specific observation and experiences of the corps centers in working with the clientele. It is a wonder however how the corps officers are able to report in their quarterly reporting format the progress of clients even though there is no individual recording of their monthly contacts with the recipients except for their diaries. It is therefore difficult to keep track of client progress

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without individual folders which should contain the data on improvement of recipient status as envisioned by the W.I.G.P. The quarterly reports submitted merely provide general information on the over-all corps center operations.

IV. RECOMMENDATIONS

R E C O M M E N D A T I O S

A. Defining the target clientele

The W.I.G.P. seeks to tap the instinctive entrepreneurial potentials of its Home League members as well as to provide them with opportuities for growth and/or sustain their additional source of income.

From the respondents' profile, the project intends to assist the new entrants to the micro-enterprise sector usually called the Level I micro-entrepreneurs and is defined as belonging to the lowest income group of society, having very little business experience, low educational attainment and needing a lot of institutional support specially those relating to health.

Types of projects as funded by the W.I.G.P. are trading/vending, simple manufacturing and animal-raising-all of which require very minimal technical and business skills.

B. Utilization of Indigeneous Area Leaders

The W.I.G.P. should look further into tapping the volunteer key leaders to help implement the project. The key leaders could be trained to screen and select recipients as well as be the loan and collection

windows for the project.

Information on the client's dependability to undertake a project, his/her character, and standing in the community are often difficult for an outsider to gauge. The area leader who has lived in the community is then in the best position to do the job.

Micro-entrepreneurs are "at home" with informal systems of lending and collection. They tend to shy a way from the formal requirements of project feasibility studies and the like. Effectivity of collection is enhanced if the collector resides in the community as the entrepreneur does not have to spend extra money for transportation to pay his/her amortization.

C. Credit Policies

Management should look into the interest rate, loan amount, and terms of repayment to rationalize its credit policies in the light of the different income-generating activities undertaken by the clients.

0 Interest Rate

While the W.I.G.P. intends to assist the Level I micro-entrepreneurs, it should, as a policy, deal with the clients in a business-like transaction rather than in a dole-out orientation. Changing of interest rate is one method of doing this. The rate should include the cost of money (if borrowed), transportation, and food

expense of key leaders in the process of giving loans and/or collecting, plus an amount for capital buid-up of the W.I.G.P. It is recommended that the above shall be used in computing the interest rate as imputing the administrative costs of the W.I.G.P. maybe impossible for the client to afford.

Salvation Army, however, if it fully utilizes the key leaders and gives them the responsibility to "manage" the W.I.G.P. could reduce its cost dramatically and assist a greater number of people.

0 *Loan Amount*

The maximum loan amount of ₱300-₱400 per client is recommended to be maintained for new entrants. The project should, however, look into the possibility of "graduating" successful clients to borrow larger sums of money for expansion. Successful clients are defined here as earning, have repaid back their loan and in need of additional capital for business expansion. Amount to be borrowed by these clients may range from ₱401.00-₱1,500.00.

0 *Terms of Repayment*

Terms of repayment should vary based on the project.

Vending/Trading activities which generally have a faster turn-over should have a maximum repayment period of 3 months on a daily collection basis to ease the burden of the entrepreneur of shelling out a large sum of money if repayment is done on a monthly or weekly basis.

Manufacturing and hog/fowl raising activities on the other hand, should have a more flexible repayment rate. The project should look into the cycle of the business. A paper bag manufacturing project for instance, would sell the finished product weekly. Thus, loan repayments maybe done weekly. A hog raising project maybe able to pay its loan after 6 months when the hog is ready to be sold.

D. Human Resource Development

The proper orientation of the implementors is a very vital component for a project to succeed. It is therefore recommended that the following on-the-job trainings be emphasized:

0 Corps officers

- *community credit management training program whose output would be the systems and procedures of the W.I.G.P.*
- *refresher course on Business Management of Micro-Enterprises.*
- *diagnosing and solving business problems.*

0 Key leaders

- *community credit management training program whose output would be the verbalization and internalization of their responsibilities in the W.I.G.P.*
- *business management training focusing on the key elements to consider in screening and selecting a recipient.*
- *community leadership development program which would focus on their role as catalysts for development in their area.*

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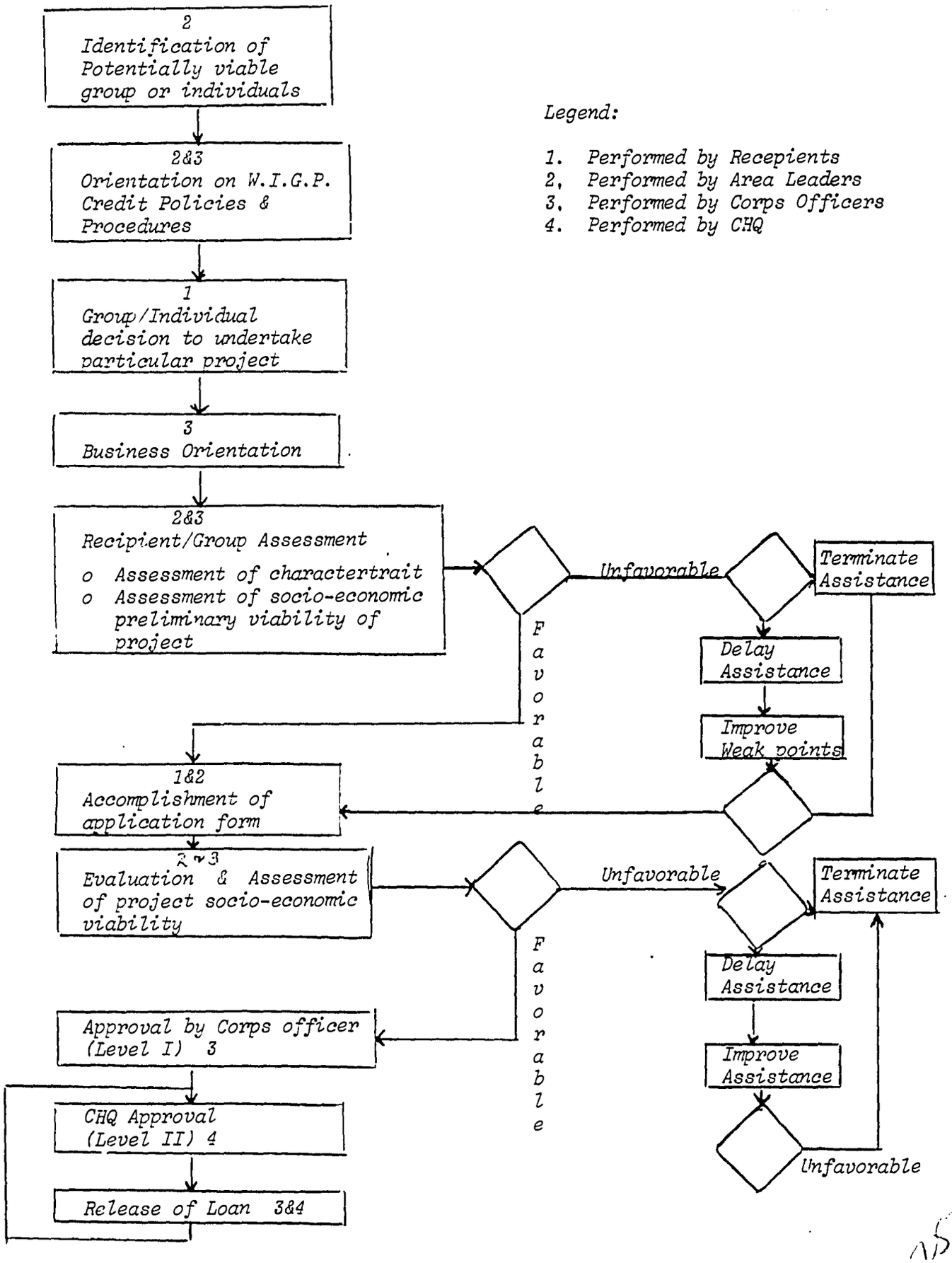
0 Clients

- as has been expressed by the corps officers and clients themselves, they are in want of practical tips in managing a business enterprise. As such a training program which would focus on lowering costs, ways and means of capital build-up, pricing, using a cash book, salesmanship and the like be implemented.

E. Systems and Procedures

It is recommended that processing and approval of Level I clients be decentralized to the Corps Centers. Level II clients, however, should be approved by CHQ. Decentralization is being recommended to assure flexibility and responsiveness to the micro-entrepreneurs. This also reduces administrative costs and time for processing.

LOAN PROCESSING FLOW CHART FOR W.I.G.P.



V. APPENDICES

1) Individual Repayment Record

Name

Date	Principal	Interest	Total Loan	Principal	Interest	Balance

2) *Corps Record*

Borrower	*Type of Loan*	*Amount of Loan*	*Date of Loan*	*Terms of Repayment*

3) *Revolving Loan Fund*

Date	Borrower	Principal Loan	Interest	Total Loan	Principal Repayment	Interest Repayment Default (10%)	Interest Repayment Adm. (2%)	Balance

4) Corps Cash Report

			E X P E N S E S			
Date	Details	Income	Equipment/ Office Supplies	Loan	Miscellaneous	Balance