

# Viability of Micro-Financing of the College of Business Administration Towards Sustainable Development of It's Community Extension Service Program

Discipline: Accountancy  
Mr. Rey Fernan G. Refozar  
Mr. Rogelio G. Ceradoy

Lyceum of the Philippines University  
Capitol Site, Batangas City  
enanref\_18@yahoo.com  
09266285817  
09088976345

## ABSTRACT:

Responding to the commitment of Universities to the Commission on Higher Education in its tri-fold functions, that community extension services were conceptualized to a more viable programs. In Lyceum of the Philippines University in Batangas a micro financing program was carry out as an extension service provided by its business college - College of Business Administration (CBAM). As a program focusing on financial assistance with non-bearing interest to help the poor residents of the universities adopted community in Brgy. Wawa Batangas City, it hopes to build entrepreneurial skills of the residents. Further. it will is an avenue to confirm sustainable project through the help of participative and empowered community residents. Interview and observations were done in order to determine the viability of the micro financing programs named "Pamumuhay Pangkabuhayan".

Research results revealed the entrepreneurial skills of the community residents serves as a tool for the micro finance program to be successful. Problems encountered were poor cash management, records management keeping and credits to regular customers. Researchers recommended expanding capital for the viability of micro financing projects of College of Business Administration Lyceum of the Philippines University - Batangas. Further, it may also be validated using other adopted community for a more comprehensive evaluation and enhancement.

**KEYWORDS:** Microfinancing, sustainable development, community extension service

## INTRODUCTION

Every higher education institution in the Philippines is committed to three major functions such as instruction, research, and extension service. Each part or component of the trilogy has each a set of functions as mandated by pertinent laws that concern tertiary education. Each area of concern has its own sets of standards and policies to guide institutions of higher learning in the management of school affairs. Each of them has functions which, when unified into one major thrust, hinges on service to humanity.

Extension service as one of the higher education functions is anchored on the mandates expressed in the following provisions of the 1987 *Constitution of the Philippines*, thus:

*The State shall encourage non-formal, informal and indigenous learning as well as self-learning, independent and out-of-school youth study program, particularly those that respond to community needs, and provide adult citizens, the disabled and out-of-school your with training in civic, vocational and other skills.*

The above-quoted constitutional provisions serve as the legal basis for instituting reforms in higher education institutions through active involvement in community development. In response, CHED issued orders to heads of colleges and universities encouraging them to intensify their respective extension service programs with focus on community development. Thus, tertiary education institutions all over the country started to design their individual extension programs that are aligned to their mission and goals. In other words, the extension program of every college or university manifests its ennobling mission and goals.

A review of a few institutional manuals on extension services seems to point out that practically all of them have similar aims and objectives of extension service. They all manifest one significant commonality: improvement of the quality of life of people in their respective areas. It appears their common concern is transformation of life in more decent and meaningful living. The transformation may not be a grand development as people may have expected for extension service program does not encourage the bad habit of dole out. Rather, the main objective of extension service is to provide partnership with the people of a community in putting up worthwhile activities that would harness their own talent and resources through capability building. Thus, the extension workers of a school provide the concept or blueprint of a project as a by-product of research about the socio-economic profile of the community. It is here that one sees the relationship of research and extension service as functions of higher education.

Extension services in private higher education institutions vary according to the vision and mission of the college. For instance, one Catholic school in the province caters to moral recovery and economic development of women who were convinced to turn in a leap after years of prostitution. Having convinced these women toward moral recovery, they were provided with lessons and materials for skills development while at the same time helped them to rehabilitate their broken moral selves toward a life of dignity. This extension service of the school is in accord with the chrism of the congregation that runs the college.

In one private non-sectarian college, the project on extension service focuses on community development. It adopted a depressed barangay to become a community of purposive individuals. The residents of the place were victims of eviction. As such, they practically lost their sense of direction and self-worth towards maintaining a decent life. However, with the help of the college, the residents were helped to develop technological skills in electronics, electricity, automotive and the likes for young male adults, while women were taught dressmaking, handicrafts, cosmetology, and cooking. Now, the jobless residents of the place have developed skills to become entrepreneurs or at least become involved in income-generating activities. And the environment of the place has improved as the residents were also taught how to keep their surroundings clear and healthy to live in.

Indeed, extension service for community development has transformed a number of communities through self-help. The transformation process may not be easy and quick, but through sheer patience, the community people learn to develop the values of initiative, industry and self-respect and thus learn to appreciate work through self-discovery. On the other hand, the extension workers have developed or enhanced their creativity for worthwhile activities as they are inspired to witness the transformation of their clientele from idleness to responsible personhood. On its part, the school administrators feel happy upon seeing an adopted community to become fully developed where people have acquired a sense of achievement and responsibility. The residents of the place are the witnesses of school's labor in extension service as a function of higher education.

In view of the mandate that concerns modernization of higher education, every college or university has a department that takes care of the organization and management of the extension service program. In the case of Lyceum of Batangas, it has its own independent department headed by a program director which coordinates extension service activities of the different departments of the institution. Thus, the College of Business Administration has its own community service program that extends financial assistance to target beneficiaries. Called micro financing, this scheme provides short-term credit of not more than Eight Thousand Pesos (Php 8,000) without interest per borrower. In other words, the scheme is a non-bearing interest scheme as it is intended to help the poor but business-minded residents of Barangay Wawa, Batangas City as target extension service beneficiaries of the College of Business Administration.

The extension service program is bound with a contract or memorandum of understanding between the Lyceum of Batangas CBA and the Barangay Wawa Batangas City represented by Barangay Captain Rodrigo Lardizabal, Jr. The safety or security of the financial exposure of Lyceum, small as it is, is protected and assured to serve the purpose for which it was intended.

At present, the College of Business Administration has exposed an amount that is big enough to finance a medium-sized grocery store. The accumulated amount was realized from contributions from teachers and students who do not expect any return on investment as long as they are assured that the money they put in is solely for non-bearing interest investment for the extension service program of the College of Business Administration.

Regardless of size, capital build up makes the business enterprise move upward if it is properly managed. This points to the fact that the success of a business concern is dependent

upon prudent management and prudent use of capital. Proper capital management assures the enterprise success or at least saves operation from unnecessary wastage and expenditures.

Usually, people in depressed and underserved communities desire to uplift their quality of life by going into business. They have the idea and acumen for organization and management. Their number one problem is lack of capital. However, this problem can be resolved by taking advantage of micro-financing like the one that the *Pondong Batangan* propagates. The same could be said of the *Pamumunuhunan Pangkabuhayan Program* of the College of Business Administration. Its goals or objectives are threefold: making use of people's entrepreneurial skills despite lack of capital, serve as prime mover for sustainable development of the community, and build a self-reliant environment among the residents of Barangay Wawa, Batangas City.

The threefold aims of the *Pamumunuhunan Pangkabuhayan Program* of the College set the parameter of the micro-financing as a community extension service program of the College of Business Administration. It is assessed in terms of objectives of micro financing as an investment scheme, capital build-up, capital distribution to beneficiaries, supervision and monitoring, and evaluation of the scheme. Benefits do the beneficiaries of the investment scheme derive in terms of economic rewards; business experiences, and future business plans. With all these variables, it is important to determine the viability of micro-financing as basis for future course of action, In other words, the study hopes to assess the success of micro financing for the small-scale businesses that were financed by this investment scheme as a way of reaching out to the need for capital of the residents of barangay Wawa, Batangas City.

## OBJECTIVES OF THE STUDY

The study aims to determine the viability of micro financing in the context of cost-benefit analysis as an extension service program of the College of Business Administration, Lyceum of Batangas during the Academic Year 2007-2008.

Specifically, the study seeks answers to the following questions.

1. What is micro financing as a community extension service program of the college in the context of cost-benefit analysis?
2. What benefits do the beneficiaries of the investment scheme derive in terms of:
  - 2.1 economic rewards;
  - 2.2 business experiences; and
  - 2.3 future business plans?
3. What is the viability of micro financing as an investment scheme in the context of cost-benefit analysis?
4. What course of action may be proposed to accelerate the viability of the scheme?

## SCOPE

The study is confined to the topic of viability of micro financing as an investment scheme for small-scale business operation in Barangay Wawa, Batangas City during the

academic year 2006-2007. Hence, there is the need to determine the status of the community extension service program of the College of Business Administration in terms of objectives of micro financing as an investment scheme, capital build-up, capital distribution to beneficiaries, supervision and monitoring, and evaluation of the scheme. From the status analysis comes the determination of the viability of micro financing as an investment scheme that the College of Business Administration provides the residents of Barangay Wawa, Batangas City.

Part of the analysis and interpretation of data is the discussion on the benefits that the beneficiaries of the investment scheme derive in terms of economic rewards, business experiences, and future business plans.

It should be stressed at this point that the most significant part of the study is the discussion on the viability of micro financing as an investment scheme in the context of cost-benefit analysis. This is the basis for proposing courses of action toward sustainable development plan to accelerate the viability of the scheme.

## **METHODS RESEARCH DESIGN**

The study is a qualitative research that makes use of the case study and the grounded theory techniques. As such, it differs from the quantitative and behavioral studies that depend so much on statistical treatment of data in testing the hypothesis.

In qualitative research, the pieces of information gathered through documentary analysis, interviews and observations were analyzed to unearth the hidden phenomenon upon which to base an intelligent guess called hypothesis. This intelligent guess sets the direction of the initial findings and eventually a theory drawn from the analysis, the conclusion and finally the recommendations and their implications.

Qualitative research expects the researcher to be interested in understanding how the research informants or participants make meaning of a situation or phenomenon. The meaning is mediated through the researcher as the instrument. The strategy and the outcome is descriptive. The researcher seeks to discover and understand a phenomenon, a process, the perspective and worldviews of the people involved, or a combination of those elements. Thus, the qualitative researcher analyzes a situation and draws from it the picture of a phenomenon through the case study method and/or grounded theory technique.

## **RESEARCH INFORMANTS**

The research participants in a qualitative research are the informants of the study. In this particular case, the research informants chosen as research participants were the CBA extension service coordinators, some program beneficiaries of micro-financing of Lyceum CBA.

## **INSTRUMENTS OF THE STUDY**

The study did not make use of the usual survey instruments that are often used in quantitative research. Instead, one set of interview schedules was developed as instrument of

the study as presented in Appendix A, This set of interview schedule was prepared based on the statement of the problem of the study.

An observation guide was also prepared to perceive from the participants' behavior their way of interacting with issues that come along during the interview sessions.

The interview schedules and observation guide as research tools were validated by personnel of a research center of a higher education institution in Manila.

## RESEARCH PROCEDURE

The study started with the analysis of the goals and objectives of extension service program of the Lyceum College of Business Administration to be able to capture the essences of the extension service program and micro-finance in the contest of cost-benefit analysis. In the process, the micro-finance scheme was studied and reconciled with the goals and objectives of the CBA extension service program.

The starting point of the study is the documentary analysis. Thus, the researcher gathered all the documents concerning the CBA extension service program and analyzed it in terms of its goals and objectives, its program content in terms of expectancies, suggested methodologies, and time allotment. This process involves the use of documentary analysis which is a very basic aspect of information analysis.

The take off point after the documentary analysis was the interview with selected CBA faculty involved in the micro-finance activities. The interview made use of the interview schedules as the information-gathering tool. Responses in the interview were recorded immediately to avoid lapses in interpreting the responses.

The research procedure of the study used research triangulation using the documentary analysis, interview, and observation which are the methods used in the evaluation model of Stufflebeam.

## DESCRIPTIVE STATISTICS USED

In this qualitative study, the only statistics used were the frequency count, percentage, and rank when needed.

## RESULTS and DISCUSSION

This part presents the analysis and interpretation of information and data results gathered for the purpose of this study.

The review of conceptual literature yields the concept that microfinance institutions were established specifically for the poor but not a very old populace of society. Historically, development finance was not particularly concerned about the poor as target group after the Second World War and into the 1970's. However, this view shifted after the realization of massive amounts of foreign trade invested in large projects that did not necessarily lead to the "trickle down effect" which had been expected. This led to the emergence of the *target group*

*orientation*, where donors started a wave of small, diverse projects meant to make credit available to the poor (Schmidt and Zeiting, 1997).

Littlefield, Morduch and Hashemi (CGAP, 2003) agreed that microfinance, go beyond business loans. The poor use financial services not only for business investment in their micro enterprises but also to invest in health and education, to manage household emergencies and to meet a wide variety of other cash needs that they might encounter.

Microfinance acts not only as an economic stimulator for small enterprises but also has far reaching social impacts. This trend sets the pace of micro-finance which is one of the concerns of the Lyceum of Batangas, College of Business Administration.

More than 670 million poor people live in rural areas, most of which rely on secondary occupations as agriculture alone is not enough to provide for their growing needs. This employment includes a whole range of paid employment, from micro enterprises over services such as carpenters and weavers to self-employed businesses such as food stalls, tailoring and shoe repair. Mostly the operators of these micro-enterprises are women, who suffer disproportionately from poverty (Sharma, 2001).

#### 1. Microfinancing at the College of Business Administration.

Microfinance is one of the services that the Community Extension Program of the Lyceum of Batangas offers. Anchored on the core values of self-reliance, the Lyceum Community Extension Program envisions to an effective instrument of social and cultural transmission as well as an agent of change of the community.

Microfinance at the College of Business Administration (CBA) is a type of livelihood program that deals with business, entrepreneurial and technology transfer in the form of community mobilization, organization which includes trainings, seminars, and other of fora that will upgrade the standard of living of the adopted communities. Projects include micro financing, food services, catering, T-shirt printing and souvenir item-making among others.

At the College of Business Administration, microfinance and the impact it has, goes beyond business loans. The poor use financial services not only for business investment in their micro enterprises but also to invest in health and education, to manage household emergencies and to meet a wide variety of other cash needs that they might encounter. Microfinance therefore acts not only as an economic stimulator for small enterprises but also has far reaching social impacts.

Some foundations in the Philippines makes use of the business schemes of providing capital to the investors are being prioritized. As cited in the review of literature, patronizing the small to medium scale industries are among the services offered by different banks particularly rural banks. The churches are developing ways on how to improve the lives of people within their coverage. Hence, microfinance is one of the programs of the Archdiocese of Lipa which is now called *Pondong Batangan*, is one of its undertakings. It is a program funded by the people and for the people. Also called the microfinance project, also called *pamumuhunang pangkabuhayan* program has threefold objective such as the following; to exercise the entrepreneurial skills of the beneficiaries who are constrained by lack of capital, to serve as prime mover for sustainable development of the community, and to build self-reliant

environment among the residents of Brgy. Wawa, Batangas City for a period of five (5) years effective May 2005 to May 2010.

The micro-finance scheme as a community extension service of the College of Business Administration started to operate in May 2005. As stated in the memorandum of agreement between the Lyceum College of Business Administration represented by President Peter P. Laurel and Barangay Captain Rodrigo Lardizabal of Wawa, Batangas City, the said scheme has extended non-bearing interest financial to qualified beneficiaries who are constrained by lack of capital in operating business entrepreneurship. In this respect, the CBA administration created and trained a monitoring team that is tasked to monitor the progress of the project's implementation at Barangay Wawa, coordinate with all parties concerned for the projects' implementation, collect the amount released based on agreed amortization schedule, and prepare monitoring reports and project documentation.

On its part, the barangay captain representing the second party is tasked to encourage the residents of the community to participate in entrepreneurial activities, help in identifying the beneficiaries by conducting screening of *Pamumuhunan Pangkabuhayan Program* applicants, coordinate with Lyceum CBA dean representing the First Party in the loan collection, and implement an action for the collection of money incase of non-payment of beneficiaries. The contract of agreement was signed by both parties. Since then, the micro-finance scheme has gone a long way as the community extension program of the College of Business Administration.

From the view point of cost-benefit analysis, the micro-finance scheme under study has helped few beneficiaries of Barangay Wawa. On July 12, 2006, the CBA community extension program had facilitated the release of Php37,000.00 to the following beneficiaries:

1. Lorena Guno	P 8,000.00
2. Consolacion Falome	8,000.00
3. Emily Serrano	8,000.00
4. Andrea Mendoza	5,000.00
5. Restituto Serrano	6,000.00
6. Mariben Pagao	5,000.00

The initial release caused the Lyceum of Batangas, through CBA, such big amount as starting capital of the beneficiaries businesses. In this respect, CBA ventured to release the amount without collateral and therefore a risk exposure in terms of cost.

But considering the social benefit derived from the scheme, it is almost equal to the cost placed in the project. Social benefit is interpreted not in terms of monetary values but in terms of goodness it has served the beneficiaries. In this case, the amount granted has been used as the initial capital of the business they intended to put up.

## 2. Benefits Derived from the Investment Scheme

The nine beneficiaries of the micro-finance scheme were gathered together to a focused group discussion regarding the benefit derived from this investment package. The areas talked



about during the discussion were economic reward, business experiences, and future business plan. The discussion was in Filipino.

3.1 Economic reward. The group was asked if the micro-finance project has helped them in starting the business, the group was unanimous that it did. The first question asked runs, thus: *Nakatulong ba sa inyo ang kaunting halaga na nakuha ninyo sa Lyceum?* The research participants were one in claiming that the amount has helped them in several ways to start the business they had wanted to go into. One of them even claimed that the plan to start a business did not only materialize but even realized that his desire to go into it long time ago became a reality. It was only realized after the grant of the loan by the Lyceum of Batangas.

Another woman beneficiary claimed that the business she started has now flourished to become a larger scale although cannot be called yet as large scale. The initial capital has now grown double that she could already add more items to her wares.

The male beneficiary admitted that he was able to get by installment a jeep to use in his soft drink distribution business after two years of operating the business. Part of the proceed he realized from the business operation was used as down payment to the jeep he got for his distribution business. This makes possible the distribution of soft drinks to a larger scale.

The statements of the research informants were basically similar to one another. They were pointed to the economic benefit they derived from the business. What appeared more significant was the fact that the capital loaned to them help them realize their desire to go into business. Thus, they did not think twice when the opportunity of financing without interest came by. None of them has indicted that they did not benefit from the business operation that was initiated by the capital they obtained from CBA.

There were positive indications that the beneficiaries would play double cross in this scheme, but having realized the economic reward of the investment scheme, they treasured the economic rewards they reaped from the business they were able to put up with the help of this capital scheme.

3.2 Business experiences. Initially, some members of the group were not at ease in sharing the business experiences they had during the initial stage of the operations. This is so because practically all of them were inexperienced in handling the business they got into. There was a case of one woman beneficiary who almost lost her capital because she would not know where the money went. All that she knew was that she made profit but could not identify where it went. The sad experience may be attributed to poor cash management and their inability to jot down expense against sale. It was a good thing that they learned their mistakes earlier. Otherwise, the loss could have been greater before they knew it.

Another business experience that cropped up during the focused group discussion redounds to poor records keeping. Inexperienced that they were at the start of the business operations; they did not realize the importance of good records keeping in business management. All they knew at the beginning was to know how much was placed on the goods, put a reasonable mark up without considering the cost of physical efforts they placed in the operations. This explains why at the start, they could not see the profit and the goods as well. It was a good thing that some of their friends emphasized to them the importance of good records keeping.

Another sad experience they encountered was on giving credits to regular customers. This is a common sad experience among small-scale dealers who are too generous in granting credits on goods. What the subjects did not seem to know at the start was that credit could not be extended to everyone due to meager capital they had in the business. This experience should not happen again or else the capital would vanish unnoticed.

The common business experiences the members of the group shared during the round table discussion were sad as most of them were not trained entrepreneurs. This is one area that should be looked into to lessen possible loss. This needs re-orientation in small and medium scale business management so that they could avoid or minimize the chances of loss and mismanagement.

3.3 Future business plans. As will be seen in the presentation on viability of the business in concrete terms, the increase in loans manifests their desire to expand the capital base of the business. More importantly, the increase in loan is part of their business plan to make the business grow as years go by. For instance, one of them has plans to put up a mini-mart in the city proper as she could see great prospect in such kind of business.

Another manifestation of business plan they have is to expand the operation of the business outside Batangas City. This is feasible to the gentleman concerned as he experience in wholesale business that need transporting of goods from one place to another. His plan of expanding his business may need additional capital which can be secured from the CBA micro finance scheme. On its part, the CBA management could see the prospect of the beneficiary judging from the way he manages his business.

Somebody expressed the desire to go into rice mill operation. The plan need large capital which CBA may be able to provide under the micro finance scheme due to the limited funds it has accumulated. But the plan manifests the person’s desire to expand his business from small-scale to medium scale and later on perhaps to a large business operation.

All of the beneficiaries have plans to expand their business. But some of them were prudent to share their business plans. According to them, it is too early yet to divulge their business plans due to uncertainty of the time. It seems that by experience, they have already known the meaning of business uncertainty.

3. Cost Benefit Analysis of Microfinancing as an Investment Scheme.

The micro-financing project of CBA aims to promote savings among its beneficiaries and accumulate certain amount which can be used by to sustain their business. The college should maintain accurate record of the savings or deposits made by the beneficiaries and safe keep the money deposited by the benefactors by maintaining separate account through bank deposits.

Table 1  
Loan Availment

Beneficiaries	Year 1	Year 2	Year 3	Year 4	Year 5
	P	P	P	P	P

1. Mariton Pagao	5,000.00	5,000.00	6,000.00	7,980.00	10,613.00
2. Emily Lorenzo	5,000.00	5,000.00	6,000.00	7,980.00	10,613.00
3. Andrea Mendoza	5,000.00	5,000.00	6,000.00	7,980.00	10,613.00
4. Lorena Guno	5,000.00	8,000.00	8,000.00	10,640.00	14,151.00
5. Retituto Serrano	6,000.00	6,000.00	7,000.00	9,310.00	12,382.00
6. Consolacion Falame	6,000.00	8,000.00	8,000.00	10,640.00	14,151.00
7. April Anne Serrano		5,000.00	5,000.00	6,650.00	8,844.50
8. Marcellana Hernandez		5,000.00	5,000.00	6,650.00	8,844.50
9. Ariel Parto			5,000.00	6,650.00	8,844.50
Total	P 32,000.00	P 47,000.00	P 56,000.00	P 74,480.00	P 99,058.40

On its third year of implementation, the beneficiaries should deposit the amount of PhP 200.00 every month to be collected during payment period and is allowed to withdraw the amount deposited only after completion of the project on May 2010.

It is expected that each beneficiary will accumulate PhP 7,200.00 savings within three (3) years, which they can use to sustain their business even after the term of the project.

Year 1 to Year 3 are actual figures. Year 4 and Year 5 are projections based on 33% average range of increase. It is expected that P 99,058.40 will be fully collected at the end of fifth year and will be returned to the general fund of the school's community extension.

Table 2  
Savings

Beneficiaries	Year 1	Year 2	Year 3	Year 4	Year 5
1. Mariton Pagao	-	-	P 2,400.00	P 4,800.00	P 7,200.00
2. Emily Lorenzo	-	-	2,400.00	4,800.00	7,200.00
3. Andrea Mendoza	-	-	2,400.00	4,800.00	7,200.00
4. Lorena Guno	-	-	2,400.00	4,800.00	7,200.00

5. Retituto Serrano	-	-	2,400.00	4,800.00	7,200.00
6. Consolacion Falame	-	-	2,400.00	4,800.00	7,200.00
7. April Anne Serrano	-	-	2,400.00	4,800.00	7,200.00
8. Marcellana Hernandez	-	-	2,400.00	4,800.00	7,200.00
9. Ariel Parto	-	-	2,400.00	4,800.00	7,200.00
Total	-	-	21,600.00	43,200.00	64,800.00

It is expected that the beneficiaries will accumulate a total savings of PhP 64,800.00 at the end of year 5. This will help them sustain their business even after the project is over.

From all indications, the beneficiaries will enjoy much savings out of the meager amount granted them through the micro-finance scheme by CBA. This is material evidence that the department's community extension service has served the purpose it was founded. And by cost-benefit analysis, the cost of capital through micro finance may be big, but the benefit it has accrued for the beneficiaries is big enough to go on with the business they have already started.

#### 4. Recommended Course of Action toward Sustainability of the Investment Scheme.

The foregoing analysis points out that the microfinance scheme is viable despite the problems met of the beneficiaries in the operation of the business. The problems met are along management of small-scale business such as poor cost management, poor records keeping and imprudent decision making that affects the capital base of the business. It is for this reason that the following courses of action are recommended.

1. Retooling of beneficiaries on practical approaches to the management of small-scale business or entrepreneurship.
2. Teach them through workshop practical financial management with emphasis on cash management, and records keeping.
3. Design a practical approach to sound credit management.
4. Workshop on book keeping.

## **FINDINGS**

The study yielded the following findings:

1. Microfinance as one of the services that the Community Extension Program of the College of Business Administration of Lyceum of Batangas is a livelihood program that deals with business, entrepreneurial and technology transfer in the form of community mobilization, organization which includes trainings, seminars, and other of fora that will upgrade the

standard of living of the adopted communities. Therefore, the microfinance project of *Pamumunahunan Pangkabuhayan* not only acts as an economic stimulator for small enterprises but also exercises the entrepreneurial skills of the beneficiaries who are constrained by lack of capital, serves as prime mover for sustainable development of the community, and builds self-reliance among the residents of Brgy. Wawa, Batangas City.

From the view point of cost-benefit analysis, the micro-finance scheme under study has helped few beneficiaries of Barangay Wawa which included Lorena Guno, Consolacion Falome, Emily Serrano, Andrea Mendoza, Restituto Serrano, and Mariben Pagao as initial benefactors.

The initial release of Php37,000.00 provided starting capital of the beneficiaries businesses. In this respect, CBA ventured to release the amount without collateral and therefore a risk exposure in terms of cost.

But considering the social benefit derived from the scheme, it is almost equal to the cost placed in the project. Social benefit is interpreted not in terms of monetary values but in terms of goodness it has served the beneficiaries. In this case, the amount granted has been used as the initial capital of the business they intended to put up.

2. The nine beneficiaries of the micro-finance scheme were invited to a focused group discussion regarding the benefit derived from this investment scheme. The areas talked about during the discussion were economic reward, business experiences, and future business plan. In terms of economic reward, the group was unanimous in saying that the micro-finance project has helped them in starting their businesses. On the other hand, the respondents were not very ecstatic in sharing their business experiences for most of them were inexperienced in handling the business they got into. Because of this inexperience, most of them initially encountered problems such as poor cash management, poor records keeping and giving credits to regular customers.

In terms of future business plans all of them showed their desire to have expanded capital base for their business. They also showed desire to increase their loan as part of their business plan to make the business grow. Another manifestation of business plan they have is to expand the operation of the business outside Batangas City. On the whole, all of the beneficiaries have plans to expand their business. But some of them were prudent to share their business plans. According to them, it is too early yet to divulge their business plans due to uncertainty of the time. It seems that by experience, they have already known the meaning of business uncertainty.

3. The five-year financial statement showing the cash flow given to the beneficiaries tends to prove that microfinancing project of CBA is viable.

4. There is a need to intensify management of small-scale business especially in the area of practical financial management.

## CONCLUSION

Based from the findings, the following conclusions were drawn:

1. Microfinancing is an effective tool in investment management.
2. Microfinancing serves the purpose for it was conceived.

3. Microfinancing when properly handled, sustains the viability of the business.
4. There is an urgent need for CBA to expand its microfinancing program by including strategies in entrepreneurial management.

## RECOMMENDATIONS

In view of the findings and conclusions arrived at, the following recommendations are offered:

1. The CBA should encourage microfinancing as an investment scheme.
2. Microfinancing should be encouraged to attain the goals of cost-benefit analysis.
3. The CBA should cause the expansion of the capital base of microfinance to benefit other entrepreneurs outside Barangay Wawa, Batangas City.
4. The CBA should conduct a workshop on entrepreneurial management for potential entrepreneurs.

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