

BIBLIOGRAPHY

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Adviser: Evangeline B. Cungihan, MSc.

ABSTRACT

This study was conducted to find out the profile of primary cooperatives in Bulanao, Tabuk, Kalinga. Specifically, it aimed to determine the following: the financial status of the cooperatives; their policies and programs; their compliance with the requirements of CDA, DOLE, BIR, and the Local Government; and their needs and problems. A survey questionnaire was used to gather the data with the managers of the different cooperatives as the respondents.

Based on the list of the Cooperative Development Authority as of December 2004, there were eleven cooperatives listed. However, during the survey, only four cooperatives were operating while the other seven were closed. All four cooperatives were multipurpose type with credit and consumer services. Three were institutional cooperatives. The number of members in each cooperative was less than 300 and majority of the members were employees, majority also were females. The employee of the cooperatives were generally younger than their officers.

All the cooperatives have reached more than one million pesos total asset. The major sources of their capital were from fixed deposits of members, reserves and from

liabilities. They also accept savings deposit from the public to have more operating capital.

The cooperatives conducted various trainings and seminars to educate their members but due to insufficient funds, very few members were sent to trainings and seminars.

All the cooperatives had been complying with different requirements imposed by the different government agencies. They conducted their general assembly regularly every year and elect their officers during the general assembly. However, they do not have any written development plan, mission vision and goal statements. These cooperatives needed to be trained more on the management aspect of cooperative because all of them have problems on lack of education of members and officers.

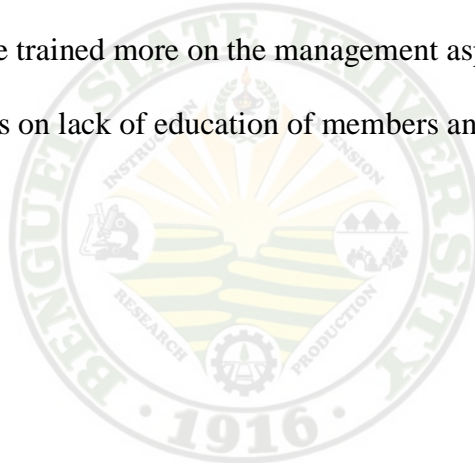


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INTRODUCTION

Rationale of the Study

A cooperative consist of persons who pool their resources under the principle of equality and common understanding for their mutual benefit. It exists not to make profit as an entity but if there should be profits, the same shall be divided equitably among the members. It is based on the saying well known in the human circle that “in union there is strength,” (Nolledo, 1996).

A population continually grows; economic problems diversify and become more complex. Economic resources become more and more scarce and concentrated in the hands of the few moneyed people, the capitalist while the majority of the population lives in poverty. Their labor is the only resource they have and more often than not they are abused by the capitalist. This situation needs a continuous search for solution. A key step towards solving economic problems is through the cooperation among our fellow men. This is how the cooperative idea came about. History shows that cooperatives were born because of economic needs which would be solved only by the process of cooperation.

Cooperative is derived from the word “cooperate” which means to work with. A cooperative therefore is an organization of persons who have voluntarily join to work together for the achievement of their common goal, that is to provide services to the members as for instance to market products of members, to purchase production supplies, to provide housing especially low cost housing, to purchase family household needs and it supplies community services like electric power and others.



Tabuk is one of the municipality of Kalinga with 281 registered cooperatives as of December, 2003 based on the record of the Cooperative Development Development Authority. These were of various types such as consumer, multipurpose, credit, marketing and service cooperatives. The number of cooperatives existing in the place is quiet many and therefore chances are that these cooperatives compete with each other in terms of getting members and even in the provision of services that maybe detrimental to their operation.

Statement of the Problem

The study intended to answer the following questions:

1. What is the profile of the primary cooperatives in Bulanao, Tabuk, kalinga in term of:
 - a. Area of operation
 - b. Status of operation
 - c. Services offered
2. What is the financial status of the primary cooperatives in terms of
 - a. total asset
 - b. total liabilities
 - c. total paid-up share capital
 - d. total reserves
3. What are the policies and programs of the cooperatives?
4. Are all the cooperatives complying with the requirements imposed by CDA, DOLE, BIR and the local government?



5. What are the needs and problems of the primary cooperatives in Bulanao, Tabuk, Kalinga?

Objectives of the Study

The study aimed to:

1. Determine the profile of the primary cooperatives in Bulanao, Tabuk, Kalinga as to:
 - a. area of operation
 - b. status of operation
 - c. services offered
2. Determine the financial status of the primary cooperatives in terms of
 - a. total asset
 - b. total liabilities
 - c. total paid-up share capital
 - d. total reserves
3. Find out the policies and programs of the cooperatives
4. Find out if primary cooperatives comply with the requirements imposed by CDA, DOLE, BIR and the local government.
5. Find out the needs and problems of the primary cooperatives in Bulanao, Tabuk, Kalinga.



Importance of the Study

This study was conducted to provide necessary data that would lead to the improvement of the cooperatives in Bulanao, Tabuk. Also, the result of the study would serve as basis for other students who want to conduct related studies on cooperative.

Scope and Limitation of the Study

The study covered only the barangay of Bulanao in the municipality of Tabuk, Kalinga. It included all the registered cooperatives that were currently operating in the study area.



REVIEW OF LITERATURE

Cooperative Definition

Pimentel (1999) defined cooperatives as a duly registered association of people with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, and who contributed equitably to the capital required and accepted a fair share of the risks and benefits of the undertaking in accordance with universally accepted cooperative principles.

Cooperatives are considered, among other things, as “instrument of equity, social justice and economic development” they are associations organized for the economic and social betterment of their members, operating business enterprises based on mutual aid \, and founded upon internationally accepted cooperative principles and practices.

According to Rimas (1999), a cooperative is an organization where the members help each other to become economically self-sufficient because the purchasing power of his little and hard earned money is enhanced. It is the economic alternative and the vehicle for economic development.

Aquino (1991) defined cooperative as a voluntary organization of people who have agreed to pool their resources together in order to undertake an economic enterprise for the purpose of meeting their common needs, and which they themselves democratically manage and control, and share the economic benefits on the basis of participation and patronage.



Objectives of Cooperatives

The primary objective of every cooperative is to provide goods and services to its members and thus, enable them to attain increased income and savings, investments, productivity and purchasing power and promote among them equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing without, however, conducting the affairs of the cooperative for eleemosynary or charitable purposes. A cooperative shall provide maximum economic benefits to its members teach them with efficient ways of doing things in a cooperative manner and propagate cooperative practices and new ideas in business and management and allow the lower income groups to increase their ownership in the wealth of this nation, Republic Act 6838, Article 7.

Profile of Primary Cooperatives

Various studies regarding the profile of primary cooperatives in different municipalities of Benguet and Mountain Province revealed that majority of the cooperatives were operating in the barangay level. There were also cases where two or more cooperatives of the same type were organized in the same barangay and that many of these cooperatives had closed after a few years of operation. Anastacio (2004) found in her study that out of the thirteen cooperatives organized in Itogon, Benguet, almost half of the cooperatives had closed after few years of operation due to bankruptcy and mismanagement of funds. Her study further revealed that there was very slow growth in the membership in the different cooperatives due to the limited source of membership.



A similar study conducted by Bacakeo (2004) in Tublay, Benguet also showed the same situation. Most of the cooperatives were also closed due to bankruptcy and growth in membership was also very slow because of the limited area of operation, the barangay.

Membership of Cooperatives

According to Fajardo (1999), the members of the cooperative may be either natural or juridical persons depending on the kind of cooperatives. In primary cooperatives, only a natural person who is a citizen of the Philippines is eligible for the membership. While in secondary or tertiary cooperative, members may be either cooperatives or non-profit organization with juridical personality.

There are two (2) kinds of membership classification, the regular members and the associate members. A regular member is one who is entitled to the right and privileges of membership. An associate member is one who has no right to vote, be voted upon, and shall be entitled only to such rights and privileges as the by-laws may provide.



METHODOLOGY

Locale and Time of the Study

The study was conducted in the Bulanao, a barangay of Tabuk, Kalinga. It covered all the existing primary cooperatives in the area namely; Provincial Engineering Office Personnel Multipurpose Cooperative (PEOPMPC), Kalinga Department of Agriculture Employees Multipurpose Cooperative (KDAEMPC), Baguio Ifugao Benguet Abra Kalinga Multipurpose Cooperative (BMPC), Ambigatton Multipurpose Cooperative (AMPC), Southern Tabuk District Teachers Credit Cooperative (STDTCC), Saint William Parish Multipurpose Cooperative (SWPMPC), Taloctoc Multipurpose Cooperative (TMPC), Tannobong Callagdao Multipurpose Cooperative (TCMPC), Tribu Multipurpose Cooperative (TrMPC), Tubule Multipurpose Cooperative (TMPC), and Manganup Banotan Multipurpose Cooperative (Mangba).

This study was conducted from the months of December, 2004 to January, 2005.

Respondents of the Study

The respondents of the study were the managers of the different cooperatives in Tabuk, Kalinga. However, if the manager is not present during the survey, any staff or officer who is familiar with the business operation of the cooperative served as the respondent.



Research Instrument

A prepared survey questionnaire was used in collecting the data but an interview was also done to get other information that were not covered by the survey questionnaire.

Annual reports and financial reports of the cooperative were also used as sources of data regarding the financial status of the cooperatives, the growth in membership as well as the accomplishments of the cooperatives.

Data Analysis

The data collected was tabulated, analyzed and interpreted based on the objectives of the study.



RESULTS AND DISCUSSION

Status of Operation of the Primary Cooperatives In Bulanao, Tabuk

Base on the list of cooperatives registered at the office of the Cooperative Development Authority as of December 2004 there were 11 primary cooperatives currently operating in Bulanao, Tabuk. However, during the conduct of this study it was found that most of these cooperatives were no longer operating. Table 1 presents the status of operation of the 11 cooperatives in Bulanao, Tabuk. Out of the 11 cooperatives, only 4 cooperatives are still operating. The complete name and addresses of these cooperatives are found in Appendix Table 1.

Table 1. Status of operation of the cooperatives in Bulanao, Tabuk

NAME OF COOPERATIVE	STATUS
KDAEMPC	Operational
AMPC	Operational
BMPC	Operational
PEOPMPC	Operational
STDTCC	Non-operational
SWPMPC	Non-operational
TMPC	Non-operational
TCMPC	Non-operational
Tribu MPC	Non-operational
Tubule MPC	Non-operational
Mangba MPC	Non-operational



Services Offered by the Cooperatives

Table 2 shows that seven cooperatives offered multiple service, both credit and consumer services, while four of them offered single service, either credit or consumer service. It was observed also that almost all of the cooperatives that stopped operation offered both consumer and credit services.

This finding shows that majority of the primary cooperatives in Bulanao, Tabuk, Kalinga offered credit and consumer services.

Table 2. Services offered by the cooperatives

NAME OF COOPERATIVE	SERVICES OFFERED
KDAEMPC	Credit/Consumer
AMPC	Credit/Consumer
BMPC	Credit and consumer
PEOPMPC	Credit
STDTCC	Credit/Consumer
SWPMPC	Credit and consumer
TMPC	Consumer
TCMPC	Credit and consumer
Tribu MPC	Credit and consumer
Tribute MPC	Credit and consumer
Mangba MPC	Credit and consumer



Date Registered and Number of Years in Operation

Table 3 presents the date when the cooperatives were registered and the number of years they have operated as of December 2005. This included only the four cooperatives that are still operating since there was no available information on the non-operating cooperatives. The result shows that one of the cooperatives was registered in 1981, two were registered in 1991 and one just registered in 1999. The oldest cooperative in the place had been operating for 19 years while the newest cooperative had been operating for only five years.

Table 3. Date of registration and number of years in operation

NAME OF COOP	YEAR REGISTERED	NO. OF YEARS IN OPERATION
KDAEMPC	1991	14
AMPC	1999	5
BMPC	1981	19
PEOPMPC	1991	14

Area of Operation

The area of operation refers to the area where the members of a cooperative come from. Table 4 shows that 3 of the cooperatives have members coming from all over the province of Kalinga while one cooperative has members coming from the whole municipality of Tabuk. It was also found that PEOPMPC had the highest number of members (288) while KDAEMPC had the lowest number of members (78). The finding



shows that even the cooperatives that had been operating for more than ten years the number of members were low. This maybe because all these cooperatives are found in one barangay and all of them are offering the same type of services.

Table 4. Area of operation of the different cooperatives

NAME OF COOPERATIVE	AREA OF OPERATION
KDAEMPC	Province wide
AMPC	Province wide
BMPC	Municipal wide
PEOPMPC	Province wide

Number of Members in Each Cooperative

Table 5 presents the number of members in each of the cooperative classified into male and female members. It was observed that there were more female members than male members in almost all the cooperatives. It was only KDAEMPC that had more male members the female members. Furthermore, the number of members in all the cooperatives is less than 300. PEOPMPC had the highest number of members with 288 while KDAEMPC had the least number of members with only 78.



Table 5. Number of members in each cooperative by sex

NAME OF COOP	NUMBER OF MEMBERS BY SEX		
	Male	Female	Total
KDAEMPC	42	36	78
AMPC	53	165	218
BMPC	120	124	244
PEOPMPC	141	147	288

Composition of Members

Membership in the different cooperatives in Bulanao, Tabuk consisted mostly of employees. They were either government employees or private employees. It was only KDAEMPC that had some farmer-members as shown in Table 6.

Table 6. Composition of members in the different cooperatives

NAME OF COOPERATIVE	COMPOSITION OF MEMBERS
KDAEMPC	Employees and farmers
AMPC	Employees
BMPC	Employees
PEOPMPC	Employees



Number of BODs and Committee Members

Table 7 presents number of members of the board of directors and the number of members in each of the committee by sex. The least number of BOD is 3 while the highest number is 7. There were 2 cooperatives that have 5 members of the board while 1 each had 3 and 7 members. It was also observed that the total number of male and female members of the board were almost the same. Almost all the cooperatives had three members in each of their committee except for BMPC that had 4 members of the audit committee and AMPC that had 4 members of the election committee. Generally, it was also observed that there were more female members of the different committee in each of the cooperative.

Table 7. Number of BODs and committee members of the different cooperatives

COOP	BOD			AUDIT			CREDIT			ELECTION			EDUCATION		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
KDAEMPC	2	3	5	1	2	3	1	2	3	1	2	3	2	1	3
AMPC	1	2	3	-	3	3	-	3	3	1	3	4	1	-	1
BMPC	4	1	5	3	1	4	-	3	3	3	-	3	1	1	2
PEOPMPC	2	2	4	1	2	3	1	1	2	3	-	3	1	2	3

Legend: M = Male F = Female T = Total

Profile of Officers and Employees

Table 8 presents the profile of employees and officers in terms of age and gender. The finding shows that most of the employees were generally of younger age while majority of the officers were of older age. Twenty six or about 41% of the officers



belonged to the 51-60 years old and 18 or 28% were 41 -50 years old. When it comes to gender, most of the officers and employees were female.

Table 8. Profile of employees and officers

CHARACTERISTIC	OFFICERS		EMPLOYEES	
	Frequency	Percentage	Frequency	Percentage
a. Age				
20 – 30	7	10.9	6	31.6
31 – 40	5	7.8	4	21.1
41 – 50	18	28.1	2	10.5
51 – 60	26	40.6	5	26.3
61 – 70	6	9.4	2	10.5
71 – 80	2	3.1	-	-
Total	64	100	19	100
Mean	49.35 years old		41.65 years old	
b. Sex				
Male	27	44	4	33
Female	34	56	8	77
Total	61	100	12	100

Financial Status of the Cooperatives

This section presents the total asset, total liabilities, total paid-up share capital, and the net surplus of the four operating cooperatives as of December 2004.

Total asset. The total assets of the four operating cooperatives are presented in Table 9. All of the four cooperatives were millionaire cooperatives with PEOPMPC



having the highest total asset with 9.6 million pesos while KDAEMPCI had the lowest total asset with 1.6 million pesos. This finding shows that all the four cooperatives were millionaire cooperatives.

Total liabilities and total share capital. It was observed that KDAEMPCI had a slightly higher total liability than total share capital. For AMPC and BMPC, it was observed that the total paid-up share capital in both cooperative is higher than the total liabilities. The total paid-up share capital for PEOPMPCI was lower than its total liabilities.

Net surplus. BMPC did not have a statement of operation for 2004. For the three cooperatives, PEOPMPC had almost P978,000, AMPC had P111,523 while KDAEMPC had the lowest net surplus in December 2004.

Table 9. Total assets, total liabilities, share capital, and net surplus of the different cooperatives as of December 2003

COOPERATIVE	TOTAL ASSET	TOTAL LIABILITIES	SHARE CAPITAL	NET SURPLUS
KDAEMPCI	1,624,536	697,858	630,738	33,881
AMPC	1,975,972	710,495	1,233,690	111,522
BMPC	5,536,577		1,963,783	-
PEOPMPC	9,603,693		513,600	978,787



Sources of Funds of the Cooperatives

Table 10 presents the different sources of funds of the primary cooperatives. All of the cooperatives sourced out their funds mainly from the share capital of members, deposits of members, loan and fees. Two of these cooperatives availed of subsidies, grants and donations. This shows that majority of the cooperatives got their funds from internal sources and very few availed of external sources of fund.

Table 10. Sources of funds of the cooperatives

SOURCES OF FUND	FREQUENCY	PERCENTAGE
Share Capital	4	100
Revolving Fund	2	50
Deposit of members	4	100
Loan	4	100
Fees	4	100
Grants and donations	2	50

Capital Build-up Program

Table 11 shows the capital build-up programs of the cooperatives in Bulanao, Tabuk. The table presents that the cooperatives used various ways to build-up their capital. The entire cooperative had policy on loan retention. When members loan from the cooperative, a percentage of the loan is deducted and credited to the share capital of the member-borrower. All the cooperatives also accepted savings and time deposit from their members and other persons who wanted to deposit their money in the cooperative.



Table 11. Capital build-up program of the cooperatives

CAPITAL BUILD-UP	FREQUENCY	PERCENTAGE
Authorized retention from loan	4	100
Voluntary savings deposit	4	100
Time deposit	4	100

Seminars Conducted by the Cooperatives

Table 12 presents the kinds of seminar conducted by the four cooperatives and the number of times they conducted for the last five years. The table shows that KDAEMPC conducted seven types of seminar for the last five years; AMPC conducted six types of seminar, while BMPC and PEOMPC conducted one type of seminar each. Each of them conducted only one seminar for the last five years. Strategic planning workshop was conducted by almost all the cooperative except BMPC. It was also noted that all the four cooperatives did not conduct any pre-membership education seminar for the last five years.



Table 12. Kinds of seminar conducted by the cooperatives for the last five years

COOPERATIVE	KIND OF SEMINAR	NO. OF TIMES CONDUCTED
KDAEMPC	Bookkeeping workshop	1
	Savings deposit operating procedure	1
	Financial Management	1
	Credit management for cooperatives	1
	Strategic Planning workshop	1
	Budgeting and finance analysis	1
	BOD, officers and management relations	1
AMPC	Standard auditing for cooperative	1
	Adoption and implementation of the standard chart of account	1
	Asset management	1
	Strategic planning workshop	1
	Capability on lending and development control	1
	Bookkeeping seminar	1
BMPC	Appreciation course on entrepreneurship development	1
PEOMPC	Planning and strategic management seminar	1

Trainings and Seminars Attended

The successful operation and progress of the business of the cooperative can be achieved through training. Officers and employees of the cooperatives had very little attendance to trainings and seminars. This was due to lack of time and money to be used by the members. It was mentioned by all the respondents that they sent some of their



members and staff to attend the seminar on bookkeeping and strategic planning. No other seminar was mentioned.

Compliance to Administrative Requirements

The cooperatives, like any other organizations, are required to comply with some requirements imposed by CDA, BIR, the local government, SSS and DOLE. Table 13 presents the number of cooperatives that were regularly complying with the various administrative requirements.

Compliance with CDA requirements. The CDA requires that cooperatives must secure bond for their accountable officers, register their amendments of their by-laws, issue share capital certificate, have their financial statement audited by an external auditor, submit annual report regularly and hold regular general assembly meeting. The finding shows that all the cooperatives bonded their accountable officers, register their amendments to their by-laws had their financial statements audited and hold regular general assembly meetings but when it comes to regular submission of annual report only 2 of the cooperatives were complying it.

Compliance with BIR requirements. The various requirements imposed by the BIR to the cooperatives were the following: registration of the cooperative as non-EVAT, registration of books of accounts very start of the year, withholding of income taxes of employees and application for tax exemption. The finding shows that all the cooperatives were regularly complying with all the requirements. As to the withholding of taxes of employees two cooperatives were not withholding income taxes of their employees.



Compliance with other government requirements. This includes the following requirements: must secure business permit from the mayor's office every year, for consumers cooperatives; deduct and remit SSS contribution, pag-ibig contribution and Philhealth contribution of employees. Except for securing of business permit with only one cooperative complying, all the cooperatives were complying with all the other requirements.

Table 13. Number of cooperatives complying with administrative requirements

REQUIREMENTS	FREQUENCY	PERCENTAGE
a. CDA Requirements		
Bonding of accountable officers	4	100
Registration of amendments of by-laws	4	100
Issuance of share capital certificate	3	75
External audit of financial statements	4	100
Regular submission of annual report	2	50
Holding of regular general assembly	4	100
b. BIR Requirements		
Registration of the cooperative as non-EVAT	4	100
Registration of books of accounts	4	100
Withholding of income taxes of employees	2	50
Applied for tax exemption	4	100
c. Other Requirements		
Secure business permit every year	1	25
Deduct and remit SSS, Pag-ibig and Philhealth contributions of employees	4	200



Management Practices of the Different Cooperatives

Management practices includes practices in holding general assembly meeting, conduct of election, selection of candidates, and practices in accepting new members. This also includes their affiliation to secondary organizations like the cooperative union or federation; the availability of written vision, mission and goals; and the availability of written development plan. Table 14 presents that all the cooperatives hold their general assembly regularly and they elect their BODs and Committee members during the general assembly. In the election of officers, all the cooperatives used the secret ballot. For the selection of candidates the cooperatives require interested members to file their candidacy instead of nominating them. It was found that all the cooperatives had no written vision, mission and goal statement and they do not have any written development plan.

Table 14. Management practices of the cooperatives

PRACTICES	FREQUENCY	PERCENTAGE
a. General assembly held once a year	4	100
b. Elect officers during the general assembly meeting	4	100
c. Conduct of election by secret ballot	4	100
d. Selection of candidates		
By nomination	2	50
By filing of candidacy	2	50
e. Require new members to undergo PMES	4	100
f. Vision, mission and goal statement is written	0	0
g. development plan is written	0	0



Needs of the Cooperatives

Table 15 shows that 2 or 50% of the cooperatives needed the following trainings or seminars: operation and management, credit and collection management, training for storekeepers, and bookkeeping while 25% of the cooperatives needed the following trainings; how to handle problems, appreciation course on entrepreneurship, project proposal preparation, and financial management.

The other needs of some of the cooperatives were capital build-up, credit sources and building. Some of the cooperatives, as mentioned by the managers had limited operating capital thus they needed outside sources of capital like donations or grants and loans form banks or other cooperatives.

Table 15. Needs of the cooperatives

NEEDS	FREQUENCY	PERCENTAGE
a. Trainings Needed		
Operation and Management	2	50
How to handle problems	1	25
Credit and collection management	2	50
Appreciation course on entrep. development	1	25
Project proposal preparation	1	25
Training for store keepers	2	50
Financial Management	1	25
Bookkeeping	2	50
b. Other needs		
Building	2	50
Working capital	1	25



Problems Encountered by the Cooperatives

Table 16 presents that 50% of the cooperatives each had a problem on the lack of cooperative education of members and delinquency of members in paying their loans. One cooperative each had a problem on the lack of skills of officers to evaluate the financial reports of the cooperative because they were not knowledgeable on financial analysis.

Table 16. Problems of the different cooperatives

PROBLEMS	FREQUENCY	PERCENTAGE
Members lack cooperative education	2	50
Lack of skill to evaluate financial report	2	50
Lack of knowledge on financial analysis	1	25
Members are delinquent in paying their loan	2	50



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study was conducted to determine the profile of the cooperatives; their financial status; their policies and programs; their compliance with the requirements imposed by CDA, DOLE, BIR and the local government; and find out their needs and problems. This study was conducted in Bulanao, Tabuk, Kalinga from April to May 2005. A Survey questionnaire was used to gather the needed data. The managers or officers of the cooperatives served as respondents of the study.

There were eleven primary cooperatives organized within the barangay of Bulanao. However, during the conduct of the study only four were operating while the other seven cooperatives were already closed. Almost all of them have credit and consumers services. Three of the four operating cooperatives operated for more than ten years. Three of these cooperatives had members coming from the whole province of Kalinga while one had members coming from the whole municipality of Tabuk. One had less than one hundred members while three had more than 200 hundred but less than three hundred members.

The membership composition in all the cooperatives was all employees except for one that had farmer members. There were more female members than male members. Majority of the officers of the different cooperatives were 41 to 60 years old while majority of the employees were 20 to 40 years old. Also, majority of the officers and employees were female.



All the cooperatives were millionaire cooperatives in terms of their total asset. There were two cooperatives with more paid-up share capital than liabilities but the other two cooperatives had higher total liabilities than their paid-up share capital. All of them source out their funds from their members in the form of share capital, savings deposit and reserves from net surplus.

To increase their working capital, the cooperatives accepted savings deposit from the public. They also have policy on loan retention which they deduct a small percentage from the member's loan and add it to his/her share capital.

To educate their members, the cooperatives conducted various trainings and seminars. Two cooperatives conducted seven kinds of seminar for the last five years while the other two conducted only one seminar each. Due to lack of funds, very few members were sent to attend training and seminar outside their cooperative.

The finding showed that all the cooperatives had been complying with the different requirements imposed by CDA, BIR, and the local government unit. The findings also indicated that that all the cooperatives conducted their general assembly on an annual basis where they elect their officers during the general assembly. All the cooperatives do not have any written vision, mission and goals and well as written development plan. When asked about their development plan, the respondents mentioned they have but it was not written.

The finding also showed that the cooperatives have various training needs. The common training needs were operation and management training, credit and collection management, training for store keeper, and bookkeeping seminar. They also mentioned that they have problems on lack of education of members, lack of skill on the part of the



officers to evaluate financial reports, and delinquency of members in meeting the schedule of their loan repayment.

Conclusion

From the findings of the study, the following conclusions were drawn:

1. The rate of survival of primary cooperatives in Bulanao, Tabuk is very low. Out of the eleven primary cooperatives organized in different places of Bulanao, only four cooperatives survived and still operating as of December 2004. Three of these surviving cooperatives were institutional cooperatives.
2. Almost all the cooperatives organized in the place were multipurpose cooperatives with the same type of services. They also have the area of operation. Thus, they tend to compete with one another in terms of getting members. Perhaps, some of the members have dual membership so their loyalty is divided between the two cooperatives where they are members.
3. All the cooperatives organized in Bulanao are multipurpose cooperatives and almost all of them are offering both credit and consumer services.
4. All the currently operating cooperatives are millionaire cooperatives in terms of total asset. However, they have a very poor financial condition since the portion of the total asset financed by owners' equity is very low. There is also a very low return to total asset as reflected by the low net surplus.
5. All the cooperatives have a policy on loan retention. They also accept savings and time deposit from the public to augment their operating capital.



6. The cooperatives had been conducting trainings and seminars for the last five years to educate their members. However, members rarely attended seminars outside their cooperative.

Recommendations

1. Since the survival rate of cooperatives in Bulanao, Tabuk is very low, added to the very poor financial standing of the four surviving cooperatives, it is recommended that the Cooperative Development Authority, who is given to task to help in the development of cooperatives in the country should closely monitor the performance of these cooperatives and give the necessary technical advice in order that these cooperatives will not fail.
2. Since the surviving cooperatives are institutional cooperatives, the different institutions where these cooperatives operate should assist them, especially in the collection of loans or receivable by allowing salary deduction.
3. The cooperatives should increase allocation for education and training fund so that more members would be sent to attend trainings and seminars.



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APPENDIX-A

A. Letter to the Respondents

Republic of the Philippines
Benguet State University
College of Agriculture

DEPARTMENT OF AGRICULTURAL ECONOMICS
AND AGRIBUSINESS MANAGEMENT

June 2005

The Manager
The Different Cooperatives of Bulanao, Tabuk

Warm greetings!

I am a fourth year student taking up Bachelor of Science in Agribusiness Major in Cooperative Management in Benguet State University. To fulfill my field of study, I am requested to conduct a research titled "Profile of Cooperatives in Bulanao, Tabuk".

In this connection, may I therefore ask for your cooperation in providing the necessary information about your cooperative.

Thank you very much! May God bless you all.

Respectfully yours,

RIDDLE B. LONGAN
Student researcher

Noted:

EVANGELINE B. CUNGIHAN
Thesis Adviser



B. Survey Questionnaire

PROFILE OF PRIMARY COOPERATIVES IN HUNGDUAN, IFUGAO

SURVEY QUESTIONNAIRE

Direction: Please fill-up the blanks with the needed information and/or check the parenthesis, which fits your answers.

I. GENERAL INFORMATION

1. Name of the cooperative: _____
2. Address: _____
3. Date organized/Start of Operation: _____
4. Date Registered: _____
5. Number of years in operation: _____
6. Area of operation:
 - a. Barangay b. Municipality/city
 - c. Provincial d. Regional
 - e. National f. Others (pls. Specify) _____
7. Sources of Funds:
 - a. Share capital b. revolving capital
 - c. Deposits of members d. Borrowings
 - e. Fees f. Interest on loans
 - g. Others (pls. Specify) _____
8. Capital Build-up Programs



- a. Popularity contest b. Raffle draw
 c. Christmas caroling d. Authorized retention from loans
 e. Mortuary funds f. Special time deposits
 g. voluntary time deposits
 h. Others (pls. Specify) _____

9. Composition of Membership:

- a. Farmers b. Women
 c. Indigenous community d. Vegetable dealers
 e. Business man/woman f. Disabled
 g. Others (pls. Specify) _____

II. Organization and Management

- | | | |
|------------------------|---------|-----------|
| 1. Initial membership: | Regular | Associate |
| Male | _____ | _____ |
| Female | _____ | _____ |

2. Number of BOD members: _____

3. Number of committee members:

- a. Audit _____
 b. Credit _____
 c. Election _____
 d. Education _____
 e. Others (pls. Specify) _____



4. Number of employees:	Fulltime	Part time	Volunteer
Male	_____	_____	_____
Female	_____	_____	_____

1. Demographic Profile of Officers/Employees

	Name(optional)	Sex	Age	Educational Attainment	Civil Status
a. BOD	_____	___	___	_____	_____
Chair person:	_____	___	___	_____	_____
Vice chair person:	_____	___	___	_____	_____
Directors: 1.	_____	___	___	_____	_____
2.	_____	___	___	_____	_____
3.	_____	___	___	_____	_____
4.	_____	___	___	_____	_____
5.	_____	___	___	_____	_____
6.	_____	___	___	_____	_____
7.	_____	___	___	_____	_____
8.	_____	___	___	_____	_____
9.	_____	___	___	_____	_____
Treasurer:	_____	___	___	_____	_____
Secretary:	_____	___	___	_____	_____
b. Committees:					
Audit 1.	_____	___	___	_____	_____
2.	_____	___	___	_____	_____



3. _____

Credit: 1. _____

2. _____

3. _____

Election: 1. _____

2. _____

3. _____

Education: 1. _____

2. _____

3. _____

Others (pls specify) 1. _____

2. _____

3. _____

2. Trainings conducted by the cooperative:

() Cooperative pre membership Education Seminar

() Bookkeeping Workshop

() Savings Deposit Operating Procedure

() Others (pls. Specify) _____

3. Training Attended by the Officers/Employees/Members

() Appreciation Course on Entrepreneurship Development

() Credit Management for cooperative

() Standard Auditing for Cooperatives

() Audit Procedures and Internal Control



- Adoption and Implementation of the Standard Chart of Account
- Asset Management
- Strategic Planning-Workshop Seminar
- Budgeting and Finance Analysis
- Capability on Lending and Delinquent Control
- Board, Officers and Management Relations
- Others (pls. Specify) _____

III. Business Operations

1. Services Offered:

- a. Lending
- b. Trading
- c. Manufacturing
- d. Contract
- e. Transportation
- f. Electric
- g. Savings
- h. Insurance
- i. Others (pls. Specify) _____

2. Other Benefits:

- a. Medical
- d. Mortuary
- b. Dental
- e. Others (pls. Specify)
- c. Education

IV. Development Plan Formulated and Implemented

1. development Plan	Formulated	Implemented
a. Annual	<input type="checkbox"/>	<input type="checkbox"/>
b. Long term	<input type="checkbox"/>	<input type="checkbox"/>

V. Financial Status



Please provide a copy of your financial statements for 2001 and 2002.

VI. Needs and Problems of Cooperative

1. Needs:

a. Education:

- Financial Management Training
- Bookkeeping/Accounting
- Cooperative Operation and Management
- Leadership Training Course
- Trainers Training
- Credit and Collection Management
- Entrepreneurial Skills Development
- Field Trips
- Project Proposal Preparation
- Others (pls. Specify)_____

b. Technical:

- Computerization of Operation
- Others (pls. Specify)

c. Financial:

- Credit Sources
- Subsidies, Grants, Loans
- Sources of funds for expansions
- Others (pls. Specify)



2. Problems:

- a. Lack of cooperative education and training for leaders
- b. Lack of cooperative education and training for members
- c. Inefficient leaders
- d. 50% or more do not patronize the cooperative
- e. Delinquency of members in paying loans
- f. Records are not updated
- g. Lack of capital to sustain the operation
- h. Others (pls. Specify)

VII. What solutions do you suggest to meet these needs and solve the problems.

1. Needs:

- a. Education: _____
- b. Technical: _____
- c. Financial: _____

2. Problems:

- a. _____
- b. _____
- c. _____
- d. _____

