

BIBLIOGRAPHY

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ABSTRACT

The study was conducted in Besao, Mountain Province with 60 active respondents chosen from the members of the Besao Multi-purpose Cooperative. It was conducted to determine the contributions of the Besao Multi-purpose Cooperative to the socio-economic development of its members on the following parameters: a) the socio-demographic profile of the respondents; b) the benefits that were provided by the cooperative to its members; c) the factors contributing to the success of the cooperative; d) the problems encountered in the operation of the cooperative and the recommended solutions to the problems.

A survey questionnaire was used in collecting the data. Data gathered were interpreted through the use of percentages, ranks and frequencies.

The results showed that majority of the respondents belonged to the middle ages, female, married, literate and had been members for the past 11-22 years. The respondents have varied capital share and have limited savings.

The cooperative contributed to the socio-economic development of its members. The economic benefits provided by the cooperative to its members were: availability of



loan/ credit at lower interest; additional income for dividend, patronage refund and h
interest of savings deposit. The social benefits were: access to trainings/ seminars, field
trip; and values formation of honesty, thrift, leadership and unity among members.

The primary factors that contributed to the success of the cooperative were the
presence of efficient, dedicated and honest leaders, regular conduct of audit, adequate
knowledge on cooperative and active participation of the members.

The most prevailing problems encountered by the cooperative were delinquent
borrowers and non-patronage of cooperative services wherein it was recommended that
strict implementation of the cooperatives' policies and for the cooperative to find cheaper
sources of goods to be sold at affordable prices.

The most prevailing problems encountered by the respondents were: non
implementation of policies and regulations and no clear policies and regulations. It was
recommended that policies and regulations must be strictly implemented and should be
clear and transparent to be easily understood.



RESULTS AND DISCUSSION

Socio-demographic Profile of the Respondents

Table 1 presents the socio-demographic profile of the respondents. This includes their age, sex, civil status, educational attainment, number of years as members of the cooperative, their capital share and savings.

Age. The table reflects that 38% of the respondents belonged to the 36-45 years old, 25% to the 46-45 years old, 22% to the 56-65 years old and 10% to the 25-35 years old. Only 5% belonged to the 66-75 years old. This finding implies that majority of the respondents belonged to the middle ages.

Sex. The results show that 57% of the respondents were females and 43% were males. The data implies that majority of the members are females.

Civil Status. Most of the respondents were married (47%). Only 15% were single and 5% were widowed. This is similar to the statement of Estima (2006) that married people are more interested to be a member of the cooperative because they had greater needs to support their family.

Educational Attainment. The results shows that 45% of the respondents attained college level, 30% had reach high school level, 20% elementary level education and 5% had no formal schooling. This shows that most of the respondents were literate.

Number of years for membership. The finding shows that 32% of the respondents were members of the cooperative for 11-16 years, 27% for 17-22 years, 23% for 5-10 years, 15% for 23-28 years and 3% for 29-35 years. The data reveals that most of the respondents were registered as members for the past 11-22 years.



Table 1. Socio-demographic profile of the respondents

PARTICULARS	FREQUENCY (F)	PERCENTAGE (%)
Age		
25-35	6	10.00
36-45	23	33.00
46-55	15	25.00
56-65	13	22.00
66-75	3	5.00
TOTAL	60	100.00
Sex		
Females	34	57.00
Males	26	43.00
TOTAL	60	100.00
Civil Status		
Single	9	15.00
Married	46	77.00
Widow/ widower	5	8.00
TOTAL	60	100.00
Educational Attainment		
Elementary	12	20.00
High school	18	30.00
College	27	45.00
No formal schooling	3	5.00
TOTAL	60	100.00
Years of membership		
5-10	14	23.00
11-16	19	32.00
17-22	16	27.00
23-28	9	15.00
29-35	2	3.00
TOTAL	60	100.00



Table 1 continued...

PARTICULARS	FREQUENCY (F)	PERCENTAGE (%)
Capital Share		
P10,000.00- P15,000.00	18	30.00
P16,000.00- P20,000.00	3	5.00
P21,000.00- P25,000.00	15	25.00
P26,000.00- P30,000.00	11	18.00
P31,000.00 and more	13	22.00
TOTAL	60	100.00
Savings		
P500.00 and less	1	2.00
P501.00- P1,000.00	3	5.00
P1,001.00- P2,000.00	8	13.00
P2,001.00- P3,000.00	5	8.00
P3,001.00 and more	22	37.00
none	21	35.00
TOTAL	60	100.00

Capital share. Capital share refers to the amount that a member of a cooperative should invest as required by the cooperative. The result shows that 30 % of the respondents had P10,000.00- P15,000.00 capital share, 25% had P21,000.00-P25,000.00, 22% had P31,000.00 and more, 18% had P26,000.00- P30,000.00 and 5% had P16,000.00- P20,000.00. This shows that members' capital share varied.

Savings. Savings refers to the amount deposited by the members of a cooperative. Thirty seven or 37% of the respondents had P3,000.00 and more savings deposit in the cooperative, 35% had no savings, 13% had P1,001.00- P2,000.00, 8% had P2,001.00- P3,000.00, 5% had P501.00- P1,000.00 and 2% had P500.00 and below savings deposit. This shows that most of the respondents have limited or no savings deposit at all.



Socio-economic Benefits Provided by the Cooperative to its Members

Tables 2 and 3 shows the socio-economic benefits derived from the cooperative.

Economic benefits. The economic benefits as shown in Table 2 were: credit/ loan at low interest rates, 93.33%; additional income in the form of interest or dividend for their investments (share capital), 83.33%; and 75 % said that it provided quality service (consumer service). It was noted from the respondents that they availed of the consumer service at the same time enjoyed patronage refund.

The finding implies that most of the respondents availed of credit or loan; it is the easiest source of needed capital at low and affordable interest rate. This means that the Besao Multi- purpose Cooperative complied with the pronouncement of the Cooperative Development Authority that economic benefits may come in the form of lower interest on loans, dividends on share capital and higher interest on savings deposit than other government banks.

This result corroborates the findings of Culaling (2004) that most people join cooperatives for economic reasons. They look up to the cooperatives to help them purchase supplies, provide loans and for many other services.

Table 2. Economic benefits provided by the cooperative to its members

ECONOMIC BENEFITS	FREQUENCY (F)	PERCENTAGE (%)
Provided credit/ loan at low interest rates	56	93.33
Provided additional income for the higher interest on their savings deposit, dividend for investments (capital share) and patronage refund	50	83.33
Provided quality service (consumer service)	45	75.00

*Multiple responses



Social benefits. Table 3 shows the social benefits that the cooperative provided to their members. The finding shows that development of unity within the community (4.35) was strongly agreed by the respondents as one of the social benefit they derived. They also agreed that the cooperative provided seminars/ trainings (4.08); recreational activity by visiting other places through cooperative field trips and seminars (3.40); development of thriftiness and honesty (4.18); and leadership capabilities (3.62). Respondents were not certain whether they acquired knowledge on basic cooperative management (3.38) and skill on bookkeeping and accounting (3.28). On the average, the respondents were agreeable that they were provided social benefits by the cooperative with a mean of 3.75.

Table 3. Social benefits provided by the cooperative to its members

SOCIAL BENEFITS	WEIGHTED MEAN	DESCRIPTION
Attended seminar/ training	4.08	Agree
Participated recreational activity by visiting other places through cooperative field trips and seminar	3.40	Agree
Acquired knowledge on basic management	3.38	Undecided
Acquired skill on bookkeeping and accounting	3.28	Undecided
Developed honesty and thriftiness	4.18	Agree
Developed leadership capabilities	3.62	Agree
Developed unity within the community	4.35	Strongly Agree
AVERAGE MEAN	3.75	Agree

Legend:

1.0- 1.79 Strongly Disagree	3.40- 4.19 Agree
1.80- 2.59 Disagree	4.20- 5.0 Strongly Agree
2.60- 3.39 Undecided	



This means that the cooperative contributed to the social development of its members.

The findings affirm the claims of the Cooperative Development Authority that other benefits derived from cooperatives are: development of the habit of thrift and saving, cooperative serves as a training ground for its members in democratic leadership and develop unity within the community because cooperative teaches its members be a better individual and a better member of society.

Further, according to Pagdanganan (1995), cooperative do not only promote savings- consciousness and credit- worthiness but most importantly, it is a tool for people empowerment. It is a guarantee toward correcting the basic inequities in society by welcoming the people at the grassroots into the mainstream of national life. For in the final analysis, the real benefit of cooperative goes beyond statistics.

The findings on the social and economic benefits corroborates with the statement of Rodriguez- Bautista (2004) that cooperative is a practical vehicle for promoting self-reliance and harnessing people towards the attainment of economic development and social justice.

Services Availed by the Respondents

Table 4 shows the services of the cooperative that were availed by the respondents. Findings reflect that the respondents frequently availed of loan or credit (3.75), they sometimes have savings deposit (2.32), rarely availed of hospitalization assistance (2.08) and never made time deposit (1.35) as indicated in their weighted mean. This shows that most of the services availed by the members was the credit and loans services.

Table 4. Services availed by the respondents



SERVICES	WEIGHTED MEAN	DESCRIPTION
Savings deposit	2.32	Sometimes
Time deposit	1.35	Never
Hospitalization assistance	2.08	Rarely
Credit or loan	3.75	Always

Legend:

- 1.0-1.59 Never
- 1.60-2.19 Rarely
- 2.20- 2.79 Sometimes
- 2.80-3.39 Very often
- 3.40- 4.0 Always

Utilization of Credit or Loan from the Cooperative by the Members

Most of the respondents, 93.33%, said that they obtained credit or loan from the cooperative while only 6.67% said that they did not avail of credit or loan from the cooperative. This is similar with the findings of Estima (2006) where most of the respondents claimed that they obtained loan from their cooperative in La Trinidad.

Table 5 shows the ways on how the credit/ loan from the cooperative helped the respondents. The result reveals that most of the credit or loan availed from the cooperative were used in the improvement of their houses (90.00%), payment of school fees of their children and/or siblings in school (83.33%). The others used their loans for buying home appliances, 8.33%; capital for a sari-sari store and buying house and/or lot, 3.33%; only few of them used their loan for capitalization of a clothing/ boutique shop, for personal needs and finance a child to go abroad.

Table 5. Utilization of the credit/ loan by the respondents



USES	FREQUENCY (F)	PERCENTAGE (%)
Improvement of house	54	90.00
Payment for school fees of children and/ siblings in school	50	83.33
Bought home appliances	5	8.33
Bought house and/ or lot	2	3.33
Capital for a sari- sari store	2	3.33
Capital for a clothing/ boutique shop	1	1.67
For personal needs	1	1.67
Finance a child to go abroad	1	1.67

* Multiple responses

The finding implies that the respondents had benefited from the credit/ loan in various ways. These findings are similar with that of Sukaw (2009) that loans obtained from the cooperative in Itogon were used to finance education of their children, for capital in business to earn more income, construct/repair their houses, finance their children/ relatives to go abroad and to buy home equipments/appliances.

The findings also affirm the statement of Fajardo (1999) that contributions of cooperatives to the welfare of the poor are many and varied. People were able to build or improve their house send their children to school and acquire needs through their cooperative.



Factors that Contributed to the Success of the Cooperative

Table 6 shows the factors that contributed to the success of the cooperative. The respondents have strongly agreed that efficient, dedicated and honest leaders (4.45), conduct of audit and adequate knowledge on cooperative (4.32) and active participation of members (4.33) were the factors that contributed to the success of the cooperative. Proper record keeping (4.00), strict implementation of policies (3.78), on time payment of loans on maturity date (3.68) and regular attendance of members during assembly meetings (4.17) were simply agreed by the respondents to have contributed to the success of the cooperative. Respondents were undecided if good payer members (3.32) is one of the factors that contributed to the cooperative's success because they knew that not all members are not good payers.

The finding implies that dedication and honesty of the cooperative leaders and staff, regular conduct of audit, adequate knowledge on cooperative and active participation of the members greatly affects the success of the cooperative. This confirms the statement of Fajardo and Abella (1993) that an important factor in the success of a cooperative organization is the presence of capable and dedicated leaders in the community. These are people who are expected to provide guidance and support to the cooperative. Leaders are the people who promote more active membership participation. Without qualified leaders, the association will lack direction and will be susceptible to outside control.

Similarly, Onogan (1993) as cited by Lam-osen (2002) stated that in general, quality and responsibility of both members and officers of a certain cooperative will result to a high rate of success. Thus, all members of a certain cooperative will result to a

Table 6. Factors that contributed to the success of the cooperative



FACTORS	WEIGHTED MEAN	DESCRIPTION
Efficient, dedicated and honest leaders	4.45	Strongly Agree
Proper record keeping	4.00	Agree
Conduct of audit	4.32	Strongly Agree
Strict implementation of policies	3.78	Agree
Active participation of members	4.33	Strongly Agree
On time payment of loans on maturity date	3.68	Agree
Adequate knowledge on cooperative	4.32	Strongly Agree
Good payer members	3.32	Undecided
Regular attendance of members during assembly meetings	4.17	Agree

Legend:

- 1.0- 1.79 Strongly Disagree
- 1.80- 2.59 Disagree
- 2.60- 3.39 Undecided
- 3.40- 4.19 Agree
- 4.20- 5.0 Strongly Agree

high degree of loyalty of members towards their association and their responsibility in supporting the financial needs of the cooperative gives a lot of contributions to the progress of the cooperative.

According to McGrath (1969) as cited by Coyupan (1993) education and training are essential to the success of business undertakings and cooperatives. In fact, evidence is growing that if cooperatives are to thrive in a highly competitive world at the same time maintain their democratic character, they must place increasing emphasis on the education of members and training of personnel.



Problems Encountered in the Operations of the Cooperative

Problems encountered in the operations of the cooperative were: delinquent borrowers were rank as the most prevailing problem with a weighted mean of 1.12. Followed by some members were not patronizing the cooperative (2.75) because their prices of goods were higher as compared to the other establishments; inefficient collection method by the cooperative with a weighted mean of 5.00 because there are still delinquent borrowers; and lack of government support services with a weighted mean of 5.35.

Problems encountered by the respondents were: non implementation of policies and regulations with a weighted mean of 5.49; no clear policies and regulations (5.68); lack of dedicated officers (6.30); inefficient cooperative education and training of management staff on bookkeeping and accounting (6.44) and lack of skills on financial analysis (6.82).

The finding implies that some members cannot pay their loans on time. Aglamas (2006) in his study found out that delinquent loan was one of the problems encountered by the Lutheran Cooperative in Guinzadan, Bauko. This shows that even though a cooperative is said to be successful, there are still problems encountered with regards to its operation. This proves the statement of Ayson (2008) that despite the importance and progress brought about by the cooperative; there are problems and constraints within the cooperative itself which may determine its success or failure.

Furthermore, this proves the investigation of Lam-en (1999) of the management problems of cooperatives in Mountain Province that problems encountered were loans often become delinquent and inefficient collection methods by the cooperative.

Table 7. Problems encountered in the operation of the cooperative



PROBLEMS	WEIGHTED MEAN	RANK
<u>By the cooperative</u>		
Delinquent borrowers	1.12	1
Some members were not patronizing the cooperative	2.75	2
Inefficient collection methods by the cooperative	5.00	3
Lack of government support services	5.35	4
<u>By the respondents</u>		
Non implementation of policies/ regulations	5.49	1
No clear policies and regulations	5.68	2
Lack of dedicated officers	6.30	3
Insufficient cooperative education and training of management on bookkeeping and accounting	6.44	4
Lack of skills of management on financial analysis	6.82	5

Recommended Solutions Suggested
As by the Respondents

In Table 8, the recommended solutions to the problems as suggested by the respondents are shown. The cooperative should issue notices to delinquent borrowers in advance (36.67%) and do house to house collection of payment (31.67%). The policies and regulations must be strictly implemented (33.33%). The cooperative should require collateral and increase penalty to borrowers (26.67%) and members should pay their loans regularly to be of good standing (21.67%). The collecting officers should also

Table 8. Recommended solutions to the problems by the respondents



RECOMMENDED SOLUTIONS	FREQUENCY (F)	PERCENTAGE (%)
Members should pay loans on time to be of good standing.	22	36.67
Policies and regulations must be strictly implemented.	20	33.33
Issuing notices to delinquent borrowers in advance should be done.	19	31.67
Require collateral and increase penalty for delinquent borrowers.	16	26.67
Cooperative staff should do house to house collection of payment.	13	21.67
Collecting officers should attend trainings and seminars about credit collection.	13	21.67
Cooperative staff/ employees should attend trainings and seminars that would help enhance their capabilities in bookkeeping, accounting and financial management.	12	20.00
Members should select the best officers to manage their own cooperative.	12	20.00
Prices of goods should be comparable with the other stores.	10	16.67
The cooperative should be active in partnering with the government for cooperative related programs.	9	15.00
Management should be competent and hardworking.	8	13.33
Encourage members to patronize the cooperative through its education committee	7	11.67
Policies and regulations must be clear and transparent to be easily understood by members.	6	10.00
Proper documentation and recording in all transactions must be done.	5	8.33



attend trainings and seminars about credit collection (21.67%). The management should attend trainings and seminars that would help enhance their capabilities in bookkeeping, accounting and financial analysis (20.00%). The members should elect the best officers to manage their own cooperative (20.00%). The prices of goods sold by the cooperative should be comparable with the other stores within the area (16.67%). The cooperative should be an active partner in cooperative related programs (15.00%).

Further the management staff should be competent and hardworking (13.33%). In order for members to patronize the cooperative, the management should encourage them through the education committee (11.67%). The policies and regulations must be clear and transparent to be easily understood by the members (8.33%) and proper documentation and recording (10.00%) in all transactions must be done.



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

The study aimed to find out the contributions of the Besao Multi-purpose Cooperative to the socio-economic development of its members on the following parameters: a) the socio-demographic profile of the respondents; b) the perceived benefits that were provided by the cooperative to its members; c) the factors contributing to the success of the cooperative; d) the problems encountered in the operations of the cooperative and the recommended solutions to the problems. It was conducted from December 2011 to January 2012. There were 60 active respondents chosen from the members of the Besao Multi-purpose Cooperative.

The results of the study showed that majority of the respondents were from 36 years old to 45 years old, female, married, had undergone formal schooling and had been members for the past 11-22 years. Most of the respondents had a capital share of P10, 000.00 to P15, 000.00 and savings of P3, 000.00 and more.

The economic benefits obtained were as follows: provided additional income through the higher interest on their savings deposit, dividend for investment (capital share) and patronage refund; provided credit/ loan at low interest; and quality service (consumer service).

The social benefits obtained from the cooperative were the provision of seminar/ training and recreational activity by visiting other places through cooperative field trips and seminars, development of honesty and thrifty traits, leadership capabilities and unity within the community.



The most availed service of the cooperative was the credit or loan. Loans obtained from the cooperative were used in the improvement of their houses, payment of school fees of their children and/or siblings in school. The others were used for buying home appliances, capital for a sari-sari store and buying house and/or lot, capital for a clothing/boutique shop, for personal needs and finance a child to go abroad.

The factors that contributed to the success of the cooperative were: the presence of efficient, dedicated and honest leaders; proper record keeping; conduct of audit; strict implementation of policies; active participation of members; on time payment of loans; adequate knowledge on cooperative; and regular attendance of members during assembly meetings.

Problems encountered by the cooperative were: delinquent borrowers, some members were not patronizing the cooperative, inefficient collection method by the cooperative and lack of government support services.

Problems encountered by the respondents were: non implementation of policies and regulations, no clear policies and regulations, lack of dedicated officers; inefficient cooperative education and training of management staff on bookkeeping and accounting; and lack of skills on financial analysis.

The recommended solutions as suggested by the respondents are as follows: the cooperative should require collateral and increase penalty, issue notices to delinquent borrowers in advance, do house to house collection of payment and members should be good borrowers by paying their loans regularly. The policies and regulations must be clear and transparent to be easily understood and should be strictly implemented; and proper documentation and communication in all transactions must be done. The management



should attend trainings and seminars that would help enhance their capabilities in bookkeeping and accounting and financial analysis. Further, a hardworking and competent accountant/ staff should be hired to take care of the cooperative financial management. The collecting officers should also attend trainings and seminars about credit collection. The cooperative should be an active partner with the government on cooperative related programs. The members should elect the best officers to manage their own cooperative. In order for members to patronize the cooperative, the management should encourage them through the education committee. The prices of goods sold by the cooperative should be comparable with the other stores.

Conclusions

Based on the findings, the following conclusions were drawn:

1. Most of the members of the cooperative belonged to the middle ages, female, married, literate and had been members for the past 11-22 years. They have varied capital share and limited savings.
2. The economic benefits provided by the cooperative to its members were: availability of loan/ credit at lower interest; and additional income for dividend, patronage refund and higher interest of savings deposit. The social benefits were: access to trainings/ seminars and field trips; and values formation of honesty, thrift, leadership and unity among members.
3. The primary factors that contributed to the success of the cooperative were the presence of efficient, dedicated and honest leaders, regular conduct of audit, adequate knowledge on cooperative and active participation of the members; and



4. The most prevailing problems encountered by the respondents were delinquent borrowers and non patronage of its members. Recommended solutions were strict implementation of cooperative policies and prices of the goods sold by the cooperative should be comparable with other stores within the locality. The most prevailing problems encountered by the respondents were: non implementation of policies and regulations and no clear policies and regulations. It was recommended that policies and regulations must be strictly implemented and should be clear and transparent to be easily understood.

Recommendations

Based on the findings and conclusions, the following recommendations were drawn:

1. Policies/ regulations should be strictly implemented like penalties on delinquent borrowers.
2. The cooperative should look for suppliers who have lower prices so that the prices of their goods would be comparable to other establishments.
3. The cooperative should have continuous education to enhance values, skills and capabilities of its management staff and members.
4. Further studies maybe done to establish a more detailed socio-economic base line data for easy assessment of the cooperative's contribution to its members and the community.



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