

**REPORT ON
TRAINING
ON
RLF & SAVINGS BASIC
INFORMATION
FOR INDISCO-ARMM**

by
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1. BACKGROUND

An initial training on RLF Management under the INDISCO-ARMM project has been conducted prior to the commencement of the loan operations in May 1996. After their training, the Extension Workers re-echoed the concepts and proceedings of RLF in their respective project sites and established the necessary structures at the onset of the lending operations. The total RLF amount has been divided over the four project sites under the INDISCO-ARMM for onward lending. The first loans to the members were disbursed in May 1996. So far only one report indicating specific numbers on the loan operations has been submitted despite several requests.

INDISCO-ARMM project operations ceased in February 1997, when the first phase of the project ended and the new phase had not yet started. In the meantime project operations were taken over by the Regional Planning and Development Office under the ARMM government. Upon their request the present training on RLF, with a more specific focus on capital formation and repayments, was conducted for RLF credit committee members of the four project sites.

The RLF and Savings Basic Information Training for Upi and Sultan Kudarat participants took place on 24-25 June 1997 in Sultan Kudarat and the training for participants from Dayawan and Tugaya on 27-28 June 1997.

2. The PARTICIPANTS

The intended participants were the members of the RLF credit committees in Upi, Sultan Kudarat, Dayawan and Tugaya. Also, the RPDO officials, responsible for the INDISCO - ARMM project, would participate¹.

In the first training there were 15 participants from the Sultan Kudarat Loom Weavers Association, 2 RPDO officials and the Extension Worker who is still active although her contract expired. The members from Upi did not join the training. The reason given was a lack of transport facilities.

Six participants from Tugaya, 14 from Dayawan and 2 RPDO officials attended the second training in Dayawan². Their educational background varied from illiterate to college graduate³.

¹ The participants from Sultan Kudarat and Dayawan were all female, since their organisations have only female members. For the same reason the participants from Tugaya were all male.

² Due to security constraints, the second day of the training for participants of Dayawan and Tugaya was held in Illigan and only 2 participants from each site joined the training.

³ A list of participants is attached as annex 1.

The training was conducted by the INDISCO Associate Expert, Ms. Knapen, and she was assisted in the session on values and the evaluation by RPDO officials, who also provided the translations during the whole training.

3. PROGRAMME of ACTIVITIES

The purpose of the RLF and Savings Basic Information training is to review together with the participants the RLF basic concepts and operations after one year of operations. Participants learn how to maintain the fund properly and will be able to calculate service fee repayment schedules and prepare records for proper monitoring. Additional focus was given to capital formation and stimulation of repayments⁴.

4. METHODOLOGY

Lectures and workshops were alternately used during the training. An RLF Simulation Game was developed to visualise the basic RLF concepts. Capital formation and maintenance of the fund were discussed in plenary sessions. During workshop sessions participants were requested to set up estimated receivable ledgers and monthly RLF statements for repayments based on their actual records.

5. PROCEEDINGS

5.1 *Opening*

After the invocation by one of the participants the rationale and programme of the RLF and Savings Basic Information Training was explained by the INDISCO Associate Expert. See also sections 3 and 4 above.

5.2 *RLF Concepts*

Through an RLF Simulation Game the participants gained insight in the concept of "revolving". Because different situations were played, the participants could see the

⁴ The programme of activities is attached as annex 2.

influence on the RLF of operational costs and service fee, non and late repayment and savings. Other important concepts were lectured.

5.3 Values

Islamic values were summarised by the RPDO official in Sultan Kudarat and by one of the participants in Dayawan. The participants were requested to give examples of each value which could be of assistance to the RLF operations.

5.4 RLF Maintenance and Capital Formation

In a lecture it was explained to the participants that the best ways to maintain the RLF is through (in time) repayments in cash, screening of the loan proposal and character of the borrower, service fee and savings. Savings form the basis for capital formation.

5.5 Review of existing application and feasibility formats

After presentation of the application forms used by the groups, it was found out that the present forms are not very detailed and suggestions were discussed for improvement. During the operations no feasibility reports are made because borrowers use their loans for the same kind of activity, i.e. weaving or brass making.

5.6 Receivable Ledgers

By demonstrating different examples of disbursement (in one time or in installments) and repayment schedules (monthly or lump sum), the participants became aware of the impact of the different systems on the amount of the service fee. The participants were advised to keep a scheduled and an actual receivable ledger for each borrower in order to facilitate tracking the due and actual repayments. Members from each project site prepared the scheduled receivable ledgers for their outstanding loans.

5.7 Monitoring and recording

Monitoring of the outstanding loans is based on good records. Apart from the Scheduled and Actual Receivable Ledgers, which indicate the loan and service fee repayment schedule for one individual borrower, the RLF credit committee will prepare monthly statements for repayments and savings in which the due and actual repayments as well as the savings are recorded. The members from each project site were requested to prepare monthly statements on repayments for 2 different months in 1996. Due to lacking documentation on actual repayments the statements were not complete.

5.8 Consultations

RLF Credit Committees

During the training it was noticed that none of the sites had set up separate committees for RLF management. All the work in the field of RLF as well as in other fields was being undertaken by the officers of their respective BOT's. It was suggested to establish separate committees for RLF, marketing and other activities to lessen the burden of the BOT members and also because RLF operations should not be mingled with the other activities of the associations or cooperatives.

Marketing of products

In all the project sites the loan operations were hindered in a large extent by lack of a market for their products. Repayments were usually made in kind instead of in cash, which as a result prolonged the revolvment of the RLF. In order to improve the RLF operations the problem of marketing should be resolved first. The marketing specialist which was hired in the last quarter of 1996 for a 3 month period, has not been able to improve the situation. Since no funds are available until the second phase of the INDISCO-ARMM project will be signed, and since we do not know if and when this will happen, participants were advised firstly, to undertake a simple marketing survey to identify which kind of products are in demand at the market and secondly, to build up linkages with existing business outlets.

5.9 Evaluation

The evaluation sessions were led by the RPDO officials. Participants expressed that through the RLF Simulation Game, which gave them a good insight in RLF concepts, and the lectures and workshop sessions they were able to understand RLF management better. They attended the initial RLF training a year ago but were not fully able to grasp the notion of RLF because it was only lecture and the theories were not practiced unlike in this training. It would have been better if the present training would have been held earlier.

6 CONCLUSIONS and RECOMMENDATIONS

RPDO was requested to select 6 members of the RLF Credit Committee from each project site to attend the training. Upi did not send any candidates and the candidates for Sultan Kudarat and Dayawan were almost double. The presence of participants varied during the whole training period, but a core group attended all the sessions. This could be ascribed to the fact that the participants of 2 of the project sites were all women who had

household responsibilities at the same time. Also the background of the participants varied from illiterate to college graduate and part of the training was very technical and difficult to grasp for all participants.

During the training it became clear that no RLF Credit Committees existed. It was therefore recommended that each site should establish a RLF Credit Committee of approximately 6 members in charge of the RLF management.

The RLF Simulation Game was pilot tested and was highly appreciated by the participants. The game visualised and therefore facilitated the understanding of several RLF concepts. Already during the game links were drawn to their own RLF operations and it surfaced several questions. The Game was found a useful instrument in early trainings on RLF and its use in other such trainings is recommended. The Game has been attached as annex 3.

In theory participants should be able to understand that repayment in kind is not acceptable to the RLF, since it will stop revolving after some time. However, marketing of their products is a major problem which has to be solved in order to proceed the lending operations in future. Marketing needs to be one of the main items to be addressed under the second phase of the INDISCO-ARMM project. If the second phase is not likely to start soon, other sources have to be sought for assistance in their marketing.

The participants understand the importance of savings in order to build up capital. However, it seems likely that savings are not easily accumulated in Muslim groups because Muslims do not recognise interest: savings are rewarded through Loss and Profit Sharing (LPS). It is questionable if savers would be willing to share in the loss of the RLF operations. One of the solutions lies in the division of the loss and profit shares. Savers should get a bigger part in case of profit and a lower part in case of losses. It is up to the associations and cooperatives to set up policies on the LPS.

After the lectures and practice during the workshops on receivable ledgers and monthly statements on repayments, the participants should be able to use these monitoring instruments fully in their RLF operations. However, through experiences in the past with the INDISCO pilot projects in the Philippines, it was noticed that reporting is not adequate. We still hope that monthly statements for repayments and savings will be prepared and submitted, not only for monitoring purposes at national level but also at ARMM project level.

Through the RLF and Savings Basic Information training and separate consultations the RPDO officials are now fully aware on RLF management and their role. RPDO is expected to assist the project sites in RLF operations and will assemble the monthly statements on repayments and savings as well as the 6 monthly progress reports.

No comments were made on the English language which was used as medium. It is therefore assumed that the regular translations were adequate.

7 FOLLOW-UP ACTIONS

Monitoring of the INDISCO-ARMM RLF operations at national level will be done through the monthly statements on repayments and savings, which have to be submitted on a monthly basis by the RPDO office. RPDO will be reminded on this regularly.

RPDO will re-echo the RLF and Savings Basic Information training to the project site in Upi.

The marketing problem will be looked into at project and national level.

RLF SIMULATION GAME

The RLF simulation game visualises the main concepts of Revolving Loan Funds. By playing the RLF simulation game the participants will gain an insight in concepts such as “revolving” and “interest or service charges to cover operational costs”. Also, it will demonstrate the participants the consequences of non and late repayments and savings towards the RLF.

The game is played with *9 players, one guardian* of the RLF and operational expenses fund, which contains the interest or service fee, and *one person who records* the proceedings of the game on the blackboard. The amount of players could be expanded, however the reduction of players might lead to unclear results and therefore the concepts might not be fully understood. The game will take approximately 2 to 2.5 hours, including the explanations of the RLF concepts.

The fund guardian will use one glass bowl for the RLF and one for the operational expenses so that the players are able to see the status of the RLF and operational expense fund at any time. Each player should prepare the following format on A4 or A5 size:

Own capital	Loan	Profit

At the start each player gets 3 green candies as own capital and these should be placed on each players sheet under “own capital”. 12 orange candies will be put in the RLF glass bowl. While lending it is assumed that one loan is 4 candies and the repayment is one candy per month. At the time of the last repayment the player should get 2 green candies to indicate that an income has been made by good use of the loan in their business. It should be explicitly mentioned that the 2 candies are not a bonus for good repayment. As

soon as the RLF contains a minimum of 4 candies, a new loan can be given out until all players have obtained a loan.

At the end of each game, the players should be encouraged to report what has happened during the game. The differences in comparison with the previous games should be recognised.

After every game the players have to return the candies which they have accumulated during the game, but should keep their 2 green candies (own capital), in order to simplify comparability between the various situations simulated in the various games.

GAME 1 "REVOLVING"

The players receive a loan of 4 candies until the fund is exhausted. The game will go as follows:

time	A	B	C	D	E	F	G	H	I	RLF
0	4 D	4 D	4 D							0
1	1	1	1							3
2	1	1	1	4 D						6-4=2
3	1	1	1	1	4 D					6-4=2
4	<u>1</u>	<u>1</u>	<u>1</u>	1	1	4 D				7-4=3
5				1	1	1	4 D			6-4=2
6				<u>1</u>	1	1	1	4 D		6-4=2
7					<u>1</u>	1	1	1	4 D	6-4=2
8						<u>1</u>	1	1	1	6
9							<u>1</u>	1	1	9
10								<u>1</u>	1	11
11									<u>1</u>	12

D= disbursed

The participants should understand now that:

Although the 12 candies at the start were not enough to give all the players a loan at the same time, as soon as the first borrowers start paying back the other players can take a loan. This is the concept of "revolving". After 11 months (weeks/days) all the players have received and repaid their loan. The amount of candies in the RLF before and after the game is the same.

GAME 2 "OPERATIONAL COST"

A. *Operational Cost from RLF*

In the previous game the operational expenses have not been taken into account. In this game it is assumed that the expenses which have to be made to operate the RLF system for expenses such as transport, supplies, salaries, or others, amount to one candy per loan. The first candy therefore has to be paid to the operational expense fund and the remaining 3 will be repaid in the RLF. The game will go as follows:

time	A	B	C	D	E	F	G	H	I	RLF	SF
0	4 D	4 D	4 D							0	0
1	1 SF	1 SF	1 SF							0	3
2	1	1	1							3	3
3	1	1	1	4 D						6-4=2	3
4	<u>1</u>	<u>1</u>	<u>1</u>	1 SF	4 D					5-4=1	4
5				1	1 SF					2	5
6				1	1	4 D				4-4=0	5
7				<u>1</u>	1	1 SF				2	6
8					<u>1</u>	1	4 D			4-4=0	6
9						1	1 SF			1	7
10						<u>1</u>	1			3	7
11							1	4 D		4-4=0	7
12							<u>1</u>	1 SF		1	8
13								1		2	8
14								1		3	8
15								<u>1</u>	4 D	4-4=0	8
16									1 SF	0	9
17									1	1	9
18									1	2	9
19									<u>1</u>	3	9

SF= service fee

The participants should understand now that:

By covering the operational expenses from the RLF, after some time the RLF amount will decrease. As a consequence, firstly it takes longer to revolve the RLF (19 months) and players have to wait longer before they receive a loan. Secondly the RLF will run out after some time and no new loans can be given out anymore.

B. *Operational Cost from Own Capital*

The operational expenses will now be paid from the own capital of the players, that is the green candies.

time	A	B	C	D	E	F	G	H	I	RLF	SF
0	4 D	4 D	4 D							0	0
1	1 SF	1 SF	1 SF							0	3
2	1	1	1							3	3
3	1	1	1	4 D						6-4=2	3
4	1	1	1	1 SF	4 D					5-4=1	4
5	<u>1</u>	<u>1</u>	<u>1</u>	1	1 SF	4 D				5-4=1	5
6				1	1	1 SF				3	6
7				1	1	1	4 D			6-4=2	6
8				<u>1</u>	1	1	1 SF	4 D		5-4=1	7
9					<u>1</u>	1	1	1 SF	4 D	4-4=0	8
10						<u>1</u>	1	1	1 SF	3	9
11							1	1	1	6	9
12							<u>1</u>	1	1	9	9
13								<u>1</u>	1	11	9
14									<u>1</u>	12	9

The participants should understand now that:

The total amount of candies before and after the game is still 12. Therefore, by paying the operational costs with their own capital, the RLF amount will not be affected. Also instead of 19 months as in the previous game, it now takes only 14 months to revolve the fund once. This means that players can obtain a loan much faster under the present conditions.

GAME 3 NON OR LATE REPAYMENT

A. *Non Repayment*

Without informing the other players, player C will be instructed not to pay back the loan. The game will go as follows:

time	A	B	C	D	E	F	G	H	I	RLF	SF
0	4 D	4 D	4 D							0	0
1	1 SF	1 SF	-							0	2
2	1	1	-							2	2
3	1	1	-	4 D						4-4=0	2
4	1	1	-	1 SF						2	3
5	<u>1</u>	<u>1</u>	-	1	4 D					5-4=1	3
6			-	1	1 SF					2	4
7			-	1	1	4 D				4-4=0	4
8			-	<u>1</u>	1	1 SF				2	5
9			-		1	1	4 D			4-4=0	5
10			-		<u>1</u>	1	1 SF			2	6
11			-			1	1	4 D		4-4=0	6
12			-			<u>1</u>	1	1 SF		2	7
13			-				1	1	4 D	4-4=0	7
14			-				<u>1</u>	1	1 SF	2	8
15			-					1	1	4	8
16			-					<u>1</u>	1	6	8
17			-						1	7	8
18			-						<u>1</u>	8	8

The participants should understand now that:

If one borrower does not pay back the loan, the others firstly have to wait much longer, 18 instead of 14 months. Secondly, the RLF amount has decreased with the amount of the loan which was not repaid. Future lending will be affected: less loans can be given out simultaneously and it will take longer to revolve the RLF.

B. *Late repayment*

Player C will pay back the loan in the 12th month. Optionally this situation could be played as follows:

time	A	B	C	D	E	F	G	H	I	RLF	SF
0	4 D	4 D	4 D							0	0
1	1 SF	1 SF	-							0	2
2	1	1	-							2	2
3	1	1	-	4 D						4-4=0	2
4	1	1	-	1 SF						2	3
5	<u>1</u>	<u>1</u>	-	1	4 D					5-4=1	3
6			-	1	1 SF					2	4
7			-	1	1	4 D				4-4=0	4
8			-	<u>1</u>	1	1 SF				2	5
9			-		1	1	4 D			4-4=0	5
10			-		<u>1</u>	1	1 SF			2	6
11			-			1	1	4 D		4-4=0	6
12			1 SF			<u>1</u>	1	1 SF		2	8
13			1				1	1	4 D	5-4=1	8
14			1				<u>1</u>	1	1 SF	4	9
15			1					1	1	7	9
16			<u>1</u>					<u>1</u>	1	10	9
17									1	11	9
18									<u>1</u>	12	9

The participants should now understand that:

Late repayment by one of the borrowers has the consequence that revolvment of the RLF is delayed and therefore members have to wait longer before they can avail of a loan. The period of delay will depend on the time of repayment. After player C has repaid, the total RLF amount will be recovered, and amounts to 12 orange candies.

GAME 4 SAVINGS

The borrowers have agreed to deposit one green candy, that is own capital, in the RLF as savings the month following the last repayment of the loan.

time	A	B	C	D	E	F	G	H	I	save	RLF +S	SF
0	4 D	4 D	4 D							0	0	0
1	1 SF	1 SF	1 SF							0	0	3
2	1	1	1							0	3	3
3	1	1	1	4 D						0	6-4=2	3
4	1	1	1	1 SF	4 D					0	5-4=1	4
5	<u>1</u>	<u>1</u>	<u>1</u>	1	1 SF	4 D				0	5-4=1	5
6	S	S	S	1	1	1 SF	4 D			3	6-4=2	6
7				1	1	1	1 SF	4 D		3	5-4=1	7
8				<u>1</u>	1	1	1	1 SF	4 D	3	5-4=1	8
9				S	<u>1</u>	1	1	1	1 SF	4	6	9
10					S	<u>1</u>	1	1	1	5	11	9
11						S	<u>1</u>	1	1	6	15	9
12							S	<u>1</u>	1	7	18	9
13								S	<u>1</u>	8	20	9
14									S	9	21	9

The participants should understand now that:

By depositing one candy as a saving after every loan, firstly the RLF will revolve faster; 13 instead of 14 months. Secondly, the total RLF amount increased and therefore more loans can be given out at the same time. The full impact will be as follows:

time	A	B	C	D	E	F	G	H	I	save	RLF +S	SF
0	4 D	4 D	4 D							0	0	0
1	1 SF	1 SF	1 SF							0	0	3
2	1	1	1							0	3	3
3	1	1	1	4 D						0	6-4=2	3
4	1	1	1	1 SF	4 D					0	5-4=1	4
5	<u>1</u>	<u>1</u>	<u>1</u>	1	1 SF	4 D				0	5-4=1	5
6	S	S	S	1	1	1 SF	4 D			3	6-4=2	6
7				1	1	1	1 SF	4 D		3	5-4=1	7
8				<u>1</u>	1	1	1	1 SF	4 D	3	5-4=1	8
9	4 D			S	<u>1</u>	1	1	1	1 SF	4	6-4=2	9
10	1 SF	4 D			S	<u>1</u>	1	1	1	5	7-4=3	10
11	1	1 SF	4 D	4 D		S	<u>1</u>	1	1	6	8-8=0	11
12	1	1	1 SF	1 SF	4 D		S	<u>1</u>	1	7	5-4=1	13
13	1	1	1	1	1 SF	4 D		S	<u>1</u>	8	7-4=3	14
14	<u>1</u>	1	1	1	1	1 SF	4 D	4 D	S	9	9-8=1	15

The participants should understand now that:

New loans can be given out as soon as the RLF has accumulated enough funds to give out a new loan. Even before the RLF has revolved once, the first borrowers can obtain another loan. At the time that the last person deposits the savings, 8 new loans will have been disbursed to the borrowers. By lending in this way a continuous capital build up will take place.

INITIAL GENDER ANALYSIS ARMM - MAGUINDANAO

On 23 June 1997 a two hour meeting took place with three (female) Maguindanao beneficiaries of the INDISCO project in Sultan Kudarat. The discussion focused on the position of men and women in the division of labour, access to and control over resources and decision making. The members of the Sultan Kudarat Loom Weavers Association are without exception involved in loom weaving and therefore the scope of this study is limited to them and does not for example include Maguindanao farmers. Due to the short timeframe the gender analysis is far from complete. Suggestions for expansion can be found in annex 1.

Division of labour

The male members of the households of the weavers of Sultan Kudarat are mostly involved in office work. Weaving is usually done by the women, although the men sometimes take over after their work at the office. In the 60s and 70s many women enrolled in schools and as a result are now working in offices, often in similar positions as the men. Actually women can take all the jobs available in an office at lower or higher level, but men could not be the secretary of another person. Still the men are perceived as the breadwinner of the family and the woman's income is only additional.

Office employees get a fixed salary and the income from weaving activities depends on the quality and quantity woven and the prices at the market. Office workers are entitled to security benefits such as sick leave, but the weavers are not provided with these benefits. At this point the conclusion can be drawn that as a result of the kind of work, i.e. office work, mostly men are entitled to social benefits, while Maguindanao women who are usually involved in a different type of productive work, lack these facilities.

Household tasks such as cleaning, cooking and looking after children are generally undertaken by women, but especially in the rural areas, men sometimes undertake these tasks in the absence of women. Laundry however, is strictly done by women. Cleaning inside the house is the task of women, whereas men are responsible for cleaning outside. On their way home from the office, the men usually do the marketing and fetch the children from school. Tasks undertaken by young girls are the dishes and watering of plants, whereas boys sweep the floor and dispose of the garbage. None of these tasks are paid and also no security benefits are provided. Women spend more hours on household tasks than men (see annex 1 for time allocation study) and thus more of their time remains financially unrewarded.

At community level political positions such as barangay captain, are open for men and women, but most positions are taken by men. The official political positions are rewarded by a salary and social benefits, but most other work done for the community is without payment or benefits.

Access to and control over resources

Both men and women can possess assets. The sewing machines for example belong to the men, but are used by both. Both men and women are in the position to undertake transactions at the bank, but agreement on the specific transaction has to be reached before.

Decision making

Operational decisions on the weaving business are taken by the women because they are more knowledgeable on weaving. The purchase of equipment however, needs to be agreed upon between the man and the woman. In case the families are engaged in agriculture, it is often the men who take the business related decisions and the women would undertake tasks like planting. A basic distinction which is valid in most cases is that men are in charge outside the house and women inside the house.

The women decide generally on the expenses of food for the family and the education of the children. Decisions on large expenses should be agreed between the man and the woman.

Community decisions depend more on the position a person has in the community than on the sex of the person. The barangay captain has most influence, and it does not matter if the barangay captain is a man or a woman.

ANNEX 1 SUGGESTIONS FOR EXPANSION GENDER ANALYSIS - ARMM

General:

More specific information is needed on the following topics:

Division of labour:

Identify the main professions/ sources of income generation and undertake 2 time allocation studies for each;

List the production tasks of all the members of the household;

Check in office what kind of positions men and women have;

Compare the income of men and women to check if men are really breadwinners and women's income is only additional;

Identify community tasks and the sex of the person undertaking them.

Access to and control over resources:

Which assets in the house belong to the man and which to the woman;

Who inherits which assets;

Which goods are brought by the man and which by the woman at the time of marriage and where do they go at the time of annulment of the marriage;

Which production goods do men/women need and to whom do they belong.

Decision making

Who decides in which school the children will enrol and up to which level;

Who decides when and what kind of medical treatment is needed for any of the family members;

Identify the hierarchy in an extended household and check if sex is the main decisive factor or if there are others.

Needs

What practical (basic) needs do men/women have in the fields of production, reproduction, community and household?

What strategic (structural) needs do men/women have in the fields of production, reproduction, community and household?

Constraints

What constraints do men/women have to reach the needs mentioned under 3?

What opportunities do men/women have to reach the needs mentioned under 3?

Possible ILO assistance

What assistance could ILO INDISCO provide to overcome the constraints mentioned under 4 and to use the opportunities in the best way to promote equality between men and women?

Methods

Group interviews, household surveys and time allocation studies will be the main methods for the gender analysis.

ANNEX 2 TIME ALLOCATION STUDIES FOR MEN AND WOMEN

Women

05.00-05.30	Morning prayer
05.30-07.30	Feeding husband & children, bathing and dressing the children, cleaning the house and laundry
07.30-11.00	Weaving
11.00-12.00	Food preparation
12.00-13.00	Prayer and lunch
13.00-16.00	Weaving
16.00-17.00	Marketing and fetching children from school
17.00-18.00	Food preparation
18.00-18.15	Prayer
18.15-20.00	Dinner and discussing the activities of the day
20.00-05.00	Sleeping

Men

05.00-05.30	Morning prayer
05.30-07.00	Bathing and breakfast
07.00-12.00	Work at office
11.00-12.00	Food preparation
12.00-12.30	Prayer and lunch
12.30-16.00	Work at office
16.00-18.00	Resting or watching tv
18.00-18.15	Prayer
18.15-20.00	Dinner and discussing the activities of the day
20.00-22.00	Watching tv
22.00-05.00	Sleeping

ANNEX 1
LIST OF PARTICIPANTS

A. Upi, Sultan Kudarat, 24-25 June 1997

1. Mely Saavedra — Extension Worker
2. Marieta Abas — Vice President
3. Kamaria Abas — Treasurer
4. Sittie Sangacala — Asst. Treasurer
5. Sainab Sangacala-Edtim — Auditor
6. Lito Jim Pableo — OIC-Project Manager, AGFUND Project
7. Salonga Sumampao — RPDO-ARMM
8. Linda Guirrero — Member
9. Lolita Inocente — Member
10. Sarinao Ansing — Member
11. Normina Abas —Member
12. Mariam Abas — Member
13. Saniaac Sla — Member
14. Aisa Indara — Member
15. Samra Abubakar —Member
16. Kalima Odin —Member
17. Bai Hadja Sittie Sangcala —Member
18. Samra Sambolawan —Member

B. Dayawan and Tugaya, 27-28 June 1997

1. Abdullah Deca — President, Tugaya
2. Mangacop Dipatuan — Chairman, Tugaya
3. Tolawi Tong Casan — Secretary, Tugaya
4. Usman Osop — Auditor, Tugaya
5. Bato Bantuas — Asst. Auditor, Tugaya
6. Ombawa Manbondato — Member, Tugaya
7. Lito Jim Pableo — OIC-Project Manager, AGFUND Project
8. Amrollah Alonto — RPDO-ARMM
9. Bai Tampi Deron — Chairman, Dayawan
10. Haron Lomodag — Board Member, Dayawan
11. Salimah Mutin — Secretary, Dayawan
12. Samiara Pangaugngan — Treasurer, Dayawan
13. Gibon Tampi — Asst. Treasurer, Dayawan
14. Fatimah Tampi — Asst. Secretary, Dayawan
15. Maisaran Abdullah — Business Manager, Dayawan
16. Ombawira Lawi — Member, Dayawan
17. Omisalam Pangandaman — Member, Dayawan
18. Paida Basmala — Member, Dayawan
19. Nau Paisah — Member, Dayawan
20. Mariam Shiek — Member, Dayawan
21. Somairah Palagawad — Member, Dayawan
22. Sarah Onga — Member, Dayawan

ANNEX 2
PROGRAMME OF RLF AND SAVINGS BASIC INFORMATION
FOR INDISCO-ARMM

Day 1

0830-0845	Registration of Participants
0845-0900	Opening Ceremonies
0900-1030	RLF Concepts and Values
1030-1045	Break
1045-1230	Capital Formation
1230-1330	Lunch Break
1330-1515	RLF Maintenance
1515-1600	Review of Existing Application and Feasibility Formats

Day 2

0830-0930	Step 3
0930-1030	Work Group Session: Step 3
1030-1045	Break
1045-1230	Reporting Requirements: Step 5
1213-1330	Lunch Break
1330-1500	Work Group Session: Step 5
1500-1530	Questions
1530-1600	Evaluation

ITINERARY OF MISSION

Monday, 23 June 1997

1000-1200	Manila/Cotabato City
1200-1400	Lunch
1400-1800	Discussion on Gender with the Maguindanao Women from Sultan Kudarat

Tues-Wed, 24-25 June 1997

RLF and Savings Basic Information Training

Thursday, 26 June 1997

0900-1100	Discussion with Ms. Abdul, RPDO Accountant
1100-1600	Travel: Cotabato-Iligan

Fri-Sat, 27-28 June 1997

RLF and Savings Basic Information Training Lunch

Sunday, 29 June 1997

0600-1000	Cagayan de Oro/Manila
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**A SUMMARY REPORT
ON THE
SEMINAR-WORKSHOPS ON
ENTREPRENEURSHIP FOR
INDIGENOUS PEOPLES' COOPERATIVES**
Baguio City and Cagayan de Oro City
on April 14-18 and May 24-28, 1997

International Labour Organization
Cooperative Development Authority

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**ILO-INDISCO/COOPREFORM/CDA
TRAINING ON ENTREPRENEURSHIP
FOR INDIGENOUS PEOPLES' COOPERATIVES
Held in Baguio City and Cagayan de Oro City
on April 14-18 and May 24-28, 1997, Respectively**

1. INTRODUCTION

In recent years, it has been observed that more and more indigenous communities have been forming their own cooperatives. This development may be the result of a growing realisation among members of these communities that to improve their lives, they have to effectively harness their collective powers, capacities and potentials.

As the number of Indigenous Peoples (IPs) cooperatives continue to increase, the need to help these organizations become viable is imperative. During consultations with IP leaders, it was discovered that these cooperatives are open to training as a means of improving their capabilities. Identification of business opportunities, sourcing of capital, establishment of market outlets and packaging of business proposals were mentioned as priority areas where individual and collective skills need to be developed.

For purposes of responding to this concern, the International Labour Organization (ILO), together with the Cooperative Development Authority (CDA), has developed a training package on entrepreneurship which encompass the training priorities of identified IPs cooperatives. The training package was inspired by the effort of the ILO and the CDA on similar trainings under a previous project entitled: Cooperative Entrepreneurship for Rural Development (CERD). This project was implemented from 1991 to 1994.

On 14-18 April and 24-28 May 1997, the proposed entrepreneurship training package was pilot implemented in Baguio City and Cagayan de Oro City, respectively. The following report is an account of the activities and experiences during the two trainings which could be used to improve future trainings of similar nature. The trainings were carried out with the financial and technical contributions from ILO-COOPREFORM, ILO-INDISCO and the CDA. Other cooperating agencies included the Office on Muslim Affairs (OMA), Office for Northern Cultural Communities (ONCC) and Office for Southern Cultural Communities (OSCC).

2. OBJECTIVES

The objectives of the training were the following:

- a) To inculcate the values of cooperative entrepreneurship among the participants.

- b) To provide basic information to the participants on the concept and how to's of small business development.

3. METHODOLOGY

A combination of lectures, workshops, group discussions and field trips was used for the training. The lectures were focused on the principles of entrepreneurship while the workshops and group discussions were directed at surfacing indigenous entrepreneurship concepts, developing consensus on specific cooperative entrepreneurship issues and action planning. The field trips served as venues for the ground level translation of the entrepreneurship theories.

4. PROCEEDINGS OF THE BAGUIO SEMINAR-WORKSHOP

4.1 Inauguration

The seminar-workshop was commenced at 9:00 o'clock in the morning of 15 April 1997. It was inaugurated by the Honorable Edna C. Tabanda, Mayor of La Trinidad, Benguet who is herself a member of the Ibaloi indigenous community in the Cordillera.

In her talk, Mayor Tabanda, who also Chairs the Committee on Indigenous peoples Concerns under the Mayor's League of the Philippines, suggested that in the discussions, focus should be made on tapping indigenous cooperative values, increasing access of indigenous peoples to government resources and strengthening indigenous peoples capability to cope with the changing socio-economic environment. She stressed that the relationship of mainstream society with the indigenous peoples should be one of partnership where both parties could learn from each other's experiences.

An opening statement was also given by the Officer-in-Charge of the CDA in the Cordillera Administrative Region, Mr. Edwin Canonizado, who encouraged the participants to develop an entrepreneurship mind and to make their cooperatives operate as true social business enterprises. He explained that the social aspect of a cooperative is the delivery of quality services to the members while its business aspect is the generation of profits that would sustain the cooperative and provide opportunities for income and employment generation.

A short message was likewise given by Ms. Esther Knapen, Associate Expert representing the ILO-INDISCO during the activity. She explained the ILO-INDISCO structure and objectives in relation to the previous CERD initiative and the present thrust to promote entrepreneurship among indigenous peoples cooperatives.

4.2 Discussion on Cooperative Values

Sr. Marietta Demelino, Head of the Research and Development Unit of the Institute of Cooperatives at the Polytechnic University of the Philippines, conducted a lecture on cooperative values. Intended to provide an appropriate perspective for the participants, the lecturer focused on cooperative values which are inherent to

Philippine indigenous peoples. She cited distinct systems of cooperation in livelihood endeavours such as fishing, hunting and farming wherein complementary roles are delineated and the fruits of labor are shared. She too, mentioned other expressions of indigenous cooperativism such the practice of "bayanihan" (voluntary service) in the building houses and the storing of resources in the performance of religious rituals and ceremonies.

Knowing one another, in terms of socio-economic circumstances and needs, is an important factor in developing a spirit of cooperation, Sr. Demelino stressed. She cited studies showing that mainly because of these close inter-personal relationship, children who live in the rural areas have a greater level of cooperation than those who live in the urban areas where people generally relate with one another in an impersonal manner.

To cap her presentation, the resource person guided the participants through a workshop in which their views on the definition of "values" and its influence on individual behavior are elicited and discussed. The aim of the workshop was to develop awareness of the common values so that these could be taken into consideration in the pursuit of cooperativism (see Annex 1).

4.3 Discussion on the Concept of Cooperative Entrepreneurship

For the purpose of inculcating related fundamental principles among the participants, a discussion on the concept of cooperative entrepreneurship was conducted by the Vice President of the Benguet State University, Dr. Carlos Buasen. In the discussions, he explained that cooperative entrepreneurship has a direct correlation with income and employment generation. He said that to make a cooperative an entrepreneur, it is important to harness the collective qualities of the members in terms of creativity, goal-orientedness and persistency. These qualities, he emphasized are strong foundations for any business endeavour, individual or collective, and must therefore be cultivated (see Annex 2).

4.4 Discussion on Business Prospecting

Taking off from the topic on the concept of cooperative entrepreneurship, another resource person, Mr. Gerry Lab-oyan, the General Manager of the Benguet Cooperative Bank, led discussions on the principles and techniques of identifying and prioritizing business opportunities. He said that in an entrepreneurial undertaking, one starts by assessing the internal and external business environment through an analysis of the organizational strengths, weaknesses, opportunities and threats (SWOT). The analysis must give priority to business values that are considered most important by business organizations, beliefs that affect the behavior of people in these organizations and assumptions that are made by business organizations to guide their operation (see Annex 3).

Following the discussions, a workshop on SWOT analysis was conducted. The workshop was undertaken to give opportunity to participants to analyze their own cooperatives with respect to the strengths, weaknesses, opportunities and threats attendant to them. The workshop resulted to the following key findings:

- a) Most of the cooperatives have a very weak marketing component.
- b) The cooperatives are generally unable to control the prices of commodities they deal with.
- c) Lack of capital has made many cooperatives uncompetitive.
- d) There is an adequate supply of trained professionals who could help pave the way for the technological advancement of the cooperative.
- e) There is a dearth of production skills among members of the cooperatives.

4.5 Discussion on Basic Marketing Concepts, Principles and Practices

This topic, which was aimed at making the participants understand the techniques of identifying and developing market outlets for various products and services, was presented Mr. Roberto F. Villarroel, Deputy Director of the Cooperative Development Authority who took the place of CDA Administrator Arthur B. Pinili who could not make it to the workshop because of some unforeseen responsibilities he had to dispose of. The discussion focused on the role of cooperatives in the Philippine economy, the existing market conditions and the basic principle of marketing.

Mr. Villarroel explained that in the Philippine setting, marketing through cooperatives has a great potential. However, the development of this potential has unfortunately been slow due to problems related to infrastructure, training and capital. The present marketing trend is driven by middlemen, a condition which has not been helpful to the development of cooperative marketing.

For purposes of promoting systematic marketing strategies among the participants, the resource person expounded on the following principles:

- a) Merchandization of the cooperative members' products.
- b) Marketing the commodity as a whole, not as individual products.
- c) Pool the members' products according to grade, size or other physical characteristics.
- d) Provide quality standards for products and distribute the same accordingly.
- e) The marketing component of the cooperative should be handled by experts who specialize in marketing.
- f) Cooperative marketing should be operated on a non-stock, non-profit basis.

- g) Marketing cooperatives should be organizations of producers only and should be controlled by the members as to policies and operational procedures.
- h) Marketing cooperatives should be operated as quasi-public organizations.

Still on cooperative marketing, previous theoretical discussions were concretized by Ms. Aida Flores, a member of the Field Operations Staff of Land Bank of the Philippines. She gave an overview of the cooperative marketing systems in the Philippines. She started by reviewing, together with the participants, the basic concepts of cooperative marketing as differentiated from those of the other types of cooperatives. She explained further, that the main objectives of cooperative marketing are the following:

- a) reduce marketing cost;
- b) increase bargaining power;
- c) reduce marketing risk;
- d) promote planned production;
- e) strengthen the capital base; and
- f) enhance competitiveness.

Mr. Edgardo Luzano, who also work with the Land Bank of the Philippines, volunteered to share his ideas on cooperative marketing by explaining the different forms of collective marketing, such as:

- a) The pooling system;
- b) The contract marketing system;
- c) The contract growing system;
- d) The auction marketing system; and
- e) The integrated cooperative farming system
(see Annex 4).

4.6 Discussion on the Basic Principles of Cost-Benefit Analysis

In view of the need to develop skills on the packaging of cooperative project proposals, Mrs. Rufina Salas, General Manager of the LINCOMA Multi-Purpose Cooperative, was requested to discuss cooperatives as business enterprises focusing on the earning (profit) and serving aspects of cooperatives. She explained that the essence of cost-benefit analysis is the weighing of the element of cost against the element of benefits within the cooperative concept. Business proposals, she continued, are actually feasibility studies which contain an analysis of the marketing, technical and financial requirements of a particular business undertaking (see Annex 5).

4.7 Study Visit to Selected Successful Cooperative Entrepreneurs

In order to give the participants an opportunity to see for themselves the ground-level application of the cooperative entrepreneurship theories, a study visit to three different cooperatives entrepreneurs was conducted under the guidance of trained facilitators. The cooperatives which were the chosen as subjects of the on-site study were the following:

a) The *Shilan Multi-Purpose Cooperative*. This cooperative started its business in 1990 with the operation of a consumer store for farm inputs, a nursery for citrus and anthurium and a credit facility. The growth of the cooperative was visible in terms of its membership and capitalization which grew from 25 to 164 and P41,000 to P1.4 million, respectively, over a period of only seven years.

b) The *Bahong Multi-Purpose Cooperative*. This cooperative is engaged in production and service-oriented operations, including cutflower and vegetable gardening, credit and savings operation as well as consumer and water services. It has a current membership of 140 members and a capitalization of P1.5 million. Because of its relatively stable business activities, the Land Bank of the Philippines has opened all its credit windows to it, specially for production capital.

c) The *Benguet Farmers Multi-Purpose Cooperative*. The business of this cooperative is agri-based, with special attention to the marketing of the vegetable products of its members. Already, it has accumulated six cargo trucks which transport vegetables from Baguio City to Metro Manila on a daily basis. Owing to the scale of its operation, the cooperative has generated a good number of employment opportunities for its members. Its present membership and capitalization is 540 and P2.5 million, respectively.

After the visit, the seminar/workshop participants presented their significant observations, as follows:

- a) All three cooperatives started small and grew from year to year.
- b) The choice of the cooperative business was based on the needs of the members and on the local conditions.
- c) Each cooperative has a good accounting and bookkeeping system with provisions for internal and external audit.
- d) The cooperatives are lacking of post-harvest facilities, a condition which largely affected their profitability.
- e) There is an apparent need for a continuing entrepreneurship training of cooperative business managers which should be dealt with by assisting agencies and organizations.

4.8 Sharing of Collective Entrepreneurial Experiences/Insights

The discussion on the participants' observations during the study visit was expanded and deepened with a sharing session for collective entrepreneurial experiences and insights.

During the exercise, there was an unmistakable indication that the existing indigenous peoples cooperatives believe that the way to go during these times, is to engage in business. However, the discussions also showed that many of them lack proper training in the techniques of collective business operation and management. Based on their experiences, it was obvious that most of them went into business on a "hit and miss" basis, without the benefit of feasibility studies.

The sharing of experiences was capped by a brief report made by Ms. Marilyn Estrella, CDA Senior Cooperative Development Specialist (CDS), who went through a recent training in India on the Food Processing Enterprises Program: Its Implication to Women's Cooperatives. In her report, she explained that experiences in India and Israel generated some important lessons which should be considered in the establishment of a cooperative business, as follows:

- a) Cooperative members must be provided opportunities to participate in running the business of the cooperative.
- b) Women could contribute significantly to the business of the cooperative and should therefore be tapped for various aspects of the operation specially in terms of production and marketing.
- c) It is important to recognize the functions of the various levels of the cooperative structure and make use of their services in running the cooperative business.
- d) Agricultural cooperatives must diversify production in order to maximize land use.
- e) The use of indigenous materials and technology has profound economic advantages.

4.9 Formulation of Re-entry Plans

To make sure that the lessons learned during the seminar-workshop are put into practices and made part of the learning process, the participants were asked to formulate re-entry plans showing the business they would want to pursue, the activities they will undertake to start the business and the expected outputs these activities would lead to. The re-entry planning was done through a supervised workshop facilitated by Mr. Martin Manodon, another CDS from the CDA Cordillera office.

During the presentation of workshop outputs, the following significant observations were made:

- a) Most of the indigenous peoples cooperatives represented in the workshop wanted to engage in the marketing/trading business. The main reason for this choice is that this is the kind of service that is needed by their members.
- b) In terms of production, the participants preferred agri-based businesses such as cassava production, bag making, broom making and rattan gathering/processing.
- c) The identification of activities for the realisation of selected business ventures concentrated on basic steps such as information dissemination, coordination, consultations, etc., thereby indicating that the participants needed focused trainings on business planning and execution.
- d) There has been a minimal emphasis on the need for external sources of capital. This could mean that indigenous peoples who are in cooperatives are slowly veering away from the prevalent "dole-out" mentality.

4.10 Closing Activities

The seminar-workshop was ended with closing statements from representatives of the CDA, ILO-INDISCO and the participants. There was an unmistakable consensus that the training should be considered a mere beginning and, therefore, follow-up activities/training are to be expected.

5. PROCEEDINGS OF THE CAGAYAN DE ORO SEMINAR-WORKSHOP

5.1 Inauguration

The seminar-workshop was inaugurated by Mr. Jurgen Schwettmann, COOPREFORM Coordinator, ILO-Geneva, Mr. Arend van der Goes, Associate Expert, ILO-Manila and Bai Omera H.D. Lucman, CDA Administrator and Oversight on Cooperative Development for Indigenous Peoples.

In their respective statements, the inaugural speakers invariably expressed appreciation for the initiative being undertaken to train indigenous peoples cooperatives on collective entrepreneurship and for the indigenous peoples' enthusiastic response to such undertaking. They encouraged the participants to try their best to understand and learn as much as possible from the seminar-workshop. They, too, informed the group that efforts will be exerted to explore possibilities for continuing the delivery of technical services which would help sustain the entrepreneurial activities of indigenous peoples cooperatives.

5.2 Orientation

The opening statements were followed by an orientation on the rationale and objectives of the seminar-workshop as well as the outputs to be expected from the

activity. The orientation was given by Mr. Domingo I. Nayahangan, ILO-INDISCO National Coordinator. He explained that the seminar-workshop is a response to the express need to help indigenous peoples cooperatives to become capable of greater service to its members through entrepreneurial endeavors. He added that the same is also a part of the continuing effort among the partner agencies — the CDA, ONCC, OSCC, OMA and the ILO — to assist the indigenous peoples to promote culturally-oriented cooperatives among themselves as a vehicle for their individual and collective development.

5.3 Discussion on Cooperative Values

Sr. Marietta Demelino, Ph.D., who was the resource person on cooperative values at the Baguio City seminar-workshop was also tapped as resource person on the same topic for the Cagayan de Oro seminar-workshop. As expected, she repeated the discussions shown above under the proceedings for the Baguio City seminar-workshop. Here, however, she gave special emphasis on the various types of values that exert tremendous influence on the individual and collective behavior of members in an organization. These values are the following:

- a) Self-help values — These are the values that encourage creativity, responsibility, independence and do-it-yourself activities;
- b) Mutual help values — These are the ones that generate acts of cooperativism, unity, collective action, solidarity and peace;
- c) Non-profit, non-interest values — These values encourage resource conservation, social responsibility, utilitarian goals and the elimination of profit as a main driving force for cooperative endeavor;
- d) Democratic values — These are those that promote equality, equity and participation;
- e) Voluntary values — These are values that enhance commitment, creative power and pluralistic practices;
- f) Universal values — These ones encourage openness and global perspective;
- g) Education values — These values promote knowledge, understanding and insight; and
- h) Purposeful values — These are values that move one to seek collective and individual benefits for members of an organization.

Moreover, Sr. Demelino reminded the participants that values can be developed or improved through individual and collective effort and therefore everyone should strive to identify, analyze and understand them.

5.4 Discussion on Islamic Cooperative Values

For the purpose of promoting understanding and cooperation among indigenous peoples cooperatives which are driven by Christian, Muslim and other religious beliefs, a brief discussion on Muslim values was conducted by Mr. Tapz Umal, Chief of the Cooperative Development Division of the OMA. He explained that the uniqueness of Islamic economics is the knowledge and application of injunctions and rules of the Sharilah (Islamic law) that prevent injustice in the acquisition and disposal of material resources in order to provide satisfaction to human beings and enable them to perform their obligations to Allah and society. He said furthermore, that Islamic economics aim at the study of human prosperity/salvation achieved by organizing the resources of the earth on the basis of cooperation and participation.

Mr. Umal proceeded to enumerate the islamic positive values which define the extent and nature of economic activities such as the following: (a) ta'awun (reciprocity of help); (b) ukhuwwah (brotherhood); (c) iqtisad (moderation); (d) adl (justice); (e) ihsan (kindness); (f) amanah (trust/honesty); (g) infaq (spending to meet social obligations); (h) sar (patience); and (i) istislah (public interest). He, too, presented the negative values such as: (a) zulm (tyranny); (b) bukhl (miserliness); (c) hirs (greed); (d) iktinaz (hoarding of wealth); and (e) israf (extravagance). He pointed out that these values have a profound impact on consumption which has to be moderated, production which is further regulated by the halal-haram code, and distribution which must also adhere to the notion of Adl. Collectively, these values, along with all the main injunctions of the Holy Qur'an (Holy Book), provide a framework for a just and meaningful pursuit of economic objectives, Mr. Umal concluded.

5.5 Discussion on the Concept of Cooperative Entrepreneurship

The discussions on this subject matter was led by a team from the Davao Cooperative Bank in Davao City headed by the Bank President himself, Mr. Regino Vergara.

In his introductory remark, Mr. Vergara pointed out that there is no better way to alleviate poverty among indigenous peoples and, for that matter, other rural communities, than to help them develop themselves through entrepreneurial undertakings. He said that by way of training in entrepreneurship, the capability of the indigenous people to manage and control their own resources could be enhanced. This, he emphasized, is the essence of community empowerment which should be the thrust of the seminar-workshop.

After the preliminary, objective-setting remarks, a member of the team, Mr. Marlon Sedico, who is one of the Davao Cooperative Bank executives and member of the team, discussed the concept of cooperative entrepreneurship. He led the participants to define an entrepreneur as one who manages and assumes the risk of business. He pointed out that the entrepreneurs are among the pillars of the country's economy and explained that entrepreneurship creates employment, improves the

peoples standard of living, mobilizes local resources, increases the peoples purchasing power and promotes local initiatives.

Mr. Sedico went on to discuss the basic characteristics of an entrepreneur in terms of achievement, planning and power competencies. These characteristics he said include opportunity seeking, persistence, demand for quality and efficiency, risk taking, goal setting, systematic planning, information seeking, persuasiveness and self-confidence. He also expounded on the things that an entrepreneur usually does, such as planning, organizing and managing.

Observing that the participants were somewhat overwhelmed by the technical framework and depth of the presentation, Mr. Nayahangan volunteered to give a summary of the discussion. He explained that cooperative entrepreneurship simply means making the cooperative not only a service organization but also a business entity, one which would seek to generate income for the benefit of its members on a sustained basis. To illustrate his point, Mr. Nayahangan said that a person who by chance picks some wild fruits from the forest and sells them to someone is not an entrepreneur. But one who spends money to plant fruit trees with a view at regularly selling their fruits for profit is an entrepreneur. He called on the participants to note that the act of former needed no planning, organizing and managing, while the act of the latter required all three elements. He emphasized that money or capital is not everything but is just one of the important ingredients of a business venture.

5.6 Discussion on Business Prospecting

Assured of a satisfactory level of understanding of the concept of entrepreneurship, the team from the Davao Cooperative Bank proceeded to discuss the techniques of business prospecting. Mr. Rowald Fuentes, another Bank executive, led the discussions.

Using a mix of languages, including Bisaya, Tagalog and English, Mr. Fuentes explained the steps to be undertaken in identifying a good business prospect. The first step, he said, is environment scanning which would enable one to have a working knowledge of the resources in the area. The second is need identification which would lead one to discover some needs in the area that are being met by someone from other places. And the third is project selection which would lead to the identification of one business activity among a other alternatives.

According to Mr. Fuentes, venturing into business is not an easy task, given the problems that are attendant to this undertaking. He discussed the things which must be seriously considered in selecting a business, such as: (a) market. Before going into any production activity, it is very necessary to know where to sell the products and how much the selling price should be; (b) availability of raw materials. The identified business must be resource-based especially if it deals with manufacturing or processing; (c) location. The prospective project location should be studied closely especially in relation to the cost of handling goods, proximity to the market and to raw materials and labor; (d) labor force. The level of skill that is needed should be determined so that suitable trainings could be planned and allocated funds; (e) technology or tools and equipment to be used. These needs must

be identified beforehand because they affect decisions on the labor force and financing requirement of the project; (f) management capability. The experience of management in handling the business and its ability to adapt to situations and changes should be assessed; (g) capitalization. In identifying a business, resources should be properly determined to know how much is the investment requirement and where to source it ; and (h) competitors. Prospective competitors should be identified at the start to have a realistic assessment of the share of market the new business is going to serve.

The resource person emphasized that a potential entrepreneur must plan his/her proposed business project with utmost care to ensure its successful implementation. The planning process and the decisions to be made in response to possible future events cannot be delegated to someone else. Instead these must be dealt appropriately by the entrepreneurs themselves.

As soon as a particular business has been identified, what follows is business planning, Mr. Fuentes further explained. The business planning process, he said, covers two broad considerations i.e. minimizing risk and preparing the business plan, also known as a Project Feasibility Study.

Minimizing risks lies in trying to know more about the future in relation to the recovery of investment. The longer the recovery time, the greater the exposure to business risks. To know the future requires deliberate and careful planning.

The time and effort needed to prepare a business plan, Mr. Fuentes continued, depends on the size of the investment. A large investment requires a detailed study of the project idea while a small investment calls only for a general consideration of the critical aspects of the business.

In any case, the preparation of a business plan involves the following basic steps:

- a) gathering of information relevant to all aspects of the proposed business;
- b) analysis of the collected information; and
- c) application of the results of the analysis to minimize business risk.

A business plan, Mr. Fuentes explained furthermore, consist of the following components:

- a) **Marketing Aspect.** A study of the future demand for the product, the competitive situation within the industry, the quantity of products that may sell annually, the selling prices and the product designs.
- b) **Production Aspect.** A study of the manufacturing process, machinery and equipment, plan location and layout, rated capacity, operating requirements, etc.

- c) Organization and Management Aspect. A consideration of the appropriate form of business organization to be used and the staffing pattern to be followed.
- d) Financial Aspect. A study of the total capital required to start the business, the most appropriate financing source and the projected profitability or financial performance of the business.

Other important considerations include environmental factors, such as infrastructure, trade practices and policies, wages, inflation and tax regulations.

5.7 Supplemental Discussion on Business Prospecting

Eager to contribute to the discussions, Mr. Arend van der Goes, Associate Expert, ILO-Manila shared his ideas on the relationship of production and marketing as components of a business plan. He explained that in order to develop market opportunities, there is a need for product diversification using indigenous art and materials.

An entrepreneur, he suggested, should conduct a market research to identify the kind of goods sold, their presentation and cost. The information gathered could be used as basis for creating new products through innovations on existing ones. The innovations may be in terms of size, shape, color, material, usage and other attributes that would endow the product with some kind of uniqueness.

Culturally-oriented indigenous products are among the most attractive items in the industry and should therefore be preserved and promoted. These products could be the subject of specialization to bring about low production cost and bargaining power, Mr. Van der Goes further explained. To drive home his point, he showed samples and pictures of native products which could be very competitive in the market because of their design and quality.

5.8 Additional Supplemental Discussion on Business Prospecting

Mr. Jurgen Schwettmann, ILO-COOPREFORM Coordinator based in Geneva gave the participants additional valuable pointers on business prospecting. He explained that, indeed, there are many things to consider in starting a cooperative business, specially one that is export-oriented. Such considerations include the demand for the products, the existing and potential market, the capability of the members to consistently produce quality products, the ability of the cooperative to produce the volume of products required by the buyer on time and in the preferred packaging and labelling, the availability of skilled workers to efficiently handle the administrative and financial requirements of the business and the availability of countries with favorable policies towards export.

There are advantages for exporting through cooperatives rather than through individual entrepreneurs, Mr. Schwettmann pointed out. These advantages are highly discernible in terms of decision-making, production, quality control, financial and technical operations. He expressed the view however that in relation to export

marketing, domestic marketing is less demanding. In the domestic market, a cooperative can sell its products at any time and at lower prices. He also explained that the role of the middleman in both export and domestic marketing must be recognized and dealt with according to local conditions.

Mr. Schwettmann concluded his lecture by leading the participants through the production and marketing process. He used this discussion to illustrate the various factors which must be taken into consideration in setting market prices.

5.9 Workshop on SWOT Analysis

The discussions on business prospecting were culminated with a workshop in which the participants went through the process of analyzing various business alternatives as to the strengths, weaknesses, opportunities and threats (SWOT) attributed to them. To make the SWOT analysis as realistic as possible, the participants were grouped by region and were advised to pick out for the exercise actual, site-specific businesses alternatives.

After the workshop, which lasted late into the night, a plenary session was held the following morning in which the various groups presented their outputs. The presentations showed that the participants were interested in a wide variety of business prospects or alternatives, including marketing of farm products, bag making with the use of indigenous local materials, small-scale fishing, trading of agricultural supplies, furniture making with rattan materials, loomweaving and small-scale mining.

Through this activity, the participants were able to gain insights on how to balance the strengths and opportunities against the weaknesses and threats attributable to a certain business prospect. This experience, they said, will go a long way in helping them to make better business choices in the future.

5.10 Discussion on Basic Marketing Concepts, Principles and Practices

Ms. Alicia Colegado, Senior Cooperative Development Specialist of the CDA Cagayan de Oro Extension Office led the discussion on this subject. She started the proverbial ball rolling by asking the participants what they think is the definition of marketing. After the participants exhausted their opinions, she went on to explain that marketing is defined as the performance of business activities by the cooperative to direct the flow of goods from producers to the consumers to satisfy the needs and wants of the latter and attain the objectives of the former. She stressed that the strengths of cooperative marketing lies in the collective effort of the members.

In economic terms, Ms. Colegado explained, cooperative marketing is important primarily because it is an effective way of dealing with the traditional orientation of production without prior regard to the availability of market outlets which often lead to spoilage and losses; the small volume of marketable goods which does not warrant efficient marketing nor provide sufficient bargaining leverages for the farmer; the lack of access to or the high cost of post-harvest facilities; and the monopoly of traders which relegates the farmers to the receiving end.

Thus, she said, the objectives of cooperative marketing are the following:

- (a) reduce marketing cost;
- (b) increase farmers' bargaining power;
- (c) reduce marketing risk;
- (d) lead to planned production;
- (e) strengthen the coops' capital base; and
- (f) enhance competitiveness.

Cooperative marketing, Ms. Colegado further explained can contribute so much to the success of the business activities. However, there are a number of requirements to be met before cooperative marketing could succeed, as follows:

- a) committed and participative membership;
- b) honest and competent management;
- c) efficient internal control system;
- d) sound marketing plan;
- e) effective marketing linkages;
- f) available post-harvest facilities;
- g) sufficient capital; and
- h) continuous suitable innovations in production technology.

To further illustrate the concept of cooperative marketing, the different marketing models were shown by the resource person, which include the following:

- a) Pooling system — This is the assembling of farmers' produce for collective selling.
- b) Contract marketing — An arrangement where the buyer commits to purchase from the cooperative its produce through a purchase order.
- c) Contract growing — A scheme whereby the cooperative agrees to produce and sell to the buyer his/her commodity requirement which the latter agrees to buy under certain terms and conditions specified in the contract growing agreement.
- d) Auction marketing — The process of selling the produce through an open-bidding arrangement.
- e) Integrated cooperative farming system — The integration of production, processing and marketing into a single business operation through the management of collective holdings.

Following the discussion, the participants were made to go through a workshop to select their preferred marketing models and give their opinions about the selected models as to their perceived advantages as well as the possible problems attendant to their use.

During the presentation of the workshop outputs in a plenary session, it was noted that the most favored models were the pooling and contract marketing models. The participants said that these two models are easy to implement as they fit the indigenous culture. They too pointed out that these two models could very much reduce marketing cost and strengthen the capital base of the cooperatives using them.

5.11 Discussion on the Basic Principles of Cost-Benefit Analysis

To complement the discussions on business prospecting and planning, Mr. Edgardo Layug, Chairman of the Regional Agricultural and Fisheries Council, Inc. in Cagayan de Oro City discussed the basic principles of cost-benefit analysis. He said that cost-benefit analysis is actually what is found in a project feasibility study. It is the process of making projections as to cost and benefits or returns in investment for the purpose of establishing the profitability or non-profitability of a proposed business.

Mr. Layug explained that the priority guidelines in making a cost-benefit analysis are the following:

- a) State the project objectives and describe the expected and results of the project in specific terms.
- b) Clearly identify the beneficiaries and the location of the project.
- c) Prepare a comprehensive workplan which indicates the sequence of activities which are to be undertaken to achieve the objectives of the project.
- d) The number of people to be hired and their respective functions in carrying out the business agenda should be determined.
- e) Prepare a very realistic budget covering all the important implementing and operating cost of the project.
- f) The source of capital should be specified and described.

At the end of the discussion, the participants expressed the wish that more training could be conducted on the packaging of business proposals or the preparation of project feasibility studies. They were unanimous in saying that this is one area where they have very limited capability.

5.12 Visit to Existing Cooperative Entrepreneurs

To further assist the participants in developing a deeper understanding of the concept of cooperative entrepreneurship and of the key aspects of collective entrepreneurial operation, the participants were given the opportunity to visit three existing cooperative entrepreneurs in Cagayan de Oro City. Because of time constraint, proximity to the venue of the seminar-workshop was a major factor in

selecting the cooperatives to be visited. The selection process ended up with the following choices:

a) The Integrated Livestock and Poultry Cooperative (ILIPCO)

The ILIPCO is engaged in the feedmilling business, under contract with B-Meg Corporation, a large company which is manufacturing and supplying feeds all over the country. It has 74 members, 26 of whom are engaged in the business of raising poultry and livestock.

Formed and registered in 1980, the ILIPCO started as a marketing cooperative engaged in buying and selling the produce of its members, especially eggs. One year later, however, it shifted to the feedmill business in order to increase its income. Now, it is producing at least 60,000 bags of feeds per month. Owing to the extent of its operation, it has a current subscribed capital of P50 million.

In terms of benefits to its members, the ILIPCO is providing production loans of up to P100,000 and the usual patronage refunds, interest on capital contributions and provident and retirement privileges.

b) The Northern Mindanao Federation of Dairy Cooperative (NMFDC)

This is a secondary level cooperative composed of primary cooperatives engaged in the dairy business. It is producing fresh milk, cheeses and allied products. Its business operation is presently being supported by the government through the Department of Agriculture.

c) The Lumbia Multi-Purpose Cooperative (LMPC)

The LMPC is a women's cooperative engaged in the production and processing of cashew nuts. Working collectively, the cooperative members are operating a communal farm aside from their individual cashew orchards. The cooperative also buys and sells cashew products not only from its members but also from other farmers.

With the assistance of the Department of Science and Technology (DOST), the cooperative learned the techniques of drying, roasting and packaging cashew nuts. It is now accumulating capital to buy a canning machine and heavy-duty sealers and roasters.

In each site, assigned personnel of the cooperative gave a briefing to the participants as to the organization's membership, history, business activities as well as problems and prospects. They also answered questions fielded by the trainees on various aspects of the cooperative business.

Returning from this activity, the participants conducted another plenary session in which insights and observations on the cooperatives visited were shared. There were various reactions to the subject cooperatives in relation to their respective operations. Some participants observed that the NMFDC does not operate like a true cooperative because it is heavily subsidized by the government while the ILIPCO seems more like a corporation than a cooperative with its heavy capitalization and few members who did not seem to be not thoroughly aware of the business of their organization. Only the LMPC was appreciated by the participants as reflective of their concept of a cooperative entrepreneur.

To put the reactions in perspective, the facilitators explained that although the selection seems not to be ideal due to limitations on distance and time vis-a-vis the overall timeframe of the seminar-workshop, the cooperatives were so selected precisely to elicit comparisons e.g. a plain service cooperative with a cooperative entrepreneur, a primary cooperative with a secondary cooperative and a cooperative entrepreneur propelled by internally-generated funds with one which is propelled by externally-sourced capital. The selected cooperatives were also selected to provide insights on the problems facing cooperative entrepreneurs and the way these problems could be overcome.

Some of the more meaningful insights and observations expressed by the participants were the following:

- a) To sustain cooperative business, there is a need to involve, as much as possible, every member of the cooperative.
- b) There is no easy path to cooperative entrepreneurship. Along the way, there are many problems and challenges to tackle.
- c) Being able to obtain external capital, whether in terms of loans or grants, is not always a blessing. It has both significant advantages and disadvantages.
- d) The choice of cooperative business is a critical task. The result could spell the success or failure of the cooperative.
- e) There is a need for those who are directly involved in the management of the cooperative business to undergo rigid training on the various aspects of collective entrepreneurship.

It was also a consensus of the participants that the integration of indigenous knowledge, systems and practices could contribute to the success of the cooperative business.

5.13 Preparation of Re-entry Action Plans

All the discussions and workshops culminated in one final workshop which was the preparation of re-entry action plans. To make this important activity realistic, the participants were made to work as representatives of their individual cooperatives.

Mr. Nayahangan, who facilitated the workshop, instructed the participants to prepare their action plans in terms of value formation and entrepreneurial development. In relation to the former, he gave the following guide questions:

- a) What lessons would I share when I go back to my cooperative?
- b) What management/attitudinal problems of my cooperative could I help solve with the knowledge I got from the seminar-workshop?
- c) What specific changes could I introduce?

And as to the latter, he gave two guide questions, namely:

- a) What business would I recommend for my cooperative to pursue?
- b) How will we go about pursuing this business?

During the presentation of outputs, some important data have been gathered which could guide future actions, as follows:

1. As soon as they are back to their cooperatives, most of the participants wanted to share the following information:
 - a) The basic principles of cooperative entrepreneurship, particularly on business prospecting and marketing.
 - b) The observations made during the visit to three cooperative entrepreneurs in Cagayan de Oro City.
 - c) The importance of imbibing cooperative values within the framework of the indigenous culture.
 - d) The application of the SWOT analysis in considering cooperative business alternatives.
 - e) The basic components of a project feasibility study and the importance of business planning.
2. The common problems or deficiencies they wanted to help solve were the following:
 - a) The slow internalization of cooperative values.
 - b) The lack of cooperative management skills.
 - c) The lack of capital for business operations.
 - d) The low quality of products.

- e) The tendency of members to become inactive after some time.
 - f) The problem of complacency among cooperative members.
 - g) The 'maniana' (the habit of postponing today's work for tomorrow) and 'bahala na' (the habit of procrastinating) habits among coop members.
 - h) Insufficient infrastructure to support production and marketing activities.
3. The changes they generally wanted to introduce were the following:
- a) Amend the cooperative by-laws to incorporate provisions regarding cooperative entrepreneurship.
 - b) Give opportunities for cooperative officers and members to undergo training.
 - c) Reinforce the service orientation of the cooperative with collective entrepreneurial undertakings.
 - d) Formulate policies to establish a marketing system for the cooperative using one of the cooperative models and the chambering system.
 - e) Promote the practice of preparing project feasibility studies to serve as guide in undertaking cooperative business.
4. The businesses they generally wanted to pursue were the following:
- a) Trading of Agricultural Products and Supplies
 - b) Fruit and Vegetable Production
 - c) Production of Handicrafts
 - d) Pearl Farming
 - e) Production of Ready-to-Wear (RTW) Garments
 - f) Food Processing
 - g) Livestock Raising
 - h) Soap Making
 - i) Deep Sea Fishing
 - j) Cassava Production
 - k) Dairy Production
 - l) Quail Egg Production
 - m) Loom Weaving
 - n) Furniture Making

5. The common steps they wanted to take to pursue the business were the following:
- a) Conduct skills trainings in relation to the selected cooperative business.
 - b) Cause the training of the project staff and members of the BOT on cooperative entrepreneurship.
 - c) Prepare a comprehensive entrepreneurship development plan for the cooperative.
 - d) Conduct consultations with the members on the kinds of cooperative business to undertake.
 - e) Prepare feasibility studies on the selected business undertakings.
 - f) Prepare and promote plans for generating or sourcing funds for the business.
 - g) Seek technical and financial assistance from concerned government agencies and NGOs.

5.14 Closing Activities

The seminar-workshop ended with closing statements from representatives of the ILO-INDISCO, the CDA and the participants. Certificates of Training were also distributed to the participants.

5.15 Evaluation of the Seminar-Workshop

For the purpose of getting reactions on various aspects of the activity which may guide the conduct of similar undertakings in the future, an evaluation of the seminar-workshop was made before the closing ceremonies. The evaluation covered the effectiveness of the resource persons; the suitability of the training environment (venue); the suitability of the training materials (hand-outs); the relevance of the topics discussed; and the topic or activity considered most or least useful. Comments and suggestions for improvements were also solicited.

On a scale of 1-7, the participants gave a 7 for the effectiveness of the activity, overall; a 6 for the resource persons; a 6 for the training environment; a 6 for the training materials; and another 7 for the subject matters covered.

The most useful topics according to the participants were cooperative values and business prospecting, specifically the SWOT analysis. These were followed closely by cooperative marketing. Some of the trainees indicated that although the topic on cost-benefit analysis is itself very useful, the discussion for the subject was insufficient. The topic on export marketing is also important but they feel that the present indigenous peoples coops are not yet ready for it.

Comments and suggestions for improvement focused on the use of a common language for the discussions and the distribution of training materials way ahead of such discussions. There was a unanimous request for follow-up trainings specially on the preparation of feasibility studies, packaging business proposals and marketing techniques.

LIST OF ANNEXES

COOPERATIVE VALUES

At the outset, I want to express my sincere congratulations to the organizers of this prestigious and relevant seminar. Recognition goes to Administrator Bai Omera Lucman an ever active oversight on Indigenous Communities and also on Women. Her dedication to this kind of program is a plus factor in our effort to provide goods and services to our marginalized brothers and sisters in the hinterland of Luzon, Visayas and Mindanao.

and To be candid with you, I was in a quandary on how to approach the topic assigned to me. The dilemma is anchored on two valid grounds: (1) there is a paucity of scientific sources. (2) fear of being to presumptuous in discussing a vital issue that is sacred to our Indigenous brothers and sisters in the different parts of the country in terms of cultural values and cooperatives. To solve the problem, I decided to focus my presentation on the experiential or the empirical based data guided by the Socio- Anthro Cultural Framework. I will tackle first the empirical and experiential baseline.

Reflecting my childhood experiences, I was able to rediscover a treasure lying deep within me that is relevant to the topic I will be sharing with you this morning. I beg your indulgence, then if I digress a little to something personal. But this will bring me to a sharp focus regarding the important values inherent to our indigenous people- the values that I learned with them more than three decades ago. -

*Paper presented in the Seminar- Conference Workshop on Cooperative Entrepreneurship for Indigenous People Cooperative. (April 14-18, 1997) La Trinidad Valley Hotel. Strawberry Farm, Km. 6, La Trinidad Benguet

Sister Marietta P. Demelino, smcc, Ph.D. Head of Research and Development Unit. Institute of Cooperatives, Polytechnic University of the Philippines, Sta. Mesa, Manila

LIFE WITH INDIGENOUS COMMUNITIES

Many times, I found myself called as Sister Blend 45 (a good variance of the Sister Act fever) by my own friends. Reason of being branded as such is my good mixture of Luzon, Visayas and Mindanao traditions and cultures. I was born in the Visayas particularly Iloilo, I grew up, studied and practiced my field of specialization in Mindanao specifically, Davao, Cotabato, Bukidnon and the clusters of the DOPIM (Dipolog,, Ozamiz, Pagadian, Iligan, and Marawi ,) Prelature and Dioceses. In these places; I was fortunate to stay and had a real "close encounter" with our cultural communities. I can still remember as a grader how I enjoyed playing with our immediate Bilaan neighbors in Davao del Sur and the Manobo Kids in Bukidnon where I like to spend summer vacations at my aunt's place in Masimag, Don Carlos, Bukidnon in the 60s. It is still vivid in my memory the value of sharing food among the Bilaan kids. I like to eat the baked cake of the Bilaans from Buri flour their staple food and the sweet smelling rice of the Manobos and the Mansakas of Bukidnon and Davao.

These childhood experiences conditioned my behavior and lead me to internalize the value of respect for people, reverence for the creation: mountains, rivers, hills, ocean, animals, birds fish and all the things in this world. This was the very attitude of the indigenous people I played with long time ago.

I want to elevate a personal experience into a wider spectrum of the Socio-Anthro framework leading to the value of cooperation or cooperative in that matter. Studies conducted by Margaret Mead (1937) Bethlehem (1982) on the different tribes of Africa, American Indians and the Indigenous people of Pasific Islands highlighted various practices and traits that lead to a high degree of cooperation. The Zuni Indians of New Mexico were considered as the most cooperative society ever known. They live by agriculture and keeping sheep in a rather hard environment, there is cooperation in working in the fields, building houses, religious ceremonies consists of rituals; education emphasizes cooperation and sobriety. There is little accumulation of wealth, and it is redistributed by gifts and in ceremonies. (Argyle 1991: 67-69).

Bethlehem's (1982) considered the Bushmen from the Kalahari Desert in Botswana and Namibia, in South Africa and the Mbut in Zaire as the most cooperative group. Both groups are hunters and gatherers, living in small, fluid groups; the hunting is cooperative and the proceeds are shared; there is a lot of mutual help in building huts, and there is accumulation of property; helpfulness and cooperativeness are greatly valued, and there is a high level of warmth and friendliness.

Mead and Bethlehem considered the Ifugaos as both competitive and cooperative. Competitive in terms of the struggle for status by accumulating wealth and giving expensive feasts and sacrifices. Cooperatives in terms of helping each other in and over large tasks, sharing and helping other families.

Another interesting measure of cooperation are the studies done on children of different cultures. It was hypothesized that children exposed to cooperative environment will become good cooperators in their adult years. Madsen (1971) devised a number of games suitable for children to play in groups of two or four. The Madsen Board has four strings, one from each corner, and attached to a pen at the centre; rewards depend on how often the pen marks each player's target. The cooperative Box Game involves two children who must cooperate if they are to open a hinged box fastened by four latches. The Marble Pull Game, two children can each pull a marble which they can keep, but if they both pull, two magnets separate and neither gets a marble. Results of the studies show that:

1. The original findings was that Mexican children aged 4-11 cooperated more than American children, who were competitive to the point of being self-defeating. In several cultures, rural children were more cooperative than those from cities.
3. Israel Kibbutz children were more cooperative than Israel city children.
4. Cooperation was high in a number of primitive cultures - Aborigines, Canadian Indians, Maoris, Kikuyu. Korean villages, and Polynesians, but was lower among groups which had become educated or urbanized
5. Competition was high among Americans, Japanese and Greek children..

WHAT ARE VALUES? WHERE TO FIND THEM ?

From the empirical data presented, we could conclude that there is such a thing as COOPERATIVE VALUES. But WHAT ARE VALUES? My crucial role today is to bring to a common ground our different notion of values and the cooperative values in particular. The word VALUE comes from the Latin root "valere" means to be "strong and vigorous". It refers to a quality which proceeds from a high degree of physical energy. To be "valere" is to have vigor, power to do a specific thing which gives rise to an urgent demand to have it or to realize it. Thus Rokeach defines values as having to do with a modes of conduct and end states of existence. To say that a person has a value is to say that he has an enduring belief that a specific mode of conduct or end of existence is personally and socially preferable to other alternative modes. Once a value is internalized it becomes consciously or unconsciously a standard:

- 1) for guiding action
- 2) for developing and maintaining attitudes toward relevant objects and situations
- 3) for justifying one's actions and others actions and attitudes
- 4) for judging self and others
- 5) for comparing self with others.

From the above technical definition of value, we can conclude how significant value in our life as a man. It makes us more a man, for values enable us to know what is desirable, worthy, useful, what is good. Value is that by which man brings to reality or actualizes what is potential and perfects what is imperfect. It is anything that fosters the full realization of man as a person. For purpose of clarity, Figures 1 and 2 explains how values are formed and communicate

COOPERATIVE VALUES AND WOMEN

The International Cooperative Alliance Congress (ICA) in Stockholm last 1988, highlighted the importance of Cooperative values among cooperatives worldwide. ICA recognized some problems within the Cooperative Movement brought about by lack of proper understanding of values. As a guideline ICA put forward DEMOCRACY, HONESTY, PARTICIPATION, CARING as foremost coop values then the following:

self-help values (activity, creativity, responsibility, independence, do-it-yourself)

mutual help values, (cooperation, unity, collective action, solidarity, peace)

non-profit interest values (resource conservation, elimination of profit as a driving force,

social responsibility, utilitarian goals, not profiting from others' work
democratic values (equality, participation, "equity")

Voluntary effort values (commitment, creative power, independence, pluralism)

universal values (global perspective, openness)

education values (knowledge, understanding, insight)

purposeful values (benefit to members)

The following cooperative values, entail a real life discipline in order to en flesh it in a day to day routine of ones life particularly in the nitty-gritty of cooperative business. Women are particularly called to put life to the rhetoric of values. As pointed out in Figure 2 of this paper, the first communicator of values are mothers. Women power is needed to realign our cooperative values. Through this, we can say that women are empowered economically, socially, politically and spiritually through cooperatives.

The Philippine Country Report on Women: 1986-1995 indicates that a woman is considered empowered when she gains access to and control over vital economic resources like capital, credit and technology. This is the very reason why we are here today - this seminar workshop will further empower us through COOPERATIVES. The challenge is more to each of you, being the representative of your people.

May I end this paper by quoting a Chinese Proverbs:

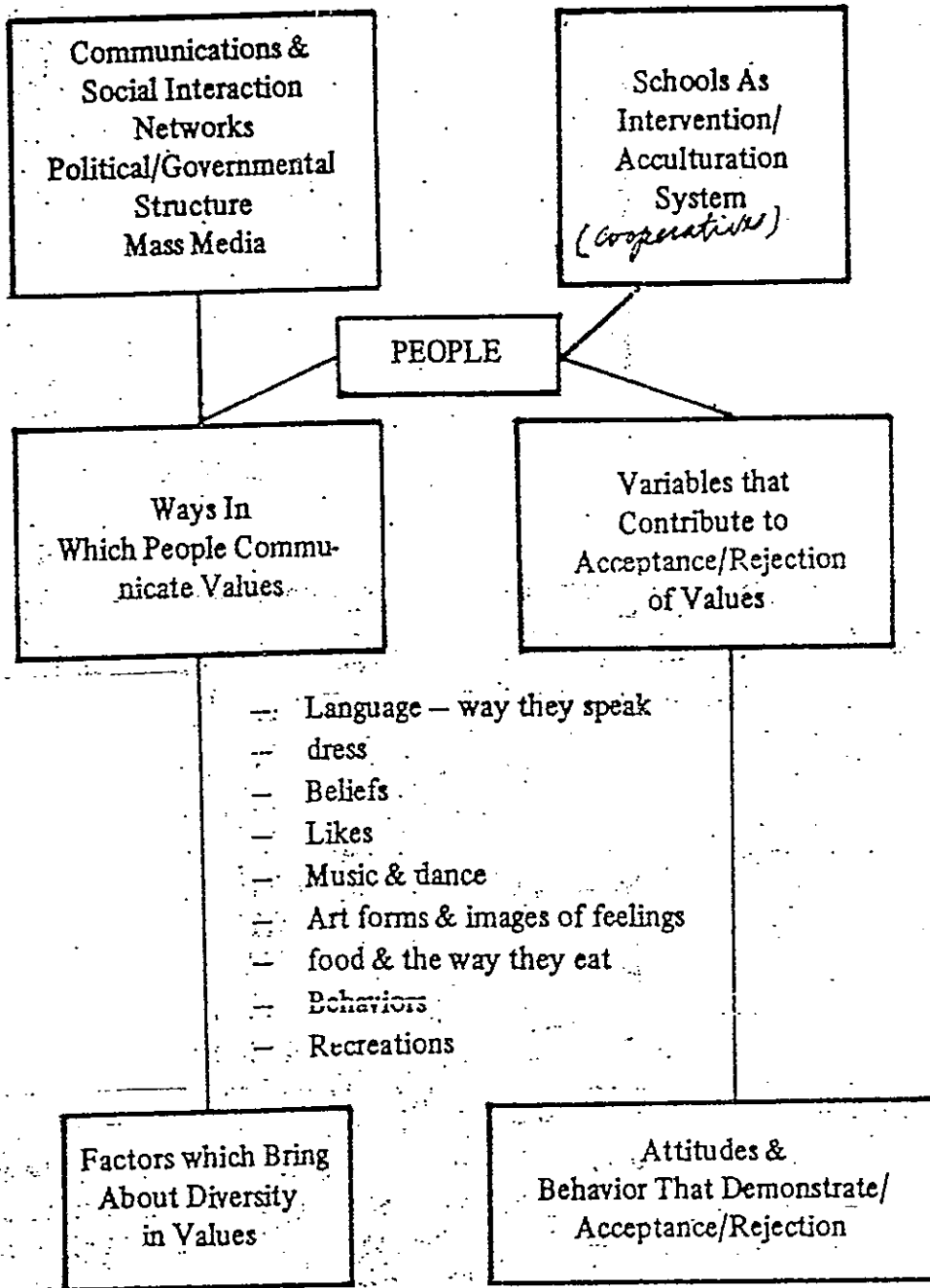
If I dream alone, it remains a dream
but if we dream together, it is the dawn to
REALITY.

Let us all dream for a more powerful Women Indigenous Cooperatives.
Mabuhay Tayong lahat and God Bless us all.

COOP VALUES

- * self-help values (activity,creativity,responsibility,independence,do-it-yourself)
 - * mutual-help values, (cooperation, unity, collective action, solidarity, peace)
 - * non-profit interest values (resource conservation; elimination of profit as a driving force, social responsibility, utilitarian goals, "not profiting from others work)
 - * democratic values (equality, participation, "equity")
 - * voluntary effort values (commitment, creative power, independence, pluralism
 - * universal values (global perspective, openenss)
 - * education values (knowledge , understanding, insight ect.
 - * purposeful values (benefit to members etc.
-

Figure 1 Conceptual Framework for Understanding Human Values



- Ethnicity — Physical Characteristics, institutions, traditions
- National origin — customs, language, traditions
- Age — youth culture, senior citizen, middle age
- health & physical ability
- Economic Status — differences in food, shelter, leisure time
- Social Status — day to day living differences

***Basic design for Diversity Factors — Dr. Jose Livine**

Figure 2 Value Communicators and Values Communicated

COMMUNICATORS	MEDIUM	VALUES
<p>1. a) Mother, as interpreter of values with in the kinship system orientation with content from bible, myths, legends, proverbs and the like reflecting regional cultures.</p>	<p>Child rearing practices (Umali & Razon 1980) breast-feeding at demand, caring, role modelling behavior Ways of punishing & rewarding child.</p>	<p>Shared participation & belongingness to parents and siblings; respect for authority; reciprocity, allegiance, loyalty, sense of obligation, interpersonal belongingness</p>
<p>b) Father as role model of masculine values as: courage, machismo, security; self reliance, provider</p>		<p>Instrumental Values pakksisama — (get along with) hiya (shame with self-esteem) utang na loob — (debt of gratitude) mapagbigay — (generosity) pakiramay — (sharing of suffering) pagtititiis — (endure) pagtitimpi — (forebearing) pagkatalo — (humanity) magpaumanhin — (forgiving) pakikisala — (to be one with) makiramdam — (perceiving) delicadesa — (sense of propriety)</p>
		<p>Affiliative Values Tenderness, sympathy, love relationship of environment & personal system of values</p>

2. Teacher as reinforcer of home values and transmitter of cultural values to aid the quality of relationship and support national aspirations

Value Incultation curriculum to:
a) Clarify, deepen & harmonize values
b) rationalize the conflicts between societal values and regional values and national values

Promptness
rhythms of work
competition
cooperation
norms for sex roles and attitudes

3. Priests, nuns, ministers and laymen as reinforcers of home values

Confessional
Pastoral visitations
Religious societies & movements

Christian ethic
reverence
virtue
temperance

4. Mass media & print media popular fiction, TV, as alternatives to home and school values

Commercials
Popular & fictional characters

Ethnic differences in values
Sexuality
Humor
Art
Music
Aesthetic
Realistic aspects of values
Multiple value system

5. Community (volunteers) government infrastructure Folk Arts Theater, Phil. Trade Center, Industrial & food fairs, Museums

Exhibits
Programs

Awareness of regional diversity
Shared group values
awareness of government priorities

6. Work Environment requiring dis-continuity from some Home Values

* Line of command through which functions, work assignments and orders

Work Ethic

CONCEPT OF COOPERATIVE ENTREPRENEURSHIP^{*} (What Makes a Person/Cooperative an Entrepreneur?)

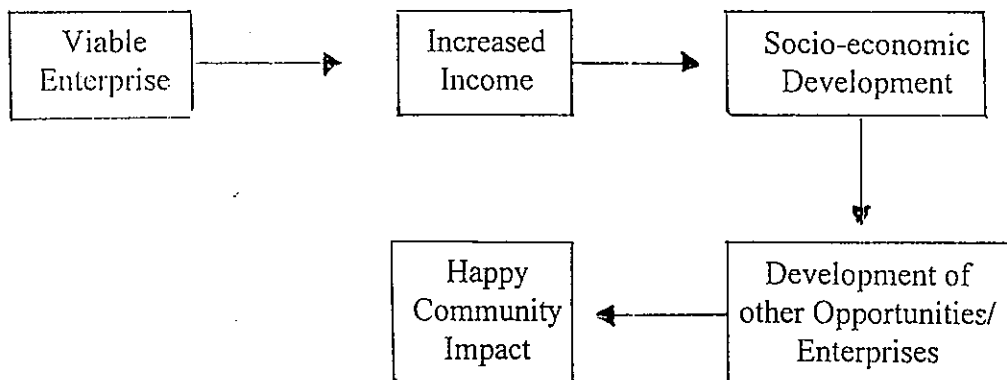
1. ENTERPRISE

What is an Enterprise? —an undertaking that can provide gainful employment or source of income.

A successful or viable enterprise can bring about the following:

- a) Gainful employment for the entrepreneur and his family and other people in the community;
- b) Increased family income of the entrepreneur and employees;
- c) Contribution to the socio-economic development of the community; and
- d) Development of other opportunities/enterprises in the area.

Visions of Entrepreneurship Development



2. ENTREPRENEUR/ENTERPRISES

Who? — One who undertakes an enterprise. An entrepreneur is either person or organization.

Person — either single proprietor or partners.

Organization — either corporation or cooperative.

Are you an Entrepreneur? Or can you be One?

^{*} Lecture at the Seminar on Cooperative Entrepreneurship for Indigenous Peoples' Cooperatives on April 14-18, 1997, La Trinidad Valley Hotel by Dr. Carlos T. Buasen Sr.

Values/Qualities of an Entrepreneur

- a) An entrepreneur takes moderate risk.
- b) An entrepreneur combines hope for success and fear of failure.
- c) Takes criticism as a positive thing and never takes it personally.
- d) Usually self-confident but considers the importance of other people.
- e) Usually persuasive and persistent.
- f) Goal and achievement-oriented.
- g) Creative/innovative thinker.

3. COOPERATIVE ENTREPRENEURSHIP

This is an entrepreneurship by a team or group. People in a community can pool their resources together and form a cooperative that will undertake an enterprise. This is because they cannot afford to undertake the enterprise individually.

Some Values for a Successful Cooperative Entrepreneurship

- a) Mutual trust — this is established in a team/group when every member feels free to express an opinion or feeling and ask questions even if there are controversies.
- b) Mutual support — all members give and receive help to and from each other in accomplishing whatever object the group is working on.
- c) Open communication — there is openness and sincerity among members when communicating. This means that no one is guarded or cautions against each other. No “game playing”.
- d) Conflicts are accepted as normal and means of growth and development.
- e) Mutual respect for individual differences.

Some Factors that Contribute to the Growth of Cooperative Enterprises (Actual Experience)

- a) Capital build-up consciousness of members — if possible, discourage borrowing money from the banks or other cooperatives.
- b) Competence, efficiency and honesty of management and other concerned people in the cooperative.
- c) Market outlets for the products and patronage for the members.
- d) Availability and accessibility of indigenous raw materials/inputs.
- e) Strict adherence to standing policies.
- f) Efficient bookkeeping system.

BUSINESS PROSPECTING

PRINCIPLES OF SELECTION OF BUSINESS

PRINCIPLE 1: SET OR DEFINE YOUR BUSINESS MISSION

- Unwritten or written vision of an entrepreneur
- The inner being or soul of the business enterprise
- It is what management see the organization striving to attain
- The mindset that translated to business values, belief and assumptions

Example of Principle 1: IKEA (SWEDEN)

Business Mission - *"To create a better everyday life for the majority of the people"*

Translated into:

Business Values: *"We shall offer a wider range of home furnishing items of good design and function at prices so low that the majority of people can afford them."*

Some Bus. Belief:

- a) *The range shall include tools and ornamental articles for the house and components for different degrees of "do it yourself" in the home furnishing area.*
- b) *The consumer should enjoy his purchase for years. "Throw Away" products is not IKEA.*
- c) *Low price with a meaning.*

Some Business Assumptions:

- a) *Changes of the guidelines for the composition of our range may only be made by the person having the total responsibility for all activities within the IKEA-Group*
- b) *Profit gives us resources.*

Handwritten notes at the bottom of the page, including the word "Profit" and other illegible scribbles.

Another Example Principle 1 : KOMATSU (Japan)

Business Mission : "To become the world's leading earth moving equipment manufacturer."

Translated into

Some Business Values:

- a) *Need to continually upgrade the quality of the product line.*
- b) *The need to manufacture extremely functional and high-performing machines.*
- c) *The need to provide superior value to customers.*
- d) *Time is resource in manufacturing.*

Some Business Beliefs:

- a) *Improvements in the manufacturing process will lead to higher product quality and lower costs.*
- b) *Just in time products is a competitive advantage.*

Some Bus. Assumptions:

- > *Competitors maybe able to respond significantly within the next three years.*

PRINCIPLE 2: ASSESS INTERNAL AND EXTERNAL DRIVING FORCES

- S — strengths
- W — weaknesses
- O — opportunities
- T — threats

ASSESSMENT OF INTERNAL DRIVING FORCES

STRENGTHS	WHAT ARE MY/OUR CAPABILITIES AND COMPETENCES?
WEAKNESSES	WHAT ARE MY/OUR VULNERABILITIES, CONSTRAINTS AND LIMITATIONS? WHAT MEASURES TO BE TAKEN TO OVERCOME OR MINIMIZE IT?

ASSESSMENT OF EXTERNAL DRIVING FORCES

OPPORTUNITIES	SCAN ENVIRONMENT AND IDENTIFY PROFITABLE OPPORTUNITIES?
THREATS	
• Political Factors	What are the business taxes we should pay? How much? What are the business policies and regulations to be abide with? Are there laws providing incentives or restrictions to business?
• Economic Factors	What are the lending rates of banks? What are the trend and average inflation rate and foreign exchange rates?
• Social Factors	What are the changes on how Filipinos live their lives? What are the social values we should consider?
• Technological Factors	What technological advancement we must consider?

**SOME FACTORS TO BE CONSIDERED IN
ASSESSING INTERNAL DRIVING FORCES
(SWOT Analysis)**

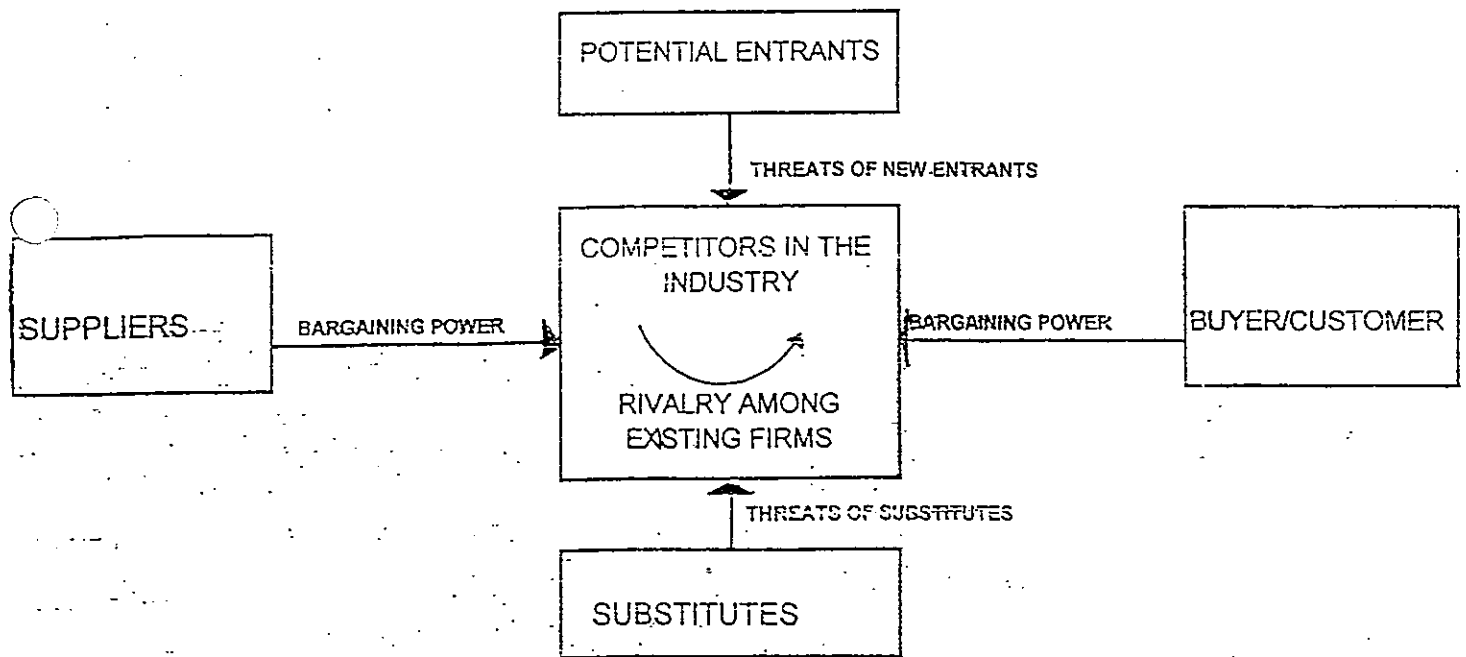
1. **MARKETING**
 - products/services
 - pricing strategy
 - marketing promotion and packaging
 - advertisement
 - sales force
 - product distribution/channels
 - market intelligence and data gathering
 - competitive structure and market share

2. **OPERATIONS**
 - sources availability and cost of raw materials
 - location of facilities
 - equipment needed/technology
 - capacity
 - research and development

3. **FINANCE**
 - working capital needed
 - availability of credit facilities

4. **PERSONNEL AND MANAGEMENT**
 - labor cost
 - availability of skilled labor-need a consultant
 - experience and track record of management

PRINCIPLE 3: SUBJECT IDENTIFIED OPPORTUNITY(S) TO PORTER'S FIVE FORCES



POTENTIAL ENTRANTS

- Does my intended enterprise easily attracts new entrants?
- Can new entrants easily enter into this line of business?
- Are there existing related business which may convert itself to this line of business?

SUPPLIERS

- Are the raw materials available locally?
At what price?
- Who are the suppliers?
- ● Where are they located or concentrated?
- Can suppliers easily integrate into this
line of business?

○

BUYERS OR CUSTOMERS

- Who are my target customers/buyers?
- Where are they located or concentrated?
- How do they live their lives?
- What is their tastes and preferences?
- What are their social values?
- Are they brand loyalist or brand conscious? What are these brands?

SUBSTITUTES

- Are there existing products or services that performs the same as my intended business? At what price?
- Who produces them?
- Where are they located or concentrated?
- What are their relative sizes?

COMPETITORS IN THE INDUSTRY

- How many industries are on this line of business?
- Where are they located or concentrated?
- What are their relative sizes?
- What different products they offer? At what price?

IDENTIFYING BUSINESS OPPORTUNITIES

One of the first steps - and perhaps, the most critical one - in starting your business is to select a business. There are various ways of identifying business opportunities.

1. Understand the business environment

Philippine society or a segment of it is characterized by increasing population, increasing incomes, increasing educational and leisure levels, changing age structure (more young people), rural to urban migration and changing cultural values (e.g., from dependence to self reliance). This means ever increasing and changing markets for goods and services.

2. Study imports

Due to higher handling and transport costs and tariffs, many imported products can be substituted by locally-produced goods. However, consumer preference for imported goods, whether with basis or not, remains a problem for local producers. Import figures (quantity and value) of various commodities are published annually by the National Census and Statistics Office (NCSO).

3. Study exports

Many Philippine-made goods have good export potential especially the raw material-intensive and/or labor-intensive products. The Department of Trade and Industry publishes and distributes monthly a listing of export trade opportunities, including the addresses of interested buyers and the specific products desired. Export figures (quantity and value) of various commodities are published annually by the NCSO.

4. Study available skills

The availability of skilled manpower in an area often leads to the establishment of industries making the same products already being manufactured. However, examine also the possibility of manufacturing new products requiring similar know-how; e.g., shoecraft to leathercraft.

5. Investigate local materials

The availability, quality or price in the region of certain raw materials may provide opportunities for trading or productive activities.

6. Apply technology

Changing technology continuously creates new industrial opportunities, which can be identified by re-examining local raw materials and existing products in the light of current scientific and technical advances. Development of new products and processes often provides opportunities for small-scale and rural-based enterprises; e.g., abaca fiberling machine, mini-ice plant, seedless watermelon, bio-gas, prawn and bangus culture, etc.

7. Examine inter-industry relationship

The growth of one industry almost always creates opportunities to establish others. The identification of these possibilities can be done by analyzing how the inputs and outputs of industries fit together. For example, the growth of food processing industries affects the prospects of packaging firms; the growth of the automotive industries enhances the viability of machine shop operators.

8. Analyze industry studies

Private and government institutions often publish studies on specific industries. These studies usually indicate whether there is room for expansion and present the problems and prospects facing the industry.

9. Evaluate development plans

Major development plans like the construction of roads, power facilities and industrial sites create business and industrial possibilities not previously viable in the region.

10. Observe experience elsewhere

Familiarity with current economic development in other countries or regions having similar conditions will often suggest the possibility of projects which have been successful elsewhere. Observing the experience of successful entrepreneurs can also guide you in making similar or related business decisions. However, simple imitation without innovation often leads to business failure.

11. Review old projects

Projects previously developed but not implemented often become feasible when markets or related industries have changed. It is often possible to find new opportunities in old ideas for which the economic circumstance have improved.

12. Follow local and foreign business periodicals

Many business magazines and newspapers contain information on new products and processes and economic developments in various countries. Thus one can anticipate and prepare for possible business prospects and problems. Marid Digest, for example is a monthly update on agri-based business, new technologies, government support programs and national and international markets.

13. Use industry lists

Industry lists such as the standard industrial classification of the United Nations provide a systematic checklist of opportunities. These are useful for suggesting ideas and making sure that no possibilities have been overlooked. Also consult the Investment Priorities Plan which is published every year by the Board of Investments.

ANNEX 4

**BASIC MARKETING CONCEPTS,
PRINCIPLES AND PRACTICES**

COOPERATIVE MARKETING

I. Cooperatives and Their Place in Philippine Economy

Filipinos have traditionally resisted monopolies. Nevertheless, technological development, mass production and improved transportation and communication have favored their formation and growth.

Three principal methods have been employed to curb them: 1) legislation and regulation; 2) ownership and operation; and 3) cooperative competition. Laws were enacted in the early stages of our industrial history; likewise, laws regulating public utilities were soon formulated. Ownership had been undertaken in some situations. At the same time, cooperative competition grew out of any individual and separate situations where monopolies exacted large returns for the services rendered.

Public policy has supported the cooperative activity, particularly among farmers. Conduct of farmers' own activities have been fostered and encouraged. Because of this, cooperatives were regarded as in conflict with the system of "free enterprise".

II. Market Setting

People not the factors make the bids and offers. It is the people whose buying and selling make market prices. What is worthy of closer analysis is the estimate of future price trends because every buyer and seller attempts to predict prices unless he already has an order or contract at a fixed price. Only under unusual circumstances would a buyer or seller knowingly enter into a transaction which promises a loss or precludes a gain.

All values lie in the future. People buy things to use or to resell the next minute, the next hour, the next month or the next year. Every transaction then is based upon the future, hence every buyer and seller is judging the future.

Because money serves as a commodity held for resale, some persons believe that money and the forces which influence the supply of and the demand for money exert a marked influence on buyers and sellers in making their estimate of future price trends. Usually, these same persons believe that, through monetary controls, buyers and sellers can be so influenced as to force the trend of prices in a given direction.

A lecture rendered by Adm. Arthur B. Pinili during the "ILO-INDISCO/CDA Seminar-Workshop on Cooperative Entrepreneurship for Indigenous People's Cooperatives", La Trinidad Valley Hotel, La Trinidad, Benguet, 14-18 April 1997.

Some buyers and sellers analyze monetary factors in making their estimates of future price trends; others pay little or no attention to them. Among those who follow the monetary factors, there is a wide difference of opinion respecting their importance. Buyers and sellers operate in various types of market settings. Some commodities are sold in highly competitive markets while others are sold under semimonopolistic conditions. The former are characterized by numerous bids and offers by numerous buyers and sellers while the latter are distinguished by the bids and offers of a few dominant buyers or a few dominant sellers. Sellers soon learn that there is little to be gained by offering to sell in a monopolistic type of market if the few effective buyers are not in the market. Contrarywise, buyers seldom bid for products when the sellers are few in number but await the established prices and then determine how much they will take at such prices.

Some commodities are sold in some markets at auction and in other markets at private sale. The terms and conditions of trading vary in different types of markets. If sales are for cash rather than on credit, bids and offers are likely to reflect this situation. When buyers and sellers make bids and offers in a given market setting, there is usually a period of bargaining. On organized exchanges the period of time may be only a fraction of a second. On the other hand, weeks or months may elapse in some markets before a bargain is reached. At times, sellers may be in strong bargaining position while on other occasions, buyers hold the advantage. Bargaining power and bargaining ability have long been recognized as important in establishing prices.

III. Basic Principles of Marketing

Sound cooperative marketing enterprises, like sound business institutions of every kind, succeed chiefly because they are constructed and operated according to plans devised and approved by experience. There are necessarily variations to meet local conditions and the requirements of different commodities, but after all the basic principles of success in cooperative marketing are the same, no matter what the commodity nor where tried. The variations are chiefly in details of operation.

The basic principles of cooperative marketing enterprises may be summarized as follows:

1. Merchandize the members' products

Merchandizing is the heart of all successful cooperative marketing for it stabilizes crop movement, prices and agriculture. Perishable crops should be merchandized chiefly through routing while non-perishable products should be through storage and financing.

2. Market the commodity as a whole not by locality.

The basis of organization is primarily the point of consumption and secondarily the point of production. This ultimately means, for non-perishables, national organization should cover the shipping limit. Organization by commodity makes it possible for farmers to become masters of their own industry.

3. Marketing is based on legal, binding contracts under which farmers pledge their products for a term of years to the cooperative.

Contracts prevent disruption of cooperatives by their enemies; permit permanent business relationships and acquisition of necessary processing and storage facilities; provide a sound method of financing and stabilize the operation of cooperatives.

4. Pool the members' products according to grade, size or other physical characteristics.

Some commodities are best pooled for the season, others for a part of the season, others by shipments. Pooling equalizes returns between growers in exact proportion to amount and quality of product supplied by each. It is the cornerstone of merchandizing, for it passes the control of the commodity from thousands of independent producers to one organized unit.

5. Provide standards of quality for the products and differentiate accordingly in distributing returns from sales.

This permits proper premiums to be paid for high quality products and corresponding penalties against low-grade product. Merchandizing is virtually impossible without complete pooling, and pooling is thoroughly unsound without accurate and equitable grading. Pooling and grading are inseparable.

6. Marketing are managed by experts who specialize in marketing a particular product.

Managers of cooperative marketing are often regarded as the ablest men in their respective industries. This principle precludes "dirt farmer" management; the farmer is a highly trained specialist in production, but that does not qualify him as a marketing expert.

7. Marketing cooperative operate on the non-capital, non-profit basis.

They do not buy products outright from producers, but handle products for members and pay the resale price less the cost of operation. Cooperatives are financed by other means than capital stock as a rule, various methods being followed, the most common of which are bank loans on warehouse receipts.

8. **Marketing cooperatives are organizations of producers only and are controlled as to policy and procedure by their members.**

Cooperative marketing is a business of , by and for farmers, and exists for the sole purpose of marketing farm products. An organization of producers only, on the non-profit basis, permits complete unity of purpose. Every member is usually on an equal plane with every other member in voice and vote. Control is vested in a coop's Chairman and the Board of Directors and all matters of policy must be decided by them except in cases when the General Assembly contest the decision.

9. **Cooperative marketing is operated as semi-public bodies**

Members are kept completely advised concerning all activities of the cooperative and furnished with copies of financial statements. Their business operations and procedure are conducted openly. The Board of Director's meetings and annual conventions are open to all members. Cooperatives have no secrets either from their members or from the public which they serve.

Consequently, it is essential that the cooperative obtain a sufficient volume to operate efficiently. It is also essential that skilled management be employed. Modern machinery and equipment should be utilized. However, commercial experimentation with new processes or methods, until they are definitely beyond the laboratory stage should be avoided. In short, the numerous factors which make for success or failure in any business enterprise must be carefully studied and those methods and procedures adopted which have proven successful.

OVERVIEW OF COOPERATIVE MARKETING SYSTEM

OBJECTIVES OF COOPERATIVE MARKETING

- ① **Reduce Marketing Cost** - bulk marketing of members produce reduces marketing cost per farmer (economies of scale).
- ② **Increase Bargaining Power** - greater volume provides leverage to negotiate for better prices.
- ③ **Reduce Marketing Risk** - marketing risk is diffused to all participating members.
- ④ **Planned Production** - knowing the requirements of the buyers enables the cooperative to program production.
- ⑤ **Strengthen Coop's Capital Base** - coop can collect service fees for the performance of certain marketing functions.
- ⑥ **Enhance Competitiveness** - through standardization and grading, coop can ensure better quality.

ECONOMIC RATIONALE FOR COOP MARKETING

- **Poor Production / Marketing Planning** - traditional orientation of production without prior regard to market often leads to spoilage and losses.
- **Small Marketable Surplus** - small volume does not warrant efficient marketing nor provide sufficient bargaining leverages for the farmer.
- **Inefficient Individual Marketing Practices** - lack of access or high cost of post-harvest and marketing facilities, leads to high post-harvest losses.
- **Limited Marketing Options** - traders monopoly relegates the farmer to the receiving end.

COOPERATIVE MARKETING

- The performance of business activities by the cooperative to direct the flow of goods from producers to consumers to satisfy the needs and wants of the latter and attain the objectives of the cooperative.

FACTORS FOR A SUCCESSFUL COOPERATIVE MARKETING

- ① Committed and Participative Membership
- ② Honest and Competent Mgt
- ③ Internal Control System
- ④ Available Post-Harvest Facilities
- ⑤ Sufficient Capital
- ⑥ Continuous Innovation in Production Technology
- ⑦ Marketing Plan
- ⑧ Linkages

CAPITAL BUILD-UP THROUGH COOPERATIVE MARKETING

Methods of Generating Capital Through Marketing

1. **Commissions and Service Fees** - charges collected by the coop for the performance of certain marketing activities.

Fees may be collected:

- a. direct from the buyer
- b. through the sales proceeds

2. **Collection of Retains** - Retains are authorized fixed deductions from the sales proceeds of the products sold to or through the coop.

Authority to Deduct - Policy to be approved by the BOD or GA.

Amount of Deduction

- a. fixed rate per standard unit, or
- b. percentage of the sales proceeds

Documentation

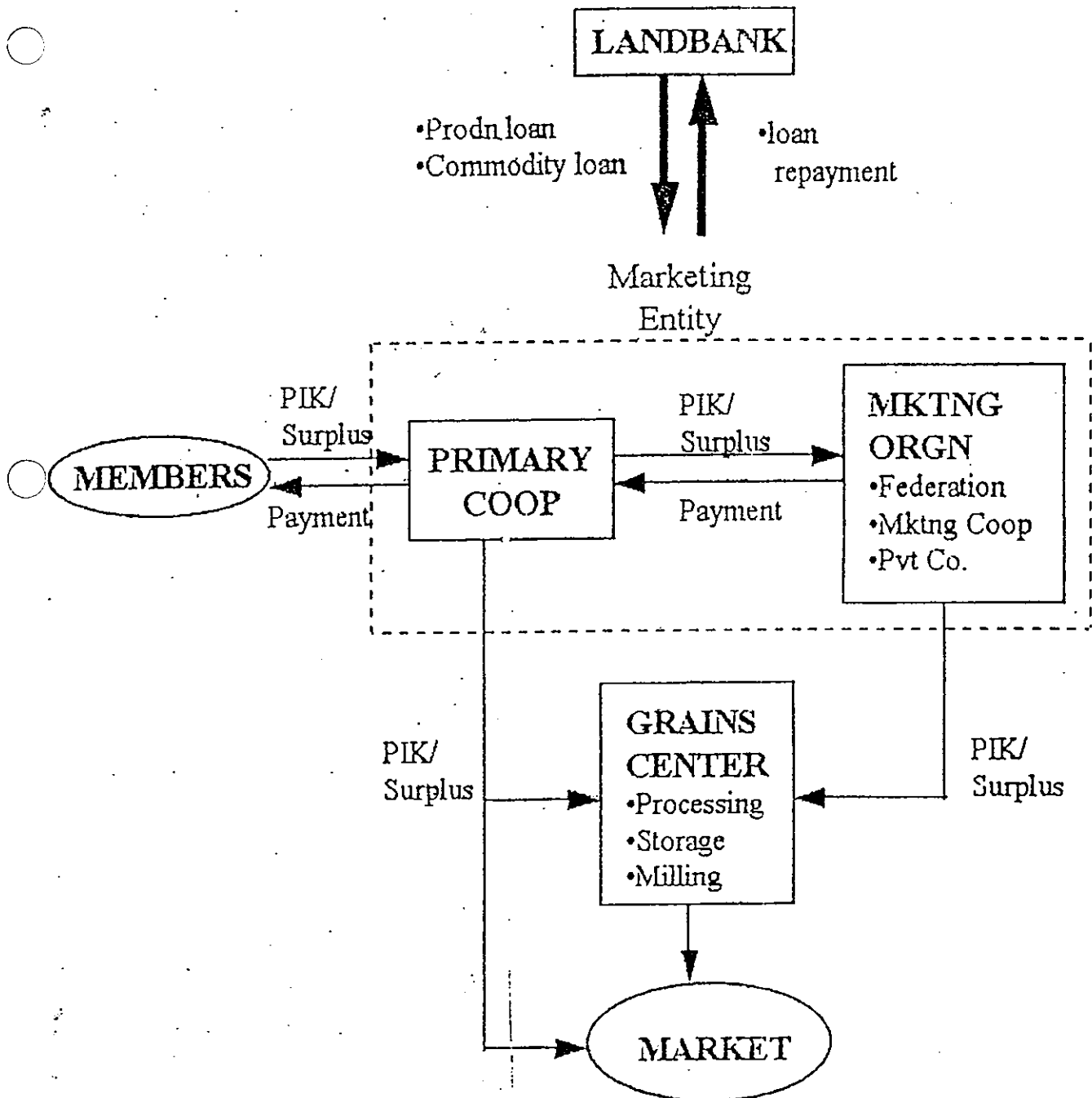
Revolving fund certificates, shares of stocks or certificate of indebtedness may be issued in favor of the members.

3. **Suppliers Discounts or Commissions**

COOPERATIVE MARKETING MODELS

POOLING SYSTEM

The assembling of produce for collective selling, and the payment for such produce from the sales proceeds after deduction of marketing expenses.



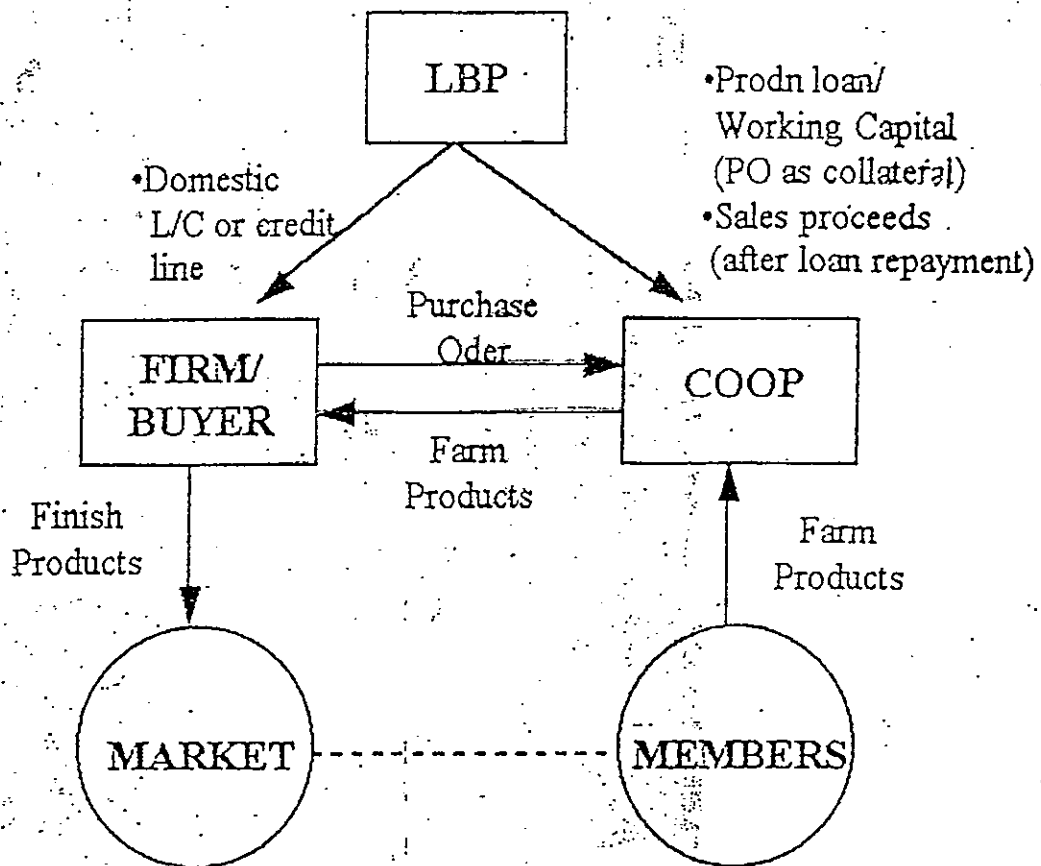
BASIC CONSIDERATIONS FOR POOLING

- Products should be classified/graded according to market standards.
- Procurement prices are based on prevailing.
- Mode of payment is consignment or partial, e.g., 50-50 arrangement.
- Pooling period is determined by:
 - members need for cash and availability of credit
 - product perishability
 - harvesting calendar
 - availability of storage/post-harvest facilities
 - price fluctuations

CONTRACT MARKETING

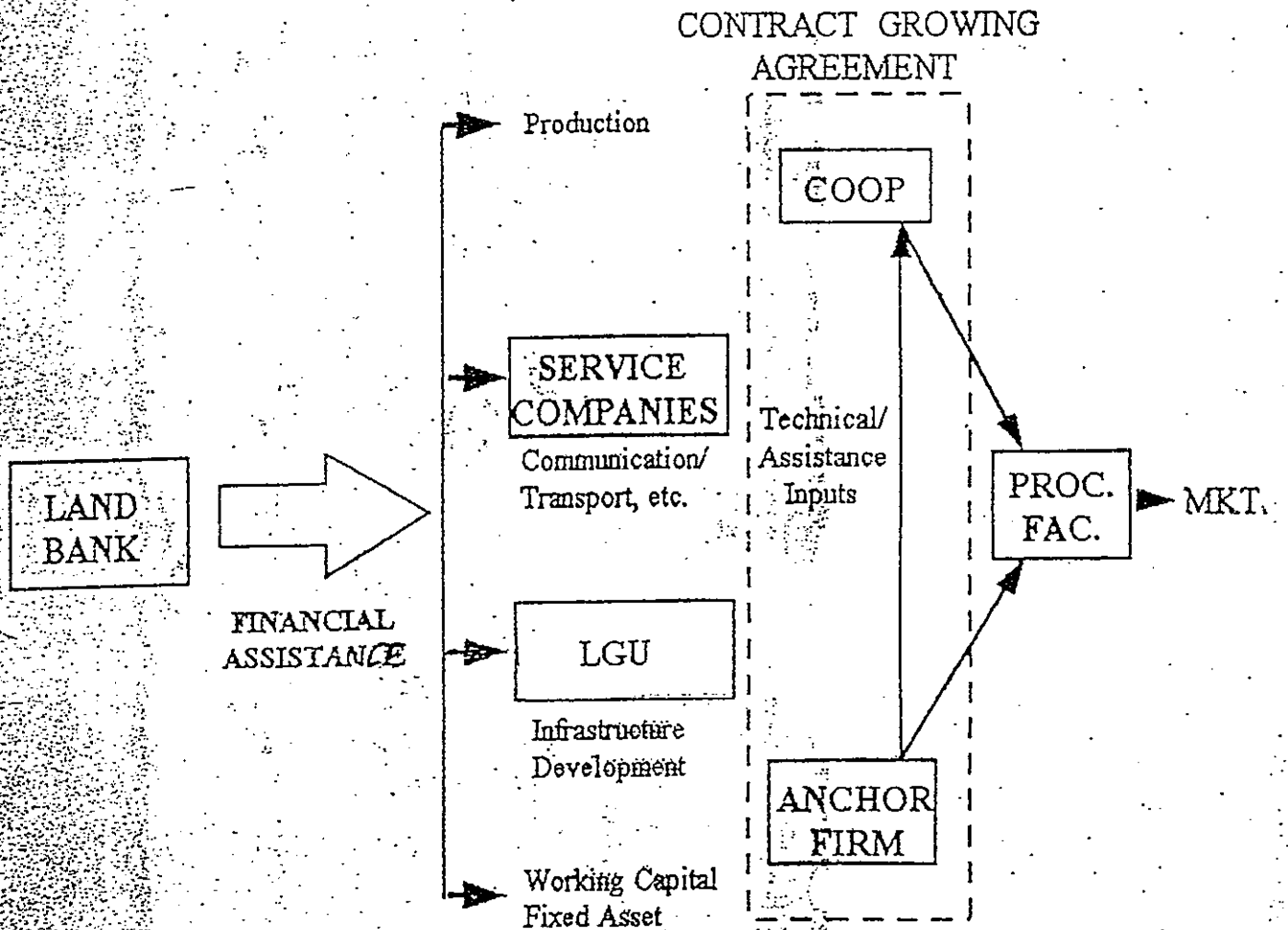
It is an arrangement where the buyer commits to purchase from the cooperative its product requirement through a purchase order (PO).

The PO, w/c serves as a binding agreement, indicates the volume, specifications, prices and other terms and conditions.



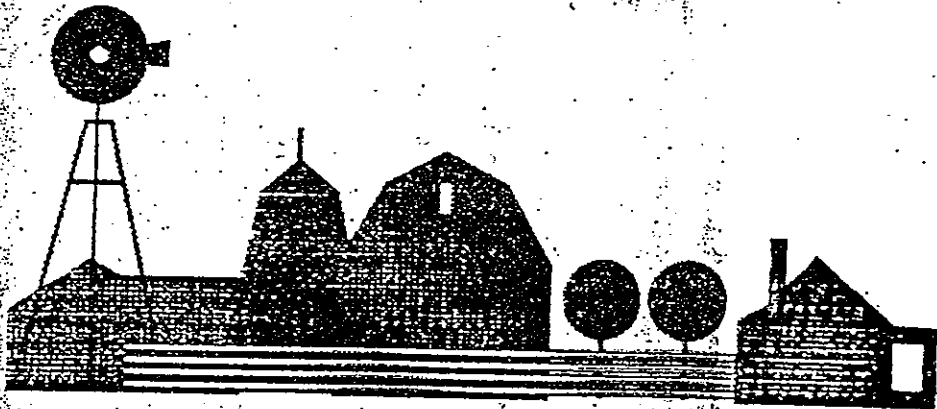
CONTRACT GROWING

A marketing scheme where the coop agrees to produce and sell to the buyer its commodity requirement which the latter agrees to buy under certain terms and conditions specified in a contract growing agreement.



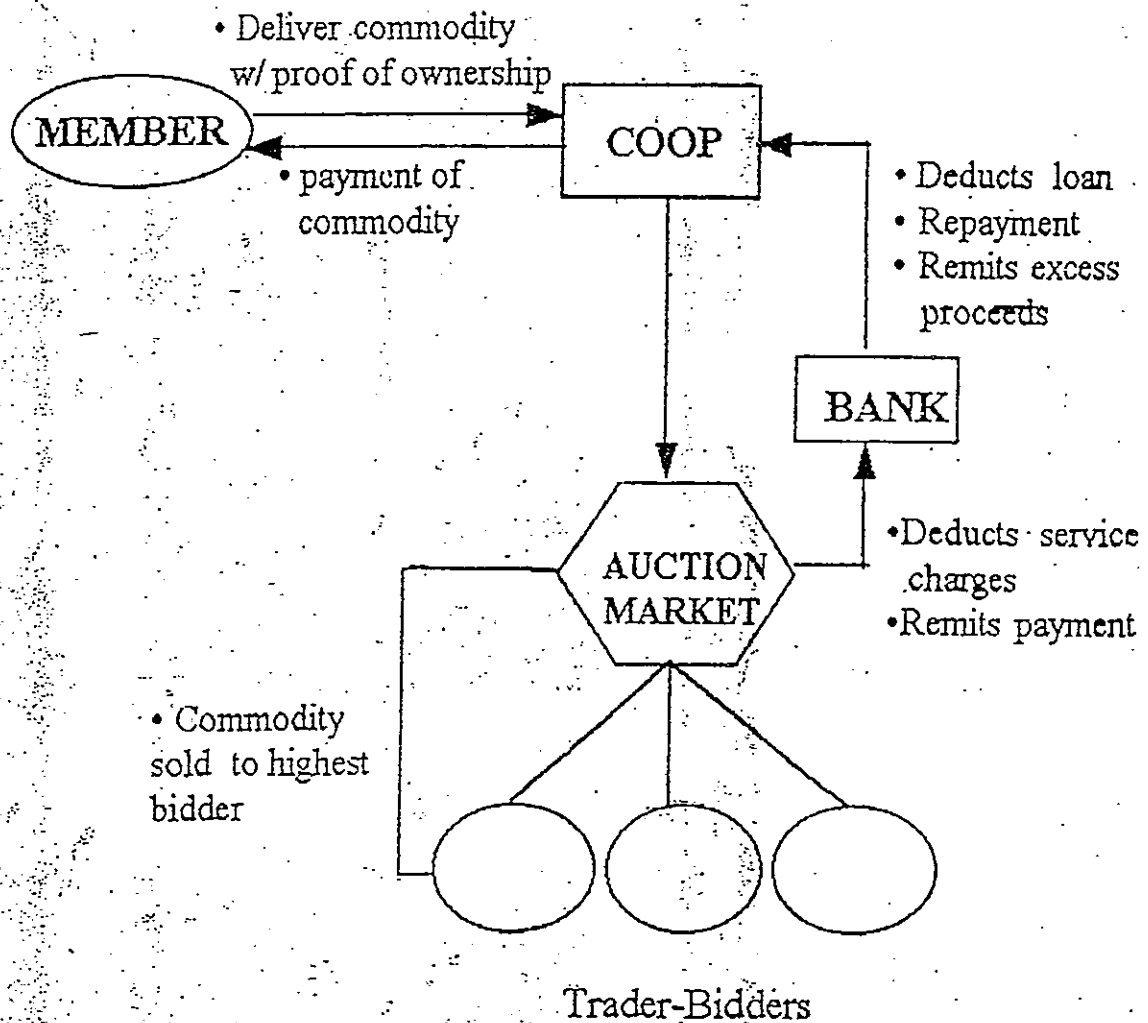
FEATURES:

- Provision of technical assistance/ inputs by the anchor firm, aside from assured market
- Promotes an integrated area development through the involvement of other partners - i.e., LGU and private companies



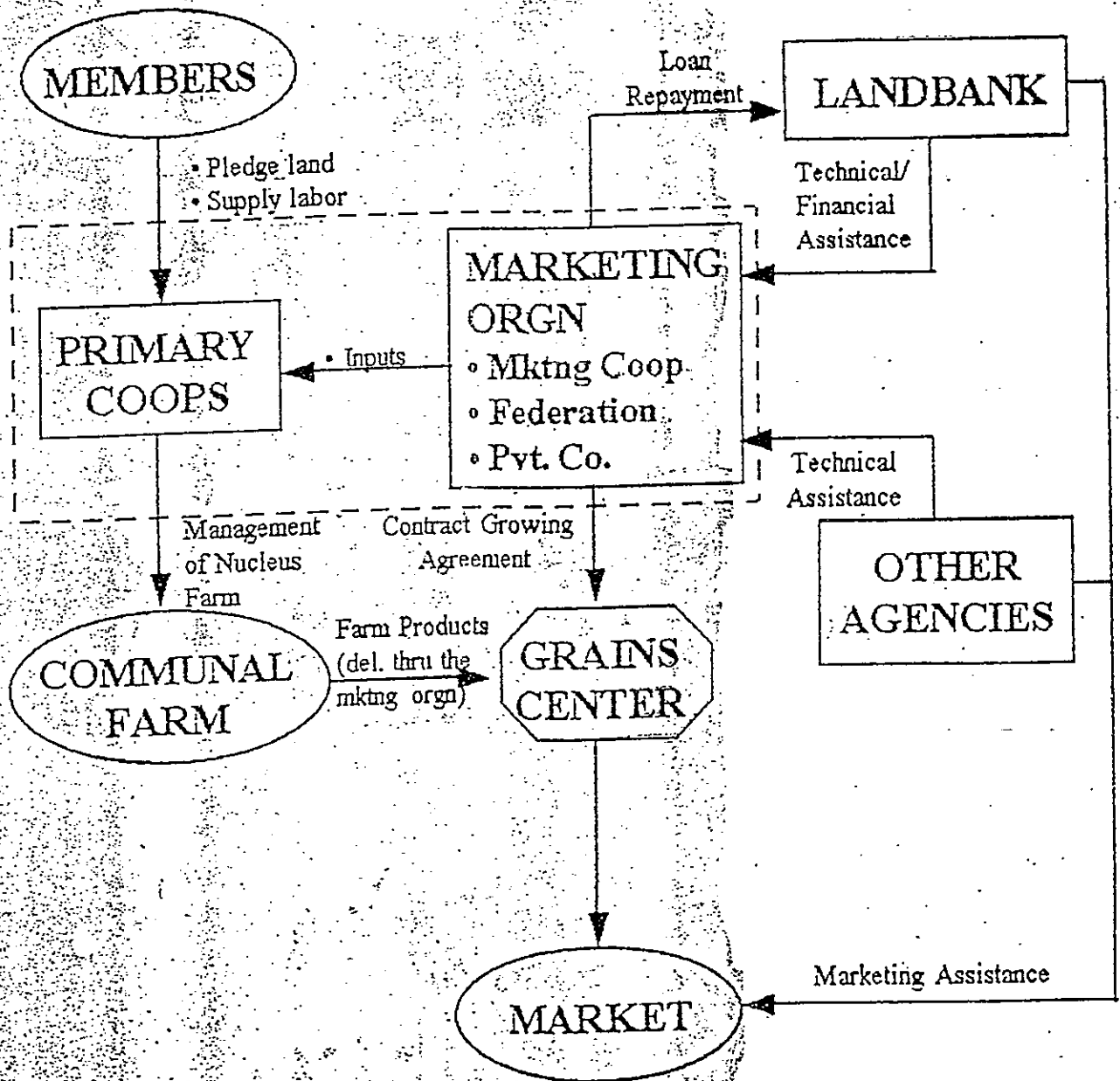
AUCTION MARKETING

The process of selling the commodity through an open-bidding process.



INTEGRATED COOP FARMING SYSTEM

The integration of production, processing and marketing into a single business operation through the management of collective holdings.



BASIC PRINCIPLES OF COST-BENEFIT ANALYSIS (Packaging a Business Proposal)

1. INTRODUCTION

The Cooperative as a Business Enterprise

- a) The Profit Motive
- b) The Service Objective
- c) Forging a Harmony Between Earning and Serving

2. THE ESSENCE OF COST/BENEFIT ANALYSIS

- a) Elements of Costs
- b) Relevant and Irrelevant Costs
- c) The Meaning of Benefit
- d) Tolerable Benefits within the Cooperative Concepts

3. THE BUSINESS PROPOSAL PACKAGE (FEASIBILITY STUDY)

- a) Essential Parts of Feasibility Study
 - Introduction/Background
 - Market Analysis
 - Technical Aspects
 - Management and Manpower Requirements
 - Financial Analysis
- b) Parties Requiring Feasibility Studies
 - Financial Institutions
 - Government Regulatory Bodies
 - Board of Directors

ILO-INDISCO/COOPREFORM/CDA
SEMINAR-WORKSHOP ON COOPERATIVE ENTREPRENEURSHIP
FOR INDIGENOUS PEOPLES' COOPERATIVES
La Trinidad Valley Hotel, La Trinidad, Benguet
14-18 April 1997

LIST OF PARTICIPANTS

1. REPRESENTATIVES OF EXISTING INDIGENOUS PEOPLES COOPERATIVES IN LUZON AND THE BICOL REGION:

Alimentado, Thelma	NACUMIN Cooperative, Quezon Province
Atinyao, Florencio	MMPC, Benguet
Banzales, Ernesto	Tribal Coop, Bicol
Barbosa, Elpidio	MVSDM Coop, Quiapo, Manila
Biti, Suklinyan	Maraniyang-Sadya MPC, Oriental Mindoro
Cungiaan, Evangeline	BSUCC, Benguet
Crispin, Myrna	KMPC, Kapangan, Benguet
Dacoco, Virgilio	Tribal Coop, Bicol
de Leon, Arangel	Tribo ng Donsol MPC, Bicol
Dolandolan, Ciriaco	SNMPC, Zambales
Enrique, Marife	AMPC, Aurora Province
Fianza, Luisa	MMPCI, Benguet
Gregorio, Temoy	Balani MPC, Occidental Mindoro
Infante, Isidro	Tribo ng Donsol MPC, Bicol
Kito, Antonio	KEMPC, Benguet
Lumbag, Dennis	NFMPC, Benguet
Mangca-an, Abdul	Manggahan Muslem Vendor MPC, Quezon City
Odlus, Virginia	TCCMPC, Tanay, Rizal
Siguenza, Meden	JMTC, Buhi, Camarines Sur

2. REPRESENTATIVES OF THE CDA, OMA, ONCC AND OSCC:

Nalungon, Manuela	CDA
Umal, Tapa	OMA
Tandoyog, Benjamin	ONCC
Donato, Luzviminda	OSCC
Oliva, Fe	OSCC

3. FACILITATORS:

Banaira, Iraida	CDA
Estrella, Marilyn	CDA
Knapen, Esther	ILO-INDISCO
Santiago Nenita	CDA

4. SECRETARIAT:

Diwas, Maria Corazon	CDA
Soriano, Ronald	CDA
Yap, Julita A.	ILO-INDISCO

5. GUESTS:

Canonizado, Edwin	OIC, CDA-CAR
Tabanda, Edna	Mayor, Benguet

**LIST OF GUESTS AND PARTICIPANTS
IN CAGAYAN DE ORO CITY SEMINAR-WORKSHOP**

A. REPRESENTATIVES OF TRIBAL COOPERATIVES

- | | | |
|-----|-------------------------|---|
| 1. | Zulafah Adap Amerol | Mga Bae sa Ganassi MPC, Lanao del Sur |
| 2. | Salahudin Amerol | Modern Farmers MPC, Lanao del Sur |
| 3. | Moumina Guro | Dayawan Women Loom Weaving Asso., Cotabato |
| 4. | Bai Okie Deron | Dayawan Women Loom Weaving Association |
| 5. | Noroniza Guro | Dayawan Women Loom Weaving Association |
| 6. | Salonga Sumanpao | RPDO-ARMM, Cotabato City |
| 7. | Lito Jim Pableo | RPDO-ARMM, Cotabato City |
| 8. | Leah Labrador | STMPC, Kidapawan, Cotabato |
| 9. | Alfredo Pandia Lim | Sayaban Tribal MPC, Kidapawan, Cotabato |
| 10. | Catalino Ariston | Kitedted Farmers MPC, South Upi, Maguindanao |
| 11. | Cresencio Limao | Teduray Teachers MPC, West Upi, Maguindanao |
| 12. | Tomas Amando | St. Jude Evangelist MPC, Sinsuat, Maguindanao |
| 13. | Aurelio Catedrilla | Hilltribes MPC, Iloilo City |
| 14. | Gregorio Elosendo | Nagpana Tribal Community MPC, Iloilo City |
| 15. | Elma Carisma | Masaroy Tribal Community MPC, Iloilo City |
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| 18. | Erlinda Ola-Casan | Buklod MPC, Marawi City |
| 19. | Baissah Ola-Casan | Buklod MPC, Marawi City |
| 20. | Marlene Tamano | Center for Islamic Women, Marawi City |
| 21. | Melanio Ulama | Darugao Farmers MPC, Maguindanao |
| 22. | Eleonor Lozada | Marihatag MPC, Surigao del Sur |
| 23. | Manolito Ampunan | Marihatag MPC, Surigao del Sur |
| 24. | Evangelisto Mansandigan | TRICAP, Surigao del Sur |
| 25. | Honnelynne Guilley | INDISCO-MALTRICO, Sarangani Province |
| 26. | Edmund Pangilan | INDISCO-MALTRICO, Sarangani Province |
| 27. | Zosiano Rodrigo | Ammado Tribal MPC, Agusan del Sur |
| 28. | Renerio Reyes | Bagani MPC, Agusan del Sur |
| 29. | Romulo Duron | Encaso Tribal MPC, Agusan del Sur |
| 30. | Victor Bebis | Kahi-an Tribal Council Asso., Agusan del Sur |
| 31. | Vincenzo Molejon Sr. | United Tribal MPC, Agusan del Sur |
| 32. | Joseph Vidal | Manning Tribal MPC, Agusan del Sur |
| 33. | Anecito Tiambong | MADUMA, Agusan del Norte |
| 34. | Rasad Munte | Ranao MPC, Misamis Oriental |
| 35. | Sofonias Tagarda | Mamumulig Tribal MPC, Misamis Oriental |
| 36. | Rosario Ligayan | Tribal Farmer's MPC, Zamboanga del Sur |
| 37. | Agaton Sudaria Jr. | Subanon MPC, Zamboanga del Norte |
| 38. | Nicanor Antao | Kalibugan Tribe MPC, Zamboanga del Norte |
| 39. | Casan Cali | Fed. of Muslim Mindanao Traders Coop, Butuan |
| 40. | Alex Mandacayan | Sarimbar Tribal MPC, Bukidnon |
| 41. | Virgilio Ansay | Manobo Tribal MPC, Bukidnon |
| 42. | Judith Dinsag | Hinubayan MPC, Bukidnon |
| 43. | Corazon Lerado | INDISCO-FEMMATRICS, Bukidnon |
| 44. | Jacinto Lantog | INDISCO-FEMMATRICS, Bukidnon |
| 45. | Luzviminda Mandacayan | SATRIMULCO, Bukidnon |

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| 46. | Jaime Camallery | Calambua-n MPC, Negros Oriental |
| 47. | Abdurajak Tanhaji | Badjao Cultural Community MPC, Basilan |
| 48. | Celso Policarpio | Phil. Tribal Resources Coop, Davao City |
| 49. | Menesia Tecson | MMPC, Davao Oriental |
| 50. | Rodolfo Tenorio | Phil. Tribal Resources Coop, Davao City |
| 51. | Hernando Pandian | NBTMPC, Davao del Norte |
| 52. | Esperanza Cuevas | Minaba MPC, Negros Oriental |
| 53. | Madid Dimatingcal | MTMPC, Dumaguete City |
| 54. | Norberto Baquisa | TFMPC, Bohol |
| 55. | Alex Magangcong | Mactan Muslim Trader MPC, Cebu City |
| 56. | Alibasa Menor | Al-Tahjar MPC, Cebu City |
| 57. | Amilhussin Abduraup | INDISCO-KLMPC, Tawi-Tawi |
| 58. | Ismael Asakil | INDISCO-KLMPC, Tawi-Tawi |
| 59. | Erma Militante | Pagadian City |

B. REPRESENTATIVES OF COOPERATING AGENCIES

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|----|-------------------|---------------------|
| 1. | Fe Oliva | OSCC-Central Office |
| 2. | Luzviminda Donato | OSCC-Central Office |
| 3. | Tapa Umal | OMA |
| 4. | Iraida Banaira | CDA-Central Office |

C. TRAINING FACILITATORS/SECRETARIAT

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|----|-----------------------|--------------------------|
| 1. | Domingo I. Nayahangan | Facilitator, ILO-INDISCO |
| 2. | Marilyn Estrella | Facilitator, CDA |
| 3. | Maria Corazon Diwas | Secretariat, CDA |
| 4. | Julita A. Yap | Secretariat, ILO-INDISCO |

D. GUESTS

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| 1. | Jurgen Schwettmann | ILO-COOPREFORM |
| 2. | Arend van der Goes | ILO Manila |
| 3. | Bai Omera H. Lucman | CDA-Central Office |
| 4. | Manuela Pelaez | Director, CDA-Cagayan de Oro |

**ILO-INDISCO/COOPREFORM/CDA
SEMINAR-WORKSHOP ON COOPERATIVE ENTREPRENEURSHIP
FOR INDIGENOUS PEOPLES' COOPERATIVES
La Trinidad Valley Hotel, La Trinidad, Benguet
14-18 April 1997**

PROGRAMME OF ACTIVITIES

Day 0 —April 14, 1997

Arrival/Registration

Day 1 —April 15, 1997

8:00-9:00	Registration	
9:00-10:00	Opening Ceremonies	
10:00-12:00	Cooperative Values	Sr. Marietta Demelino PUP-IC
1:30-3:00	Concept of Coop Entrepreneurship (What makes a person/coop an entrepreneur?)	Dr. Carlos Buasen Sr. Vice President Benguet State University
3:00-5:30	Business Prospecting •Principles of selecting business opportunities •SWOT analysis •Workshop	Mr. Gerry Lab-oyan General Manager Benguet Coop Bank
5:30-7:00	Workshop Output Presentation	Resource Person/ Facilitators

Day 2 —April 16, 1997

8:00-12:00	Study Visit to a Successful Coop Entrepreneur	Facilitators
2:30-3:30	Basic Marketing Concepts and Principles	Mr. Roberto Villarroel Deputy Director, CDA
3:30-4:30	Common Marketing Practices	Ms. Aida Flores Land Bank of the Philippines
4:30-5:30	Coop Marketing Models	Mr. Edgardo Lozano Land Bank of the Philippines
7:00-9:00	Dinner/Social	

Day 3 —April 17, 1997

8:30-9:45	Basic Principles of Cost-Benefit Analysis (Packaging of business proposals)	Ms. Rufina Salas General Manager LIMCOMA MPC
10:00-12:00	Sharing of Entrepreneurial Experiences/Insights	
12:30-3:00	Re-entry/Action Planning	Facilitators/Participants
3:15-5:30	Presentation of Re-entry Plans	Participants
5:30-6:00	Closing Ceremonies	

Day 4 —April 18, 1997

Breakfast/Departure

PROGRAMME OF ACTIVITIES
St. Paul Seminar House, Bonbon, Cagayan de Oro City
24-28 May 1997

Day 0 — May 24, 1997

Arrival/Registration/Billeting

Training Staff

Day 1 — May 25, 1997

8:30-9:00	Opening Ceremonies	
9:00-10:00	Cooperative Values	•Sr. Marietta Demelino Head, Research Division, PUP
10:00-10:30	Supplemental Topic on Coop Values	•Mr. Tapa B. Umal Chief, Coop Development BMCD-OMA Moderator/Facilitator
10:30-10:45	Open Forum	
10:45-12:00	Concept of Coop Entrepreneurship (What makes a person/coop an entrepreneur?)	•Mr. Regino Vergara President, Davao Coop Bank
12:00-12:15	Open Forum	
12:15-1:30	Lunch Break	Moderator/Facilitator
1:30-3:00	Business Prospecting •Principles of selecting business opportunities	•Mr. Marlon Sedico Personnel Manager, CRB Davao
3:00-4:00	Supplemental Topic on Business Prospecting in Relation to Market Opportunities	•Mr. Arend Van der Goes ILO Manila Representative
4:00-5:30	Workshop (SWOT analysis of specific business prospects)	Participants/Resource Person
5:30-6:30	Workshop Output Presentation	
7:00	Dinner	Facilitators

Day 2 — May 26, 1997

8:00-8:15	Recap/Unfreezing Exercises	Host Team
8:15-9:45	Basic Concept, Principles, Models and Practices of Marketing	•Ms. Alice Colegado Senior CDS, CDA Cagayan de Oro
9:45-10:45	Supplemental Topic on Marketing: Export Marketing by Coops	•Mr. Jurgen Schwettmann COOPREFORM Representative
10:45-11:00	Open Forum	Moderator/Facilitator
11:00-12:00	Workshop (Analysis of marketing models)	Participants/Resource Person
12:00-1:00	Lunch Break	
1:00-5:00	Study Visit to a Successful Coop Entrepreneur	Facilitators
5:00-6:30	Presentation of Workshop Output/ Discussion of the Study Visit	Participants
7:00	Dinner/Fellowship	