



*Welcome to Bali!*

**ASIAN CREDIT UNION FORUM 2007**

*21-22 September*

# **GENDER PERSPECTIVE IN ECONOMIC ENTERPRISES**

by **Lovenia P. Naces, PhD**  
Philippine Federation of Credit  
Cooperatives(PFCCO)

# GENDER PERSPECTIVE IN ECONOMIC ENTERPRISES

- - - *CUMI Approach and Women Empowerment – Its Implication and Poverty Reduction Impact in the Philippines*



by **Lovenia P. Naces, PhD**

Philippine Federation of  
Credit Cooperatives(PFCCO)



# Rationale

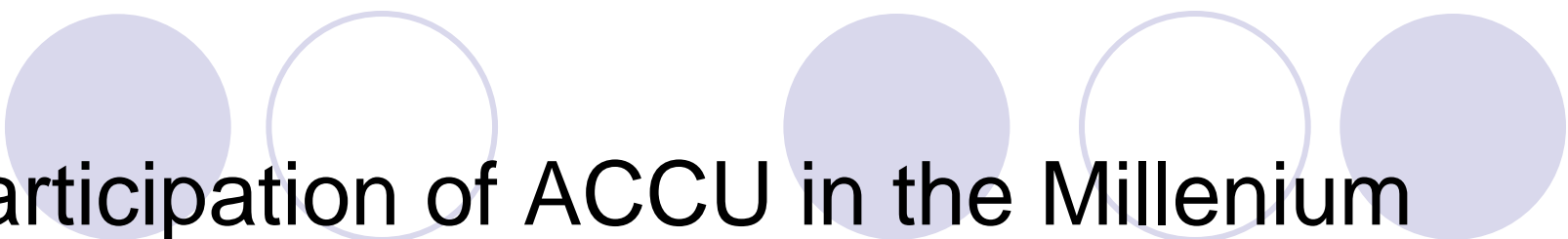


- United Nations Organization (UNO)
  - Year 2000: 182 countries agreed to realize by 2015 the following:
    - 1) Reduce by half the proportion of people living in less than \$1 per day;
    - 2) Reduce by half the proportion of people who suffer from hunger.



# 8 Millenium Development Goals

- 1) Eradicate extreme poverty and hunger
- 2) Achieve universal primary education
- 3) Promote gender equality and empower women
- 4) Reduce child mortality
- 5) Improve maternal health
- 6) Combat HIV/AIDS, malaria, diseases
- 7) Ensure environmental sustainability
- 8) Develop a global partnership for development



# Participation of ACCU in the Millenium Development Goals of the United Nations Organization

- Co-signatory
- CEO Ranjith Hettiarachchi

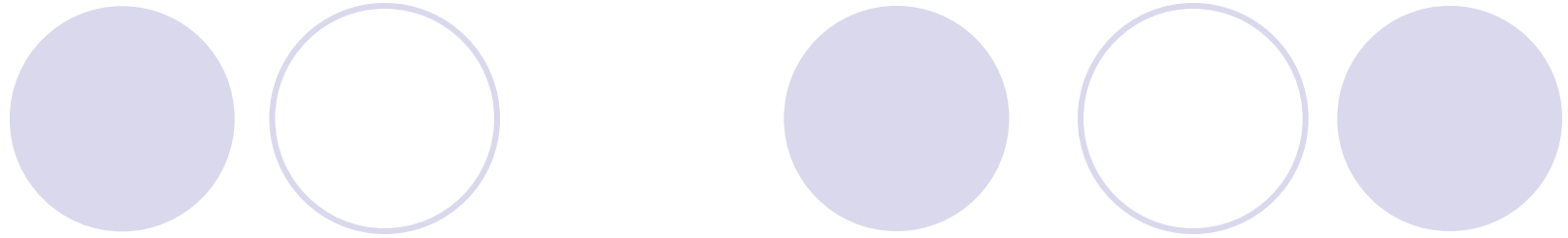
# Focus of ACCU



- Starting Points

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Promote Gender Equality and empower women

- Partnership with ACCU Members



## Participation of the Philippine Federation of Credit Cooperatives (PFCCO) in the ACCU Projects to operationalize MDGs # 1 & 2



# PROJECTS

- 1) CUMI – Credit Union Microfinance Innovation
- 2) Business Development Center
  - Response of credit unions to Goal 1 (Eradicating Poverty)
  - Aim: To bring the “have-less” members of the community to the cooperatives
  - Services: The “have less” are taught to save, and provided affordable loans for entrepreneurship



# OBJECTIVES



- 1) To Present the extent of PFCCO's participation in the MDGs
- 2) To Present challenges encountered by PFCCO in operationalizing ACCU's brand of response to MDG 1 & 3 through CUMI
- 3) Identify Impact of CUMI on women empowerment and poverty reduction.
- 4) To offer recommendations to improve CUMI implementation



PHILIPPINE FEDERATION  
OF CREDIT COOPERATIVES

Implementation of  
**CREDIT UNION MICROFINANCE  
INNOVATION**  
and  
**Business Development Center**

# Philippines...

Located in Southeastern Asia, archipelago between the Philippine Sea and the South China Sea, east of Vietnam

Total Land Area is approximately 300,000 sq. km.

Total Population: 91,077,287 Est. in July 2007

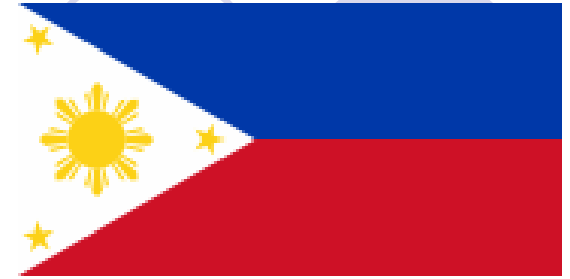
Inflation Rate: 2.3% (June 2007)

Unemployment: 7.4% (April 2007)

Underemployment: 18.9% ( April 2007)

Literacy Rate: 92.28% (2002)

Source: NEDA webpage





## **PFCCO** it's beginnings

**1960** Registered as PHILCUL under RA 2023 with assistance from CUNA

**1961** PHILCUL co-sponsors first Asian Credit Union Conference


**1969** PHILCUL took part in putting up WOCCU

**1971** PHILCUL helped in forming ACCU

**1973** PHILCUL paralyzed by Martial Law


**1974** PHILCUL suspended by WOCCU and ACCU

**1975** PHILCUL re-registered under Presidential

- 
- 1980** PHILCUL amended to become PFCCI
  - 1982** PFCCI re-admitted to WOCCU and ACCU
  - 1990** PFCCI confirmed by CDA
  - 1992** PFCCI amended to PFCCO
  - 1995** PFCCO had the worst financial crisis in history.  
The League Enhancement Program was conceptualized.
  - 1997** PFCCO GA approved the League Enhancement Program and subsequent registration of Northern Mindanao League



- **2000** PFCCO suffers from some structural reform, business and non business operation
  - assumed by the leagues
- **2001** PFCCO GA in Laguna turned down the proposal to dissolve the PFCCO on
  - the same year “Credit Union Microfinance Innovation” was launched through
  - the support of ACCU and CUFA.
- **2002** PFCCO regional leagues replicated the CUMI to further introduce another
  - program – the Professionalization of Credit Unions.

- 
- **2003** PFCCO and its 8 Regional Leagues started to implement the Professionalization Program.
  - **2004** ACCU Introduced CUBSEA (Credit Union Benchmarking in Southeast Asia)
  - **2005** ACCU launched the program CUDCC (Credit Union Directors Competency Course)
  - **2006** ACCU introduce CUECC (Credit Union CEO Competency Course) and
  - CUMI's Missing Link - the Business Development Center
  - **2007** ACCU launched ACCESS Branding in it's 47th Educational Forum and AGM in Bohol.



- A need for financial intervention among financially disadvantaged families



# Philippines...

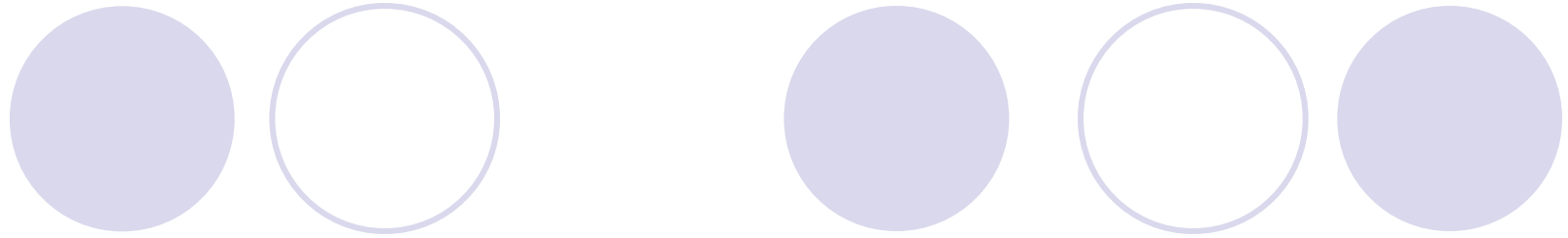


**In June 2006 statistics indicates that Approximately 24 out of 100 Filipino families did not earn enough in 2003 to satisfy their basic food requirements.**

**For 2007, Filipino families consisting of five members should be earning a combined monthly income of PhP 6,195 or 135US\$ in order to meet their most basic food and non-food needs for this year**

# ***Poor people need only an OPPORTUNITY...***





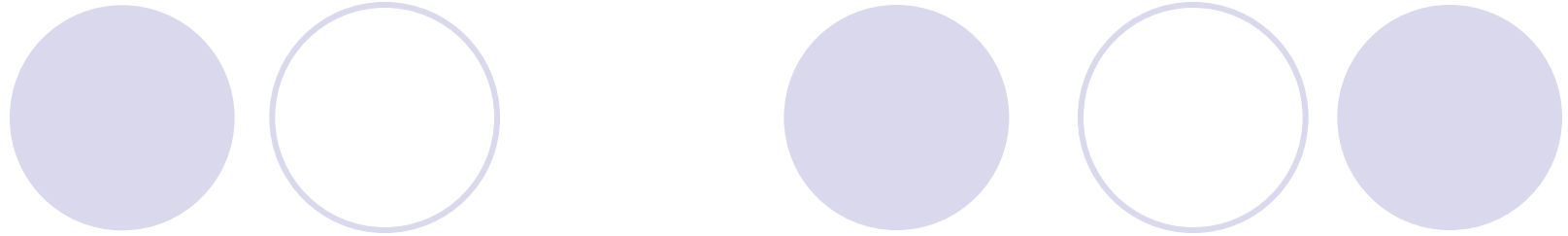
# I. THE CREDIT UNION MICRO FINANCE INNOVATION (CUMI) as introduced in the Philippines by the Asian Confederation of Credit Unions (ACCU)



# IMPLEMENTATION AND CHALLENGES

## A. Implementation

- 1. CUMI technology: Approach, Strategy, Methodology
- 2. Program Status and Achievement
- 3. Challenges



- Implementation of CUMI” complete fidelity to ACCU standards of operation

## ***Our Approach....***

**To bring entrepreneurial poor –capable of engaging in income generation activities but lacks access to capital**

## ***Our Strategy....***

**Recruit new e-poor or “Have Less” members in respective credit unions with institutional capacity to engage in innovative socially responsible activities.**

# ***Our Methodology....***

**A tried and tested methodology existing in credit unions for sometime 150 years ago..**

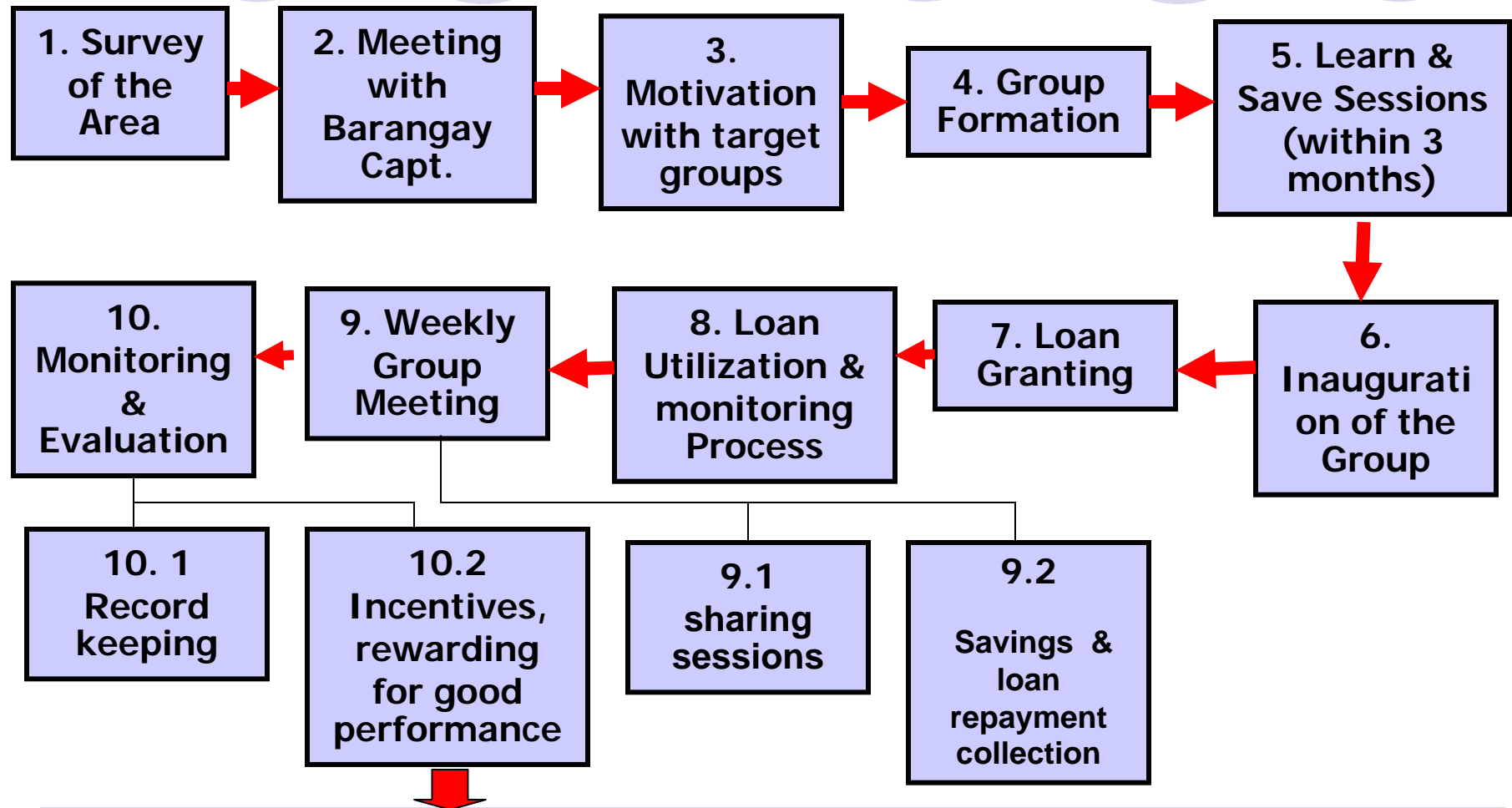
**A Savings Based Approach to Microfinance ...**

**Inculcating the habit of thrift and savings...**





# Microfinance Methodology



## 2. Some achievement in poverty alleviation

Our **partnership** with credit unions enabled “Have Less” build wealth through savings and access an affordable financial services.



A Savings Based  
Approach to  
Microfinance ...

## *In the NCR League .....*

No. of coops adopted program	: 25 COOPS
Outreach to E-poor (90% female)	: 9,489 members
Savings Mobilized	: US\$ 345,778.58
Total Loans Granted	: US\$ 1,680,406.06
Repayment of Loans	: US\$ 1,323,671.04
Delinquency –one day missed payment	: 8%

# *In the Northeast Luzon League .....*

<b>No. of coops adopted program</b>	<b>: 11 COOPS</b>
<b>Outreach to E-poor (80% female)</b>	<b>: 9,186 members</b>
<b>Savings Mobilized</b>	<b>: US\$ 289,838.51</b>
<b>Total Loans Granted</b>	<b>: US\$ 900,890.47</b>
<b>Repayment of Loans</b>	<b>: US\$ 379,847.26</b>
<b>Delinquency –one day missed payment</b>	<b>: 8%</b>

# *In the Central Luzon League .....*



**No. of coops adopted program**

**: 13 COOPS**

**Outreach to E-poor**

**: 1,995 members**

**(70% female)**

**Savings Mobilized**

**: US\$ 45,506.66**

# *In Southern Luzon League .....*



<b>No. of coops adopted program</b>	<b>: 2 coops</b>
<b>Outreach to E-poor</b> <b>(80% female)</b>	<b>: 410 members</b>
<b>Savings Mobilized</b>	<b>: US\$ 9,670.90</b>
<b>Total Loans Granted</b>	<b>: US\$ 8,704.57</b>
<b>Repayment of Loans</b>	<b>: US\$ 5,871.39</b>
<b>Delinquency –one day missed payment</b>	<b>: 2%</b>

# *In the Visayas Luzon League .....*

<b>No. of coops adopted program</b>	<b>: 5 coops</b>
<b>Outreach to E-poor</b> <b>(80% female)</b>	<b>: 1,106 members</b>
<b>Savings Mobilized</b>	<b>: US\$ 32,784.21</b>
<b>Total Loans Granted</b>	<b>: US\$ 227,571.22</b>
<b>Delinquency —one day missed payment</b>	<b>: 5%</b>

## *In Mindanao League ....*

<b>No. of coops adopted program</b>	<b>: 19 coops</b>
<b>Outreach to E-poor members</b> <b>(80% female)</b>	<b>: 8,330 members</b>
<b>Savings Mobilized</b>	<b>: US\$ 289,045.0</b>
<b>Total Loans Granted</b>	<b>: US\$ 1,020,361.91</b>
<b>Repayment of Loans</b>	<b>: US\$ 237,658.73</b>
<b>Delinquency –one day missed payment</b>	<b>: 5%</b>



## ***Our Strong Points....***

- Through the program credit unions were able to practice the principle of social responsibility.
- Leagues gained positive image in primary CUs.
- Program can be one venue for potential expansion of the league.
- It provides *“local employment” at minimal scale.*
- Educational Inputs which help strengthen operations of the primaries.
- Awareness of coops members on situation of the lower class in their community.

## ***Our Strong Points....***

- CUMI provides a very good alternative to the loan sharks, the program is able to ***slowly killing the business of loan sharks.***
- “Have Less” members were able to save at the same time access loan at low interest rate.
- Enhance entrepreneurial knowledge and skills
- Develop their personality through interactions with group members.

# **Our CUMI “have less” member testimony**

*Through the CUMI loan, we are able to expand my meat processing businesses. I was able to save and send my children to school. I also provide employment to my neighbors they now have additional income. My family members are now becoming active in the business and this helps improved family relations.*



# ***Our Challenges....***

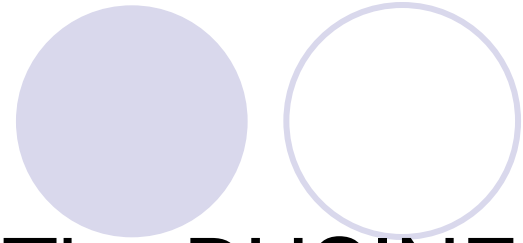


- Geographical limitations posed by their physical location.
- Some CUMI members are land squatters.
- Issue on permanency of residence.
- Traditional thinking of credit unions BOD that poor people do not have the capacity to pay the loan.

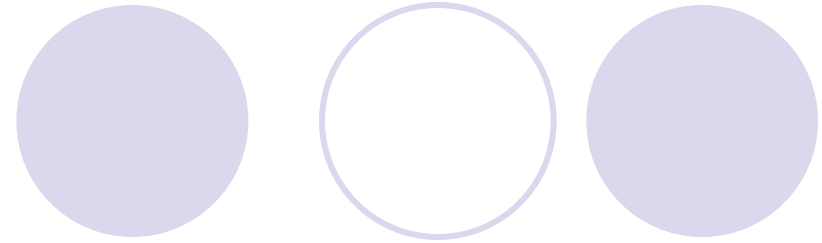


# Our Challenges

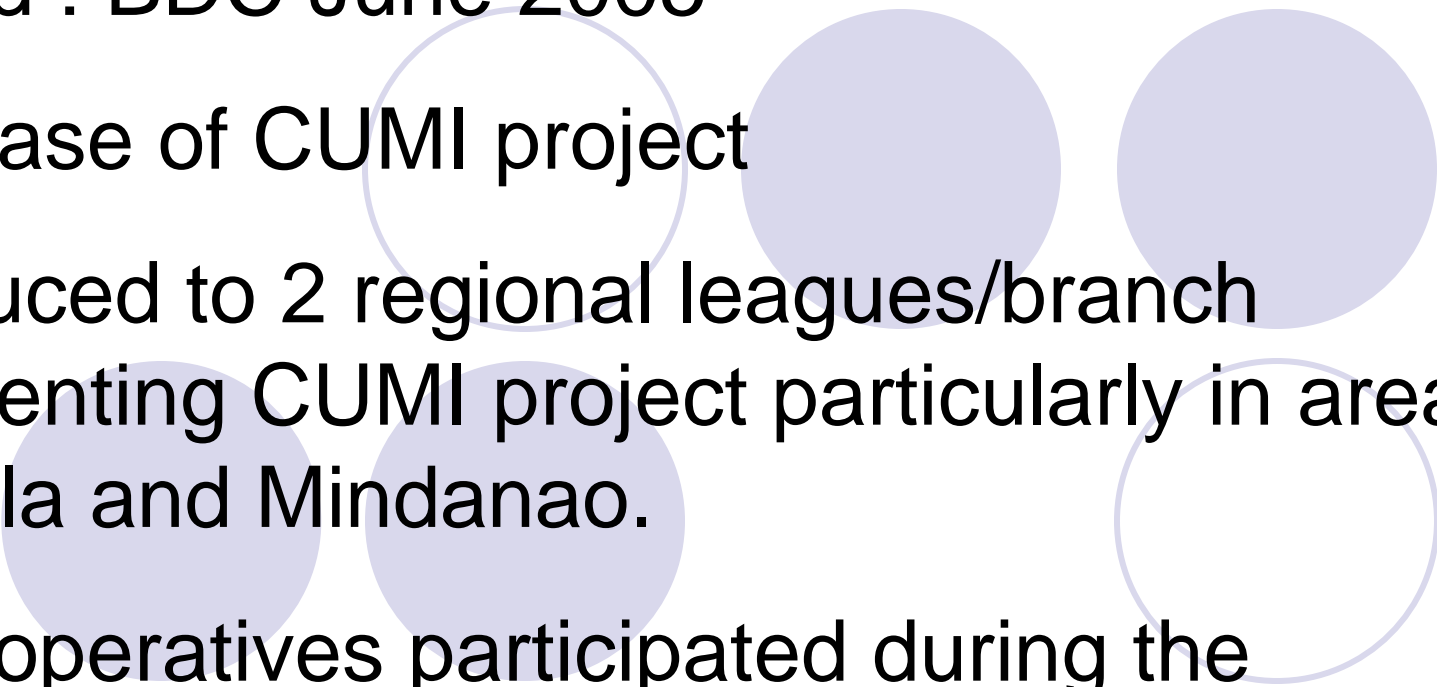
- Difficult data gathering in remote areas.
- Fund limitations on some coops.
- CUMI technology is so tedious. Staff have other works aside from CUMI.
- E-poor but battered wives



# The BUSINESS DEVELOPMENT CENTER



- expanded services of CUMI

- 
- Started : BDC June 2005
  - 2<sup>nd</sup> Phase of CUMI project
  - Introduced to 2 regional leagues/branch implementing CUMI project particularly in area of Manila and Mindanao.
  - 40 cooperatives participated during the orientation conducted.



## PFCCO activities on BDC

- Support for livelihood trainings conducted by our partner primary cooperatives implementing CUMI.
- Sponsored Pocket Trade Fair last April 27-29, 2006. 11 cooperatives from 6 regional Leagues participated.





# Exploratory questions asked

- Why did they come up with the products?
- What are the manpower and skills required?
- What is their manufacturing capacity?
- What are the raw materials needed?

# Products showcased during the Trade fair

Herbal products such as: soap, liniment, herbal tea, ginseng oil



**Leather Goods such as: slippers, shoes and coin purses, pencil case**





## Capiz Shell products



Food Products such as: Pili Tart, Strawberry Jams and wine and Ginger Tea.



# Challenges in business



- Packaging
- Availability of raw materials in the area
- Where else to market the product.
- Expansion of appropriate linkages

# III IMPACT ON POVERTY REDUCTION

LEAGUES	NCR	NLUZON	CLUZON	SLUZON	VL	ML	T
# OF COOPS	25	11	13	2	5	19	75
E-POOR	9489	9186	1995	410	1106	8330	30516
%FEMALE	90	80	70	80	80	80	
Savings in US\$	345778.5	289838.5	45506.66	9670.9	32784.21	289045.3	1012624
Loans granted in US\$	1680406.06	900890.5		8704.57	227571.2	1020362	
Repayment in US\$	1323671.04	379847.3		5871.39		237658.7	
Delinquency Rate %	8	8		2	5	5	



# POVERTY REDUCTION

- No. of participating co-ops: 75
- No. of e-poor members: 30,516
- Savings mobilized within the last five years: 48 \$1,012,624





# CUMI Achievement VS MDG

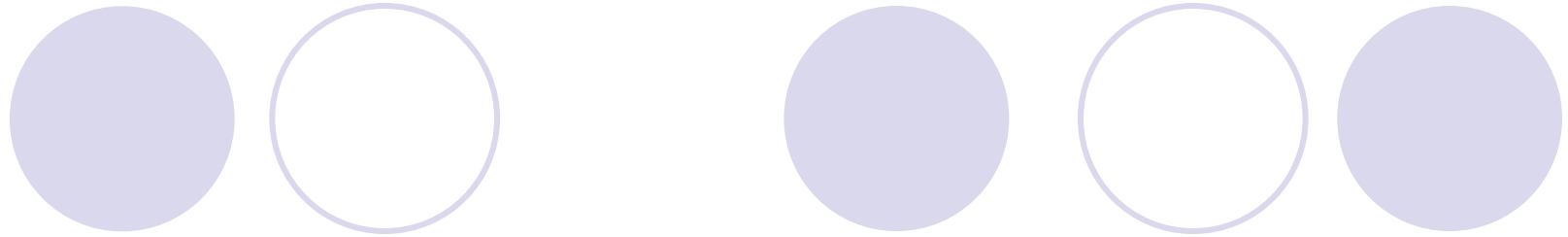
- MDG GOAL: Eradicate Extreme Poverty and Hunger
- CUMI: 30,516 E-poor Members
- MDG GOAL: Promote Gender Equality and Empower Women
- CUMI: Average of 80% (24,412.8) female –poor members who were educated for business management and

# MDG & CUMI – Some encouraging figures to work on:

- May 31, 2007

- ACCU committed to extend financial support to PFCCO and accomplish the following within one year (June 2007-June 2008)

- Reach out to 100 more credit unions
- Increase CUMI membership BY 35,000
- Generate savings by at least Php3,600 per year
- Provide loans to at least 20,000 borrowers
- Assist in strengthening CU capability in Microfinance.



## IV CUMI'S IMPLICATIONS TO THE EMPOWERMENT OF WOMEN

- Personality Development
  - Increased self-esteem
  - Emancipation from poverty
  - Training for self-expression
  - Increased confidence in meeting other people and discuss issues



# Empowerment of Women

- Economic Development

- Increased savings
- Increased income
- Increased buying capacity
- Learning financial management at home
- Learning business management
- Learning how to wisely use their credit



# Empowerment of women

- Social Development

- Funds for children's education
- Funds for recreation
- Opportunity to meet new friends
- Awareness of one's responsibility for others
- Increased opportunity to learn more about business through the experiences shared by co-members
- Through savings generated, more funds are made available to be loaned to others



# Empowerment of Women

- Political development
  - Reduced dependency on others
  - Personal decision-making becomes easier
  - Help in group decision-making after a thorough exchange of ideas.

# SUMMARY & CONCLUSIONS

- ACCU, co-signatory in the UNO's MDGs
- Focus of ACCU:
  - MDG 1: Eradicate Extreme Poverty
  - MDG 2: Promote gender equality and empower women



# Summary & Conclusions

- Participation of the Philippine Federation of Credit Cooperatives in the MDG through CUMI.
- Participation of 6 Leagues in the Philippines





# Summary & Conclusions

- CUMI, an instrument in socio-economic and political empowerment of women.
- CUMI has reduced poverty among 30,516 e-poor members and their families, 24,413 of whom are women.
- Generated at least US\$1M savings from the e-poor
- Granted around US\$4M loans that propelled business activities



# Summary & Conclusions

## ● Challenges

- Human resources to dedicate in CUMI
- Data collection in remote areas
- Some coops consider the e-poor high risks
- Only a few coops are open to business with the e-poor
- Marketing of products and services
- CUMI Members hit by natural calamities



# RECOMMENDATIONS

- Continue the CUMI
- Create Policy environment for ACCU members to accommodate the CUMI as a regular program
- Support for business centers
- Review salaries and benefits of CUMI staff in relation to their work load
- Create data base for CUMI
- Try including the whole family in CUMI orientation

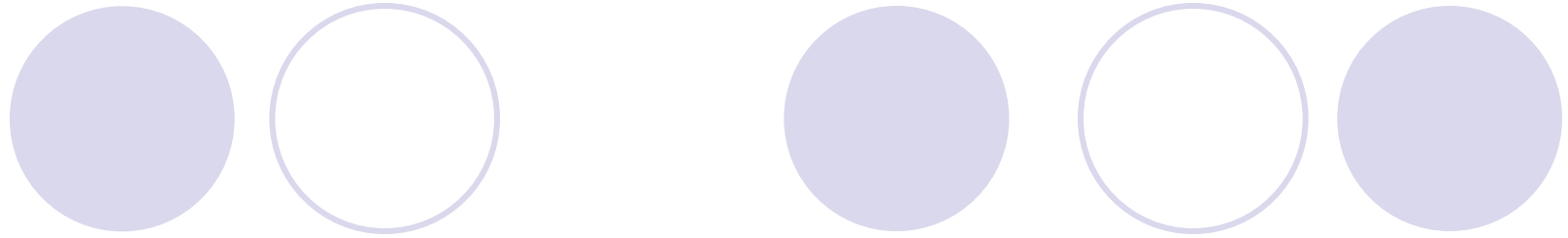


# Final Note

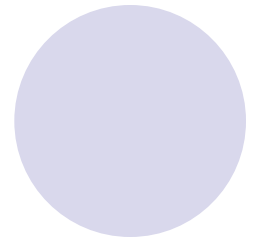
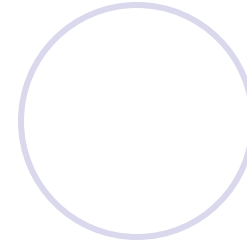
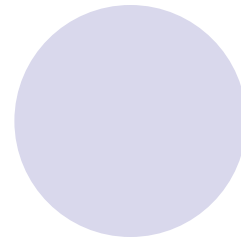
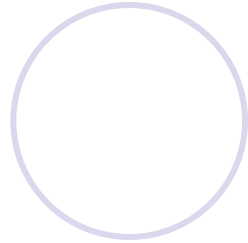
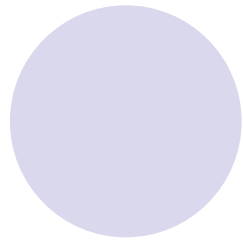
- Let us not surrender in reaching out to the poor ...because credit unions were born to address poverty. Our credit unions were once poor. Now that we have become richer, let's look back to our past and see who helped our coops grow.
- TODAY IS PAYBACK TIME - - OUR TURN TO LOOK FOR OUR POOR BRETHREN AND MAKE THEIR BURDEN LIGHT.

# Final Note

- *“The primary objective of the Credit Unions is to satisfy their members’ monetary needs. Money, however, is not the final goal of the cooperative work, but a means to an end “to improve the moral and material conditions of the members...”*
  - Raiffeisen



- The goal of the credit union then is to restore the dignity of its members – imperiled and battered by poverty.



● **THANK YOU VERY MUCH!**