

Microfinance Technology Nc Ii : A Proposed Program For Marginalized Citizens Of Manila

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Abstract: Human resource is one of the key factors in national development, especially for the City of Manila in which its population is fast increasing due to unabated migration of people from the country side to look for better economic opportunity. It is coupled with the ever increasing Manila youth and adult population (part of the total workforce) who are unemployed due to lack of the appropriate working knowledge and vocational and technical skills needed by the business and industry sectors. The main thrust is to implement effectively its educational direction. The primary objective of this study was to develop a program on Microfinance Technology NC II. This course is designed to provide basic knowledge; skills and desirable attitudes for the marginalized citizens of Manila who would like to become a Microfinance Loan Officer and be competent to interact with clients in providing microfinance loan and other services for start-up or expansion of a small or micro enterprise. Assessment shall focus on the core units of competency. The basic and common units shall be integrated or assessed concurrently with the core units. It should be based in the collection of evidence of the performance of work to the industry required standards. Successful candidates shall be awarded a National Certificate signed by the TESDA Director General.

Keywords: Manila, marginalized citizens, microfinance, microfinance technology

INTRODUCTION

Financial literacy provides the information, that makes an individual financially stable, financially competent, and to manage personal wealth with confidence and efficiency. Understanding on how money works, how to manage, earn, invest and share is very important that everyone should know (Ali, 2013) Financial capability is the capacity to augment financial needs given the socioeconomic and environmental conditions. Including the knowledge, attitudes, skills, and behaviors considering their management of resources and understanding. Also, in selecting, of financial services that would meet their demands. (World Bank 2013) Increasing financial capability has been acknowledged in the strategic policy objective of different governments. Policymakers are increasingly using surveys as diagnostic tools to identify key problem areas and inform the conception of national strategies. According to (Grifoni and Messy 2012), there are at least 36 countries who have made of projecting a national scheme for their financial education and 80 percent of these countries have used diagnostic surveys to identify the central priorities for their internal strategies. (World Bank 2013). Some researchers viewed that financial training programs that are planned specifically to raise financial literacy are great answer to existing financial problems that individuals and families are facing especially to the third world nations. But, some researchers even suggest that financial education does not have a significant effect in improving financial knowledge, as perceived by high school students in the United States (Mandell 2005). Willis (2008) argued that the costs of financial education programs outweigh potential benefits.

Muhammad Yunus of Bangladesh earned worldwide recognition and attention on microfinance. In fact, Yunus set up the Grameen Bank in his home country, which provided loans and credit to the poor, and he won the Nobel Peace Prize for his visionary work. (Nobel Foundation 2006). In contrast, other researches supported the relationship between financial education, financial literacy and positive financial outcomes (Fox, Bartholomae, and Lee 2005; Lusardi 2003). The results are an indication that not all financial education programs are applicable and effective to everyone and that financial literacy contribute to financial distress or both. In Ethiopia, (Yitay, 2011) stated that given the legal environment in the country the expansion of the microfinance institutions improve and also the clientele increased. However it appeared that there is limited evidence that confirms the role of these institutions in accessing credit to target marginalized poor in rural Ethiopia that would reduce poverty. This study focused on investigating the role of these institutions in carrying out their real objective of accessing credit to marginalized rural poor and poverty reduction using household survey data from rural SNNP region, Wolaita zone, Damot Gale Woreda. At present lending to the economically poor both for rural and urban is pegged at around Rs.7000 crores in the Indian banks' credit outstanding. Likewise, the most conservative estimates of the total demand for credit requirements for Indian society is somewhere around Rs.2,00,000 crores. (Anjulo, 2014) (Le, 2017) stated that poor rural households in Vietnam are in need of affordable credit and social support in order to ensure improvement in their socioeconomic well-being. In his study poverty alleviation approach would help the people of Vietnam. That microfinance alone is not enough to reduce poverty. According to him Microfinance necessary in having the opportunity to create jobs or improving the current employment, social competence, increase income, improve skills, through non-financial activities in microfinance. Lack of access to credit is the major problem encountered by poor people around the world who want to improve their standard of living. Without capital, people cannot invest when needed, thus, there chance of escaping from poverty is shorter. In order to investigate the issue, study examined evidences related to the role of OMFI in accessing credit and poverty reduction in Damot gale Woreda through both

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primary and secondary data. (Anjulo, 2014) Financial services or microfinance, are loans to poor families, it was recognized as an effective method of improving the lives of the needy. If properly manage small loans can build small businesses and develop other income-generating activities that have a long-lasting impact. The Philippine government like the countries has recognized the efficacy of microfinance and has made progress in promoting the development practice. It has also prioritized the need to alleviate the use of microfinance across the country. Microfinance provides resources to households that are facing financial constraints. However, some low-income households who seek access to finance their businesses, have lack the collateral to access financial resources. Microfinance has collateral requirements that are more affordable than those of traditional banks, it also promotes productive behavior and foster income-generating activities among low-income households. Information Technology is very significant in improving the lives of small scale industry and agriculture (farmers, fishermen and micro-entrepreneurs) especially in developing country like the Philippines. It reduces poverty by providing financial services, to poor and underprivileged section of society. It is banking service that helps the unemployed, low-income individuals and other groups who have no other means of obtaining financial services. The goal of microfinance is to give low income people the knowledge and opportunity to become self-sufficient by providing seminars and trainings on how to save money, borrow money and insurance. According to (Kondo et.al 2008) the program has enabled participants to reduce dependence on high interest non-program loans as well as increased the knowledge saving. It also made clients busier with larger number of enterprises engaged in and more workers employed in these enterprises. The authors recommended "that for microfinance programs to be effective as a poverty-alleviation tool there is a need to review and constantly monitor the effectiveness of the targeting procedures". Microfinance is considered as one of the best solutions to poverty. It has been implemented and sustained by strong-willed individuals, including the late former President Cory Aquino. "In essence, microfinance provides much-needed funds for the poor who lack access to formal sources of funding like banks and are too poor to qualify for bank loans, to jump-start small businesses. The key to its success is a strong repayment rate, which in turn, goes back to the members to further grow and develop their enterprises. *Forbes* magazine stated that microfinance has "raised the provocative notion that even philanthropy aimed at alleviating poverty can be profitable to institutional and individual investors."(Marcelo 2010). However, millions of Filipinos are not familiar with and still unaware of the program and hesitant of borrowing from microfinance services of banks and microfinance institutions. Despite of, the larger outstanding loans and client base of microfinance services as of end 2014. (Kondo et.al 2008). The Bangko Sentral ng Pilipinas (BSP) announced that thrift and rural banks' microfinance services have an outstanding loan base of P11.4 billion as of end-2014, serving over 1.2 million microfinance clients. Despite of, the continuous operations in the country exposing the country's need for specialized financial services that were intended for lower-income individuals, the Philippine government hardly

recognized that microfinance will improve the life of many Filipinos. (Marcelo 2010) "As the number of microfinance clients increased under the program, the need for an efficient microfinance credit system became clear and was identified as a priority for future work. A need for an expansion on micro insurance and increase in support for the financing of microenterprises" should also be recognized in the Philippines. (Phil Microfinance Development Completion Report) According to Habaradas & Umali (2013) "the Philippine microfinance industry has grown over the past decade across key indicators (i.e., outreach, loans, and savings)." That the policy and regulatory environment for microfinance in the Philippines is one of the best in the world. The Asian development Bank (ADB) supported through the Microfinance Development Program (MDP), which allowed the Philippine government to address issues and problems in the microfinance sector. (ADB, 2012) The Microfinance Technology NC II is the broad range of financial services such as loans, savings and other non-financial services such as micro-insurance and capacity building programs. Designed for the poor and low-income households to assist their micro-enterprises to be able to raise their income levels and improve their standard of living. It is a short TESDA course in the Philippines that will train learners in providing microfinance loans and other services for recently established companies or for expansion of small enterprises. There are competencies that a person must achieve before starting up a small or micro enterprise. These competencies are; basic competencies, common competencies and core competencies. The competencies that a person must achieve to interact with clients in providing microfinance loan and other services for start-up or expansion of a small or micro enterprise. It also covers selecting potential area for microfinance operation, promoting microfinance products and other services, forming group of microfinance clients, facilitating center meeting, processing application for loans and other services, collecting dues, and updating financial records. (TESDA)

PURPOSE OF THE RESEARCH

The primary objective of this study was to develop a program on Microfinance Technology NC II. This course is designed to provide basic knowledge; skills and desirable attitudes for the marginalized citizens of the City of Manila who would like to become a Microfinance Loan Officer and are competent to interact with clients in providing microfinance loan and other services for start-up or expansion of a small or micro enterprise. The aim of the training program is to serve as an effective implementing arm of the city government of Manila in the area of microfinance technology.

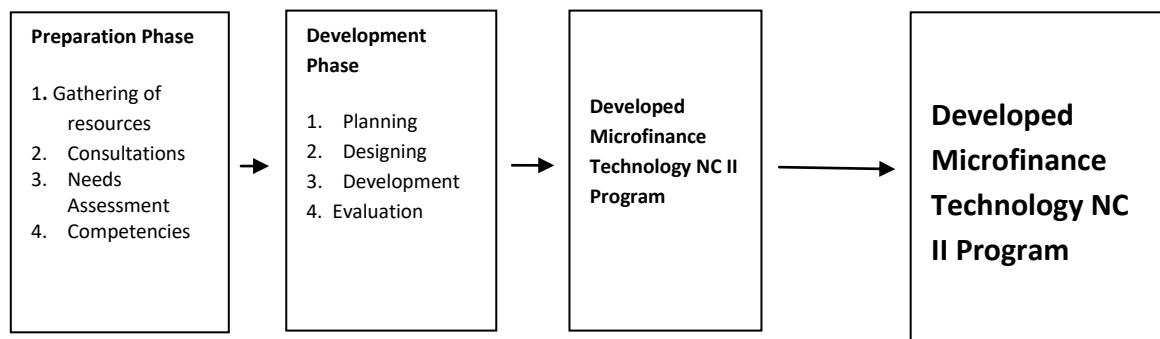
Specifically it aimed to achieve the following objectives;

1. To develop a Microfinance Technology NC II Program
2. To determine the number of learners in Microfinance Technology NC II
3. To identify the competencies in Microfinance Technology NC II
4. To develop the program following these stages:
 - a) planning stage;
 - b) design stage;
 - c) development stage
 - d) evaluation stage

FRAMEWORK OF THE STUDY

The human resources are the key factors in national development, especially for the City of Manila. The people who make up the workforce of an organization, business sector, or economy. The *human capital* is a collection of traits, knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed by individuals in a population. These resources are the total capacity of the people that represents a form of wealth which can be directed to accomplish the goals of the nation or state. The population is fast increasing because of migration of people from the provinces due to poverty and to look for better economic opportunity. The unemployed youth due to lack of the appropriate working knowledge and vocational- technical skills needed by the business and industry sectors are part of the total workforce. The main thrust of the City is to implement effectively its educational direction. In order to achieve the City government has spearheaded a "Community Livelihood and Employment Skills Training Program" that could provide relevant and appropriate working knowledge and skills being demanded by the industry. Part of the training program are learning packages that addresses human development and help the

learners apply the skills that would help them from day-to-day activities in their lives and the community. In order to develop skilled manpower, the city government has launched partnership with TESDA to promote full employment and to establish an occupational certification system. After three, six months, or one year of the students in vocational-technical training, the learners are required to pass the TESDA occupational skills certification. Their skills certification served as a passport to their job. The programs that are already implemented are not adequate and the learners who had already complied with the requirement of TESDA have no capital to pursue their aspirations and to put up small business. Also, there are so many unemployed youth and adults that are using prohibited drugs due to poverty that are now problems of the government. It is for these reasons that a Microfinance Technology NC II for marginalized citizens of the City of Manila is a must. In order to remedy financial dilemmas a financial literacy program must be in place to instil among them to value the importance of savings, spend within the means and invest for the future. Microfinance Technology NC II will help the learners augment their financial needs.



Paradigm of the Study

METHODOLOGY

Research Design

A descriptive-development method of research was employed in this study in an attempt to develop a program that would help the marginalized citizens of the City of Manila handle and augment their financial needs. Calmorin (2000) described that descriptive studies are valuable in providing facts on which scientific judgments may be based.

Participants of the Study

The learners are marginalized citizens of the City of Manila who are willing to undergo the training program for 14 sessions. The marginalized sectors include the self employed such as; tricycle drivers, service shop workers, jeepney drivers, and street vendors. The nature and operation of their work are beyond the scope and reach of government legislation and regulations on labor as there are no employer-employee relationships. Teachers are NC II Instructors and licensed Instructors of the College of Industrial Technology of Universidad De Manila Downtown Campus (Annex) located at Sta.Cruz Manila.

Data Collection

The researchers started working on the training program. Data are gathered started with the vision, mission, objectives and goals of the program together with the corresponding topics and time duration as well as the assessment for the said program. Each data are presented in tabular and graphical forms, organized in a sequential manner following the purpose of the research.

Objective1.To determine the number of learners in Microfinance Technology NC II

The learners are thirty three thousand six hundred forty five street vendors, twenty two thousand four hundred thirty service shop workers, twenty thousand tricycle drivers, and fifteen thousand jeepney drivers. There are ninety one thousand seventy five participants of the study.

Objective 2. To identify the competencies on Microfinance Technology NC II

The researchers determined what competencies that should be included in the proposed program and they are as follows; the basic competencies (18 hours), Core competencies (311 hours), and the common competencies (74 hours).

Objective 3. To develop the program following the stages;

Like other researchers who ventured on development of program the researchers observed a set of specific and definite stages namely, 1) planning 2) designing 3) development and 4) evaluation.

a) Planning Stage

The researchers started working on the topics and duration of the program based on the needs of the learners anchored to the university's vision and mission and TESDA standards. Participants of the study was also determined.

b) Designing stage;

In this stage, the researchers identified the competencies and duration that were included in the program by further consultation with the TESDA personnel and the competencies were the following: a) basic competencies b) common competencies and c) core competencies. Every session last for 8 hours on 14-week duration (403 hrs.) to finish the topics covered in the program.

c) Development stage;

After all the suggestions and recommendations were incorporated, the researchers made the final draft of the program. It was developed based on the university's vision, mission, objectives and goals and competencies of TESDA.

The Curriculum

The proposed curriculum is composed of the basic competencies (18 hours), Core competencies (311 hours), and the common competencies (74 hours). Materials are; Micro Financial Technology modules, web-based videos and testimonials.

Assessment

Assessment shall focus on the core units of competency. The basic and common units shall be integrated or assessed concurrently with the core units. It should be based in the collection of evidence of the performance of work to the industry required standards; To attain the National Qualification of Microfinance Technology NC II, the candidate must demonstrate competence through assessment covering all the units of competency. Successful candidates shall be awarded a National Certificate signed by the TESDA Director General

Administrative Support

The administrative role is to encourage the unemployed, under privileged, out-of-school youth to participate in the program. Shall issue a memorandum or give an announcement for the application of the participants to the said project.

Advocacy and Social Mobilization

The program's participants are the unemployed citizens of the City of Manila. After the Manileños have undergone this program, it could be extended to the other local government who also need micro financial technology program. It is an understatement to say that we need it because it does affect our lives. We need this program *to augment the financial needs due to unemployment, low wages, increasing cost of living and other factors*. If the program

become successful in UDM, this could even be adopted in entire Manila.

Resource Generation/Mobilization

This program needs funding. UDM is a locally funded university. The City Council as the governing council deems this endeavor a priority, it could be included in the City budget programs to be implemented next year. As such, the school will allocate funding coming from the capital outlay (maintenance and operating expenses) (MOE) allocation of the university. This will fall under the uses of capital outlay "to support expenses for school-based training and activities that are selected and designed to address the most critical needs that will improve learning outcomes in the university.

Monitoring and Evaluation

The President shall ensure that this will be properly implemented in Universidad De Manila (UDM), Vice President for Academic Affairs (VPAA), Dean of the College of Industrial Technology and the program coordinator will take the lead in monitoring the conduct of the sessions and attendance of the participants as well as the instructors/facilitators in the duration of the program. An assessment tool shall be used for facilitators, participants, and the program itself. Assessment results will be used whether to continue or modify certain parts of the project.

Linkaging and Networking

Partnerships with private sector and other government agencies will be a great help for the success of this program. Non-Government Organizations (NGO) like Rotary Club of Manila Metro, Ermita and Malate Business Entrepreneurs Organization (EMBOA), Cooperative Development Authority (CDA) partnered with CHED through TESDA. With the company's experience in conducting such activity, conducting an intensive 14-session program on micro financial technology wouldn't be a problem for them. Speakers and facilitators could be sourced from them since they have employees who are experts in terms of handling such activities.

Sustainability/Institutionalization

With the support of the University administrators, the City Council of the City of Manila and the partnership with private companies and other government agencies, this program could be realized. A memorandum of agreement (MOA) signing between the university and the partner agencies (bank, insurance companies) would seal the success for empowering the poor citizens of Manila with micro financial technology management skills.

d) Evaluation stage

The proposed program was evaluated in terms of the content as mandated by TESDA. However, the technical and instructional quality of the program was not yet evaluated because the program was not yet implemented.

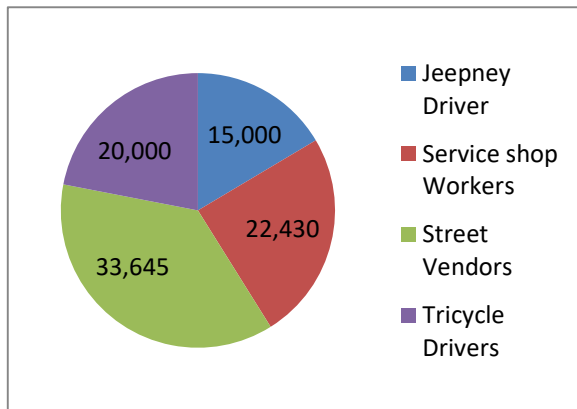
Data Analysis

In treating the data the result gathered from the assessment checklist were tallied, tabulated, analyzed and interpreted. The researcher utilized the following statistical measures in the analysis and interpretation of gathered data in order to

provide answer to the specified objectives of the study. The **frequency distribution** was used to present data. It is a table that displays the frequency of various outcomes in a sample. **Percentage** describes how many parts there are out of one hundred parts of an outcome in a sample. **Pie graph** was used to present data.

RESULTS AND DISCUSSION

The researchers focused only on the development of a program on Microfinance Technology NC II intended for the marginalized citizens of the City of Manila. Data were presented as follows;



(Estimated numbers based on Philippine in Figures 2015 of Statistics Authority (PSA))

Figure 1 frequency distribution of the participants of the study

Figure 1 show that there are thirty three thousand six hundred forty five street vendors, twenty two thousand four hundred thirty service shop workers, twenty thousand tricycle drivers, and fifteen thousand jeepney drivers. There are ninety one thousand seventy five participants and possible beneficiaries of the program..

Table 1 The competency standards and duration of the proposed program

COMPETENCY STANDARD		
No. of Sessions	Basic Competencies (18 hrs.)	No hours.
1 session	Participate in Workplace Communication	4
	Work in a Team Environment	4
	Practice Career Professionalism	5
1.5 sessions	Practice Occupational Health and Safety Procedures	5
	Common Competencies (74 hrs.)	
3 sessions	Provide Quality Customer Service	24
3 sessions	Comply with Quality and Ethical standards	
3 sessions	Perform Computer Operations	25

Core Competencies (311 hrs)		
5.5 sessions	Select Potential Area for Microfinance operation	44
6 sessions	Promote Microfinance Products and Other Services	45
5.5 sessions	Form Group of Microfinance Clients	44
6 sessions	Facilitate Center Meeting	45
6 sessions	Process Application for Loans and other Services	45
5.5 sessions	Collect Dues	44
5.5 sessions	Update Financial Records	44
		403 hrs.

Basic competencies such as: Participate in workplace communication; Work in a team environment; Practice career professionalism; Practice occupational health and safety are included. It also includes common competencies such as: Provide quality customer service; Comply with quality and ethical standards; and Perform computer operation. To obtain this, all units prescribed for this qualification must be achieved. Every session last for eight hours for two and a half days to finish the topics covered in the competency. The common competencies are; provide Quality Customer Service, Comply with Quality and Ethical standards, and Perform Computer Operations. These competencies are good for seventy four hours for nine days and a half. The core competencies are; Select Potential Area for Microfinance operation, Promote Microfinance Products and Other Services, Form Group of Microfinance Clients, Facilitate Center Meeting, Process Application for Loans and other Services, Collect Dues, and Update Financial Records. There are three hundred eleven hours and would last for forty one days.

CONCLUSIONS AND RECOMMENDATIONS

In light of the findings of the study, the following conclusions were drawn:

1. The learners are the marginalized citizens of the City of Manila. These sectors include the *self employed* such as; thirty three thousand six hundred forty five street vendors, twenty two thousand four hundred thirty service shop workers, twenty thousand tricycle drivers, and fifteen thousand jeepney drivers. There are ninety one thousand seventy five participants of the study who are willing to undergo the training program for 14 sessions.
2. The Basic competencies are Participate in workplace communication, Work in a team environment; Practice career professionalism, Practice occupational health and safety are included. To obtain this, all units prescribed for this qualification must be achieved. Every session last for eight hours for two and a half days to finish the topics covered in the competency.
3. The common competencies are; provide Quality Customer Service, Comply with Quality and Ethical standards, and Perform Computer Operations. These competencies are good for seventy four hours or nine days and a half.

4. The core competencies are; Select Potential Area for Microfinance operation, Promote Microfinance Products and Other Services, Form Group of Microfinance Clients, Facilitate Center Meeting, Process Application for Loans and other Services, Collect Dues, and Update Financial Records. There are three hundred eleven hours and would last for forty one days.
5. That to obtain all of these competencies the learner should finish 403 hours. All units prescribed for this qualification must be achieved. Every session last for eight hours for fourteen weeks to finish the topics covered in the program.

RECOMMENDATIONS

In connection with the results and discussion of the study, the following are recommended.

1. The school administrators should implement the proposed program, the Microfinance Technology NC II to help the poor or marginalized citizens of the City of Manila.
2. The government officials should encourage the marginalized citizens of the City of Manila to enroll in the Microfinance Technology NC II because this would help them alleviate their standard of living.
3. The City Council of the City of Manila should provide funds for the said program to sustain the financial needs of the learners and the implementing school.
4. Other programs that would help the poor should be designed, proposed and implemented.

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