

**ASSESSMENT OF THE SOCIO-ECONOMIC BENEFITS OF THE ALALAY SA
KABUHAYAN PROGRAM OF ALALAY SA KAUNLARAN,
INCORPORATED IN NUEVA ECIJA,
PHILIPPINES**

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A masteral thesis submitted to the Faculty of the Institute of Graduate Studies
Central Luzon State University, Science City of Muñoz,
Nueva Ecija, Philippines in partial fulfillment of
the requirements for the degree of

MASTER OF SCIENCE
(Rural Development)

November 2005

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ABSTRACT

DELA CRUZ, ERICSON N. Institute of Graduate Studies, Central Luzon State University, Science City of Muñoz, Nueva Ecija, November, 2005. **ASSESSMENT OF THE SOCIO-ECONOMIC BENEFITS OF THE ALALAY SA KABUHAYAN PROGRAM OF ALALAY SA KAUNLARAN, INCORPORATED IN NUEVA ECIJA, PHILIPPINES**

Adviser: **PASTORA S. COLOMA, Ph.D.**

This study assessed the socio-economic benefits of the Alalay sa Kabuhayan Program (AKP) of the Alalay sa Kaunlaran, Incorporated (ASKI) in Nueva Ecija. The study described and assessed the clients' characteristics, loan-related activities and information, microfinance lending process and outputs of the microfinance program in terms of economic and social benefits. Data were analyzed using descriptive statistics, Pearson's product moment correlation (r), Chi square test and T-test analysis.

Sixty-eight clients from San Jose City, Guimba, and Talavera, Nueva Ecija represented the respondent population. Purposive sampling procedure and evaluative survey method were employed through interview and focused group discussion.

This study described the socio-economic characteristics of the clients, presented the AKP loan-related activities and information, described and assessed the AKP lending process, determined the program outputs in terms of economic and social benefits and examined various relationships between program outputs and other input variables. Also, this study identified the major problems encountered by both clients and project officers during the early implementations of the AKP along with the immediate solutions imposed by the management to surmount such problems.

In place of collateral, group pressure and mutual guarantee mechanisms applied by ASKI ensured the 100 percent weekly repayment. Also, the integration of spiritual transformation activities, in conjunction with proper community organization enabled effective area identification and helped them facilitate selection of competitive clients.

The results revealed significant associations between the length of business experience (input variable) and asset index (output variable); credit demand (input variable) and utility index (output variable); center training with education (process variable) and recreation after the loan (output variables); recognition test (process variable) and level of social interaction and housing index (output variables); loan processing and disbursement (process variables) with utility index (output variable); reload (process variable) and level of social interaction and utility index (output variables). Consequently, the null hypothesis stating no association between the input variables and the output variables was rejected in cases where significant relationships were established.

The t-test analysis between data of before and after the loan, wherein the Consumers' Price Index was used as deflator showed significant differences between the clients' characteristic (income) and output (fixed capital, working capital and recreational activities).

The study recommends that ASKI's AKP be provided with more grants for continuous expansion of loan packages.

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