

IMPACT OF RURAL DEVELOPMENT PROGRAM THROUGH ENTREPRENEURSHIP

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ABSTRACT: *This study examines the impact of rural development program through entrepreneurship in the Philippines, focusing on the Sustainable Livelihood Program (SLP), which the Department of Social Welfare and Development (DSWD) implements. The researcher employs a descriptive survey method, utilizing questionnaires and interviews to collect data from SLP beneficiaries in Carrascal, Surigao del Sur. They evaluate the program's effects on labor, income, savings, capital investment, budgeting, and social aspects of rural communities. Key findings indicate that rural development program creates employment opportunities, increases household income, and improves living conditions. The program provides funds for business start-ups and enhances financial management skills through training. Beneficiaries report improved awareness of the importance of budgeting and better access to basic social services. The study concludes that rural development through entrepreneurship positively impact various socio-economic aspects of rural communities, contributing to poverty alleviation and sustainable economic growth. The researcher contributes to the understanding of rural development strategies and their effectiveness in addressing poverty and promoting entrepreneurship. Policymakers and program implementers can use the findings to improve rural development initiatives. Furthermore, the study highlights the crucial role of women in this program, as many beneficiaries are housewives who contribute significantly to household management and community development. Overall, this research underscores the importance of continuously evaluating and adapting rural development program to meet evolving community needs. By empowering individuals through entrepreneurship, these initiatives not only alleviate poverty but also promote social cohesion and resilience, ultimately enhancing the quality of life for marginalized populations.*

Keywords: Rural development program, entrepreneurship, poverty, employment opportunities, household income, savings, budgeting

1. INTRODUCTION

In the Philippines, major sources of employment and income for poor and low-income household are microenterprises and self-employment. To eradicate poverty, the government implement socio-economic agenda that put emphasis on incentivizing business opportunities to increase the productivity of rural enterprises. The government create and develop effective policies to achieve economic growth through rural development. Rural development is the process of improving the quality of life and economic well-being of people living in rural areas. In can be observed that the incidence of rural poverty in rural areas is relatively high compared to urban areas as it lacks access to economic activities and investments in key infrastructure like education. Rural development programs are created in order to create livelihood opportunities for the poor and marginalized households. These are approaches sourced from the national, local or regional government agencies, and non-government organizations. These programs are intended at finding ways to improve rural lives with the participation of the rural community.

Republic Act 8425 known as the Social Reform and Poverty Alleviation Act states the policy of the state to adopt an area-based, sectoral and focused intervention to poverty alleviation wherein poor Filipino family shall be empowered to meet its minimum basic needs health, food and nutrition, water and environmental sanitation, income security, shelter and decent housing, peace and order, education and functional literacy, participation in governance, and family care and psychosocial integrity. Entrepreneurship is one of the primary aspects through which rural economic development can be achieved. Rural entrepreneurship symbolizes rural industrialization[1]. Simply, it can be defined as entrepreneurship in rural areas.

In 2011, the Philippine government through the Department of Social Welfare and Development (DSWD) implemented a capability-building program known as Sustainable Livelihood Program (SLP) which aims to enhance human assets through technical-vocational and life skills training, enrich natural assets that protect and contribute to community livelihoods, extend social assets through membership in SLP associations and network linkages, expand financial assets. This program provides access to opportunities that increase the productivity of the livelihood assets of poor, vulnerable, and marginalized communities, in order to improve their socioeconomic well-being[2]. To ensure that its livelihood interventions are backed with appropriate innovations and remain responsive to the vast needs of its participants, the DSWD recently launched last 2023 the Sibol: the New Sustainable and Livelihood Program. Under this new program, participants are given five years as incubation period. The incubation period includes capability-building activities and additional livelihood incentives[3].

Entrepreneurship is one of the primary aspects through which rural economic development can be achieved. Rural entrepreneurship symbolizes rural industrialization. Simply, it can be defined as entrepreneurship in rural areas. It plays an important role in sustaining the local economy and providing livelihood opportunities to residents. These businesses provide an essential means of income for farmers, fishermen and other rural workers who may not have access to formal employment.

This study brings out the need to understand projects evaluation as a continuous process, requiring periodic review and analysis of the needs of the various sectors of rural development through entrepreneurship. This will be done to assess the impact of the rural development projects to the beneficiaries in terms of labor, income, expenditure, savings and capital investment.

2. MATERIALS AND METHODS

The researcher applied the descriptive survey method and used a researcher-made questionnaire as the main instrument for data collection. To clarify responses, verify answers, and gather additional information, the researcher conducted interviews. Beneficiaries of the Sustainable Livelihood Program (SLP) implemented by the Department of Social Welfare and Development (DSWD) in Carrascal, Surigao del Sur, Philippines, participated as respondents in this study.

To ensure the reliability of the questionnaire, the researcher pre-tested it with at least 30 SLP beneficiaries outside the study’s scope. The researcher analyzed the pre-test data using an alpha test to measure reliability.

In quantifying the gathered data, the researcher used frequency counting and simple percentages to compute the frequency and percentage distribution. Additionally, the researcher applied the weighted mean to assess the impact of rural development program.

Data on the impact of rural development program at the micro level—households and families—can highlight different aspects of the global economic situation. These data serve as indicators of living standards.

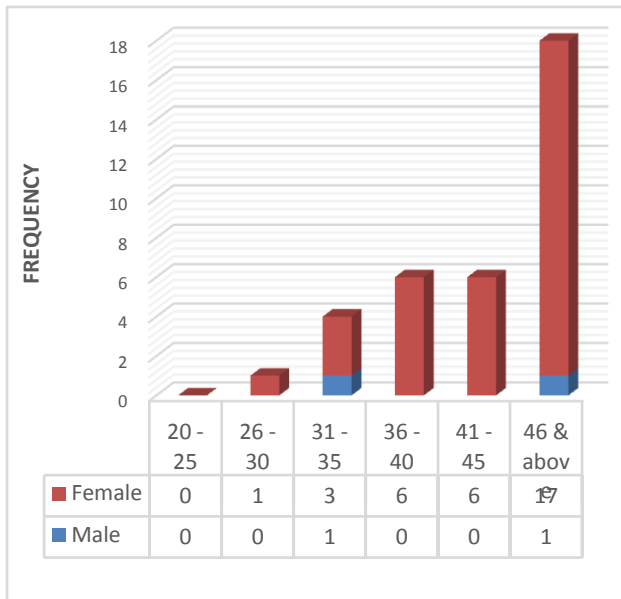


Figure 1. Demographic Profile of Respondents

This study draws on the economic base theory, which explains that increases in local economic growth are reflected in higher levels of output, income, or employment. It also builds on entrepreneurship theories, which emphasize those resilient and diverse local economies, emerge under conditions that support entrepreneurs. Recognizing entrepreneurship as a fundamental component of economic development and a key driver of innovation, this study underscores the importance of stimulating small businesses by providing financing, technical assistance, infrastructure, and networking to enhance economic diversity and stability.

3. RESULTS AND DISCUSSION

Profile of respondents. As to the profile of respondents, the study shows that most respondents are female, with 49% aged 46 and above. Household representatives for government livelihood programs are primarily housewives. Women actively manage households and contribute significantly to their communities.

Mohd Akhter and M. Kamraju emphasize that women play a crucial role in rural development. They highlight that women serve as primary contributors to agricultural work and other income-generating activities, which supports sustainable and inclusive growth in rural areas [4].

Impact of Rural Development Program. Entrepreneurs drive rural development programs, paving the way for economic growth by creating opportunities for individuals and families in rural areas. This program plays a crucial role in generating local jobs where employment options are limited. By providing livelihood opportunities, they enable people to remain in their communities and actively support the local economy. Factors such as household labor, income, savings, capital investment, budgeting, and social contributions help determine the impact of rural entrepreneurship.

Labor. Theresa Ann Rajack-Talley explains that rural areas worldwide struggle with employment challenges. Although some people migrate to cities, those who remain must find work in agriculture or non-farm economic activities [5]. Addressing this issue is crucial to slowing migration to urban centers, preventing the decline of rural settlements, and reducing poverty. Creating employment effectively alleviates poverty while promoting self-employment raises the overall employment rate. As shown in the table, respondents strongly agree that the rural development program generates good employment opportunities in rural areas through microenterprise development and employment facilitation programs, thereby lowering the unemployment rate. Respondents also agree that this program enables older and retired individuals to participate in the labor force. Organizers group participants in microenterprise development based on their economic or livelihood activities. The microenterprise development program focuses on capacity building, enhancing skills, establishing networks and partnerships, and providing capital assistance to poor families.

Meanwhile, the employment facilitation program supports unemployed household members by helping them start enterprises for income generation. It offers participants technical skills training, occupational guidance, counselling, and job placement referrals. The Employment Facilitation (EF) track of the Sustainable Livelihood Program (SLP) of the DSWD prepares participants for employment through skills enhancement and pre-employment training [6]. It also connects participants directly to the labor market by establishing public-private partnerships, enabling community members to access available job opportunities. Additionally, EF track recipients can use the training fund to improve their skills through technical-vocational education and training.

Income of Households. Wikipedia defines household income as the total combined income of all individuals sharing a household or residence, including salaries, wages, retirement income, and near-cash government transfers [7]. To combat

rural poverty, the government launched livelihood programs that promote entrepreneurship to help individuals in the community boost household income. Respondents strongly affirmed that rural development programs, particularly livelihood programs, have increased household income and improved living conditions in their communities. They noted that effective participation in the Micro-enterprise Development (MD) track of the Sustainable Livelihood Program (SLP) of the DSWD creates opportunities for households to earn more. This increase in income enables families to afford better food, education, healthcare, and asset acquisition. Additionally, higher income enhances the purchasing power of families, allowing them to meet their children's basic needs. Respondents also agreed that income from livelihood program helps them address financial concerns. Ultimately, increased income contributes to better savings, higher household consumption, and more investments.

Table I. Impact on Income of Households

Indicators	Weighted Mean	Verbal Description
1. It increases household income.	4.37	Strongly Agree
2. It improves the living conditions of the people living in the community.	4.37	Strongly Agree
3. It helps individuals in the community earn money for household expenses.	4.17	Agree
4. It resolves financial problems/concerns in the household.	4.20	Agree
5. It expands the purchasing capacity of the people in the community.	4.29	Strongly Agree
Average Weighted Mean	4.28	Strongly Agree

Savings and Capital Investment. The government provides funds to individuals seeking opportunities to start their businesses. Although eligibility criteria for small business grants can be strict, they apply to specific types of viable businesses. Respondents who received government grants agreed that the rural development program offers financial support for starting businesses. The Seed Capital Fund (SCF), part of the Micro-Enterprise Development (MD) Track of the Sustainable Livelihood Program (SLP) of the DSWD, serves as start-up capital for individuals planning to launch or expand their businesses, with a maximum grant of P15,000.00 per participant. Respondents also agreed that rural development fosters savings. The program provides recipients with training on enterprise development and financial management. Partner organizations conduct financial management training to help participants gain a deeper understanding of business operations, control costs, and improve profitability. Ultimately, these efforts lead to increased savings and investments.

Budgeting. Organizations budget their funds by planning expenditures based on income and expenses. Through budgeting, they identify available funds and estimate future expenses over time. As shown in the table, respondents strongly affirmed their awareness of the importance of

budgeting in achieving financial goals which were explained through capacity-building activities such as training and seminar workshops provided by the program. Respondents learned how to prepare budgets and avoid spending beyond the allocated amount. They recognized that a budget serves as a guide for achieving financial stability and security, leading to a better future. Additionally, respondents acknowledged the importance of setting aside money for emergencies to avoid diverting business funds for personal expenses during unexpected events.

The budgeting training positively impacts the beneficiaries of the Sustainable Livelihood Program (SLP) of the DSWD. Participants learned that budgeting is a critical skill for ensuring that their organization has the necessary resources to achieve its goals. Catherine Cote, in the article "Why is Budgeting Important in Business?", emphasized that budgeting's primary function is to ensure sufficient resources for meeting an organization's objectives [8]. By planning financials, organizations can determine which teams and initiatives require more resources and identify areas where they can reduce expenses.

Table II. Impact on Budgeting

Indicators	Weighted Mean	Verbal Description
1. It gives awareness of the importance of budgeting to achieve their financial objective.	4.54	Strongly Agree
2. It teaches participants how to prepare a budget.	4.46	Strongly Agree
3. It emphasizes setting aside money for savings and future needs.	4.37	Strongly Agree
4. It encourages individuals to set aside money before spending.	4.23	Strongly Agree
5. It makes a point of not spending money beyond the budgeted amount.	4.31	Strongly Agree
Average Weighted Mean	4.38	Strongly Agree

Social. Investing in people and promoting social development effectively reduces poverty. Social development focuses on improving the well-being of every individual in society, enabling them to reach their full potential. The success of individuals directly contributes to the progress of society.

As shown in the table, respondents strongly affirmed that the program under the Sustainable Livelihood Program positively impacts participants' lives. They agreed that this program has improved Filipinos' access to essential social services, including education, training, culture, health, nutrition, population development, housing, social protection, and asset reform. Respondents also emphasized that livelihood program enhance competitiveness among primary producers by promoting quality schemes and adding value to agricultural products in local markets. This program strengthens connections between agriculture, food production, forestry, research, and innovation, leading to better environmental management and performance. Additionally, respondents agreed that the livelihood program

helps participants improve themselves and become better versions of who they are.

4. CONCLUSION AND RECOMMENDATION

Rural development program, particularly those promoting entrepreneurship, significantly boost local economies and improve individual households. The Philippine government, through the Sustainable Livelihood Program (SLP), creates employment opportunities in rural areas, increases household incomes, improves residents' living conditions, and provides capital for starting and expanding businesses.

This program empowers women to take active roles in household management and community development, improve access to essential social services such as education, health, and housing, enhance the competitiveness of primary producers in local markets, and strengthen connections between agriculture, food production, and innovation.

Despite the positive outcomes, rural areas continue to face major employment challenges, and the success of this program varies based on local conditions and how they are implemented. To maximize the impact of rural development programs, continuously evaluating and adapting programs is essential. Additionally, maintaining a focus on building diverse, resilient local economies and prioritizing sustainable and inclusive growth will further enhance their effectiveness.

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