

Landbank Todo Unlad Strategy For Dagupan City, Philippines

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Abstract — This Management Research Resort has identified as the focal problem of Dagupan City the existence of financing and development gaps which cannot be resolved by the government alone. It is for this problem that a LandBank TODO UNLAD Strategy was formulated which was anchored on strong collaboration and partnership by development players. Such strategy- Adopt a Cooperative program- will create a mechanism for the “change agent” (LandBank, Dagupan City Branch) to undertake the collaboration and partnership with the City leadership, civic clubs, NGO/Foundation, and other private and public agencies in addressing the pre- credit and credit needs of the SMEs/Cooperatives which this research has identified to create the city’s engine for growth.

While the program strategy (Adopt a Cooperative Program) allows the TODO UNLAD linkaging, mobilization and pooling of resource among the development players, such development action emphasizes an integrated development approach to take place, so that the focused sector to be developed (SMEs/Cooperative) will be empowered, prepared and sustained to continually undertake the responsibility of joining the ranks of development prayers in providing the needed services to the residents of Dagupan City

It also creates an interplay of development financing for the city – integration and complementation – based on development projects’ for the empowered SMEs/Cooperatives for the socio- economic uplift of Dagupan City. This presents an analysis of Program/Project implementing structures, Stakeholders, potential problems and the overall management of the TODO UNLAD partnership and collaboration. The researcher believes that much remains to be done for the city’s development. While there is much development work to do, however, the study shows that there is hope for the city’s balanced development through TODO UNLAD STRATEGY.

I. Introduction

Development does not happen by chance. It has to be propelled by concerned sectors--- the community, the various government and non-government agencies, the industry or the business group whose efforts and resources are to be marshalled in such a manner that these will trigger desired changes in the social, economic, political, and environment status of a locality.

To expedite the development of a community, the change agents have to apply an Integrated or unified approach which necessarily takes care of the vertical and horizontal linkages of whatever project undertaken in line with the planned change. Consistent with the dynamics of planned change, the Land Bank of the Philippines has formulated its TODO-UNLAD, a unified approach to development, a strategy which fits well in growing community like Dagupan City.

The current trends on Urban and Rural Development occurring amidst the growing complexities and demand for socio-economic upliftment offer a number of opportunities. Dagupan City should not miss these opportunities.

Towards this goal, the City Government, in its five-year development program, had earmarked projects amounting to P514.12M. This is quite a sum to reckon with considering the financial capability of the city. Based on the December 1996 City Government's financial report, the net amount available for operations is P37M. Obviously, there are some financial gaps to be bridged and this condition is compounded by the fact that the city does not have in its plan, some priority economic agenda clear strategies for other fund-sourcing.

With its numerous programs and projects, the City Government of Dagupan needs a financial intervening mechanism to help meet its funding requirements. Such mechanism can be provided by financial institutions and non-government organizational (NGOs) such as civic clubs, cooperatives and other people's organizations. These sectors, if properly tapped as development partners of the city can help significantly in improving and/or maintaining the economic attractiveness of the city.

The business sector of Dagupan City is a potent group to consider in the pursuit of economic upliftment of Dagupenos. It will be noted that trading, services, manufacturing, etc., create not only investment opportunities but jobs as well. Adequate financing of these business will strengthen their business position for expansion and sustainability thereby enabling them to do their share in the growth of the city.

II. Methodology

Research Method: The study employed descriptive method of research using questionnaire and focused interview techniques of gathering information and documentary analysis.

Research Subjects: The study involved the following as respondents:

- 6 industry leaders composed of:
 - 3 bank managers
 - 1 President of Dagupan Bankers Club
 - 2 Presidents of Banks Employees 'Association (1995 & 1996)
 - 4 bank auditors
 - Dagupan City Auditor

- 2 Cooperative Chairmen
- 1 CDA Officer
- 140 bank clients (120 as questionnaire respondents and 20 as focused group interviewees)

Data Gathering Instruments: The researcher made use of a questionnaire and an interview guide in gathering and validating some data needed by the study.

3.1 a questionnaire which involved fixed-alternative and open-ended questions to elicit data/information from the banking public

3.2 an interview guide in gathering some data on sectoral profile and to validate the information elicited by the questionnaire.

Data Used: The following data were used by the researcher:

- 4.1. Socio-economic Profile of Dagupan City
- 4.2 Financial Records of Dagupan City
- 4.3. Accomplishment Report of Dagupan City
- 4.4. Framework Plan of Dagupan City
- 4.5. List of Programs and Projects of Dagupan City
- 4.6. Financial Statements of Banks and Cooperative in Dagupan City
- 4.7. LBP Sectoral Programs and Services
- 4.8. LBP Manpower Listings
- 4.9. Personnel Data (201 Files) of LandBank Dagupan City Branch
- 4.10. Major Accomplishments Report – LBP Branch and Field Office
- 4.11. LBP Unified Systems Features and Organizational Structure
- 4.12. LBP Dagupan Branch and Field Office' Office' Portfolio

Data Gathering Procedures:

The researcher mobilized two data enumerators to assist him in the gathering of the above-mentioned data. Before the researcher and the data gathers secured the necessary data, contact

persons in the concerned agencies were first identified and appointment was made with them through the phone. Data were gathered on the scheduled dates and in cases where some data were not available at the time, another appointment was made as to when to go back and get the lacking data.

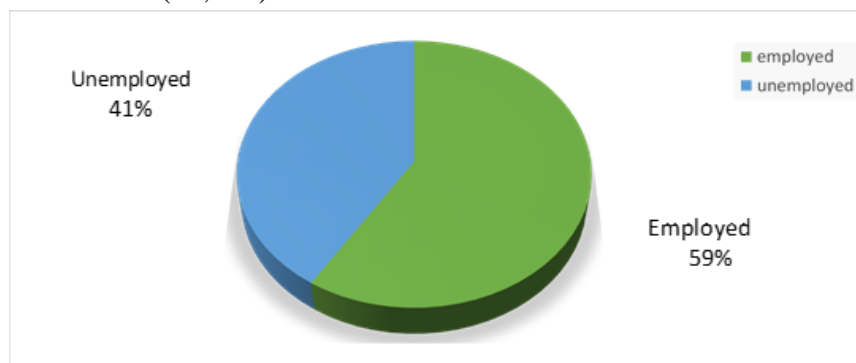
For data sourced out by questionnaires, the researcher floated the questionnaires to each of the respondents and retrieved the accomplished forms one two days after distributing the same.

In collecting or validating data/information through the focused interview, some twenty individuals representing various occupations were gathered in one place and were asked probing questions on their perceptions of a “good” and “worst” bank and their expectations on the services of a good bank.

III. Results and Discussion

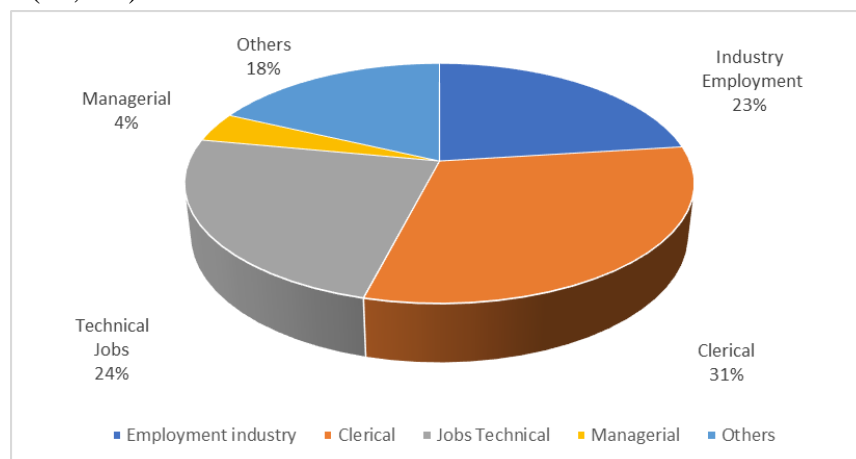
LABOR FORCE AND EMPLOYMENT STATUS IN DAGUPAN CITY

A. Potential Labor Force: (77,647)



EMPLOYED	UNEMPLOYED
45,812	31,835

B. Labor Force (45,812)



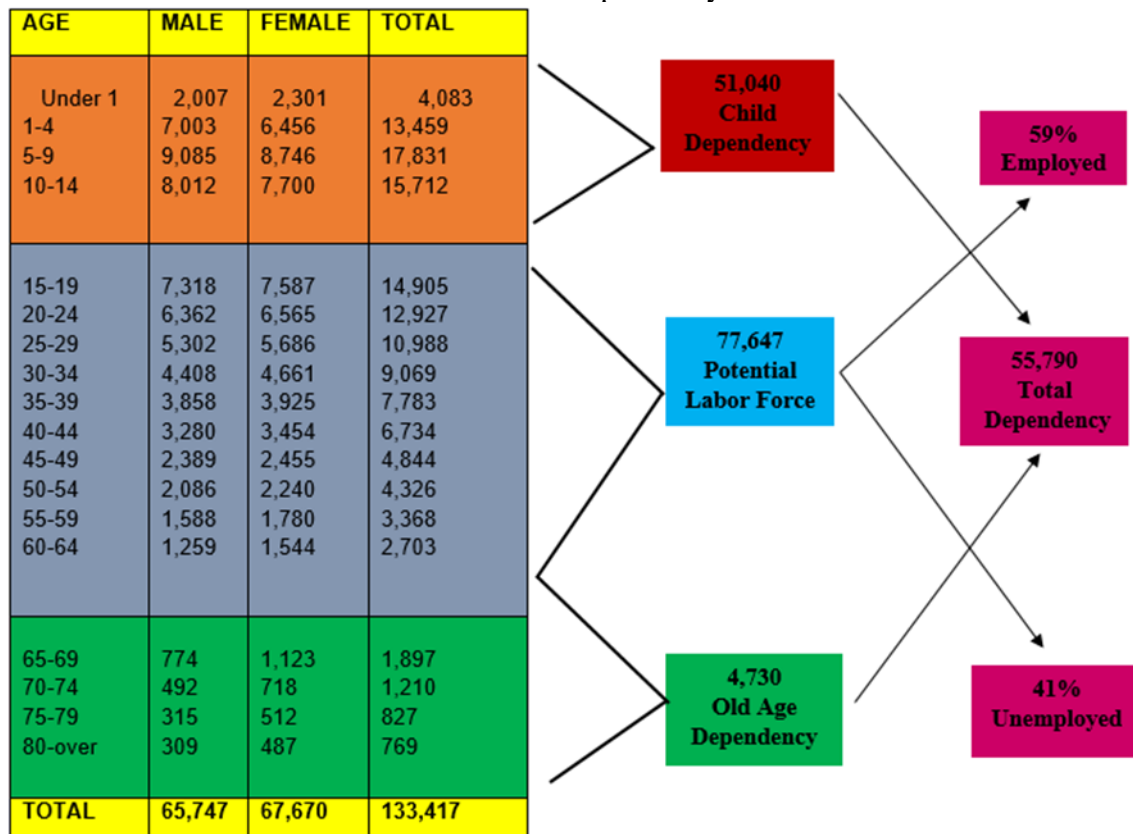
-Figure 2-

- **Employment Composition and Distribution**

The city’s leading industry employer in 1995 was the service sector – personal (3730) and industrial (1291) combined – which generated 47% employment or a total of 2051 persons employed, followed by trading with 4083 or 37.94% employment and by manufacturing sector which generated 1654 employment or 15.40 %. (Table 2- Investment Profile)

Overall industry employment covered 23.48% out of the total labor force. The remaining 76.52% were distributed to other employment generating activities such as 14,174 for clerical work, 11,032 for the various professional and technical jobs, 1870 for executive and managerial work and 7,979 for other job-related fields. (SEP of Dagupan)

TABLEGRAM
 Population by Age
 Sex Structure, and
 Labor Force and Dependency Ratios



-Figure 3-

- **Investment and Sectoral Business Establishments**

Dagupan city the sector of commerce and trade in Pangasinan has a total of 2991 establishments registered in 1994. Business entities in this city are classified as Category I,

Manufacturing which accounts for 115 establishments, Category II, Service, classified as Industrial with 294 establishments and Personal with 884 establishments, and Category III, the Trading business, which is considered to be the biggest with 1,695 outlets.

The trading business accounts for 58.4%, majority of which are businesses on General Merchandising (15%), Food products (25.32%), Dry goods (2.97%) and Traveling peddlers (5.21%), while the remaining percentages accounts for trading businesses.

On the Personal Services, the real estate business accounts for 5.52% of the total establishments followed by Hotels and Apparteles of 2.04%, Eateries and canteens, 5.11%, Apartment/Boarding Houses with 3.51% Banks and Insurances with 4.08 while the rest are on parlor shops health facilities and communication.

The ratio of Categories I, II, and III establishments to total households are 1:90, 1:19, and 1:13, respectively.

Investment poured into these businesses totaled P869.3 million in 1995. The services sector had the highest cumulative investment of 57.71% followed by Trading with 31.66%. It was also in services where the highest number of employments was generated – Industrial, 1291; and Personal, 3730- or a total employment of 5021 or 46.65%. While the service sector ranks first in investment and employment generation, the trading sector, on the hand, contributed the highest number of establishments with 1,695 outlets.

By the first quarter of 1996, Gotesco Holdings registered a P100, 000,000 capital for the construction of Gotesco Mall in a 40- hectare lot (formerly a fishpond area) along AB Fernandez East in Pantal. Jollibee Foods also poured in 25M for its second Jollibee outlet in Dagupan City Digitel with a registered investment of 50 million for its telecommunication expansion programs in Dagupan City, making it the competitor of PLDT. (Permit & Licensing Division, Office of the City Administrator)

To keep pace with the city's productivity objectives, the city government should continue to pursue promotion and development of business on areas along General Merchandising, Eateries/Vending or business-related activities on manufacturing, services and trading sectors.

- SMEs Investment

Table 1
SME Investment Profile
Dagupan City

Year	Total SME Investment	Total Number of Establishments	Number of Employment Generate
1996	472,562	991	3,961
1995	310,970	1,090	3,766
1994	152,375	686	3,577
TOTAL	935,907	2,767	11,304

Source: DTI, Dagupan City

Investment poured in by SMEs amounted to 935 million which accounted for 2767 establishments from years 1994 to 1996. It can be noted that in 1996 alone their investments represented 47% out of the city's total investment of 869 million.

It can be gleaned from Table 1 that the average investment growth rate for this sector is 51%. This investment contribution of SMEs to the city's economy cannot be overlooked; hence, these SMEs must be supported by financial institutions, the city government and other development players to assure their continued expansion and sustainability.

Table 2
INVESTMENT PROFILE
in Dagupan City
1995

Sectors	No. of Establishments			Total Investments (P000)			Employment Generated		
	SMES	NON-SMES	TOTAL	SMES	NON-SMES	TOTAL	SMES	NON-SMES	TOTAL
Manufacturing	42	73	115	33,001	59,441	92,442	587	1070	1657
Services									
Industrial	108	186	294	54,060	97,368	151,428	452	839	1291
Personal	323	564	887	125,053	225,236	350,289	1302	2428	3730
Trading	617	1,078	1,695	98,245	176,950	275,195	1425	2658	4083
TOTAL	1,090	1,901	2,991	310,970	558,384	869,354	3766	6995	10761

Source: DTI Investment Report, 1995

- **SME's Potentials**

As gleaned from Table 2 and exhibit 3, jobs created by SMEs reached a total of 11,304 from 1994 to 1996. A growth rate 5% per annum was computed for this sector's provision of jobs to the residents. Thus, a total of 198 employment can be generated in 1997 which is quite significant in reducing unemployment in the city and this does not include yet the individual SMEs who are possible sources of jobs. While employment growth rate is 5%, Investment growth rate is 51% for this sector (Table 1).

FAST FACTS ON SME'S INVESTMENT POTENTIALS	
1996 Investment	-472,562 million
Investment Growth Rate	-51%
Projected Investment Increment for 1997	-713 million
1996 Employment	-3,961
Employment Growth Rate	-5%
Projected Employment Increase for 1997	-198
SME'S Investment in 1996 represented 47% out of the City's total investment of 869 million	

It is projected that an investment amounting to 71 million can be realized by the end of 1997. Given the proper support -financial, technical, etc. – this sector's contribution to the city's economy is going to be a "twin engine" of the city's growth – growth in jobs and in investments.

- **SME's Problems**

It is to be noted that jobs created by these sectors in 1995 (manufacturing, 42; services, 431; trading, 167) do not meet the number of jobs needed by the labor force (41% or 31,835 unemployed) as well as by the growing population (2.2% growth rate) in general. Though the SMEs have contributed significantly to the city's economic growth, much can still be contributed by this sector if:

1. the city government provides policy support translated into programs and projects that would enhance this sector's business organization and promotion. Appendix D reinforce this argument. Business enterprise expenses only amounted to P629,000 in 1996 as compared to operating expenses amounting to P139,759 million. Yet, business promotion and organization can realize cash inflow for the city in the future.
2. SMEs access to financing especially, banks, can be maximized. This factor stands to complement the number 1 factor. The organization of the small business operators is very critical because access to bank's cheap credit requires cooperative organizations as conduit. Interest rates are also cheaper if funds are borrowed by a cooperative entity as compared to interest rates provided to individual bank borrowers. The focused group discussion result in Table 11 also attest to this fact that high interest rates in banks, collateral requirements, business track record and delayed loan approval and release are the driving factors for a lot of the small business operators to resort to the informal lenders for financing of their small businesses.

3. their promotion and empowerment such as institution and capability building, business management, and other support are assured. Exhibit 3 reveals that travelling peddlers (156), food producers (223) eateries/canteen operators (102), cooperatives (68), and other actors in the economic sectors show a significant number as conduit of funds, sources of jobs and investment as well as source of deposits and savings. Definitely, financing gaps exist for SMEs and, worse, even their pre-credit needs are inadequately addressed.

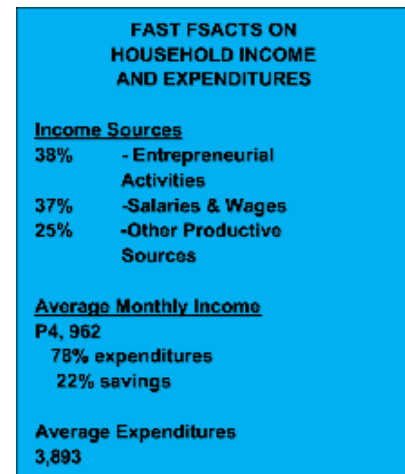
It is, therefore, imperative that the city’s development goal to increase labor and economic productivity necessitates concerted efforts to involve and tap development players – people’s organizations, financial institutions, cooperatives- in helping the city leadership translate its development goals into real productive, economic and livelihood employment – industry, manufacturing, small business, corporate, etc. –that will respond to creating jobs for as many people as possible so that the other end goal of the city for productivity and self-reliance will be attained. Increasing the household income is a pre-requisite to the attainment of self- sufficiency and self – reliance, an economic status which might as well serve as the city leadership’s legacy to its denizens.

E.3. Household Income, Expenditures and Poverty Threshold

This paper’s previous discussions on the development implications for the city and for its residents confirm the inadequacy and imbalance of development initiatives. If development intervention has to be gauged in terms of income parameters, such intervention leaves much to be desired.

The average monthly family income was only P4,962 based on the NCSO data of 21, 929 households. Income sources were mostly from entrepreneurial activities (38%), salaries & wages (37%) and other productive sources (25%).

Average expenditures was P3,893 resulting in 78% expenditures and 22% savings. For household expenditure 54% covered expenses on food and 46% on non-food such as housing, fuel, lights, water, personal services, and other miscellaneous expenses.



Of the P4,962 average household income, NCSO reported that 69% or 15,025 households were on this income bracket 31% or 6904 households are on the income bracket ranging 5,000 to 10,000 and above. Compared to the poverty threshold of P5,000, this figure indicates that majority of the households in Dagupan city are still below the poverty line. Likewise, this also indicates that majority are at the upper border of the poverty threshold. The city squatter areas in barangays Tambac, Mayombo Perez, Pantal and the five coastal barangays are the ones deeply affected by the incidence. (Table 3)

Unless the city government and other concerned sectors in Dagupan City coordinately address income disparity by providing technical and financial support, business and organizational development, these poor households will continue to “wallow in the mire of poverty”. Apparently, there is a pressing need for the city government to improve the plight of the poverty group – the low-income earners as well as the jobless and the underemployed – if it seeks to pursue its trek towards development.

Table 3
INCOME AND EXPENDITURE PROFILE
Dagupan City
1991

Average Monthly Family Income				Average Family Expenditure Per Month		
Income Class	Total No. of HHS	% to Total	Average 22% Savings	Income Class	Total No. of HHS	% to Total
Below 2000	1,2080	5.51		Below 1500	630	2.87
2000-2999	3,150	14.36		1500-1999	736	3.36
3000-3999	2,327	10.61		2000-2499	980	4.47
4000-4999	8,340	38.03		2500-2999	1,145	5.22
5000-5999	1,422	6.48	2,033,275	3000-3499	1,991	9.08
6000-6999	1,239	5.65	2,093,748	3500-3999	7,779	35.47
7000-7999	1,204	5.49	2,347,643	4000-4499	2,940	13.41
8000-8999	1,115	5.08	2,464,005	4500-4999	2,075	9.46
9000-9999	1,120	5.11	2,766,254	5000-5499	2,422	11.04
1000 & above	804	3.67	2,090,400	5500-5999	902	4.11
				6000 & above	329	1.50
	21,929	100	13,795,325		21,929	100

Source: NCSO, Dagupan City

A. ORGANIZATION AND ECONOMIC SUPPORT FACTORS

The development of Dagupan City is not only shaped by the city leadership alone, but also by organizations and institutions which provide credit and economic activities for the residents of Dagupan. These groups are vital to the residents’ pursuit of productivity, improvement and self-reliance.

It is for this reason that an integrated area development approach becomes imperative in realizing the city’s development because through such approach, efforts are coordinately integrated, resources are pooled, development thrusts are synchronized, and development and financing gaps closed.

F.1 Cooperatives

Cooperatives as possible contributors to development exist in the city. In 1995, Cooperatives in Dagupan City totaled seventy-two (72) as reported the CDA office in Dagupan City. The total number registered represented twenty-four (24) multi-purpose agricultural cooperatives, forty-one (41) multi-purpose non-agricultural, one (1) credit cooperative, one (1) producer, two (2) service cooperatives and one (1) each for cooperatives federation and cooperative union.

It was estimated by CDA that paid-up capital generated from these institutions amounted to approximately P20 million with an estimated cumulative membership of 5,000 people.

The estimated number of memberships represents only 27% of the city's population of 133,417 in 1994. if the unemployed potential labor force were to be organized as cooperatives with an average membership of 69 per coop, then a total of 461 cooperatives organizations are needed as conduit of funds for small, medium, and eventually big businesses.

Of the seventy-two (72) cooperatives Dagupan, only eleven (11) of them undertake economic and financial activities. The sixty-one (61) remaining cooperatives are either dormant or nearing dormancy. A CDA officer in charge of the cooperatives in Dagupan City, when interviewed, marked: "Those cooperatives which have not submitted their yearly financial statements and based in our (CDA) monitoring have not had any management, economic, and organizational activities for various reasons are considered by CDA as "Dormant Cooperatives." Those that provide economic activities, organizational meetings, resource pooling or start-up cooperatives who intend to go big are classified as "Active Cooperatives."

It can be noted that 11 cooperatives considered active based on CDA parameters generated a total asset of P11.419 million with loans to borrower/members amounting to P8.415 representing 74% of the active cooperatives' total assets. But while provision of loans to members is high at 74% and equity generation at 52.6%, profit or income is very low (P38,030.81) on the cumulative average because one big cooperative is losing a total net amount of P348,086.

Cooperative are generating net losses and have very low growth in terms of finance and membership. The dormancy of some coops is attributed to various reasons, such as:

1. Lack of organizational capabilities, management and financial skills.
2. Little support from government to enhance their promotion and productivity – financial, trainings on skills and entrepreneurship, value orientation and formation.

The 1995 City Accomplishment Report did not indicate any development activities initiated by the city for these groups whether these be on training for skills and entrepreneurship, funding support' or even project sponsorship by the city government.

The support for cooperatives, once provided by the city government and other well-meaning institutions, will result in the development of empowered people possessing organizational capabilities, self-reliance, business acumen and entrepreneurial skills. It will,

likewise, lead to a partial solution of the city's social and economic problems because fully developed coops ensure augmentative income for the members. As a natural consequence, the city will be able to address most, if not all, issues relative to basic services and poverty.

It is likewise envisioned that support for economic activities, funding and empowerment starts for these 11 cooperatives since their organizations are already in place and whose economic activities are operational.

The present number of active cooperatives in Dagupan City as possible conduit for credit funds is relatively small as gleaned from Table 4. There is, therefore, a need for the government of Dagupan, CDA, Banks, Civic clubs and other development players to help this group become economically attractive so that other people can be encouraged to avail of membership with them. Cooperatives, if properly managed, can be a viable venue to start small business for its members who are the stockholders of their cooperative enterprise.

Table 4
PROFILE OF ACTIVE COOPERATIVES
Dagupan City
1995

Name of Cooperative	Total Members	Total Assets	Total Loans to Members	Total Liabilities	Total Equity	Net Income (Loss)
Ace Credit MPC I	99	318,309.00	400,000.00	185,264.00	133,045.00	32,486.00
Salapingao Fishermen MPC I	26	68,740.00	72,534.00	None	68,740.00	1,300.18
Población Oeste MPC I	173	234,193.00	235,116.00	114,193.00	120,000.00	69,985.00
Buklod Pangasinan & Ilocanos	24	110,850.00	389,931.00	0.00	110,850.00	1,044.00
Saudi Workers MPC I	83	6,631,694.00	3,004,695.00	3,059,600.00	3,572,094.00	(348,086)
Pantal Ginhawa MPC I	60	237,129.00	740,211.50	0.00	237,129.00	45,894.50
St. John's MPC I	379	1,926,598.00	1,407,600.00	790,722.00	1,135,876.00	83,508.00
City Government MPC I	168	655,722.00	1,349,300.00	133,467.00	522,255.00	78,800.52
Dawel Urban Poor MPC I	18	60,000.00	0.00	50,00.00	10,000.00	5,000.00
Bonuan Boquig Producers	28	5,509.00	0.00	0.00	5,509.00	(4,390.13)
New Magsaysay	42	1,170,337.22	816,213.39	1,047,151.00	96,186.22	72,488.74
TOTAL>>>	1,100	11,419,081.22	8,415,600.99	5,407,397.00	6,011,684.22	38,030.81

Source: Cooperatives Audited FS at CDA and LBP

The above profile of functional cooperatives in the city clearly reflects the viability of coops. Given appropriate and adequate technical and financial support, these business groups can help spur the city's economic growth.

Credit and Financial Institutions

Table 5
CREDIT AND FINANCIAL INSTITUTIONS
Dagupan City
1996

Sector	Classification	Number	%
A. Public Banks	Specialized	3	2.27
B. Private Banks	Commercial	21	15.90
	Thrift	10	7.57
	Rural Banks	10	7.57
	Cooperative RB	0	0.00
D.Private Non-Bank Credit Institutions	Cooperatives	72	54.54
	NGO/Foundation	2	1.52
	Lending Inventors	14	10.60
TOTAL>>>		132	100

Source: BSP, Dagupan

The credit and Financial Institutions play a very critical influence in the socio-economic development of an area. Specially, the banks, credit conduits and other formal creditors are the primary sources of funds commonly used to finance businesses – be they small, medium or big – but more so for small and start-up businesses. For business promotion, banks specially find their way to encourage prospective client’s avail of loan services and products. However, they do it with decisions anchored on borrowers’ bankability, character, capacity to pay and most importantly, the collateral and security, to answer for the recovery of the capital because of these bank’s profitability stance.

A scan of the financial condition of Specialized Banks (SBs) show that for 1995, these banks’ total assets amounted to P921 million with a total deposit of P729 million. Total loans granted was P740 million. Data gathered from these specialized banks also indicated the following sectoral financing: agricultural, mining, manufacturing, service, trading and special loans. (SeeTable 6)

Table 6
Sectoral Financing of Sbs
1995
(000)

Particulars	SBI		SBII		SBIII	
	Amount	Borrowers	Amount	Borrowers	Amount	Borrowers
Sectors						
A. Agriculture	38,032*	42	67,133	54*	23,228	41
B. Mining	0	0	0	0	0	0
C. Manufacturing	30,424	21	500	1*	30,615	10
D. Service	84,907	142	57,454	20*	108,028	32
E. Trading	17,477	18	2,256	5*	64,342	22
F. Special Loans	12,681	416	3,014	1**	200,275	63***
Total	183,521	639	130,358	81	426,488	146

Source: Sbs Loan Portfolio Report as of end December 1995

* No Production Loan

** Salary Loans to LGU taken as LGU account

*** Saary Loans to LGU as individual employee account

G. THE CITY'S FINANCING GAP

The city government in its pursuit to highly urbanize the city, programmed a total of 514.12 million worth of infrastructure projects in 1995 for implementation up to 1998 when the final term of the present dispensation ends. While it has numerous sources from which to generate revenues, it showed that its actual revenue performance is not sufficient to fund these projects (Appendix D) as reflected by the net income generated in 1996 (37.8 M) which only represented 7.19% of the total project cost of 514.12 million.

A total P50.173 million (Exhibit 1- Implemented Infrastructure Projects) projects cost was expended by the city government in 1995 and most of these projects were on infrastructure. This indicated, therefore, that socio-economic development has been imbalanced insofar as priority investments are concerned. The devastation of the earthquake that struck Dagupan had been the primary reason for the city's priority on infrastructure investment.

The Environmental Analysis of Dagupan City also showed that the financing gap also hinders the socio-economic development of the city. The need, therefore, for a financial intermediary to bridge the financing gap becomes compelling. True enough, the development of the city is not only the responsibility of the city leadership but all development players – NGOs, agencies, banks, businesses and residents. Such concerned effort should take place for the city to achieve its development goals.

H. DEVELOPMENT ISSUES AND IMPERATIVES

1. The need for an overall planning to guide local authorities, developers and residents leading to a planned, efficient, urban environment. A wide range of inter-related actions and decisions to provide jobs, support services, infrastructure and safe living environment has to be pursued.
2. A sustainable and continuing development agenda on socio-economic and income generating activities must be in place with resources participation of civic clubs, cooperatives, financial institutions and other people's organizations.
3. A massive info drive regarding the benefits of cooperative formation and membership is needed to expedite the growth of small and medium businesses.
4. Like any other urban center, Dagupan City is not spared from Urban poverty and unemployment problems.

IV. Conclusion and Recommendations

The development of Dagupan City is hampered by financial gaps primarily because the city government is not able to generate adequate funds from its revenue and other resources. The problem is compounded by its huge expenditures on infrastructure projects and expectedly so, owing to the devastations of the 1990 killerquake. Six years after that fatal event, however, the city continues to prioritize infrastructure thereby leaving only 12% of the total programmed allocations in 195 to socio-economic projects. Apparently, there is an imbalance in the city's development directions.

A balanced development for the city is, thus, seen as an urgent need and is supposed to be one of the major concerns of development-oriented institutions or individual. Here is where LandBank comes in to provide that much-needed financial intervention to effect planned changes leading to the "wholistic" development of the city. It has to play a gigantic role if it commits unto itself that mission of helping to create a balanced development.

But is LBP-Dagupan in a pivotal position to carry out its challenging role? Findings revealed by the study lead to an affirmative answer. With its TODO UNLAD Program, the LBP-Dagupan is very much capable of "sowing the seeds" of development in the city. Thru its integrated approach to development, LandBank can act as a change catalyst. But how?

Inasmuch as LandBank doesn't have a hold on the City Government, it has to direct its assistance to the development of the SMEs and coops. These small businesses, if provided with financial, organizational, and technical support will become empowered and will demonstrate viability in their business operations. Clearly, LandBank cannot claim monopoly in extending all the support needed by the SMEs and coops but at least it can do something to make other interventions available to the small business groups. It can tap the expertise/assistance of other

development players in the locality, to wit: the NGOs, civic clubs, foundations, and government agencies.

Even as LandBank may service the financing needs of city government for its infrastructure, it will not neglect its foremost concern – that of catering to the financial requirements of the SMEs and cooperatives. But its assistance does not stop here. It will have to create a strong partnering relationship with other development players through a functional inter-agency linkage. Its “orchestrative” role is easier said than done; nevertheless, it is a task that can be done considering the capabilities of LBP’s manpower.

With agencies ably coordinated by LandBank, SMEs, and coops may be assured of organizational and technical support from such agencies as the DTI, DOST, CDA, DA, etc.

The Adopt-A-Coop Program strategy for LandBank is an indirect way to strike a balance in the city’s development. The formation of coops is a critical factor in city’s development because coops can access to LBP’s credit facilities at lower interest rates. When civic clubs provide that unflinching support to coops which they have adopted, the credit and training needs of these coops will be facilitated. If and when the coops succeed, their member will realize augmentative income and with increased household income, socio-economic issues/problems shall have been addressed substantially. Once empowered, they will now be able to maximally use the city’s infra utilities.

In the strategy package for LandBank, the bank’s potential competitors in servicing the SMEs – the nonbank lenders – were duly considered. Accreditation of these lending investors will inevitably result in maintaining the bank’s profitability stance and in offering reasonable rates of interest for the SMEs. The 5/6 lenders, on the other hand, will no longer proliferate once the unemployed labor force starts benefiting from the fruits of corporativism.

The dream of a balanced development for the city of Dagupan, as the study shows, is not, after all, illusory. With LandBank’s TODO UNLAD STRATEGY, Dagupan can become a showcase of urban development worth emulating by other cities in the country. Moreover, through an effective implementation of this strategy, LBP – Dagupan can fulfill its social mission of spurring countryside development.

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