

- *Organizational Diagnosis and Enterprise Assessment of Community-Based Handloom Weaving Enterprises of Selected Muslim Cultural Groups: An Abstract*

LIVECOR

I. Main Area of Study/Purpose/Coverage

In general, the study seeks to undertake an analysis of the handloom weaving industry among selected Muslim communities on Mindanao. Specifically, the study aims to arrive at a general profile of the handloom-weaving industry among five major Muslim groups such as the Maranaos, the Maguindanaons, the T'Bolis, the Yakans and the Tausugs. This profile is a vital tool as it may serve as a basis for the formulation of a plan geared towards developing the handloom-weaving industry. Ultimately, developing the handloom-weaving industry will redound to the creation of more livelihood opportunities for the weavers, traders/distributors, and producers of novelty items made of handloom-woven fabric.

An otherwise ancient craft among indigenous cultural communities in the country, handloom-weaving is a traditional and widely-practiced craft among the Muslims on Mindanao. However, the handloom-weaving industry may be considered primitive in comparison with other formal manufacturing industries, with their highly standardized accounting, financial and marketing practices. This is the challenge posed to the researchers. How to measure or analyze something which in the first place does not conform to standard measurement devices? Thus, taking off from standard concepts and methods used in the study of formal and other informal organizations, this research pioneers in a diagnosis and assessment of an industry made up of informal groups within distinct community-based enterprises.

II. Methods of Research

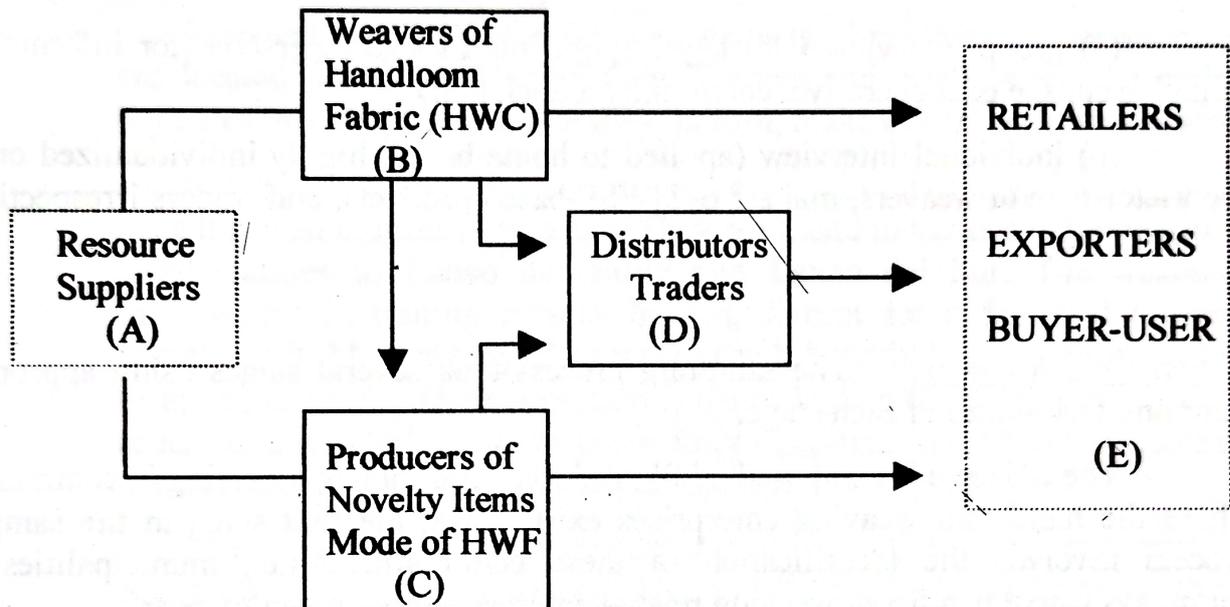
As a take-off point, the study sought to determine the production-marketing chain concept that operates in these community-based enterprises. Given the objectives of

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the study, modified instruments for organizational diagnosis and assessment have been developed and used for each of the major actors in the industry chain.

An analysis of the production-marketing chain involved the identification of the various key actors therein: the resource suppliers (A), weavers of handloom-woven fabric (B), producers of novelty items made of HWF (C), distributor-traders (D), and retailers/exporters/buyer-users (E).

DIAGRAM OF THE PRODUCTION-MARKETING CHAIN



The chain implies the interconnectedness of parts. If all key actors are vibrant in their respective roles, the industry as a whole should be vibrant. Conversely, if some actors are ineffective and/or inefficient, the industry cannot prosper. Interconnectedness brings in the principle of interdependence. Production and marketing, although distinct, are not independent of each other. Each one, in fact, feeds on the other.

The study also tried to determine the strengths and weaknesses of this chain. In order to do so, it had to identify the various services and products that each actor in the chain provided and how their respective businesses were being managed. It also looked into the actors' respective business practices, unique cultural beliefs and prevailing attitudes. Business beginnings, growth (asset build-up) and performance were also examined as these couldn't help in determining specific problems and concerns. The study also tried to consider the business aspirations of the actors as these could, collectively, point to the future direction of the industry.

Methods of Research

In order to accurately draw out data, the research methods used in the study had been tailored to satisfy a number of considerations: (1) an accurate industry profile; (2) cultural data; (3) information on problem as well as opportunity areas.

1. **Data gathering.** Interview was used as the primary data collection method. A questionnaire was used for the organizational diagnosis of formal organizations.

Preliminary field inquiries revealed varying conditions/experiences of handloom-weaving enterprises that necessitated the development of another set of instruments. Thus, separate instruments were developed to diagnose and assess the enterprises of weavers and producers of HWL novelty items (production aspect). Another instrument was developed for traders (marketing aspect).

Interviews were done in two different settings:

(a) group interview with key respondents as spokespersons (for informal and formal groups, e.g. cooperative, community association)

(b) individual interview (applied to home-based, highly individualized or sole proprietor-type of weavers, makers of HWSF-based products, and traders irrespective of business size.)

2. **Sampling Methods.** The sampling process took several stages using appropriate sampling techniques in each stage.

The universe is composed of all producers and traders operating in communities where the handloom weaving enterprises exist. Thus, the first stage in the sampling process involved the identification of these communities, i.e., municipalities and barangays where handloom weaving related enterprises are known to exist.

Once in the area, the next step was the identification and desegregation of the industry actors into (a) highly-individualized operations (I), (b) informal groups (IG), and (c) formal groups (FG). These categories show varying degrees of organization. Individualized operations are home-based, family-operated enterprises. Informal groups are composed of several home-based enterprises, or an unregistered cooperative or association. Formal groups are registered organizations in which roles and organizational systems are well defined. These groups also transact business in a more formal manner (with proper documentation procedures).

3. **Analysis of Data.** It involved the following processes:

Case Analysis per area. Involved the identification of actors and provided an illustration of their interaction within and outside of the area. The analysis contained a description of the types of organizations, the nature and extent of production and trading.

Enterprise Analysis per Cultural Group. Involved an analysis of organization and enterprises through data summation, comparison of business profiles (including strengths and weaknesses) of the organizations among cultural groups.

III. Summary of Findings and Recommendations

A. *The Production-Marketing Chain*

This was found to exist in all five cultural communities. However, the size and maturity of each community enterprise vary. Consequently, they also vary in dynamism and in the nature of the relationship among the key actors.

A.1 Among the Maranaos

Resource suppliers of equipment gadgets, threads and other supplies are located mostly in Marawi City. Traders and retailers are the major buyers of these supplies, which they, in turn, make available to the weavers.

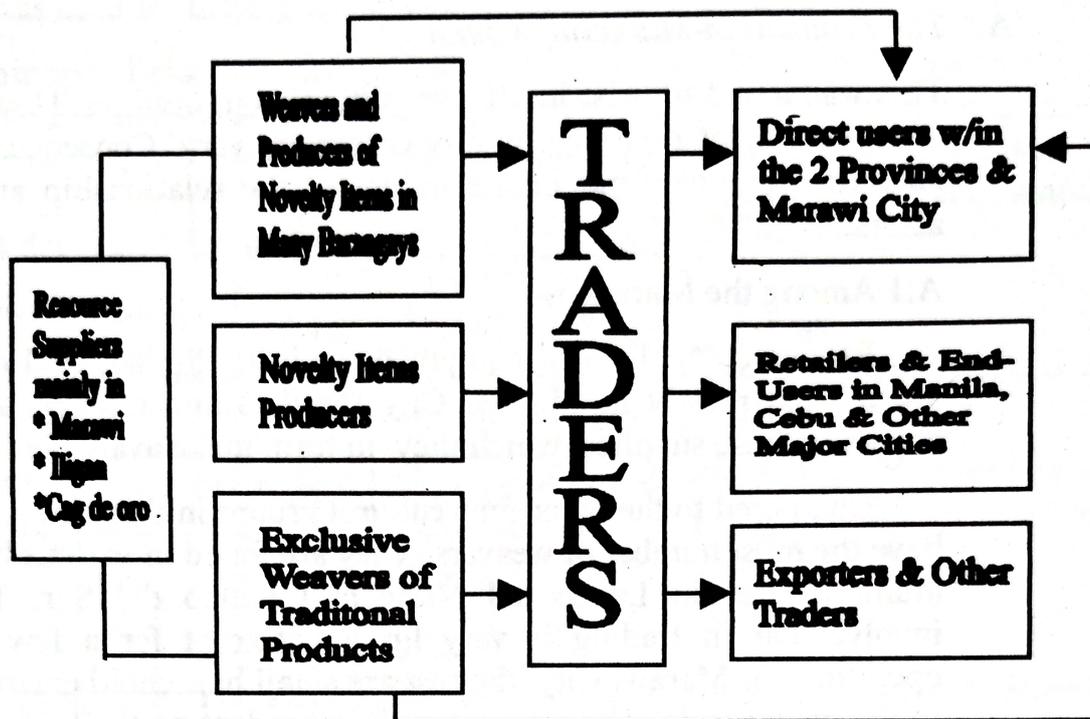
Compared to the other four cultural groups in this study, the Maranaos have the most number of weavers. They are found in various barangays and municipalities in Lanao del Norte and Lanao del Sur. The weavers' involvement in trading is very limited. Except for a few middle-sized operations in Marawi City, the rest are small household enterprises located in the countryside. Their operation is dependent on the traders in terms of orders and cash advances to cover their operating capital. The weavers' main capital is, in fact, the labor they supply.

Traders are better educated than most weavers, are also economically better off and are enjoying bigger revenues and higher returns on their investment. They are also more optimistic about their business and often carry goods other than handloom woven products.

There seems to be more fabric weavers than producers of handloom woven-based novelty items. The Maranaos are known primarily for their beautiful traditional malongs, langkit as well as blankets and bed sheets.

Much of the above products are sold in Marawi since these form part of the Maranaos' everyday linen and wardrobe. Through the traders these are sold in many other cities particularly Manila, Cebu, Cagayan de Oro and Zamboanga. Using the southern "backdoor", these traders who also sell these products in neighboring Southeast Asian countries such as Brunei, Kota Kinabalu and Malaysia.

The production-marketing chain among the Maranaos may be illustrated this way:



Maranao weavers and novelty producers cater to many other buyers other than those in the handloom weaving business, and this perhaps explains why they do not seem to play a dominant role in this community enterprise. These weavers are dominant in number but are weak in terms of economic status and business leveraging compared to other key actors. Novelty item producers, on the other hand, are a minority since there is no strong demand for novelty products. Organized weavers, as the one in Dayawan, Marawi City, appear to enjoy better markets, easier access to resources, and therefore, have better earnings than their unorganized counterparts in the countryside.

Traders are also unorganized and in fact, tend to operate as mobile, independent businessmen transacting with their favored groups of weavers.

A.2 Among the Maguindanaons

The handloom-weaving production-marketing chain among the Maguindanaons point to an obvious advantage for all actors. Most handloom-weaving enterprises are located within Cotabato City, a thriving business center. Their strategic location provides them with cutting-edge advantage in terms of access to suppliers of equipment, gadgets, and other tools they need for the enterprise.

Weavers consist of quasi-organized groups that produce a combination of traditional and non-traditional products. Production is

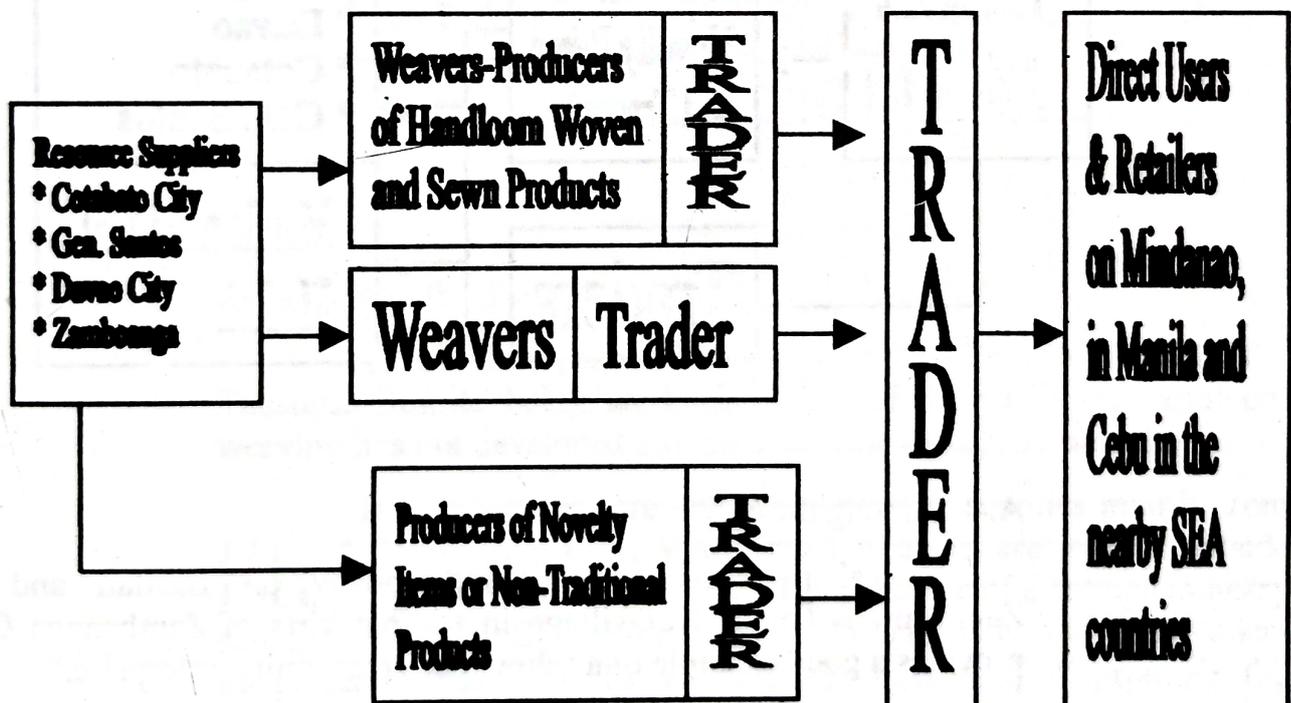
based on demand, specifically, orders from traders who provide weavers the supplies and pay them for their labor. Most weavers own looms and thus, conduct business in their own homes.

Being close to Cotabato City, weavers tend to engage in retailing their products. But having limited capital to finance their business needs, they depend, for the most part, on the traders for supplies and more work orders.

On the other hand, the traders enjoy brisker business as they sell other things aside from handloom woven products. As they are more prosperous than the weavers/producers, they are also more optimistic in their business outlook.

Cotabato City, Davao, Zamboanga and Cagayan de Oro are established markets for Maguindanao handloom-woven products. But many traders have successfully developed markets in Manila and Cebu City.

The production-marketing chain of the handloom-weaving enterprise among the Maguindanaons may be depicted as follows:



A.3 Among the T'bolis

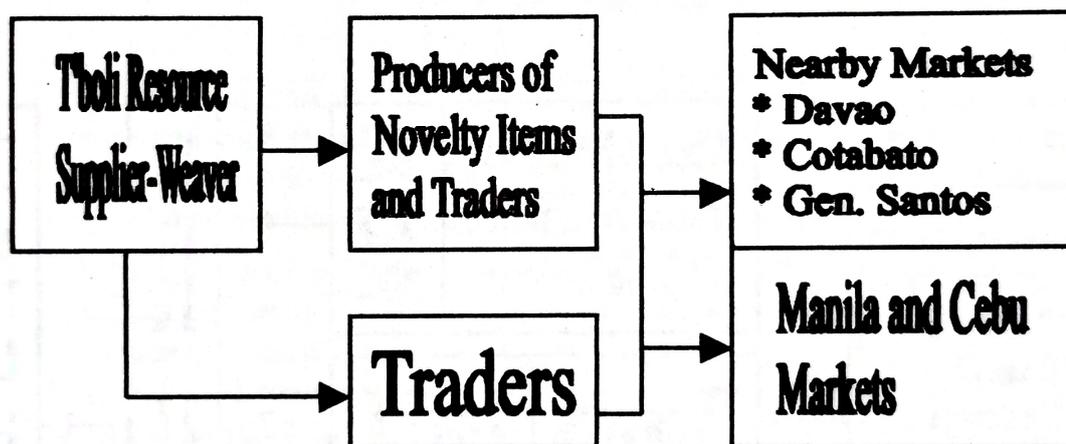
As a non-Muslim community, the T'bolis are an indigenous cultural group. They are small in number, and are likely to stay in their birthplace. As such, they have limited exposure to the benefits of development such education, health care, among others.

Unlike the Maranaos and the other cultural groups, the T'bolis do not buy supplies. They make improvised weaving gadgets, prepare their own threads, formulate natural dyes, and dye the threads themselves. This crudeness, or what others conveniently refer to as "backwardness," constitute the secret of the *tinalac* fabric, which, only the T'bolis are known to produce.

T'boli weavers do not engage in trading. They are essentially suppliers of *tinalac* fabric to the trader-producer of novelty items.

Located in the hub of Lake Sebu, these traders transform the *tinalac* into vests, bags, wallets, and other products. *Tinalac*-based products are in demand among Japanese, America and European buyers in the area. Their volume orders, however, could not be satisfied due to the rather slow pace at which *tinalac* rolls are produced. Attempts to mechanized part of the production process have not been successful.

The production-marketing chain of the handloom-weaving (*tinalac*) enterprise among the T'bolis may be depicted as follows:



A.4 Among the Yakans

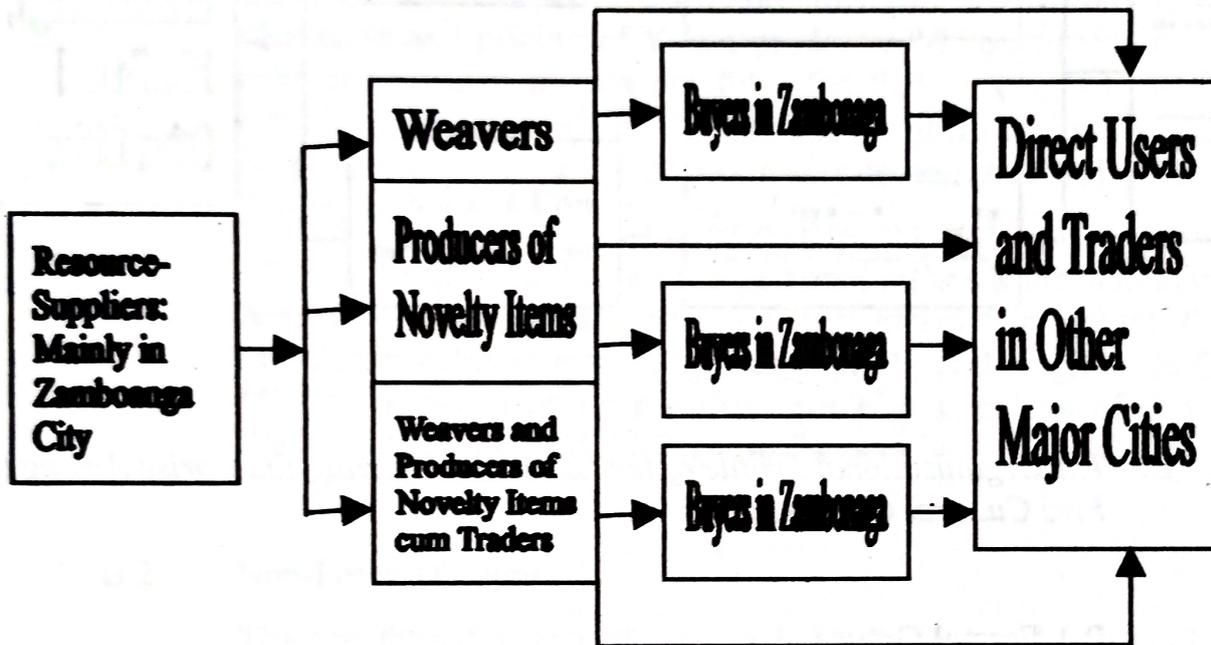
Yakan weavers are found mostly on Basilan and in Zamboanga. The Yakan village in the outskirts of Zamboanga City provides a good example of a "showcase community-enterprise."

Yakan weavers and novelty item producers procure equipment and supplies from Zamboanga City. Production and product display takes place within the village. Because of the handloom-weaving craft, the village has become a popular tourist destination.

The Yakans retail their handloom-woven products in commercial centers within Zamboanga City to make them more accessible to buyers.

Buyers in Zamboanga City comprise the main market for these products. These are mostly traders who bring the products to Manila and other major cities in the country. The production volume among the Yakans is rather small compared to the Maranaos and the Maguindanaons.

The production-marketing chain of the handloom-weaving industry among the Yakans may be illustrated as follows:



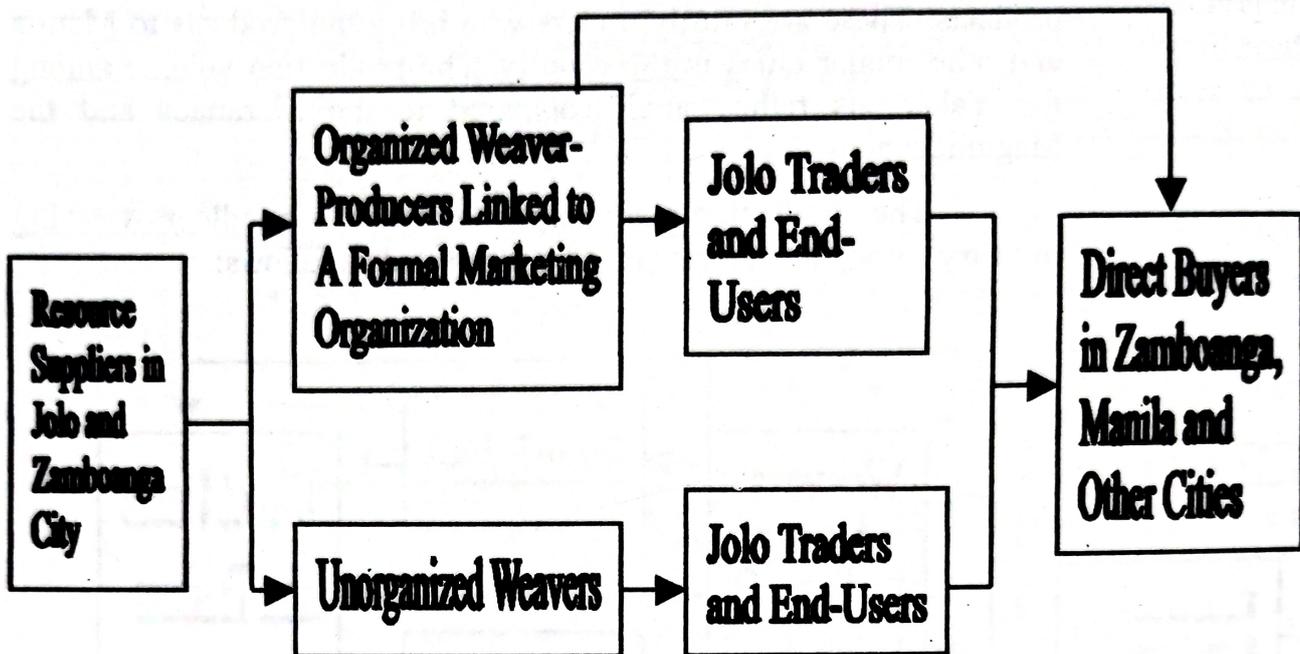
A.5 Among the Tausugs

As an enterprise, weaving is relatively new among the Tausugs. Despite being an ancient part of their culture, handloom weaving has not developed into an economic enterprise until lately.

Tausug weavers are few. They procure supplies mainly from Jolo and Zamboanga City. While most weavers are located outside Jolo, trading is done mostly in Jolo. The presence of a cottage industry center at the Notre Dame University, and the initiatives of local leaders in preserving ancient Tausug culture, have helped promote the handloom weaving craft in the area.

The handloom weaving enterprise among the Tausugs is not as extensive or as dynamic compared to the Maranaos' and Maguindanaons'. Nevertheless, it enjoys a stable local market, which with the Tausugs' wide array of novelty products, show great potentials for growth.

The production-marketing chain of the handloom weaving enterprise of the Tausugs may be illustrated as follows:



B. *The Organizational Profile of the handloom Weaving Enterprise Among the Five Cultural Groups*

B.1 Formal Groups

B.1.1 The Dayawan handicraft and Woven Products

Association, Inc. of Marawi City

The structure is much like a typical business association. It is composed of handloom producers and traders. Its goal is to be able to sell its products and get support from the government. A strong leader, one who is well respected for her leadership and business acumen, leads it. Working relationship among the members is generally healthy. Members enjoy the benefits of being part of the association, which include among others, getting consistent demand for their products and getting paid promptly for them. As a whole, this is a healthy organization. As an enterprise, it is performing satisfactorily.

B.1.2 Notre Dame of Jolo Cottage Industries, Inc. in Jolo, Sulu

Established in 1973, the corporation helps poor handloom and mat weavers by serving as a steady market for their products. It also provides income-generating activities to sewers while helping in the preservation of the weaving tradition among the Tausugs.

It has a well-defined organizational structure. Workers understand the nature of the organization as a profit-oriented business

enterprise. Its Board of Directors and other leaders are credible and, therefore, are respected by employees and workers.

B.1.3 Yakan Weavers Albakkatur Multi-Purpose Cooperative and the

Mindanao Marketing Association

A DTI-assisted organization, the Yakan Weavers Albakkatur Multi-Purpose Cooperative was organized to help in the promotion, marketing and pricing of Yakan products. While its name carries the term cooperative, it does not fully function as one but more as an association. It has no clear structure and members are highly dependent on their leader being the only one able to converse well with people (having completed higher education).

Very limited data were gathered on the Mindanao marketing Association. Members gave no other information except that the association helps in marketing Yakan products through trade fairs on Mindanao. Some of its members are also members of the Yakan Weavers Albakkatur Multi-Purpose Cooperative.

B.2. Non-Formal Groups

The non-formal groups of weavers in all five cultural communities are household-based. The traders are largely sole proprietors.

These non-formal groups are household-based, with workers oftentimes constituting a clan. Thus, there is frequent interaction among them despite the absence of inter- and intra-group activities.

C. *Strengths and Weaknesses of the Handloom Weaving Enterprises*

C.1 Technology and Product Development

One of the noted strengths of the five cultural groups is in the area of technology. The designs and the technology used in the production of handloom-woven products are ethnically correct and exclusive to the weavers. (Notably, among the cultural groups studied, the Maguindanaons have the widest range of malong varieties.) It is noted, however, that modernization of production practices is in order. It should be done not so much to replace traditional methods, as to improve efficiency in order to increase production volume. In particular, efficient ways of dyeing and preparing threads should be developed. Likewise, weavers should pay greater attention to maintaining consistency in the quality of handloom-woven products.

Supply of raw materials poses a weakness in this area. Among the cultural groups in this study, only the T'bolis have a raw material supply base. The rest procure materials from Manila and nearby markets, which prove to be more expensive.

C.2 Financial Management

Individual weavers and traders do not record financial transactions. The absence of such records leaves the researchers with nothing on which to base the financial performance. Evidently, this already points to a weakness in this area. On the other hand, formal groups have financial records – indicative of better financial management practices.

C.3 Market Development

The major market for handloom-woven products is the Muslims themselves. As the use of these products is generally culture-based, there is always the threat of extinction. This calls for efforts along the lines of product promotion and market expansion. Moreover, promotions should be geared towards eliminating the notion that only cultural groups wear handloom-woven products; and towards better appreciation of these products as a basic clothing material or as a fashion accessory.

C.4 Organization and Management

Weaving and trading are predominantly household-based. This was found to be true to all five cultural groups in the study. The few formal organizations found among the Maranaos, the Tausugs and the Yakans, are confined to commercial areas only. Moreover, they need to be further strengthened as business organizations.

Among the cultural groups, the T'bolis are found to be most wanting in organization and management interventions. This is because T'boli weavers are found to have very low educational attainment and utilize poor production technology. An analysis of the production-marketing chain among the T'bolis show inequitable benefits distribution among weavers, novelty-item producers and traders; weak interaction among key actors; and weak intra-organizational linkages.

D. *Recommendations*

D.1 Strengthen the Production-Marketing Chain

D.1.1 Among the Maranaos

Interventions should focus on the improvement of the interaction between producers and traders. In line with this, the

formation of formal organizations of weavers and traders such as the Dayawan model should be prioritized.

D.1.2 Among the Maguindanaons

It would serve the Maguindanaon handloom-woven products enterprises well if interventions consider weaver-producers-traders as interrelated actors. Assistance packages should address product and market development; as well as production and management skills development.

D.1.3 Among the T'bolis

There is a need to strengthen the bond among the weavers, novelty-item producers and traders. Efforts should also be directed towards promoting a more equitable distribution of benefits between and among these sectors. Inter- and intra-organizational linkages should also be developed to improve access to resources and to increase business exposure.

D.1.4 Among the Tausugs

The weavers are the weakest link in the production-marketing chain of the handloom-weaving enterprises of the Tausugs. They are few and do not recognize the potentials of the handloom weaving as an economic enterprise. Interventions should then focus on the Tausug weavers particularly in market and product development, resource suppliers link-up, and financial assistance.

D.1.5 Among the Yakans

To increase the production volume of Yakan producers, interventions linking them to resource suppliers should be made a priority. In so doing, they could avail of essential production supplies in bulk and at lower prices. They should also be exposed to better and wider markets for their products as well as to new marketing methods and strategies. This would help them determine appropriate promotions tools geared towards specific target markets; help them develop other markets and boost their presence in the handloom-weaving industry.

D.2 Strengthen Both the Non-Formal and Formal Organizations

D.2.1 Within each cultural group:

The non-formal groups of weavers, weaver-producers and traders may be strengthened by organizing them into associations or cooperatives following the Dayawan and Yakan models of organizations at the village level. Cultural preferences need to be considered, e.g., through area clusters or by relation or clan. Once formally organized, it is expected that resource and information sharing among these groups will be more systematic – benefiting more industry actors. Eventually, formal groups within a province or geographical area may be federated as the community enterprise grows.

D.2.2 Among the Five Cultural Groups.

The development of handloom weaving as a community enterprise among the five groups in the study may be accelerated through the organization of a council composed of the federated formal organizations within each cultural group. This council will provide integrated services for each group and may be headed by a Council of Leaders composed of representatives from both government and private sectors. Initially, these may include the MSU, LIVECOR, DTI, the traders, weavers and novelty-item producers. A Trust Fund to be managed by the Council may be allocated to provide vital services to the community organizations.

D.3 Focus on the improvement of the following aspects of the enterprise:

D.3.1 Technology and Product Development

There is a need to develop the raw material supply base, particularly of the T'bolis. This should include finding material sources that provide better and less expensive raw materials which would help address the need of the other cultural communities for producing quality handloom-woven products at the least costs. Production-wise, the application of better technologies should be considered in order to reduce hard labor and improve productivity.

Product development in terms of design and product packaging should be a priority undertaking.

D.3.2 Financial Management

Weavers, weaver-traders and traders should be developed as entrepreneurs. Thus, capability-building interventions particularly on entrepreneurial and financial management skills enhancement should be undertaken.

D.3.3 Marketing

There is a need to allocate resources for training, organizational development and financing to help promote the preservation of traditional cultural practices. In turn, this will help stabilize the local market by raising appreciation for traditional handloom-woven products.

There is a need to find bigger and better markets for non-traditional products. Product promotion should also be vigorously pursued.

D.3.4 Organizational Management

To foster the growth of the handloom-weaving industry as community enterprises, there is a need to organize them as formal organizations per geographical area (by town or clusters of towns), or per clan such as the model provided by formal associations in Marawi and Jolo. As has been found out, the success of formal organizations may be attributed to the observance of business ethics by its members or employees; as is the choice of a leader well respected as a person and as a business partner.

At the village level, the Yakan cooperative and the Yakan marketing association are organizations that serve as models worth replicating. Moreover, the choice of managers or leaders plays a vital role in the success of these village enterprises and, therefore, these people who will run these enterprises must be chosen carefully.

Raising the incomes and uplifting the living standards of weavers, particularly, the T'bolis should be made a priority. Specifically, they should be given the benefits of education, health services and productivity development opportunities.

Handloom-weaving industry players – weavers, novelty-item producers, traders as well as government and non-government entities that play specific roles in the growth of the industry should promote and encourage the equitable distribution of benefits among the key players (weavers, novelty-makers and traders). In turn, the key players should endeavor at forging stronger bonds among them through information and resource sharing.

Inter- and intra-organizational linkages between and among the industry players should also be developed in order to increase access to resources and to gain wider business exposure.